



LABOUR MARKET INTELLIGENCE SOURCES

Country fiche - GERMANY

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Innovating the use of Labour Market Intelligence
within European Universities - LMI-EUniv



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LIST OF ABBREVIATIONS

CEDEFOP	European Centre for the Development of Vocational Training
EU	European Union
HEI	Higher Education Institution
ILO	International Labour Organisation
LMI	Labour Market Intelligence
LMI-EUniv	Innovating the use of Labour Market Intelligence within European Universities
LMO	Labour Market Observatory
NIS	National Institute of Statistics
OECD	Organisation for Economic Cooperation and Development
OJA	Online Job Advertisement
OVATE	Skills Online Vacancy Analysis Tool for Europe (Skills OVATE)
PES	Public Employment Service

BACKGROUND

LMI-EUniv project

“Innovating the use of Labour Market Intelligence within European Universities - LMI-EUniv”, the project was the subject of a successful application to Key Action 2 - Cooperation among organisations and institutions - of the Erasmus+ programme.

Consortium

The consortium is composed of West University of Timisoara (project leader), University of Milano-Bicocca (Italy), University of Tallinn (Estonia), Prospektiker - (Spain) and Luxembourg Institute of Socio-Economic Research (Luxembourg).

Aims

The primary focus of the project is to understand how are European Universities using labour market information and labour market intelligence in the planning and delivery of their provision and how can this be improved. Therefore, the project aims to help HEI to develop appropriate skills and competencies through better matching of education supply to demand through innovative learning and teaching practices.

Objectives

The LMI-EUniv project has three main objectives: (1) to map essential LMI sources at national level, (2) to explore how HEI in Europe are using LMI, and (3) to produce a training course, guide and a Labour Market Intelligence Hub. This will be an online platform, aggregating LMI sources and information, and aims to become a reference point for all HEI.

INTRODUCTION

This country fiche provides information concerning the essential LMI sources at national level with a particular focus on LMI sources used by HEI. It was developed within the Intellectual Output 1 of the LMI-EUniv project - Mapping essential LMI sources at national level. The role of the country fiches is to systemize information related to LMI sources and gather them into a LMI Hub. The country fiches will form the basis for the Data (Evidence) Report and in turn, will inform the production of the Final Report.

During the inception phase of the project, we have noticed the existence of a large number of LMI sources but also a lack of information about them. We consider that having access to a single point of information with LMI sources will enable HEI to better use this for their activities. Thus, this research represents the first step in this direction through mapping the LMI sources at the European level.

We believe that this study is the first of its kind focused on LMI sources across Europe and is in itself a considerable innovation. Through this activity, we are seeking to influence how universities in Europe view, analyse, utilise and produce their own LMI to aid with their decision-making. Further, we aim to make this available to help stakeholders such as policymakers in national and regional governments, employers, and regional development agencies to be better able to bring their demand-side knowledge to support universities and ensure higher education supply fits to current and future labour market need.

The Final Report Recommendations given the project's geographical coverage and the pressing need for action on using labour market intelligence should have considerable transferability potential.

GENERAL INFORMATION

Demography

As of 31 December 2020, Germany has been divided regionally and for administrative purposes into 16 Länder (including three city states), 19 administrative regions (Regierungsbezirke), 401 districts (Kreise) comprising 107 municipalities with the status of a district (kreisfreie Städte) and 294 rural districts (Landkreise) and 10,796 municipalities (Gemeinden). The city states of Berlin, Bremen (two municipalities) and Hamburg are also counted as local authorities, as are all municipalities with the status of a district and inhabited areas not belonging to any municipality. Some Länder also have intermunicipal corporations (Gemeindeverbände) which are formed if their members agree to pool their efforts with each retaining its individual rights. The number of foreign nationals living in Germany is an important factor influencing the changing population structure. According to the Central Register of Aliens (Ausländerzentralregister - AZR), in 2020 there were 11.4 million foreign nationals. In numerical terms, Turks represented the biggest group, at 12.8 percent of Germany's foreign population.

In 2020, 42.8 percent came from EU Member States, of which Poland was most strongly represented at 7.6 percent of the entire foreign population. In geographical terms, the population is distributed extremely unevenly. The most densely populated areas are the city states of Berlin, Bremen and Hamburg. Nordrhein-Westfalen, where towns and cities run into each other without any clear boundaries in the industrial area surrounding the Rhine and Ruhr rivers, had over 17.9 million inhabitants in 2020 with a population density of 525 inhabitants per km². Other conurbations include the Rhine-Main area, the industrial area in the Rhine-Neckar district, the commercial area around Stuttgart and the areas around Bremen, Cologne, Dresden, Hamburg, Leipzig, Munich and Nuremberg/Fürth.

These densely populated regions contrast with extremely thinly populated areas, e.g. in the North German Plain, parts of the Central Upland, the Brandenburg Marches and in Mecklenburg-Vorpommern.

In 2020, just less than 32.8 million persons or 39.4 per cent of the German population lived in urban or densely-populated areas (municipalities with at least 50,000 inhabitants and a population density of more than 500 inhabitants per km²). Around 33.6 million people lived in semi-urban or medium density population areas (municipalities with at least 50,000 inhabitants and a population density of 100 to 500 inhabitants per km²). This corresponds to 40.4 per cent of the total population. Just less than 16.8 million people lived in municipalities in rural areas with a population density of fewer than 100 inhabitants per km². This was 20.3 per cent of the total population. The age distribution of the population of Germany is on the point of changing with lasting effect. This is due to both the declining number of children and the increasing life expectancy. This results in a drop in the proportion of young people at the same time as an increase in the proportion of older people.

In 2020, more than 15.3 million inhabitants were younger than 20. This corresponds to a proportion of 18.6 per cent. The proportion of inhabitants aged 60+ increased from 20.0 per cent in 1970 to 29 per cent in 2020. Their numbers amounted to 24 million and, in 2020, they outnumbered the younger inhabitants.

Labour market

Germany (with 83.2 million inhabitants) is the largest economy in the European Union (EU) and, after the USA, China and Japan, is the world's fourth largest economy. Germany is also the third-largest exporter. Germany is renowned for its major companies in the automotive, chemicals and electronics sectors. Among these, Volkswagen, Daimler, BMW (all automotive), BASF (chemicals) and Siemens (electronics) are the main global players. What is less well known is that 56.3% of the total workforce in Germany works in small and medium-sized enterprises (SMEs). SMEs in particular, for example in the mechanical engineering sector, are willing to recruit and are looking for staff.

In February 2022, 45.1 million people were in employment (+1.5% compared to the previous year). Following the slump in the first lockdown (spring 2020), covered employment has picked up again strongly. Compared with the previous year, there was an increase in the number of covered employees in all federal states, with the highest rise in Berlin (+3.8%, in seasonally adjusted terms). The smallest increase was recorded in Thuringia (+0.7%). Based on the entire civilian labour force, the unemployment rate in March 2022 was 5.1%. In

seasonally adjusted terms, the unemployment rate has also reduced and, at 5.0%, is once again at the pre-crisis level of March 2020. Eastern Germany (6.6%) continues to be more greatly affected by unemployment than western Germany (4.8%). Over the last few years, however, the gap between these employment rates had narrowed. At the federal state level, Bavaria continues to have the lowest unemployment rate, while Bremen has the highest.

In March 2022, there were 839 000 reported vacancies; this was 229 000 (38%) more than the previous March. The fall in the number of jobs due to the coronavirus outbreak has therefore been more than compensated for, with the seasonally adjusted number of jobs even reaching a peak. Almost 191 300 cross-border commuters were working in Germany in 2019. These are foreign nationals who work in Germany but live in another country. Given its location at the heart of Europe, Germany has by far the higher number of cross-border workers, many of whom come from Poland and France.

The German labor market needs well-educated women and men - i.e. people with professional qualifications (academic studies, vocational training). There are good opportunities for foreign skilled workers in occupations that are in particularly high demand.

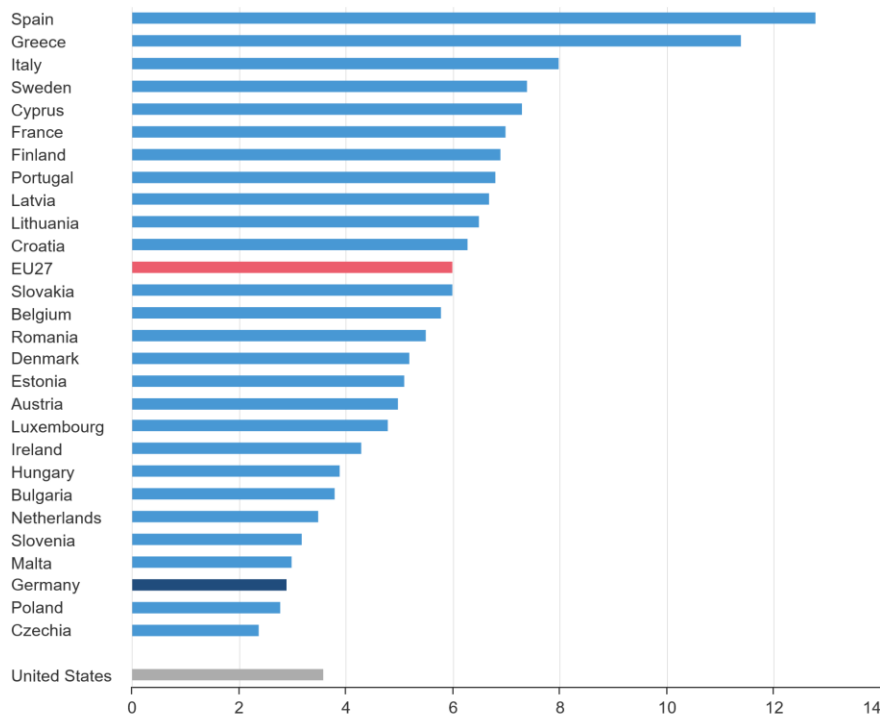
Germany has one of the lowest unemployment rates within the EU-27. 2.9% of the labour force (15- to 74-year-olds) were unemployed in February 2023¹.

¹ Source: <https://www.destatis.de/Europa/EN/Topic/Population-Labour-Social-Issues/Labour-market/EULabourMarketCrisis.html>

Figure 1: Unemployment rate

Unemployment rates in EU

as at February 2023, seasonally adjusted, in %



Source: Labour Force Survey, Eurostat

© Statistisches Bundesamt (Destatis), 2023

Source: https://eures.ec.europa.eu/living-and-working/labour-market-information/labour-market-information-germany_en

Higher education market

In the Federal Republic of Germany responsibility for the education system is divided between the Federation and the Länder. The scope of the Federal Government's responsibilities in the field of education is defined in the Basic Law (Grundgesetz). Unless the Basic Law awards legislative powers to the Federation, the Länder have the right to legislate. Within the education system, this applies to the school sector, the higher education sector, adult education and continuing education. Administration of the education system in these areas is almost exclusively a matter for the Länder.

In addition to the division of responsibilities described above, the Basic Law also provides for particular forms of cooperation between the Federation and the Länder within the scope of the so-called joint tasks (Gemeinschaftsaufgaben). Early childhood education and care is not part of the state-organised school system in Germany but almost exclusively assigned to the child and youth welfare sector. On the federal level, within the framework of public welfare responsibility lies with the Federal Ministry for Family Affairs, Senior Citizens, Women and Youth (Bundesministerium für Familie, Senioren, Frauen und Jugend - BMFSFJ), on the level of the Länder, the Ministries of Youth and Social Affairs and, in part, also the Ministries of Education and Cultural Affairs, are the competent authorities. Following the primary school stage, after grade 4 (in Berlin and Brandenburg after grade 6), an early division into the educational pathways of Hauptschule, Realschule and Gymnasium takes place. Vocational education and training takes place in the duales System. Training is carried out in two places of learning: at the workplace and in a Berufsschule (vocational school).

In Germany, there is significant demand for the following occupations:

Doctors: despite good earning opportunities and high social status, there is an increasing shortage of doctors in private practices, and sometimes in clinics, especially in rural areas.

Requirements: candidates must undergo a recognition procedure, but doctors who have obtained equivalent qualifications abroad will be granted a national license to practice as a doctor in Germany.

Nurses: there are plenty of jobs available for nurses and healthcare professionals. Qualified staff are needed in hospitals, retirement homes and other care facilities.

Requirements: anyone with a nursing qualification from their country of origin can apply for that qualification to be recognised in Germany. Medical fitness and knowledge of German are required, to either B2 or B1 level, depending on the federal state.

Engineers: as an industrial nation, Germany has plentiful career opportunities and good earning potential to offer engineers. There is a strong demand for experts in electrical and construction engineering, mechanical engineering and vehicle manufacturing. There are currently opportunities available for graduates who wish to cross over from other fields.

Requirements: anyone with a professional qualification equivalent to the corresponding German qualification is eligible to be recognised as an engineer / engineering consultant.

Life scientists and computer scientists: vacancies are also abundant in the STEM fields (science, technology, engineering and mathematics), both in the private sector and in public research institutes.

Requirements: at the Central Office for Foreign Education (ZAB), foreign STEM graduates can have their university degrees declared equivalent to German diplomas.

There is also particular demand for childcare workers in municipal and church kindergartens, drivers in freight companies and municipal institutions, chefs, food industry professionals (butchers, bakers), and agricultural workers (harvest workers).

LMI SOURCES AT NATIONAL LEVEL

LMI providers

LMI comprises any information and knowledge about labour market dynamics. It covers topics such as labour demand and supply, unemployment, employment and earnings, emergence of new occupations, new skills required on labour market, post-graduate path, career expectations, etc.

IAB - Institut für Arbeitsmarkt (Institute for Employment Research)

The RDC-IAB (<https://iab.de>), founded in 2004, is a research department of the Institute for Employment Research (IAB), which belongs to the Federal Employment Agency (BA) of Germany. The RDC-IAB has three core functions: creating standardized research data for the scientific community, providing access to these data, and conducting research with and about IAB data. Various kinds of standardized labor market data are provided by the RDC-IAB. Administrative research data are based on the notification procedure of the German Social Security System and process-generated data are based on the BA. Additionally, surveys conducted by the IAB or partner institutes become part of the data portfolio. Furthermore, linked data between surveys and administrative data are produced. All data products are specifically created for the purpose of allowing external researchers access to the data. Different data access modalities with varying degrees of data anonymization balance analytical flexibility on the one hand with access restrictions on the other. The data provided by the RDC-IAB are used both for labor market research in general as well as for the evaluation of specific labor market policies. The main services of the RDC-IAB are funded by the staff budget of the BA and provided free of charge to the research community. However, the RDC-IAB raises third-party funds to generate new innovative data products, infrastructure projects, and research projects. Currently, nearly half of the 26 employees working at the RDC-IAB are financed by third-party funded projects.

IZA institute of Labor Economics

IZA (<https://www.iza.org>) is a nonprofit research institute and the leading international network in labor economics, comprising more than 1,800 scholars from around the world. This unique combination of in-house research capacity and global network activities enables us to draw on cutting-edge expertise in conducting research projects and providing scientific policy advice. We provide platforms for knowledge exchange and make relevant research findings accessible for policy practitioners and the general public. Established in 1998, IZA is supported by the Deutsche Post Foundation and affiliated with the University of Bonn.

IZA serves as a bridge builder for national and international research in labor economics. Our goal in conducting fundamental research, providing scientific policy advice, and engaging in active knowledge transfer is to narrow the distance between science and society in order to help create a better future of work for all.

Federal Ministry of Labour and Social Affairs

The Federal Ministry of Labour and Social Affairs, Bundesministerium für Arbeit und Soziales (BMAS - <https://www.bmas.de>), is the main institution in the government involved in the provision of ALMPs. BMAS is in charge of a range of different policy areas, most importantly labour market policies, social policy and pensions. The ministry is divided into directorate-general, which correspond to its main responsibilities: - DG I Basic Issues of the Social State, the World of Work and the Social Market Economy - DG II Labour Market Policy, Employment of Foreign Workers, Unemployment Insurance and Basic Income Support for Jobseekers - DG III Labour Law and Occupational Safety and Health - DG IV Social Insurance and Old-Age Security - DG V Participation, Matters concerning Persons with Disabilities, Social Compensation and Social Assistance - DG VI European and International Employment and Social Policy ESF. In the directorate-general that is responsible for employment policy, DG II, several divisions focus on ALMPs. For instance, there are specific divisions responsible for counselling and placement, and for 1 Institutional setup | 5 vocational guidance and training. Furthermore, DG II has a separate division dealing with activation and integrational measures under Social Code II, e.g. targeted to social assistance beneficiaries

Public Employment Service

The German public employment service agency, Bundesagentur für Arbeit (BA - <https://www.arbeitsagentur.de>), implements and provides LMPs specified in SGB III. BA's tasks include processing and paying out unemployment benefits and providing ALMPs to unemployed people, people desiring to start an apprenticeship and employed workers at risk of unemployment. In addition, SGB III assigns further tasks to BA, such as producing labour market statistics and statistics on activation measures and defining labour market research priorities.

Assessing the sources of LMI at national level

Once the sources of LMI have been identified, their quality is needed to be assessed. There are many organisations that produce LMI but only through a standardized evaluation process they can be considered as being qualitative. The quality of LMI sources is sustained by their representativeness, validity and reliability.

Table 1 below contains a list of LMI sources identified at national level and their rating in accordance with LMI-EUniv methodology.

Table 1: LMI Sources at national level

[SEE THE LMI SOURCES HERE](#)

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