

# Immediate Action Programme to Bring Down Youth Unemployment: Results of the accompanying research on Article 2

Michael Friedrich  
Kornelia Raskopp  
Federal Institute for Vocational Traininga

## 1. Introduction

Together with the Institute for Employment Research (IAB) of the Federal Employment Services (BA), the Federal Institute for Vocational Training (BIBB) has been engaged with the accompanying research of the Immediate Action Programme for the Reduction of Youth Unemployment (JUMP). In 1999 and 2000, the main points to the fore in the research work for the Federal Institute for Vocational Training were Article 2 (promotion of local and regional initiatives to increase and actually fill the number of training places available in companies), Article 4 (extra-company-training) and Article 11 (projects to provide jobs, qualification and social counselling for young people). The results of studies on Article 2 are presented in the following.

### **On the procedure in the accompanying research of the BIBB**

The Federal Institute for Vocational Training has been supported in the scientific accompanying research since August 2000 by the research group SALSS, Bonn. The focus of the inquiries are 21 selected employment office districts in which the exemplary realisation of the above-mentioned Article is to be analysed. The studies do not follow an representative approach, rather a selection of the employment office districts is being studied on the basis of regional and structural criteria. The goal is to describe the regional realisation of the Immediate Action Programme in an exemplary manner. For this purpose guide-supported interviews were carried out in the autumn 2000 in the selected employment office districts with employment office staff and staff from agencies responsible for the provision of training. These studies were complemented by the systematic analysis of documents. In addition, the records of two conferences which were run in November 2000 with the actors of the Immediate Action Programme in Bonn and Berlin were also an important source of information.

### **Article 2 of the Immediate Action Programme**

In the guidelines for the implementation of the Immediate Action Programme, Article 2 is headed as the “promotion of local and regional initiatives to increase and actually fill the number of training places available in companies”.

The Federal Employment Services differentiates and records in accordance with the given standards of the guidelines the following types of measures and projects:

1. Projects for the *creation* of co-operative training schemes between several companies ("Verbundausbildung")
2. Projects for the *expansion* of existing co-operative training schemes between several companies ("Verbundausbildung")
3. Projects for the acquisition of additional training places in companies with foreign proprietors
4. Projects for the acquisition of additional training places in companies in new technology-intensive branches
5. Projects for the acquisition of additional training places with persons setting up new firms
6. Further measures, in particular combinations of 1-5
7. Projects to support the placing of girls and young women in future- and technology-oriented recognized occupations with an under-proportional percentage of women
8. Projects for the acquisition of additional in-company training places for disadvantaged youth
9. Projects for the acquisition of additional in-company training places for youth of foreign origin
10. Additional measures for the support of special groups of persons

### The nation-wide realisation of Article 2

In 1999 and 2000 a total of 436 projects were funded. Of these, 268 began in the first year and 168 in the second year of JUMP. Since a considerable number of the projects of 1999 continued in 2000, the total number of "active" projects in the second year of the Programme has risen considerably.<sup>1</sup>

<i>Measures initiated in 1999 and 2000</i>	1999			2000			S
	West	East	FRG	West	East	FRG	
<i>new training places ...</i>							
• through new co-operative training schemes ("Verbundausbildung")	34	11	<b>45</b>	9	5	<b>14</b>	<b>59</b>
• through the expansion of co-operative training schemes ("Verbundausbildung")	16	4	<b>20</b>	7	6	<b>13</b>	<b>33</b>
• in companies with foreign proprietors	24	3	<b>27</b>	9	0	<b>9</b>	<b>36</b>
• in technology-intensive branches	16	0	<b>16</b>	12	1	<b>13</b>	<b>29</b>
• in new start-ups	9	0	<b>9</b>	4	0	<b>4</b>	<b>13</b>
• mixed forms	84	13	<b>97</b>	44	16	<b>60</b>	<b>157</b>
<i>support of special groups ...</i>							
• women in new occupations	2	0	<b>2</b>	8	0	<b>8</b>	<b>10</b>
• disadvantaged	24	2	<b>26</b>	26	0	<b>26</b>	<b>52</b>
• youth of foreign origin	4	3	<b>7</b>	7	0	<b>7</b>	<b>14</b>
• additional measures	18	1	<b>19</b>	7	7	<b>14</b>	<b>33</b>
S	231	37	<b>268</b>	133	35	<b>168</b>	<b>436</b>

Source: Federal Employment Services

364 projects (83 percent) were in the western Germany and 72 (just 17 percent) in the eastern Germany (including Berlin). This clearly shows that Article 2 plays a considerably greater role in the old federal states (Länder).

<sup>1</sup> Since the number of projects (and also the acquired training places) in 1999 and 2000 are reported cumulatively in the monthly reports of the employment offices to the Federal Labour Office, there is no information on the number of projects still funded at any one time.

More than 24,000 training places were recruited within the framework of the implemented projects - 10,000 in 1999 and 14,000 training places in the course of the year 2000.

On average there were 55 acquired training places for every measure. These figures however only supply limited information on the efficiency of the projects, since there was considerable difference among the projects as regards the resources available in each case (for example in relation to the personnel utilised). Nevertheless it is remarkable that the "yield" of the projects which began in 2000 had clearly increased in comparison with those of the previous year: of the 168 new projects, 9,909 training places were acquired, an average of 59. In 1999 268 projects led to a result of 9,028 acquired training places, which corresponds to an average of 35 places.

<b>1999 and 2000 acquired training places</b>	<b>1999</b>			<b>2000</b>			<b>S</b>
<i>new training places ...</i>	<b>West</b>	<b>East</b>	<b>FRG</b>	<b>West</b>	<b>East</b>	<b>FRG</b>	
• <b>through new co-operative training schemes ("Verbundausbildung")</b>	224	685	<b>909</b>	148	135	<b>283</b>	<b>1192</b>
• <b>through the expansion of co-operative training schemes ("Verbundausbildung")</b>	564	0	<b>564</b>	466	68	<b>534</b>	<b>1098</b>
• <b>in companies with foreign proprietors</b>	377	233	<b>610</b>	232	0	<b>232</b>	<b>842</b>
• <b>in technology-intensive branches</b>	326	0	<b>326</b>	351	0	<b>351</b>	<b>677</b>
• <b>in new start-ups</b>	167	0	<b>167</b>	157	0	<b>157</b>	<b>324</b>
• <b>mixed forms</b>	7005	1097	<b>8102</b>	5315	1133	<b>6448</b>	<b>14550</b>
S	<b>8663</b>	<b>2015</b>	<b>10678</b>	<b>6669</b>	<b>1336</b>	<b>8005</b>	<b>18683</b>
<i>support of special groups ...</i>							
• <b>women in new occupations</b>	-	-	-	-	-	-	-
• <b>disadvantaged</b>	1785	28	<b>1813</b>	513	0	<b>513</b>	<b>2326</b>
• <b>youth of foreign origin</b>	131	10	<b>141</b>	402	0	<b>402</b>	<b>543</b>
• <b>additional measures</b>	1603	10	<b>1613</b>	818	164	<b>982</b>	<b>2595</b>
S	<b>3519</b>	<b>48</b>	<b>3567</b>	<b>1733</b>	<b>164</b>	<b>1897</b>	<b>5464</b>
<b>Total:</b>	<b>12182</b>	<b>2063</b>	<b>14245</b>	<b>8402</b>	<b>1500</b>	<b>9902</b>	<b>24147</b>

Source: Federal Employment Services

In the old Länder around 20,500 training places were acquired in the first two years, in the new Länder around 3,500. The average number of acquired training places in the new Länder is thus, at 50 places, slightly under the number in the west (57 training places).

The majority of the projects (75 percent) were dedicated to increase the number of training places available in specific areas. The largest share (36 percent) was of "mixed forms" which were not further specified.

- Training places in new or existing co-operative training schemes between several companies ("Verbundausbildung")
- in companies with foreign proprietors,
- in technology-intensive enterprises,
- in new start-ups or

- in mixed forms.

One quarter of the projects were dedicated to the promotion of specific groups of young people:

- young women
- youth of foreign origin
- disadvantaged or
- other groups of persons.

A comparison of the projects of 1999 with those which were first funded in 2000 shows the following developments:

- Much fewer new initiatives which promote “Verbundausbildung” were tackled in 2000 (8 percent) than in 1999 (17 percent).
- There is a similar decline in the share of measures for vocational education place acquisition in companies with foreign proprietors (10 percent vs. 5 percent).
- The share of projects for the promotion of girls and young women as well as the disadvantaged increased however. It rose from 1 to 5 percent and from 10 to 15 percent.

This displacement of emphasis explains - at least partially - the higher “productivity” of the projects which were applied for in 2000: those projects in which it is comparatively difficult to acquire training places are on the decline.

A comparison of the projects implemented in the *old Länder* and the *new Länder* in 1999 and 2000 shows different emphases in the content-related organisation of the Article:

- In the new Länder there was a focus on the promotion (creation or expansion) of “Verbundausbildung” (36 percent); in the old Länder it was just 18 percent.
- In the old Länder often special groups of young people or of enterprises were the focus of activities. 17 percent of the projects were dedicated to the promotion of young women or disadvantaged youth; in the new Länder it was just 3 percent. And while in the old Länder 21 percent of the projects were to acquire training places with new start-ups, technology-intensive enterprises or those with foreign proprietors, in the new Länder this was just 5 percent.

### The realisation in the selected employment office districts

In the 21 selected employment office districts<sup>2</sup> a total of 40 Article 2-projects were supported in the years 1999 and 2000. In 17 of the 21 districts there were projects and measures. In the other four employment office districts<sup>3</sup> there were various reasons for not using the funds. It was explained, for example, that there were already enough canvassers, funded by other institutions or with the help of other programmes. Thus the funds of the Immediate Action Programme were available for other (more important) tasks. Or on the basis of experience with similarly organised projects in the past, acquisition projects were not seen to be very promising.

The following reports deviate from the categorisation of the Federal Employment Services which was developed for the statistical recording of Article 2-measures and projects. Since the majority of the projects in the selected employment office districts had to be assigned to the "mixed forms" group, a differentiation according to the type of output which was produced by the projects suggested itself. This is why a differentiation is made between

- the "pure" acquisition of training places,
- the comprehensive support of enterprises in vocational training problems and
- the initiation and support of co-operatives between companies ("Verbundausbildung").

In doing this, in each case the projects as a rule concentrated on partial areas of the training market or special target groups among the youth.<sup>4</sup>

### Acquisition of vocational training places

Measures can be described as **"pure" acquisition projects** which means contacting companies and convincing them that vocational training is possible and useful for them. An appeal to the readiness to train on the part of the enterprise is to the fore. The goal is to acquire as many training places as possible. These training places are reported to the vocational guidance and go into the total stock of reported training places. As a rule, however, in the statistics of the Federal Employment Services it is not recorded whether the place was filled at all or by what young person it was filled.

Of the total of 40 recorded projects 15 can be assigned to the acquisition projects.<sup>5</sup> Of these, 8 measures came to an end in 1999; 3 of them lost the support because of changes in the guidelines of Article 2<sup>6</sup>.

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<sup>2</sup> Chemnitz, Gotha, Frankfurt (Oder), Magdeburg, Neubrandenburg, Prenzlauer Berg, Aachen, Augsburg, Bad Kreuznach, Bremerhaven, Coburg, Göttingen, Hamburg, Heide, Kassel, Lörrach, Mainz, Paderborn, Saarbrücken, Tauberbischofsheim, Wuppertal

<sup>3</sup> Aachen, Frankfurt (Oder), Gotha and Saarbrücken

<sup>4</sup> These emphases can however be changed in the course of a project – on the part of the employment office or the agency responsible for the project.

<sup>5</sup> This includes one project each in Berlin-Nord, Bremerhaven, Coburg, Göttingen, Heide, Paderborn, Tauberbischofsheim and Wuppertal and two projects each in Chemnitz, Bad Kreuznach, Lörrach and Mainz.

<sup>6</sup> In the Mainz, Coburg and Bad Kreuznach employment office districts.

The following two examples give an insight into the work of two acquisition projects with very different emphases. The first project from the new Länder is run by an independent agency. The goal is the creation of additional vocational training places by visiting companies in all branches of industry. The second project is an Internet café in the Mainz employment office district which has set itself the goal of re-introducing disadvantaged youth and young adults to the training and employment system and of supporting applicants for training places who have not yet been placed in the search for a vocational training place.

- "*Phoenix*", the vocational training and support centre in **Chemnitz** employed 10 people over two years starting in mid-February 1999 for the acquisition of vocational training places. The project will continue until mid-February 2002 with 5 persons. In the first year, training places for "old applicants" were to be acquired; in the second year activity was expanded to include acquisition for vocational training places for trainees who were in out-of-company training (e.g. Article 4 measures). The team assembled for this project was already familiar with questions of training, but also received preparation for this special task through a three-week course. The team themselves assembled a database with the data from the relevant companies, which represented the basis for contacts (for reasons of data protection the company addresses from the Chambers could not be accessed). Small and medium-sized businesses were primarily addressed - a total of over 6,000 up until mid-February 2001. As a result 568 vocational training places in companies were acquired, of which 123 were for youth from out-of-company training in accordance with the Immediate Action Programme.<sup>7</sup>
- Four positions have been funded in accordance with the Immediate Action Programme since May 1999 in the *Internet@fé Worms* of the **Mainz** employment office district – two each under Article 2 and Article 11. The goal is to re-introduce disadvantaged youth and young adults into the training and employment system (Article 11) and to support applicants who have not yet been placed in vocational training places in companies (Article 2). The promoting of media competence will hopefully contribute to the improvement of training and job market chances. In addition, girls are to be deliberately won over for the new IT occupations and appropriate training places acquired. Up to now, however, it has hardly been possible to acquire new vocational training places.

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<sup>7</sup> This had the effect that for Chemnitz – compared with the other employment office districts in East Germany – a very high rate of transitions into to in-company vocational training is to be noted. It is around 7 percent for the training year 1999-2000.

## Comprehensive advice for enterprises

In 4 of the 21 employment office districts, there were 12 projects giving comprehensive support for enterprises in case of vocational training problems. Of these 12 projects, the majority (8 projects) were in the Hamburg employment office district.

Within the framework of the projects the enterprises were offered the following support:

- acquisition of training entitlement,
- handling of administrative procedures (conclusion of contract, registration with vocational school, etc.),
- placement and selection of applicants,
- the organisation and handling of vocational training (e.g. drawing up a training plan or finding local initiative partners),
- dealing with problems or conflicts during training (for example, technical support for "weaker" trainees; intervention in conflicts between trainees and superiors or colleagues).

### Examples:

- In **Bremerhaven** employment office district, a training place canvasser at the "Kreishandwerkerschaft" (District Trade Guild) (has been funded with JUMP since April 1999. The activity of the canvasser is not limited to appeals to enterprises' readiness to train, rather companies as well as those looking for vocational training places are offered a variety of support. "*Firm coaching*" involves support in the hiring of apprentices, in the handling of organisational tasks (e.g registration with the vocational school, health insurance) or in the location of training-associated help for weak apprentices ("Ausbildungsbegleitende Hilfen – AbH"). Information is also supplied on any existing local co-operative solutions in the region and support is given in the organisation of new co-operatives for vocational training ("Verbundausbildung").
- Within the framework of "*application coaching*" application strategies are developed together with the applicants for training places. Here the focus is deliberately on previously difficult to place young people. When required, the appropriate applicants for available apprenticeships are selected and brought together with the companies – in close co-operation with the employment office. During training, the canvasser continues to be available in an advisory role for any problems that might arise.
- The *Arbeitsgemeinschaft türkischer Unternehmer und Existenzgründer (ATU)*, **Hamburg** (*Turkish Entrepreneurs' and Business Start-up Group*) is the agency responsible for the project "*Ausländische Selbständige bilden aus*" (*Vocational Training in companies with foreign-proprietors*) which came into existence in 1999 and is funded by JUMP. The project emerged from the activity of the current director of the ATU as a training consultant with the Chamber of Commerce and Industry. The Chamber has been working to acquire training places with enterprises with foreign proprietors since 1996. Originally focusing on Turkish enterprises, the association now directs its offer to foreign proprietors of all nationalities. Since April 1999 it has been possible to acquire 183 vocational training places, of these 62 places had been filled by the end of 2000.

## Co-operative vocational training (“Verbundausbildung”)

There have been different models of co-operative vocational training in the Federal Republic since the middle of the 1980s. This form of training has experienced a renaissance since reunification. “Verbundausbildung” is considered to be an important instrument to develop new vocational training places: Small and medium-sized businesses, enterprises with a high degree of specialisation and business start-ups are motivated to provide training and are actively supported in the organisation and implementation of vocational training.

Local initiatives can have very different organisational structures:

- A number of companies hire apprentices and exchange them at specific phases of the vocational training.
- Individual training periods are made available to other companies or training agencies on account of a lack of capacity.
- One leading company is responsible for the training as a whole. This company concludes the training contracts and organises individual training periods with the partner companies.
- A number of enterprises form a training association which functions as trainer and controls the training. The association is funded by the members.

In 8 of the selected 21 employment office districts there are 11 projects which focus “Verbundausbildung”. One project was discontinued after a short period because of lack of success. The other 10 projects can be assigned to two groups: on the one hand are five projects which have made it their task to **initiate co-operatives**, to advise and to provide support in the organisation of training – often with the more long-term goal of releasing the initiatives into the independent handling of vocational training. Here is an example from the Wuppertal employment office district:

- The project of *Wuppertal-GmbH* in the **Wuppertal** employment office district involves the continuation of a job-creation measure (ABM) funded from 1997 to 1999. Since February 2000 (with a planned running time until August 2003) the project has been funded through JUMP. Wuppertal GmbH sees itself as a service center which provides and cares for contacts above all for small and medium-sized businesses to other companies interested in a “Verbundausbildung”. The organisation and presentation of the initiative is taken on until the participating firms can run the co-operative vocational training on their own. Contractual parties to the local initiative training are on the one hand the parent company and on the other hand the apprentice. In addition to the parent company, one or two smaller partner companies are usually sought which can offer the trainee the missing qualifications for the training final examination. Moreover, every partner company concludes a co-operation agreement with the parent company. A modification of the model is the ring exchange: each of the participating companies hires a trainee, that is to say every company is a parent company. But since none of the companies is in a position to offer the complete range of training, the apprentices are passed on from company to company.

In 2000 (up to September), it was possible to develop successfully 18 local co-operatives. With 33 participating enterprises – primarily small and medium-sized businesses – initiative models with 16 additional training places were set on their way. Since starting activity in 1997, Wuppertal GmbH has contributed to the creation of a total of 99 training places. Within the framework of canvassing activity and advisory tasks which have been conducted in 2000, enterprises contacted have already given signals for 12 local training initiatives with 21 training places for 2001.

On the other hand are five initiatives with different strategies for the acquisition of partner companies and the organisation of co-operative vocational training:

In the **training associations** the apprentices conclude their contracts with an association, the training however takes place completely or for the most part in companies which are themselves members of the association or bound to the association by means of co-operation agreements. The training costs are then (at least for the most part) borne by the companies. In the selected regions there are 3 such associations. Here an example from the Bremerhaven employment office district:

The *Ausbildungspool Bremerhaven e.V.* in the **Bremerhaven** employment office district was founded in March 1999 by the initiative of representatives of the board of education, the Chamber of Commerce and Industry, the District Trade Guild, a trade union, an employers' association and the vocational guidance office. Funding has been promised until September 2003. The goal is to lead companies with free training capacities to vocational training – at first financially and organisationally safeguarded by the association, later independently. The training pool has received the training entitlement and concluded contracts with the apprentices. The training is effected by two trainers from the association. The companies pay in due proportion for the times during which the apprentices are employed on work experience with them. The covering of the entire regulated occupational profile is ensured through additional instruction in the vocational school. Up until now over 60 training places have been realised.

**Co-operative contractual training** is carried out by the *Training Centre of MAN B&W Diesel AG* in the **Augsburg** employment office district. The apprentices conclude a contract with their parent company, but parts of the training are completed in the training workshop of the large enterprise – the costs of these external training periods are borne by the parent company.

## 2. Conditions for successful project work

The analyses carried out within the framework of the accompanying research show that successful projects for vocational training place acquisition are apparently distinguished by one or more of the following characteristics:

- Contacting the enterprises is preceded by a **training or job market analysis**. This includes an assessment of the regional training potential and the determination of future-oriented occupations.
- The canvassers have the relevant **competencies**. These include fundamental knowledge of regulated occupations and the overall legal conditions as well as in particular the ability to stand up convincingly for the necessity of in-company vocational training. There are also personal commitment and willingness to serve. Vocational training and relevant vocational experience on the part of the canvassers is also helpful. Special training of the canvassers (for the transmission of necessary knowledge and the practice of argumentation strategies) is also useful.
- The business closeness of the agency responsible, which is given for example with the Chambers or District Trade Guilds or their affiliated institutions, eases access to enterprises but does not alone ensure the success of the acquisition activity. Because the "achievement of autonomy" of the institution, that is to say a lack of co-ordination with the employment office or other agencies operating in the same field, can have a problematic effect: in certain circumstances multiple contacts and double payments for acquired training places can occur.
- There are given standards on the part of the employment office (and corresponding monitoring). This relates to the number of places to be acquired or the number of business contacts or visits; the narrowing down of the business areas to be contacted (e.g. size, branch of industry, occupations); the group of youth (e.g. unplaced applicants, apprentices from out-of-company training, disadvantaged) for whom the targeted places are to be acquired.
- Beyond the distribution of areas of activity there is regular information from the employment office on the results of the work and co-ordination of further action.
- The acquisition project co-operates with other institutions. In this way one receives information on areas in which training place canvassing appears to be promising (in certain circumstances also the addresses of such enterprises) – the Chambers should be mentioned in particular in this regard. On the other hand, one avoids multiple contacts and registration of reported places through co-ordination with other canvassers.

The **requirements for successful projects for supporting enterprises** are comparable with those which also apply for the "pure acquisition projects" – with certain changes of emphasis however:

- Provisional analyses take on even more importance: what areas in general are to be contacted with a view to success? What services are expected and by whom?
- Because of the required more intensive entry into consultation, a more extensive specialist knowledge in the area of vocational training and education is necessary. As a rule, a specialisation on individual branches and thus individual regulated occupations is appropriate. In addition, methodological competence (moderation/ co-ordination/ management of processes) is required. And since, in addition to advising businesses, care for young people is also often a part of the spectrum of tasks of the projects, (social-) pedagogical qualifications are also helpful.
- While the connection to the employment office (given standards, monitoring, co-ordination) is loose because of the complexity of the tasks, networking with other agencies and measures is of even greater importance. Since it is often the case that the activity of the projects does not

come to an end with the provision of training places, but rather that their activity also includes the filling of the vocational training places, it is useful to co-operate with those institutions concerned with the care and placement of young people. In addition, the integration in general networks (keyword "Qualification Offensive", "Vocational Training Consensus") is appropriate in connection with the comprehensive care for businesses.

- In addition, in the documentation of one's own work a detailed presentation in far-reaching self-reflection is indispensable. The point here is not least of all to stress the persistence of all activities: Are the acquired places filled? Is the training seen through to completion? At which points and in what manner does an external intervention take place?

Because of the higher cost of these projects in comparison to pure training place acquisition, the quantitative results, that is to say the number of acquired training places as a rule turn out to be significantly lower.

Success criteria for **co-operative vocational training projects** are those characteristics already mentioned in connection with successful acquisition projects: market analyses, competence and closeness to business of the personnel utilised and developed co-operation relations. Those models in which the enterprises are supported not only organisationally and administratively but also financially – that is to say those local initiatives in particular where an association acts as the trainer – meet with a comparatively high level of acceptance from the enterprises. There is however the problem here of a possible hidden public funding of in-company initial vocational training.

Of particular importance are **long-term concepts** in which one year and more can pass alone from the coming into being of the idea of a local initiative, through the search for partner companies, the development of an appropriate organisational model and the recruiting of trainees until the start of training. And as a rule the support of the local initiatives continues during the training period – when local initiatives are directly funded, they are inevitably structured for a life corresponding at the least to the duration of training (3 or 3.5 years).

All successful measures were structured for a life of more than one year from the very beginning: on the one hand there are projects which were running before the Immediate Action Programme or which at least were tested in other regions – in these cases, funding was simply changed over or expanded in the end. On the other hand, projects exist where from the beginning the employment office or another agency guarantees long-term funding – if necessary on the basis of other programmes.