

Perspective 50plus – Employment pacts for older workers in the regions, Germany¹

Description of the approach

In 2005, the German Ministry of Labour launched a 'call for proposals' as an competition idea addressing all 444 local job centres across Germany (*i.e.* a special kind of Public Employment Service for the long-term unemployed and the unemployed with no legal right to unemployment benefit I, founded in 2005 after the modern Labour Market Reform 'Hartz IV'. Since then, these new institutions have been in charge of the majority of Germany's unemployed).

Sixty-two employment pacts were chosen for promotion, involving 93 joint agencies and licensed local authority agencies nationwide. The successful projects received a total of €250 million in grants to implement their ideas and schemes. At the same time, in order to develop further the competition idea, the activities of all employment pacts were consolidated in the new Federal programme entitled, '*Perspektive 50plus Beschäftigungspakte für Ältere in den Regionen*' (Employment Pacts for Older Workers in the Regions).

The aim of the programme is to increase the employment chances for those over 50. Another aim is to find regional solutions by addressing and convincing the regional or local companies, the workers themselves and the public, of the advantages of older workers and to reduce the barriers for their access to the labour market. The programme was delivered by the Ministry of Labour supported by the gsub mbH Berlin as a service provider with a duration of two years (2005–2007). A formative evaluation was implemented by contracting the IAQ Institute in Gelsenkirchen, now Duisburg.

Up to June 2007, more than 16 500 former long-term unemployed over 50 years of age have so far been integrated into regular jobs (by the end of the programme in 2007, an integration rate of 20,000 is expected). Because of the tremendous success of this programme, the German parliament and the Ministry recently decided to extend the programme until 2010. For the next three years, a similar budget is expected as for the first two years.

The pacts show what's needed for success: that industry, trade unions, joint agencies, local authority agencies and the actors in the regions pull on the same rope with all their strength and in the same direction to create more jobs for older people,' said Federal Labour Minister Franz Müntefering at an annual meeting of the Federal programme 'Perspektive 50plus'.

During the two-year implementation phase, the pilot projects will be closely monitored and evaluated by professionals. The focus is on forming and intensifying regional networks and supra-regional dialogue between the projects. This process is supported by regional workshops with the project participants and a joint communications platform allowing structures to form which go beyond individual regions and the two-year grant period, and provide lasting support for the integration of older workers in the general job market. In addition, particularly successful projects can become the basis for nationwide strategies and solutions ('best practices').

The diversity of the approaches supported by the Federal 'Perspektive 50plus' programme is remarkable. Some of the projects aim to enhance collaboration between the regional actors to create more jobs for older workers by founding regional associations and forming regional alliances. Other pacts focus on directly addressing employers and specifically encouraging them to hire older workers. Others again pursue a core idea, for instance, by consciously linking environmental policy objectives with labour market policy measures, *e.g.* in the housing or renewable resources sectors. The Federal government's EUR 25 billion investment programme for research and innovation creates the appropriate good overall conditions for this. Last, but not least, some of the pacts test new instruments or experiment with an innovative combination of instruments, resulting in effective integration strategies for older workers.

1. Source: Reiner Aster (2007), in: "Building Effective Local Partnerships: Organisational Challenges and Strategic Orientations". OECD LEED Trento Centre Capacity Building Local Governance and Partnerships.

Why the approach is relevant?

The demographic change and the top European issue of 'Active Ageing' affect different countries. Frequently older workers are one of the Regional Employment Services' most important target groups, in particular the women and the long-term unemployed amongst them. This approach fits perfectly within the partnership strategy because it is a regional or local approach, based on a reliable network by regional social partners, local authorities, universities or higher education institutions, etc.

Reasons for the success of the approach

As the interim results of the approach in Germany show, the success was predominantly attributed to the delivery procedure, concretely, the 'free budget' given to the Local Employment Services by the Federal Ministry. This means that there were – apart from the general rules of expenditure for a public institution – no special guidelines, limitations or additional rules for the pacts. They could decide on their budget on the basis of their 'idea description' from the beginning of the project. This includes the opportunity to give up projects which did not work and to launch new ones, e.g. as a 'copy' of a successful pact. Secondly, the regional meetings and the close co-operation within the pacts and between the different stakeholders has so far been a success factor. Thirdly, it turned out that those pacts which were particularly successful chose activating and individual coaching for the older long-term unemployed. The placements were particularly successful in small companies supported by wage subsidies or other strategies to attract employers to the older workers (e.g. instance pre-qualifications, up-skilling, in-company training).

The obstacles that were faced and the quality of the response taken

At the beginning, the new job centres had problems concentrating on the target group of the older workers as they were focused on the young unemployed or were still busy with setting up their (new) institutions. Some of them were reluctant to join an 'additional' new programme, being afraid of the additional work. However, this changed through the programme implementation. As a solution, the Employment Services (local job centres) commissioned professional training providers, consultants, and other specialised institutions to do the work but kept the responsibility and the decision-making processes. The thematic-oriented regional workshops provided by the National Ministries and the gsub supported the exchange of know-how across the several pacts. No further external input was necessary.

Considerations for adoption of this kind of approach

The 'Perspective50plus programme – Regional Pacts for Older Workers' is a national programme within the wider 'Initiative50plus' of the Ministry of Labour and Social Affairs and the German National Government. Thus, the transfer to other country should be addressed at the national level, otherwise it could make sense to pilot two initiatives for (long-term) older workers in two counties based on the experiences of the 'Perspective50plus' programme and of other European countries. The topic is very much in the European Commission focus so there should be a good chance of additional funding. The German programme in the first period (2005–2007) was financed only by national means. In the second period (2008–2010) the regional pacts for older workers will be requested to find additional means, for instance, by the ESF (European Social Fund) or other resources.

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