

DOCUMENT

**MISEP
MUTUAL INFORMATION SYSTEM
ON EMPLOYMENT POLICIES**

**FEDERAL REPUBLIC OF GERMANY
Basic Information Report**



**COMMISSION
OF THE EUROPEAN COMMUNITIES**

This document has been prepared for use within the Commission. It does not necessarily represent the Commission's official position.

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M.I.S.E.P.

- Mutual Information System on Employment Policies -

FEDERAL REPUBLIC OF GERMANY

Basic Information Report

Document

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On the basis of an agreement of the directors general for employment, the Commission of the European Communities has created a Mutual Information System on Employment Policies (MISEP).

The system operates with a network of correspondents from the departments responsible for employment policy in the Member States and a centralised secretariat under the overall responsibility of the Commission.

It was set up by the Commission in response to the desire expressed by Member States' delegations in the Council to be mutually informed on developments in national employment policy measures and structures. The objective of the system is defined as "to gather, synthesise, translate and disseminate relevant information in the Member States, serving each of the responsible national ministries and agencies in their daily decision-making, and aiding the Commission in its co-ordinating role at Community level".

The "Basic Information Reports" describe the structure and content of employment policy in each Member State. All these reports follow the same structure and contain the same basic information which is essential to an understanding of the way employment policy is conceived and operated.

The material contained in the Basic Information Reports has been provided by the national correspondents and is correct as at 1 March 1983. It is intended as a guide and an explanation of national policy measures in force at that date and is not as a substitute for the corresponding legal texts. It is designed to describe the policies and practices in Member States without value judgements either on the part of the Commission or the national correspondents.

While these reports will be updated periodically, further information and regular updating of measures are published in "InforMISEP", and reproduced in "Social Europe".

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TABLE OF CONTENTS

	<u>Page</u>
Chapter I : INSTITUTIONS	1
Bundesministerium für Arbeit und Sozialordnung (BMA) Federal Ministry of Labour and Social Affairs	1
Bundesanstalt für Arbeit (BA) The Federal Employment Institute	3
Chapter II : PROCEDURES	10
1. Legal instruments	10
1.1. Legal framework	10
2. Negotiation patterns	10
2.1. Collective bargaining structure and organisational framework of bargaining parties	10
2.2. Employers' Associations	11
2.3. Unions	11
2.4. Workers' councils and co-determination	12
Chapter III : LEGAL FRAMEWORK	13
1. Legal status of the jobseekers	13
1.1. Benefit conditions for unemployment	13
2. Matching labour supply and demand	17
2.1. Functions and principles	17
2.2. Organisation	18
2.3. Procedure	18
2.4. Computerised placement	19
2.5. Interregional placement	19
Chapter IV : MEASURES	20
Preliminary remark	20
Classification of measures according to the system of the Employment Promotion Act	21
Overview	23
1. Measures of a general stimulatory nature	24
2. Employment maintenance measures	27
3. Measures giving aid to the unemployed	32
4. Measures aimed at training, retraining and occupational mobility	36
5. Job creation measures	41
6. Measures in favour of special categories of people	43
7. Placement measures	48
8. Other measures	53
Chapter V : INFORMATION AND RESEARCH	56

CHAPTER I: INSTITUTIONS

BUNDESMINISTERIUM FÜR ARBEIT UND SOZIALORDNUNG (Federal Ministry of Labour and Social Affairs)

The Federal Ministry of Labour and Social Affairs (BMA) consists of a number of specialist areas grouped into divisions. This type of organisation has been compulsorily laid down for all ministries in a general regulation.

At the present time, in addition to the central department which is responsible for personnel and administration, there are seven divisions covering the following areas:

Division I	Social policy, economic policy and financial policy questions as well as mathematical and financial aspects of social policy
Division II	Labour market policy, work promotion/unemployment insurance, policy towards foreigners
Division III	Labour law, labour protection
Division IV	Social security, social legislation
Division V	Health, health insurance
Division VI	War veterans care, medical care, rehabilitation
Division VII	International social policy

The following bodies in particular fall within the ambit of the BMA: the Federal Labour Court, the Federal Social Court, the Federal Agency for Labour Protection and Accident Research, the Federal Insurance Office, the Federal Employment Institute, further subordinated bodies and a series of insurance bodies and their federations.

One of the most important tasks of the ministry at the present time is shaping **labour market policy**, which is entrusted to Division II. The division is divided into three sub-divisions indicated above.

The legal basis for using labour market policy instruments including the advisory and placement services is the Employment Promotion Act (AFG) of 25.06.1969. This law took over from the previous law in force in this field, the Law on Labour Placement and Unemployment Insurance (AVAVG) of 16.06.1927. During its existence, the AFG has undergone many modifications.

The purpose of the AFG is "to orientate measures taken by virtue of this law within the framework of the social and economic policy of the Federal Republic towards reaching and maintaining a high level of employment and constantly improving the structure of employment, thereby furthering the growth of the economy" (para. 1 AFG).

The tasks set out in AFG are carried out not by the Federal Ministry of Labour and Social Affairs but by the Federal Office for Manpower Placement and Unemployment Insurance set up in 1952, now known as the Federal Employment Institute. This Institute is described in the following section.

The Federal Ministry of Labour and Social Affairs works in close cooperation with the Federal Employment Institute to achieve the aims of the 1969 AFG. The Federal Minister of Labour is the juridical supervisor of the Federal Employment

Institute, i.e. he is authorised and required to monitor the lawfulness and legality of the decisions of the Federal Institute. He has the right to take part in the closed sessions of the self-governing bodies of the Institute and to express his opinions there. Furthermore, he authorises the orders issued by the self-administration. The budgeting of the Institute which has to be made annually requires the authorisation of the Federal Government.

Most of the measures for combatting unemployment are laid down in the 1969 AFG. Complementing the promotion opportunities set out in this law, there are similar programmes at the federal level.

Currently some promotion schemes are being carried out which aim particularly at young people experiencing major difficulties on the labour market or the market for training positions:

- the programme to promote the vocational training of disadvantaged young people. This programme provides for general vocational training for young people without end-of-school certificates, for those who have gone through special schools, for socially disadvantaged young people and young foreigners;
- the special programme of the Federal Government providing training allowances drawn from federal resources for unemployed young people. This programme enables specific categories of unemployed young people to participate in training measures under promotional conditions, which are to some extent better than those provided under the Employment Promotion Law, if these measures help them to be integrated into working life;
- the fourth special programme of the Federal and provincial governments aimed at reducing the employment of the severely handicapped and promoting the number of training positions open to them. This programme enables employers to receive an allowance for providing a severely handicapped person with an initial training position;
- the test programme for training young women in technical vocations as well as a test training programme for young foreigners;
- promotion of central tasks and model approaches within the Federal Youth Plan to bring young people into training and jobs through special approaches; the Federal Youth Plan also fosters the employment of young people in the Voluntary Social Year.

Unemployment is undoubtedly the challenge of the decade. With an average rate of almost 10 % in 1983, unemployment has become a problem for the whole of society at the same time constituting an enormous challenge for politics, economics and administration to provide aids and solutions within the bounds of possibility.

BUNDESANSTALT FÜR ARBEIT
(The Federal Employment Institute)

1.1. Legal status and constitutional competence

In the Federal Republic of Germany, public placement services, vocational guidance and the placement of apprentices, promotion of vocational training, together with the administration of unemployment insurance, are all in the legal competence of the "Federal Employment Institute" (Bundesanstalt für Arbeit). It has its seat in Nuremberg and also administers unemployment assistance.

The Federal Employment Institute was established on May 1, 1952 (Act of March 10, 1952 for the Establishment of a Federal Office for Placement and Unemployment Insurance - Federal Law Gazette 1, page 123). It is a body incorporated under public law. Its self-administrative organs are composed of three groups represented equally by employees', employers' and public bodies (Federal and State Governments, association of municipalities and local governments). Legally, and in its organisation and functions, it is a continuation of the National Office for Placement and Unemployment Insurance founded in 1927.

As a corporation under public law directly associated with the Federal Government, the Federal Employment Institute is subject only to legal supervision by the Ministry of Labour and Social Affairs to ensure observation of the Law and other legal directives.

A great advantage is that the Federal Employment Institute is so organised that a well-trying system of financial assistance, which serves to achieve the aims of a defined labour market policy and to provide subsistence in the case of unemployment, is combined with a placement service and vocational guidance. Thus, the Federal Employment Institute has at its disposal the machinery for dealing effectively with variations, difficulties and dangers on the labour market.

1.2. Decision-making bodies

The functions of the Federal Employment Institute directly affect the vital interests of employees and employers. When an official institution was created based on the concept of labour administration, important representational rights were granted to the social groups which had already taken on responsibilities for a placement service and financial support before corresponding provisions were made by the state.

The Federal Employment Institute is a self-governing body incorporated under public law. Representatives of employees, employers, and public bodies, acting as honorary members of the self-administrative organs, directly influence the Federal Employment Institute's purpose and the way in which it operates. Linking the organs of the Federal Employment Institute with their own organisations, they ensure that the duties of the Institute are carried out in a practical way. Beside dealing with day-to-day business, they are also called upon to encourage the administration in finding new solutions to problems.

The self-governing organs of the Federal Employment Institute have a political mandate: in matters which do not require the intervention of the state, the social partners are expected to take charge themselves and make the necessary arrangements within their own area of responsibility.

In the Federal Employment Institute, the self-governing principle is consequently carried out at all administrative levels. The central organs are the Governing Body (Verwaltungsrat) and the Executive Body (Vorstand); in the Regional Employment Offices and the Local Employment Offices, the functions of self-government are

performed by the administrative committees (Verwaltungsausschüsse). All organs are composed of equal numbers of representatives from employees', employers' and public bodies who are appointed on the basis of suggestions from the responsible associations or bodies.

The Governing Body enacts the statute of the Federal Employment Institute and determines its budget. Within the scope of its autonomy it issues regulations in accordance with the provisions of the Employment Promotion Act to define the benefits and services rendered by the Federal Employment Institute, in particular with regard to eligibility, the prerequisites for the submission of claims, the amount of the benefits, and the procedure.

The Executive Board represents the Federal Employment Institute both judicially and extrajudicially in those cases where this task does not fall under the responsibility of the President of the Federal Employment Institute within the scope of routine administration. The Executive Board issues directives for the management of routine administration by the President. It prepares the budget for the Federal Employment Institute which is then passed on to the Governing Body for assessment. As far as personnel is concerned, the Executive Board plays an important part in deciding upon appointments of staff to leading positions. It is also responsible for the administration and investment of Federal Employment Institute funds.

The administrative committees of the Regional and Local Employment Offices assume the duties of self-government for their respective districts. Within these limits they deal with everything concerning the execution of functions of the Federal Employment Institute and any related matters. They ensure that specialised functions, such as placement, vocational guidance, promotion of vocational training, and also improvements in the district organisational structure, are carried out as successfully as possible. The administrative committees are consulted in the preparation of individual budgets and important staff matters.

The self-governing organs at all levels co-operate closely and confidentially with each other and with the management.

1.3. Organisation chart

The agencies of the Federal Employment Institute are situated throughout the Federal territory, including West Berlin. The districts that they serve are defined according to the local labour market and economic factors.

The Federal Employment Institute consists of:

- the Headquarters
- 9 Regional Employment Offices (Landesarbeitsämter)
- 146 Local Employment Offices (Arbeitsämter)

The Headquarters in Nuremberg, with its Institute for Vocational and Labour Market Research, issues basic instructions to ensure that the tasks of the Federal Employment Institute are properly and uniformly carried out throughout the Federal territory. Immediately under its control are the following special offices for central and interregional matters:

- the Central Office in Nuremberg;
- the Central Placement Office in Frankfurt/Main;
- the Administrative Training Schools in Lauf, Münster, Daun, Northeim, Aalen, St. Ingbert, Mettmann, Timmendorfer Strand and Geretsried;
- the "Labour Administration" Department of the Federal Republic Specialist College with University Status for Public Administration in Mannheim;
- the Office for Preliminary Examination in Nuremberg.

The Regional Employment Offices are responsible for a large number of Local Employment Offices whose work they co-ordinate. Their administrative districts usually comprise one or two Federal States. One large State (Bavaria) is divided into two Regional Employment Office districts.

The Local Employment Offices are responsible for dealing directly with the public in all fields. Where necessary, permanently or temporarily served external offices (branch and auxiliary offices) are established in the Employment Office districts that mostly comprise severely municipal and regional districts.

President

Office of the President
Special Assignments' Staff

Vice-
President

Dpt I

Dpt II

Dpt III

Dpt IV

Dpt V

Dpt VI

- Labour Mkt Policy
- Labour Matching
- Advice on Jobs
- Labour Mkt Relations with Other Countries
- Labour Mkt Measures' Policy

- Vocational Guidance &
- Vocational training

- Unemployment Insurance
- Unemployment Assistance
- Bankruptcy Compensation payments
- Vocational Training Incentives
- Job Maintenance & Creation
- Children's Allowances
- Social Regulations
- Legal Procedures

- Financial Matters
- Administration
- E.D.P.

- Personnel Mgt
- General Admin.
- Staff Training & Development
- Promotion
- Administration Schools
- AGO

Institute for
Employment
Research of the
Federal Employ-
ment Institute

1.4. Number of personnel

The duties of the Federal Employment Institute are carried out by civil servants and by employees with private-law contracts. In January 1982 the staff of the Federal Employment Institute amounted to 10,500 established civil servants and 37,900 employees. In addition, 2,700 persons were temporarily employed.

The employees come under the "Skeleton Agreement for the Employees of the Federal Employment Institute (Manteltarifvertrag für die Angestellten der Bundesanstalt für Arbeit - MTA)", which is basically identical in contents with the Collective Agreement for Federal Employees (Bundesangestelltentarifvertrag - BAT). The civil servants of the Federal Employment Institute are indirect Federal civil servants. They are covered by the Civil Service Law of the Federal Republic.

Vacant positions are advertised. The selection of applicants is carried out according to qualifications, capabilities and professional experience, supported by a modern personnel assessment system.

The rating of positions and activities for employees and civil servants is carried out according to a standardised assessment system which has been laid down in a special assessment catalogue or in the collective remuneration agreements.

The Employment Offices' staff requirements in the special fields of placement and employment guidance, vocational guidance, performance assessment and administration are objectively worked out according to needs by means of assessment systems which are based on work-study principles.

All personnel must be professionally qualified and versatile. Particular importance is therefore attached to a good education and further training of the staff. A special sub-division at the Headquarters is maintained to deal with educational and further training matters. The Regional Employment offices have education and further training departments, and there are educational officers and practical instructors in the Local Employment Offices. In addition, the Federal Employment Institute maintains several administrative schools for the education and further training of its staff. Since autumn 1979, trainees for higher career positions have been instructed in "Labour Administration" at the College in Mannheim (see 1.3.).

1.5. Operational budget

Raising of funds

In order to carry out its functions, the Federal Employment Institute collects contributions. The rate of contributions is 2.3 per cent from both the employee and the employer. The Federal Government may decide for the time from January 1, 1984, by decree, according to the financial situation of the Federal Employment Institute and in consideration of the employment and economic situation, that the contributions may temporarily be based on a lower rate. The highest rate on which contributions may be based is related to changing circumstances; it is coupled with the assessment limit of the compulsory pension insurance.

Basically, all persons are liable to pay contributions irrespective of the amount of their income, whether or not they are employed as workers or salaried employees for remuneration or for their vocational training. All groups are referred to as employees. Contributions are compulsory within the area of jurisdiction of the Employment Promotion Act. Employment abroad may, however, be equated with employment at home by international law or bilateral agreements.

The following persons do not pay contributions:

Civil servants, students and schoolchildren;
Employees who draw pensions because of inability to work;
Employees who, because of reduced capacity for work, are permanently unavailable for placement;
Employees engaged in temporary, occasional or incidental work;
Casual workers.

Employees who are 63 or older do not pay contributions but still receive benefits up to the age of 65 years.

Contributions are collected by the health insurance administration.

Budget and assets

As a body incorporated under public law, the Federal Employment Institute has its own budget. The budget, drawn up by the Executive Board and assessed by the Governing Body, requires the consent of the Federal Government. A budget surplus is transferred to the reserve fund, and budget deficits are covered by corresponding withdrawals from the reserve. If the need of the Federal Employment Institute for funds cannot be covered by contributions and that portion of the reserve fund for securing solvency, as was the case in the years 1975 and 1976 as well as since 1980, the Federal Government grants the Federal Employment Institute a loan equal to that portion of the reserve on long-term investment. If the need is still not covered, the necessary subsidy is granted according to Art. 120 of the Federal Constitution.

The Federal Auditing Office examines the budget and business accounts of the Federal Employment Institute.

The main budget income (more than 90 per cent) for the Federal Employment Institute to finance its functions according to the Employment Promotion Act is derived from the contributions it receives. The funds for financing the promotion of winter building activity and bankruptcy compensation payments to employees are raised by special contributions.

The financial resources of the Federal Employment Institute may only be used for legally prescribed or permitted purposes. Among the main budgetary expenses are the allowances for labour market policy programmes - especially for vocational training, vocational rehabilitation and promotion to enter employment - the allowances for job maintenance and creation, especially promotion of job-creating measures and short-time, winter, and bad weather allowances - and benefits in the case of unemployment or an employer's insolvency.

Expenditure on behalf of the Federal Government

The Federal Employment Institute also pays out considerable amounts on behalf of the Federal Government. These are chiefly benefits under the Children's Allowance Act, unemployment assistance, incentives for taking up employment in Berlin and benefits for immigrants, refugees, etc. to participate in German courses. The administrative costs for carrying out the provisions of the Children's Allowance Act are refunded to the Federal Employment Institute by the Federal Government.

1.6. Co-operation and co-ordinated activities

The Federal Employment Institute has close relationships with the Ministry of Labour and Social Affairs, as well as the main employers' and trade union bodies.

1.7. International contacts

Co-operation with labour administrations from other countries is both direct and through international and supranational organisations. Of particular note are the

European Economic Community (EEC), the International Labour Organisation (ILO), the International Association for Social Security, as well as international employers' and employees' associations in cases where their activities overlap the Federal Employment Institute's scope of functions.

Various projects of the ILO (for example, technical and personnel aid projects for third-world countries) directly overlap the Federal Employment Institute's tasks. Within the scope of its possibilities, the Federal Employment Institute supports these activities by making available its know-how and services for the placement of specialised staff. Federal Employment Institute personnel also participate in the projects, for example in the establishment and expansion of labour administrations in developing countries.

With the Society for Technical Co-operation (GTZ), the Federal Employment Institute has established the "Centre for International Migration and Development (CIM)" in Frankfurt. Staff from the two organisations work there together on:

1. the "integrated experts' programme" whereby German experts are sent into third-world countries to work under the prevailing circumstances - with their local wage topped up by the Federal Ministry for Economic Cooperation;
2. enhancing the reintegration of foreign workers, experts and managers who receive training in the Federal Republic.

Chapter II: PROCEDURES¹

1. LEGAL INSTRUMENTS

1.1. Legal framework

Various legal bases provide the setting for the German Industrial Relations System. Some are written into the constitution, some stem from labour law or labour court decisions, and some are specific laws governing the behaviour of companies, employers, and employees. Although the relevant legal elements of the IRS are marked by an integrating intent, they are nevertheless quite fragmented, sometimes contradictory and far from constituting a stringent 'labour code'. In consequence, against all traditions of Roman-Germanic jurisprudence, the rulings of courts constitute an important source of German labour law. The constitution defines the right to free association (Art. 9) and labour disputes, the right to equal treatment in work organisations (Art. 3), and the right of free choice of occupation (Art. 12). Thus, it is the constitution that sets the legal conditions for the formation of unions, employer associations, and collective bargaining (Grundgesetz, 1975).

The Civil Code (Bürgerliches Gesetzbuch, 1977) and company law regulate the formal aspects of owner-employer-employee relationship (e.g. the right of the employees to adequate wages). The general 'right to direct' of the entrepreneur/manager is based on one of the oldest regulations in this field (Gewerbeordnung, 1869), which was replaced by a new one in 1976 (Gewerbeordnung, 1977). Relations between owners and management are treated also by the Civil Code and by Corporate Laws. Another set of legal regulations deals with social security issues and the mitigation of the consequences of bankruptcies and shut-downs for employees.

Existing and proposed regulations on vocational training and continued vocational education are intensely debated at the moment. They detail rights and duties of trainers (Meister, Ausbilder) and apprenticeship, conditions, curricula, and final examinations; similar regulations are provided for training and retraining workers already on the job. All these laws which relate to the industrial relations systems in Germany are characterised by the principle of social protection: safety and health provisions, minimum income policies, and job security guidelines predominate.

2. NEGOTIATION PATTERNS

2.1. Collective bargaining structure and organisational framework of bargaining parties

Special laws on collective bargaining (Tarifvertragsgesetz, 1974) regulate the form, contents, and procedures of bargaining as well as rights and duties of bargaining parties. The only recognised collective bargaining parties are unions on the one side, and employers' associations or single employers on the other. Issues for bargaining are wages, usually agreed upon at yearly intervals and minimum working conditions, types of employment contracts, training, humanisation of work, and employee participation in decision-making, usually agreed upon at, and regulated for longer periods of time. Bargaining agreements oblige the parties to observe industrial peace during the agreed period of time. Stipulations of bargaining agreements have the binding quality of regular laws. Although only unions represent employees in bargaining, union membership is voluntary, and bargaining agreements are usually extended to

cover also non-unionised employees (the 'negative' coalition right). Closed-shop principles are illegal for both bargaining parties, that is, no employee can be forced to join a union, or any employer to join an association that organises employers or industrial plants as institutions. The legally guaranteed autonomy of employers and labour creates a considerable space for negotiations among individual companies over working conditions and standards, holidays, and social benefits. The Industrial Relations system, as far as non-public, communal, municipal, or governmental employees are concerned is further structured and characterised by the specific structural principle of unions and employers' associations.

2.2. Employers' Associations

Employers' organisations are fragmented into a great variety of sub-groups according to such principles of association by technological orientation, representation of economic interest, collective bargaining, and by regional organisation. The most comprehensive employers' interest representation is found in the 'joint Committee of German Industries' (Gemeinschaftsausschuss der deutschen gewerblichen Wirtschaft). It is constituted by the 14 leading industrial organisations, the strongest and most influential ones being the Confederation of Employers' Associations (Bundesvereinigung der Deutschen Arbeitgeberverbände - BDA) and the Federation of Industries (Bundesverband der Deutschen Industrie - BDI).

The Bundesvereinigung der Deutschen Arbeitgeberverbände (BDA) is composed of 56 member federations, grouped by trade and region, which in turn represent about 720 smaller sub-associations, covering roughly 90 per cent of all private enterprises. Internally rather hierarchically structured (this goes for the BDI as well), the BDA with its sub-divisions controls a wide net of regional and local offices and institutions. The main function of the BDA is to represent employers' interests in the area of social policy. As the one collective bargaining party, it is the principal antagonist of unions in collective bargaining.

The Bundesverband der Deutschen Industrie (BDI), similarly organised to the BDA, is composed of a considerable number of member-organisations and concentrates on representing interests of German industries in the field of national and international economic policy. The interrelatedness of social and economic policies suggests close organisational links between BDA and BDI; and in fact recent developments tend to institutionalise these links.

2.3. Unions

After the last war, unions were rebuilt as 'unitary' unions - that is they include all occupations, political ideologies or creeds, and are organised by sectors or industries. Thus, only 17 industrial unions constitute the German Confederation of Unions (Deutscher Gewerkschaftsbund - DGB). About 34 per cent of the German workforce is organised in the DGB-unions (1975), while only an additional 2-3 per cent of the workforce are organised in separate unions (German Union of White Collar Employees - DAG, German Union of Civil Servants - DBB, Christian Federation of Unions - CGB). The average level of unionisation varies substantially from industry to industry: in retailing 7 per cent (1975), in the banking and insurance sector 11 per cent, in iron and steel industries 79 per cent, in coal mining 92 per cent. Moreover, there are substantial differences between individual establishments. The degree of over-all unionisation has slowly but steadily increased from 1970 (30 per cent) to 1975 (37 per cent). Individual unions are organised in regional sub-divisions with individual union headquarters. On a regional level all existing DGB unions form a permanent administrative joint headquarters with

full-time staff who have become increasingly professionalised in order to join forces in those matters which are general problems relating to several industries - that is, when various employers' associations or the local or regional authorities for that matter - stand as the opposing bargaining party. The loosely centralised organisation on a regional and national level among the various DGB unions, counteracts the sometimes central domination within one union (and of the Trade Union Congress/DGB as a whole) in important matters relating to the interests of the whole working population (such as investment regulation, development of new technologies, or energy policies).

The basic organisational unit of an individual DGB union is the individual firm. All union members of one plant belong to this group and are represented vis-à-vis management by elected shop deputies who constitute a formal union committee. This committee does not have the legal status of a participatory organ in the strict sense: the action-space of unions within a company is a matter of bargaining between unions and management. If more than one union is in the company, for instance DAG as well as the particular DGB-union for that sector, it depends on the amount of bargaining power within the plant that determines which union takes the lead. (Bargaining between works councils and a firm's management have a separate status from these collective bargaining structures.

2.4. Workers' councils and co-determination

Under the Shop Constitution Act of 1972, workers' councils must be set up in business enterprises which have at least five employees. The number of members of a workers' council for enterprises varies from 1 in the case of 5 employees to 31 and more in the case of 9.000 and more employees. The duties of the workers' councils are in the field of welfare of employees and the representation of their interests vis-à-vis the employer.

Companies employing more than 500 but not more than 2.000 persons must have supervisory boards with one-third of the members being representatives of labour. If more than 2.000 persons are employed, one-half of the supervisory board must be labour representatives.

Chapter III : LEGAL FRAMEWORK

1. LEGAL STATUS OF JOBSEEKERS

1.1. Benefit conditions for unemployment

Under the provisions of the Employment Promotion Act, an unemployed person can receive unemployment benefit or unemployment assistance in place of lost income if he cannot immediately be placed in reasonable employment.

Foreign workers who are entitled to take up employment in the Federal Republic of Germany have the same claim to these benefits as Germans. Insurance and employment periods covered abroad, however, can only be considered according to international law or according to the provisions of bilateral and multilateral agreements on unemployment insurance. In addition to the European Community provisions, the Preliminary European Agreement on Social Security and the Rhine Navigators' Agreement, there are bilateral agreements on unemployment insurance with Finland, Greece, Yugoslavia, Austria, Sweden, Switzerland and Spain.

- A. Unemployment benefit** (Arbeitslosengeld") is an insurance benefit which ensures not only subsistence during unemployment but reasonable support without deterioration of social status. A modern procedure creates the conditions for rapid granting of the benefit. Payment is not in cash. The recipient of unemployment benefit need not report regularly to the Employment Office, but only on request of the Employment Office.

Eligibility for claims

The claim to unemployment benefit presupposes that the applicant is unemployed, available for employment, that he has fulfilled his qualifying period, that he has reported to his Employment Office and applied for unemployment benefit. He cannot claim unemployment benefit from the age of 65 onwards.

An unemployed person is an employee who is temporarily out of employment. Short-term employment (i.e. less than 20 hours a week) or self-employment to a corresponding extent do not exclude the possibility of unemployment.

Those persons who can carry out work under the normal conditions of the general labour market are available for placement. Individuals must be prepared to accept any reasonable employment.

The qualifying period is fulfilled by those who have in the reference period (in the last three years before reporting unemployed) been employed for 360 calendar days and have paid compulsory contributions. Periods without remuneration are not considered. For workers who have worked regularly for less than 360 calendar days in a calendar year solely because of the peculiarity of their working place, a statutory order lays down that the qualifying period is fulfilled by being employed for and having made compulsory contributions over 240 calendar days.

The responsible office for reporting unemployed is the Employment Office in the area of the unemployed person's residence. The application for unemployment benefit must also be submitted there; the application is also accepted by other bodies which, under the provisions of the Social Code, are responsible for the administration of social benefits, and by all municipalities.

Beginning and duration of the claim

The unemployed person does not need to complete a waiting period.

The duration of the claim to unemployment benefit depends on the period of employment during the reference period of three years:

<u>Within the refe- rence period of</u>	<u>Periods of employment of</u>	<u>Entitle to a claim of</u>
3 years	240 calendar days	78 days
	360 calendar days	104 days
<hr/>		
4 years	540 calendar days	156 days
	720 calendar days	208 days
	900 calendar days	260 days
	1080 calendar days	312 days

Rate of unemployment benefit

The unemployment benefit amounts to 68 per cent of the remuneration less the normal and compulsory deductions. Family supplements are not granted. The rates of unemployment benefit vary according to the different tax rates which an employee must pay in the respective income tax class. The Federal Minister of Labour and Social Affairs stipulates by decree the rates for every calendar year.

The assessment of the basic amount depends on the wage received during contractual working hours - without taking into consideration additional work premiums or one-time or recurrent payments. The last 20 days - before the last day of employment - with a claim to remuneration are normally taken as a basis. Under certain conditions, for example if the unemployed person was mainly employed in a place of work subject to the weather and received a productivity bonus, the assessment period is 60 days. Hardship which may arise in certain circumstances is provided for by special allowances.

The wage amount on which the assessment is based as well as the assessment limit will be adapted annually to the general development of incomes.

Deduction of income

Other incomes which the unemployed person receives from temporary employment while drawing unemployment benefit will be calculated half against the amount of the unemployment benefit when the particular income, after deduction of tax, social insurance contributions and a certain tax-free portion, exceeds DM 15,- per week. If what remains of the unemployment benefit, together with the other income, amounts to more than 80 % of the last average net income, the other income will be fully considered on the benefit.

Suspension of claims

The claim to unemployment benefit is suspended during a period in which the unemployed person receives, or is entitled to receive remuneration. The same holds true if the unemployed person receives or has a right to holiday money due to the conclusion of his working relationship. It is also suspended if, because of the termination of the work contract, the employer is charged with paying a settlement, compensation or a similar benefit to the employee.

The period for which the claim is suspended in these cases conforms in principle to the period of notice usually given. Furthermore, almost all benefits under public law which compensate for wages (sickness benefit, pensions) cause the suspension of a claim to unemployment benefit.

Period of disqualification and loss of claim

The unemployed person will be disqualified for eight weeks if he has terminated his employment contract, or through behaviour detrimental to the contract, has given reason for the employer to dismiss him and so deliberately, or through gross negligence, has brought about his unemployment, or in spite of advice on the legal consequences, has not accepted, or taken up, or has refused to take up work offered by the Employment Office or to take part in a programme for vocational training, further training or retraining, or for improving his chances of employment as well as vocational rehabilitations, or has discontinued participation in such a course, without having important reasons for his behaviour. Should a disqualification of eight weeks mean particular hardship for the unemployed person according to the facts which brought about the disqualification, the period will be reduced to four weeks. If the unemployed person has previously given cause for an eight week period of disqualification and has received written notice of this, any remaining claim to benefit will be eliminated if the person causes a further disqualification of eight weeks.

- B. **Unemployment assistance** ("Arbeitslosenhilfe") serves the same purpose as unemployment benefit, and both form a comprehensive system of protection in case of unemployment. Foreigners who are entitled to enter employment in the Federal Republic of Germany may obtain unemployment assistance under the same conditions as German employees. The costs of unemployment assistance are borne fully by the Federal Government.

The regulations governing the claim for unemployment assistance are similar to those for unemployment benefit with certain exceptions arising from the regulations on the payment of unemployment assistance. Claims to unemployment benefit and to unemployment assistance are basically considered as a single allowance claim.

Eligibility for claims

Unemployment assistance can be claimed by a person who:

- is unemployed;
- is registered at the employment office as unemployed;
- has applied for unemployment assistance but has no claim to unemployment benefit;
- is in need;
- in the last year before registering as unemployed, has drawn unemployment benefit, or
- has been in employment for at least 150 calendar days where compulsory contributions are required, or
- has completed time which may be considered to fulfil the probationary period. Time spent in the public service including the armed forces, police and civil authorities is considered equal to an employment which requires the payment of contributions.

Previous employment is not required for persons who, during the last 12 months, have received benefits under public law for at least 240 calendar days - for example because of illness, inability to work, incapacitation or a rehabilitation measure - to pay for their living, and who no longer receive these benefits because the impairment in question no longer exists.

An unemployed person is in need if he can only provide subsistence for himself and his dependants with the help of unemployment assistance. For the assessment of indigence, the income of the unemployed person is completely taken into account. The income of his dependants for whose maintenance he is liable and property owned by him or one of his dependants is only considered if specified exemptions are exceeded. Some benefits, however, are not taken into account. These include benefits for preventive and follow-up health care, basic pensions under the Federal Assistance Law, and children's allowance by the Federal Law on Children's Allowance.

Duration of claim

Unemployment assistance is generally granted without any time limit; after the expiry of a one year's period, however, eligibility for claims must be proved again.

Rate of unemployment assistance

Unemployment assistance amounts to 58 per cent of the wage less the normal and compulsory deductions. If unemployment assistance is granted following the drawing of unemployment benefit, the amount is based on the wages which were last used as a basis for calculating unemployment benefit. In all other cases, unemployment assistance is calculated on the wages an unemployed person would receive according to his age, capabilities, profession and training if he were employed. For persons whose claim to unemployment assistance is completely or partially based on the fact that they are in employment in which they receive vocational training, the rate of pay calculated on this basis must be reduced by 25 per cent.

The wage amount on which the assessment is based will be adapted annually to the general development of incomes.

As in the case of unemployment benefit, the rates are stipulated for every calendar year by decree of the Federal Minister of Labour and Social Affairs. Family supplements are not granted.

C. Unemployment subsidies ("Arbeitslosenbeihilfe")

Development aid personnel who become unemployed within 3 years after the end of their development aid service receive unemployment subsidies under the Development Aid Assistance Act of June 18, 1969 (in the version of June 29, 1976). Unemployment subsidies correspond in principle to unemployment benefit. Expenses for these subsidies are refunded to the Federal Employment Institute by the Government.

Procedure

Unemployment benefit, unemployment assistance and unemployment subsidies are normally transferred by cheque. Payment is made regularly every two weeks on the same weekday. The period covered by the payment is stated on the transfer slip.

D. Health, pension and accident insurance for the unemployed

Persons drawing unemployment benefit and unemployment assistance are insured with their dependants against sickness by a compulsory health insurance. Costs for this health insurance are borne by the Federal Employment Institute. In the event of incapacity for work, unemployment benefit and unemployment assistance continue to be paid in principle for at most six weeks. After expiry of this period, a claim for sickness benefit exists for the amount which was last awarded as unemployment benefit or unemployment

assistance; should there be a change in the eligibility for claims during the incapacity for work, the sickness benefit may, on application and under certain conditions, be correspondingly increased.

Since July 1, 1978 recipients of unemployment benefit or unemployment assistance have also been insured in the pension insurance. Until December 31, 1982 the contributions for this depended on the gross remuneration which had been the basis for calculating the benefit and were borne in full by the Federal Employment Institute.

Since January 1, 1983 the amount of the contributions depends on the amount of the allocated benefit. Furthermore, as from this date, the period of drawing the benefit can no longer be considered as an effective contributory period for the pension insurance but only as a so-called "Ausfallzeit" (time which counts towards pension although no payments were made).

At the end of the period of benefit, the beneficiary is issued with a certificate indicating the period of benefit which he can use for a subsequent claim of pension insurance. Moreover, the Federal Employment Institute passes the same information on to the respective pension insurance authority.

For persons who are drawing benefits and are exempt from contributions to the compulsory pension insurance, the Federal Employment Institute can agree to pay life insurance policy premiums or contributions to a professional insurance or pension institution or contributions for voluntary membership in the compulsory pension insurance.

Persons drawing unemployment benefit or unemployment assistance are also insured against accidents which they may suffer on the way to or from their residence and an agency of the Federal Employment Institute or an employer, or while on the premises of one of these places, if the journey was carried out by order of the Employment Office.

2. MATCHING LABOUR SUPPLY AND DEMAND

2.1. Functions and principles

Under the provisions of the Employment Promotion Act, the Federal Employment Institute has, within the scope of the social and economic policy of the Federal Government, the special function of helping to ensure that neither unemployment nor manpower shortages occur or persist.

The Federal Employment Promotion Act designates the Federal Employment Institute as the body responsible for placement and employment guidance. It is the sole body in charge of placement. However, in exceptional cases it may authorise organisations or persons to place certain vocations or groups of persons. Such organisations and persons are subject to the supervision of the Federal Employment Institute and co-operate with its agencies.

As a non-profit, state-controlled organisation the public placement service is available to all employees and employers. The services are free of charge. The Federal Employment Institute can, however, demand fees from employers for the purpose or completely or partially covering its expenses if these exceed the normal level. The utilisation of the public placement service is always voluntary.

There is no obligation to inform the Federal Employment Institute of existing vacancies.

In accordance with the principle of impartiality, individual employees or employers must neither be put at a disadvantage nor given preferential treatment in the course of employment guidance and placement. Exceptions are made only for certain groups, such as severely handicapped persons, who enjoy special legal protection.

2.2. Organisation

The placement service is subdivided according to the classification of vocations, making no distinction of sex. The basic organisational unit is the vocational area. The number of vocational areas and the grouping of certain vocations into organisational units depend on the size and structure of the district concerned.

Handicapped and severely handicapped persons are taken care of by a special service. They have a greater need for comprehensive, conscientious and individual employment guidance.

The placement of young people who cannot be considered for vocational training, or who do not want it, is put in the hands of placement officers who, apart from their professional qualification, have a penchant for this kind of work and who have sufficient experience of life and pedagogic skills and, if possible, are experienced in youth welfare work.

Placement offices for temporary work (JOB-Zeitpersonal-Vermittlung) obtain jobs for male and female employees for periods of up to three months. In large cities, quick-service placement offices (Servis-Vermittlung) also provide temporary jobs, mostly to be taken up immediately, for example in ports, large market halls and trade-fairs. Temporary jobs for students are offered through special student placement offices in university towns.

People with a vocational background generally needing a wider labour market than that provided by any one labour office district, can make use of special regional and central placement offices.

2.3. Procedure

The procedure of placement is largely standardised and rationalised.

The placement service is based on the jobseeker's application and the employer's job offer. The placement possibilities arising from the interview by the placement officer are discussed in relation to the labour market. If needed, the applicant may, with his consent, be examined by the employment office doctor or psychologist. The vocational adviser and the technical adviser of the local employment office also take part.

Job applications and job vacancies which comprise a multitude of characteristics are recorded on card indexes and other working aids and are filed according to vocations.

From these documents, the placement officer chooses a suitable applicant for a vacancy, or a suitable vacancy for an applicant, and makes appropriate placement proposals. Although the placement officer is committed to careful selection, placement proposals are not binding, the parties involved being free to decide whether or not they wish to conclude a work contract.

Evening opening hours, appointments, telephone information services and automatic telephone answering services contribute to achieve the best possible balance between supply and demand on the labour market.

2.4. Computerised placement

In the field of specialist placement for qualified professionals, a computerised placement system has been introduced after an intensive testing period. Its aims are to:

- intensify and improve employment guidance and placement by advance computerised selection of applications and vacancies at an interregional and regional level;
- gather additional and new information of all areas by computerised processing of the stored data;
- improve work procedures and relieve placement officers in their administrative work.

The system is based on an efficient main data bank in the computer centre of the Federal Employment Institute and on peripheral input and output terminals which provide the placement officer responsible with access to all stored job applications and vacancies.

Furthermore, an EDP placement system is gradually being set up in the local employment offices to support the placement services with respect to vocational areas and regions.

2.5. Interregional placement

The employment market in an employment office district is often insufficient to place all applicants or to fill all vacancies. In such cases co-ordinating offices are being used which sort out suitable applicants and vacancies and establish contact between the local employment offices involved.

The specialist placement of professionals who normally need a wider employment market and whose guidance and placement require special skills, is the task of specialised placement services working on an interregional level. The Central Placement Office in Frankfurt/Main and nineteen regional placement agencies are in charge of placement of members of specially qualified professions.

Chapter IV : MEASURES

Preliminary remark

The system of the Employment Promotion Act (AFG) of the Federal Republic of Germany calls for a specific classification of measures. In this report, the AFG classification had to be changed and adapted to an agreed structure in order to ensure comparability of measures of all countries participating in the MISEP project.

As a matter of form, the measures are listed first according to the AFG classification system. The reference number given to each measure in this report is indicated in brackets. Subsequently an overview of measures is given in line with the agreed structure.

All measures listed - with the exception of the overall measures to foster employment (item 1) which are the responsibility of the Federal Ministry of Labour and Social Affairs - originate from the Federal Employment Institute.

Classification of measures according to the system of the **Employment Promotion Act:**

1. BESCHAFTIGUNG UND ARBEITSMARKT
Employment and labour market
 - 1.1 Massnahmen zur Arbeitsvermittlung und Arbeitsberatung
Measures concerning placement and employment guidance
 - 1.1.1 Arbeitsvermittlung
Placement (D-viii.1)
 - 1.1.2 Arbeitsberatung
Employment guidance (D-viii.2)
 - 1.1.3 Verbesserung der Vermittlungsaussichten
Improvement of placement possibilities (D-viii.4)
 - 1.2 Berufsberatung
Vocational guidance (D-viii.3)
 - 1.3 Massnahmen zur Förderung der beruflichen Bildung
Measures aimed at fostering vocational training
 - 1.3.1 Individuelle Förderung der beruflichen Bildung
Vocational training promotion for individuals (D-iv.1)
 - 1.3.2 Individuelle Förderung der beruflichen Fortbildung und Umschulung
Promotion of vocational further training and retraining of individuals (D-iv.2)
 - 1.3.3 Institutionelle Förderung der beruflichen Bildung
Promotion of vocational training institutions (D-iv.3)
 - 1.3.4 Förderung der Jugendlichen-Berufsbildung
Vocational training measures for youths (D-vi.1)
 - 1.4 Förderung der Arbeitsaufnahme
Incentives to enter employment (D-iii.2)
 - 1.5 Berufliche Rehabilitation
Promotion of vocational rehabilitation for the handicapped (D-vi.2)
2. LEISTUNGEN DER ARBEITSLOSENVERSICHERUNG ZUR ERHALTUNG UND SCHAFFUNG VON ARBEITSPLATZEN
Unemployment insurance benefits for job maintenance and job creation
 - 2.1 Kurzarbeitergeld
Short-time allowance (D-ii.1)
 - 2.2 Förderung der ganzjährigen Beschäftigung in der Bauwirtschaft
Year-round employment in the building industry
 - 2.2.1 Produktive Winterbauförderung
Promotion of winter productivity in the building industry (D-ii.2)
 - 2.2.2 Schlechtwettergeld
Bad weather allowance (D-ii.3)
 - 2.3 Förderung von Massnahmen zur Arbeitsbeschaffung
Promotion of job creation measures (D-v.1)

3. LEISTUNGEN BEI ARBEISLOSIGKEIT UND BEI ZAHLUNGSUNFAHIGKEIT DES ARBEITGEBERS

Benefits for the employed and benefits in the case of the employer's insolvency

- 3.1 Arbeitslosengeld/Arbeitslosenhilfe/Arbeitslosenbeihilfe
Unemployment benefit/unemployment assistance/unemployment subsidies
(D-iii.1)
- 3.2 Konkursausfallgeld
Bankruptcy compensation payments (D-ix.1)

Overview

1. Measures of a general stimulatory nature

- Overall measures to foster employment (D-i.1)

2. Employment maintenance measures

- Kurzarbeitergeld
Short-time allowance (D-ii.1)
- Produktive Winterbauförderung
Promotion of winter productivity in the building trade (D-ii.2)
- Schlechtwettergeld
Bad weather allowance (D-ii.3)

3. Measures giving aid to the unemployed

- Arbeitslosengeld, Arbeitslosenhilfe, Arbeitslosenbeihilfe
Unemployment benefit, unemployment assistance, unemployment subsidies (D-iii.1)
- Förderung der Arbeitsaufnahme
Incentives to enter employment (D-iii.2)

4. Measures aimed at training, retraining and occupational mobility

- Individuelle Förderung der beruflichen Ausbildung
Vocational training promotion for individuals (D-iv.1)
- Individuelle Förderung der beruflichen Fortbildung und Umschulung
Promotion of vocational further training and retraining of individuals (D-iv.2)
- Institutionelle Förderung der beruflichen Bildung
Promotion of vocational training institutions (D-iv.3)

5. Job creation measures

- Förderung von Massnahmen zur Arbeitsbeschaffung
Promotion of job creation measures (D-v.1)

6. Measures in favour of special categories of people

- Förderung der Jugendlichen-Berufsbildung
Vocational training measures for youths (D-vi.1)
- Berufliche Rehabilitation
Promotion of vocational rehabilitation for the handicapped (D-vi.2)

7. Measures dealing with working time

8. Placement measures

- Arbeitsvermittlung
Placement (D-viii.1)
- Arbeitsberatung
Employment guidance (D-viii.2)
- Berufsberatung
Vocational guidance (D-viii.3)
- Verbesserung der Vermittlungsaussichten
Improvement of placement possibilities (D-viii.4)

9. Other measures

- Konkursausfallgeld
Bankruptcy compensation payments (D-ix.1)

1. Measures of a general stimulatory nature

- Overall measures to foster employment (D-i.1)

Overall measures to promote employment

In the autumn of 1982, the Federal Government launched an **emergency programme** for reinvigorating the economy and fighting unemployment. This embraced the following measures aimed at:

- a) reviving housing construction through:
 - increased fiscal encouragement for the building of detached/individual houses through a limited deduction of interest repayments;
 - facilitating the intermediate financing of savings contracts with building societies through subsidies on interest repayments;
 - increased encouragement of the building of lower priced rented flats in densely populated areas.

The purpose of these measures is to counteract the collapse of building activity and to improve the labour market situation through mobilising the resulting multiplier effects;

- b) giving the economy fiscal relief on the trade tax (Gewerbesteuer) in order to improve the investment climate;
- c) increasing the encouragement of corporate start-ups in order to provide incentives for independence, achievement and risk-taking;
- d) giving fiscal relief to medium-sized enterprises taking over companies which are insolvent or threatened with insolvency so as to counteract reductions in the number of plants and jobs;
- e) improving the training situation of young people and providing additional training places in order to facilitate the entry of young people into working life;
- f) reducing the structural parts of the deficit while strengthening the expenditures of the federal budget which enhance growth and employment.

In addition to its emergency programme, the Federal Government pursues the following **labour market policy** within the framework of its growth and employment strategy.

The labour market policy is a part of a coherent overall policy set within the current extremely difficult employment situation. This policy aims at reducing high unemployment and improving the employment opportunities of those persons worst hit. In particular, short-time allowances, the measures for advanced vocational training and retraining and the schemes for job creation (see page 57 below in the detailed presentation of the Federal Employment Institute) make an important active contribution to reduce the imbalance on the labour market.

The 1983 Employment Promotion Consolidation Law has reduced the opportunities for misusing individual labour market instruments and, for budgetary reasons, limited the amounts of income compensation - more especially as regards further vocational training and vocational rehabilitation measures. Furthermore, rights to allowances are more concentrated on those who have been insured. Hence, what is now needed is to make full use of the available opportunities.

For this reason, the Federal Government considers that it is indispensable for there to be more flexibility on the labour market. Anyone wanting to leave working life

early should be given the opportunity of so doing. In all this, further demands on contributors and tax payers must be avoided so as not to hamper new employment openings.

The Federal Government views collective agreements between the social partners on greater flexibility for working time over life in particular as an appropriate way for doing this, adapted as they are to the peculiarities of the branches concerned. Because of demographic developments in particular, these settlements must be reversible and not lead to imposing charges on the compulsory old-age insurance.

An increased supply of part-time jobs, including job splitting, contributes to relieving the labour market. The Federal Government is checking whether legislative measures are required for this.

Furthermore, illegal work will be combatted energetically.

2. Employment maintenance measures

- Short-time allowance (D-ii.1)
- Promotion of winter productivity in the building trade (D-ii.2)
- Bad weather allowance (D-ii.3)

KURZARBEITERGELD
Short-time allowance

Aim

To maintain in employment employees, particularly experienced manpower, and, under certain circumstances, home workers who, because of unavoidable temporary loss of working hours, would otherwise be dismissed.

Legal basis

- AFG - Employment Promotion Act (25.06.69) paras. 63-73.
- Regulation of the Governing Body of the Federal Employment Institute on the approach for granting short-time allowance ("Kug-Anordnung") of 30.06.71.

Contents

Short-time allowance can be granted to employees in firms for economic reasons (including the impact of corporate structural change) or "inevitable events" provided that:

- the Federal Employment Institute is notified in advance;
- the loss is more than 10% of the working time for at least one third of the workers actually employed in the firm or department. This loss of work must have an order of magnitude of more than 3% of the usual, collectively agreed working time of all workers of the whole company;
- the workers are liable to contributions to the Federal Employment Institute.

Short-time allowance is granted for a period up to 6 months, which can be extended to 24 months by a decree of the Federal Minister of Labour and Social Affairs. The allowance is assessed, i.a., according to the pay which the employee would have received per working hour and the number of hours lost. It corresponds proportionately to the benefit which would have been granted as unemployment benefit if the employee had been totally unemployed.

Financial resources

Institutional support

Federal Employment Institute

Duration

Effects

**FORDERUNG DER GANZJÄHRIGEN BESCHAFTIGUNG IN DER BAUWIRTSCHAFT
PRODUKTIVE WINTERBAUFORDERUNG**

Year-round employment in the building industry
Promotion of winter productivity in the building trade

Aim

To increase the activity of the building industry during the winter months and thus to spread the capacity of building firms over the whole year;

to counteract price increases in the building sector;

to maintain employment contracts in the building industry during winter months to prevent disadvantages for building workers as a result of unemployment.

Legal basis

- AFG - Employment Promotion Act (25.06.69) paras. 74-82.
- Regulation of the Governing Body of the Federal Employment Institute (04.07.72) on the promotion of year-round employment in the building sector.
- Regulation on winter money (25.05.78).
- Regulation on building trade firms in which year-round employment is to be fostered (regulation on building firms) of 28.10.80.

Contents

Investment subsidies to employers to acquire, or rent, winter production sheds, heating units, water heaters, steam generators and other equipment and facilities necessary for construction work between November 1 and March 31 (bad weather period). In special cases a loan can be granted in addition to a subsidy.

Subsidies for additional costs are granted to employers in the building and construction trade as partial compensation for other additional expenses incurred for construction work to be carried out during the promotion period from December 1 to March 31. Activities carried out at building sites by building trade firms are eligible for subsidies provided that the builders, the site, the construction and the material are fully, partly or individually protected against weather conditions in such a way that the work can continue even under inclement weather conditions.

A winter allowance is given to workers who are employed at a place subject to bad weather conditions. This is in compensation for additional costs for every working hour during the December 1 to March 31 period (except December 25 to January 1) when the general conditions for granting the bad weather allowance are met.

Financial resources

Investment subsidies amount to a minimum of 30% and a maximum of 60% of a reasonable price or rental fee for the bad weather period.

Subsidies for additional costs are paid at between DM 2.- and DM 7.- per hour.

The winter allowance rate is DM 2.- per actual working hour.

Institutional support

Duration

Effects

**FORDERUNG DER GANZJÄHRIGEN BESCHAFTIGUNG IN DER BAUWIRTSCHAFT
SCHLECHTWETTERGELD**

Year-round employment in the building industry
Bad weather allowance

Aim

To enable building trade firms which cannot give notice of dismissal on the grounds of weather conditions to keep their employees who, because of severe weather conditions, cannot be given work during the bad weather period. The types of firm concerned are laid down in a decree of the Federal Minister of Labour and Social Affairs.

Legal basis

AFG - Employment Promotion Act (25.06.69) paras. 74-76, 83-89.

Contents

Workers can claim bad weather allowance if, among other things, they have been employed in a job subject to contributions to unemployment insurance at the beginning of the loss of working hours, which must amount to at least one hour lost per working day.

Financial resources

The amount of bad weather allowance is dependent on the amount of wages which would have been paid to the employee without loss of work (rate per hour) and on the number of hours lost due to bad weather conditions.

The amount of bad weather allowance corresponds proportionately to the benefit which is granted as unemployment benefit in the case of full redundancy.

Institutional support

Bad weather allowance is paid on application which must be submitted to the Employment Office by the employer not later than the end of June. The employer usually calculates the amount of bad weather allowance and pays it to the employees together with the wages. His expenses are refunded by the Employment Office.

Duration

Effects

3. Measures giving aid to the unemployed

- Unemployment benefit, unemployment assistance, unemployment subsidies (D-iii-1)

- Incentives to enter employment (D-iii.2)

ARBEITSLOSENGELD, ARBEITSLOSENHILFE, ARBEITSLOSENBEIHILFE
Unemployment benefit, unemployment assistance, unemployment subsidies

Aim

To secure subsistence for the unemployed person and his/her family.

Legal basis

- Employment Promotion Act (25.06.69).
- Development Aid Assistance Act of 18.06.1969 as modified on 29.06.1976.

Contents

Payment of the respective benefit through the employment office which is competent for the unemployed person's domicile, provided that he/she is eligible for claims. (For details see Chapter III.)

Financial resources

Unemployment benefit is financed through contributions paid by employers and employees in equal parts.

Unemployment assistance and unemployment subsidies are financed from federal funds.

Institutional support

Federal Employment Institute

Duration

Unlimited

Effects

As of 15.05.1983

Beneficiaries of unemployment benefit	966.312
Beneficiaries of unemployment assistance	480.382
Beneficiaires of unemployment subsidies	95

FORDERUNG DER ARBEITSAUFNAHME

Incentives to enter employment

Aim

Incentives to enter employment are intended to remove financial limitations which are obstacles to the balance between supply and demand on the labour market.

Legal basis

- AFG - Employment Promotion Act (25.06.69), paras. 53 and 54, para. 242 (3).
- Regulation of the Governing Body of the Federal Employment Institute (FdA-Anordnung) of 18.12.69 and updates, notably 15.03.82.
- Rules of the Federal Government for Berlin (31.01.63).

Contents

The following types of costs are covered :

- "Bewerbungskosten": costs of applying for a job, up to DM 400 in 6 months or, in particularly hard cases, DM 800.
- "Reisekosten": travel costs for counselling and testing, for interviews, for taking up or returning from an out-of-town job or training programme of specified duration and for an accompanying person where this is necessary. Also covered are travel costs for an interview when this is useful to be given a job, for taking up a job away from home, for taking part in vocational training when a change in place is required; and for an unavoidable return trip before the end of the job or training course away from home.
- "Sammelfahrten": collective travel costs can also be covered in as far as these are incurred for presentation for or taking up work or in order to match labour market supply and demand.
- "Fahrtkostenbeihilfe": daily travel (for up to one year and, in exceptional cases, two) between the domicile and the place of work is covered if lodging the jobseeker is difficult under the usual conditions of the labour market.
- "Umzugskosten": removal expenses for home and family are paid when required for the continuation of family life by an unemployed person or one directly threatened with unemployment on taking up an out-of-town job.
- "Arbeitsausrüstung": working clothes and equipment are covered up to DM 600 for clothes and DM 1.000 for equipment, or double in exceptional cases when they are usually provided for the worker.
- "Trennungsbeihilfe": separation allowances can be paid for up to two years (and in exceptional cases longer) on taking up an out-of-town job. Job-holders can, for one year and exceptionally two, receive money for a monthly journey home if daily commuting is not reasonable and thus requires family separation.
- "Überbrückungsbeihilfe": transitional allowances to cover the living expenses of the applicant and his family until the payment of the first full wage or salary (except for the first job). Living expenses amount to DM 400 weekly and total further expenses to DM 500. These are loans which can only in exceptional cases be converted into grants, the ceiling on which is DM 1.000.

- "Leistungen zur Arbeitsaufnahme im Ausland": costs of taking a job abroad can be covered if the job can be justified from the side of social and labour market policies. These include travel cost for the job-holder and members of the family, removal costs of up to DM 1.000 during the year following the taking of the job, transitional allowances of DM 1.000 (for Europe for a maximum of one month) and separation allowances of at most DM 50 a week, for, at most, three months after the journey.
- Miscellaneous allowances concern the costs of obtaining a means of transport and other devices, loss of earnings, costs of probationary employment and the costs of advance results.

Resettlement allowances can also be provided to the employers who give job-seekers or those threatened by unemployment an appropriate and lasting job and sign an unlimited work contract. In specific areas this covers maintaining the jobs of those who are difficult-to-place when the company puts in as being insolvent and a new employer takes it over. These allowances normally last 6 months, but can be the double. They amount to 50 per cent of the usual wage rates (70 per cent in exceptional cases), which is reimbursed to the employer.

Financial resources

See above

Institutional support

Federal Employment Institute

Duration

Unlimited

Effects

4. Measures aimed at training, retraining and occupational mobility

- Vocational training promotion for individuals (D-iv.1)
- Promotion of vocational further training and retraining of individuals (D-iv.2)
- Promotion of vocational training institutions (D-iv.3)

INDIVIDUELLE FORDERUNG DER BERUFLICHEN AUSBILDUNG

Vocational training promotion for individuals

Aim

Through this measure the Federal Employment Institute helps overcome economic difficulties which are obstacles to an adequate vocational qualification by granting trainees vocational training assistance.

Legal basis

- Employment Promotion Act (25.06.69).
- Regulation of the Governing Body of the Federal Employment Institute (31.10.69) on vocational training promotion for individuals.

Contents

Vocational training assistance is granted to young people and adults for initial vocational training in companies or in general training centres as well as for participating in measures preparing for vocations.

Financial resources

Assistance is in principle granted in the form of a subsidy which takes into consideration the trainee's cost of living and training expenses as well as his income (his own and that of the spouse or parents).

Institutional support

Federal Employment Institute

Duration

Continuous

Effects

INDIVIDUELLE FÖRDERUNG DER BERUFLICHEN FORTBILDUNG UND UMSCHULUNG

Vocational further training and retraining of individuals

Aim

- to ensure or improve occupational flexibility;
- to encourage advancement;
- to prevent/end a shortage of qualified manpower;
- to prevent/overcome unemployment and qualitative and quantitative under-employment.

Legal basis

- AFG - Employment Promotion Act (25.06.69).
- Regulation of the Governing Body of the Federal Employment Institute on the promotion of vocational further training and retraining for individuals.

Contents

Advanced vocational training includes measures by which vocational knowledge and skill are assessed, maintained and extended or adapted to technical development, or which offer opportunities for career advancement.

Vocational retraining makes a necessary vocational re-orientation possible. Participation of unemployed persons in special measures to increase their placement chances is also promoted.

These measures require the individual to have completed his vocational training or have adequate vocational experience, or both.

Financial resources

- Subsistence allowances are given to participants in full-time courses as loans or grants depending on 'necessary' or 'useful' participation provided that the participant, within a fixed period of time, has held an employment of a minimum duration for which contributions to the Federal Employment Institute have been paid. For 'necessary' participation the subsistence allowance is given as a grant and amounts to 75% or 68 % of the remuneration less statutory pay deductions, depending on personal circumstances. The subsistence allowance is granted as a loan amounting to 58% of the remuneration less statutory pay deductions for 'useful' participation, provided that participating in measures accompanying employment cannot be expected.
- The Federal Employment Institute covers the necessary cost, all or part, directly incurred by the further training programme, above all expenses for teaching, teaching equipment, travelling, the cost of working clothes, sickness and accident insurance contributions as well as the cost of accommodation and extra food expenses, provided 'necessary' participation in a course makes accommodation away from the domicile inevitable.
- The amount of the adaptation subsidy and its length of payment depend in principle on the difference between the existing capabilities of the employee to be trained and the intended job requirements.

Institutional support

Federal Employment Institute.

Duration

Continuous.

Effects

INSTITUTIONELLE FÖRDERUNG DER BERUFLICHEN BILDUNG

Promotion of vocational training institutions

Aim

To achieve an educational structure that corresponds to the stage of and trends on the labour market and of the professions.

To improve the employment structure in the individual branches and areas of the economy.

Legal basis

- Labour Promotion Act (1969).
- Regulation of the Governing Body of the Federal Employment Institute on institutional promotion (31.10.69).

Contents

Subsidies can be granted to non-profit institutions running vocational training, advanced training and retraining courses.

Financial resources

Allowances (subsidies or loans) for investments for building, extending and equipping should not normally exceed 50 per cent of the total costs. If a subsidy is exceptionally granted for a building investment, it should not exceed 30 per cent of the total costs.

In the case of allowances for other costs, the rate should normally not exceed 50 per cent.

Loans pay an annual interest rate of 2 per cent.

Institutional support

Subject to limitation by the Governing Body of the Federal Employment Institute.

Duration

Unlimited.

Effects

Identical to "aim" listed above.

5. Job creation measures

- Promotion of job creation measures (D-v.1)

FORDERUNG VON MASSNAHMEN ZUR ARBEITSBESCHAFFUNG

Promotion of job creation measures

Aim

To create jobs for the unemployed, particularly for the difficult-to-employ: the long-term unemployed, older workers and the disabled. The jobs must be "in the public interest", which would not otherwise have been created, or only at a later date.

Legal basis

- AFG - Employment Promotion Act (25.06.69) paras. 91-96 and paras. 97-99.
- Regulation of the Governing Body of the Federal Employment Institute ("ABM-Anordnung").
- Regulation of the Governing Body of the Federal Employment Institute according to para. 99 of the AFG (31.10.69).
- Decision of the Federal Employment Institute (19.08.74) on granting, from the Institute's reserve, special interest reductions for hiring and employing workers.

Contents

Jobs can be created in the public interest which are in particular geared to:

- create the conditions for permanent employment of the unemployed;
- prepare, make possible or complete measures which improve existing structures;
- create work opportunities for the long-term unemployed;
- improve the social infrastructure.

Financial resources

Measures are promoted through subsidies and loans to public or private bodies for additional jobs, as well as subsidies for the wage costs of older workers. The subsidy amounts to between 60 per cent and 80 per cent of the earnings. Loans can be twice the amount of the subsidy. Additional resources can be made available from Federal Budget funds. In general, Federal Government loans and subsidies are not granted unless loans and subsidies are also granted by the state ("Land") where the job is created "at an adequate level and under conditions which are not less favourable".

Institutional support

The programme is handled by the Federal Employment Institute.

Duration

Effects

IAB's studies show that after some 6 months of completing ABM, 42 per cent of the persons concerned were in regular employment, 19 per cent were again engaged in ABM and 23 per cent were still, or again, unemployed.

6. Measures in favour of special categories of people

- Vocational training measures for youths (D-vi.1)
- Promotion of vocational rehabilitation for the handicapped (D-vi.2)

FORDERUNG DER JUGENDLICHEN-BERUFSBILDUNG

Vocational training measures for youths

Aim

To facilitate integration into the labour market of various groups of less-than-easy-to-employ youths.

Legal basis

- AFG - Employment Promotion Act (25.06.69).
- Regulation of the Governing Body of the Federal Employment Institute (23.06.76), 12th amendment.
- Regulation of the governing Body of the Federal Employment Institute on work and employment promotion of the handicapped (31.07.75) and up-datings.

Contents

The following measures have been developed:

1. basic training courses for school-leavers who cannot take up vocational training because of a shortage of appropriate training places;
2. basic training courses for unemployed youths who, for various reasons, do not have access to vocational training;
3. promotion courses for the immature school-leavers who lack vocational maturity and are not yet able to shoulder the burden of vocational training;
4. courses to enhance the opportunities of integrating into working life those handicapped youths who are not suitable for vocational training and whose integration into the general labour market requires particular help;
5. measures for vocational preparation and social integration of young foreigners;
6. measures relating to introductory approaches and to work training in workshops for the handicapped;
7. various measures for the disabled to prepare them for subsequent vocational training.

Financial resources

Federal Employment Institute.

Institutional support

Various bodies on behalf of the Federal Employment Institute.

Duration

Measures last up to one year; those for the handicapped ranging from 20 days to two years.

Effects

About 45.000 youths take part in these measures annually. An evaluation has shown in particular that youths who have followed such promotion courses are usually quicker, better and more lastingly integrated into jobs than others. They more often successfully complete their vocational training and acquire broader knowledge so that they can subsequently be better paid. They are less often unemployed, and the unemployment periods are of shorter duration. This results not only from the selection of participants but above all from the different learning conditions of the participants as well as of the much broader curriculum in the courses.

BERUFLICHE REHABILITATION

Promotion of vocational rehabilitation for the handicapped

Aim

To provide, by means of programmes, handicapped persons with the necessary help to develop or recover their capability for gainful employment in accordance with their physical and mental faculties so that they may lead a life independent of outside help.

To enable the handicapped to occupy a proper place in social, professional and economic life.

Legal basis

- AFG - Employment Promotion Act (25.06.69) paras. 56-62.
- Act to match performance to rehabilitation (07.08.74).
- Regulation of the Governing Body of the Federal Employment Institute on promoting the work and vocation of the handicapped (31.07.75) and up-datings.

Contents

The Federal Employment Institute advises the handicapped on how they can best enter or re-enter an occupation or vocation, in accordance with their aptitude and learning.

In cases where another body can be presumed competent, the Federal Employment Institute has to make provisional payments if the immediate introduction of the requisite measures is jeopardised because the question of responsibility has not been clarified or for any other reasons. If another body is responsible, the Federal Employment Institute has to suggest to it the requisite vocational promotion measures so as to guarantee the optimal success of rehabilitation in line with the conditions of the labour market.

Promotion by the Federal Employment Institute of vocational rehabilitation training institutions ensures:

- availability of a sufficient number of centres for vocational rehabilitation matched with the state of and trends on the labour market. In particular, these institutions include vocational training centres, institutions for the promotion of vocational training, centres for medico-vocational rehabilitation and sheltered workshops;
- that a sufficient number of rehabilitation officers are trained and undergo further training.

Financial resources

The Federal Employment Institute covers for the individual:

- costs incurred in connection with vocational rehabilitation (including living costs for the person and his family);
- costs of maintaining or obtaining a place of work adapted to his/her particular handicap.

Institutional support

The Federal Employment Institute (in as far as no other body has superior competence).

Duration

Continuous.

Effects

7. Placement measures

- Placement (D-vii.1)
- Employment guidance (D-vii.2)
- Vocational guidance (D-vii.3)
- Improvement of placement possibilities (D-vii.4)

ARBEITSVERMITTLUNG

Placement.

Aim

To bring together jobseekers and employers with a view to establishing a working relationship, taking into consideration the specific conditions of the vacancies and the aptitudes and personal circumstances of the jobseekers.

Legal basis

Paras. 13 and 14 of the Employment Promotion Act (25.06.69).

Contents

The placement service of the Federal Employment Institute carries out its activities impartially and free of charge. Everyone is entitled to make voluntarily use of it. There is no obligation to report existing vacancies.

Financial resources

As needed for an individual guidance service.

Institutional support

All agencies of the Federal Employment Institute have placement services. On April 1, 1983 there were altogether 649 agencies, including 146 local employment offices and 483 branch offices. The placement service is, as a matter of principle, structured according to professions - making no distinction of sex. The basic organisational unit is the professional field.

The Federal Employment Institute has regional and central specialist placement agencies for applicants who belong to professions which are generally dependent on a larger labour market and/or whose guidance and placement necessitate very special insider knowledge. Severely handicapped people are taken care of by a special service. Specially qualified placement officers are entrusted with the placement of young people who do not aspire to vocational training. The placement offices for temporary work (JOB-Zeitpersonal Vermittlung) provide temporary work contracts for periods up to three months. Institutions or persons outside the Federal Employment Institute can be commissioned to carry out placement, both for individual professions or groups of persons, if this is useful for the placement. However, the Federal Employment Institute has the exclusive right for placement.

Duration

Continuous.

Effects (1982)

Intake of 4,6 million jobseekers (3,7 million unemployed), 1,4 million placements (of which 841.000 for more than 7 calendar days), 1,1 million reported vacancies.

ARBEITSBERATUNG
Employment guidance

Aim

Employment guidance provides employees and employers with information on the present situation and future developments of the labour market as well as on specific services and benefits such as advice on further training and retraining and on incentives to enter employment. The purpose of employment guidance is not primarily to give advice and aid to persons choosing their first profession or changing professions, but rather to advise both employees and employers throughout working life.

Legal basis

Para. 15 of the Employment Promotion Act (25.06.69).

Contents

It is the task of employment guidance to inform employees and employers - whether or not they want placement - of the labour market situation, trends in professions and trades, the necessity and possibility of vocational training and training incentives as well as of incentives to enter employment. It also gives advice on how to choose or fill a job.

Employment guidance is not concerned with more extended guidance, particularly on such concerns as labour law or becoming self-employed.

Financial resources

As needed for an individual guidance service.

Institutional support

Employment guidance exists in all local employment and branch offices. The Federal Employment Institute has regional and central specialist placement agencies of applicants who belong to professions which generally have to rely on a larger labour market and/or whose guidance and placement necessitate very special insider knowledge.

In the framework of employment guidance, special guidance services can be brought in; these are in particular the Medical Service, the Psychological Service and the Technical Advisory Service of the Federal Employment Institute. The competent adviser will decide if and when one of these special guidance services is to be called in; he needs, however, the consent of the person seeking advice.

Duration

Continuous.

Effects

In 1982, 1,9 million employees applied for employment guidance.

BERUFSBERATUNG

Vocational guidance

Aim

Vocational guidance takes account both of the person's qualifications and demands and the economic interests of society. Vocational guidance aims at ensuring the individual's free choice of a career and bringing out those factors influencing the decision-making process. To this end, it provides information, orientation and guidance aids in order to enable the individual to take up an occupation which is both optimal for himself and the employment system.

Legal basis

- Employment Promotion Act (25.06.69).
- Regulation of the Governing Body of the Federal Employment Institute on individual promotion of basic vocational training (31.10.69).
- Regulation of the Governing Body of the Federal Employment Institute on individual promotion of advanced vocational training (23.03.76).

Contents

The vocational guidance service of the Federal Employment Institute fulfils its functions impartially and free of charge to every individual who wishes to make use of it. Making use of it is determined by the individual's own free will. Emphasis is placed on personal contact.

Financial resources

Vocational guidance is financed through employee and employer contributions.

Institutional support

A vocational guidance section exists in every local Employment Office and nearly one third of the branch offices are permanently staffed with vocational advisers. These advisers are experts who have undergone special training in particular fields of business administration, psychology and pedagogics. Specially trained career advisers are responsible for the guidance of 'Abiturienten' (persons holding an upper secondary school certificate) and students as well as of handicapped persons.

Duration

Continuous

Effects

VERBESSERUNG DER VERMITTLUNGSAUSSICHTEN

Improvement of placement possibilities

Aim

To inform the unemployed about issues concerning the choice of jobs and opportunities for vocational training.

To contribute to maintaining or improving abilities to take up work or participate in vocational training.

Legal basis

AFG - Employment Promotion Act (25.06.69) Para. 41a.

Contents

The measures are short-term. They consist of individual or collective information sessions.

Financial resources

Institutional support

The measures are conducted by the Federal Employment Institute.

Duration

Unlimited.

Effects

IAB research (1979) indicates that:

- the measures stimulate participants to follow other vocational courses (21 per cent on courses 9 months later cfr. 4 per cent of all unemployed);
- 27 per cent of participants found a vocational job immediately;
- the courses have social effects, such as bringing the unemployed out of social isolation (2/3 of participants considered them to be very important).

8. Other measures

-Bankruptcy compensation payments (D-viii.1)

KONKURSAUSFALLGELD

Bankruptcy compensation payment

Aim

To secure the wage claims of employees for the last three months of employment before the opening of the bankruptcy proceedings.

Legal basis

AFG - Employment Promotion Act (25.06.69).

Contents

On application, the bankruptcy compensation allowance is granted by the local Employment Office responsible for the district in which the employer has concerned his wage accounts' office for the employee.
Further details are annexed.

Financial resources

The money for bankruptcy compensation payments is raised by professional associations after each year by splitting the costs among the employers.

Duration

Unlimited.

Effects

Bankruptcy Compensation Payments

Bankruptcy compensation payments secure the wage claim of employees for the last three months of employment before the opening of bankruptcy proceedings. Equal to the opening of bankruptcy proceedings is a rejection of an application to open bankruptcy proceedings due to lack of assets, and the entire closing down of business activities if bankruptcy proceedings can obviously not be instituted due to lack of assets. If the employee continues working because he has not been informed about a rejection due to lack of assets, special regulations apply as far as the three-month period is concerned.

The amount of bankruptcy compensation allowance is based on the net remuneration which has not been paid to the employee during the period mentioned. There is no assessment limit.

On application, bankruptcy compensation allowance is granted by the local Employment Office responsible for the district in which the employer's respective wage accounts office for the particular employee is situated. The application can be submitted to any Employment Office; it is also accepted by other bodies which, under the provisions of the Social Code, are responsible for the administration of social benefits, and by all municipalities. Fundamentally, the application must be submitted within a time limit of two months following the opening of bankruptcy proceedings or an event of equal significance, but in the case of blameless failure to observe the time limit, applicants are notified of an extension of two months.

On the employee's application, the Employment Office must make an adequate advance of the bankruptcy compensation allowance.

If the claim for remuneration for the above mentioned period of three months has been passed on to a third person or if the remuneration has been distrained in favour of a third person, then this person too will be eligible to receive bankruptcy compensation payments.

Applications by third persons can in principle only be made within the mentioned time limit of two months or within the extension. Advance payments to third persons are only made if the claim has been passed on or distrained due to maintenance obligations.

Claims for remuneration that justify a claim for bankruptcy compensation payments are passed on to the Federal Employment Institute when the application for bankruptcy compensation payments is made. The Federal Employment Institute will raise these claims at the bankruptcy proceedings or against the former employer.

To avoid disadvantages for the employee, the Employment Office also pays the compulsory contributions for health, pension and unemployment insurance which are due for the mentioned period of three months of employment.

Funds for bankruptcy compensation payments including the amounts mentioned above as well as administrative and other costs incurred in connection with bankruptcy compensation payments are raised by professional associations after every year through a contribution from employers.

Chapter V: INFORMATION AND RESEARCH

Under the provision of the Employment Promotion Act, the FEDERAL EMPLOYMENT INSTITUTE is under the obligation to carry out a comprehensive labour market and vocational research programme, to make surveys of the employment situation, to provide statistical data and to issue reports of its findings.

This means that the Federal Employment Institute has to observe and investigate the scope and nature of employment, the present situation and future development of the labour market, of trades and professions, and of the vocational training opportunities in general as well as in individual branches of industry and in defined industrial areas, taking into account their social structure. The Federal Employment Institute has to examine and evaluate these observations in order to facilitate the execution of the duties it is to perform. The public is entitled to access to this data. From the data accumulated in the course of its activities, the Federal Employment Institute is required to compile statistics, particularly with respect to employment and unemployment.

Labour market and vocational research

Labour market and vocational research means scientifically evaluating current conditions and assessing future developments on national, regional and international labour markets.

Labour market and vocational research as an interdisciplinary scientific subject involves the fields of economics, business administration, engineering, analytical statistics and sociology. It must also take into account the latest results in educational and vocational research, vocational learning, occupational studies and research into future trends. The methods applied in vocational and labour market research derive, above all, from economics and the social sciences. It uses official and non-official economic, social and educational statistics in conjunction with mathematic-statistical data analysis with the aid of data processing. Data compiled on employees or firms is also evaluated. Labour market and vocational forecasts face the same difficulties as any forecasts in the fields of economics, sociology and technical sciences. The object of labour market and vocational research is to compile information for the individual, on the one hand, and labour market policy, on the other. It should enable the individual to arrive at a rational decision in choosing his education or occupation and adapt himself to continuous changes. Information should enable labour market and educational policies to be developed that will avoid future structural imbalances on the labour market.

Since 1967 **the institute of employment research** (Institut für Arbeitsmarkt- und Berufsforschung - IAB) has been carrying out labour market and vocational research within the Federal Employment Institute. As "Department VI" it is part of the Headquarters of the Federal Employment Institute in Nuremberg. The IAB provides the Employment Offices with scientifically based information to assist them in their decisions and the performance of their duties in the field of labour market and economic structure and to help them in their work of vocational orientation, vocational and employment guidance, placement, vocational promotion and rehabilitation. The documents issued by the IAB also serve to inform the public, particularly the partners engaged in labour negotiations, as well as people involved in politics, industry and science, and national institutions. In this sense, the IAB also evaluates the results and the success of policy measures relating to work carried out by the Federal Employment Institute in accordance with the Employment Promotion Act.

The aim and tasks of vocational and labour market research in the Federal Employment Institute are derived from the tasks of the Federal Employment Institute in accordance with paragraph 1 of the Employment Promotion Act:

- analysis of the interdependencies of economic growth and employment trends as well as population trends and available manpower;
- research into changes of sectoral, occupational and regional employment structures;
- trade cycle research, in particular with regard to the employment market;
- monitoring and analysing technical development and its impact on the employment market;
- research into job content, job relationships, job requirements and their changes;
- studies of the flexibilities on the labour market;
- studies of the problems of classification and taxonomy;
- evaluations of methods and results based on statistical findings on the labour market, statistical analysis and method developments, econometrics;
- development of labour market models taking into account forecasting methods and methods of substitution research;
- qualifications' research;
- research on the international labour market.

The IAB is organised along its functional set-up: scientists and experts from the Federal Employment Institute's various fields of activity are employed in the nine sections. In addition to its own activities, the Institute initiates and guides research projects carried out for the Federal Employment Institute by other institutes. It also examines the available results of independent research work with a view to utilising them for the Federal Employment Institute. The IAB keeps in close contact with university professors who give advice on scientific matters and act as links with research, especially with basic research outside the Federal Employment Institute. Special sections in the Regional Employment Offices for Labour Market and Vocational Research and specially trained research staff in some district Employment Offices ensure that research is in direct touch with the realities in the Local Employment Offices.

IAB produces the following **publications**:

The quarterly review "Labour Market and Vocational Research" (Mitteilungen aus der Arbeitsmarkt- und Berufsforschung), edited by the President of the Federal Employment Institute, the Director of the IAB and external scientists from the relevant fields of research, constitutes a forum for scientific discussion on vocational and labour market research. It also includes the results of the IAB research.

More detailed presentations of research results for the general and specialised public is given in the "Contributions to Labour Market and Vocational Research" (Beiträge zur Arbeitsmarkt- und Berufsforschung).

The "Conclusions from Labour Market and Vocational Research" (Quintessenzen aus der Arbeitsmarkt- und Berufsforschung) are a summary of the most important results of IAB research.

The "Research Documentation on Labour Market and Vocational Research" (Forschungsdokumentation zur Arbeitsmarkt- und Berufsforschung), published several

times a year, provides information on current and completed research projects in the field of labour market and vocational research in the German-speaking countries.

The "Documentation on Labour Market and Vocational Research" (Literaturdokumentation zur Arbeitsmarkt- und Berufsforschung) collates and provides abstracts on the relevant publications in this field.

Special periodicals appear on particular subjects. The "Reports on Labour Market and Vocational Research" (Materialien aus der Arbeitsmarkt- und Berufsforschung) inform specialist and senior staff of the Employment Offices about research results which are suitable to be put into practice, and thus contribute to constantly upgrading the personnel of the Federal Employment Institute.

The respective medium-term research programme and the annual report on the activities of the IAB also appear in this series as well as project lists, other annual reports and lists of publications. By awarding an annual research prize for outstanding results, the Federal Institute honours and fosters labour market and vocational research work carried out in the universities.

Statistical service

The Federal Employment Institute has its own statistical service as an integral part of its structure. Its task is to obtain and prepare for use statistical data and documents from the available administrative records or from direct interviews and surveys, as well as to evaluate statistics provided by the Federal Office of Statistics, the Regional Office of Statistics, and other agencies. Such statistics are necessary for carrying out special functions as well as for research. In this way, up-to-date survey methods and rational procedures for obtaining and processing figures, increasingly computerised, are used.

Statistics on the labour market, employment, unemployment, employment guidance and placement, vocational guidance, and the provision of training places constitute a major part of the statistical programme. Other significant areas are the promotion of vocational training, incentives to take up employment, and vocational rehabilitation. Yet other fields are the benefits of unemployment insurance for job maintenance and creation. In addition, statistics are compiled in accordance with the Interim Workers' Act on jobs for disabled persons and on payments under the Children's Allowance Act. Statistical results are made available to the special departments and to the Institute for Employment Research in an appropriate form, and are also broadly accessible to other interested offices. The most important results of the statistical surveys and their evaluation are published in the Official Reports of the Federal Employment Institute (Amtliche Nachrichten der Bundesanstalt). In addition to an extensive tabular section, they contain in particular monthly reports on the state of the labour market, as well as reports on the structure of the labour market stock, the number of incoming and outgoing unemployed persons, on vacancies, employment trends, including foreigners, vocational guidance, special placement of highly qualified persons, promotion of vocational training and vocational rehabilitation.

Press announcements and press conferences serve to keep the public informed.

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