

TACKLING UNEMPLOYMENT AMONG GERMANY'S DISADVANTAGED YOUTH

THE EUROPEAN LABOR MARKET faces a number of challenges. Unemployment among young people is a severe and ongoing problem in many countries, recently reaching 63 percent in Greece, 56 percent in Spain, 41 percent in Italy, and 27 percent in France. In Germany, a growing number of disadvantaged youths between the ages of 15 and 24 have limited access to the labor market. About 270,000 of them are in the “transitional system” between school and work—a system frequently criticized for being costly and ineffective. Participants spend about 12 months on average in transitional programs, but only about 20 percent find jobs, despite a €4.3 billion annual price tag paid for by the German government. Without effective alternatives, many disadvantaged youths at the lower end of the opportunity spectrum end up feeling that society has given up on them—and they give up on themselves.

Efforts to address unemployment must consider both the demand and supply sides of the labor market. Although a shortage of skilled workers in Germany is fueling relatively strong demand, many other European countries are seeking to strengthen their economies and create jobs by offering employers government subsidies and other incentives to hire more people. Those efforts are important and must continue.

On the supply side, young people entering the workforce need the skills—technical, social, and professional—that employers require. But too often those skills are lacking, especially among disadvantaged youth, and opportunities for the poorly qualified are declining. In Germany, one in every two graduates of secondary school, or *Hauptschule*, still lacks a job one year after graduation. As a result, many young people are becoming dependent on welfare support at a time when the country’s economy is in desperate need of skilled workers and many positions go unfilled.

Filling the Skills Gap

To better prepare disadvantaged young people in Germany for the job market, The Boston Consulting Group and BMW’s Eberhard von Kuenheim Foundation created Joblinge, a collaboration of the private, public, and volunteer sectors, in 2008. This intensive six-month program accepts people between the ages of 15 and 24 who are unlikely to find employment on their own because of multiple obstacles that make them difficult to place. About 30 percent of Joblinge participants have been unable to find a job for three to five years and are an average age of 20; more than 70 percent are the children of immigrants. Some participants have criminal backgrounds, and most come from families that already depend on welfare. By providing



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skills, experience, and employment to these young people, Joblinge hopes to encourage independence and both personal and economic empowerment.

Joblinge focuses on outcomes, aiming for fast but sustainable job placements. While traditional programs in the transition system last about a year, the Joblinge program is over in half the time. Joblinge is also more effective. More than 65 percent of its participants get jobs, and 80 percent stay at their new jobs for at least six months—results that are almost three times better than those achieved by some other programs that target the same hard-to-place group.

Because of Joblinge's short time to results and the high job-retention rate of its participants, its cost per placement is much lower than that of alternative programs. This translates into government savings of up to €100,000 per sustainably placed participant. To date, more than 1,850 underprivileged youths have participated in the Joblinge program.

The Joblinge Approach

Joblinge's six-month program requires a full-time commitment from participants and has five stages: admission, assessment, practice, probation, and follow-up. In the admission stage, candidates do volunteer work for a

good cause, such as cleaning up a local park. Many of those who show up consistently for work and successfully complete this stage experience their first success: earning a spot in the program. This goal is highly motivating and can lead to a more positive mindset as participants go from seeing themselves as beneficiaries of aid to benefactors of the community.

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In the assessment stage, participants take part in a variety of practical group projects, such as making a movie, producing a podcast, writing a journal, organizing an event, or joining a dance or theater workshop. In so doing, they discover their interests and strengths, develop their social and professional skills, test their limits, and evaluate different types of jobs in a wide range of business and technical functions. Group projects are led by topic experts from partner organizations. Participants also get intensive one-on-one time with Joblinge employees with the goal of revealing the participants' strengths, determining the most suitable job profiles,

and addressing personal problems—such as homelessness, debt, lawsuits, or domestic violence—that often underlie their difficulties in finding work.

The practice stage offers participants their first work experiences—one or two internships—in which they can try out their new skills and prove themselves. In the probation stage, participants spend three months as job candidates at a partner company, going through training and seeing if they are a good fit. If it works out, they earn an entry-level position at the organization. Joblinge’s partner companies come in a wide range of sizes and industries and offer a variety of vocational opportunities. In the final stage—follow-up—Joblinge stays in touch with its graduates for two to three years, providing coaching as needed, to ensure that placements are successful and sustainable.

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With focused attention and training, participants can bloom. As an executive at a company working in partnership with Joblinge noted, “We’ve had very good experiences with the Joblinge program. It is fascinating and sometimes surprising to see the skills that can surface when youth are supported and developed in their strengths.”

The experience of 17-year-old Dimitrij is typical. Originally from Russia, Dimitrij moved to Germany three years ago without a diploma or any knowledge of German. Because he was experiencing domestic violence, he was removed from his family and placed in a foster home. He became involved with drugs and was sentenced to juvenile detention. When Dimitrij entered the Joblinge program, he hoped to become a retail salesman. With intensive training, multiple interventions, and patient guidance, the Joblinge team managed to find him an internship at a retail store. After proving himself there, he earned an entry-

level position last fall that will become permanent if he continues to perform well. In the meantime, he receives follow-up support from Joblinge.

Four Success Factors

Joblinge’s success is due to four factors: collaboration across the public, private, and volunteer sectors; individual mentoring and support; real-life, practical experience from day one; and a consistent, scalable approach. Let’s look closely at each of these factors.

Collaboration Across the Public, Private, and Volunteer Sectors. Each sector plays a critical role. The public sector provides funding and refers unemployed youth to the program. Each Joblinge location has private-sector partners that support the organization and agree to offer participants jobs or internships. For participating companies, the partnership provides two benefits: an ongoing source of new employees who are supported and coached to success; and a way to give back to the community by offering job opportunities to disadvantaged youth. Volunteers from the partner organizations and the local community provide services such as mentoring, training, and project expertise. This collaboration across sectors is critical, both as a source of training, experience, and jobs and as a way to offer youths a professional network that they would otherwise lack.

Individual Mentoring and Support. Because of their difficult backgrounds, program participants struggle in a professional environment without one-on-one support. That’s why Joblinge employees work intensively with the youths, who are also supported by mentors from the community and the private sector. The mentor acts as confidant and coach, guiding the participant through the program and helping to deal with any issues that arise. Having access to someone who cares and listens is often a new experience for the youths, and these personal relationships are crucial as the participants strive to understand and overcome their past struggles. As one program mentor explained, “I realized how much my parents and my family gave me: trust, permanence, and responsibility. I want to share this



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with people who have lacked this support so far.”

Real-Life, Practical Experience from Day One.

Few of Joblinge’s participants have found success in traditional, classroom-based learning environments. Through innovative performance workshops and hands-on projects, participants gain self-esteem in addition to the professional and social skills needed to succeed. After building these skills, participants move on to closely supervised internships in partner companies. Finally, they earn an entry-level position that enables them to make the final transition to the workforce. By proving their skills in a real work environment, participants gain a deep and practical understanding of what it feels like to be meaningfully employed and to take on responsibilities that allow them to grow. These experiences are highly motivating.

A Consistent, Scalable Approach. Joblinge’s headquarters—led by BCG as a pro bono engagement—ensures that all Joblinge locations use identical proven methods and take the same approach to strategy, growth, quality standards, concept development, and partner acquisition. Headquarters also provides all branches with centralized services such as IT, marketing, fundraising, and financial management. Because of this consistency, the organization can, with relative ease, scale up its operations with multiple

partners in various locations. The Joblinge network now has 11 locations across Germany and includes more than 1,100 companies, 900 mentors and trainers, and more than 20 government institutions such as the Federal Employment Agency and local ministries. More locations are underway. To support as many young people as possible, Joblinge hopes to have 20 locations by 2020.

Unemployment is a major problem in Europe—especially among disadvantaged youth, who often struggle to find meaningful, sustainable careers.

A core principle of Joblinge is helping participants to help themselves. Joblinge’s intensive, practical six-month program strengthens self-esteem and promotes independence and both personal and economic empowerment. Because the program is faster and more effective than alternative programs in Germany, its cost per placement is far lower. By giving participants the professional and personal skills they need to succeed, Joblinge is effectively tackling the supply side of the unemployment challenge.

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For further information on Joblinge, please visit www.joblinge.de. To view Joblinge’s annual report, please visit <http://www.joblinge.de/medien/jahresbericht.html>.