



**Danube University Krems**

Department for Migration and Globalization

**Monitoring review on migration,  
employment and labour market  
integration of migrants and  
ad hoc module on  
low and medium skilled migrants  
(2009-2010)**

Gudrun Biffi

July 2011

Report of the National Expert to the IOM Independent Network of Labour Migration & Integration Experts (LINET)



**Danube University Krems**

Department for Migration and Globalization

**Monitoring review on migration,  
employment and labour market  
integration of migrants and  
ad hoc module on  
low and medium skilled migrants  
(2009-2010)**

Gudrun Biffi

Monograph Series Migration and Globalization  
July 2011

Report of the National Expert to the IOM Independent Network of Labour Migration & Integration Experts (LINET).

Opinions stated in this report are in the responsibility of the author and do not necessarily reflect the opinion of IOM or of Danube University Krems.

© Edition Donau-Universität Krems, Department für Migration und Globalisierung

ISBN: 978-3-902505-44-6

DUK-interne Projektnummer: 281263542

Recommended citation:

Biffi, Gudrun (2011) W Monitoring review on migration, employment and labour market integration of migrants and ad hoc module on low and medium skilled migrants (2009-2010). Report of the National Expert to the IOM Independent Network of Labour Migration & Integration Experts (LINET). Monograph Series Migration and Globalization, Krems (Edition Donau-Universität Krems).



# ***Monitoring review on migration, employment and labour market integration of migrants, with special reference to labour market inclusion of low and medium skilled migrants (2009-2010)***

<b><i>Table of contents</i></b>	<b><i>Page</i></b>
<b><i>Tables</i></b>	<b><i>3</i></b>
<b><i>Figures</i></b>	<b><i>4</i></b>
<b><i>Foreword</i></b>	<b><i>5</i></b>
<b><i>Abstract</i></b>	<b><i>5</i></b>
<b><i>Analysis of Data on Migration and the Labour Markets</i></b>	<b><i>5</i></b>
<b><i>Labour Market Integration Policies:</i></b>	<b><i>6</i></b>
<b><i>Conclusions and Recommendations:</i></b>	<b><i>8</i></b>
<b><i>1. Introduction</i></b>	<b><i>9</i></b>
<b><i>1.1 Methodology</i></b>	<b><i>9</i></b>
<b><i>1.2 Definitions</i></b>	<b><i>10</i></b>
<b><i>2. Analysis of Data on Migration and the Labour Markets</i></b>	<b><i>10</i></b>
<b><i>2.1 Migration Trends</i></b>	<b><i>10</i></b>
<b><i>2.2 Economic and labour market development in 2009-2010</i></b>	<b><i>13</i></b>
<b><i>2.3 Ad hoc module on low and medium-skilled migrants</i></b>	<b><i>17</i></b>
<b><i>3. Analysis of Labour Market Integration Policies</i></b>	<b><i>22</i></b>
<b><i>3.1 The role of institutions for labour market outcomes</i></b>	<b><i>22</i></b>
<b><i>3.2 Labour Market Policy Initiatives</i></b>	<b><i>24</i></b>
<b><i>3.3 Public opinion and discrimination</i></b>	<b><i>26</i></b>
<b><i>3.4 Institutional and Policy Framework for Integration</i></b>	<b><i>27</i></b>
<b><i>3.5 Ad hoc module on low and medium-skilled migrants</i></b>	<b><i>27</i></b>
<b><i>3. Conclusions and Recommendations</i></b>	<b><i>28</i></b>
<b><i>4. References</i></b>	<b><i>29</i></b>
<b><i>Acronyms:</i></b>	<b><i>30</i></b>
<b><i>5. Statistical Annex</i></b>	<b><i>31</i></b>

## ***Tables***

Table 1: Migrant Population in Austria: 2010	12
Table 2: Development of the composition of employment by educational attainment level in % (15-64 years old)	21

## **Figures**

Figure 1: Net Migration (persons) and Population Growth (in %): 1996-2010 .....	11
Figure 2: Migrants and total population by age and gender: 2010.....	13
Figure 3: Economic and Employment Growth (change in real GDP and employment versus a year ago in %) .....	14
Figure 4: Unemployment development by gender (registered unemployed and foreign workers) .....	15
Figure 5: Composition of Population (15-64 years old) by educational attainment level: 2009 .....	18
Figure 6: Difference in the educational attainment level of the population and the workforce (15-64 years old): 2009 .....	18
Figure 7: Skill composition of employment over time: Austria 1971 -2010.....	19
Figure 8: Composition of employment by educational attainment level and citizenship: 2010 .....	20
Figure 9: Labour force participation by gender on average and of third country nationals: 2009 .....	22

## ***Foreword***

The Austrian IOM LINET report focuses on the impact of the economic crisis of 2009 on migration and the labour market. An introductory section provides an overview of the objectives of the report. In the following section of the report data on migration and the labour market are analysed, with special emphasis on the employment of un- and semiskilled migrants. The following section takes a closer look at the role of institutional factors, in particular the welfare model and the industrial relations system, for the labour market outcome of migrants and natives.

The definitions used are in line with the methodology of the EC Employment in Europe reports. Migrants are defined as persons residing in Austria who have non-Austrian citizenship. The study differentiates between EU-citizens and citizens of third-countries<sup>1</sup>.

The report draws on research results of different disciplines in Austria and on EU level, documenting the role of migration in the socio-economic development model of Austria and the impact on labour market outcomes.

## ***Abstract***

### **Analysis of Data on Migration and the Labour Markets**

Austria has a population size of 8.4 million and is set for continued growth as a result of immigration. Natural population growth has come to a standstill as fertility rates are amongst the lowest in Europe. In January 2011, the share of migrants (foreign born) in the total population amounted to 15.7% (1.3 million). The share of foreign citizens is lower with 11% due to a high propensity of migrants, particularly of third country origin, to adopt the Austrian citizenship.

#### **1. *Migration Trends***

The demographic balance is characterised by a net outflow of Austrians and a net-inflow of foreigners. This long-term trend was not affected by the economic crisis of 2009.

In 2010 81% of net immigration originated from the EEA compared to 74% in 2007. The largest single nationality is German, with an annual net inflow of some 7,500 persons. The inflow rate of EU citizens is on the rise, while the contrary holds for third country immigrants. Accordingly, only one third of the annual inflows of settlers are third country citizens and two third are of another EU/EEA country.

#### **2. *Labour Market Impact***

The economic crisis of 2009 has left only minor scars on the Austrian labour market. Employment growth is back on the long-term trend path, after a decline of 0.9% in 2009, and unemployment is amongst the lowest in the EU with 4.5% in 2010.

Migrants have been less affected by the employment downturn in 2009 and are more than proportionately profiting from employment growth in 2010.

The success owes much to the implementation of various active labour market policy measures, the most important being the reduction of working hours in enterprises affected by

---

<sup>1</sup> The category 'third country nationals' also includes persons originating from Switzerland and non-EU EEA countries.



the recession. The hours on layoff were spent on further education and training funded by the Labour Market Service (LMS).

The funding of shorter working hours and education and training measures raises the adaptability of the workforce to changing skill needs, thereby promoting employment stability in the short and long run.

The positive picture is somewhat flawed, however, by a marked cyclicity of labour force participation; the decline of labour force participation in 2009 could not be compensated in 2010.

Austria is among the EU-MS with particularly pronounced gender segregation by industry and occupation. In 2010, about one third of all employees would have had to change the industry in order to obtain an equal distribution of men and women across the 27 industries (NACE 2008). The gender segregation of foreign workers is even more pronounced than that of natives.

The pronounced gender segmentation is one reason among many for a high gender pay gap (25.4% in 2009), another major factor is the slow adaptation of the male bread winner model to a dual earner model.

### 3. *Ad hoc module on low and medium skilled migrants*

Austria has in international comparison an above average proportion of workers in the medium skill bracket (ISCED 3-4) and a low share at the bottom and high end of the educational attainment level.

Migrants tend to add in above all at the low and high end of the skill spectrum. While their share in total employment amounts to 11.5% on average, it reaches 20.4% among unskilled labourers (ISCED 0-2) and 12.9% among university graduates (ISCED 5-6).

### **Labour Market Integration Policies:**

The Austrian labour market is densely regulated by labour law and the regulations are enforced by close monitoring on the part of social partners, works councils, labour inspectorates and labour courts. The regulations flow from a corporatist welfare model, which has its roots in the male breadwinner model and an industrial relations model which is based on an almost universal coverage of jobs by collective bargaining agreements.

The latter ensure equal treatment in employment by industry and skills, linking wages with skills acquired in the education system and further education and training on the job, which is the basis for seniority wage rules. As a result of the regulative density, wages in the formal sector do not differ much by nationality, as there is little room for different treatment of immigrants. Groups of workers who have interruptions in their careers and/ or high employment fluctuations find it hard to follow a career path with seniority pay. This affects women and blue collar workers, many of them migrants, to a larger extent than the 'typical' native male worker.

The institutionalised labour market characteristics have an impact on labour market outcomes for natives as well as migrants. They are more powerful mechanisms than migration policy and access rights to the labour market.

#### 1. *Institutional and Legal Framework for Admission and Employment*

Migration policy has little room to manoeuvre as the single market and free mobility of labour allow unfettered access to the labour market to citizens of the EEA, except for transition periods for citizens of the new EU member states.

Employment data indicate that labour market testing was no major deterrent for citizens of the new EU-MS to access work in Austria. After one year of employment in Austria the person is granted free access to the Austrian labour market with a so-called “confirmation of free mobility”, including family members.

Third country citizens could enter Austria either on the basis of high skills, as asylum seekers or as family members. The latter can access the labour market if their skills are in demand (work permit on the basis of labour market testing); if this is not the case access to the labour market without a work permit is granted after 5 years of legal residence.

## 2. *Institutional and Policy Framework for Integration*

The institutional setting for integration is rapidly changing. By 2010 almost all federal states have developed ‘Integration guidelines’ (Integrationsleitbild) and are implementing integration measures in the various fields. In addition, on federal level a regulatory mechanism is put in place which coordinates integration policy on a macro-level. The first steps were taken with the development of a National Action Plan on Integration, followed by the establishment of an expert group, advising the Ministry of the Interior on matters of integration (Expertenrat), and an integration council (Integrationsbeirat). In addition, an integration section has been set up in the Ministry of the Interior administering and guiding integration policy in addition to providing funds for specific integration measures.

The latest element in a change of the institutional ramifications has been the implementation of a Secretary of State for Integration in the Ministry of the Interior early 2011; he is the hub for the coordination of integration policies in the various ministries.

## 3. *Active Labour Market Programmes*

Reduction of working hours has been the primary labour market policy instrument put in place in 2009 to minimise the negative impact of the economic recession of 2008/2009 on the Austrian labour market.

In addition, Austria continues to use early exit routes to reduce unemployment; the two major instruments are early retirement and disability pensions. This is a feature of the Austrian social protection system which results in a low labour force participation rate of persons in the mature age groups. As migrants are ageing they also take advantage of early retirement and disability schemes.

## 4. *Discrimination in Employment*

Migrants are more optimistic than natives about integration. The optimistic view of migrants is highly correlated with the improvement of their personal living conditions in Austria.

The proportion of natives who think that migrants are disadvantaged or discriminated is lower than the proportion of migrants who believe that they are disadvantaged (27.3% versus 37%). There is a tendency to a diminution of discrimination.

## 4. *Ad hoc module on low and medium skilled migrants*

The supply of unskilled migrants does not dry up as family members and refugees continue to flow in. Large numbers of early school leavers are another source of unskilled labour.

The Austrian labour market policy and the social partners aim at ensuring and protecting the employment and earnings opportunities of un- and semiskilled workers. The social safety net is tightly knit and a system of minimum wages ensures flexibility and security.

The introduction of the Red-White-Red-Card in July 2011 will primarily bring in highly skilled third country migrants and migrants with scarce occupational skills. Only if unskilled labour supply does not suffice will measures be taken to include unskilled workers in the list of third country immigrants.

### **Conclusions and Recommendations:**

The opinion polls indicate that Austrians have finally accepted that immigrants have arrived to stay. Thus there is increasing support for the establishment of comprehensive measures of integration in the various fields. Migrants may thus become the drivers for reforms which are long needed, e.g. in the education system.

But also migrants have come to realise that combined efforts are needed for a feeling of belonging to materialise and for social cohesion to be ensured.

The corporatist model of industrial cooperation is a good institutional vehicle to promote equal treatment and opportunities in the labour market. Therefore it is important that the social partners together with other political actors give priority to the integration of migrants. While the employers will need to promote diversity management to a larger extent, the unions will need to open up to migration and to give voice to migrants. Signs are that this is slowly happening, but more will be needed if one wants to make sure that migrants are not instrumentalised to undercut wages and working conditions.

## **1. Introduction**

This report focuses on labour migration management and integration of third country nationals in the labour market in 2009-2010. The study analyzes recent trends in labour migration and the labour market position of migrants, reflects on the possible impact of these trends on employment and the national labour market, and attempts to relate these findings to the relevant legislative, institutional and policy developments that took place in 2009-2010. The report places migration and integration within a wider context of national economic and labour market developments.

The report focuses on the skill composition of migrants from EU-MS where free mobility prevails versus migrants from other regions of Europe where transition regulations apply. It informs also about the skill composition of migrants of third countries, who enter Austria either as labour migrants, who fulfil the requirements of the highly skilled immigration programme (Schlüsselkraftverfahren<sup>2</sup>), or as family members, whose immigration is regulated by the family reunion immigration programme. A third group of migrants enters as refugees according to the Geneva Convention, or as asylum seekers; the latter may join the labour force as temporary workers.

An in depth understanding of the skill composition of migrant labour is a precondition for the design of immigration policy. International comparisons and analyses drew attention to an increasing skill mismatch of labour demand and supply in Austria (OECD 2005). These results together with indications of a rising scarcity of certain skills (Fachkräftemangel<sup>3</sup>) triggered off a change in immigration policy, which comes into effect by July 2011. Austria introduces a three tier system of immigration, regulating inflows via criteria along the lines of the UK (OECD 2008:286, Home Office 2006), thus abandoning the quota regulations for third country nationals and their dependents and replacing them by criteria which are mainly skills based. In so doing Austria aims at obtaining better control over the skill composition of inflows, thereby hoping to promote integration and at the same time postponing population ageing. In addition it hopes to thereby mitigate the problem of qualitative aging, i.e. the depreciation of skills of an older work force.

This paper is intended for policy makers at national and European level, particularly in the labour market sphere, as well as interest groups, research institutions in the field of migration and civic society at large. It is an important complement to the EMN Study on Satisfying Labour Demand through Migration of 2010<sup>4</sup>.

### **1.1 Methodology**

This report is produced by the author. Data from various sources are combined to obtain a comprehensive picture of the Austrian employment situation and the role of migration and integration policies. Apart from data for 2009-2010, data for 2005 or earlier are included for reference<sup>5</sup>. As the Labour Force Survey (LFS) is the only data source which allows the differentiation by educational attainment levels, anonymised data files of the labour force surveys of 2004-2010 of Statistics Austria have been analysed; in addition, social security data (which only differentiates data by citizenship and industry), data from the central population

---

<sup>2</sup> Key workers are more narrowly defined by the Austrian laws than highly qualified workers in Article 2(b) of Council Directive 2009/50/EC on the conditions of entry and residence of third country nationals for the purpose of highly qualified employment.

<sup>3</sup> The scarcity led to the drawing up of the skilled worker act of 2008 (Fachkräfteüberziehungsverordnung 2008).

<sup>4</sup> [http://www.emn.at/images/stories/Labour\\_Study\\_DE\\_20110119.pdf](http://www.emn.at/images/stories/Labour_Study_DE_20110119.pdf)

<sup>5</sup> Data taken from the LFS begin with 2004 as a statistical break does not allow comparisons with earlier periods.

register of Statistics Austria, and inflow data of third country citizens of the Ministry of the Interior have been taken into account. Anna Faustmann processed and analysed the LFS data, Isabella Skrivanek did the data mining for and the editing of the statistical tables at the end of the report.

## 1.2 Definitions

In order to provide a common framework for comparison with other EU-MS, the report follows the guidelines for the drafting of the national reports. Accordingly:

- Austrians or natives are defined as residents who hold the Austrian nationality;
- Foreigners are nationals of other EU countries or of third-countries.

The focus is on the population of working age, i.e. adults aged 15-64, and employees aged 15-64. For the purpose of the ad hoc module, the following definitions, which are used by CEDEFOP, are adopted:

- low-skilled ISCED 0-2 (pre-primary and lower secondary education),
- medium-skilled ISCED 3-4 (upper and post-secondary education),
- highly-skilled ISCED 5-6 (tertiary education).

## 2. *Analysis of Data on Migration and the Labour Markets* \*

Population growth in Austria is driven by immigration. In 2010 8.4 million inhabitants lived in Austria, 52,000 or 0.6% more than in 2008. The rise is almost completely the result of immigration, given a balance of births over deaths of 700 persons between 2008 and 2010. In January 2011, the share of migrants (foreign born) in the total population amounted to 15.7% (1.3 million). As many migrants, particularly of third country origin, adopt the Austrian citizenship, the share of foreign citizens is lower with 11%.

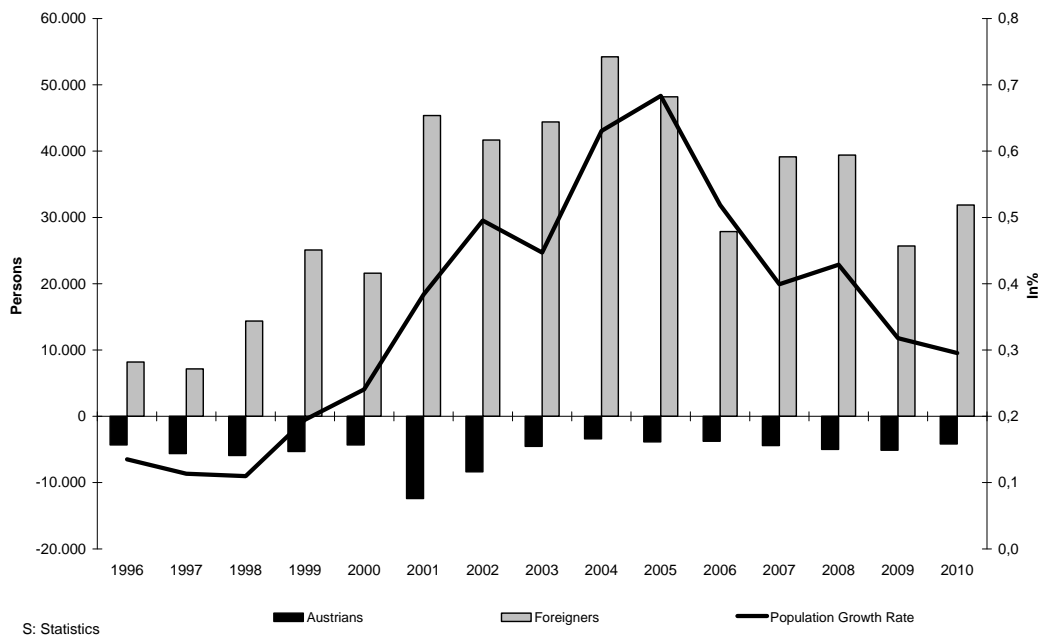
### 2.1 Migration Trends

Demographic flows are characterised by a net outflow of Austrians and net-inflows of foreigners. As Figure 1 indicates, there is no slowdown of net outmigration of Austrians in 2010 while net immigration of foreigners has gained momentum in 2010. The majority of the immigrants of 2009 and 2010 were from another EU-MS; accordingly, their share is rising in the medium to long-term. In 2010 81% of net migration originated from the EEA compared to 74% in 2007. Members from another 'old' EU-MS (EU14) represent the largest group, namely 41% in 2009 and 38% in 2010. The largest single nationality is German, with an annual net inflow of some 7,500 persons in 2009 and 2010. The inflow of persons from the new EU-MS (EU-10) is rising: in 2009 the net inflow amounted to 3,600 and in 2010 to 5,100. The increasing dynamics are a direct consequence of the lifting of the barriers to entry into the labour market for scarce occupational skills in 2008. It can be expected that more migrants will come from the new EU-10 member states, particularly those with lower skills as they have been the ones who have been barred from entry into the Austrian labour market until the lifting of the transition regulations in May 2011.

---

\* I gratefully acknowledge data and research assistance of Anna Faustmann and Isabella Skrivanek.

Figure 1: Net Migration (persons) and Population Growth (in %): 1996-2010



Also citizens from the EU-2 countries (Bulgaria and Romania) are coming to Austria in increasing numbers. Their net inflow amounted to 4,200 in 2009 and rose to 6,500 in 2010. Thus their share in total net inflows increased from 21% in 2009 to 24% in 2010.

The inflow data indicate that Austria did not close entry to the labour market for citizens from the new EU-MS, but continued to apply labour market testing which otherwise only applies to third country citizens. According to that regulation, nationals of eight out of the ten new EU-Member States<sup>6</sup> that joined the EU in 2004 and of Romania and Bulgaria, who joined the EU in 2007, can take up employment in Austria, if they are granted a work permit. According to the principle of community preference when issuing work permits, preference is given to nationals of the new EU MS over third-country nationals. After one year of employment in Austria the person is granted free access to the Austrian labour market with a so-called “confirmation of free mobility”.<sup>7</sup>

As a result of increased screening and the community preference scheme, the inflow rate of third country immigrants is slowing down. In 2009 and 2010 the net inflow amounted to some 9,400 persons annually; in comparison: the net inflow was 13,300 in 2007. Accordingly, the proportion of third country migrants in total net inflows of migrants is declining, namely from 36% in 2009 to 30% in 2010. The largest third country nationality groups are from former Yugoslavia, in particular Serbia, Montenegro and Kosovo, and from Turkey.

### Composition of migrants by source region, age, gender and timing of immigration:

According to the LFS of 2010, of the 8.3 million inhabitants in private households, 1.5 million had a migrant background. The majority were foreign born, i.e. first generation migrants, namely 1.1 million, and 404,600 were second generation migrants, i.e. they were born in Austria to parents who had migrated to Austria.

<sup>6</sup> Of the 10 new EU- member states of 2004 free labour mobility was accorded to citizens from Cyprus and Malta, while citizens of the other 8 new MS had to wait until the lifting of the transition regulations in May 2011. Citizens of the next wave of enlargement of the EU of 2007, namely Bulgaria and Romania, have to wait until 31 December 2013 for the lifting of the transition regulations.

<sup>7</sup> Art. 32a Aliens' Employment Act.

Table 1: Migrant Population in Austria: 2010

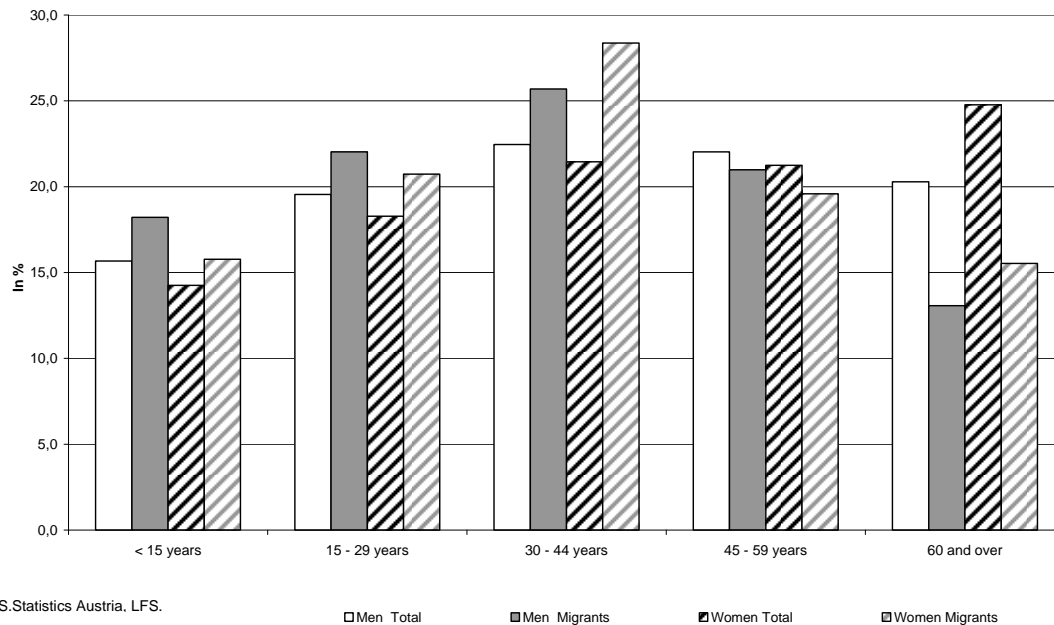
Characteristics	Population in private households	Migrants		
		Total	1. Generation	2. Generation
		in 1.000		
<b>Total</b>	<b>8.283,2</b>	<b>1.543,3</b>	<b>1.138,7</b>	<b>404,6</b>
		<b>Country of birth of parents<sup>1)</sup></b>		
Austria	6.739,9	.	.	.
EU-Member State (excluding Austria)	515,4	515,4	411,9	103,5
Non EU-Member State	1.027,9	1.027,9	726,8	301,1
of which.: Ex-Yugoslavia	507,1	507,1	361,0	146,0
Turkey	263,0	263,0	163,9	99,1
		<b>Citizenship</b>		
Austria	7.402,6	711,9	429,6	282,3
EU-Member State (excluding Austria)	331,0	303,8	278,0	25,7
Non EU-Member State	549,6	527,6	431,1	96,5
of which.: Ex-Yugoslavia	289,8	278,4	221,3	57,0
Turkey	112,8	109,8	88,0	21,8
		<b>Country of Birth</b>		
Austria	7.039,8	404,6	.	404,6
EU-Member State (excluding Austria)	494,4	420,3	420,3	.
Non EU-Member State	749,0	718,4	718,4	.
of which.: Ex-Yugoslavia	361,9	356,2	356,2	.
Turkey	163,5	162,2	162,2	.
		<b>Year of Immigration</b>		
Born in Austria	7.039,8	404,6	.	404,6
before 1980	252,4	198,0	198,0	.
1980 - 1989	180,6	171,5	171,5	.
1990 - 1999	361,0	345,9	345,9	.
after 1999	449,4	423,4	423,4	.
after 2002	334,4	314,9	314,9	.
		<b>Age, Gender</b>		
<b>Men</b>	<b>4.047,7</b>	<b>745,5</b>	<b>532,4</b>	<b>213,0</b>
< 15 years	634,4	135,8	26,0	109,8
15 - 29 years	791,3	164,2	111,5	52,7
30 - 44 years	909,1	191,5	168,3	23,2
45 - 59 years	891,9	156,4	143,0	13,5
60 and over	821,0	97,5	83,6	13,8
<b>Women</b>	<b>4.235,5</b>	<b>797,8</b>	<b>606,3</b>	<b>191,5</b>
< 15 years	603,9	125,9	25,4	100,4
15 - 29 years	774,3	165,4	122,9	42,6
30 - 44 years	908,5	226,4	206,2	20,1
45 - 59 years	899,8	156,3	143,7	12,6
60 and over	1.049,1	123,9	108,1	15,9

S: STATISTICS AUSTRIA, Mikrocensus-Labour Force Survey 2010 .

Of all the foreign born only one third is from another EU-MS and two thirds are from third countries. The single largest third country group is born in former Yugoslavia, namely 361,000, followed by Turkey (163,900). As Table 1 indicates, only a fairly small proportion of the foreign born has come to Austria before 1980 – mainly as guest workers, namely 198,000 or 17%. Thus the majority of the foreign born have come after 1990, either as refugees (largely from former Yugoslavia), as family members in the wake of family reunification and formation or as economic migrants, largely from the EU. The development indicates that the rise of immigrant flows from EU-MS is a relatively recent phenomenon, linked to free mobility of labour which acts as a facilitator of mobility.

As Figure 2 indicates, migrants are on average younger than natives. The share of youth of less than 15 years is larger among the immigrants than among natives, just as the share of 15-44 year olds. In contrast, natives are to a much larger extent than migrants 60 years or older.

Figure 2: Migrants and total population by age and gender: 2010



The Alien register of the Ministry of the Interior corroborates the above data of the population register, but provides additional information, namely on the legal entry categories. Accordingly, 37,800 EU/EEA citizens entered Austria in the course of the year 2009 and registered as ‘settlers’. About 50% entered for work, and some 10% (3,900) for study purposes. If one takes free movement within the EU/EEA into account, the annual inflow of persons with settlement rights amounted to 55,000 in 2009. Thus, only one third of the annual inflows of settlers are third country citizens and two third are of another EU/EEA country. This is a major difference to traditional immigration countries, which tend not to have substantial inflows as a result of free movement between countries. The only exception is Australia relative to New Zealand; in Australia some 15% of all inflows are due to free movement.

In addition to settlers, another 17,200 entered Austria on a temporary basis in 2009. About two third of the inflows were seasonal workers; some 18% were third country international students (3,100). According to registry data the split between third country and EU-citizens amongst the international student inflow is fairly even.

## 2.2 Economic and labour market development in 2009-2010

In the wake of the worldwide recession of 2008/2009 economic growth declined in Austria as well, albeit with a certain time lag. The economic downturn set in late 2008 but gained momentum rapidly and led into a full-fledged negative growth rate of -3.9% in 2009. The decline of real economic growth was only slightly smaller than in the EU on average (EU27: -4.2%; EU15: -4.3%). The economic decline was very intense but only short-lived. In 2010, economic growth picked up and reached 2%, compared to 1.8% in the EU27. And the forecast for 2011 is even more promising with an expected 3% versus 2010, thereby more than outdoing the decline of 2009. GDP per capita declined in 2009 by 4.2% but recovered again in 2010 (+1.8%) and reached a level of 28,900 Euros compared to 20,900 in the EU27.

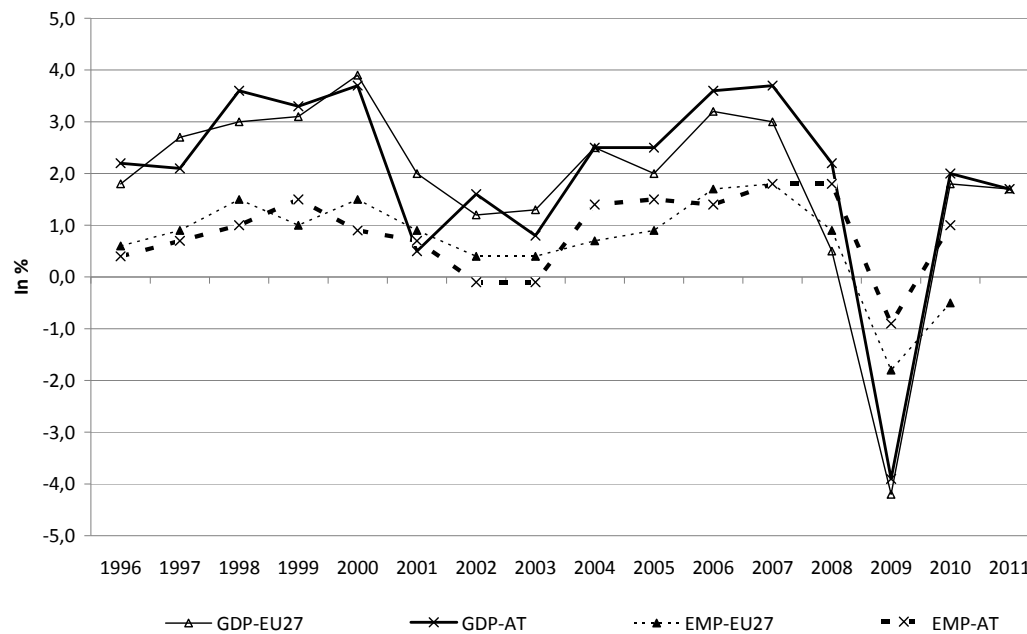
The labour market reaction to the economic decline was much less severe in Austria than in the EU on average, with a fall in employment of -0.9 % compared to -1.8% in the EU27. The main reason for the relatively modest decline was the massive promotion of the active labour market policy of reduced working hours (Kurzarbeit) and its take-up by many enterprises.



This meant that people were kept in employment, albeit at reduced working hours, which allowed a fast reaction when the economic outlook improved as search costs for labour were minimised. Accordingly, the upswing in employment was swift in 2010 with a plus of 1% versus 2009, compared to -0.5% in the EU27. (Figure 3)

While self-employment continued to rise also during the most recent recession – raising the self-employment rate to 11.3% in 2010, the number of wage and salary earners reacted to the economic decline. In 2009, their numbers declined by 1.4% (-47,000) but rose again in 2010, namely by 22,300 or 0.7%. Foreign workers were less than proportionately affected by the employment decline in 2009, namely by -1.3% (or -5,600). The employment upswing was also more pronounced for foreign workers than for natives with +16,200 or 3.8%. Thus, two thirds of the employment growth of 2010 accrued to foreign workers. Accordingly the share of foreign workers in total employment continued to rise throughout the recession of 2009 reaching an annual average of 13.2% in 2010.

Figure 3: Economic and Employment Growth (change in real GDP and employment versus a year ago in %)

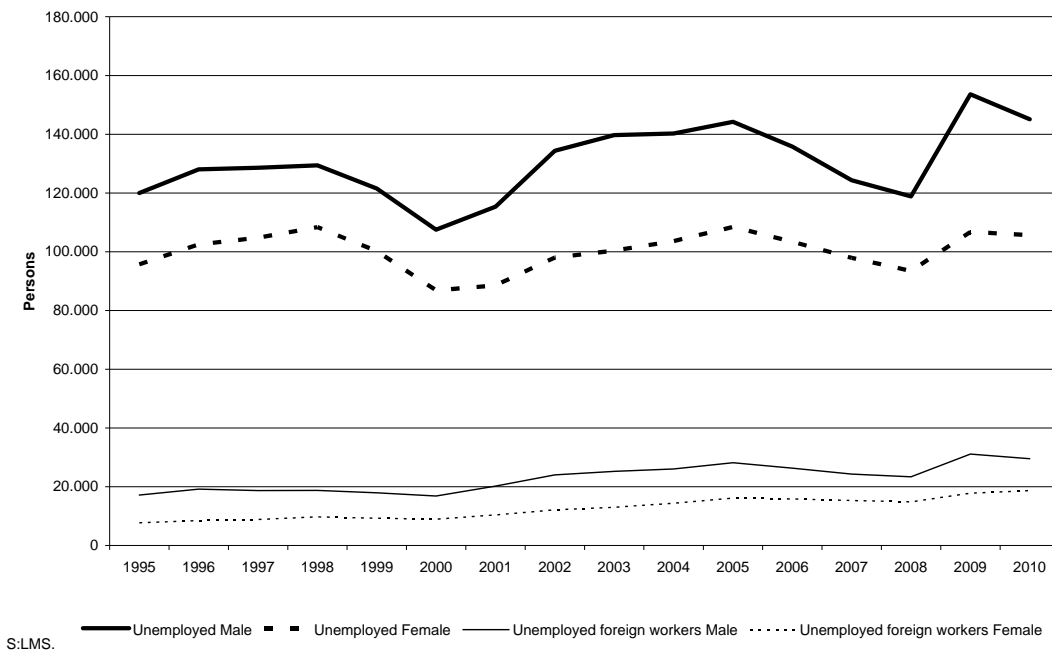


S: EUROSTAT.

The unemployment rate increased in the recession of 2009 by 1 percentage point to 4.8% but declined again in 2010 to 4.4%, one of the lowest rates in the EU. Only the Netherlands and Luxembourg have similarly low levels in the EU. Also job vacancy statistics clearly indicate the economic upswing in 2010 with a rise in the number of job openings versus 2009 of 31%. Thus the ratio between the stock of unemployed and vacancies declined from 3.9 to 2.7 in 2010.

Even though the employment development by citizenship suggests that foreign workers fared better in relative terms than the workers on average, this is not the case when looking at unemployment numbers (registered unemployed). While total unemployment increased in 2009 by 22.6% (+48,100), the number of registered unemployed foreign workers rose by 27.8% (+10,600). Also the decline in unemployment in the year 2010 was less pronounced for foreign workers than for workers on average. While total unemployment declined by 3.7% versus 2009 (-9,500) it shrank only slightly for foreign workers (-700 or -1.5%).

Figure 4: Unemployment development by gender (registered unemployed and foreign workers)



As far as the gender aspect is concerned it may come as no surprise that unemployment increased more sharply for men than for women, given the pronounced gender segmentation of employment: men are to a much larger extent than women employed in market oriented occupations and industries. This holds for natives as well as migrants. It is interesting to note, however, that female foreign workers continue to have a rise in unemployment in 2010 while this is not the case for male foreign workers and for native women. (Figure 4)

The recent unemployment development of foreign workers may be taken as a first sign of substitution of 'long-term' foreign workers, i.e. of migrants who have been residing in Austria for some time, allowing them to access unemployment benefits, by new immigrant workers. This development may be seen in the context of an increasing skills mismatch of foreign worker supply and demand due to different growth rates by skills.

### Activity rate and unemployment rate

The activity rate of the 15-64 year olds has been on the rise in Austria between 2005 and 2010, reaching 75.1% (after 72.4% in 2005). Foreign citizens have a somewhat lower rate than Austrians with 70.1% compared to 75.8%. The activity rate of foreign citizens shows clear cyclicity, declining in 2008 by 1 percentage point versus a year ago to 69.5% and rising thereafter slowly again while this does not hold to the same extent for natives.

EU27 citizens have about the same level of activity rates as Austrians (75.7% in 2010), in contrast to the major third country citizens, Turkish citizens exhibiting the lowest rate with 61.7%. Persons of former Yugoslavia (excluding Slovenia) have an in-between rate of 69.7% in 2010. The low activity rate of Turkey is largely the result of the low degree of integration of women into the labour market. They have an activity rate of 39.2% in 2010, compared to a rate of 69.3% of women in Austria on average; women from the EU27 have a similar rate as Austrian women (70.6% versus 70.4%) while women from former Yugoslavia have a lower rate than natives (61.5%). In the case of Turkish women it has to be borne in mind that their activity rate is considerably higher in Austria than in Turkey (+11.4 percentage points), where it stood at 27.8% in 2009. In addition, the trend in Austria is on the rise, from 32.9% in 2006 to 39.2% in 2010, while the trend in the case of women from Yugoslavia is on the decline (from 66.4% in 2006 to 61.5% in 2010).

The unemployment rates are highest among unskilled workers (ISCED 0-2), i.e. double the national average (2010: 8.9% versus 4.4%), and lowest for University graduates (ISCED 5-6), with somewhat less than half the national average. While the unemployment rate exhibits a clear cyclical pattern in the case of unskilled workers and persons with medium skills, this is not the case with university graduates. Their unemployment rate has been rising from 1.9% in 2008 to 2.5% in 2009 and 2.6% in 2010. (See statistical annex)

The unemployment rate of wage and salary earners (calculated on the basis of social security employment data and registered unemployment) amounted to 6.9% in 2010 in Austria. The rate was lower for Austrian citizens than for foreign citizens. It amounted to 6.5% compared to 7% in the case of EU27 citizens and 11.5% of third country citizens. The highest unemployment rates are found amongst citizens from Serbia, Montenegro, Kosovo and Macedonia with more than 20%. Citizens of Turkey have lower unemployment rates with 13%.

While citizens from the old EU-MS and from the EU10 have similar levels of unemployment as Austrians, persons from the new member states of Bulgaria and Romania have an average rate somewhat beyond 10%.

### **Gender segregation and gender pay gap**

Gendered statistics are a precondition for monitoring the development of the situation of men and women in the various policy fields. A major indicator in that respect is the activity rate, i.e. the gap between male and female labour force participation. Increasing the activity rate of women does not only promote economic growth but also combat poverty and socio-economic exclusion, in particular in old age. In addition, promoting women's labour market participation can help ensure the sustainability of the social protection system, in short the European Social Model. In Austria, the gender gap in labour force participation amounts to 11.4 percentage points and is thus somewhat lower than in the EU27 on average (13.5 percentage points).

A second indicator is the gender gap of the unemployment rate, suggesting that it does not suffice to raise labour force participation but that initiatives have to be taken to promote the employability, e.g. by education and training measures, thereby raising the probability of getting a job. In Austria, the gender gap in unemployment is not very high, men having an unemployment rate of 4.6% in 2010 and women of 4.2%. The pattern by educational attainment is similar for women and men. It is youth that has the greatest difficulties to find and keep a job. Their unemployment rates (15-24 year olds) amounted to 8.8% in 2010, with hardly any difference between men and women. It may be surprising that next in line are men and women in their prime working age (25-49 year olds), while mature workers (50+) are faced with a fairly favourable situation (men 3%, women 2.5%). The early retirement appears to be an important instrument to exit from an unfavourable working environment which has high demands on skills as well as physical and mental health.

A third indicator is the gender pay gap<sup>8</sup>. Even though equal pay for work of equal value has been a longstanding principle of Austria, women continue to earn significantly less than men, in 2009 on average 25.4% less. Gender pay inequalities are smaller in the public sector than in the private sector, partly due to the comprehensive implementation of affirmative action programmes in the public sector.

Gender pay gaps are typically wider at the top of the wage distribution; this situation is referred to as the 'glass ceiling', pointing at an invisible barrier to further advancement of women once they have attained a certain level in the workplace. In contrast, the 'sticky floor'

---

<sup>8</sup> It is measured by the difference between the gross hourly earnings of men and women as a percentage of men's average gross hourly earnings.

is the opposite scenario. It refers to the situation that men tend to move up the career ladder faster than equally skilled women.

The earnings disparity has various underlying causes, some of the most important being career interruptions due to childcare, gender segregation by occupation and industry, differences in education and training, part-time work as well as traditions and social norms. Austria is among the EU-MS with particularly pronounced gender segregation by industry and occupation. In 2010, about one third of all employees would have had to change the industry in order to obtain an equal distribution of men and women across the 27 industries (NACE 2008). While women tend to cluster into health and social services, education, clerical work and retailing, men are concentrated upon engineering and other technical professions, in financial services and management. The gender segregation of foreign workers is even more pronounced than that of natives.

There is a dearth of women in high decision making positions, partly due to gender stereotypes and discrimination, partly due to gender segregation in education and on the labour market, and partly due to the unequal distribution of household work by gender.

### **Employees in non-standard employment**

In the EU27 22.1% of all employees are part-timers, 9.7% of all men and 35.6% of all women. In Austria part-time work is more very frequent in the case of women and a rare event in the case of men. In 2010, 27.8% of all employees were working on a part-time basis, 48.3% of all women and 9.1% of all men. Normal working hours for female part-timers tended to be 27 hours a week, while men tended to reduce their normal working hours to a lesser extent, namely to 35 hours per week. In certain industries, e.g. retail trade, part-time work is the norm for female workers rather than non-standard employment.

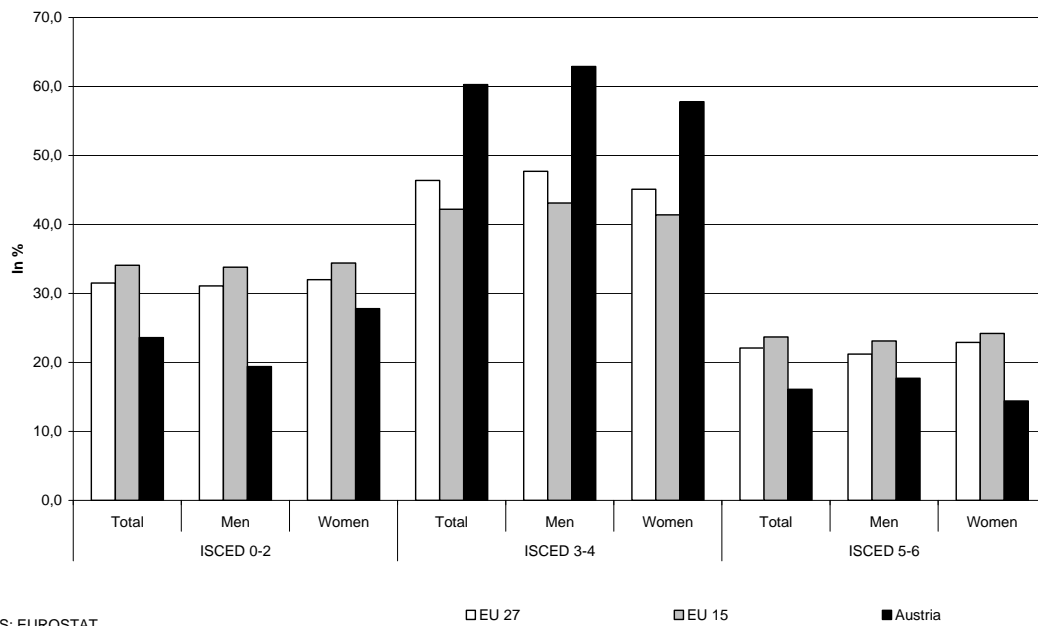
Migrants from another EU27 country (foreign born) have an even higher share of part-time work in Austria, namely 26.3% in 2010, while third country citizens are less often part-timers. In contrast to part-time work, fixed term employment is comparatively rare in Austria, affecting only 9.3% of all employees, compared to 14% in the EU27 on average.

### **2.3 Ad hoc module on low and medium-skilled migrants**

Austria has in international comparison an above average proportion of workers in the medium skill bracket (ISCED 3-4). This group is very heterogeneous in terms of educational background, with a narrow academically oriented stream (Gymnasium), which prepares for university education in humanities, medicine, law, philosophy and the like, as well as streams of upper secondary education with a strong vocational orientation geared towards higher education either in the engineering or commercial/business fields. It comprises also the medium skills obtained through apprenticeship education and middle vocational schools as well as postsecondary non-tertiary education. Accordingly, the proportion of unskilled workers, defined as persons with high school as a maximum educational attainment level (ISCED 0-2), is fairly low just as the proportion of university graduates, basically all long-cycle university studies (ISCED 5-6).

In 2009, 23.6% of the Austrian population aged 15-64 had a low educational attainment level, i.e. compulsory education as the maximum educational attainment level (ISCED 0-2), compared to 34.1% in the EU 15 and 31.5% in the EU27. In contrast, the share of persons in the medium to upper medium skills segment (ISCED 3-4) amounts to 60.3% in Austria compared to 42.2% in the EU15 and 46.4% in the EU27. The share of university graduates (ISCED 5-6) is again relatively low with a share of 16.1% of the population aged 15-64, compared to 23.7% in the EU15 and 22.1% in the EU27.

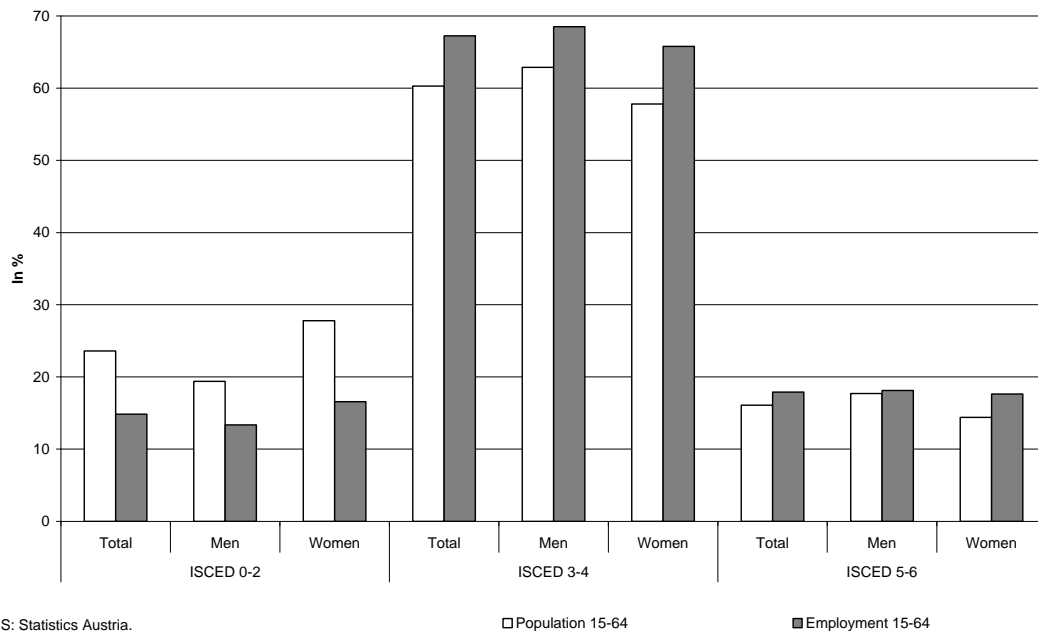
Figure 5: Composition of Population (15-64 years old) by educational attainment level: 2009



S: EUROSTAT. □ EU 27 □ EU 15 ■ Austria

With the introduction of short cycle university studies in the period 2000 to 2007, i.e. the bachelor, the proportion of university graduates is bound to rise reducing the share of the upper medium skill segment (Biffl et al 2010).

Figure 6: Difference in the educational attainment level of the population and the workforce (15-64 years old): 2009



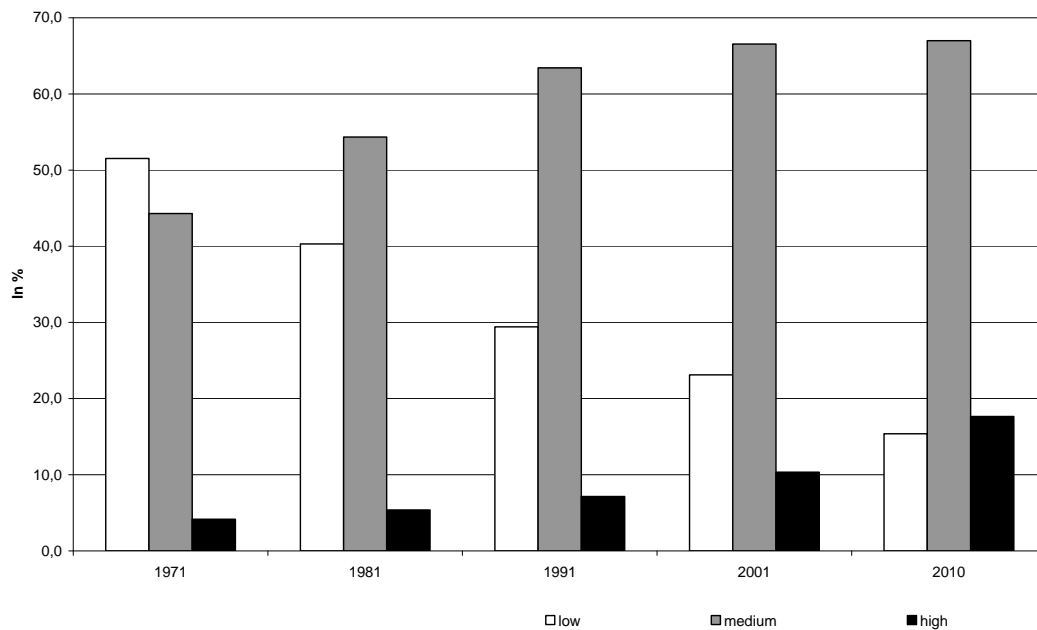
S: Statistics Austria. □ Population 15-64 ■ Employment 15-64

In international comparison, Austria has a pronounced gender gap of the educational attainment level. While the gender gap in the low skill segment amounts to less than one percentage point in the EU 15/27 it amounts to 8.4 percentage points in Austria. Consequently, more men than women are university graduates in Austria (+3.3 percentage points), quite in contrast to the EU15/27 average, where the number of women tends to exceed that of the male counterparts.

Another distinctive feature of the Austrian labour market is the gap in the labour force participation rate by educational attainment level, particularly in the case of women. Accordingly, the proportion of the unskilled amongst workers (ISCED 0-2) is significantly lower than in the population aged 15-64, above all in the case of women, while the share of university graduates is higher. This pattern is somehow linked to the limited outsourcing of household production to the labour market, indicating that the balance between work and family life is not easy to obtain in Austria. (Figure 6) This situation results in a marked difference in fertility by educational attainment level on the one hand and a high poverty risk of single earner families with children, many of them migrants, on the other. (Biffel 2008, Neyer 2008)

As Figure 7 indicates, the long-term improvement of the skill composition of the labour force features above all in a rapidly declining trend of unskilled labourers (ISCED 0-2), a slow rise in the share of university graduates (ISCED 5-6) and a massive rise in the medium to upper medium skill bracket (ISCED 3-4) between 1971 and 2001. Ever since then the proportion of workers with medium skills more or less stagnates while the diverging trends at the upper and lower end of the skills' spectrum continue well into 2010. However, a slowdown in the decline of the share of unskilled workers can be discerned since the 1990s, and an acceleration in the rising trend of workers with university education.

Figure 7: Skill composition of employment over time: Austria 1971 -2010



S: Statistics Austria, Census, 2010 LFS.

### Employment by educational attainment level of nationals and foreigners

In what follows we focus on the development of employment by educational attainment level and citizenship. The data base of the analysis is the Labour Force Survey (fourth quarter) from 2004-2010<sup>9</sup>, namely employed persons 15-64 years of age.

In 2010, of the 3.5 million employees 398.000 or 11.5% were foreign citizens. Of this number 163.000 or 41% were EU-27 citizens and 59% of third countries. Between 2004 and 2010 the number of employees increased by 7.9% (+253.100); the bulk of the employment increase accrued to Austrian citizens (+194,100 or 77%), followed by EU citizens (+54,400 or 21%,

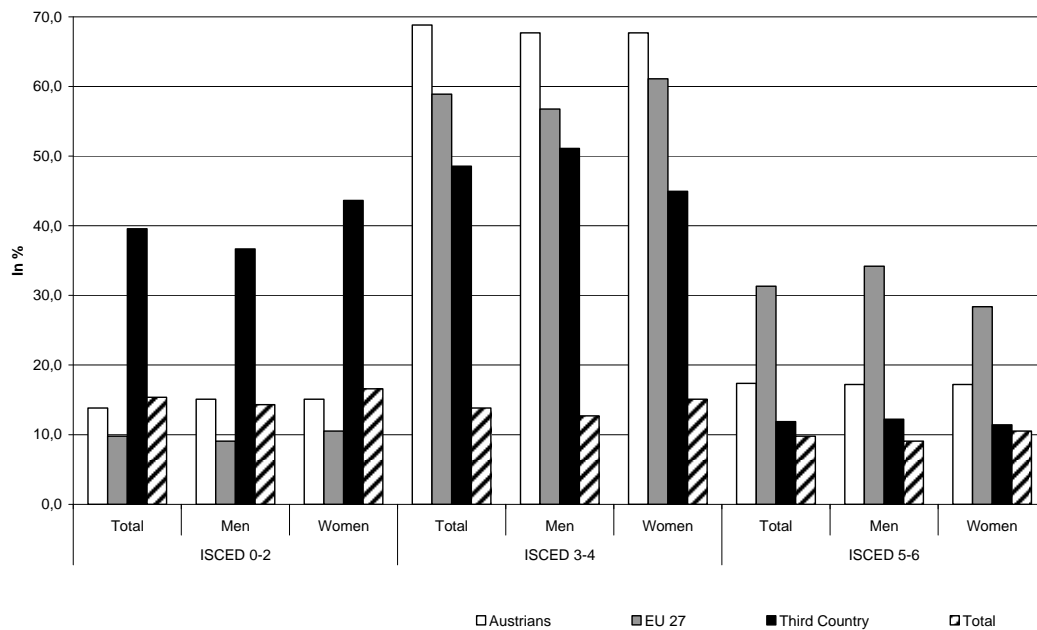
<sup>9</sup> Data taken from the LFS begin with 2004 as a statistical break does not allow comparisons with earlier periods.

while the number of third country citizens hardly rose at all (+4,600 or 2%). This development is largely due to a significant increase in the number of ‘new’ Austrians, i.e. third country citizens who acquired Austrian citizenship<sup>10</sup>. Citizens of another EU-MS see little reason for acquiring the Austrian citizenship.

The skill composition of migrants and Austrians differs, indicating a certain extent of complementarity in employment. Migrants tend to add in above all at the low and high end of the skill spectrum. While their share in total employment amounts to 11.5% on average, it reaches 20.4% among unskilled labourers (ISCED 0-2) and 12.9% among university graduates (ISCED 5-6). The polarisation of skills of migrants relative to Austrians holds for both men and women. On average 11.9% of male employees are foreigners (11% of female employment), but 13.6 of all male university graduates are foreigners (12% of all female graduates) and 21.8% of all unskilled men (19% of unskilled women). EU27 citizens tend to fill in the lack of university graduates while citizens of third countries tend to fill in at the lower end of the skills’ spectrum.

Citizens from another EU country represented 4.7% of all employees in 2010. They constituted, however, 8.3% of all employed university graduates (men: 8.5%, women: 8.1%) and only 3% of all unskilled labourers. In contrast, citizens from a third country represented 6.8% of all employees but 17.4% of all unskilled labourers (men 19%, women 15.9%).

Figure 8: Composition of employment by educational attainment level and citizenship: 2010



It can be taken from Table 2 that the skill composition of third country migrants has been improving since 2004. Then the share of unskilled labourers amongst all third country citizens amounted to 42% compared to 39.6% in 2010, while the share of university graduates rose from 10.7% to 11.9%. This is in contrast to the development of the skill structure of EU citizens. Their share of the highly skilled is slightly declining (from 31.7% in 2004 to 31.3% in 2010) and the share of unskilled slightly rising (from 9.6% in 2004 to 9.8% in 2010).

<sup>10</sup> Between 2004 and 2010 142,300 foreigners acquired the Austrian citizenship, 92% of them were of third country origin.

Table 2: Development of the composition of employment by educational attainment level in % (15-64 years old)

Nationality	Educational attainment level	2004	2005	2006	2007	2008	2009	2010
Nationals	ISCED 0-2	15,5	14,9	15,5	15,2	14,3	13,5	13,8
	ISCED 3-4	67,7	67,8	68,6	68,7	69,2	68,8	68,8
	ISCED 5-6	16,9	17,2	15,9	16,1	16,5	17,6	17,4
	<b>Total in %</b>	<b>89,5</b>	<b>89,9</b>	<b>89,6</b>	<b>89,1</b>	<b>89,3</b>	<b>89,5</b>	<b>88,5</b>
	<b>Total Persons</b>	<b>2876648</b>	<b>2932825</b>	<b>2999709</b>	<b>3010876</b>	<b>3089915</b>	<b>3089372</b>	<b>3070735</b>
EU	ISCED 0-2	9,6	7,9	8,5	9,4	8,1	9,2	9,8
	ISCED 3-4	58,8	56,4	59,7	58,4	62,2	58,0	58,9
	ISCED 5-6	31,7	35,7	31,8	32,2	29,7	32,7	31,3
	<b>Total in %</b>	<b>3,4</b>	<b>3,1</b>	<b>3,5</b>	<b>3,9</b>	<b>4,3</b>	<b>4,2</b>	<b>4,7</b>
	<b>Total Persons</b>	<b>108326</b>	<b>99790</b>	<b>116419</b>	<b>132364</b>	<b>147242</b>	<b>145137</b>	<b>162711</b>
Third Country	ISCED 0-2	42,0	41,7	41,3	41,0	37,5	37,6	39,6
	ISCED 3-4	47,3	49,2	47,2	48,0	54,9	50,7	48,6
	ISCED 5-6	10,7	9,1	11,5	11,0	7,6	11,7	11,9
	<b>Total in %</b>	<b>7,2</b>	<b>7,0</b>	<b>7,0</b>	<b>7,0</b>	<b>6,4</b>	<b>6,3</b>	<b>6,8</b>
	<b>Total Persons</b>	<b>230245</b>	<b>229964</b>	<b>233336</b>	<b>236945</b>	<b>221964</b>	<b>216111</b>	<b>234894</b>
Total	low-skilled	17,2	16,6	17,0	16,7	15,5	14,8	15,4
	medium-skilled	65,9	66,2	66,8	66,9	68,0	67,2	67,0
	highly-skilled	16,9	17,2	16,2	16,4	16,5	17,9	17,6
	<b>Total in %</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
	<b>Total Persons</b>	<b>3215219</b>	<b>3262579</b>	<b>3349464</b>	<b>3380185</b>	<b>3459121</b>	<b>3450620</b>	<b>3468340</b>

S: Statistics Austria. LFS. Own calculations.

Research into overqualification (Biffl et al 2008, Bock-Schappelwein et al 2009) indicates that education and training obtained in Austria is key to employment which is commensurate with the educational attainment level acquired. The duration of stay and employment is another important factor ensuring adequate employment. In the medium skill segment overqualification is fairly rare, particularly in the case of apprenticeship education. Only some 9% of Austrian employees with apprenticeship education are overqualified for their job. In the case of foreigners who have not received their training in Austria the share of overqualification is higher, amounting to some 21%; persons from Romania and former Yugoslavia are more often than others overqualified for their jobs (some 28%).

University graduates are more prone to work below their skill levels, in the main if they have not graduated from an Austrian university. This is above all the case for persons who migrate to Austria at a mature age (over 40). It appears to be particularly difficult for university graduates from Asia, Turkey and former Yugoslavia to transfer their knowledge and skills to the Austrian labour market. In these cases about two third tend to be overqualified for their jobs.



### 3. Analysis of Labour Market Integration Policies

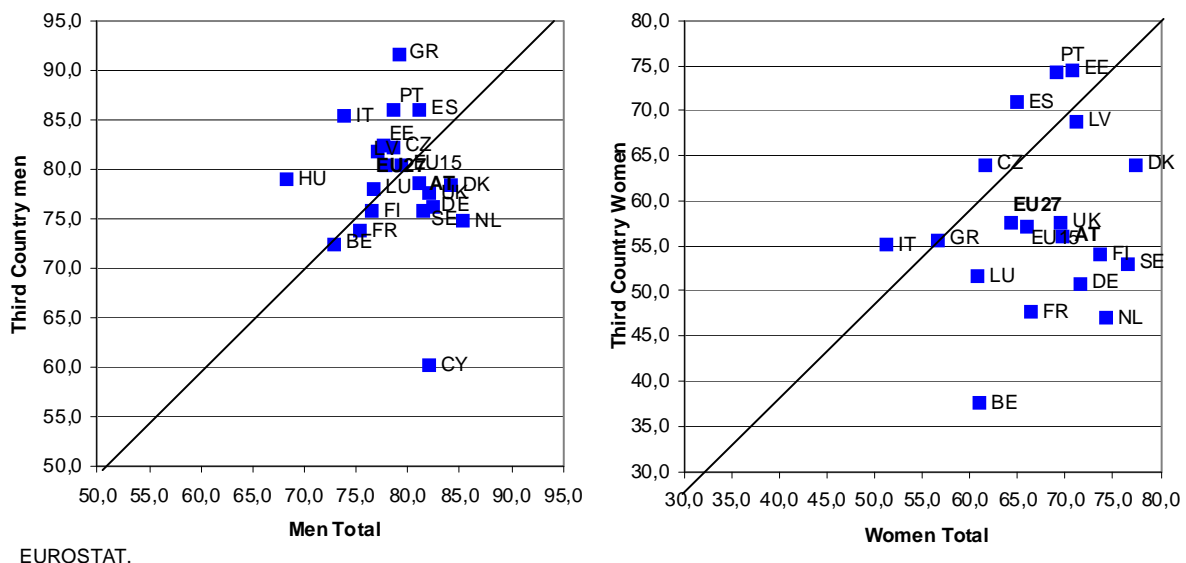
#### 3.1 The role of institutions for labour market outcomes

The Austrian labour market is densely regulated by labour law and the regulations are enforced by close monitoring on the part of social partners, works councils, labour inspectorates and labour courts. The regulations flow from a corporatist welfare model, which has its roots in the male breadwinner model, i.e. a family (wage) policy model which is only slowly evolving into a dual earner model. This family oriented model is complemented by an industrial policy strategy based on compulsory membership of enterprises in the chamber of commerce and of employees in the chamber of labour, the respective institutionalised voice of the two sides of the labour market, labour demand and labour supply (Katzenstein 1984/1985, Nowotny 1993, Biffl—Isaac 2005).

The Austrian model of social and economic organisation has historically grown and constitutes an “incorporation regime” (Soysal 1994) which has an impact on employment and earnings opportunities of natives and migrants alike. Austria, just as any other country in Europe, has developed a complex set of institutions over time, which organise and structure socio-economic behaviour of the population.

The basic European models of social organisation differ by country/region (Esping-Andersen et al. 2001), resulting in different labour market behaviour and outcomes by gender, age, educational background. The differences in outcome tend to be large, particularly as far as labour force participation of women is concerned (Biffl 2004). Female activity rates stretch from a low of 51.1% in Italy (Malta is even lower at 40.8%) to a high of 77.3% in Denmark, compared to the EU27 average of 64.3%. Over time convergence of labour force participation of women across the EU is taking place. At the same time the difference in labour force participation between women and men is declining (for the EU15 from 45 percentage points in the mid 1960s to 13 percentage points in 2009). The welfare model is, however, not the only factor which affects labour market outcomes. Another important feature is the migration regime, the behaviour pattern of migrants themselves as well as the composition of migrants by educational attainment level and occupational skills.

Figure 9: Labour force participation by gender on average and of third country nationals: 2009



Accordingly, labour force participation of migrants from the EU is similar to that of Austrians, while it is lower in the case of third country citizens, particularly in the case of women (2009:

-13.4 percentage points). This raises the question as to the role of the composition effect, mainly the skill structure, the migration policy effect and behavioural factors.

A closer look shows that the lower labour force participation of third country women in Austria is mainly the result of lower rates of Turkish women. Research indicates that this is the combined effect of a low average educational attainment level, of a more traditional gender division of labour between market and household work, a behaviour pattern which is promoted by the Austrian tax and cash transfer system<sup>11</sup>, and to a certain extent of foreign worker policy. (BKA2010) The latter aspect flows from granting free access to the labour market, i.e. without labour market testing, only after 4 years of legal residence in Austria. This feature of the law bars entry to the labour market of third country low skilled migrants who tend to immigrate on the basis of the family reunification programme. There has been no legislative change in 2009/10 which would amend that. With the introduction of the red-white red card in 2011, however, family members of that card (Rot-Weiß-Rot — Karte plus) will face no restrictions to enter the labour market. This fact together with the fall of transition regulations for EU-8 member states will raise competition for jobs, particularly for the unskilled. This may result in a rise in unemployment and/or may exercise a certain downward pressure on wages for the unskilled.

Centralised collective bargaining agreements (Kollektivverträge) ensure equal treatment in employment by industry and skills, thereby linking wages with skills acquired in the various elements of postsecondary and tertiary education. Almost every job is regulated by collective bargaining agreements (98% bargaining coverage rate<sup>12</sup>), encompassing regulations as diverse as wages, working hours and general working conditions. The bargaining system ensures that wages are in line with productivity developments, thereby stabilising inflation and ensuring economic stability (Fuess—Millea 2001, Aidt—Tzannatos 2001).

As a result of the regulative density, wages in the formal sector do not differ much by nationality, as there is little room for different treatment of immigrants. Accordingly, differences in wages between natives and foreigners are amongst the lowest in Europe, together with Germany (Adsera — Chiswick 2004).

As the gender pay-gap in Austria is amongst the highest in the EU, a feature of the male breadwinner model and pronounced occupational segmentation by gender which extends to migrants as well, it makes sense to compare wages of men and women separately. A special income survey analysis for the Women's Report 2010 (BKA 2010: p 345) shows that the median annual income of women in full-time employment amounted to 28,676 Euros (-22.2% versus men) in 2008. The annual income of foreign women was 23% lower than that of native women, not much different to the pay-gap for migrant versus native men (23.8%). Women from the old EU-MS including Switzerland had higher wages than native women (+26%), women from the new EU-MS (EU-12) were 21% below the median and Turkish women were at the bottom end of the wage scale (-33%). The income differentials of men do not follow exactly that pattern; the median income of male EU/EEA citizens is on average 5% lower than that of native men and Turkish men are 30% below the median of natives.

---

<sup>11</sup> Single earner tax breaks as well as cash benefits for child-care and domestic care for the sick and elderly contribute to the limited outsourcing of care work from households to the market. (BKA 2010)

<sup>12</sup> The bargaining coverage is lower in most other EU-MS, ranging from 47% in the UK, 50% in Switzerland, 69% in Denmark to 89% in Sweden. (Aidt—Tzannatos 2001)

The income gaps between natives and migrants are largely the result of different skill levels, resulting in a higher share of migrants in blue collar jobs, where seniority pay scales hardly exist.

Social and domestic services are at the interface of formal and informal work, indicating weak bargaining power and institutional representation of this workforce. Outsourcing of services, above all care work, from the household sector to NGOs, non-profit institutions and to self-employed, is a relatively recent phenomenon. It is in this area where legalisation schemes have been implemented in 2008, reducing informal and clandestine work significantly.

The promotion of self-employment has moved centre stage in this context. The chamber of Commerce as well as various Federal States, e.g. Vienna<sup>13</sup>, are increasingly aware of the economic growth potential emanating from ethnic entrepreneurs. As a result they have increased their efforts in the last couple of years, to provide special advice and guidance, increasingly also financial support, to business start-ups of migrants.

### **The role of citizenship for labour market integration**

Austria is among the countries with high barriers to the acquisition of citizenship (Bauböck et al 2006), at least since the reforms of the citizenship laws in 2005-2008. Does this hamper labour market integration? If we compare labour market outcomes of Austria with France, which grants citizenship on the basis of territory (*ius soli*), we see many similarities in labour market outcomes. The latter may flow from the welfare model rather than the civic territorial model. Brubaker (1992) argues that citizenship may promote a feeling of belonging, but it is the welfare model which structures labour market outcomes.

### **Changing union policy**

There are increasing signs of a changing union policy towards immigrants. In the year 2006 foreigners have been given the right to join unions and to become members of employer councils. It has to be mentioned, however, that the latter right was not granted freely by the Trade Union Congress but only after the intervention by the European Court of Justice. The latter acted upon the appeal of the Austrian union of white collar workers (GPA) together with a migrant association (*migrare*). This incidence shows that there is increasing debate on the role of migrants in the trade union movement and the implications of free mobility within the EU for trade union policy. Groups within the trade unions are increasingly giving voice to migrants (e.g. *work@migration* in the GPA), standing up for rights as diverse as citizenship to children born in Austria to foreign citizens and the right to access work for all migrants, independent of their legal status. (Biffl 2010)

## **3.2 Labour Market Policy Initiatives**

In the year of the economic crisis of 2009, the share of flexible work arrangements increased to 29.6% of all employees (after 26% in 2006, Geisberger—Knittler 2010), and the number of employees with normal working hours declined. All types of atypical employment gained weight, namely part-time and temporary work, leasing, free lancers and casual work. All types

---

<sup>13</sup> Vienna has set up Mingo Migrant Enterprise in 2008 to provide targeted Services for ethnic entrepreneurs. <https://www.mingo.at/>

of employment are covered by the whole gamut of social security from the first day of employment, namely access to health services, to unemployment insurance, to retirement and severance pay, except casual work which does not carry unemployment and retirement insurance. The latter can be accessed at a preferential rate, however.

Apart from funding the costs of reduced working hours, the Labour Market Service continues to invest heavily in German language courses to promote the employability of migrants.

**Cyclical reduction of working hours** (Kurzarbeit) has been the primary labour market policy instrument put in place in 2009 to minimise the negative impact of the economic recession of 2008/2009 on the Austrian labour market. Access to this policy instrument, which has been hardly taken up since the 1980s, has been facilitated<sup>14</sup> and the maximum period for the consumption has been prolonged. It was basically used to allow flexibility relative to wages and working hours. The instrument was further adapted to **allow up-skilling and re-skilling** during the out of work hours to raise the competences of workers, thereby promoting their long-term employability. Bock-Schappelwein et al (2011) provide comparative insight into the take-up rate and the impact in Germany and Austria. They conclude that the Austrian labour market has greater degree of external flexibility than the German one, i.e. greater employment fluctuation, which raises the adjustment speed to changes in the economic environment.

In addition to reduced working hours which were combined with further education and training investment in all other active labour market policy instruments was raised, thereby promoting the employability of the unemployed. As far as youth is concerned, subsidised apprenticeship education was promoted, thereby promoting above all the learning opportunities of migrants, who tend to be early school leavers to a much greater extent than natives.

### **Continued use of early exit routes**

Austria has difficulties in closing early retirement routes and continues to grant disability pensions at a much higher rate than in other EU countries. This is a feature of the Austrian social protection system which results in a low labour force participation rate of persons in the mature age groups (see statistical appendix). Thus the low unemployment rate somehow conceals the extent of inactivity of the potential workforce in Austria. The high disability rate of older workers in Austria may be attributed to the comparatively easy access to disability pensions, i.e., occupation-based assessment (*Berufsschutz*) rather than a general incapacity to work. As migrants are ageing they also take advantage of the early retirement and disability schemes.

The *OECD* (2003 and 2010) has argued that the term "disabled" should not be equated to "unable to work", and that the medical condition and resulting work capacity of claimants should be re-assessed periodically. Further, a "culture of mutual obligations" should be introduced, requiring claimants to participate in rehabilitation and training programmes, search activity and some form of employment – regular, part-time, subsidised or sheltered. The high proportion of workers who are not in the labour force because of disability suggests

---

<sup>14</sup> From the 7th month of short-time-work onwards the LMS paid the social security contributions for the out of work hours.

that employment opportunities for disabled persons are few in Austria, that the work-tests may not be sufficiently stringent and that subsidised/sheltered work for the disabled is scarce.

### **Working conditions**

There is ample evidence of stressful working conditions arising from work intensification, including job enlargement accompanied by understaffing, speeding up of work, reduction of idle time, increased use of results-based payment systems and extension of the working day (*Biffel—Leoni—Mayrhuber 2009*). While the data are not classified in age terms it may be assumed that older workers are involved in such working arrangements and this may partly explain their high dropout rate from the workforce.

Accordingly, Austria faces a problem in relation to disability pension schemes, which tend to encourage a movement from unemployment to disability benefits. In contrast, other EU countries, e.g. Germany, give preference to the unemployment system rather than the early retirement and disability system to provide assistance to vulnerable groups of workers (Huemer et al. 2010).

### **3.3 Public opinion and discrimination**

In order to provide a factual background for integration measures Austria has developed integration indicators and published them since 2009, the year of the drafting of the NAP.I, the National Action Plan for Integration. (Statistics Austria 2011) The set of indicators includes also an 'integration barometer', i.e. subjective feelings about the integration process on the basis of a sample survey of natives and migrants. The results of the opinion polls are sobering and disillusioning. In 2011 13.1% of the natives meant that integration was not working at all, compared to 17.9% in 2010, while 32.1% felt that it was working more or less ok (compared to 27.2% 2010). The pessimistic views on the integration process were not spread evenly across socio-economic groups and regions. Older persons and un- and semi-skilled workers are more pessimistic as well as Vienna and Upper Austria. The views are independent of the extent of contact with migrants, contrary to an often held hypothesis. The survey did not ask for the reasons for the views given, be it the political discourse, which is often anti-immigrant, or because of actual experiences and conflicts.

The opinions voiced by migrants are in stark contrast to that of natives: the overwhelming majority of migrants say that they feel at home and welcome in Austria, namely 86.5%. Only 6.5% of migrants do not feel at home at all in Austria. The optimism of migrants relative to integration has even increased somewhat versus 2010. Women tend to have a feeling of belonging more often than men and youth more often than adults. The feeling of belonging correlates with the duration of stay in Austria and the socio-economic status. Migrants with higher educational attainment level and a high degree of integration into the labour market feel more at home in Austria than unskilled persons and migrants who are at the margin of the labour market. Also the country of origin counts: 91% of persons from former Yugoslavia feel at home in Austria but only 77% of Turkish migrants.

The optimistic view of migrants relative to integration is highly correlated with their improvement of their personal living conditions in Austria. The proportion of migrants who state that their living conditions have improved increased versus 2010 (from 29.5% to 32.3%), and the proportion of those who experienced a deterioration declined (from 30.5% to 22.2%).

The proportion of natives who think that migrants are disadvantaged or discriminated is lower than the proportion of migrants who believe that they are disadvantaged (27.3% versus 37%). There is a tendency to a diminution of discrimination. The proportion of migrants who feel that they are discriminated against is highest for unskilled and poor persons and above all of Turkish migrants. 54% of Turkish migrants say that they feel disadvantaged versus 29% of migrants from former Yugoslavia.

Finally, questions relative to xenophobia indicate that there is increasing recognition that immigration is meant to stay and that integration is a process everybody has to participate in. Accordingly, racist items and statements are only supported by 2.5% of the natives, while unquestioning voices in favour of migration has declined as well to 17%.

### **3.4 Institutional and Policy Framework for Integration**

The institutional setting for integration is rapidly changing. Not only have almost all federal states developed 'Integration guidelines' (Integrationsleitbild) by 2010 but they are also well on their way in implementing integration measures in the various fields, be they relative to the preschool and school environment, the labour market and coordination of institutions and associations which promote employment and further education (Biffl et al 2010), as well as housing and regional integration (Regionalmanagement).

A major driving force in the years 2009 till today has been the Federal policy on integration, featuring in the NAP.I, the establishment of an expert group, advising the Ministry of the Interior on matters of integration (Expertenrat), and the establishment of an integration council (Integrationsbeirat); all these institutional changes have led to the development of a road map towards mainstreaming integration. The latest element in a change of the institutional ramifications has been the implementation of a Secretary of State for Integration in the Ministry of the Interior early 2011; he is the hub for the coordination of integration policies in the various ministries. It is not quite clear yet, however, how large the budget for integration measures will be.

The increasing focus on implementing structured integration measures is complemented by the reform of migration policy towards a point based system of immigration. All these reforms are geared towards coordination of migration and integration management. Also information and media policy is slowly changing, moving away from a focus on problems and turning towards opportunities emanating from a greater diversity of people.

### **3.5 Ad hoc module on low and medium-skilled migrants**

The Austrian labour market policy and the social partners aim at ensuring and protecting the employment and earnings opportunities of un- and semiskilled workers. The social safety net is tightly knit and a system of minimum wages ensures flexibility and security. Ever since 1992, unskilled migrants are no longer a target of migration policy. The supply of unskilled migrants does not dry up, however, as family reunification and refugee inflows continue to fill in. Large numbers of early school leavers are another source of unskilled work as the school system is slow in raising the educational attainment level of youth. In addition, free mobility of labour within the EU and the fall in transition regulations is expected to raise the supply of unskilled workers.

Furthermore, increased investment in the provision of basic education and training in literacy and numeracy skills raises the employability at the bottom end of the skill segment, thereby raising the labour supply of low skilled persons, natives and migrants alike. This strategy is part of a broader system of funding of lifelong learning, which will come into effect in January 2012 (Bund-Länder Initiative zur Basisqualifikation und zum Nachholen von Bildungsabschlüssen).

The introduction of the Red-White-Red-Card in July 2011 will primarily bring in highly skilled third country migrants and migrants with scarce occupational skills. Only if unskilled labour supply does not suffice will measures be taken to include unskilled workers in the list of third country immigrants.

### **3. *Conclusions and Recommendations***

The above analyses indicate that different models of socio-economic organisation, in particular, different industrial relations and welfare systems, result in different priorities as countries strive to preserve the internal consistency of their national socio-economic institutional framework. Austria continues to have strong corporatist institutions, which are trusted to serve the best interests of society.

The welfare model is linked to employment by providing the funding for major elements of the social protection system, be it health services, unemployment benefits, retirement and disability pay and even family policy. The system of social and industrial organisation has evolved over time and ensures employment and earnings stability on the one hand and macro-economic flexibility on the other. It is one of the reasons for the economic success story of Austria.

Migration policy was meant to promote economic growth, at least in the very beginnings of the 'guest worker' model. With the settlement of migrants and family formation targeted migration diminished, however, and endogenous forces started to drive immigration. Accordingly, integration costs moved into the forefront thereby somehow obscuring the view of the net economic contribution of migration.

In more recent years migration policy is aiming at striking a balance between serving the needs of the labour market, thereby promoting economic growth, and promoting integration, thereby ensuring social cohesion. Both are important elements and pillars of economic growth and wellbeing. The test is whether the corporatist model with its concern for social cohesion and a tight social safety net will be able to deal effectively with increased migration and integration, or whether something like the Anglo-Saxon market-driven model which combines unfettered promotion of economic growth and integration into the labour market with a rudimentary social safety net will prove to be a more appropriate approach to the economic and social challenges of a migration society.

The opinion polls indicate that Austrians have finally accepted that immigrants have arrived to stay. This means that they are increasingly aware of actions needed to structure, systematise and promote integration. Also migrants have come to realise that efforts are being made to promote and support integration, and that success can only be attained with combined efforts on both sides. The corporatist model of industrial cooperation is a good institutional vehicle to promote equal treatment and opportunities. Therefore it is important that the social partners together with other political actors give priority to the integration of migrants. While the

employers will need to promote diversity management to a larger extent, the unions will need to open up to migration and to give voice to migrants. Signs are that this is slowly happening, but more will be needed if one wants to make sure that migrants are not instrumentalised to undercut wages and working conditions.

#### 4. *References*

- Aidt, T., Tzannatos, Z. 2001. The cost and benefits of collective bargaining: A Survey. Social Protection Discussion Paper Series No. 0120, Human Development Network, The World Bank, Washington, D.C.
- Bauböck, R., Ersboll, E., Groenendijk, K., Waldrauch, H. 2006. Acquisition and Loss of Nationality. Policies and Trends in 15 European States, Vol. 1 & 2, Amsterdam University Press.
- Biffel, G. 2010. Gewerkschaften und Zuwanderung in Österreich: Migranten und Migrantinnen als neue Zielgruppe? In Gudrun Biffel ed., Migration&Integration, Dialog zwischen Politik, Wissenschaft und Praxis. omnium publ, Bad Vöslau.
- Biffel, G. 2008. Verteilung der Haushaltseinkommen aus einer Gender-Perspektive, WIFO-MB 81(10)/2008, p. 783-796.
- Biffel, G. 2004. Diversity of Welfare Systems in the EU: A Challenge to Policy Coordination, European Journal of Social Security, Volume 6/2.
- Biffel, G., Aigner, P., Rössl, L., Skrivanek, I. 2010. Vielfalt schätzen. Vielfalt nutzen! Analyse zu bestehenden Beratungs- / Unterstützungs- und Projektangeboten in der Modellregion Linz/Linz Land und Wels, und zu den bestehenden Arbeitsbeziehungen und Handlungsoptionen für die Integrationsarbeit in Oberösterreich. Research Monograph of the Danube University, Krems. [http://www.donau-uni.ac.at/imperia/md/content/department/migrationglobalisierung/forschung/akooe\\_vielfalt\\_schaetzen\\_vielfalt\\_nutzen.pdf](http://www.donau-uni.ac.at/imperia/md/content/department/migrationglobalisierung/forschung/akooe_vielfalt_schaetzen_vielfalt_nutzen.pdf)
- Biffel, G., Isaac, J. 2005. Globalisation and Core Labour Standards: Compliance Problems with ILO Conventions 87 and 98. Comparing Australia and other English-Speaking Countries with EU Member States, The International Journal of Comparative Labour Law and Industrial Relations (IJCLLIR), Vol. 21 (3)
- Biffel, G., Leoni, T., Mayrhuber, Ch. 2009. Arbeitsplatzbelastungen, arbeitsbedingte Krankheiten und Invalidität, WIFO-Monograph 6/2009, Vienna.
- Biffel, G., Skrivanek, I., Berger, J., Hofer, H., Schuh, U., Strohner, L. 2010. Potentielle Auswirkungen einer Änderung der österreichischen Migrationspolitik in Richtung qualifizierte Zuwanderung auf das mittel- bis langfristige Wirtschaftswachstum (Prognosehorizont 2050), Monograph Donau Universität Krems - Institut für Höhere Studien, Krems/Wien. <http://www.donau-uni.ac.at/imperia/md/content/department/migrationglobalisierung/forschung/wko-duk-ihs-gesamtbericht-migrationspolitik.pdf>
- Biffel, G., Bock-Schappelwein, J., Riesenfelder, A., Steinmayr, A. 2008. MigrantInnen und Arbeitsmarkt in Wien, WIFO/L&R Monograph, Vienna.
- BKA 2010. Migrantinnen, in Frauenbericht 2010 betreffend die Situation der Frauen in Österreich im Zeitraum von 1998 bis 2008, Bundesministerium für Frauen und öffentlichen Dienst, Vienna.
- Bock-Schappelwein, J., Bremberger, Ch., Hierländer, R., Huber, P., Knittler, K., Berger, J., Hofer, H., Miess, M., Strohner, L. 2009. Die ökonomischen Wirkungen der Immigration in Österreich 1989-2007. WIFO-Monograph, Vienna.
- Bock-Schappelwein, J., Mahringer, H., Rückert, E. 2011. Kurzarbeit in Deutschland und Österreich. AMS-WIFO-Report, Vienna.
- Brubaker, Rogers W. 1992. Citizenship and Nationhood in France and Germany, Cambridge: Harvard University Press.
- Esping-Andersen, G., Gallie, D., Hemerijck, A., Myles, J., A New Welfare Architecture for Europe?, Report submitted to the Belgian Presidency of the European Union, 2001.
- Fuess, Scott A., Millea, M. 2001. Pay and Productivity in a Corporatist Economy: Evidence from Austria, IZA Discussion Paper No. 244, Bonn.
- Geisberger, T., Knittler, K. 2010. Niedriglöhne und atypische Beschäftigung in Österreich. In: Statistische Nachrichten 6/2010, p 448-461, Vienna.
- Home Office 2006. A Points-Based System: Making Migration Work for Britain. Report to the Parliament by the Secretary of State for the home department, Crown Copyright Cm 6741. <http://www.officialdocuments.gov.uk/document/cm67/6741/6741.pdf>
- Huemer, U., Budimir, Ch., Eppel, R. 2010. Soziale Sicherungssysteme und Arbeitsmarktpfanz in der EU; Mikroökonomische Analyse, AMS-WIFO Report, Vienna.
- Katzenstein, Peter J. 1985. Small States in World Markets, Industrial Policy in Europe, Cornell University Press, N.Y.
- Katzenstein, Peter J. 1984. Corporatism and Change: Austria, Switzerland, and the Politics of Industry, Cornell University Press, N.Y.



- Neyer, Gerda 2008. Education and permanent childlessness: Austria vs. Sweden; a research note, MPIDR Working Paper WP 2008-007, Max Planck Institute for Demographic Research, Rostock.
- Nowotny, E. 1993. The Austrian Social Partnership and Democracy, Working Paper 93-1, Department of Economics, Vienna.
- OECD 2010. *Sickness, Disability and Work: Breaking the Barriers — A synthesis of findings across OECD countries*, Paris.
- OECD 2008. *International Migration Outlook – SOPEMI 2008*. Paris.
- OECD 2005. *Counting Immigrants and Expatriates in OECD Countries: A new perspective, trends in international migration*, Paris.
- OECD, *Transforming Disability into Ability – Policies to Promote Work and Income Security for Disabled People*, Paris, 2003.
- Soysal, Yasemin N. 1994, *Limits to Citizenship*, Chicago: University of Chicago Press.
- Statistics Austria 2010. *migration@integration. Zahlen, Daten, Indikatoren.*, Vienna.

### ***Acronyms:***

- GDP (Gross Domestic Product) = the value of all final goods and services produced within a nation in a given year
- GDP per capita = GDP divided by the average (or mid-year) population for the same year.
- GDP (PPP) = PPP takes into account the relative cost of living and the inflation rates of the countries
- HVS (Hauptverband der österreichischen Sozialversicherungsträger) = Federation of Austrian Social Security Institutions
- LFS = Labour Force Survey
- LMS = Labour Market Service
- BMI = Federal Ministry of the Interior

## 5. Statistical Annex

	UNIT	2000	2005	2008	2009	2010	2011	Source
<b>Real GDP growth rate</b>								
Growth rate of GDP total volume		3,7	2,5	2,2	-3,9	2,1	3*	St.At., *Forecast
Growth rate of GDP per capita		3,4	1,8	1,6	-4,2	1,8		St.At., own calc.
<b>Structure of the economy:</b>								
<b>shares of various sectors in the economy in the gross value added (HCPI 2005=100)</b>								
agriculture, forestry and fishing	%	2,0	1,6	1,7	1,5	1,5		St.At., own calc.
mining and quarrying	%	0,4	0,5	0,5	0,4	0,4		St.At., own calc.
manufacturing	%	20,6	19,6	20,2	18,6	19,2		St.At., own calc.
electricity, gas and water supply	%	2,4	2,4	2,6	2,8	2,7		St.At., own calc.
construction	%	7,5	7,1	7,5	7,3	6,9		St.At., own calc.
wholesale and retail trade; repair	%	13,4	12,9	12,7	12,8	13,1		St.At., own calc.
hotels and restaurants	%	4,2	4,6	4,6	4,9	4,7		St.At., own calc.
transport, storage and communication	%	7,0	6,4	6,0	5,9	5,5		St.At., own calc.
financial intermediation	%	5,6	5,3	5,2	4,5	4,8		St.At., own calc.
real estate, renting and business activities	%	16,0	18,7	18,6	19,2	19,2		St.At., own calc.
public administration and defense; social security	%	6,3	5,9	5,7	6,1	6,0		St.At., own calc.
other community, social, personal service activities	%	14,7	15,2	14,8	16,1	16,0		St.At., own calc.
<b>Shares of foreign workers</b>								
agriculture, forestry and fishing	%			42,6	42,5	43,1		Soc. Sec. (bali); own calc.
mining and quarrying	%			8,3	8,1	8,3		Soc. Sec. (bali); own calc.
manufacturing	%			13,3	13,0	13,3		Soc. Sec. (bali); own calc.
electricity, gas and water supply	%			5,6	5,6	5,9		Soc. Sec. (bali); own calc.
construction	%			19,6	19,5	19,8		Soc. Sec. (bali); own calc.
wholesale and retail trade; repair	%			11,6	11,9	12,3		Soc. Sec. (bali); own calc.
hotels and restaurants	%			34,3	34,9	36,0		Soc. Sec. (bali); own calc.
transport, storage and communication	%			12,6	12,6	13,1		Soc. Sec. (bali); own calc.
financial intermediation	%			4,9	5,2	5,4		Soc. Sec. (bali); own calc.
real estate, renting and business activities	%			20,5	20,2	21,1		Soc. Sec. (bali); own calc.
public administration and defense; social security	%			3,2	3,2	3,3		Soc. Sec. (bali); own calc.
other community, social, personal service activities	%			11,6	12,2	12,8		Soc. Sec. (bali); own calc.
<b>Population (POPREG)</b>								
total		8.082.121	8.225.278	8.336.549	8.355.260	8.375.290	8.404.252	St.At.
native-born		6.951.546	7.046.583	7.072.276	7.078.162	7.082.440	7.088.740	St.At.
by 'migration':								
foreign-born: other EU		41.750,9	456.687	502.906	522.288	532.625	549.134	St.At.
country-of-birth approach								
foreign-born: non-EU		694.585	698.089	743.410	754.810	760.225	766.378	St.At.
by sex								
male		3.918.940	3.998.952	4.058.635	4.072.866	4.086.434		St.At.
female		4.163.181	4.226.326	4.277.914	4.290.174	4.301.308		St.At.
15-64		5.489.320	5.573.121	5.629.109	5.646.432	5.668.068		St.At.
15-24		969.217	1.013.362	1.020.716	1.022.111	1.019.635		St.At.
25-54		3.583.167	3.611.673	3.673.871	3.684.788	3.689.090		St.At.
55-59		450.281	479.475	491.924	240.480	243.697		St.At.
60-64		486.655	468.611	442.598	216.614	223.179		St.At.
65-69		326.860	394.836	476.434	223.390	208.135		St.At.
20-64		5.008.716	5.085.034	5.127.992	5.144.785	5.169.666		St.At.
55-64		93.693,6	948.086	934.522	457.094	466.876		St.At.
<b>by education level</b>								
ISCED 0-2	%	26,2	18,2	17,4				St.At.
ISCED 3-4	%	63,9	68,9	69,2				St.At.
ISCED 5-6	%	9,8	12,9	13,4				St.At.
<b>Employment rate</b>								
15-64		67,9	68,6 (b)	72,1	71,6	71,7		Eurostat
15-24		52,5	53,1 (b)	55,9	54,5	53,6		Eurostat
25-54		81,6	82,6 (b)	84,4	84,0	84,2		Eurostat
55-59		42,4	50,0 (b)	59,2	59,4	61,0		Eurostat
60-64		12,1	13,6 (b)	20,8	21,0	22,3		Eurostat
65-69		5,5	6,1 (b)	8,4	8,7	9,3		Eurostat
20-64		70,7	71,7 (b)	75,1	74,7	74,9		Eurostat
55-64		29,2	31,8 (b)	41,0	41,1	42,4		Eurostat
<b>by education level</b>								
ISCED 0-2		47,8	47,2 (b)	51,0	49,1	49,3		Eurostat
ISCED 3-4		73,7	73,4 (b)	77,1	76,6	76,7		Eurostat
ISCED 5-6		85,8	84,2 (b)	86,1	86,1	85,1		Eurostat
<b>Employment growth</b>								
total: annual percentage change in employed population		1,3	1,5	1,8	-0,9	1,0		Eurostat

		UNIT	2000	2005	2008	2009	2010	2011	Source
<b>Unemployment rate</b>									
by age	15-64	%	4,7	5,2 (b)	3,9	4,9	4,5		Eurostat
	15-24	%	6,3	10,3 (b)	8,0	10,0	8,8		Eurostat
	25-54	%	4,3	4,4 (b)	3,3	4,2	4,0		Eurostat
	55-59	%	7,0	3,7 (b)	2,4 (u)	2,7 (u)	2,6 (u)		Eurostat
	60-64	%	5,7	n.a.	n.a.	n.a.	n.a.		Eurostat
	65-69	%	n.a.	n.a.	n.a.	n.a.	n.a.		Eurostat
	20-64	%	4,6	4,8 (b)	3,5	4,5	4,2		Eurostat
	55-64	%	6,7	3,6 (b)	2,1	2,4	2,2		Eurostat
by education level (age 15-64)	ISCED 0-2	%	8,2	10,4	8,1	10,1	8,7		Eurostat
	ISCED 3-4	%	4,2	4,5	3,3	4,2	4,0		Eurostat
	ISCED 5-6	%	2,3	2,7	1,8	2,3	2,4		Eurostat
<b>Activity rate</b>									
by age	15-64	%	71,3	72,4 (b)	75,0	75,3	75,1		Eurostat
	15-24	%	56,1	59,2 (b)	60,8	60,5	58,8		Eurostat
	25-54	%	85,3	86,4 (b)	87,3	87,7	87,7		Eurostat
	55-59	%	45,6	51,9 (b)	60,6	61,0	62,6		Eurostat
	60-64	%	12,8	14 (b)	21,0	21,4	22,5		Eurostat
	65-69	%	5,5	6,2 (b)	8,5	8,8	9,3		Eurostat
	20-64	%	74,1	75,2 (b)	77,8	78,2	78,1		Eurostat
	55-64	%	31,4	33 (b)	41,9	42,1	43,4		Eurostat
<b>Long-term unemployment rate</b>									
total	%	1,3	1,3 (u)	0,9 (u)	1,0 (u)	1,1		Eurostat, own calc.	
<b>Labour supply growth</b>									
Annual change in labour supply (including employed and unemployed in working age 15-64)	%	0,3	2,1 (b)	0,8	0,6	0,1		Eurostat	
<b>Gender pay gap</b>									
total	%	20,0	18,0	25,5 (b)	25,4			2008, 2009: Eurostat 2008, 2009: Eurostat	
<b>Employment gender gap</b>									
by age and education	15-64 total	%points	16,5	13,4 (b)	12,7	10,5	10,7		Eurostat, own calc.
	15-64 ISCED 0-2	%points	14,0	13,9 (b)	10,8	9,5	10,4		Eurostat, own calc.
	15-64 ISCED 3-4	%points	14,4	11,7 (b)	10,6	7,7	7,9		Eurostat, own calc.
	15-64 ISCED 5-6	%points	6,5	4,7 (b)	7,5	6,4	8,4		Eurostat, own calc.
	15-24 total	%points	7,9	7,4 (b)	7,2	5,7	8,5		Eurostat, own calc.
	15-24 ISCED 0-2	%points	12,0	16,0 (b)	10,4	10,5	14,4		Eurostat, own calc.
	15-24 ISCED 3-4	%points	6,6	4,3 (b)	6,9	3,1	5,3		Eurostat, own calc.
	15-24 ISCED 5-6	%points	-19,4	-2,4 (b)	1,1 (u)	9,1 (u)	9,7 (u)		Eurostat, own calc.
	25-54 total	%points	16,2	13,1 (b)	11,6	9,0	9,0		Eurostat, own calc.
	25-54 ISCED 0-2	%points	17,6	17,5 (b)	13,2	11,3	9,9		Eurostat, own calc.
	25-54 ISCED 3-4	%points	14,7	11,3 (b)	9,7	6,5	6,7		Eurostat, own calc.
	25-54 ISCED 5-6	%points	9,2	7,3 (b)	7,7	7,0	8,9		Eurostat, own calc.
	55-64 total	%points	23,6	18,4 (b)	21,0	19,3	17,9		Eurostat, own calc.
	55-64 ISCED 0-2	%points	16,9	13,4 (b)	19,0	16,7	13,8		Eurostat, own calc.
	55-64 ISCED 3-4	%points	21,4	16,2 (b)	17,9	16,9	15,8		Eurostat, own calc.
	55-64 ISCED 5-6	%points	16,2	13,7 (b)	17,3	11,9	11,5		Eurostat, own calc.
<b>Unemployment gender gap</b>									
by age and education	15-64 total	%points	0,2	-0,6 (b)	-0,6	0,5	0,3		Eurostat, own calc.
	15-64 ISCED 0-2	%points	1,9	0,9 (b)	0,1	2,7	2,6		Eurostat, own calc.
	15-64 ISCED 3-4	%points	0,3	-0,6 (b)	-0,4	0,8	0,4		Eurostat, own calc.
	15-64 ISCED 5-6	%points	-0,4	-0,5 (b)	-0,4	-0,8	-0,5		Eurostat, own calc.
	15-24 total	%points	1,3	0,8 (b)	-0,4	1,1	0,1		Eurostat, own calc.
	15-24 ISCED 0-2	%points	-1,3	-3,4 (b)	-2,0	-1,3	-3,0		Eurostat, own calc.
	15-24 ISCED 3-4	%points	2,3	1,5 (b)	-0,2	1,8	1,3		Eurostat, own calc.
	15-24 ISCED 5-6	%points	4,2	0,3 (b)	-1,4 (u)	n.a.	n.a.		Eurostat, own calc.
	25-54 total	%points	-0,2	-0,9 (b)	-0,5	0,4	0,4		Eurostat, own calc.
	25-54 ISCED 0-2	%points	2,9	0,5 (b)	0,1	3,9	4,4		Eurostat, own calc.
	25-54 ISCED 3-4	%points	-0,2	-0,9 (b)	-0,2	0,8	0,4		Eurostat, own calc.
	25-54 ISCED 5-6	%points	-0,6	-0,3 (b)	-0,3	-0,8 (u)	-0,4		Eurostat, own calc.
	55-64 total	%points	1,4	1,3 (b)	-0,8	n.a.	n.a.		Eurostat, own calc.
	55-64 ISCED 0-2	%points	2,6	5,6 (b)	-0,5	n.a.	n.a.		Eurostat, own calc.
	55-64 ISCED 3-4	%points	1,8	0,8 (b)	-0,6	n.a.	n.a.		Eurostat, own calc.
	55-64 ISCED 5-6	%points	1,2	0,1 (b)	-0,6	n.a.	n.a.		Eurostat, own calc.
<b>Unemployed per vacancies</b>									
total			5,5	9,6	5,7	3,9 (b)	2,7		2000-2008 LMS; 2009

			UNIT	2000	2005	2008	2009	2010	2011	Source
<b>Diversity and reasons for contractual and working arrangements</b>										
Total employees in part-time as share of persons in employment (age 15-64)			%	16,7	20,8 (b)	22,6	23,7	24,3		Eurostat, own calc.
Total employees in fixed-term contracts as share of persons in employment (age 15-64)			%	6,9	7,9 (b)	7,8	8,0	8,2		Eurostat, own calc.
<b>Wages</b>										
net annual income by sex	male	1. quartile	€	12.510	12.387	13.629	13.447			St.At.
	male	median	€	18.067	19.598	21.066	21.684			St.At.
	male	3. quartile	€	24.502	26.694	28.926	29.816			St.At.
	male	mean	€	20.281	21.374	23.337	23.927			St.At.
	female	1. quartile	€	5.606	5.989	6.491	6.700			St.At.
	female	median	€	11.803	13.073	14.009	14.658			St.At.
	female	3. quartile	€	17.360	19.147	20.541	21.538			St.At.
	female	mean	€	12.636	13.839	14.979	15.657			St.At.
<b>2006</b>										
gross hourly earnings by economic sector and sex	mining and quarrying	male	€		12,6					St.At.
		female	€		11,3					St.At.
	manufacturing	male	€		13,4					St.At.
		female	€		10,0					St.At.
	electricity, gas and water supply	male	€		18,5					St.At.
		female	€		14,8					St.At.
	construction	male	€		11,9					St.At.
		female	€		10,6					St.At.
	wholesale and retail trade;	male	€		11,6					St.At.
		female	€		8,9					St.At.
	hotels and restaurants	male	€		8,0					St.At.
		female	€		7,2					St.At.
	transport, storage and communication	male	€		11,8					St.At.
		female	€		10,2					St.At.
	financial intermediation	male	€		19,5					St.At.
		female	€		14,4					St.At.
real estate, renting and business activities	male	€		12,0					St.At.	
	female	€		9,0					St.At.	
education	male	€		16,2					St.At.	
	female	€		11,8					St.At.	
health and social work	male	€		13,4					St.At.	
	female	€		11,3					St.At.	
other community, social, personal service	male	€		12,4					St.At.	
	female	€		9,5					St.At.	
<b>Self-employment rate (Employers and self-employed)</b>				<b>2000</b>	<b>2005</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>		
age 15-64				10,5	11,6	11,1	10,9	11,3		Eurostat, own calc.