



Model Project: Solidary Basic Income of the State of Berlin



Overview and First Findings

The Berlin State labour market program, Solidary Basic Income (SBI), offers the long-term unemployed decent work, social participation and the opportunity for career prospects up to (re-)integration into the general labour market. This work also creates value for the society of the city.

SBI is based on voluntariness and the principles of decent work (state minimum wages, permanent employment, subject to social security contributions), and is funded primarily by the State.

Overview of Solidary Basic Income (SBI)

This model project combines instruments of active labour market policy with approaches for social participation and follows a preventive approach to maintain and increase the employability of the long-term unemployed. Coaching and qualification offers therefore play an important part in the composition of the program. Furthermore, SBI also offers long-term prospects to employees through an assurance of permanent further employment from the State of Berlin beyond the five-year support period.



For the SBI project, 1,000 additional (i.e., not replacing current) positions were created at main and district administrations, municipal companies and providers of social services in eleven areas focused on the common good. This includes work at kindergartens and schools as well as guide and guidance services. These positions were open to applicants who had been unemployed for between one and three years. Fields of employment and further program details were developed through a broad participation process.

SBI was launched in mid-2019. The so-called staffing phase lasted until late 2020. Since 2021, vacant SBI positions can no longer be filled. SBI positions are funded for a period of five years (up to December 31, 2025).

SBI positions are subject to social security contributions. Remuneration is based on a pay grade up to a fixed amount (up to Entgeltgruppe or Pay Scale 3 under Tarifvertrag TV-L, the Collective Bargaining Agreement for Public Service of the German Federal States) if the employing establishment is subject to collective bargaining or applies a collective bargaining agreement. If this is not the case, the state minimum wage of Berlin of currently EUR 13 per hour is paid. 100% of labour costs of SBI employees are refunded to employers.

SBI is monitored by scientists. So far, a brief report (2021) and an interim report (2023) have been published in German as part of the evaluation. The final report will be completed in 2026.

SBI Employees

46% of SBI employees are women, 54% are men. The greatest share (44%) of employees is between 40 and 54 years old, around a third are 55 or older. Approx. 20% are between 25 and 39 years old. One third of participants has a migrant or refugee background. Nearly a third of women and 5% of men are single parents.

Compared to other long-term unemployed persons, SBI employees have better education and vocational training on average. Half of women and 30% of men opted for part-time work. This is often done because of family reasons, impaired health or the desire to choose one's own working hours.

For their work, SBI employees are paid to one half based on a collective agreement or minimum wage of the State of Berlin. The vast majority of employees are able to make a living thereby without additional aid.

Evaluation of SBI Employment

Employees and employers see great value in both their specific work and in the project as a whole. Employees enjoy their work and find it meaningful. Employers especially appreciate that the work of SBI employees allows additional project ideas to be realized and



provides relief to their staff. Although employers also report challenges, such as greater need for training, this has apparently paid off for the companies, according to their statements.

Unlike previous employment programs, SBI also offers employment at administrations, municipal companies and providers of social services and sponsors of social services. This is considered an innovative approach for future support programs apart from others in further evaluation.

Coaching

Employees rate the support from coaching very highly and see it especially as help with determining what they want to and can achieve personally and professionally. However, SBI's assurance of further employment makes some employees feel like they have already achieved their goals, not like they are at the beginning of a process towards integration into regular employment.

Employees have an ambivalent view of coaching: on the one hand, it helped answer their questions about SBI employment. But, on the other hand, coaching urges them to find regular employment quickly. However, because SBI employees also provide relief to regular employees, employers want to keep SBI employees for as long as possible.

Qualifications

SBI is able to appeal to groups with qualifications that are otherwise underrepresented in further education and training. This applies both to older persons and persons who did not finish secondary school. Employees with a migrant background even make up a disproportionate share of SBI employees obtaining qualifications. Men and women obtain qualifications according to their SBI employee ratio.

Nearly 80% of the completed qualification measures aim to prepare employees for their work in SBI areas of employment. The other completed qualifications also or exclusively served the professional growth and reorientation of the SBI employees. Approx. one quarter of employees used SBI to expand their skills through qualifications. One third of these employees developed further professionally thereby. This demonstrates the high motivation of the participants, especially of SBI employees who received on-the-job training.

Employability

When first measuring their employability, SBI employees rated their skills and personal situation very highly. However, employers and coaches evaluate the employability of SBI employees more critically. The further development of employability will be assessed in the final report after collecting more data.



Effects on the Society of the City

Employers are convinced of the charitable effect of SBI employment which they regard as a contribution to the improvement of services for the city. These improvements manifest themselves by making services—e.g., for children, seniors and homeless persons—more accessible or improving their quality or scope. SBI employees therefore satisfy an important need for community work. Nearly a quarter of employers already know that they want to continue their SBI work for the long-term. However, for the majority, this depends on the availability of the necessary funding.

Drop-outs and Full Employment

By the end of April 2022, 146 employees had left SBI, the majority because they were dismissed by their employer. Reaching retirement age, changing positions and other reasons, such as moving or death, also accounted for employment contract terminations. 33 persons found regular employment.

The drop-out rate, i.e., the share of SBI employees who could not find other employment, is 11%. This relatively low drop-out rate compared to other programs may have been due to the voluntariness of joining the program, the long-term support and the assurance of further employment. However, the reason may also be that the vast majority of SBI employees consider their work meaningful and beneficial.

Whether the SBI employees will be offered subsequent employment by their current employers remains to be seen. According to the employers, the main hindrance is the lack of financial resources.

Interim Results

The evaluation reaches the tentative conclusion that

1. SBI, as a project for assisting the social integration of long-term unemployed persons, has been successful.
 - The work performed by SBI employees is considered meaningful. SBI offers them time and support to develop further prospects. The vast majority of SBI employees are able to make a living without additional aid. The employees rate the accompanying coaching very highly. Compared to other employment instruments, SBI's drop-out rate is low.
 - Employers also appreciate the employee's dedication, despite the increased need for training and assistance. All things considered, SBI employees help employers expand their offers and/or provide relief to their staff.
 - Employers and SBI employees both emphasize the benefits of SBI employees to the society of the city and the recipients of their work.



2. SBI has had limited success as a labour market policy instrument halfway through the support phase.
 - By now, approx. one quarter of SBI employees has at least obtained a qualification. This also extends to groups that are normally underrepresented in further education. Transfers to unassisted full employment have not yet occurred on a large scale. However, since the support phase will last for approx. another two years, this is merely an interim result.
 - Nonetheless, in the interim report, the evaluation also offered recommendations for the further implementation of SBI in accordance with an assisting-formative approach. The aim is to improve the conditions for qualified and successful recruitment for subsequent employment and, thereby, strengthen SBI as a labour market policy instrument over the further course of the program.