

Empowering long-term unemployed: Bridging the workforce gap through financial support for businesses

Measure dimension

Improved inclusion of demographic groups in the labour market

Rating

The decrease in long-term unemployment **reflects ongoing efforts** across industries, with **costs linked to government subsidies**.

Impact Achieving the target of 0.95% long-term unemployment would result in a work volume boost of 117'000 additional employees. The measures taken so far are already having a positive effect, as can be seen from the falling unemployment rates.

Range The measure reaches all industries.

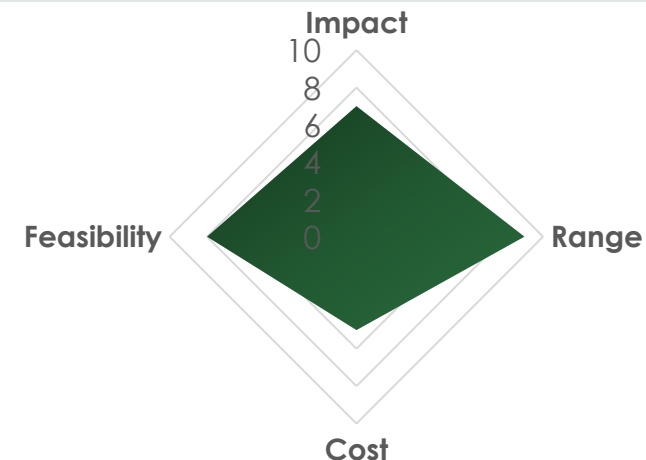
Cost The financial costs for the German government are directly tied to the success of the measure as they stem from the direct subsidies provided to companies.

Feasibility The measures are already in place. The continuation of the measure is therefore very realistically feasible.

Implementation to date in Germany

Germany currently has two programs to help companies integrate the long-term unemployed

- Long-term unemployment = Persons who have been unemployed for more than one year.
- "Eingliederungszuschuss (EGZ)" implemented since 2012, "Eingliederung von Langzeitarbeitslosen (EvL)" since 2019 (see appendix for details)
- EvL has a **longer funding period** and **higher funding amount**. In addition, other unemployed people are reached.



Score 7.5

Rank 2

Time horizon

Short/Medium term

Germany's strive: Tackling high long-term unemployment with promising initiatives.

Cross-referencing for validation

- Germany's average **unemployment rate** over the last ten years: **5.9%**
- Unemployment rate in September 2023: **3%** (4th lowest in the EU)
- Germany's share of **long-term unemployed** compared..
 - ... to all unemployed: **35.6%** (average from 2014-2023)
 - ... to all labour force: **1.2%**
- Historically the long-term unemployment rate fell from 2012 (36%) to 2020 (30%). It rose to 39% due to Covid and has been falling again since then.
- Germany has a strong employment rate but faces a **comparatively higher long-term unemployment** rate than some other nations.

Country	Employment rate	Share of long-term unemployment
Germany	76.69%	1.2%
France	65.28%	2.94%
Great Britain	75.26%	0.91%
Netherlands	77.79%	0.92%
Sweden	75.46%	0.97%

Specific recommendations for action

If Germany can reduce the long-term unemployment rate to **0.95%**, then the volume of work would increase by **117'000 people!**

In our view, Germany should continue its proven initiatives and effectively **target the different age groups with both programs.**

Maintaining these efforts is of utmost importance and requires continued commitment and **increased financial support** from the government.