



## Munich Employment and Qualification Program (MBQ)

Upskilling, reskilling and skills matching at local level





## Challenges related to skills development in Munich

### 1) Covid-driven insecurity and instability of the job market

- **unemployment rate: 4,8%** in October 2020 v. 3,2% in October 2019
- **short-work schemes** applied for around 30% employees by 37% companies in Munich
- new challenges in view of the „**Lockdown Light**“ as of November, 1st
- unforeseeable consequences on the development of Munich labor market

Source: Federal Employment Agency

### 2) Investing in reskilling and digital competencies

Due to the digital push caused by the Corona crisis, it is necessary to:

- further stimulate and facilitate **lifelong learning** and **retraining** for the entire workforce
- strengthen cooperation of service providers with and among companies for **job placement**



## Challenges related to skills development in Munich

### 3) Vacancies and vulnerable groups in need of upskilling/ reskilling

- **36% fewer registered vacancies** in October 2020 than in the previous year
- **skill shortages:** IT sector, health sector, child care, constructions

#### Situation particularly difficult for:

- people who are looking for **entry** or **re-entry**  
(university graduates, trainees, and solo self-employed)
- **families** as particularly affected employees/ job seekers  
(child care and homeschooling together with home office)
- **newly laid off workforce** with low qualifications
- **foreigners** (28% of all inhabitants) overrepresented among the unemployed  
(**45,3% of all unemployed in October 2020**)

Source: Federal Employment Agency



## Challenges related to skills development in Munich

### 4) Informal v. formal qualifications

- German occupational system is based on formal qualifications
- Informal qualifications still play little role in recruitment procedures

### 5) Munich youth

- **relatively low youth unemployment rate but still higher than a year ago**  
(3,5% in October 2020 v. 2,1% in October 2019)
- new trend: **refugees** face more challenges getting **apprenticeship** positions (“Ausbildungsplatz”) than before the Covid-crisis
- current difficulties for all young groups: **finding internships**

Source: Federal Employment Agency



## Responses to the challenges:

### Munich Employment and Qualification Program (MBQ)

- The City of Munich's principal labor market policy instrument **since 1993**
- **More than 110** funded projects currently, providing advice, skills development and employment opportunities to **more than 6 000 inhabitants per year**
- Participants: around **60% - 100% migrants** depending on the project

#### Goal:

**Vocational and social integration into the labor market**



## MBQ's four funding areas of skills development and their target groups

<p><b>1) Reducing long-term unemployment</b></p> <p>Long-term unemployed persons who receive unemployment benefit and have fewer opportunities than others</p>	<p><b>2) Gender equality at the workplace</b></p> <p>Women at a disadvantage in the workplace, looking for a new career direction and/or preparing for self-employment</p>
<p><b>3) Transition from education/ higher education to the world of work</b></p> <p>Young people, students and graduates, international (highly) skilled workers</p>	<p><b>4) Development of knowledge and expertise in companies and industries</b></p> <p>Entrepreneurs (often with a migration background) who run small and medium-sized enterprises; freelancers</p>



Variety of qualification paths for the target groups throughout four MBQ areas:

**Area 1: Reducing long-term unemployment**

**Possible occupations:**

- Specialist logistician
- Electronics technician
- IT Specialist
- Office communication clerk
- Office management assistant
- Retail clerk
- Specialist for warehouse logistics
- Specialist in the hospitality industry
- Carpenter
- Specialist for recycling and waste management
- Painter
- Tailor
- Mechanic
- Restaurant specialist
- Cook
- Housekeeper



**Variety of qualification paths for the target groups throughout four MBQ areas:**

**Area 2: Gender equality at the workplace**

- digital skills development and office management

**Area 3: Transition from education/higher education to the world of work**

- assistance in matching the skills with apprenticeship openings
- counselling for international professionals on possible upskilling or reskilling
- qualifications in the IT sector
- support for recognition procedure of foreign qualification in nursing
- one-year preparation for nursing training
- two-year support training programs for specialist nursing assistance

**Area 4: Development of knowledge and expertise in companies**

- qualification seminars for small/medium sized enterprises on running a good business
- possibilities for recovery after Corona-driven crisis





### MBQ innovations



- commitment to shaping an **independent municipal employment policy**
- pragmatic **complement to the activities of employment services**
- **close cooperation** with the Munich Job Center, the Munich Employment Agency and local chambers
- engagement in **social stabilization of the vulnerable groups** in the city through labor market integration
- **individual tailored approach**: possibility of longer-term support for participants
- **continuous monitoring** of the labor market needs
- **flexibility** in proposing to and starting new projects as quick responses to the local demands



## MBQ successes



- outreach: **the biggest local government employment program** of its kind in Germany
- **awareness raising and advocacy work** in the city for the vulnerable groups on the labor market: e.g. women, migrants, refugees
- showcase of **success stories**

Annual public event praising extraordinary achievements of MBQ target groups:

- 1) the Erasmus Grasser Prize for excellent training in Munich's skilled crafts segment,
- 2) the PhönixPreis for excellence in migrant-run companies,
- 3) the LaMonachia for outstanding achievements of women in Munich economy.

### MBQ challenges



- **improving participants' life situation** and enabling them to live a self-reliant and independent life
- helping participants to **find employment** in the primary labor market
- enabling participants to **achieve vocational qualifications**
- keeping up participants with the **rapid digitalization** requirements
- **adjusting** the content of MBQ projects **to the changing needs** (in view of skills shortages).
- securing **financing** for the projects in the coronavirus crisis

### MBQ lessons learned



- **transparency** in all actions in face of possible political influences
- **well-established social and labor market structure** of great importance (especially in crisis such as current pandemic)



**Thank you!**  
**For more information, please visit**

[www.muenchen.de/mbq](http://www.muenchen.de/mbq)



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