



FACT SHEET

Temporary Work & Skilled Worker Immigration

Facts and Figures

Germany needs skilled workers now

According to the Institute for Employment Research (IAB), there were 1.73 million unfilled vacancies across Germany in the third quarter of 2024. The number of shortage occupations – those in which there are not enough qualified jobseekers to fill all the vacancies – also continues to grow steadily. Skilled workers who have completed vocational training are particularly lacking in the labour market. This is where the temporary employment sector could be of great help – if only it were allowed to.

Another indicator of the urgent need is provided by the KfW-ifo Skilled Labour Barometer: despite economic stagnation, around one third of all German companies report that their business activities are impaired by a shortage of skilled workers. This shortage is already putting our prosperity at risk. The German Economic Institute has calculated that the so-called production potential could have been €49 billion higher in 2024 alone if the demand for skilled workers in Germany had been met.

This shortage will continue to grow

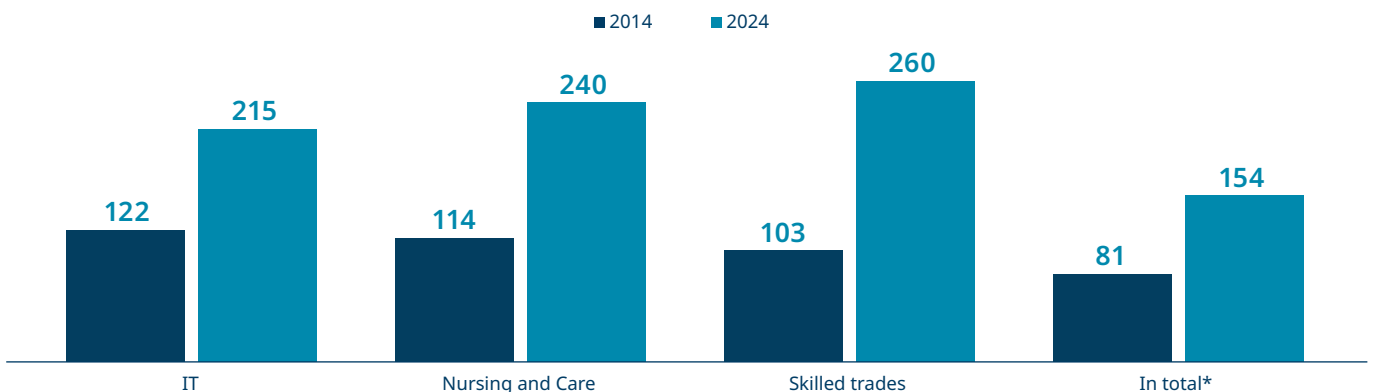
The shortage of skilled workers, which poses a threat to Germany as a business location, is set to worsen significantly. Over the next ten years, up to 6.7 million employees subject to social insurance contributions who are currently aged 55 or older will retire. This means that one in four employees (24.4 %) will no longer be available to the labour market. Due to demographic change, the following generations are significantly smaller.

The skills shortage can no longer be addressed by tapping into domestic potential alone. Given that many countries within the EU also face demographic challenges, the primary way to alleviate the skills shortage is to recruit non-EU nationals.

The Institute for Employment Research (IAB) calculated that the labour supply in Germany would only remain stable with an annual net immigration of 400,000 people. In the worst-case scenario, the Federal Statistical Office anticipates an average an-

VACANCY DURATION IN SPECIFIC OCCUPATIONAL FIELDS

In days (average)



*Vacancy duration for the entire labour market in Germany

nual net migration of just 183,000 people, and even the most optimistic forecast would only just reach the 400,000 mark. It is therefore essential to explore all potential avenues, including the immigration of skilled workers through temporary employment.

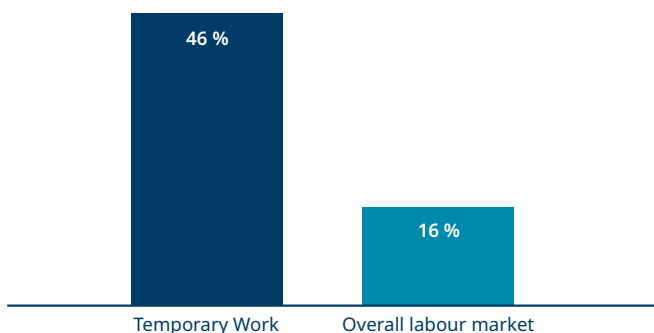
Leveraging the expertise of recruitment agencies

For small and medium-sized enterprises in particular, recruiting skilled workers from abroad can be a major challenge due to a lack of experience and the corresponding know-how. Recruitment agencies could support these companies by offering their expertise.

Lifting the ban on temporary agency work could unlock considerable potential, because

- recruitment agencies have extensive experience in employing foreign workers; the share of foreign employees in temporary agency work is 46%, roughly three times as high as in the overall labour market, where it stands at 16%,
- multinational recruitment agencies are already established in many countries of origin, have a thorough understanding of the local conditions there, and are recognised by skilled workers wishing to migrate as employers in their home country,
- many recruitment managers have an immigrant background, speak the local language and are familiar with cultural nuances.

PROPORTION OF FOREIGN WORKERS IN TEMPORARY EMPLOYMENT Compared to the overall labour



Source: Bundesagentur für Arbeit

DEMOGRAPHIC CHANGE by comparison (number of people)

1.370.000



1964 cohort

810.000



2004 cohort

Source: Statistisches Bundesamt

Temporary work is not allowed to help

In principle, the employment of non-EU nationals is subject to the approval of the Federal Employment Agency (BA) in accordance with § 39 of the Residence Act (AufenthG). However, in the case of temporary work, the BA is generally not permitted to grant approval under § 40(1)(2) of the Residence Act. Third-country nationals who wish to work in Germany and submit an employment contract as a temporary worker in order to obtain a residence permit with the right to work are, as a rule, not granted a residence permit. One exception is the EU Blue Card for academics from third countries. However, this does not help to address the severe shortage of skilled workers with vocational training.

What the GVP is advocating for

The GVP is strongly committed to equal treatment for the temporary employment sector in relation to skilled worker immigration.

The discriminatory prohibition on the temporary employment industry recruiting and employing workers from non-EU countries should be replaced by the rules that apply to all other sectors of the economy. To this end, the consent requirement under § 40(1), No. 2 of the German Residence Act should be repealed without replacement.

The GVP's demands are supported by a broad coalition of businesses, and an increasing number of political actors, such as the CDU and FDP, have also recognized the need for action.

LEGAL NOTICE

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