

# The German Labour Market in 2022

Stable Labour Market Despite the Burdens of the Russian War of Aggression



## Imprint

**Publication series:** Reports: The Labour Market in Brief

**Title:** The German Labour Market in 2022

**Publication:** 03 January 2023 (data status: December 2022)

**Editor:** Federal Employment Agency  
Statistics/Labour Market Reporting

**Contact:** Anton Klaus  
Regensburger Straße 104  
90478 Nuremberg

**E-mail:** [arbeitsmarktberichterstattung@arbeitsagentur.de](mailto:arbeitsmarktberichterstattung@arbeitsagentur.de)

**Phone:** +49 911 179-1080

**Fax:** +49 911 179-1383

### Further Information:

**Internet:** <https://statistik.arbeitsagentur.de>

**Citation:** Federal Employment Agency, Statistics/Labour Market Reporting,  
Reports: The Labour Market in Brief – The German Labour Market in 2022,  
Nuremberg, December 2022

**Terms of use:** © Statistics issued by the Federal Employment Agency

You may save information, pass it on with source reference (even in excerpts), reproduce it and disseminate it. The contents must not be changed or falsified. Personal calculations are permitted, but must be identified as such.

Should this information be made available on the internet, it must be in the form of a link to the homepage of the Statistics of the Federal Employment Agency.

Use of the content for any commercial purpose other than press, radio, television and scientific publications shall require the prior approval from the Statistics of the Federal Employment Agency.

## Table of Contents

Summary.....	4
1 Economic Development.....	5
2 Unemployment and Underemployment.....	5
3 Employment.....	10
4 Short-time Working Allowance .....	11
5 Labour Demand.....	12
6 Vocational Training Market.....	13
7 Social Security .....	14

## Summary

- According to current estimates by the Deutsche Bundesbank, real gross domestic product grew by 1.8 percent in 2022, after an increase of 2.6 percent in 2021. The economic recovery expected for 2022 after the lifting of pandemic-related restrictions was slowed by the economic consequences of the Russian war of aggression in Ukraine.
- Despite these unfavourable developments, the labour market was stable overall, even though effects of the tense economic situation can be seen.
- Unemployment and underemployment (excluding short-time work) fell significantly on average over the year, but rose noticeably over the course of the year due to the inclusion of Ukrainian refugees. Without Ukrainian nationals, there would also have been declines over the course of the year, but with moderate seasonally adjusted increases in the second half of the year.
- At the same time, total employment and employment subject to social security contributions have increased significantly in the annual figures as well as in the course of the year.
- The number of short-time workers fell sharply on an annual average, even though increases were recorded again in the second half of the year as a result of the energy crisis.

# 1 Economic Development

- The upturn in the German economy was slowed in 2022 by the consequences of the Russian attack on Ukraine.
- After growing by 0.8 percent in seasonally and calendar-adjusted terms in the first quarter, real gross domestic product (GDP) increased by only 0.1 percent in the second quarter and by 0.4 percent in the third quarter.
- Rising energy prices as a result of the Ukraine War, high inflation, further uncertainties caused by the Ukraine War and continuing supply and material shortages have dampened the recovery following the lifting of pandemic-related restrictions.
- Over the whole of 2022, the real gross domestic product grew by 1.8 percent in calendar-adjusted terms, according to current estimates by the Deutsche Bundesbank, after +2.6 percent in 2021 and -3.7 percent in the first Corona year 2020.

# 2 Unemployment and Underemployment

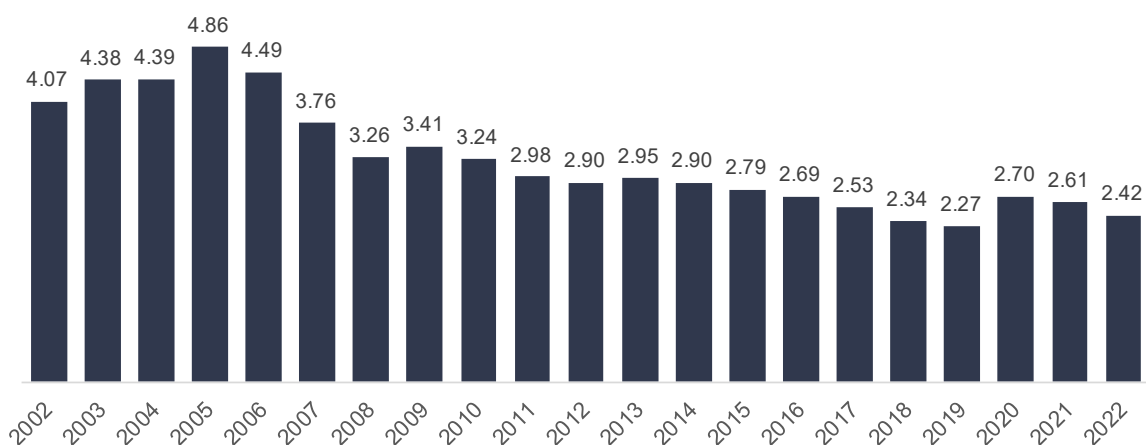
## Unemployment

- On average, 2,418,000 people were registered as unemployed in Germany in 2022, 195,000 or 7 percent fewer than a year before.
- The annual average decreases in 2022 are based on the positive development of the previous year and the first half of 2022. From the middle of the year, the registration of Ukrainian refugees caused unemployment to rise and led to an increase in the course of the year. The corona-related burdens were largely reduced.

Figure 1

### Development of Unemployment

Annual average (in millions)  
Germany



Data source: Statistics of the Federal Employment Agency

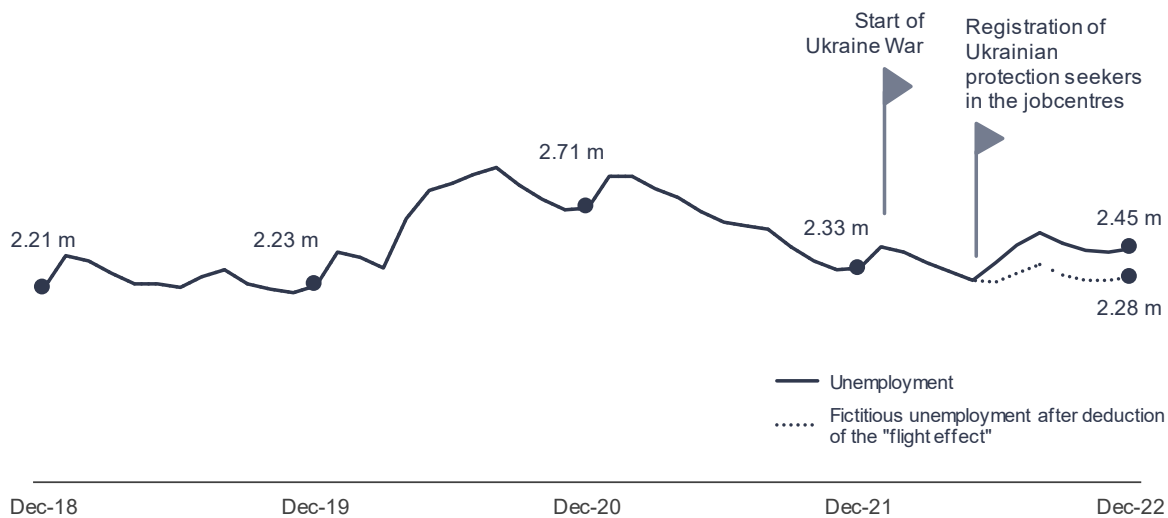
- The subdued development in the second half of the year is visible in the increasing year-on-year changes. Unemployment in December 2022 was 124,000 persons higher than in December 2021, after +117,000 persons in November and +65,000 persons in October.

- The increase is solely related to the registration of refugees from Ukraine. Without them, unemployment would be below the previous year's level.
- In December, 185,000 Ukrainian nationals were registered as unemployed, 177,000 more than before the war began.

Figure 2

### Development of Unemployment

Actual development of unemployment and fictitious development excluding the flight effect of Ukrainian nationals from March 2022 onwards  
Germany



Data source: Statistics of the Federal Employment Agency

- In 2022, an average of 1,610,000 unemployed people were cared for in the legal sphere of the German Social Code II (SGB II, basic income support for job-seekers) and 808,000 in the legal sphere of Social Code III (SGB III, unemployment insurance).
- In the SGB II sphere, the number of unemployed people decreased by 5,000 (-0,3 percent) compared with 2021, while it decreased by 191,000 (-19 percent) in the SGB III sphere.

#### Definition of unemployment according to the German Social Code III (§§ 16, 138):

Unemployed is who

- is temporarily not in an employment relationship of at least 15 hours weekly,
- is looking for an employment subject to social-security contributions of at least 15 hours weekly,
- has registered at the Federal Employment Agency,
- is available for the placement efforts of the employment offices,
- is making own efforts to finish the joblessness and
- is not taking part in a measure of active labour market policy.

Notice: This definition differs from the unemployment definition of the International Labour Organisation (ILO) in several respects. Unemployed according to the ILO is who

- is completely out of employment (does not even work one hour per week),
- is available for the labour market (including self-employment) within two weeks (i.e. not immediately) and
- is actively seeking for employment (has been undertaking concrete steps in the preceding four weeks) or has found a job that begins within the following three months.

Unemployment according to Social Code III is considerably higher than unemployment according to the ILO definition in Germany. The main reason is that according to Social Code III, jobseekers are counted as unemployed even if they work in minor jobs (one to 14 hours weekly) or they have not undertaken concrete steps in the preceding four weeks.

## Underemployment

- Underemployment, which also takes changes in labour market policy into account, amounted to 3,186,000 persons in 2022 and thus decreased again compared to the previous year (-181,000 persons, -5 percent). The fact that underemployment did not decrease as much as unemployment is due to a higher use of relieving labour market policy instruments – in the past year mainly due to an increase in participation in integration courses.
- It is also worth taking a look at underemployment over the course of the year. In the course of 2022, i.e. from December to December, underemployment (excluding short-time work) increased, unlike the annual average, by 238,000 persons or 8 percent.

## Unemployment of Selected Groups of Persons

- In the differentiation by gender, the annual average decrease in unemployment was stronger for men than for women in 2022. Unemployment for men decreased by 10 percent to 1,313,000 persons and for women by 5 percent to 1,106,000 persons.
- The weaker decline in unemployment among women is probably due in particular to the flight of many women from Ukraine, since protection seekers from Ukraine are predominantly female.

Table 1

### Unemployment by Structural Characteristics

Annual averages  
Germany

	2022	2021	2020	Change 2022/2021	Change 2021/2020
Men	1,313,000	1,455,000	1,521,000	-142,000	-208,000
Women	1,106,000	1,159,000	1,175,000	-53,000	-69,000
Age 15 to 24	203,000	227,000	257,000	-23,000	-54,000
Age 55 and over	587,000	611,000	579,000	-24,000	+8,000
German nationals	1,601,000	1,822,000	1,891,000	-221,000	-289,000
Foreign nationals	817,000	792,000	805,000	+25,000	+12,000
Without completed vocational training	1,344,000	1,403,000	1,408,000	-59,000	-64,000
With in-company or extra-company training	846,000	969,000	1,028,000	-123,000	-182,000
With academic education	205,000	222,000	238,000	-17,000	-33,000
Long-term unemployed	916,000	1,027,000	817,000	-111,000	+100,000
With disabilities	164,000	172,000	170,000	-9,000	-6,000

Data source: Statistics of the Federal Employment Agency

- Unemployment has developed differently also in the age groups. There was a clear decrease in 2022 in the younger age group up to 25 years, whose unemployment fell by 10 percent to 203,000 persons on an annual average. Unemployment in the age group 55 and older, on the other hand, fell by an annual average of only 4 percent to 587,000 persons.
- The annual average unemployment of Germans has decreased by 12 percent to 1,601,000 persons in 2022. Unemployment among foreigners, on the other hand, has risen by 3 percent to 817,000 persons due to the entry of many protection seekers from Ukraine.
- For persons without vocational training, the annual average unemployment has fallen by 4 percent to 1,344,000 in 2022. The unemployment of people with formal vocational training developed much more favourably. The annual average number of unemployed persons with in-company or school-based training fell by 13 percent to 846,000 and that of university graduates by 8 percent to 205,000.

- The decline in long-term unemployment that began in spring 2021 has continued in 2022. On average for the year, long-term unemployment was at 916,000 persons and thus 11 percent lower than in 2021. However, the level of the pre-Corona year 2019 is still clearly exceeded.

## Unemployment Rate

- The annual average unemployment rate, based on the civilian labour force, was 5.3 percent in 2022. Compared to the previous year, it decreased by 0.4 percentage points.
- In Eastern Germany, the rate was higher at 6.7 percent than in the west at 5.0 percent. In recent years, the gap between the rates had narrowed significantly. In 2022, the rate fell by 0.4 percentage points in both Eastern and Western Germany compared to the previous year.
- At the level of the Federal States, the unemployment rate ranges from 3.1 percent in Bavaria to 10.2 percent in Bremen. The annual average unemployment rate has decreased in all States. The strongest decrease was recorded in Berlin (1.0 percentage points). There was only a slight decrease in Lower Saxony and Saxony-Anhalt (-0.2 percentage points).

## Inflow and Outflow of Unemployed Persons

- Unemployment is not a fixed block, rather there is a lot of movement regardless of the economic situation.
- During 2022, 6,241,000 people registered as unemployed, while at the same time 6,117,000 people ended their unemployment.
- Compared to the previous year, entries increased by 417,000 persons or 7 percent and exits decreased by 85,000 persons or 1 percent. The fact that entries into unemployment have increased so significantly is primarily due to the registration of Ukrainian protection seekers.
- There are many reasons for registering as unemployed or deregistering from unemployment. In addition to the direct exchange with the regular labour market (around one third), this also includes interruptions in unemployment, for example due to incapacity to work or participation in an active labour market policy programme.
- Dependent employment:
  - Around 2,124,000 people registered as unemployed from dependent employment in the regular labour market (without vocational training) in the course of 2022, which was 1,000 less than in the previous year.
  - At the same time, 1,716,000 people were able to end their unemployment by taking up employment in the regular labour market, 246,000 or 13 percent less than a year before.
- Self-employment:
  - In addition, 86,000 people who had previously worked as self-employed registered as unemployed during the year, 7,000 or 7 percent fewer than a year before.
  - They were offset by 110,000 people entering self-employment, 19,000 or 15 percent less than in 2021.
- Vocational training:
  - At the second threshold, i.e. the transition from vocational training to employment, there were fewer entries into unemployment. Over the course of the year, 150,000 people who had previously been employed in in-company or extra-company training registered as unemployed, 13,000 or 8 percent less than in 2021.
  - By taking up vocational training, 57,000 people were able to end their unemployment, 8,000 or 12 percent less than a year before.



Table 2

**Unemployment – Inflow and Outflow**

Annual sums

Germany

	2022	2021	2020	Change 2022/2021	Change 2021/2020
<b>Inflow</b>	6,241,000	5,824,000	6,446,000	+417,000	-205,000
incl. dep. employment on reg. labour market	2,124,000	2,126,000	2,551,000	-1,000	-427,000
incl. self-employment	86,000	92,000	102,000	-7,000	-16,000
incl. vocational training	150,000	163,000	178,000	-13,000	-28,000
<b>Outflow</b>	6,117,000	6,201,000	5,966,000	-85,000	+151,000
incl. dep. employment on reg. labour market	1,716,000	1,962,000	1,881,000	-246,000	-166,000
incl. self-employment	110,000	129,000	119,000	-19,000	-9,000
incl. vocational training	57,000	65,000	69,000	-8,000	-12,000

Data source: Statistics of the Federal Employment Agency

- The relationship between unemployment and employment subject to social security contributions can be described with indicators on the risk of entry and the chances of leaving:
  - The average risk of becoming unemployed from employment subject to social security contributions has slightly decreased in 2022. According to preliminary data, an average of 0.51 percent of employees subject to social security contributions registered as unemployed each month. In 2021, the risk of becoming unemployed was slightly higher at 0.53 percent.
  - In 2022, the exit rate into employment (including vocational training) has decreased to 6.14 percent. In the previous year, the value had been 6.39 percent.

### 3 Employment

#### Total Employment (Federal Statistical Office)

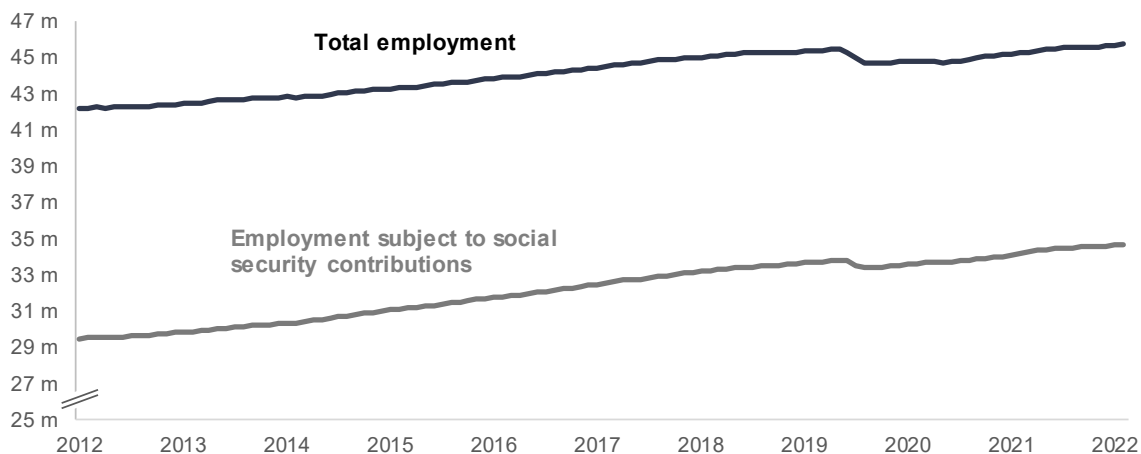
- According to preliminary data from the Federal Statistical Office, total employment (according to the national concept) increased by 589,000 to 45.57 million persons on average in 2022.
- Employment thus exceeds the level of 2019, the year immediately before the Corona pandemic, by 292,000 persons or 0.6 percent. Over the course of 2022, employment has increased by 429,000 persons or 0.9 percent in seasonally adjusted terms up to November. The increases weakened somewhat in the second half of the year.
- The different forms of employment developed differently. A strong increase in employment subject to social security contributions and the exercise of a marginal side job<sup>1</sup> was contrasted by only a small increase in exclusively marginal employment and a significant decline in self-employment.

Figure 3

#### Employment

Stock (seasonal adjusted)

Germany, October 2012 to November 2022



Data source: Statistics of the Federal Employment Agency

#### Employment subject to Social Security Contributions (June 2022)<sup>2</sup>

- According to the Statistics of the Federal Employment Agency, 34.45 million employees were subject to social security contributions in June 2022, 643,000 more than a year before.
- Employment subject to social security contributions is thus 1.04 million persons or 3.1 percent higher than in the corresponding pre-Corona month June 2019.
- In all Federal States, the number of employees subject to social insurance contributions in June 2022 was above the previous year's level. The strongest increase was in Berlin (+4.5 percent), the smallest in Saxony-Anhalt (+0.7 percent). Compared to the pre-Corona month June 2019, increases were reported for almost all States, with the peak again in Berlin (+8.2 percent). There was a slight decrease only in Thuringia (-0.2 percent).

<sup>1</sup> However, only those who are *exclusively* marginally employed are included in the calculation of employment because side jobbers are already counted with their main job.

<sup>2</sup> As annual values, the labour market reporting of the Federal Employment Agency uses the June values for employment, which are usually close to the annual average.

- Approximately two thirds of the increase in employment subject to social security contributions in 2022 was accounted for by foreigners. Their number increased by 438,000 or 9.6 percent to 4.98 million. So-called third countries accounted for additional 290,000 employees and the European Economic Area (including Switzerland) for 148,000. Notable contributions to growth come from the countries of the EU's eastern enlargement (+119,000), the countries of asylum (+72,000), the Eastern European third countries (+55,000; including Ukraine: +43,000) and the Western Balkans countries (+46,000).
- The analysis by economic sector shows increases almost across the board compared to June 2021. The largest increases in absolute terms were registered for
  - skilled business services (+101,000 employees or +3.8 percent),
  - hotels and restaurants (+81,000 or +8.2 percent), although still noticeably below the pre-Corona level (-47,000 or -4.3 percent), and
  - information and communication (+74,000 or +6.1 percent).
- The increase in employment subject to social security contributions is based on both more full-time and more part-time employment. Full-time employment increased by 298,000 persons or 1.2 percent year-on-year to 24.20 million persons in June 2022 and part-time employment increased by 345,000 persons or 3.5 percent to 10.25 million persons. The share of part-time employment continued to increase; in 2022 it was 29.7 percent, up from 29.3 percent in 2021. In 2012 the share had been 24.8 percent and in 2002 only 16.7 percent.

### Exclusively Marginal Employment (June 2022)

- The number of people employed exclusively on marginal monthly wages has increased only slightly. In June 2022, 4.16 million people were employed exclusively as "mini-jobbers", 13,000 or 0.3 percent more than in the previous year.
- Compared to the pre-Corona month June 2019, however, a minus of 482,000 persons or 10.4 percent is shown. The share of exclusively marginal employment in total employment was 9.1 percent in June 2022, compared to 9.2 percent in the previous year and 12.0 percent in 2012.
- In contrast, the number of employees subject to social security contributions who have a side job with marginal monthly wages has increased significantly. In June 2022, 3.19 million employees subject to social security contributions had such a side job, 185,000 or 6.2 percent more than a year before.
- Compared to the pre-Corona month June 2019, an increase of 244,000 persons or 8.3 percent is shown. 9.3 percent of employees subject to social security contributions had a side job with marginal monthly wages. In 2021, the share was 8.9 percent, compared to only 7.6 percent in 2012.

## 4 Short-time Working Allowance

- The labour market continued to be supported by the use of short-time work in 2022, but the take-up decreased significantly compared to the years 2020 and 2021, which were strongly affected by the Corona crisis. However, due to a renewed increase in take-up as a result of the energy crisis in the second half of the year, the estimated annual average is still higher than in the pre-Corona year 2019.
- According to an initial estimate by the Statistics of the Federal Employment Agency, the annual average number of short-time workers in 2022 was around 430,000, down from 1.85 million in 2021 and 2.94 million in 2020.
- In the pre-Corona year 2019, an annual average of only 145,000 short-time workers were registered.
- This means that 1.2 percent of employees subject to social security contributions were on short-time work in 2022, after 5.5 percent in 2021 and 8.8 percent in 2020, but only 0.4 percent in 2019.

## 5 Labour Demand

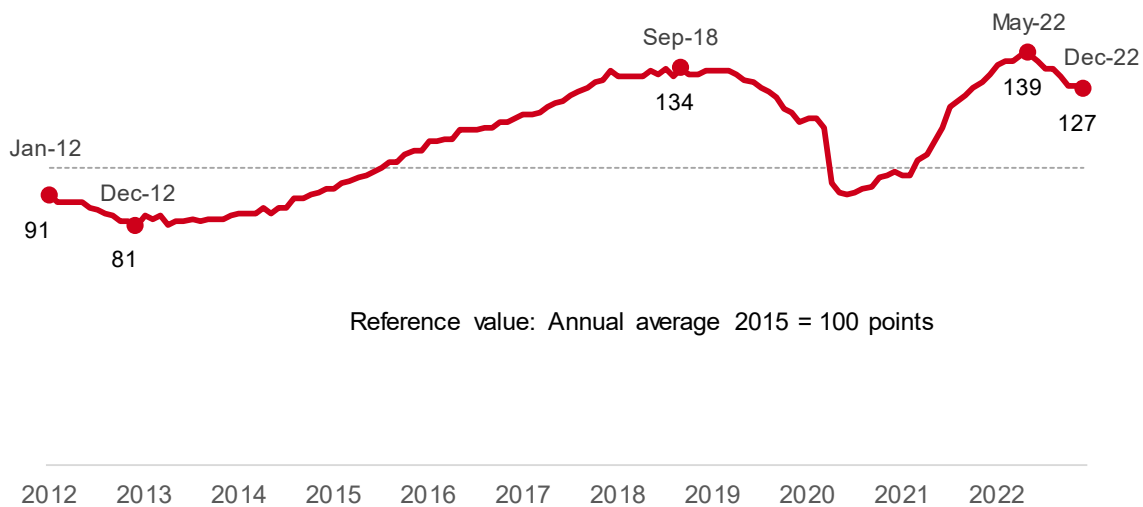
### The Federal Employment Agency's Vacancy Index (BA-X)

Figure 4

#### Vacancy Index of The Federal Employment Agency (BA-X)

January 2012 to December 2022

Germany



Data source: Statistics of the Federal Employment Agency

- The Federal Employment Agency's vacancy index (BA-X), a seasonally adjusted indicator of labour demand in Germany, slipped slightly by one point to 127 points in December 2022 compared with November.
- The demand for labour has weakened noticeably in recent months against the background of economic and political uncertainties, but remains at a comparatively high level.
- Compared to the previous year, the jobs index falls by five points.

#### Registered Vacancies

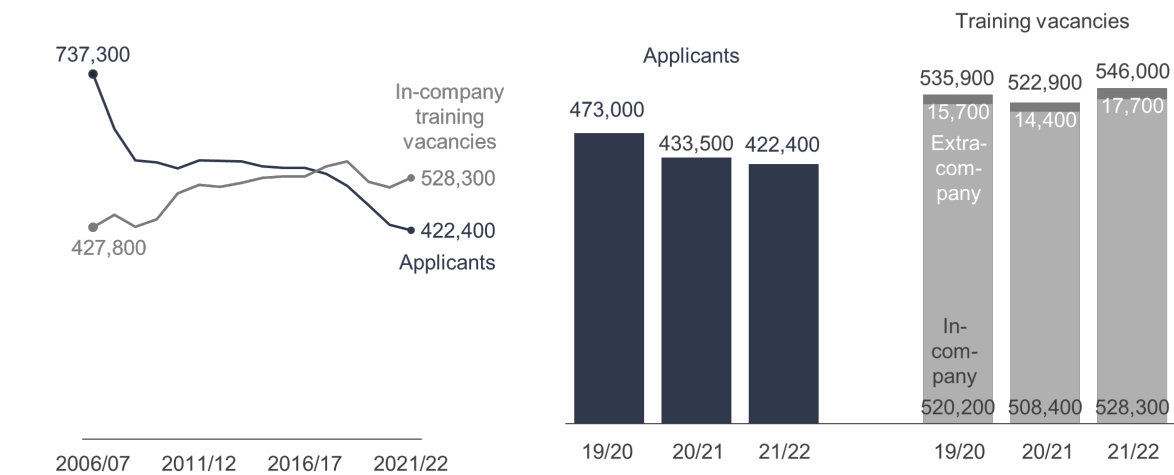
- In 2022, an average of 845,000 jobs were registered, 139,000 or 20 percent more than a year before.
- The inflow of vacancies, which is a better indicator of the companies' current willingness to hire than the stock of vacancies, declined somewhat in 2022 compared to the previous year. In the course of the year, 1,884,000 new jobs were registered for filling, which was 47,000 or 2 percent less than in the previous year.
- From January to December 2022, 1,891,000 vacancies were deregistered, which is 178,000 or 10 percent more than a year before.

## 6 Vocational Training Market

Figure 5

### Development towards the Applicant Market Continues

Registered applicants and registered (in-company) training vacancies  
Each October to September



Data source: Statistics of the Federal Employment Agency

From 2008/09 including training places for graduates of the Abitur.

- In the 2021/22 careers counselling year (October 2021 to September 2022), the number of registered training vacancies increased significantly compared to previous counselling year (+23,000), after two consecutive years of decline.
- The number of registered applicants, on the other hand, continued to decline (-11,000), albeit at a much lower rate than in the two years before.
- A total of 422,000 registered applicants were compared with 546,000 registered training vacancies (including 528,000 in-company training vacancies).
- As in previous years, there were more training vacancies registered than applicants. For every 100 in-company training vacancies registered, there were 80 registered applicants (previous year: 85).
- On 30 September 2022, 23,000 applicants were unplaced. Despite the more favourable market situation from the applicant's point of view, the number is only slightly lower than in the previous year (-2,000). In addition, 38,000 applicants who had switched to an alternative were still looking for a training place (-5,000).
- The number of unfilled training vacancies rose by 6,000 to 69,000, indicating that filling problems have increased. It was particularly difficult to fill training vacancies in food occupations, in the hairdressing trade, in hotel and restaurant occupations, in construction and construction-related occupations as well as in metal occupations.
- For years, balancing the vocational training market has been hampered by considerable regional, occupational and qualification disparities.
- In the so-called "5th quarter" of the 2021/22 counselling year, from October to December 2022, there were still around 59,000 registered applicants compared to 81,000 in-company training vacancies.

## 7 Social Security

- In the annual average of 2022, the number of employable people who received wage replacement benefits in accordance with Social Code III (unemployment benefit) or basic income support for job-seekers in accordance with Social Code II (unemployment benefit II) fell to 4,391,000.
- Around 730,000 people received unemployment benefit and 3,716,000 were entitled to unemployment benefit II.