

Decent Work Country Report - Austria*

by

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1 Introduction

Our report starts with the definition of decent work by ILO, and tries to describe and understand the emphasis about decent work in Austrian policy making.

Figure 1 **Definition of decent work**

Decent work has been defined by the ILO and endorsed by the international community as being productive work for women and men in conditions of freedom, equity, security and human dignity. Decent work involves

- *opportunities for work* that is productive and delivers a fair income;
- provides *security in the workplace* and *social protection for workers and their families*;
- offers better prospects for personal development and encourages social integration;
- gives people the freedom to express their concerns, to organize and to participate in decisions that affect their lives;
- and guarantees *equal opportunities* and *equal treatment* for all.

The **Decent Work Agenda** is a balanced and integrated programmatic approach to pursuing the objectives of full and productive employment and decent work for all at the global, regional, national, sectoral and local levels. It comprises four pillars, namely:

- employment creation and enterprise development;
- social protection;
- standards and rights at work;
- governance and social dialogue.

Concerning the status of decent work Austria can be characterised as a specific case in terms of the status-quo and trends as well as in terms of the governance structure and the policies. Some Austrian peculiarities seem to be the following:

- There is a very complex system of regulations in place about the various aspects of decent work (partly legally based, partly based on collective bargaining), that are regulating contracts, working conditions, working time, workers' representation, and the relation to social security.
- The social partners have taken very much responsibility about these aspects all the time, and moreover, they have recently proposed various new policy measures and changes in regulations, in order to reach new forms of flexibility and security, explicitly having adopted the new European heading of „flexicurity“.
- In 2006 the social partners have commissioned an extensive analysis of the conditions and strategies of sustainable growth in Austria, including the issues of decent work and flexicurity, which also includes a specific perspective of flexicurity (WIFO 2006).
- After a period of trying to turn the role of social partnership down by the right-wing government in 2000, the new coalition government between social democrats and conservatives has started again to take up the proposals of the social partners and has also reinstalled the responsibilities of their primary organisations by even including them into the Austrian constitution recently.

- In parallel to this development, and to many debates about the need for flexibility some specific attempts of installing more security for non-standard employment have been put in place in Austria, sometimes with unclear or questionable effects.

- Despite this wide ranging system of regulations, the OECD-index of employment security is only at a medium level – however, the substantial indicators are showing more stability and standard employment than the expected values based on bivariate comparative country correlations would predict (cf. e.g., the results presented in the Employment in Europe 2007 report: employment stability is high, turnover is low, part-time work is low, the feeling of security is high in Austria relative to the regression line against the position at the EPL indicator).

- Various forms of atypical work have been quite substantially on the rise in a domestic view during the last decades – however, its scope has remained rather moderate in international comparison.

There are not many studies about the issues asked for in the current project. We have tried to find material, and in many cases had to go into original statistical sources. In order to obtain a picture of how the Austrian figures might be interpreted, we have often also included comparative data, in particular from European sources. Those data are not much used in Austria, so there might be caveats with calculations. However, in most cases the European figures fit to the Austrian data.

2 Economic and social context

2.1 Economic and employment indicators in Austria 1995-2007 and position in the EU

2.1.1 The basic figures

Table 1 shows the development of the main economic indicators for Austria since 1995 (see also Table 46 in the ANNEX for EU 27 and EU 15, Figure 2 and Figure 3). We see an economic cycle from 1995 to 2001, and another upturn since 2003. The occupied population has reflected the cycle, as the productivity growth – the growth of hours worked, however, went down with the upturn around 2000. The real compensation per employee measured by the GDP deflator was below the GDP price deflator always except the peak years 1997-99. The development of the real unit labour costs was always negative during this period. In comparison to the EU 15 the indicators developed around the average except the growth of the occupied population which has been below the average for the whole period except 2005-06.

Table 1 Economic indicators for Austria 1995-2008

Austria	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Real GDP	1,9	2,6	1,8	3,6	3,3	3,4	0,8	0,9	1,1	2,4	2,0	3,1	2,9	2,5
Occupied Population*	:	:	0,6	0,9	1,5	1,1	0,6	-0,4	-0,2	0,6	1,1	1,4	1,4	0,7
Labour productivity*	:	:	1,4	2,2	2,1	2,3	0,3	1,1	0,9	2,1	0,7	1,9	1,7	1,8
Annual average hours worked	:	1,8	0,6	0,1	-1,5	-0,5	-0,1	0,4	0,7	-0,1	-0,3	-0,1	0,2	0,2
Productivity per hour worked	:	1,2	0,7	2,5	3,3	2,7	0,3	0,9	0,5	1,9	1,2	1,7	1,3	1,5
Harmonised CPI	1,6	1,8	1,2	0,8	0,5	2,0	2,3	1,7	1,3	2,0	2,1	1,7	1,8	1,7
Price deflator GDP	1,9	1,0	0,0	0,3	0,6	1,8	1,8	1,4	1,3	1,7	1,9	1,5	1,8	1,7
Nominal compensation per employee	3,2	1,7	1,1	2,7	2,2	2,1	1,4	2,1	2,0	1,7	1,6	2,3	2,4	2,5
Real compensation per employee (GDP deflator)	1,2	0,7	1,2	2,3	1,5	0,3	-0,4	0,7	0,6	0,0	-0,2	0,8	0,6	0,7
Real compensation per employee (private consumption deflator)	1,1	-0,2	-0,3	2,3	1,4	-0,5	-0,5	0,9	0,4	-0,2	-0,1	0,9	0,9	1,0
Nominal unit labour costs	1,3	-1,4	-0,2	0,4	0,1	-0,2	1,0	1,0	1,1	-0,4	0,9	0,4	0,7	0,7
Real unit labour costs	-0,7	-2,3	-0,2	0,1	-0,5	-1,9	-0,7	-0,4	-0,3	-2,1	-0,9	-1,1	-1,1	-1,0

Source: EIE 2007, Statistical Annex, per cent annual change

The employment indicators (Figure 4 to Figure 7) show particularly an increase of part-time employment from 14% in 1995 to 22% in 2006, which also contributed to a reduction of the FTE-employment rate from 66% in 1995 to 61% in 2006. The employment rate of the elderly has started to increase in 2005 and 2006. Relative to the EU15 the overall employment rate, as well as the prime age employment rate and the FTE employment rate have decreased. The employment rate of young

people has a bit recovered after a relative decline since 2002. The proportion of self-employed is relatively shrinking since 2002 after a rise. In relative terms the employment rate of the elderly has regained in 2006 the position from 1995, at about 20% below the EU15 average. The only indicator showing a clear increase also in relative terms is part-time employment (Figure 4). The sector shares show an increase of the services, and slight declines of industry and agriculture. Relativ to the EU15 the proportion of agriculture is quite high, and has even relatively increased until 2002, industry and services are at average with stable relative proportions (Figure 5).

The unemployment indicators show increases since 2000 except long-term unemployment. In comparison to the EU15 those indicators show clearly a decline of the very favourable position in 1995 when all Austrian indicators were between 20% and 40% of the European average – in 2006 they range between about 40% and 70%. Prime age people living in jobless households have increased from 7% in 1995 to 9% in 2006, also with a remarkable relative increase from 60% to 90% of the EU15 average (Figure 6 and Figure 7).

2.1.2 The relative position of Austria due to the Lisbon process since 2000

Figure 8 to Figure 11 include the presentation of the Austrian position relative to the Eurozone and to EU 27, based on the calculation of the index of the Austrian indicators relative to the European average respective. Taking those indicators used conventionally in the EU Lisbon process as reference, Austria has a quite favourable position in the European Union in terms of economic development and employment in the more short term perspective since 2000. Growth, productivity and business investment is about 10-20% above the Euro zone average and even more above the EU27 average. Comparative price levels are at average, domestic expenditure on R&D has risen substantially during recent years.

The total employment rate is also about 10% above EU average, and long-term unemployment is more than 70% below the EU average. However, Austria suffers also from a longstanding low employment rate of older people, which is about 20% below the EU average. Regional dispersion of employment rates is also comparatively low.

If we look at the development of the relative position of Austria as compared to the EU averages, however, some of the indicators point rather to stability or a slight decline than improvement since 2000. Price levels and productivity have slightly improved, growth and employment have slightly declined, and particularly business investment and long-term unemployment show rather unfavourable changes relative to the EU averages. The employment rate of older workers has relatively improved during recent years, after a decline in 2000-04 (see Figure 8).

The environmental indicators show greenhouse emissions above and energy intensity below the EU averages, both indicators don't show a favourable development. The educational attainment is above the average (about 15% above the Euro zone and 10% above EU27), and shows stable development.

Poverty risk¹ is about 20-25% below the EU average (information includes only 2005) and long-term unemployment is relatively on the rise from a very favourable position since 2000 (see Figure 10).

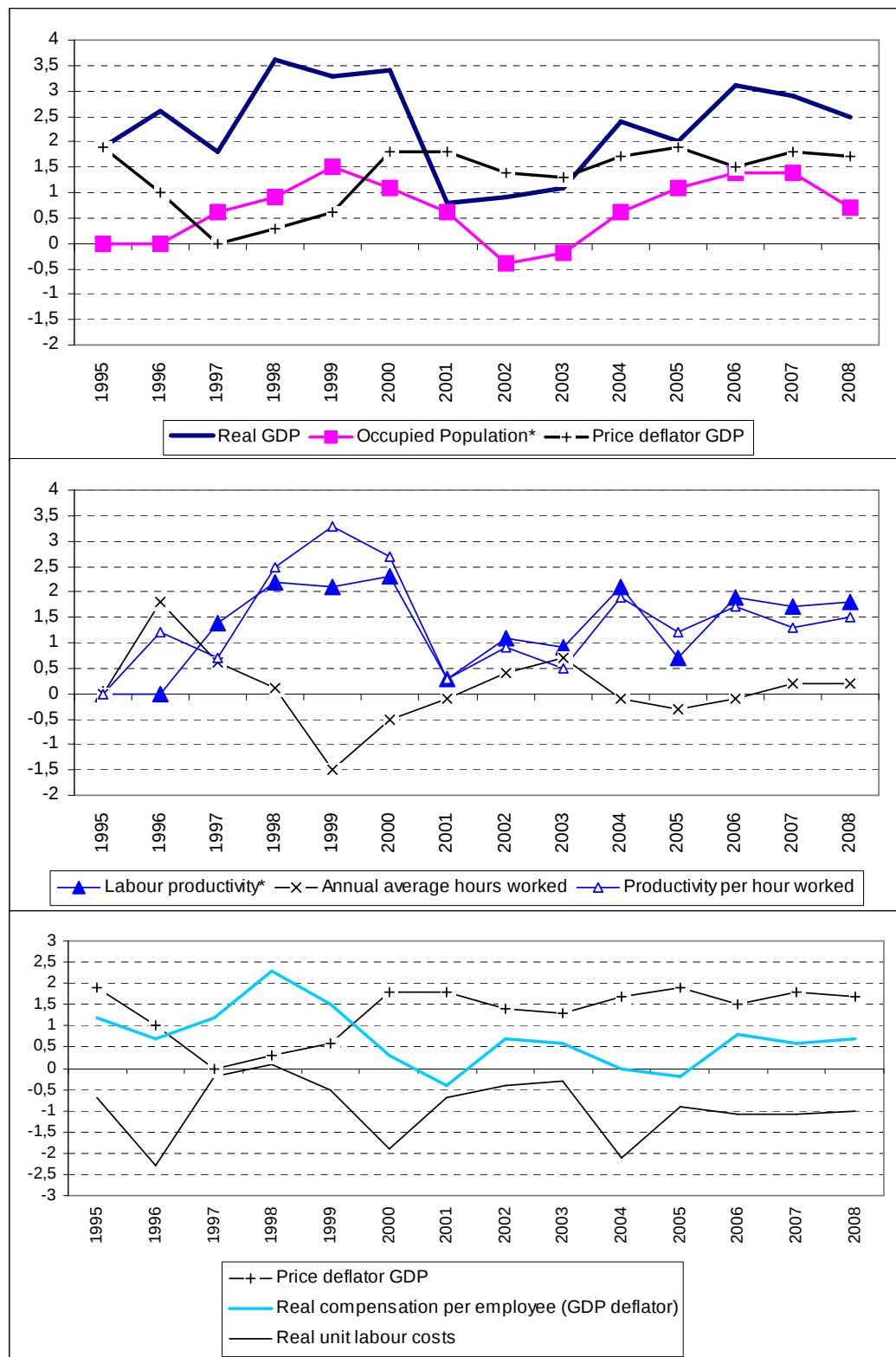
2.1.3 Differences by sex

The comparison of the structural indicators by sex shows within Austria a better position for men at most of the indicators (Figure 10). The only indicator where the situation turned from a worse position to a substantially better position for women is the dispersion of regional employment rates. The difference is rather small with the youth education attainment levels, where young women have an almost negligible better position than young men since 2004. The female employment rate is about 20% below the male one, and that of older workers is about 50% below that of men with an improvement from 60% to 40% between 2000 and 2006. The poverty risk of women is 20-30% above that of men and the rate of long term unemployment is 10-20% above that of men.

The breakdown of the indicators by sex in comparison to the EU average, however, shows a better relative position for men with respect to education, and a better relative position for women with total employment, regional dispersion of employment and long-term unemployment. However, with respect to the employment rate of older workers the relative position of women is also much worse than that of men in comparison to the EU average. The relative poverty risk is quite similar for men and women as compared to EU (see Figure 11).

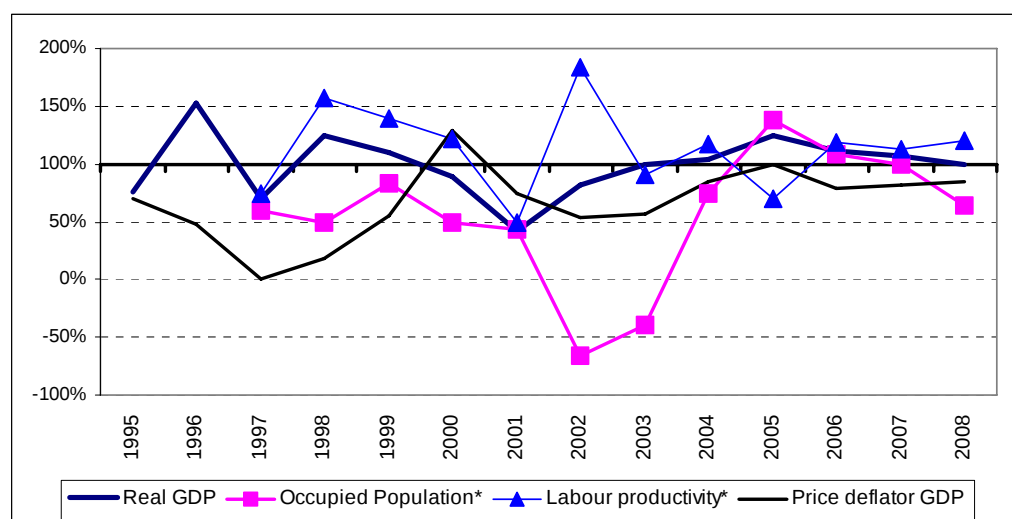
Figure 12 shows the development of the employment rates of women and older workers in comparison to the overall employment rate from 1995 to 2004 and some projections until 2010 or 2014 for Austria as compared to the old EU15. We can see that the overall employment rate has been slightly below the EU Benchmark of 70% until 2004, with the expectation for reaching the Benchmark in three scenarios (except that with the assumption of low growth and high productivity change). The female employment has been already above the benchmark of 60%, however that of older workers has been at a level of 30% substantially below the 50% benchmark with virtually no expectation to reach it within the envisaged period only from economic drivers.

¹ Poverty risk at the definition of the EU-Lisbon indicators and the EU structural indicators is the share of persons of a certain category (total, men, women, age groups) with an equivalised disposable income, before or after social transfers (separate indicators), below the risk-of-poverty threshold (60% of the median income).

Figure 2 Economic indicators for Austria 1995-2005 (yearly growth rates, based on table 1)

Source: EIE 2007, Statistical Annex, own pictures

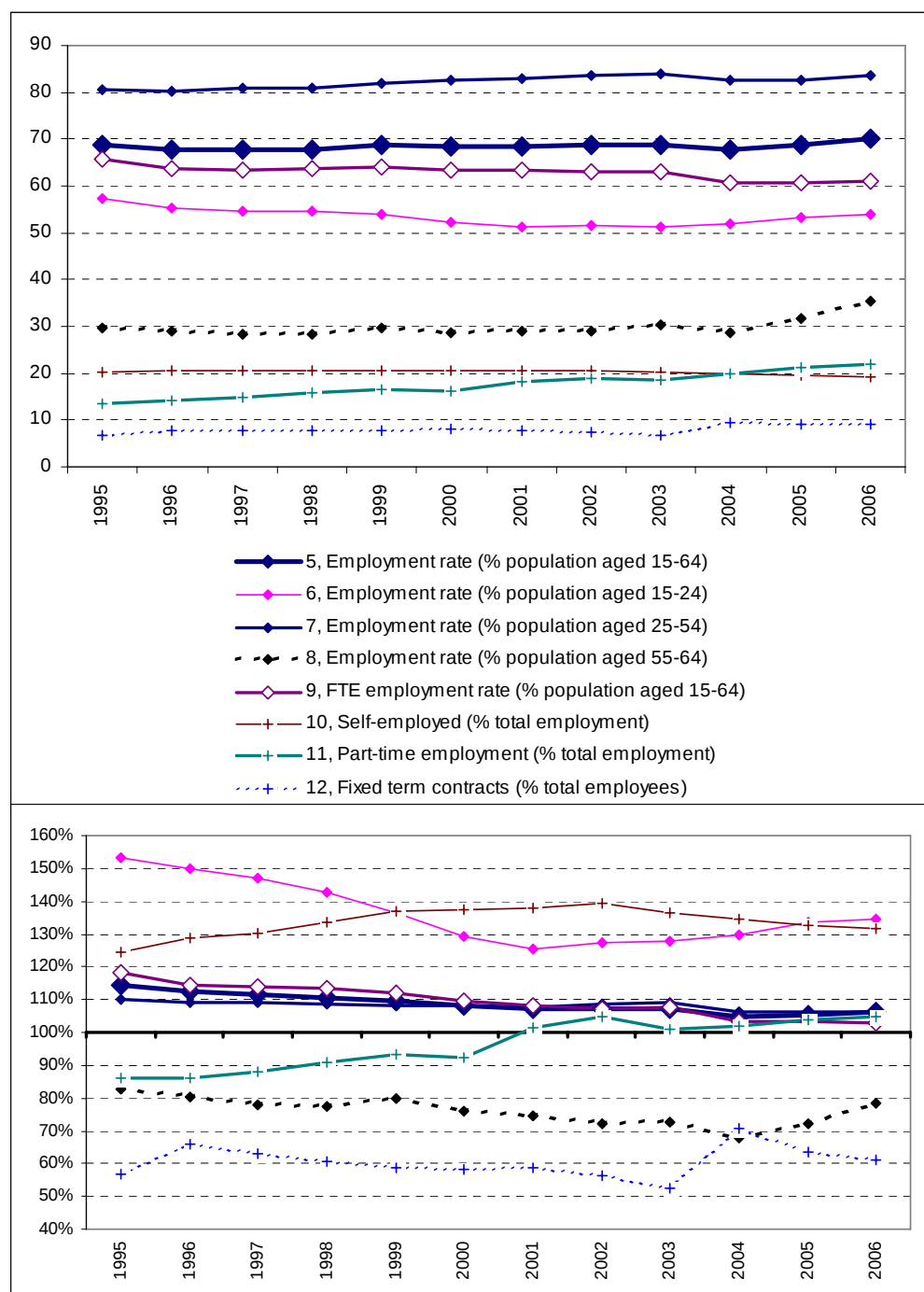
Figure 3 Economic indicators 1995-2008, Austria relative to EU 15 (yearly growth rates, index Austria/EU15)



Source: EIE 2007, Statistical Annex, own calculations

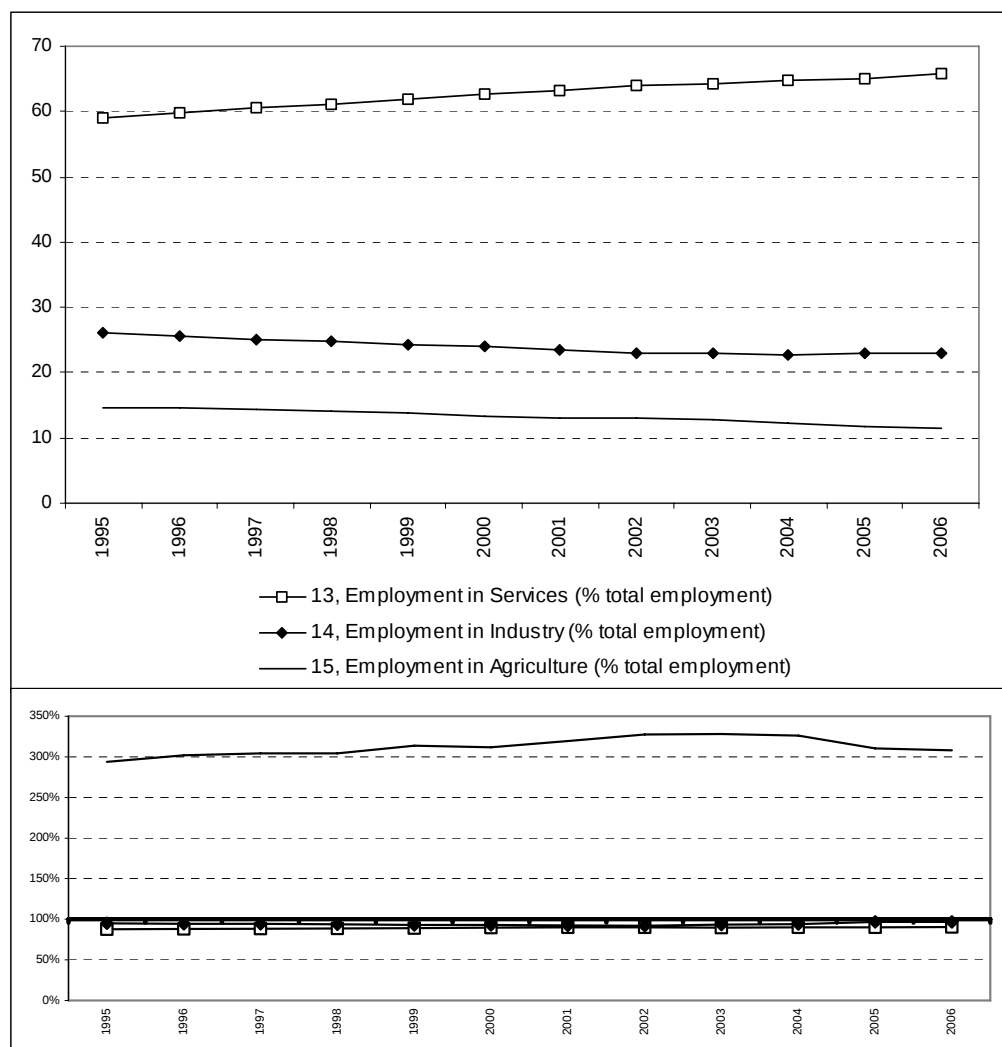
Figure 4 Employment indicators 2005-2008, employment rates and non-standard contracts, Austria and Austria relative to EU 15

(Upper panel per cent, lower panel index Austria/EU15, based on Table 47 to Table 49 in the ANNEX)



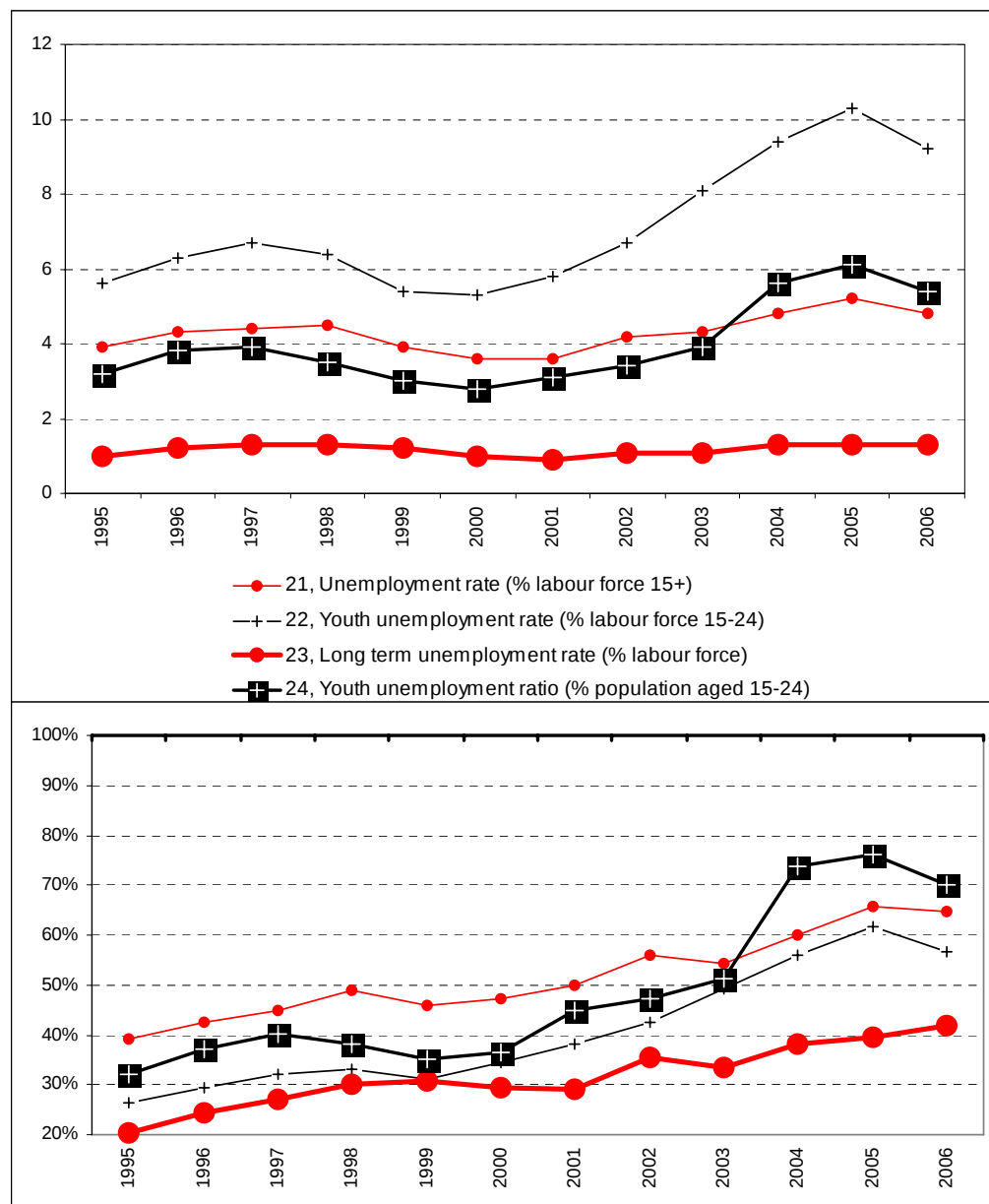
Source: EIE 2007, Statistical Annex, own calculations

Figure 5 Employment indicators 1995-2008, sector shares, Austria and Austria relative to EU 15
 (Upper panel per cent, lower panel index Austria/EU15, based on Table 47 to Table 49 in the ANNEX)



Source: EIE 2007, Statistical Annex, own calculations

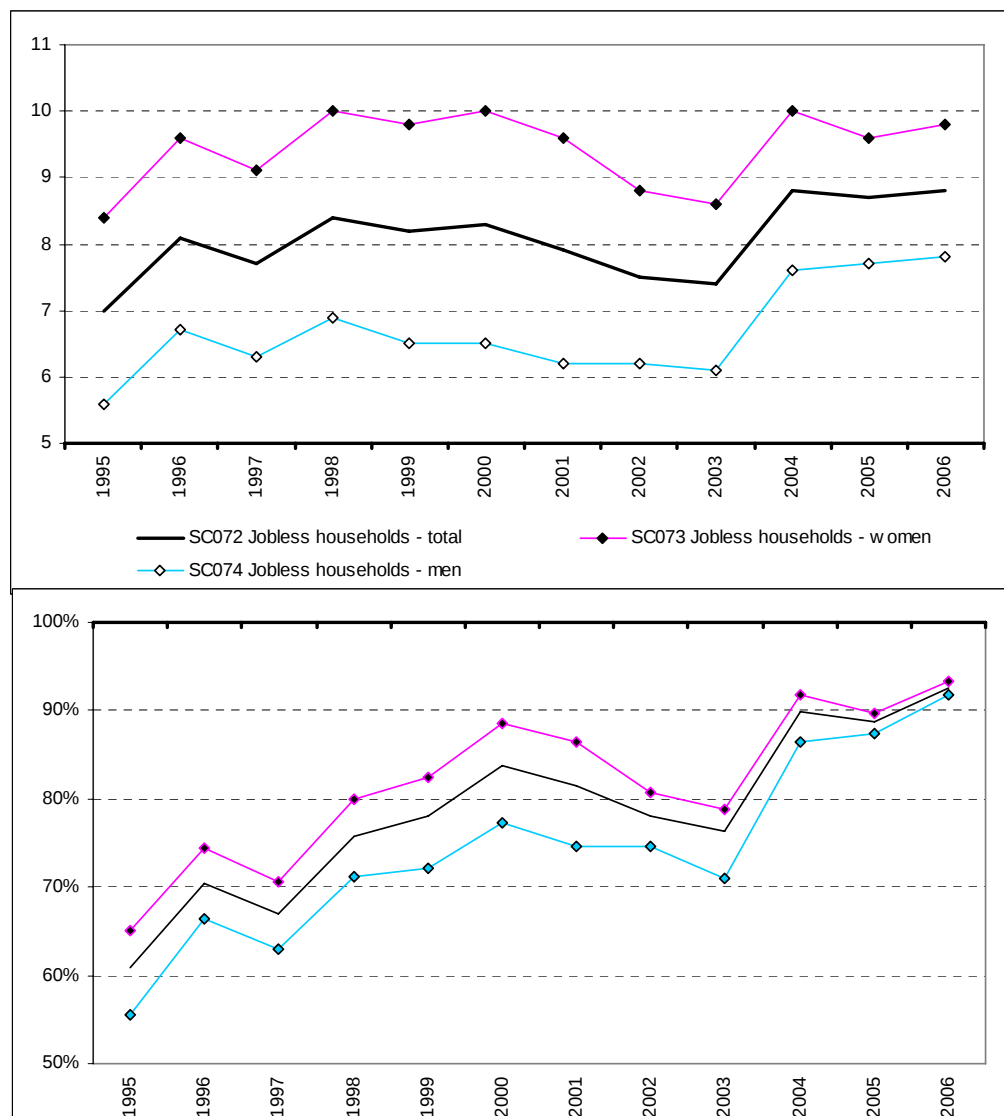
Figure 6 Unemployment indicators 1995-2008, sector shares, Austria and Austria relative to EU 15
 (Upper panel per cent, lower panel index Austria/EU15, based on Table 47 to Table 49 in the ANNEX)



Source: EIE 2007, Statistical Annex, own calculations

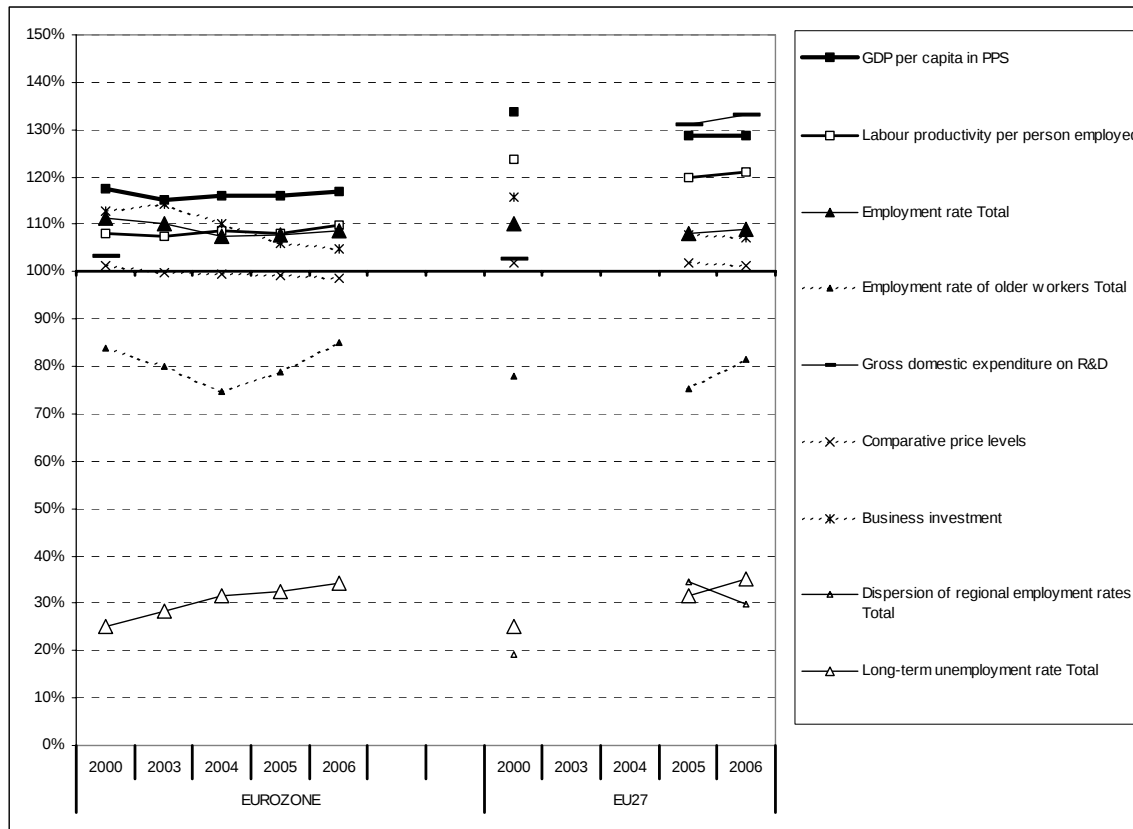
Figure 7 Jobless households 1995-2008, Austria and Austria relative to EU 15

(Upper panel per cent, lower panel index Austria/EU15, based on Table 47 to Table 49 in the ANNEX)



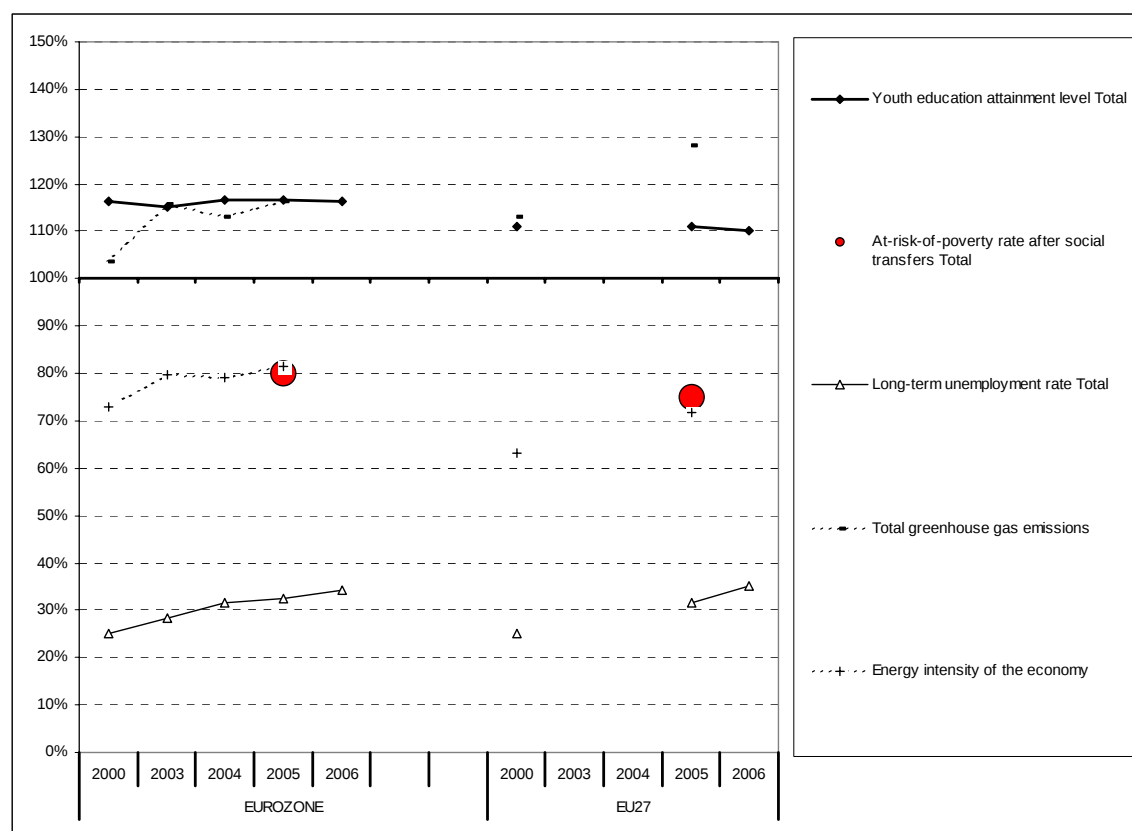
Source: EU Structural Indicators, download from EUROSTAT 3.3.08, own calculations

Figure 8 EU Lisbon structural indicators about the economy 2000 to 2006 (Austria relative to Euro zone and to EU27)



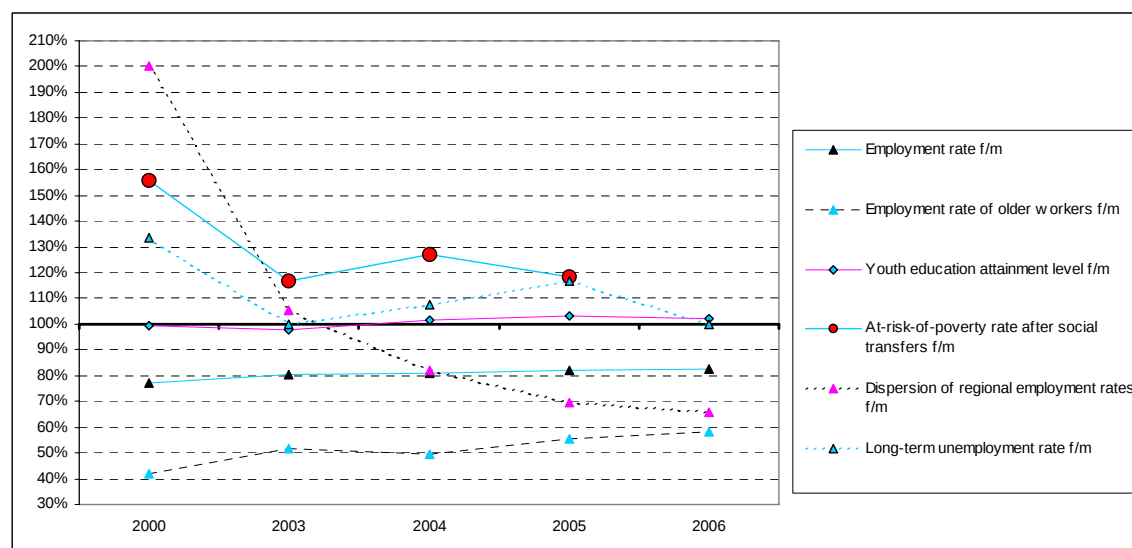
Source: EU Lisbon strategy Progress report 2007; own figure and calculations

Figure 9 EU Lisbon structural indicators about education, environmental and social issues 2000 to 2006 (Austria relative to Euro zone and to EU27)



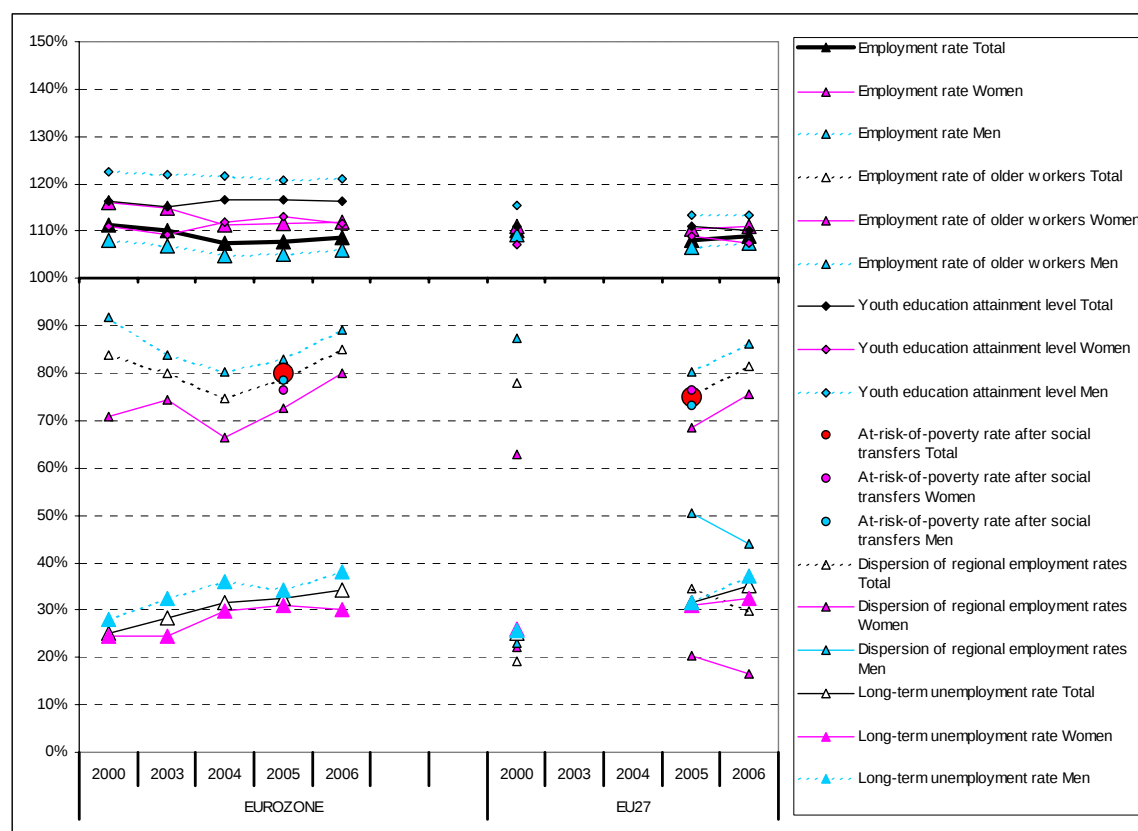
Source: EU Lisbon strategy Progress report 2007; own figure and calculations

Figure 10 EU Lisbon structural indicators differences bx sex in Austria 2000 to 2006 (female/male)



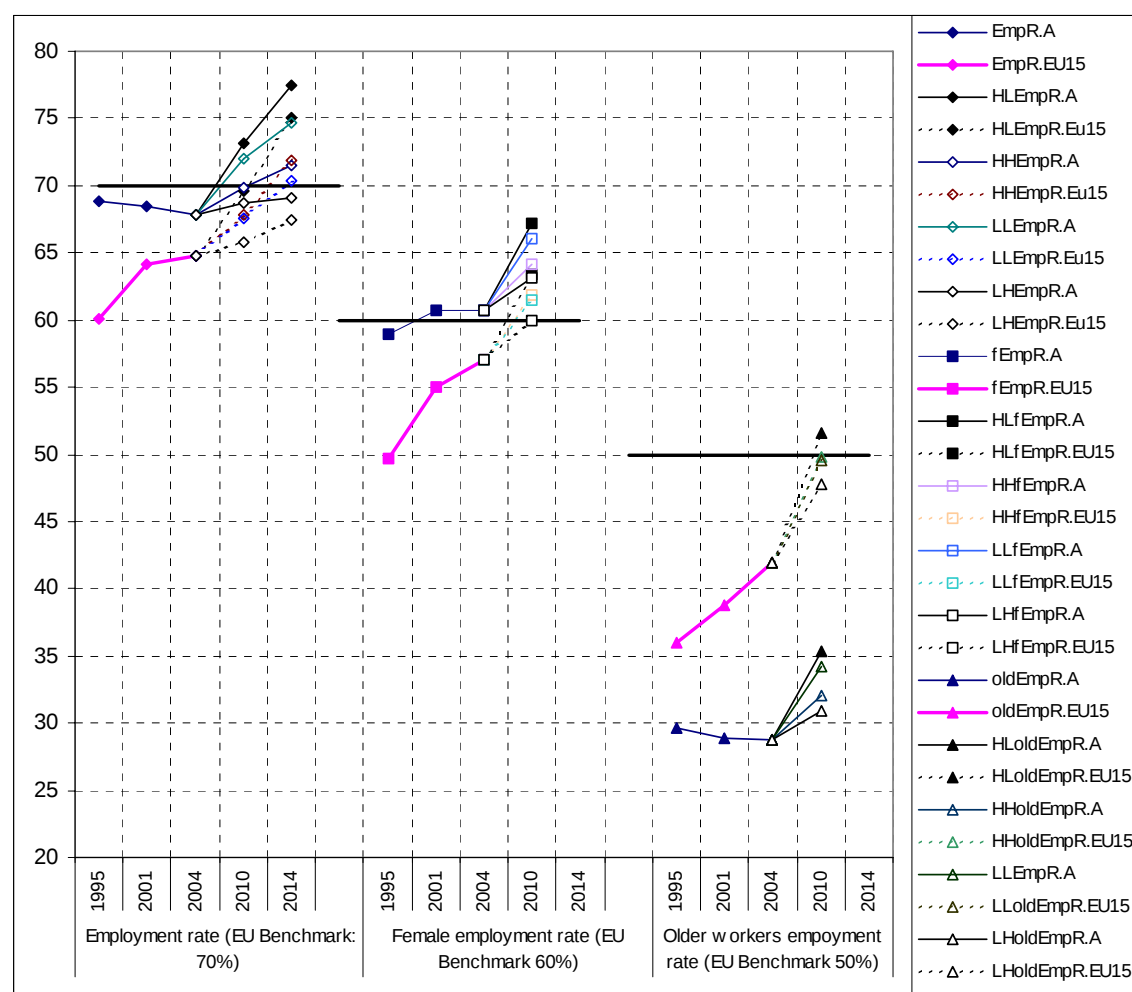
Source: EU Lisbon strategy Progress report 2007; own figure and calculations

Figure 11 EU Lisbon structural indicators about differences by sex 2000 to 2006 (Austria relative to Euro zone and to EU27)



Source: EU Lisbon strategy Progress report 2007; own figure and calculations

Figure 12 Scenarios for reaching the EU-Lisbon-employment rate targets in Austria and EU15 (1995 to 2004 observation, 2010 to 2014 projection)



Legend: from 2004 alternative projections based on different assumptions about growth and productivity HL high growth/low productivity; HH high growth/low productivity; LL low growth/low productivity; LH low growth/high productivity
Source: own figure based on calculations by Ward et al. 2005

2.2 Basic structures of policies about decent work

Austrian policy making has relied mainly on measures of economic policy through Keynesian demand management, combined with a rather strong Bismarckian social security system based on strong institutions of social partnership, added by a rather low level of active labour market policy until more recently.² Regulation of work and employment relations is also rather strong, but flexibly handled by the actors. This system has come under stress from the tight monetary policy as well as from the neoliberal wave of economic policy making during the 1990s. A right wing coalition government in place between 2000 and 2006 has in its first years tried to change the basic system, however, failed

² EIE (2006, 97) gives the 1997-2004 shares of active and passive labour market policy expenditure relative to the GDP for 22 EU countries from the EUROSTAT ALMP database. The Austrian figures are 0,4% of GDP for active LMP as compared to the cross country average of 0,6% (with maximum values of 1,5% of GDP) – the Austrian figure for passive LMP is about 1,3% slightly above the cross country average of 1,1% of GDP (with maximum values around 2 to 2,5% of GDP).

with this attempt. With the elections of 2006 a coalition of social democrats and conservatives has been renewed, which has reinstalled the trust in the problem solving capacity of the social partners. A severe crisis of the Austrian trade union movement has undermined its political strength, however, at the level of the political system, the interactions between employers' and employees' representatives seems intact – at least if we compare the actual situation with the struggles during the years 2000-03 (see the discussion and literature in Lassnigg 2007a).

There are some key indications for an ongoing cooperative renewal of the Austrian system of employment relations and working conditions, which is based on negotiations among the social partners. First, they have commissioned a basic study about an Austrian competitive growth strategy under the new conditions of the knowledge economy and globalisation, which has been explicitly taken into account by the new coalition government in the formulation of its government programme. Second, the new ideas can also partly borrow from ideas proposed about flexicurity during the Austrian presidency in 2006.³ Third, the social partners have recently agreed about a set of measures to renew several aspects of the regulation of work and employment.

The basic structure of regulations concerning decent work in Austria can be characterised due to the four pillars of the decent work agenda

2.2.1 Employment creation and enterprise development

Employment creation has always been mainly an objective of macro-economic policy which, however, has come to severe limits with the EU integration at the latest. As already shown, employment has increased, and Austria was able to hold unemployment down fairly below EU average, with a decreasing difference to EU-figures (as shown before, the decreasing difference to the EU figures are due both to an EU decrease and an Austrian increase). As key assets of the Austrian success have been qualified the flexible wage policy of the social partners, and the early opening up of the economy particularly to the neighbouring German economy, and the linkage of the Austrian currency to the D-Mark long time before the EURO. Active labour market policy has been a supportive policy at a comparatively low scale. The Austrian position at the EU flexicurity scale has been perfectly at the EU average, in common with other member states of the continental corporatist welfare state model. Self employment has been traditionally comparatively weak in Austria. To extend active labour market policy and to support self employment, particularly in the sector of SMEs, have been important policy issues in this pillar during the last decade with some success.

More recently, at the advent of the new coalition government, the social partners have provided a set of proposals for "Growth and full employment", which includes a broad array of measures, from youth training to older workers and migration, from labour market policy to education and training, from the black economy to atypical work and working time flexibility.

³ See e.g., the official statement at the presidency's web-page:

http://www.ue2006.at/en/News/Background_Information/2001bartensteinbeso.html (2007-12-15)

Concerning the first pillar of employment creation and enterprise development the main challenge seen for Austria is to take a turn from the past period of successfully catching up to the technology frontier, adopting innovation and exploiting strengths in rather traditional industries and medium level qualifications to a new era of developing the necessary ingredients of being competitive at the technology frontier, and to exploit better the opportunities of technological development and internationalisation. Adoption of a strategy of flexicurity, in combination with boosting innovation and improvement of education and training is seen as a path to reach this turn.

2.2.2 Social protection

Social protection is quite extensive in Austria, and has been closely linked to standard employment, and also to family relations. Social insurance is compulsory, it includes health, old-age pension, unemployment, and accident insurance. It is paid as a percentage of total monthly earnings and shared by employers and employees. It is widely agreed that the non-wage labour costs are high because of this system.

The low level of employment of older workers has been due to disincentives resulting from the pension system, which has been reformed in 2004. However, still disincentives have remained in place, partly because of temporary measures with the implementation of the reform, which have still allowed for early retirement under various conditions. Nevertheless the indicator of the employment rate of older workers has turned in relation to the EU average recently.

The high political emphasis on the family has created some disincentives for the employment of women despite their slightly above employment rate, as the provision of child care has been organised as a rather long term monetary benefit instead of the provision of sufficient child care facilities.

The degree of integration of migrants is at a rather low level, e.g., in terms of sufficient education and training, and of a sufficient utilisation of their competences. The various groups of migrants are clearly at stake, if we speak about the development of decent work in Austria. However information is still weak about this issue.

A key issue which has been disputed and negotiated very much in recent years have also been the conditions for the unemployed, under which they have to take a job ("Zumutbarkeit") or otherwise loose benefits ("activation"), and partly also the conditions for certain groups of remuneration in case of health problems, or in case of educational leave.

2.2.3 Standards and rights at work

Standards and rights at work are regulated by several laws, including the "constitution of work", the social security system and regulation about working time, vacation, health purposes, etc. The regulations also give the basis for the system of industrial relations based on collective agreements

which do not only determine the wage levels but also other issues as, e.g., working time agreements. Working time is basically regulated by framework laws, however, the more concrete regulations are determined by collective bargaining.

Thus the system of standards and rights at work comprises a very complex array of regulations, which are applied in rather flexible ways. The coverage of collective bargaining is very widespread, based on extension regulations to the organised employers. The representation of employees and employers is institutionalised in chambers with compulsory membership, which have been under dispute in recent years, but are still established. Recently the chambers as the main organisations of social partnership have been given constitutional status. That means, the regulations concerning their status can only be changed by qualified majority in the national parliament. This seems to be an important specificity of the Austrian system, which has not been predicted by the analyses in political science which have rather expected a decline of social partnership and a shift towards more neoliberal relationships.

2.2.4 Governance and social dialogue

The governance of the system of work relations has been traditionally very much influenced by the social partners which have been included in a corporatist system of the so called “social partnership”. This system has been debated very much during the last decade, and seems to have recovered from a period of widely deemed “sclerosis” in the 1990s to a cooperative and reform oriented state after heavy attacks by the right wing government after 2000. Interestingly, this strongly institutionalised system of social dialogue, has been assessed as a version of lean corporatism, as the formal state involvement has been rather low level in the system. The political influence has always been exerted through informal channels, and the core business is collective bargaining with a very high coverage rate at 90% or more. At the employers’ side, this system means that the SMEs are very much represented in the system via the employers’ chamber, and that some conflicting interests between the big industries and the representing organisations are in place. More recently, the issue of opening clauses of collective agreements to enterprise level negotiations are at stake. The new constitutional status of the organisations might be interpreted as a kind of balancing counterweight against these processes which work effectively towards some opening up of the collective agreements.

Core areas of social partnership are collective bargaining, and influencing the political system via various channels of informal political influence. After a period with rather conflicting positions between employers’ and employees organisations, a new kind of convergence seems to arise more recently around the notion of flexicurity. The right wing government has tried to hit the system of social partnership at its organisational and institutional base. The organisation of the social security institutions have been changes from a representative towards a more managerial system, and by effectively weakening the position of employees’ representatives. In addition there were strong attacks on the organisations mainly of employees and less so of employers, trying to discredit them politically, and also to weaken the resource base. Polls have been carried through about the compulsory

membership, however, with fair success for the status-quo. Major reforms of the organisations were also carried through in this period.

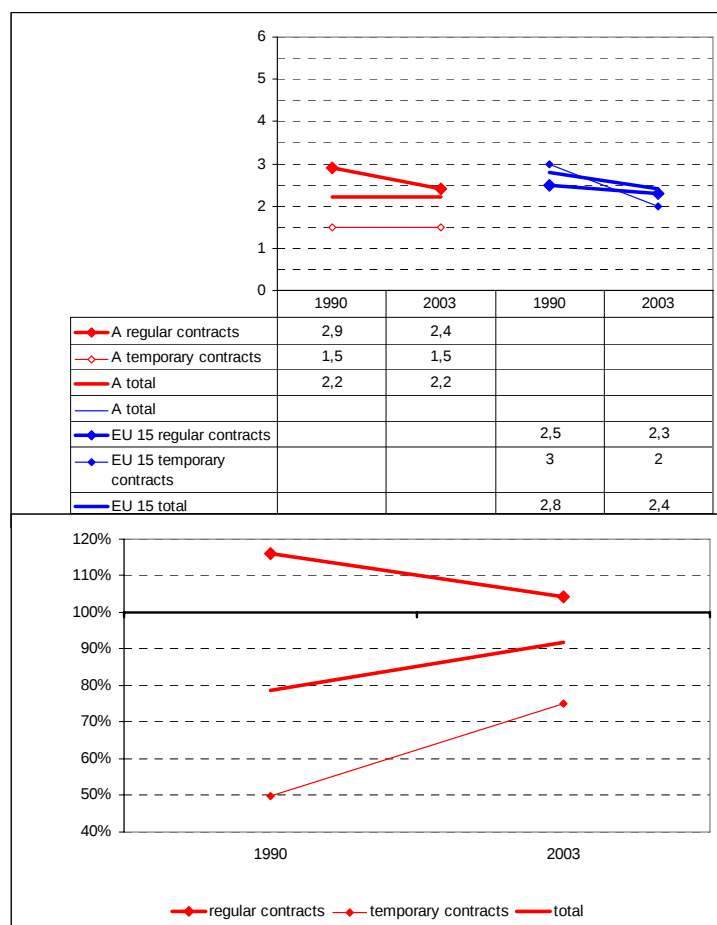
The four pillars interact with each other in several respects, which makes the system very complex. Changes require a rather integrated approach, and a rather broad consensus, which was not always easy to be reached. As an example, the low employment rate of older workers is not only caused by the pensions system, but also by a rather high seniority bias of wage schemes in enterprises and industries which have been bargained by the collective agreements at enterprise level, and by practices of the use of unemployment insurance and invalidity pensions.

As already pointed out, we can see the big study commissioned by the social partners, and sponsored also by important organisations, with one of the main Institutes of economic research (WIFO) as a search for a new conceptual platform for finding a new comprehensive strategy for economic, social, and broader societal policy in Austria. The study was published in autumn 2006. In the following period the social partners have agreed on several policy issues (e.g., the above mentioned broad programme for “Growth and Full Employment”: Dec. 2006; a broad programme for education and training “Chance Bildung”: Oct. 2007; and a “Flexicurity”-programme: Nov. 2007), those issues had been heavily disputed in the years before without reaching an agreement. However, also in the period of heavy attacks, the social partners have never lost their potential to discuss and negotiate, and they have also found solutions in those times – some of them can be seen rather innovative: e.g., the reform of severance pay, where the employees can take their account with them in case of changing the enterprise; a kind of safety-net for young people who could not find an apprenticeship, which was to some extent conflict-loaded and overloaded with bureaucratic restrictions; an attempt to finance educational leave which has been not so much successful, however, can be seen as a first attempt to find new incentives for lifelong learning.

3 Trends in working and employment conditions

In general, the situation of the Austrian labour market is favourable in terms of the overall trends regarding unemployment or employment growth. During last years the main aim of social policy was to foster flexicurity by incentives to increase labour force participation (especially in non-standard employment) and by the attempt to integrate non-standard employment into the traditional system of social security.

Figure 13 OECD measure of regulation for regular, temporary and total contracts 1990 und 2003, Austria and EU15

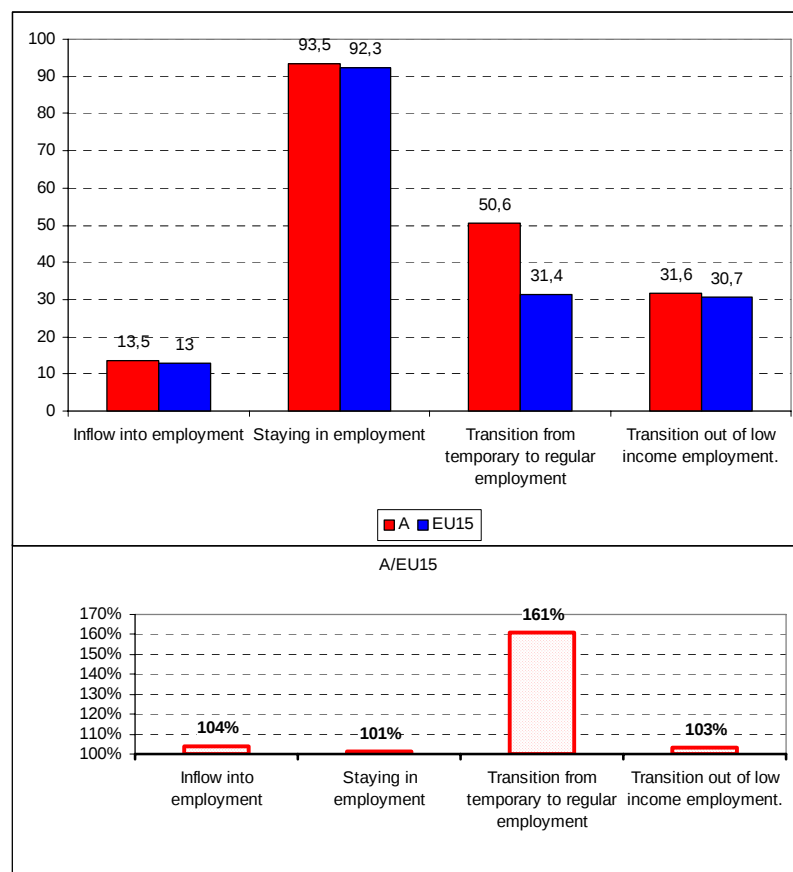


Source: Guger/Leonie, 4, own calculation, own figure

Figure 13 shows the degree of labour market regulation in Austria compared to the EU15 in 1990 and 2003. We can see a different pattern in Austria, as the regulation of temporary contracts is lower than in the EU, whereas the regulation of regular contracts is above the EU level, and has also been reduced. In relative terms, the index of total regulation and of temporary contracts has increased towards the EU level. This was because of a decrease of the average. Figure 14 gives an account of the degree of labour market flexibility in Austria, as compared to EU15. We can see that the measures are at average except the transition from temporary contracts to regular contracts which is much

above the EU average. That indicates that fixed-term contracts are frequently used for the recruitment of new employees.

Figure 14 Measures of labour market flexibility in Austria and EU (pooled ECHP data 1995-2001)



Source: Guger/Leonie, 6, own calculation, own figure

3.1 Situation and development of non-standard employment

The Austrian labour force has grown from 3,3 Mio. in 1998 to 3,5 Mio. in 2006, mainly because of a rising participation of women (since 2000 the female labour force has grown by about 1% p.a.), the male labour force has stagnated more or less. The additional integration of women into employment, however, has been brought mainly by part-time work. Women of age 40-44, and less so 45-49 have carried a high proportion of the additional employment. Another source of the rising employment has been migrant workers, whose proportion has risen from 9% in 1995 to 12% in 2005 (absolute figures: 300.000 to 374.000). The integration of female and migrant workers is highly associated with non-standard employment. Women are highly concentrated in part time work and migrant workers are more often affected by insecure non-standard forms of employment.

Table 2 Overview about main categories of non-standard employment in Austria (2004)

	Absolute	% of total employed	% female
Employed total	3 744.000	100%	45%
Employees ("unselbständig Beschäftigte")	3 266.500	87%	46%
Employees, non-nationals	362.300	10%	
Part-time work (direct question)			
- all employed	736.000	20%	86%
- thereof no wish for full-time	108.700	3%	87%
- employees	674.900	18%	88%
Marginal part-time work („Geringfügige Beschäftigung“)	222.906	6%	71%
Fixed-term contracts	172.200	5%	50%
Free service contracts („Freie Dienstnehmer“)	25.016	1%	50%
New self employed („Neue Selbständige“)	32.000	1%	44%
Temporary agency work ("Leiharbeit"; estimate 2003 and 2005)	43.000	1%	18%
Specific working time arrangements (raw figures)			
- saturday work	1 183.200	32%	
- sunday work	654.200	17%	
- evening work	612.400	16%	
- shift work and similar forms	570.800	15%	
-work at home (estimate from 2003 and 2005)	~320.000	9%	
- night work	317.100	8%	

Source: own calculations based on Statistics Austria (mainly LFS)

Before we describe the development in the various categories of non-standard work, we give an overview about the main categories and their incidence based on cross-sectional results about the proportion of non-standard employment from 2004. This overview should inform about the general structure of non-standard employment in Austria.

Table 2 shows the rough incidence of the different forms of atypical work. If we sum up the different forms without considering the interrelation between those categories and without taking into account part-time work, we reach at about 14% of the total employed population (absolute almost 500.000) in atypical forms, about 20% work part-time. Very much higher are the specific working time arrangements which – due to multiple representation – sum up to almost 100% of the total employed.

Interestingly there is very much debate and dispute about those forms of atypical work arrangements which comprise a rather small proportion of workers, but much less debate about the very high proportions of specific working time arrangements which comprise very much higher proportions of employees.

However, atypical employment is seen as the main source of employment growth in the year before, so there is an ambivalent assessment of this development. Some studies have been performed about this issue since the end of the 1990s (Talos 1999; Mairhuber, Bergmann et al. 2004; Bergmann et al. 2004; Finder, Fink et al. 2001; Fink et al. 2001).

Some further information about the types of atypical work is given in Figure 15. In the following sections a more detailed account of the development of the various categories due to Austrian information sources. Due to the different sources the time frame is not always the same.

Figure 15 Overview about issues in atypical work

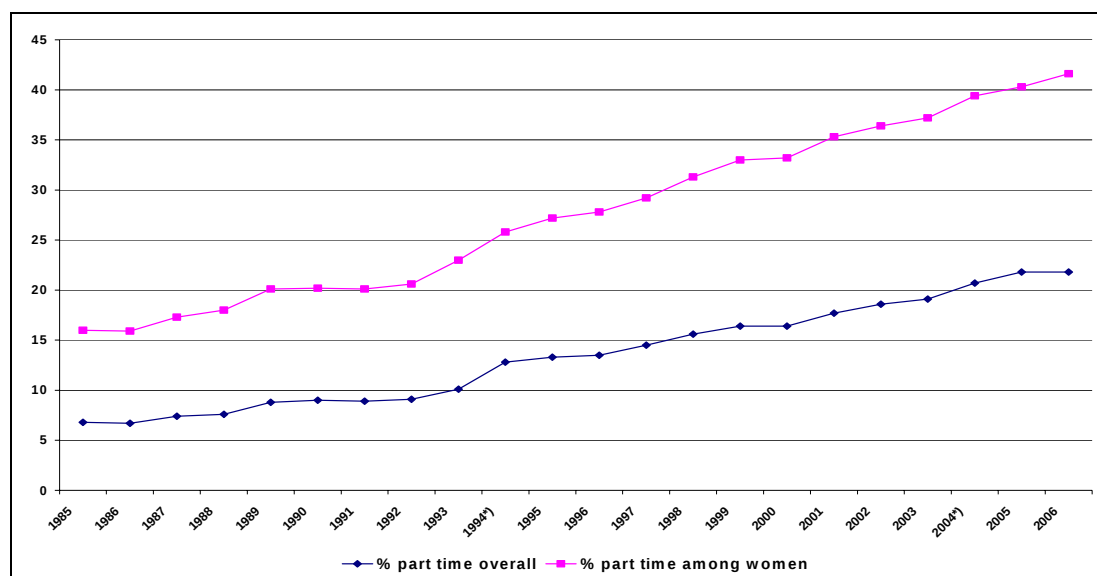
Marginal part-time work („Geringfügige Beschäftigung“)
Defined by an income threshold of EUR 341,16 per month (2007)
Incidence about 6%, 71% women, have grown at about 40% 2006 as compared to 1998, more growth with men
Growth higher among young (15-19y; 20-24y) and older workers (40-49y; 60+y); 2/3 of incidence is first job (Stadler 2004)
Qualitative studies show high incidence with (young) people in education and training (e.g., about ¼ of students are in this position), and with women with child care responsibilities – these groups are highly satisfied (Fink et al. 2001; Unger/Wroblewski 2007)
Other groups, e.g. unemployed people who need a better job, are highly unsatisfied (Fink et al. 2001)
Exempted from several social security benefits, only accident insurance mandatory, unemployment insurance not possible
Can voluntarily opt in: health and (low level) pension insurance
Fixed-term contracts
Typical starting jobs
Incidence about 5%, 50% women, has not grown considerably since the 1990s
Forbidden to be performed in succession by the same employee, therefore no problem with social security
Free service contracts („Freie Dienstnehmer“)
A person works without personal dependence and without direct supervision (time, place, work organisation), but uses the infrastructure of the employee
Incidence about 1%, 50% women, rapid growth (about 8 times more in 2006 as compared to 1998)
Are dependent employees in terms of social security, however, exempted from several benefits/duties, e.g., shop floor representation, severance pay, unemployment benefits
Are self employed in terms of income tax
New self employed („Neue Selbständige“)
Specific type of self employed without certificate for a trade, use their own infrastructure for completing a contract for a specific product without direct supervision (time, place, work organisation)
Incidence about 1%
Social security and income tax as self employed, no health and unemployment insurance
LFS-questions about work organisation patterns indicate a not very high rate of falsely designated self-employed work (0,3-0,5% of all self-employed, or if applied to the number of the new self-employed: 6%; EUROFOUND 2007a)
Temporary agency work
Incidence about 1%, rapid growth, higher among women
20% are non-nationals, growth very high in Tourism and in the Miscellaneous-category

Source: Various sources

3.1.1 Part time employment

In 2005 22,1% of all employees worked part time (up to 35 hours). Part time work is highly feminised as 40,7% of all employed women work part time whereas only 6.8% of men – or put differently: 83% of all part time workers are women.

During the last decade part time work has increased constantly. While in 1985 about 7% of all employees worked part time, 20 years later almost 22% of employees work up to 35 hours a week. The high proportion of women in part-time employment, however, has remained nearly unchanged: In 1985 90% of all employees working part-time were female, in 2006 86% of all part timers are women.

Figure 16 Development of part-time among employees and among women

Source: LFS, until 1993 without minor part time employment, since 1994 direct question

During the last years especially the share of (female) part time workers working up to 11 hours per week has increased, and has reached a noteworthy proportion recently. In 1999 0,7% of employed people worked up to 11 hours/week (3,4% of all employed women), in 2005 the share nearly has doubled: 1,5% of all employed people worked up to 11 hours a week, which means a proportion of 6,4% among the employed women.

Table 3 Average hours actually worked per week by status in employment, sections of ÖNACE 2003 and sex, annual average in 2005

	Working population			Employees			Self employed		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Agriculture, hunting and forestry	47.1	50.7	42.9	36.2	38.4	31.9	49.1	53.4	44.3
Fishing	36.0	36.8	31.6	36.1	36.9	31.6	26.7	26.7	.
Mining and quarrying	35.2	36.9	30.1	34.7	36.3	30.0	45.1	47.5	33.0
Manufacturing	34.1	35.5	27.8	34.1	35.4	28.0	31.7	37.6	9.9
Electricity, gas and water supply	35.7	36.8	27.2	34.7	35.8	26.1	44.9	45.5	39.1
Construction	33.0	38.9	28.0	31.6	36.9	27.4	45.1	49.4	36.0
Wholesale and retail trade*	37.4	43.6	33.5	33.6	38.0	31.2	53.4	58.9	47.1
Hotels and restaurants	37.8	39.9	31.4	37.1	39.2	31.0	48.0	49.0	41.8
Transport, storage and communication	34.2	38.8	29.3	33.6	38.2	29.2	42.6	44.5	34.2
Financial intermediation	33.6	39.6	27.3	31.3	37.1	26.6	42.6	45.6	33.6
Real estate, renting and business activities	34.7	38.2	29.8	34.7	38.2	29.8	.	.	.
Public administration and defence**	29.2	33.1	27.4	29.3	33.0	27.6	25.9	35.8	20.4
Education	31.9	39.4	29.2	31.3	38.6	29.1	37.7	44.0	31.0
Health and social work	32.6	37.9	28.2	31.6	36.7	27.9	36.5	41.6	30.0
Other community, social & personal service	19.6	39.1	18.8	20.3	39.1	19.5	9.8	.	9.8
Activities of households	37.9	40.2	35.4	37.9	40.2	35.4	.	.	.
Total	34.9	38.8	29.9	33.2	36.9	28.6	45.7	49.3	39.5

* incl. repair of motor vehicles, motorcycles and personal and household goods.

** incl. compulsory social security.

Source: Statistics Austria, LFS 2005.

As already mentioned, most of the additional employment is due to an increase in female labour market participation (especially mothers), which is mainly part-time employment. Self-reported reasons for part-time work are very different by sex, and seem to have changed (there are some methodological changes in the assessment, which have to be still qualified):

- *Labour market reasons*, i.e. people who did not find a full-time job, have declined from 16% in 1998 to 11% in 2005, and are responded a bit more often by men (16%) than by women (11%).
- *Care reasons* are responded by 41% of women (4% by men).
- The most frequent motive of men is *education and training* (24%; women 6%).

To work part time is still the most popular way of reconciling employment and care by women, although childcare infrastructure was slightly expanded during the last years (see also the section on work & family).

Table 4 Reasons for part-time work (2005)

	total	Men	women
care (children, elderly)	34.9%	4.0%	40.7%
no wish for full-time	18.6%	21.3%	18.1%
other personal or family reasons	16.0%	11.5%	16.8%
no full-time employment available	11.5%	16.0%	10.6%
Education	9.1%	24.0%	6.3%
Other	10.0%	23.2%	7.5%
Total	100.0%	100.0%	100.0%
Persons (in 1,000)	807.6	128.3	679.3

Source: LFS 2005

3.1.2 Marginal part time work (*geringfügige Beschäftigung*)

Marginal part time work (minimum income workers) means an employment contract with a maximum monthly income of, at present 341,16€ (2007). During the last years the number of minimum income workers has increased. During the last years the absolute number of those minimum income contracts has increased by about 3% a year. The figures presented below show the number of those employment contracts which is not identical with the number of workers affected as it is not unusual for a person to work with more than one minimum income employment contract (according to Holzinger 2001 about half minimum income workers work only in this form of employment). With the exception of the regulation in the Employee Act (*“Angestelltengesetz”*) about giving notice, the same regulations apply to minimum income workers pertaining to labour as for all other employees. Minimum income workers have, for example, the right to five and/or six weeks of paid vacation per work year, as well as the right to stay for a sick child (*“Pflegefreistellung”*).

Table 5 Marginal part time work by sex (1998-2006)

	1998	1999	2000	2001	2002	2003	2004	2005	2006
Women	124,225	136,501	141,672	147,595	151,492	154,490	157,603	161,629	164,915
Men	46,728	52,843	55,104	57,594	60,424	62,771	65,301	68,118	70,890
Total	170,953	189,344	196,776	205,189	211,916	217,261	222,904	229,747	235,805
female in %	73%	72%	72%	72%	71%	71%	71%	70%	70%

Source: Federation of Austrian Social Security Institutions

The incidence of marginal part time work has increased especially among young employees (up to 19 years) who are still in education and earn an “additional” income (their proportion is about 5% of those working in marginal part-time work). This is mainly due to the fact that family benefits and grants for students are not affected by such a contract, since the employment income doesn’t exceed the minimum income limit for those benefits. Another group which shows growing numbers of minimum income workers (at least since 2004) are men older than 65 years which indicates that these are pensioners who earn additional money after retirement (their proportion is about 6-7% of those working in marginal part-time work).

Minimum income workers are covered by accident insurance. The employer is required to enrol them with the responsible district health insurance fund. To receive full coverage of health insurance, minimum income workers may enroll voluntarily with health insurance and pension insurance. In 2007 the monthly contribution amounts to 48,14€. Only about one in five of workers with a marginal part-time work contract are in fact making use of this opportunity, more frequently women than men, and this proportion has remained rather stable in recent years (Table 6).

If a person has more than one marginal part time job and earns in total more than the current monthly minimum limit of 341,16€, all those jobs together must be insured for health and pension insurance and contributions are calculated based on the entire sum of those part-time incomes.

Table 6 Marginal part time work with voluntary health and pension insurance by sex (absolute numbers, in %)

	1998	1999	2000	2001	2002	2003	2004	2005	2006
Male	2,117	4,679	6,267	7,815	8,888	9,404	9,959	10,606	11,160
Female	6,955	15,103	20,530	26,143	29,931	30,517	31,619	32,743	33,548
Total	9,072	19,782	26,797	33,958	38,819	39,921	41,578	43,349	44,708
in % of all male	4.5%	8.9%	11.4%	13.6%	14.7%	15.0%	15.3%	15.6%	15.7%
in % of all female	5.6%	11.1%	14.5%	17.7%	19.8%	19.8%	20.1%	20.3%	20.3%
in % of all total	5.3%	10.4%	13.6%	16.5%	18.3%	18.4%	18.7%	18.9%	19.0%

Source: Federation of Austrian Social Security Institutions (§19a ASVG)

The regularly published data of the Federation of Austrian Social Security Institutions (Hauptverband der Sozialversicherungsträger) allow only a few conclusions about the real situation of marginal part time workers. Two studies based on a survey among employees provide some additional information. According to Holzinger (2001) about half of all marginal part time workers are exclusively marginal part time workers, the others have in addition another employment (maybe also another marginal part time work).

According to Fink et al. (2001) more than one third of the marginal part-timers took up such a job to earn some extra money while in education. For 15% this kind of employment was a means to reconcile work with childcare responsibilities. 13% took up a marginal part time job as a sideline to regular dependent employment and 3% took it up as a sideline to self-employment.

A long term monitoring (6 years, see Fink et al. 2001) reveals that 11% of marginal part time workers did not acquire another kind of employment during this period. For this group marginal part time work is not a transitory phenomenon.

Due to the same study satisfaction is quite high with this kind of employment. One out of three marginal part time workers has reported to be very satisfied with his or her employment situation, roughly 50% were satisfied, 12% were less satisfied and only 5% were dissatisfied. Women's job satisfaction was slightly better than men's. Students, parental leave benefit claimants and people looking after the home and caring for children show above average job satisfaction. The survey also

shows that despite an above average level of educational attainment, marginal part time workers hold jobs markedly below average job level.

3.1.3 Free service contract (*freie Dienstnehmer/innen*)

The “free service contract” (quasi-freelance contract) is a somewhat hybrid legal construction, midway between a standard employment relationship and self employment. Holders of such a contract are insured under the terms of the General Social Insurance Act (*Allgemeines Sozialversicherungsgesetz, ASVG*). Like employees they are covered by health and occupational accident insurance, as well as by pension insurance. Up to the end of 2007 holders of a free service contract were excluded from unemployment insurance. Although free service contractors are in terms of social security coverage generally treated like employees, in matters related to taxes they are treated like self-employed. The mixed character of their employment relationship is also manifested by the fact that freelance contractors provide an ongoing service, often on a fixed-term basis. Although they might be in fact often completely dependent on one quasi-employer, they are formally not subject to instruction by the client and are free to schedule their own working time. To sum up, their work situation often might be similar to that of dependent employees. Nevertheless, labour law provisions generally do not apply to them.

In December 2007 the Austrian Parliament endorsed a series of legislative amendments, which aim to substantially improve the social security coverage of people working under a free service contract. This group of workers has, in particular, been included in a compulsory unemployment insurance scheme. The government mainly adopted the joint social partner proposal.

Information on quasi-freelance contracts is very fragmentary. Some information is available in the published data of the Federation of Austrian Social Security Institutions but in-depth studies on that type of employment do not exist so far.

With the regulation of this form of employment in 1996 quite a number of people could be integrated into social security who had not been subject to any kind of social insurance before. On the other side, some of quasi-freelancers had had regular jobs before (fully contributory jobs). Fink et al. (2001) estimate a ratio of positive to negative effects of roughly two thirds to one third. For most quasi-freelancers this type of employment is not their first choice. Only 8% saw it as a long-term option of labour force participation and 31% tried to use quasi-freelance contracts as a pathway to a regular dependent employment relationship. In a long-term perspective about half of them was able to change over to regular employment. Similar to marginal part-time work, quasi-freelance contracts are accepted as a sideline to education (31% are students) or regular dependent employment (13%). Quasi-freelance contracts are less frequent used as a sideline to child caring (5%) than marginal part time work (15%).

Like marginal part time workers, quasi-freelancers have an above average level of education. However, they work markedly below the average job levels of their educational attainment. This trend

is found among women and men alike. Contrary to marginal part time workers, the job level increases with age. After all 8% of quasi-freelancers aged 50 and above do high-quality jobs. Fink et al. (2005) have calculated their per capita income and found out that 17% of quasi-freelancers earned a per capita income below 800€. Hence, the poverty risk of quasi-freelancers is higher than the Austrian average.

With regard to job satisfaction there are hardly any differences to marginal part time workers (32% of quasi freelancers were very satisfied, 51% satisfied, 13% less satisfied and 4% dissatisfied).

The number of quasi-freelancers has increased from about 4.400 to 27.000 in 2006. Table 7 presents the development of the proportion of quasi-freelancers who earn more than the minimum income limit (341,16€, see section about marginal part time employment) and have to pay social security contributions (this proportion is about two in five). The total number of quasi-freelancers according to the Labour Force Survey was about 66.500 in 2004 (share of women: 53%). Among those about two thirds work exclusively on a quasi-freelance contract basis, for one third (21.000 people) this employment is a second job. Women work more often only on a free service contract basis (59%) but are underrepresented among those with a second job (42%).

Table 7 Free service contracts (freie Dienstverträge) 1998-2006

	1998	1999	2000	2001	2002	2003	2004	2005	2006
Women	2,151	9,136	10,600	11,433	12,094	11,718	12,492	13,448	14,037
Men	2,283	10,204	11,747	12,287	12,541	11,957	12,525	13,215	13,335
Total	4,434	19,340	22,346	23,720	24,635	23,675	25,016	26,662	27,372
Female in %	49%	47%	47%	48%	49%	49%	50%	50%	51%

Source: Federation of Austrian Social Security Institutions (without marginal part time work)

3.1.4 New self employment (*Neue Selbständige*)

New self-employment was introduced in the Social Security Law for Trade and Industry (Gewerbliches Sozialversicherungsgesetz, GSVG) in 1997. Aim of the new regulation was to cover self-employed who have not been covered by traditional social security system for self-employed. This may be because these self-employed are not in commerce, trade and industrie (branches where self employed must have a licence to carry on a business, "Gewerbeschein"). In practice it is sometimes difficult to distinguish between free service contracts (see section) and new self-employed. The coverage in social security might be higher among the new self employed due to very partly comparable data from a survey and from the social security register): about two thirds as compared to two fifths). In both cases people are self-employed but might remain dependent on one employer.

The number of new self-employed can be obtained via two sources: the microcensus (survey data) or register data about insured persons (yearly averages). These two figures differ from each other due to the different calculation methods and the relevant time of reference (cf. Stadler 2005: 1098). According to the microcensus (LFS 2004) 46.300 persons define themselves as new self employed (share of

women: 37,6%). For the same reference year 31.800 new self-employed are covered by social security system (share of women: 45,6%). This gap is, beneath the difference between survey and average register data – at least partly – due to the fact that not all new self-employed are covered by social security (if the income is lower than the minimum income level of 6,453€ a year; 2007); this gap can to another part also be explained by the fact that the compulsory social security coverage is stated retrospectively (in the following year), in case that self-employment has newly started.

Based on a survey by Holzinger (2001) new self-employment is mainly carried out by journalists, researchers, and people working in personal services.

3.1.5 Temporary agency work (*Leiharbeit*)

The Act on the Temporary Provision of Employees (*Arbeitskräfteüberlassungsgesetz*, AÜG), which was passed in 1989, regulates most of the questions concerning the temporary provision of workers. Temporary work is defined as the hiring out of workers by a hiring-out company to a third part (hiring company). Basically, an employment relationship is established between the hiring-out company and the worker, which provides for the worker to render work (in line with the worker's training and qualification) at the hiring company. The preceding discussion was determined by the opposing positions of entrepreneurs and workers' representatives (Trade Union, Chamber of Labour). The workers' representatives demanded a legal prohibition of temporary agency work, whereas the temporary work agencies first asked for liberalisation and later trade licensing. Due to the increased incidence of temporary agency workers, the mid 1980s have seen a change of opinion among the employees' representatives. Now legal regulation turned out to be the only realistic way to improve the working conditions of temporary agency workers.

Since the AÜG has been amended, every temporary work agency is required to hand in an annual report on the number of hired out employees (target date – July 31). This regulation has based the availability of data about the development of temporary agency work in Austria since 1989. The absolute number of temporary agency workers has increased every year since data are recorded. In 2006 the share of temporary agency workers in the total number of gainfully employed people amounted to 1.8%. The majority of them were men in blue-collar positions: 2.8% of employed men were hired out temporarily. With a total of 0.6%, women are under-represented in temporary agency work, the proportion of women among temporary agency workers has remained rather stable (18%).

Table 8 Share of temporary agency workers in the total number of gainfully employed people 1989-2006

	temporary agency workers	Proportion (%)
1989	7,955	0.4%
1990	8,947	0.5%
1991	8,178	0.4%
1992	8,716	0.4%
1993	7,864	0.4%
1994	10,492	0.5%
1995	12,503	0.6%
1996	14,548	0.7%
1997	17,980	0.9%
1998	20,772	1.0%
1999	24,277	1.2%
2000	30,120	1.4%
2001	33,156	1.6%
2002	31,207	1.5%
2003	38,491	1.3%
2004	44,125	1.5%
2005	46,679	1.6%
2006	59,262	1.8%

Source: BMAGS (since 1999 BMWA)

The number of temporary work agencies has increased about four times since 1989. In 2006, 1,442 temporary work agencies were recorded in Austria as compared to only 367 in 1989. The number of companies employing hired out workers has increased even more strongly by more than five times 1989. While there were about 2,300 user firms in 1989, their number has increased to 12,300 in the year 2006.

There has been an intense discussion about this type of non-standard employment. On the one hand it is argued – especially by the Ministry of Economics and Labour and the The Federation of Austrian Industry – that it might be a “stepping stone” into regular employment. On the other hand it is seen as a “new form of slavery” because of the frequently precarious situation of workers who are hired out (for a summary of discussion see Wroblewski 2001). Empirical information concerning the real working situation of workers affected is very scarce. A study conducted some years ago on behalf of the Federal Ministry of Economics and Labour has unfortunately not been published to date.

Empirical surveys about the “every-day situation of temporary agency work” that were conducted during the 1990s pointed out a number of problems that those workers are faced with: legal and social regulations as well as the customary salary levels within a company are frequently ignored, and the working conditions of temporary agency workers are often inferior to those of the regular staff. The practical implementation of legal regulations at the enterprise level was also subject to various misinterpretations, which should hence be prevented by collective agreements or legal changes. In 2002 long-lasting negotiations about a collective agreement were concluded. The collective agreement settles minimum payment depending on the qualification level as well as compensation for breaks between hiring out phases, remuneration in case of business trips, allowances and special bonus payments etc.

Despite the critiques and problematic aspects, temporary agency work also might have positive aspects, as for instance the possibility of a non-profit led provision of workers, which has increasingly been used within the context of active labour market policy during the last few years. In contrast to the commercial hiring out of employees, the non-profit provision of workers also pursues various labour market policy goals in addition to economic goals, i.e. easing the re-integration of unemployed people and promoting the transition to the regular labour market. The success of these projects has largely improved the image of temporary agency work in Austria. They are often used as an example to show that it is really possible to make the temporary provision of employees socially compatible (Wroblewski 2001, Lehner et al. 2000, Dworschak 1997).

3.1.6 Fixed-term contracts

Due to the regulations a contract of employment may be concluded either as a fixed-term contract (*befristeter Arbeitsvertrag*) or as a contract of unspecified duration (*unbefristeter Arbeitsvertrag*). In the former case, the end of the employment relationship is established contractually by reference either to a particular date or to a circumstance, which will occur in the future and for which it is known that it will occur during an identifiable period. In the second case, no specified time is agreed for the termination of the contract. Typically the first contract is a fixed-term contract, which is followed by a contract of unspecified duration (Holzinger 2001). Some types of contracts – for instance in case of an apprenticeship contract – are per definition fixed-term (the contract ends with the final examination).

According to LFS data in 2005 172,200 persons (without counting apprentices) worked on a fixed term contract. There is no other representative information available about this category of employment.

This group of workers is not to be seen as a major problem group in terms of decent work because so called *chain contracts of employment* ("Kettenverträge"; several consecutive fixed term employment relationships with one employer) are illegal. Such contracts are considered by law as an de facto open-ended employment relation including all legal responsibilities to the employer, unless economic or social circumstances suggest that these consecutive employments were due to objective reasons. In fact, however, the employee has to take the case to court if there is no agreement with the employer, and we do not know in how many cases this kind of enforcement does not prevail because employees do not go to the court.

3.2 Employment of migrants

Between 2001 and 2005 the average annual net inflow of non-nationals amounted to 53,000, which puts Austria amongst the countries with the highest migration rates per capita in Europe and overseas (Biffl 2006). The share of foreign workers in total employment is constantly growing and reached 12.4% in 2006 (Biffl 2007). According to social security data, Austria counted 390.700 foreign wage and salary earners in 2006.

With regard to the nationality of foreign workers the largest groups are workers from former Yugoslavia and Turkey, the traditional so called “guest workers” (*Gastarbeiter*). Their share in all foreign workers is declining (in 1998 they represented two thirds of foreign workers and in 2006 still 54%), whereas the number of workers from Germany tripled since 1998 and their share went up from 6% to 14% among non-nationals. Interestingly, the share of foreign workers from countries that entered European Union in 2004 (Poland, Hungary, former Czechoslovakia) did not increase.

Table 9 Non-national employees in Austria by their nationality (1998-2006)

Absolute	1998	1999	2000	2001	2002	2003	2004	2005	2006
Ex-Yugoslavia	148,825	152,532	158,492	161,792	161,315	161,122	159,626	156,798	156,012
Turkey	54,248	55,628	57,128	56,831	56,285	55,689	54,588	53,479	54,101
Germany	16,925	18,819	20,887	23,537	26,502	31,525	38,987	47,033	55,368
Poland	10,701	10,882	11,158	11,239	11,284	11,549	11,984	12,615	13,416
Hungary	9,186	9,724	10,399	11,266	11,967	12,657	13,628	14,693	15,785
Romania	9,078	9,330	9,660	9,900	10,116	10,687	11,022	11,315	11,692
Ex-Czechoslovakia	9,546	9,667	9,979	10,412	10,850	11,400	12,412	13,718	14,753
Italy	3,280	3,611	3,862	4,093	4,370	4,640	4,810	5,111	5,442
Swiss	1,013	1,081	1,157	1,190	1,222	1,284	1,395	1,498	1,634
Other	35,780	35,128	37,128	39,054	40,521	49,811	53,848	57,926	62,493
Total	298,582	306,402	319,850	329,314	334,432	350,364	362,300	374,186	390,696
Percentage	1998	1999	2000	2001	2002	2003	2004	2005	2006
Ex-Yugoslavia	50%	50%	50%	49%	48%	46%	44%	42%	40%
Turkey	18%	18%	18%	17%	17%	16%	15%	14%	14%
Germany	6%	6%	7%	7%	8%	9%	11%	13%	14%
Poland	4%	4%	3%	3%	3%	3%	3%	3%	3%
Hungary	3%	3%	3%	3%	4%	4%	4%	4%	4%
Romania	3%	3%	3%	3%	3%	3%	3%	3%	3%
Ex-Czechoslovakia	3%	3%	3%	3%	3%	3%	3%	4%	4%
Italy	1%	1%	1%	1%	1%	1%	1%	1%	1%
Swiss	0%	0%	0%	0%	0%	0%	0%	0%	0%
Other	12%	11%	12%	12%	12%	14%	15%	15%	16%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: Federation of Austrian Social Security Institutions

Table 10 Share of non-national employees by economic sector (2000-2006)

	2000	2001	2002	2003	2004	2005	2006
Agriculture and forestry	26.3	27.6	29.9	33.0	34.3	34.6	34.6
Mining and manufacturing	13.6	13.8	13.9	14.2	14.1	14.4	14.4
Mining, stones and minerals	5.3	5.5	5.5	5.8	5.9	6.0	6.6
Food, drinks, tobacco	15.3	15.9	16.7	17.3	17.3	17.7	17.6
Textiles, clothing, leather	25.4	26.0	25.8	25.0	24.3	23.4	22.9
Wood, paper, printing, publishing	9.4	9.6	9.8	9.9	9.9	10.1	10.2
Chemicals, recycling	13.0	13.4	13.3	13.4	13.6	13.4	13.2
Stone and glassware	11.9	12.5	12.8	12.8	12.8	13.0	13.0
Production and processing of metals	10.6	10.8	10.8	11.0	10.9	11.3	11.4
Furniture, jewellery, musical instruments etc.	10.2	10.4	10.2	10.5	10.6	10.8	10.1
Energy and water supply	0.7	0.8	0.9	1.1	1.3	1.4	1.6
Construction	18.5	18.5	18.8	19.4	19.3	19.7	19.8
Services	9.0	9.4	9.7	10.3	10.8	11.1	11.6
Trade and repair works	9.0	9.5	9.8	10.4	10.7	11.1	11.6
Restaurants and hotels	26.0	27.1	29.2	30.1	30.8	31.2	31.7
Transport and telecommunications	8.2	9.0	9.7	10.6	11.2	11.3	11.7
Financing, insurance	2.2	2.5	2.6	3.0	3.4	3.7	4.0
Business oriented services	16.8	16.5	16.9	17.8	18.5	18.8	19.2
Public administration, social security	2.5	2.6	2.6	2.9	2.8	2.9	3.0
Education and research	2.2	2.3	2.5	3.0	4.3	4.7	5.0
Health-, veterinary and social services	7.4	7.3	7.4	7.7	8.1	8.8	9.2
Other public and private services, extraterritorial organisations	10.2	10.5	10.6	11.2	11.6	12.0	12.3
Private households	16.4	17.5	18.0	18.1	18.1	19.1	20.3
All industries	-	-	11.1	11.7	12.0	12.3	12.6

Figures for all industries 2000 and 2001 are not available.

Source: Biffl 2001, 2002, 2003, 2004, 2005, 2006 (Federation of Austrian Social Security Institutions).

Table 11 Share of non-national employees in atypical employment by economic sector 2006

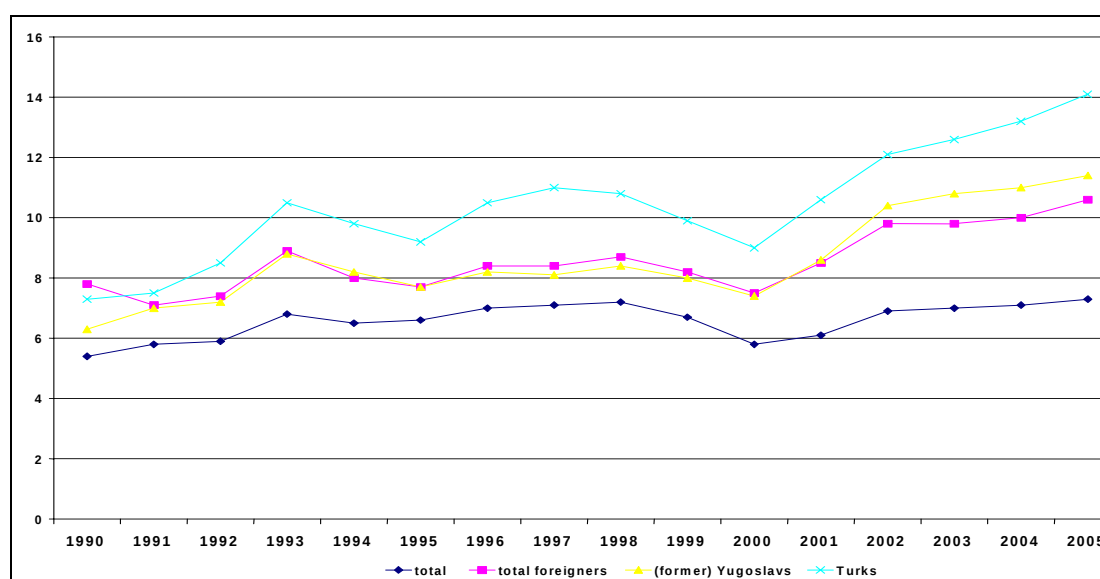
	Total non-national employees	Free service contract	Temporary agency work	New self-employed	Part-time	Marginal part-time	Share of migrants among employees
Agriculture, forestry	6,170	0,0%	0,9%	0,0%	18,8%	1,1%	2,8%
Fishing	0	---	---	---	---	---	---
Mining quarrying	1,051	0,0%	0,0%	29,2%	0,0%	0,0%	10,7%
Manufacturing	85,908	0,7%	5,1%	0,2%	6,8%	1,5%	11,6%
Electricity, gas and water supply	362	0,0%	0,0%	0,0%	47,5%	0,0%	1,2%
Construction	46,068	0,0%	4,7%	0,8%	4,9%	0,7%	14,2%
Wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods	51,359	0,9%	2,4%	0,5%	26,2%	6,1%	8,4%
Hotels and Restaurants	49,488	0,6%	1,0%	1,2%	24,4%	3,3%	20,4%
Transport, storage and communication	21,475	1,7%	4,2%	0,0%	15,0%	2,4%	8,9%
Financial intermediation	2,649	0,0%	4,5%	0,0%	20,7%	5,4%	2,0%
Real estate, renting and business activities	51,089	2,6%	5,5%	1,1%	45,0%	10,4%	14,6%
Public administration	5,130	6,3%	1,1%	0,0%	18,9%	5,6%	2,0%
Education	10,472	22,4%	2,3%	0,9%	54,6%	22,5%	4,7%
Health and social work	27,821	1,7%	0,0%	0,0%	42,5%	7,2%	8,0%
Other community, social and personal service activities	20,268	10,0%	1,2%	3,0%	32,2%	7,5%	10,8%
Private households	1,304	5,4%	0,0%	5,1%	75,1%	16,9%	13,0%
Extraterritorial organisations	4,041	0,0%	1,4%	0,0%	20,4%	0,0%	66,3%
Total	384,748	2,2%	3,3%	0,8%	23,0%	4,9%	9,8%

Source: LFS 2006, own calculations.

Migrant workers are over represented in temporary agency work as well as in free service contracts (see table TEXT in appendix). Both forms of atypical employment show a sector concentration: More than one fifth of migrants in education work on a free service contract basis and 10% in other services. Migrants in manufacturing, construction, hotels and restaurants as well as in business-related services are more likely to be hired out temporarily.

Foreign workers in general and especially those from Turkey have a higher unemployment risk compared to Austrian citizens, and their situation has worsened during the last years.

Figure 17 Unemployment rate of non-nationals 1990-2005



Source: Biffl 2005: 76

On the labour market migrants are affected by structural discrimination. This discrimination starts with an inferior education and proceeds cumulatively. Half of foreign nationals can only refer to primary education, which represents a main barrier to enter the labour market and leads to a concentration in low-paid and unstable jobs. This holds especially for migrants from Ex-Yugoslavia and Turkey and even more for female migrants.

The employment of foreign nationals in Austria is subject to the Employment of Foreign Nationals Act (*Ausländerbeschäftigungsgesetz*). Foreign employees may commence their employment in Austria

only after they have obtained the necessary permits⁴. Similarly, the employer may hire a foreigner only after these permits are available.

Citizens from EEA countries (EU plus Iceland, Liechtenstein and Norway) and spouses of Austrian nationals do not need a special employment permit to work in Austria. Since Austria's signing of the EEA treaty, those citizens have been recognised on an equal basis with Austrian citizens.

Concerning the new Member States which joined the European Union (Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Bulgaria and Romania) a so-called transition period for a maximum of seven years was agreed upon. A 3 phase model was developed: 2+3+2. During the first two years national and bilateral acts concerning the access to national labour markets, which were agreed before the new Member States joined the EU, persist. This will be followed by a three years phase in which the original Member States must inform the EU Commission whether they still want to use the transitional provisions. The provisional arrangements may be maintained for additional two years if discontinuation would constitute a "serious threat" to the respective national labour markets.

⁴ An **employment permit** (*Beschäftigungsbewilligung*) may be granted only if certain requirements enumerated by law are satisfied. It refers to a particular workplace in a particular company and therefore expires automatically upon termination of the employment. Regardless of the length of the employment contract, it is issued for not more than one year and must be regularly renewed. A **work permit** (*Arbeitserlaubnis*) will be issued for a term not exceeding two years if the foreign national concerned has been lawfully employed in Austria for a total of 52 weeks during the past 14 months. A **certificate of exemption** (*Befreiungsschein*) will be issued for five years at a time only to foreign nationals who have either been lawfully employed in Austria for at least five years during the past eight years or who have been married to an Austrian national and have had their residence in Austria for at least five years and, under certain circumstances, also for the children of these foreign nationals.

Table 12 Educational level of Austrian inhabitants by nationality and sex (2001)

	Austrian		All foreigners		Germany		Ex-Yugoslavia		Turkey		Poland	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Primary school	15.9	24.6	50.1	54.2	22.8	29.3	55.0	69.9	77.4	89.3	34.7	32.1
Apprenticeship	52.7	29.4	29.9	17.5	30.6	24.5	34.6	16.8	15.4	4.7	33.9	14.4
Vocational school	8.3	20.9	3.6	8.0	6.1	14.1	2.9	5.3	1.5	2.0	5.8	10.1
Upper secondary academic schools	4.5	5.1	4.5	7.3	10.9	13.3	2.7	3.3	3.5	2.8	6.1	21.7
Upper secondary vocational schools	8.2	7.6	3.1	3.3	3.2	2.2	2.4	2.4	0.6	0.4	10.4	8.4
Vocational colleges	0.5	1.0	0.3	0.4	0.3	0.5	0.1	0.2	0.0	0.0	0.8	1.1
Tertiary education	9.8	11.4	8.5	9.3	26	16.2	2.3	2.1	1.5	0.8	8.1	12.2
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: BKA 2008: 22f (Microcensus 2001)

Table 13 Occupational status of labour force by nationality and sex (2001)

	Austrian		Germany		Ex-Yugoslavia		Turkey		Poland	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Self employed	11.9	8.9	16.1	11.4	2.4	1.8	2.6	1.9	6.0	4.9
Employees (incl. civil servants)	48.4	65.4	54.4	65.7	15.1	24.5	12.5	19.5	21.2	44.8
Skilled workers	21.4	6.3	15.9	7.6	24.2	5.2	14.4	4.2	39.5	8.4
Semi-skilled workers	10.7	11.4	8.5	9.4	28.9	28.0	22.5	18.3	18.5	20.7
Unskilled workers	7.2	7.4	4.6	5.1	28.0	38.0	46.1	51.1	13.8	17.5
Looking for the first job	0.5	0.6	0.5	0.8	1.5	2.6	1.8	5.1	1.0	3.8
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: BKA 2008: 30 (Microcensus 2001)

3.3 The employment of young and elderly people

In September 2005 the Austrian Parliament adopted the Employment Promotion Act. It has provided a legal basis for an expansion of labour market policy expenditure by 284,6 million euros in 2006 and 2007. Compared to expenditure on active and activating labour market policy in 2004 (1,54 billion euros) this led to an increase of resources by nearly 20 %. The major part of the Employment Promotion Act is implemented by the National Employment Service (AMS). Within the scope of an employment initiative called “*Unternehmen Arbeitsplatz*” the target, formulated by the Federal Ministry of Economics and Labour (BMWA), was to additionally reach 60.000 persons in five focus fields by training measures or employment subsidies: nursing and care, female returners, youth, low skilled and older male workers.

In Austria during the last years several reforms as well as active labour market programmes for the two groups of young and older people have been launched. In the following we will present those programmes or initiatives briefly (based on the results of the evaluation of the National Reform Programme 2006 and 2007, c.f. Berger et al. 2006, 2007).

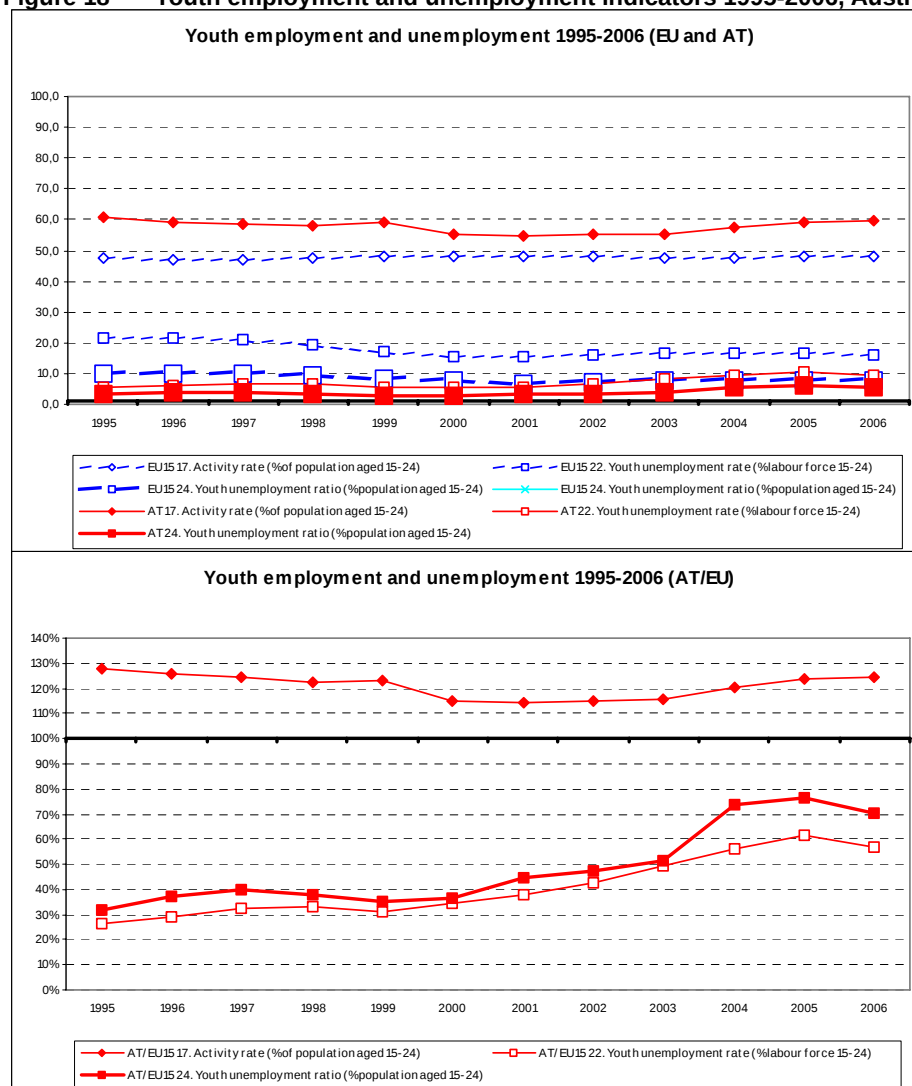
3.3.1 Policies to promote youth employment

The number of people in employment up to 19 years is declining (see appendix Figure 44) due to demographic changes and an increasing participation in (higher) education. In 2005 one third of an age-cohort started to study at a university (Unger, Wroblewski 2007).

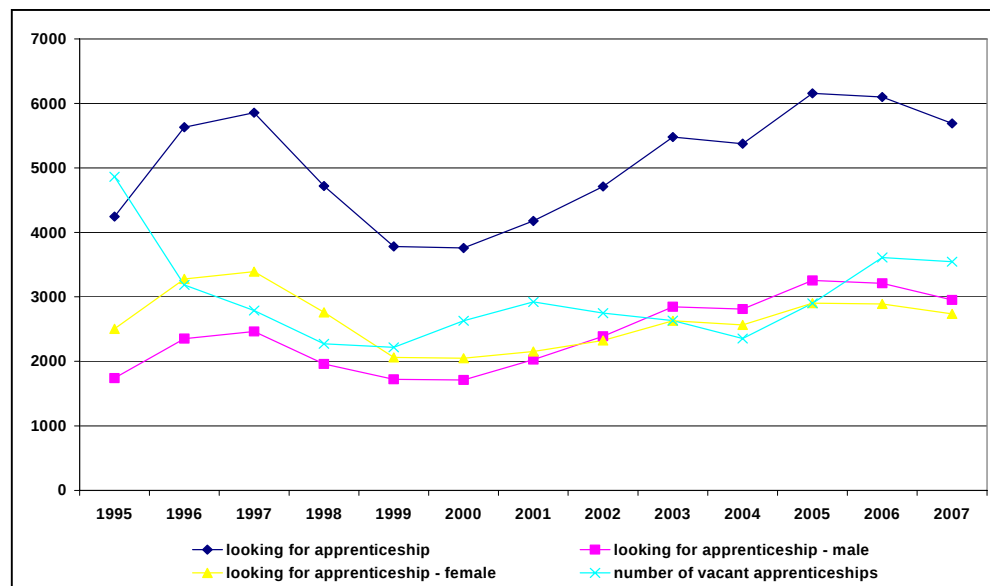
Youth unemployment in Austria is still clearly beneath EU-average. In 2007, the youth unemployment rate was 8.4% as compared to 15.4% (EU27). In 2007 35,140 young people (15-24 years; yearly average) were registered as unemployed (thereof 44% female). However, the youth unemployment rate for both men and women is increasing in comparison to the overall EU-trend (

Figure 18)).

Among the younger people with transition problems the market for apprenticeships constitutes a main separate segment, where the number of people looking for an apprenticeship constantly exceed the number of vacancies since years. Figure 19 shows the relationship since 1995. In 2007 5,689 young people were looking for an apprenticeship (48% female) and 3,546 vacancies were registered with the Public Employment Service (AMS).

Figure 18 Youth employment and unemployment indicators 1995-2006, Austria and EU

Source: Own picture based on EIE 2007, Annex 2.

Figure 19 Development of people looking for an apprenticeship and vacancies

Source: AMS

Against the background of the Lisbon Strategy, special attention should be paid to the development of youth unemployment in general. Although youth unemployment in Austria is still beneath EU average, transition problems have increased in recent years. The apprenticeship system is an important pathway to the labour market and is therefore a main starting point for measures.

In the programmes of Austrian labour market policy the clear focus has been laid on young people with a target of 35,000 additional participants within the above mentioned employment initiative “*Unternehmen Arbeitsplatz*”. The following programmes for youth have been implemented:

(1) The Jobs4You(th) programme as a part of the mentioned initiative comprises qualification measures and (to a lesser extent) employment subsidies for people under 25 years. With the target to ensure certified and labour-market oriented qualifications, Jobs4You(th) concentrates on long-term unemployed youth between 19 and 24 years. Embedded in the employment initiative “*Unternehmen Arbeitsplatz*”, the programme is expected to reach 22,000 young people. Recent impact analyses on measures reveal that 65% of participants would have changed into unsubsidised employment within 6 months after the end of the programme. Applied to the number of participants scheduled for 2006, approx. 14,300 people younger than 25 years are expected to change into employment within the accordant time period.

(2) The so called *Blum-Bonus (Projekt '06)* is another part of the “*Unternehmen Arbeitsplatz*” initiative focused on the support of enterprises providing apprenticeships: With the Blum Bonus, the AMS subsidises employers providing additional apprenticeships. The bonus amounts to 400 € per month and apprentice in the first year, 200 € in the second and 100 € in the third year. The initiative started in September 2005. Until the end of April 2006 more than 10,500 persons were subsidized in the programme. The recent development of apprenticeship training positions indicates a *positive impact* of

promotion programmes. The gap between apprenticeship seekers and open positions was reduced in 2006. Compared to 2005 the number of apprenticeship trainees increased by 7,830, from 111,641 in August 2005 to 119,471.

(3) It is the aim of the Youth Training Provision Act (JASG, *Jugendausbildungsgesetz*) to provide additional apprenticeship training positions in training centres for youth who are unable to find suitable training positions within firms. The core of the initiative is represented by training courses lasting up to twelve months, which shall develop appropriate skills of the trainees. Within this comprehensive initiative supra-enterprise-oriented apprenticeship in training centres (*überbetriebliche Lehrausbildung*; ÜAZ) has been introduced in 2004/05.

The concept of supra-enterprise apprenticeships (*überbetriebliche Lehrausbildung*) focuses on youths with learning difficulties. Educationally disadvantaged youths without apprenticeship training positions have the possibility to attend traineeships in the training centres. According to information of the government's appointee concerned, existing ÜAZ provide training positions for about 1,000 apprenticeship trainees. For the current programme in 2006/07 it is planned to increase ÜAZ capacities to around 2,000 traineeship positions.

Although no further information exists about the impact of ÜAZ, apprenticeship-training courses within the Youth Training Provision Act were evaluated. According to the BMWA (BMA 2004), 55% of the participants in JASG 4 training courses started a regular apprenticeship within the first month after the end of the programme. Transition rates extend to 67% within a time period of 6 months after the end of the programme. About 14% of participants start a subsidised apprenticeship within 6 months. Another evaluation of respective training courses carried out by L&R Social Research also assumes positive short-term integration impact. Thus 60% of the persons that participated in trainings courses within the scope of JASG changed into an apprenticeship training position within the first six months⁵.

The positive short-term effect in the apprenticeship system is thwarted by less favourable long-term effects. According to the BMWA examination (BMA 2004), the integration after participation in training courses into the apprenticeship system is insecure. Within the first 6 months after the end of the programme about 12% of the participants become again unemployed. Over an examination period of 12 months about 20% of JASG 4 participants have started an apprenticeship but became unemployed afterwards.

(4) Another programme has been provided by a placement and job-coaching initiative for younger people: Within the scope of the integration-initiative "Chances for the Youth" (*"Der Jugend eine Chance"*), job search assistance is offered to long-term unemployed people under 25 (unemployment durations over 6 months). The programme is co-financed by the AMS and the Federal Economic Chamber (WKÖ). Over a maximum period of 9 months, a personal coach supports the job search activities of juveniles. The programme comprehends a qualification and orientation module geared to

⁵ Note that the results refer to training courses conducted in the period 1998-2000.

the improvement of social skills. According to AMS information, until September 2005 2,018 people participated in the programme. The target is to bring 2,000 participants into employment until July 2007. 643 of the participants had been already placed into an unsubsidised occupation until September 2006. 104 participants were attending practical training in enterprises. Thus for the first group of participants the placement rate is 72%.

3.3.2 Policies to promote employment of elderly (age 55-64)

In the context of the elderly the low employment rate for people aged 55 or older is a main problem pointed out already above (section 2, Figure 12). Within the context of the Lisbon Strategy, EU Member States have agreed to contribute to an employment rate of 50% for older workers (55 to 64). In 2005, the Austrian employment rate was 31.8% for older workers, thus ranking markedly below EU average. Corresponding values were 42.5 % for EU25 and 44.1 % for EU15. Traditionally, Austria ranks among the countries with the lowest exit ages from labour force, for both female and male retirement.

The context for labour market policy measures has been given by a pension reform which was strongly disputed between the political parties and the social partners as well, the debates have started in 2000. The Pension Harmonisation Act 2004 (*Pensionsharmonisierungsgesetz*, in force since 2005) created an uniform pension law for the entire active population. It involves transparent and performance-based pension accounts for workers aged less than 50. Early retirement schemes will be gradually abolished and a changed calculation method for pension levels has been introduced. More recently, a set of policy measures has been created which should increase the employment of older people. Within European programmes (EQUAL, ESF) projects have been conducted aiming on the development of an overall comprehensive Austrian strategy for the ageing society. However, these proposals have not been adopted by the policy community. Thus measures still remain at a piecemeal level.

(1) Within the Employment Promotion Act a special programme for the elderly has been included, which comprises active labour market measures and single projects to promote appropriate working conditions. At present, the labour inspectorates establish programmes on age-compliant work that will be incorporated into the activities of labour inspection. The special programme for elderly is budgeted at 4.5 million € and aims at reaching about 5,000 additional participants. The excursus subsequent to the target oriented assessments discusses the potential impact of active labour market programmes within the Employment Promotion Act.

(2) Another policy line has been to create monetary incentives for the extension of working lives. In recent years, the Austrian Government introduced a number of policies influencing incentive systems regarding the employment of elderly. They comprise incentives directed at employers as well as older workers:

- reduction of non-wage labour costs for elderly,
- Bonus-Malus System providing incentives towards the engagement of elderly and

- disincentives for dismissal.

Such incentives lessen the burden of seniority wages that result in relatively high wage increases for older workers and thereby causes competitive disadvantages. With regard to net-effects, however, the selective and target-group oriented interventions into labour-costs may cause substitution and displacement effects.

Incentives for extended working lives also come from a fixation of the calculation basis of unemployment benefits (which reduce poverty traps associated with low wages or continued unemployment benefits) if elderly meet eligibility requirements regarding a corridor pension.

(3) Since 2000 an old-age part-time scheme (*Altersteilzeit*) provides compensatory wage payments financed by unemployment insurance for older workers who decrease working time by at least 40%. However, in practice this programme has been utilised by “packaging” the reduced working time to a period working full-time, and the rest of the period being fully free. According to OECD sources, the scheme “has opened a highly utilised and fiscally expensive channel into early retirement outside the statutory old age pension system.” (OECD 2003: 5) Since 2004, the packaging practice (working full-time during the first years covered by the scheme and ceasing work entirely in the remainder of this period) is only possible if another part-time employee is recruited. Without a new recruitment the financial support is reduced to 50%. Although the old-age part-time scheme was intended to provide a reduction of working time without completely leaving the labour market, working time is still often “packaged” thus providing incentives to step out of labour-force earlier.

(4) A new and interesting programme for elderly people is the usage of the concept of “work foundations” for supported combined measures of outplacement and implacement. This kind of programme is jointly supported by the AMS and some regional governments, and considered as a successful practice.

In sum there have been policy movements towards increasing employment of older people and to change the early age of starting pensions, however, given the very low employment rate of older people in Austria, and compared to the strong effort for young people, much more remains to do at this level to change the previous common practice of early retirement which had been shared more or less by all actors.

3.4 Undeclared Work

Official empirical data or estimates on the extent of undeclared work are understandably not available. However, research conducted on a regular basis by Schneider (2002, 2005) indicates that undeclared work might reach a figure of about 10% of the GDP, which is low in international comparison (rank 19 of 21 OECD-countries, with only Switzerland and the USA below Austria). This result is to some extent on the contrary to everyday beliefs and experience. A volume of about 850.000 full-time equivalents of employees is estimated for this amount of undeclared work (Enste/Schneider 2005). The estimates also show a marked increase of the shadow economy, from about 2% of the GDP in 1975, through 3-

4% in the 1980s to the actual proportion of 10%. In sectoral terms, a comparatively high incidence of undeclared work has been found in the construction industry (39% of the total), followed by hotels and restaurants (16%), industrial production (16%) and the entertainment sector (12%). The remaining 17% of the volume are found in private services such as tuition, childcare and hairdressing (Schneider 2005:13). There are no data relating to gender aspects available.

Due to the lack of reliable data it is hard to estimate the numbers of illicit employed people. Estimates by Este and Schneider, based on the extrapolation of the estimated hours of undeclared work (2005) show 750,00 full-time domestic illicit workers and 104,000 illicit foreign workers (FTEs). These estimates seem rather high in comparison to the proportion of GDP (10% of GDP vs. about 22%: 0,85 million FTE undeclared work in relation to 3,7 officially employed people). It must also be taken into account that undeclared work is often done beneath employment, so the FTEs do not at all resemble physical persons. For illegal residents illicit work is the only access to paid employment in Austria, and for legal non-nationals this is also often the case because of the restrictive employment permits.

There have been frequent debates about policy measures in this area, and policies to combat illicit employment have been often included in employment programmes, e.g. the ESF strategies. The National Reform Plan (NRP) also mentions a general intention to combat undeclared work by a stricter enforcement of legal regulations. One more original attempt to legalize undeclared work has been a service cheque in the area of personal services. The debate about undeclared work was recently intensified by the visibility of severe problems in the field of care and nursery of elderly. Professional care carried out by regular employees from home care institutions is unaffordable by the average pensioners and their families. According to estimates by social profit organisations about 40,000 people, particularly women from the Central and Eastern European new EU-Member States might be employed illegally in private households, providing 24-hour care for people in need of care (Lechner, Wetzel 2007).

3.4.1 The Household Service Cheque

On January 1st, 2006 the Household Service Cheque Act (Dienstleistungsscheckgesetz, DLSG) came into force. The service cheque scheme has been introduced to combat illicit work in private households. In practice this means that people using household services pay for them with a special cheque (including accident insurance contributions) instead of cash. People using such services have to buy cheques in advance. The cheques are available for sale at post offices or tobacconists' shops at a fixed value of 5€ or 10€. By paying for the service with the cheque the "employer" has fulfilled all social insurance obligations on behalf of the worker. The purchasing price of the cheque includes 1.4% injuries insurance contribution and small administration fees. The worker has to submit the received cheques for the work by the end of the month to the Insurance Association.⁶ The income with one employer may not exceed the minor employment level of monthly 341,16€ (2007). The

⁶ The Insurance Association for Railway and Mining Workers (Versicherungsanstalt für Eisenbahn und Bergbau, VAEB) is responsible for the administration of the service cheque scheme.

worker is covered by accident insurance and has the possibility to pay contributions to health and pension insurance voluntarily (see also marginal part-time work above).

The service cheque primarily aims at offering a legal and attractive alternative to off-the-record work as well as achieving better reconciliation of job and family. The explicit aim was to help establish a “real labour market” with “real prices” for a series of private household services covered by social insurance and standard law regulations. This does still not work very well. For instance, the vast majority of household workers, who are illegally engaged non-nationals, are explicitly and deliberately not affected by the scheme because foreign workers would have to have both work permit and residential status for being eligible for the scheme. Moreover, the service cheque is designed to pay for simple household services, like help with housekeeping (shopping, heating meals, heating of rooms, cleaning, child minding or simple gardening jobs). It is not a tool for qualified services like administering medication.

A first evaluation of the service cheque scheme (BMWA 2007b) shows that 2.060 workers and 2.310 employers used that scheme by the end of 2006, which was in accordance with the expectations of the Ministry. About one third of those workers (39%) used the option to pay contributions to health and pension insurance. The majority of workers are female due to the expected field of work (private households) and the majority of employers are high qualified professional people living in urban areas.

3.5 Working time and work organisation

Working time is regulated in Austria at two levels: first there are general legal framework regulations stating the overall maximum length of a working day, and a working week. Also vacation is regulated on such a basis. Those regulations are of importance for overtime pay. Second, the concretisation of the framework regulations is done at the level of collective agreements. As there are high numbers of collective agreements concluded due to the various trades and industries, the concrete regulations are impossible to oversee. Since decades, there have been frequent debates about a general reduction of working time, however, the social partners have been keen to hold up their responsibilities at the level of collective bargaining.

As already mentioned, increasing labour market participation in recent years is mainly due to an increase in part-time work. Part-time work is still performed predominantly by women (almost 90%) and is on the rise substantially. The rate is above 20% overall, and above 40% among women. The increase of part-time work of women has also caused a reduction of average weekly working time (from 35,6 hrs. in 1999 to 33,2 hrs. in 2005), the gender gap in working time has increased from 6,7 hrs. to 8,3 hrs.

Table 14 Distribution of working hours and average weekly working hours by sex (2005)

	Total	Men	Women
Up to 11 hours	3.9%	1.6%	6.5%
12-24 hours	9.0%	2.4%	17.0%
25-35 hours	9.2%	2.8%	17.1%
<i>Cumulative up to 35 h's</i>	<i>22,1%</i>	<i>6,8%</i>	<i>40,7%</i>
36-40 hours	47.8%	52.8%	41.7%
41-59 hours	20.1%	26.7%	12.0%
60 hours and more	8.4%	11.9%	4.1%
Highly variable	1.7%	1.8%	1.5%
Total	100%	100%	100%
Average hours part time (up to 35 hours)	18.4 h/w	18.9 h/w	18.8 h/w
Average Total	43.8 h/w	34.2 h/w	39.5 h/w

Source: LFS.

The incidence of specific working time arrangements is ranging from about 8% (night work) to 32% (Saturday work), as indicated in Table 15. Growth has been most dynamic with shift work and similar arrangements, and with work during the weekend.

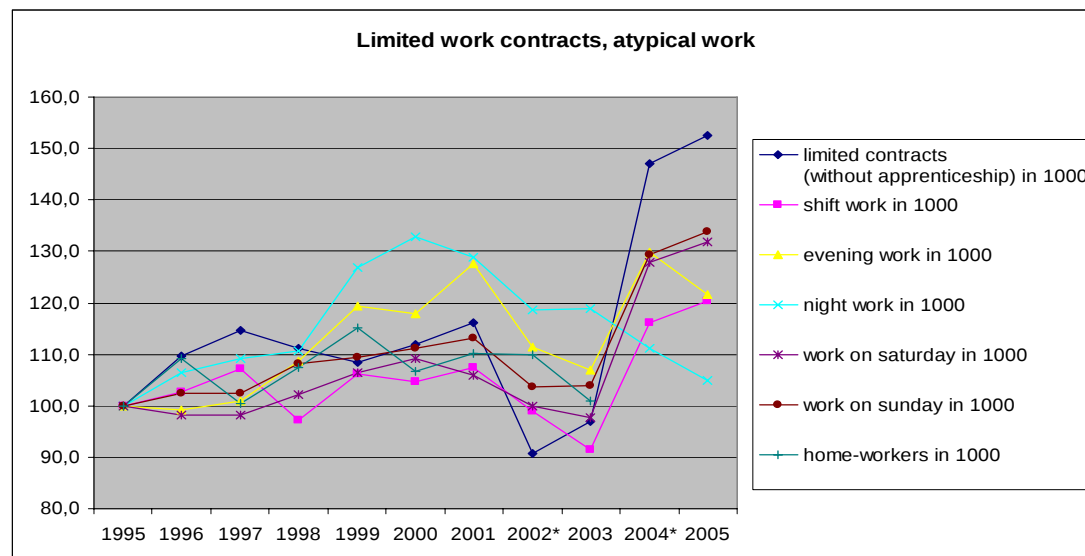
In terms of convenience of special arrangements for the people affected, the positive answers are very high. „Surprisingly, a high rate of respondents regard these types of work arrangement as convenient for their individual life situation. Almost nine out of 10 respondents stated that they had no difficulties with these working time arrangements. Furthermore, there is no difference in this respect between men and women, which is also an unexpected result” (EUROFOUND 2007a, 3).

Table 15 Contracts of limited duration (without apprenticeship), atypical work 1997 to 2005 (in 1,000)

Employees			Employees & self employed, regularly:				
			Evening work	Night work	Saturday work	Sunday work	Homeworkers
1997	134.1	527.6	476.5	311.6	908.9	518.3	373.3
1998	130.3	478.0	512.5	315.9	946.7	547.4	398.4
1999	127.0	522.7	563.4	361.5	985.0	553.4	427.9
2000	131.0	514.4	556.3	378.6	1,009.8	562.3	395.7
2001	136.1	527.8	601.9	367.4	979.9	571.9	408.7
2002	106.2	487.3	525.2	338.4	924.0	524.3	408.1
2003	113.4	450.3	504.6	338.8	903.9	525.3	375.0
2004*	172.2	570.8	612.4	317.1	1,183.2	654.2	n.a.
2005	178.5	592.0	573.4	299.1	1,219.5	677.8	259.3

* interruption in time series due to change in survey questionnaire, n.a. not available

Source: LFS (Statistik Austria)

Figure 20 Incidence of special working time arrangements

* interruption in time series due to change in survey questionnaire

Source: LFS (Statistik Austria)

What is not reflected in the data presented above are consequences of an amendment to the Working Time Act (*Arbeitszeitgesetz, AZG*) which provides for greater working time flexibility. The more flexible working time regime aims at accommodating both the various sector related business demands and employee needs in terms of work-life balance. The amendment includes the following main features:

- the right of collective bargaining parties to stipulate up to a 10-hours normal working day
- the lengthening of reference periods for overtime (under certain circumstances the works agreement may allow for maximum working hours up to 12 hours a day and 60 hours a week for a maximum period of 24 weeks a year)
- with regard to shift work: 12-hour shifts may be stipulated by the parties to collective agreements not only at weekends but also during the working week
- higher penalties for employers who violate working hour regulations and/or who fail to correctly register working hours of employees (maximum fines will increase from the current level of €436 to €3,600 per case)
- the introduction of a legal claim to premium rates of pay for overtime (25%) for part-time workers if that overtime is not fully compensated by periods of shorter working days within three months.

From time to time discussions about Sunday work come up. Work on Sunday is in principle prohibited in Austria. However, the law permits exemption to be made by the Minister of Labour and Economics for basic necessities or for economic or technological reasons, and by the heads of provincial

governments for exceptional regional supply purposes. Legislation in 1997 also enabled social partners to conclude collective agreements permitting Sunday work if this is deemed necessary in order to safeguard or create employment. The most heated Sunday work debated are taking place in retailing. Shops in tourists areas, hospitals, railway stations and airports are all covered by an exemption from the ban on Sunday work. The designation as a tourist area is up to the provincial government. Vienna, one of the most foremost tourist destinations, has not been declared a tourist area while some of the smaller tourist towns have been.

In general there is a high consensus to keep Sundays as holidays despite numerous exemptions. In 2007 the social partners agreed on a special agreement for the time of the EURO 2008 (6 weeks in June and July 2008). During the EURO 2008 shops are allowed to open from noon to 6 pm (with the exception of construction markets, furniture stores, car traders and arms dealer. Working on Sundays is voluntary and for an employee only admissible every second Sunday. Employees get a compensation of 100% of their regular wage. This "EURO2008"-agreement must not be interpreted as a change in the predominant reservations against Sunday work. It has to be seen as a special contract for a limited time period.

3.6 Working conditions, working rhythm and stress at work

3.6.1 Occupational burdens (work environment and other risks)

Occupational burdens are not surveyed on a regular basis in Austria. There have been special programmes of the microcensus in 1994 and 1999. Another source of information is the European Working Condition Survey, in which Austria has participated since 1996 (second survey).

The Austrian microcensus distinguishes between two types of potentially adverse working conditions: working environment-risks and other job-related stress factors. *Working environment risk factors* include weather conditions, hot/cold/wet conditions (indoors), dust, dirt/grease/oil, toxic substances, gases/smoke, industrial noise, office noise, traffic noise, second-hand smoke etc. The category *other job related stress factors* comprises heavy/ unwieldy tools, other heavy physical workload, unergonomic working conditions, repetitive manual tasks, risk of injuries, working under time pressure, regularly required involuntary overtime, monotony of work, occupational responsibilities outside working hours, lack of privacy in the workplace, lack of optional short breaks etc.

If the results of microcensus 1994 and 1999 are compared we have some indications about the development of adverse influences of the working environment, and of job-related stress factors: The most common items of adverse influence of the working environment are experienced by around 15-25% of respondents, most of those conditions have slightly declined from 1994 to 1999, except „artificial light“ (stable above 25%, women above 30%) and „hot conditions (indoor)“ (increase from above 20% to above 25%). Job-related stress factors have rather increased, particularly working under time pressure (the most common item, from above 40% to above 50%), continuous customer contact and unbalanced workloads (the two second common items, from about 30% to about 40%),

and work requiring constant concentration (from above 20% to 30%). Men are more commonly affected by those items with the exception of continuous customer contact (women 45%, men 35%), (EUROFOUND 2007b).

Table 16 Occupational burdens (1999)

Work-related stress	Employees			
	Total 1,000		Men % affected.	Women
Heavy, unwieldy tools	472.9	12.8	18.5	5.2
Other heavy physical strain	1,076.0	29.0	34.2	22.2
Unilateral physical strain	804.1	21.7	21.3	22.2
Repetitive manual tasks	417.3	11.3	10.6	12.2
Necessity for ability/dexterity	1,203.4	32.4	36.1	27.7
Uncomfortable work or protective clothes, -facilities	346.8	9.4	12.6	5.1
Accident risk, risk of injury	1,304.6	35.2	46.4	20.5
Time pressure	1,997.3	53.9	58.5	47.7
Regularly alignment to work overtime	741.0	20.0	25.1	13.2
Commitment to work off the job	658.0	17.7	20.9	13.6
Monotonousness	337.7	9.1	8.0	10.5
Irregular workload	1,507.8	40.7	42.0	38.8
Constance of screen handling	1,129.4	30.5	29.4	31.9
high concentration (e.g. controls, inspections)	1,132.5	30.5	33.5	26.6
Constance of customer contact	1,503.0	40.5	36.0	46.5
Absence of privacy at the workplace	317.3	8.6	8.0	9.3
Absence of possibilities for personal contact	116.5	3.1	3.2	3.1
Constant contact to needy or critically ill persons	238.9	6.4	3.2	10.7
No possibility for short breaks	274.8	7.4	6.8	8.2
Non of these kinds of work-related stress	260.3	7.0	5.4	9.1
Total (in 1,000, 100%)	3,709.2	3,709.2	2,107.3	1,601.9

Source: Microcensus 1999.

3.6.2 Perception of stress at work and satisfaction with working conditions

According to the fourth European Working Conditions Survey (EUROFUND 2007c) the overall satisfaction with working conditions is above average in Austria. 89.6% of employees are satisfied or very satisfied with working conditions (EU15: 84.8%; EU27: 82.3%). However, this aggregate figure conceals large differences between different groups of workers. Therefore we refer in the following to national data.

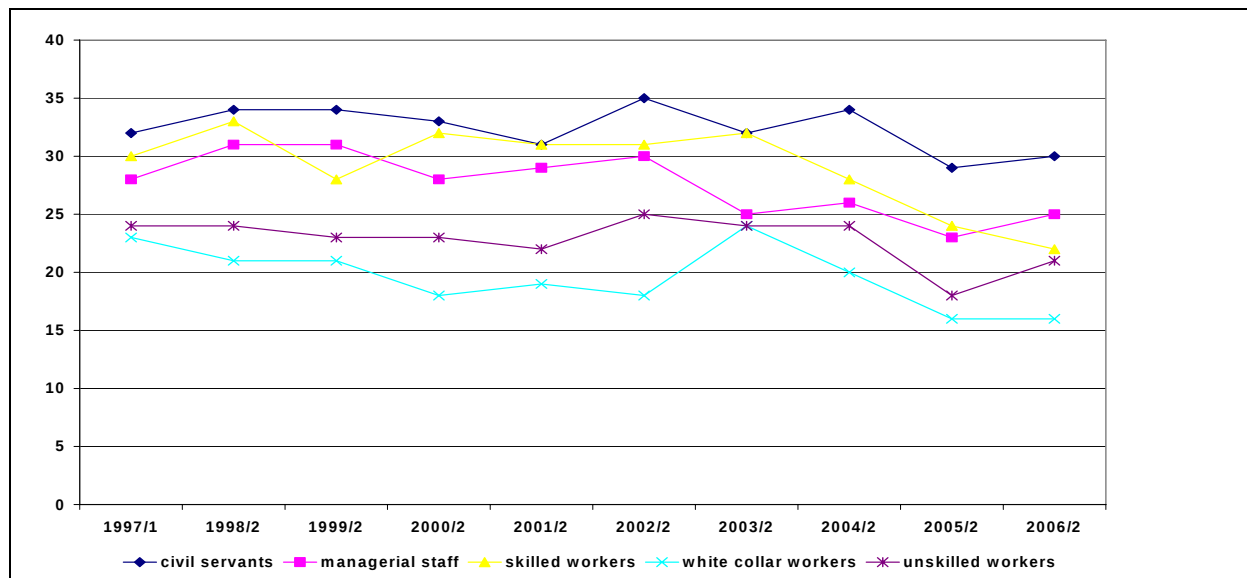
Information on job satisfaction is available regularly through the Working Atmosphere Index (*Arbeitsklimaindex*). Since 1997 a representative sample of employees is surveyed twice a year.⁷ One

⁷ The Working Atmosphere Index (running since 1997) was developed by two research and survey institutes on commission of the Upper Austrian Chamber of Labour. The survey among 1,800 employees a year (two waves a year with 900 respondents each) focuses on workplace satisfaction / dissatisfaction. It indicates job satisfaction as well as workload and also gives information about more general aspects of life satisfaction. The survey is conducted by IFES on behalf of the Chamber of Labour Upper Austria. For further information [in German] see: www.arbeitsklima.at.

topic in that survey is stress (innovation stress, psychological stress, physiological stress and satisfaction with working time arrangements).

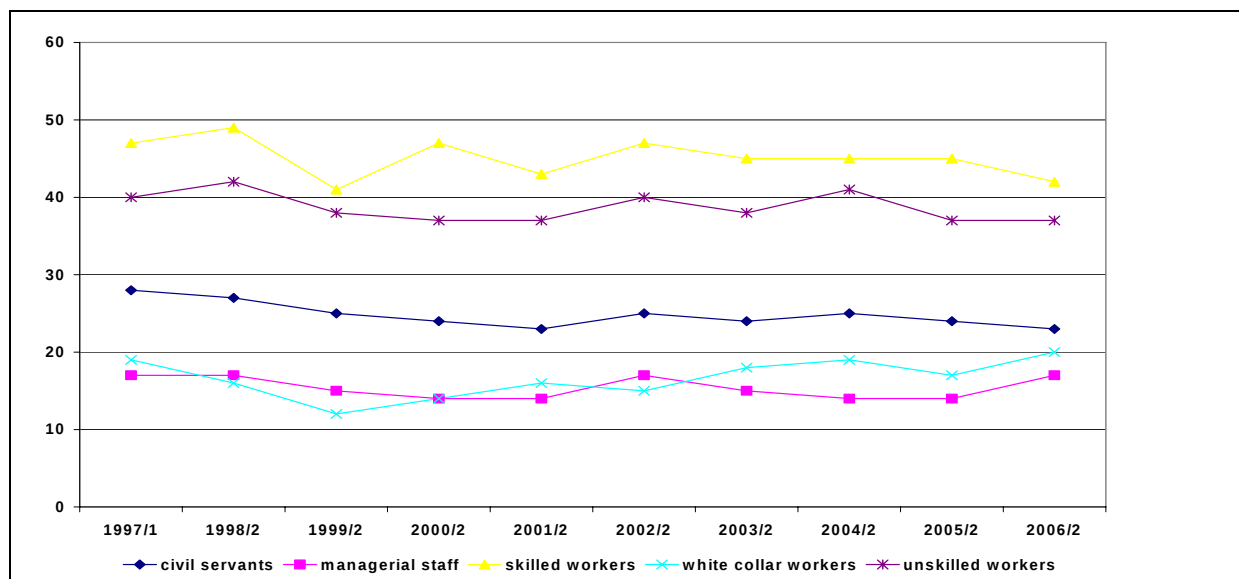
In all four dimensions the pattern among different positions of employees remains rather stable. Civil servants, followed by skilled workers and managerial staff, mention the highest level of innovation stress. Skilled and unskilled workers show the highest level of physical stress. Civil servants also show the highest level of psychical stress, followed by managerial staff. The psychical stress level of workers (skilled and unskilled) is not much lower. In all the three dimension mentioned so far, white-collar workers without management functions show the lowest stress level. On the other hand, satisfaction with working time arrangements is highest among civil servants and managerial staff. Both skilled and unskilled workers are to a lesser extend satisfied with their working time arrangements.

Figure 21 Innovation stress by occupational status



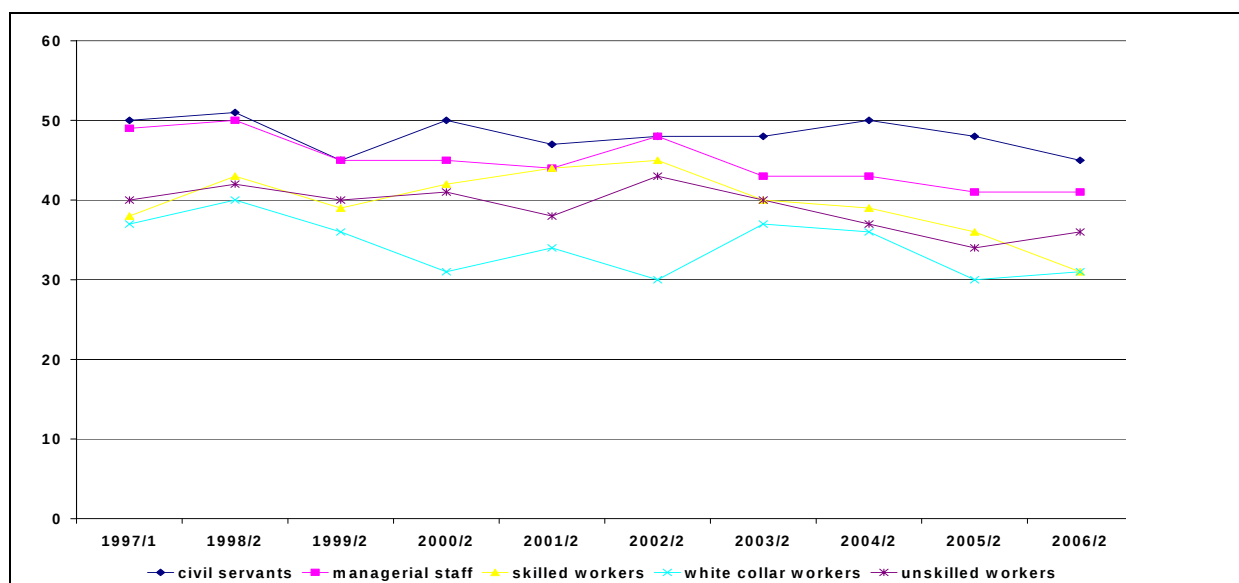
Innovation stress is defined as stress caused by technical or organisational changes and frequent changes in routines or demands at work.

Source: *Arbeitsklimaindex*

Figure 22 Physical stress by occupational status

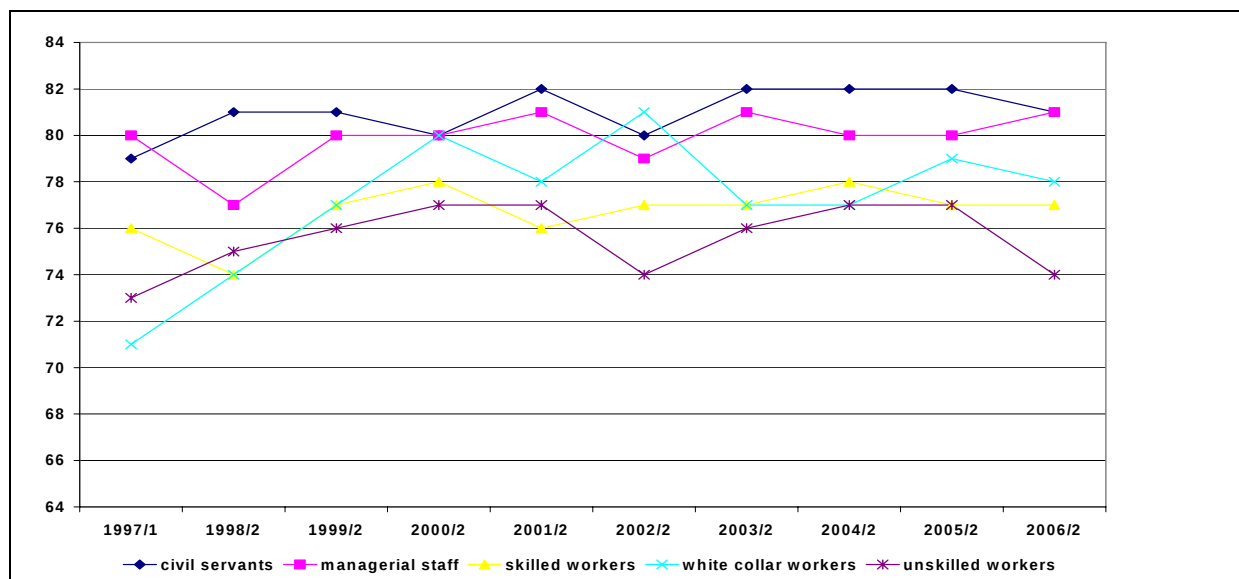
Physical stress is defined as stress caused by bad working conditions (noise, dust, mud etc.) or danger of working accidents.

Source: *Arbeitsklimaindex*

Figure 23 Psychical stress by occupational status

Physical stress is defined as stress caused by time pressure, wearing situations at work or psychological tension.

Source: *Arbeitsklimaindex*

Figure 24 Satisfaction with working time arrangement

Index made up of two questions: satisfaction with working time arrangement, satisfaction with reconciliation of work with private interests and family duties

Source: *Arbeitsklimaindex*

3.7 Access to training

Information on the participation of employees and self-employed in continuous education or further vocational training is available via two sources: First, the Labour force Survey contains a question on activities in the field of continuous education during the last four weeks (EU structural indicator). The second source is the European Continuous Vocational Training Survey (CTVS) that focuses on training activities of enterprises during the last year. Here the focus is clearly on job-related training activities, which can be implemented in various settings (on the job, in-house, formal courses, conferences etc.).

According to the LFS 2006 10% of employed persons participated in training (male 9%, female 12%). If only job-related activities are considered, 7% of employed persons participated in training (male 6%, female 7%). There is a clear distinction in the conditions between men and women. Almost two thirds of men participated in training during paid working hours but only 43% of women.

Table 17 Participation in job related courses and other non-formal learning activities during the last four weeks by sex

	Total	Men	Women
Only during paid working hours	53.0	62.3	42.9
Mostly during paid working hours	8.3	8.9	7.6
Mostly outside paid working hours	5.0	3.5	6.5
Only outside paid working hours	32.9	24.7	41.7
Total	100%	100%	100%
Absolute (in 1.000)	259.5	135.0	124.5

Source: Statistics Austria, LFS 2006 (annual average)

The CTVS provides more detailed information on vocational training activities because it focuses on activities of companies (training in paid working time or at least partly financed by the enterprise), however, includes only companies above 10 employees (and thus excludes the big proportion of smaller enterprises). This survey was conducted twice in Austria – in 2000 (training activities in 1999) and 2006 (training activities in 2005). In Austria 81% of enterprises trained their employees in 2005 (1999: 72%). Continuous vocational training courses were offered in 67% of the enterprises. 71% of the enterprises offered other forms of continuing vocational training. About every third person employed attended a continuing vocational training course in 2005. On average, every participant in continuing vocational training spent 27 paid working hours in courses (1999: 29 hours). The mean cost of a course hour amounted to 63€ per participant where on average 44% fell upon the participants labour costs.

The analysis by Salfinger and Sommer-Binden (2007) shows that training activity increases with the number of employees. 79% of small enterprises (10-49 employees), 91% of medium sized enterprises (50-249 employees) and 99% of bigger enterprises carried out training. The main forms of training are internal or external courses (63% of small enterprises, 86% of medium sized enterprises and 98% of bigger enterprises arrange courses). Men are more likely to participate in training than women: Enterprises that are active in training train 40,6% of their male staff in courses in 2005 but only one third of their female staff. If all enterprises with more than 10 employees are considered, the training quota of men amounts to 35,5% and that of women to 29,9%.

These results are in line with former studies that showed that women are underrepresented in continuous training financed by the employer, are more active in private learning activities and are participating mainly in cheaper and less intense training measures. Furthermore women are more likely to work in very small enterprises (up to 10 employees) that show the lowest activity rate with regard to continuous training (vgl. Lassnigg et al. 2000)

In general the participation in continuous training depends on the educational level. The higher the educational level, the higher the training rate.

Table 18 Participation in job related courses and other non-formal learning activities during the last four weeks by educational level and sex

	Total	Men	Women
Compulsory school	2.1	1.8	2.3
Apprenticeship	5.0	5.3	4.4
Vocational school	10.4	11.2	9.8
Upper secondary academic school	12.0	12.1	11.9
Upper secondary vocational school	14.7	15.0	14.4
Tertiary education	18.7	14.9	23.8
Total	7.9	7.5	8.5

Source: Lutz et al. 2003: 106 (Calculations based on LFS 1999, only employees older than 24 years).

Overall, access to training is at a comparatively medium level in Austria, and information about marked restrictions is not available. As in most countries, the enterprise sector is supporting training to a high

degree. The second most important institution which provides access to training is the AMS within active labour market policy. Training is the most important ALMP measure in Austria. Knowledge about effects is available to a low degree only, indicating an average level compared to other countries (see Lassnigg 2007b).

3.8 Social protection coverage

Austria's social security system has a long tradition. Already in 1887, accident insurance for workers in factories was introduced. In 1888 a health insurance system was installed that included almost all employees. Like all models that date back to the Bismarck model it is based on a social insurance system and thus strongly linked to the labour market although several additional elements have been introduced throughout its development into the complex system existing today (Tálos 1998).

A broad set of different public institutions administer the Austrian social security system, which adds to its complexity.⁸ Among them the most relevant institutions with regard to the Austrian social security system are:

- Social Insurance Associations (pensions, health and accident insurance)
- Public Employment Services and the Federal Ministry of Economics and Labour (unemployment benefits)
- Federal Ministry of Social Affairs and Consumer Protection (welfare programmes)
- Provincial Governments (*Länder*, social assistance)

The key element of the system is an (obligatory) social insurance system that covers pensions, health, accidents and unemployment.

3.8.1 Financing

In Austria the social security benefits financed by employer and employee contributions predominate⁹ – they account for more than half of all social expenditure and 59% of cash benefits. Civil servant pensions follow with a share of 19%. Universal benefits financed by taxes account for 15%, employees entitlements through employment law (continuation of wage payments in the event of illness) 5%, requirement tested benefits 4% and occupational pensions 3%. During the last years the proportion of universal social benefits has increased (from 10% in 1990 to 15% in 2003). This is mainly due to new benefits such as childcare allowance (see chapter on work and family). Considering the social system

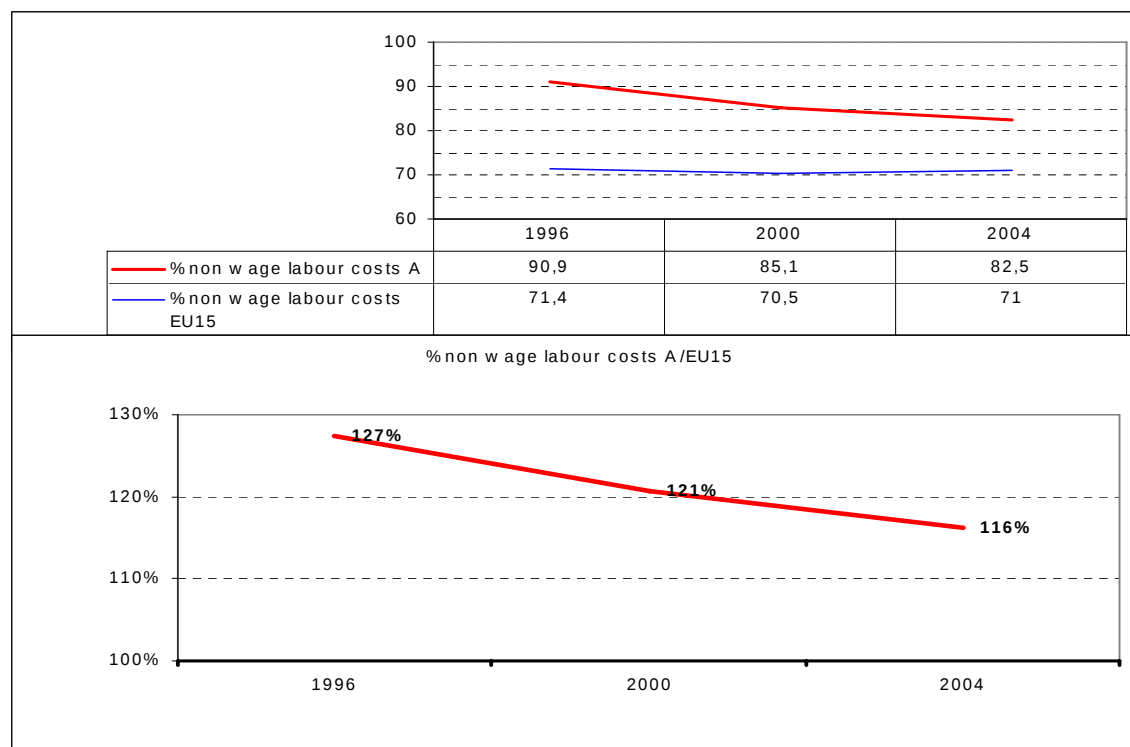
⁸ In the following we focus on those parts that are most relevant in the context of decent work.

⁹ Missoc 2007, download: http://ec.europa.eu/employment_social/social_protection/missoc_info_en.htm

overall, in 2003 38% of the costs were financed by employer contributions, 35% by administrative bodies (Federal Government, *Länder*, municipalities) and 26% by contributions of the insured.

At present for people in employment 31.7% of wages subject to contributions (gross wages) are diverted to social insurance: 22.8% to pension insurance, 7.5% to health insurance and 1.4% to accident insurance. These contributions are to be paid up to a certain limit (maximum contribution threshold; 3.840€ per month in 2007). In addition to these social insurance contributions 6% is to be paid for unemployment insurance. Pure employer contributions are paid for payment safeguards in the event of bankruptcy (0.7%) and for the Family Burdens Equalisation Fund (FLAF, see below). There are additional employer contributions for certain employee groups (poor weather compensation, nightshift, heavy labour). Since 2003 an employer contribution of 1.53% of total wages has to be paid for staff welfare. It is possible to build up a second pillar of pension insurance from this.

Figure 25 Non-wage labour costs as % of the gross wages of employees 1996-2004, Austria and EU15



Source: Guger/Leoni 2006, 19, own calculation, own figure

All wage related contributions (non wage labour costs) total between 47% and 52% of total wages (among that the employer share lies between 29% and 34%). If the non-wage labour costs are directly related to the gross wage of employees (including fringe benefits), they amount to about 80% in 2004. They have been markedly reduced since 1996, however, remain 16% above the EU15 level .

The financing of different benefits is organised as follows:

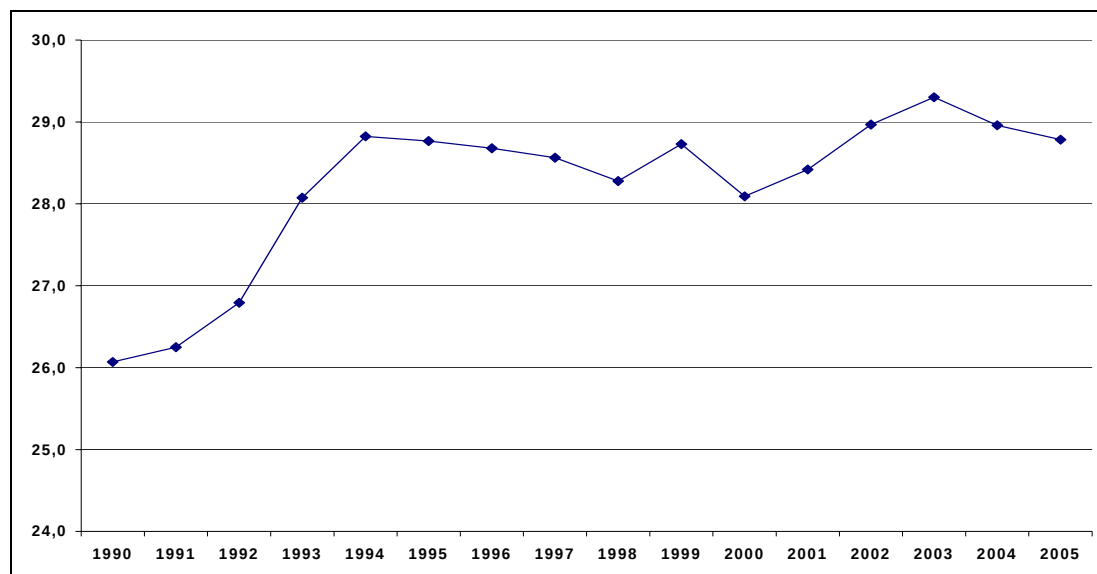
Financing of health benefits: Public hospitals are financed by funds which are set up in every of the nine Länder. These funds are fed by the particular Federal State (Land), the municipalities, the Federal Government and the health insurance companies. A small proportion of the costs of hospital care is borne by the patients themselves through excess payments. The remaining benefits of the public health care system (treatment by doctors, medicines, medical therapies, rehabilitation etc.) are primarily financed by the health insurance agencies. The financial resources of the health insurance agencies largely stem from the contributions of the insured and the people using the service (excess payments). For the entire health system the following rough distribution of costs is estimated: half of the costs are covered by contributions to health insurance, one quarter from (indirect) taxes and the remaining quarter “privately” (payments by patients and by private health insurance). The Austrian care allowance (*Pflegegeld*) represents an independent social benefit and not a benefit as part of health insurance. It is in principle financed by general budget resources of the Federal Government and the Länder and not by contributions.

Financing of family benefits: The Equalisation Fund for Family Assistance (FLAF) to a large extent provides the funds for Austrian family benefits. The FLAF is intended to create equilibrium between parents requiring care and people without maintenance obligations. The financing of the FLAF takes place according to a mixed system: the most important source of income is employer’s contribution. 4.5% of total wages are diverted to the Fund. The proportion of employer’s contribution in the tax revenue of FLAF amounts to about 75%. The FLAF is also fed by a proportion of income and corporation tax, and contributions by the Federal States and by contributions of agriculture and forestry.

Financing of unemployment benefits and labour market policy: Contributions to unemployment insurance are levied at 6% (half borne by the employer and half by the employee) from the gross earnings of employed staff up to a maximum contribution basis of 3.840€ per month (2007).

Financing of old age benefits: The old age insurance system is based on the principle of the universal coverage of all those in gainful employment. In particular different systems are in place for different categories of employment: there is a so called “common” system, which protects wage and salary earners, two special systems for farmers and other self-employed persons, various special systems for civil servants from the relevant public employers, pension schemes for private professions (e.g. solicitors, doctors) or special schemes (notaries). These systems are classic first pillar systems. As a rule the entitlement to benefits depends on the length of time to which a person has belonged to the scheme, and on the amount of contributions paid. The second pillar (complementary pension schemes) has traditionally played a smaller secondary role. The third pillar is entirely at the discretion of the individual (private pension scheme).

In 2005 28.8% of the GDP were devoted to social expenditure. The most important part of the expenditure was for old age (47%), followed by expenditure for health/sickness.

Figure 26 Social expenditure to GDP ratio 1990-2005

calculation according to ESSOSS-definitions

Source: Statistik Austria 2008: 219.

Table 19 Social expenditure by functions 1990-2005

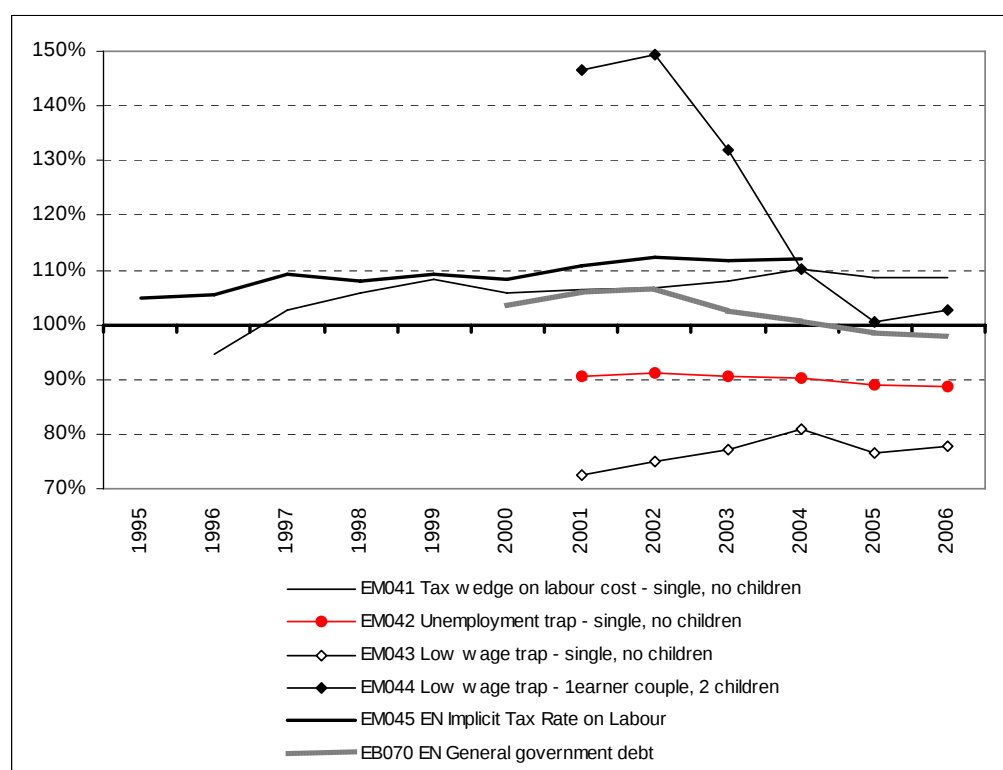
	1990	1995	2000	2001	2002	2003	2004	2005
Sickness/health	26%	26%	26%	26%	26%	25%	25%	26%
Invalidity	9%	9%	9%	9%	9%	8%	8%	8%
old age	46%	45%	47%	47%	47%	47%	47%	47%
survivorship	2%	2%	2%	1%	1%	1%	1%	1%
Family/children	10%	11%	11%	11%	11%	11%	11%	11%
unemployment	5%	6%	5%	5%	5%	6%	6%	6%
housing/social exclusion	2%	1%	1%	1%	1%	1%	1%	1%
Total	100%	100%	100%	100%	100%	100%	100%	100%
in mio.€	34,449.62	48,902.24	57,247.41	59,438.04	62,031.03	64,235.5	66,333.7	68,305.51

calculation according to ESSOSS-definitions

Source: Statistik Austria 2008: 220.

3.8.2 Comparative measures of social expenditure

Figure 27 shows the relative position of Austria as compared to EU15 with tax related indicators (see Table 39 in the ANNEX for the absolute figures and definitions).

Figure 27 Tax rate on labour, and indicators concerning disincentives for work 1995-2006, Austria relative to EU15

Source: EU Structural Indicators, download from EUROSTAT 3.3.08, own calculations

On the one hand, the implicit tax rate on labour is about 10% above the EU average and still rising, and the tax wedge on labour costs estimated for a single person without children is at a similar level above the average. On the other hand, the unemployment trap and the low wage trap has been below the EU average for single persons without children since estimated, and has been successfully brought down from a rather high level to average for families with one earner and two children due to payments for children since 2004. Guger/Leonie (2006), however, argue that there are different aspects of the tax burden on low incomes. On the one hand, the regulation for marginal part-time employment gives a threshold for minimum incomes without a tax burden. On the other hand, above that threshold, the tax wedge is rather high, creating incentives for those minimum income employment contracts, and disincentives for an increase of employment at this level.

3.8.3 Labour market policy

In Austria Active Labour Market Policy (ALMP) is assigned to the responsibility of the Federal Minister of Labour and Economics (BMWA). Under the Public Employment Promotion Act (AMFG), the Federal Minister of Economics and Labour has to use all available resources to achieve and maintain full employment and ensure an optimally functioning labour market. The setting of labour market policy is characterised by a close interaction between governmental and non-governmental institutions. The

social partners are an integral part of numerous bodies involved in working out and implementing legislation and policy measures.

Basically labour market policy is implemented by the Public Employment Service (AMS)¹⁰, a public service company with its own legal title (§1 AMSG), which has been outsourced from the public administration in 1994. It is responsible for non-governmental as well as certain governmental administrative tasks.¹¹ The AMS consists of one national, nine provincial, and 96 local offices with the Federal Ministry for Economic Affairs and Labour as the controlling state authority.

Unemployed persons receive unemployment insurance benefits for the period of unemployment and, after these benefits are exhausted, unemployment assistance.

- In order to receive *unemployment benefits* a person has to have been employed and insured under the unemployment insurance scheme for at least 52 weeks (if applying for the first time) within a period of 104 weeks before the application is filed. In case of repeated application for unemployment and for youth (up to 25 years) the required period of employment is 26 weeks within one year. The amount of unemployment benefits is determined by the social security contributions. The net income replacement ratio is about 55%. The unemployed person must be at the disposal of the job office, be capable of work and willing to work. Willingness to work is defined as an unemployed individual's willingness to accept a reasonable suitable job offered by a local AMS office and/or to take all measures likely to lead towards job take-up. This may include training as well as participation in labour market reintegration measures. The average unemployment benefit amounted to 24.6€ per day (male: 26,7€, female: 21.5€) in 2006. The maximum daily rate is 40€.

- The level of *unemployment assistance* is defined by an ordinance and will depend on the unemployment benefit previously paid. Unemployment assistance amounts to 95% of the basic relevant unemployment benefit. Unemployment assistance is means tested against the partner's net income after deducting an allowance. The average unemployment assistance amounted to 18.9€ per day (male: 20.6€, female: 16.4€). Unemployment assistance will be granted for up to 52 weeks, and can be prolonged as long as claimants are in financial distress.

The replacement rates of Austria and the EU are shown in Figure 43 and Figure 44 in the ANNEX. We can see that the Austrian replacement rate has oscillated until the beginning of the 1980s around the average of the EU countries, and since then is slightly below the average. According to different types of households the pattern shows higher replacement rates for two earner couples in the initial phase of unemployment, and lower rates in case of long term unemployment. The Austrian replacement rates are relative to the EU above average for higher incomes and below average for lower incomes, and almost always above average in case of long term unemployment, as well as in case of children.

¹⁰ Active labour market policy is by no means limited to the AMS. Labour market measures are also implemented by other federal, and to a smaller extent provincial or municipal institutions.

¹¹ These governmental tasks include: dealing with foreign workers, administration and payment of unemployment benefits and emergency assistance.

The development of active labour market policy in the 1990s was mainly shaped by two factors: the outsourcing of the Public Employment Service (AMS) in 1994, and the EU accession of Austria in 1995. These two events and the effects thereof have changed in some ways both the meaning and the appearance of active labour market policy.

After Austria had joined the European Union and especially after the EES had been implemented the EU became an important force in the shaping of labour market policy (c.f. Wroblewski 2004). Thus the European objectives have been implemented in addition to the national AMS objectives, whereby the former needed to be integrated into existing regulations and institutional set-ups. The AMS, for instance, adopted the NAP objective to implement gender mainstreaming and to get 20% of all unemployed people to participate in training programs. In terms of quantity active labour market policy also became more important, both with regard to the number of participants and the size of the budget allotted to such measures. In 2006 about 57,500 people have been on training (average per year), this is 3.7 times higher than in 1995 (15,500 people).

Figure 28 spending on labour market policy

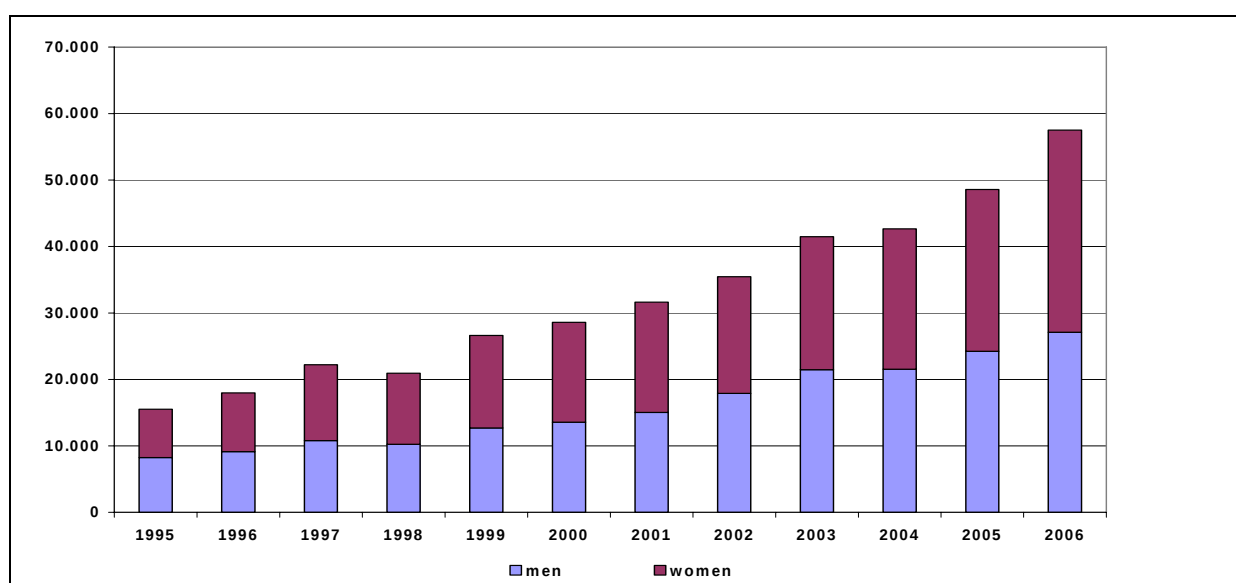
in million €	1999	2000	2001	2002	2003	2004	2005	2006	2007
Passive benefits	2.814	2.635	2.683	2.434	2.516	2.599	2.813	2.868	2.759
active labour market policy	783	771	946	1.079	1.420	1.568	1.575	1.799	1.730

Passive benefits include: unemployment benefit, unemployment assistance, parental leave benefit, special unemployment assistance, etc.

active labour market policy include: counselling, referral, training, wage subsidies

Source: BMWA

Figure 29 Participants in active labour market policy by sex

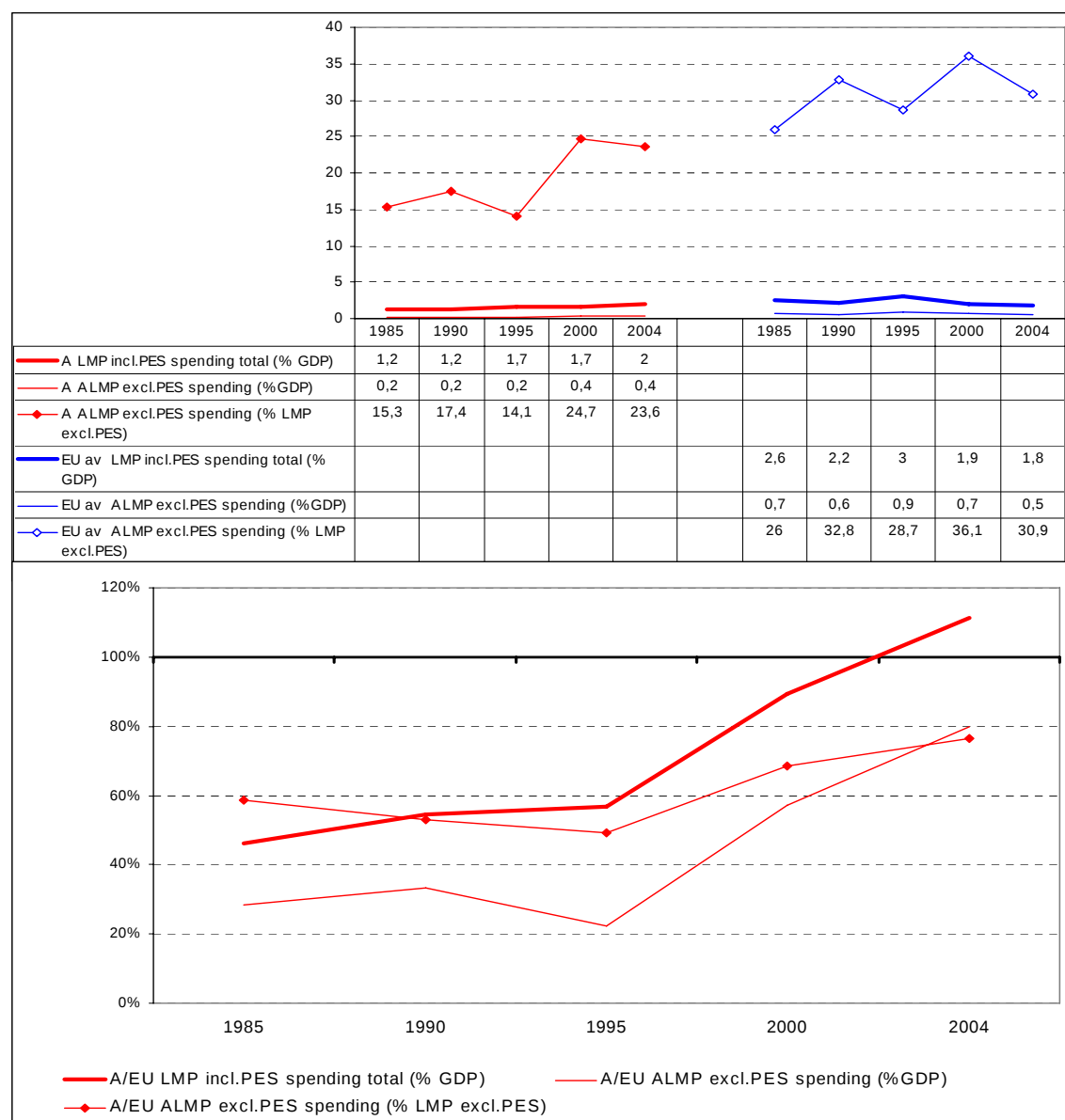


Participants in programmes of active labour market policy without subsidized employment.

Source: AMS

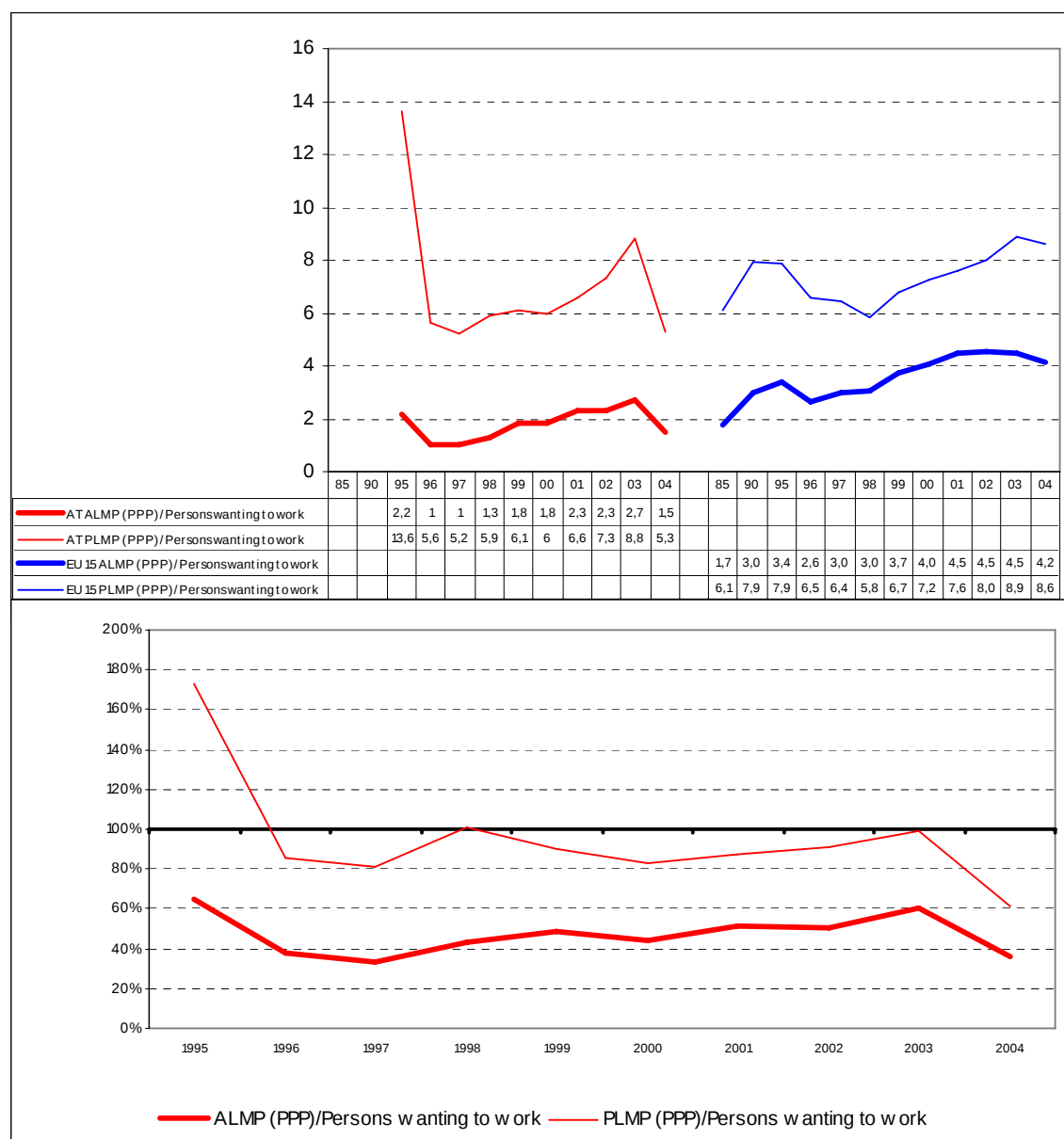
Figure 30 and Figure 31 show the level of spending in labour market policy, as compared to the average of the EU 15 countries. We can see an increase in spending, however, the active labour market policy expenditure has remained by 20 % below the EU average until 2004. If the spending is related to persons wanting to work (the unemployed and people in the reserve who declared that they would want to work) the active spending is about 60% below the EU average, with a relative decrease in 2004.

Figure 30 Expenditure of labour market policy in Austria and EU 15 1985-2005 (Total LMP, active LMP as % of GDP; active LMP as % of total LMP)



Source: EIE 2006, 127-129, own calculations, own picture

Figure 31 Expenditure for labour market policy in PPP related to persons wanting to work, Austria and EU15 (upper panel) and Austria/EU15 (lower panel)



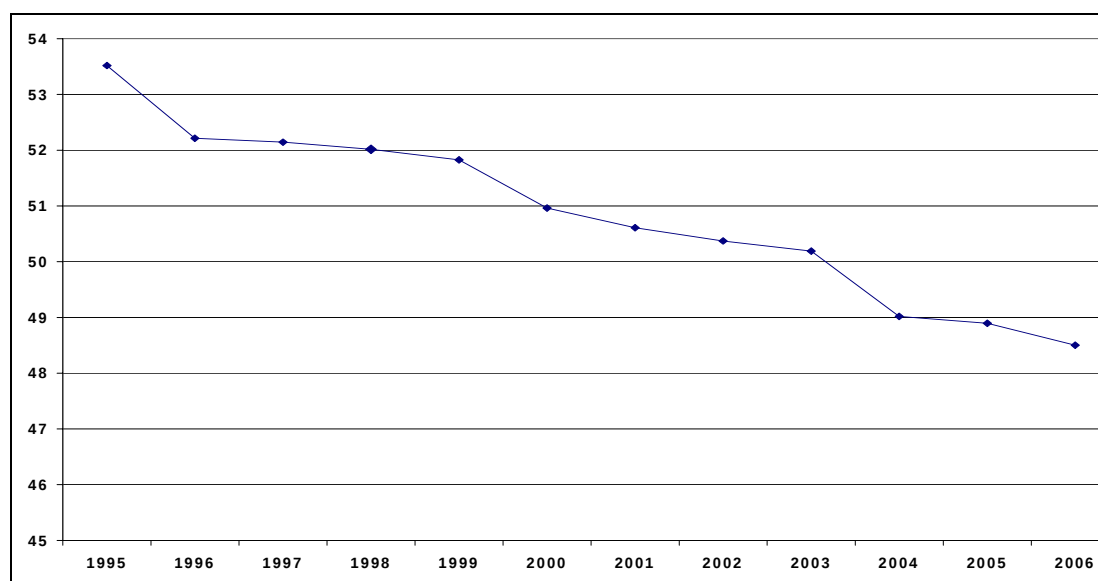
Source: EIE 2006, 132-133, own calculations, own picture (persons wanting to work = unemployed + persons out of labour force who declared that they wanted to work)

3.9 Wages

Income distribution as it currently is and its long-term development may be studied from a variety of data sources. In the following we refer to studies that focus on the wages and salaries of employees (including civil servants, Guger, Marterbauer 2007, Rechnungshof 2007). They conclude that the gap between low- and high-wage earners is broad and has further widened in recent years, the consequence mainly of a rise in unemployment and greater flexibility of the labour market (i.a. from

the noticeable increase in part-time employment). Both phenomena also play a major role in the fact that women's incomes substantially lag behind those of men. State interference does slightly compensate for the large gap, mostly through the supply of public services (education, health care, etc.) and social transfers, and much less through the tax system. Recent decades found an increase not just in the imbalance of incomes by employees, but also between incomes from dependent work and incomes from property and business. The share of wages in the national income has noticeably declined since 1995 from 53,5% to 48,5% in 2006.

Figure 32 Wages in % of GDP



Source: Federation of Austrian Social Security Institutions, IHS-calculations

3.9.1 Income inequality

During the last years income inequality has increased. The distribution of income as well as income inequality differs depending on the data used. Data is available for employees (statistic on taxes, *Lohnsteuerstatistik*), which is more reliable compared to data from the Federation of Austrian Social Security Institutions. The latter doesn't include income from marginal part time workers and the part of income that lies above the maximum threshold for the calculation of the social security contributions among wage and salary earners (3.840€ per month in 2007). Therefore the very low incomes as well as the very high incomes are not adequately estimated. To illustrate the difference we present both calculations (Table 20 and Table 21).

Table 20 Income distribution 1990-2005 (employees without officials)

	1990	1995	2000	2000 [€]	2001	2002	2003	2004	2005
Income distribution									
1. Quintil	7.3	7.6	7.1	7.4	7.4	7.3	7.2	7.1	6.4
2. Quintil	13.7	13.6	13.3	13.4	13.5	13.4	13.4	13.2	11.7
3. Quintil	17.9	17.7	17.6	17.5	17.6	17.5	17.6	17.4	17.0
4. Quintil	23.0	22.6	22.4	22.3	22.4	22.3	22.5	22.3	24.4
5. Quintil	38.2	38.7	39.6	39.3	39.1	39.5	39.3	40.1	40.5
	100%	100%	100%	100%	100%	100%	100%	100%	100%
Gini-Coeffizient									
Total	0.302	0.306	0.317	0.211	0.310	0.313	0.312	0.320	0.323
Blue-collar workers	0.252	0.244	0.25	0.242	0.243	0.244	0.244	0.246	0.248
white-collar workers	0.316	0.318	0.329	0.326	0.323	0.325	0.326	0.335	0.337

Note: 2000 change of classification due to the change to €.

Data source: Federation of Austrian Social Security Institutions

Source: Guger, Marterbauer 2007:5.

Table 21 Income distribution 1990-2005 (employees)

	1995	1999	2000	2001	2002	2003	2004	2005
Income distribution								
1. Quintil	2.9	2.6	2.5	2.5	2.4	2.3	2.3	2.2
2. Quintil	10.9	10.3	10.2	10.0	9.9	9.7	9.7	9.5
3. Quintil	17.7	17.5	17.4	17.4	17.4	17.4	17.3	17.2
4. Quintil	24.1	24.0	24.2	24.3	24.4	24.5	24.5	24.5
5. Quintil	44.4	45.5	45.7	45.8	45.9	46.1	46.2	46.5
	100%	100%	100%	100%	100%	100%	100%	100%
Gini-Coeffizient								
Total	0.410	0.429	0.433	0.429	0.432	0.436	0.437	0.441

Data source: *Lohnsteuerstatistik*

Source: Guger, Marterbauer 2007:7.

Guger and Marterbauer (2007) discuss several reasons for the increasing income inequality in Austria. One reason is the changing structure of the labour market towards more qualified jobs. The intensity of this process varies between branches, which leads to a differentiated development of wage levels. Branches that improved the qualification level of their employees (e.g. though staff cuts) have also increased the wage-level. On the other hand, the increase in atypical employment differs between branches, which also leads to a differentiated development of wage levels. And last but not least they mention the increasing employment of foreign workers, which are concentrated in lower paid sectors of the labour market.

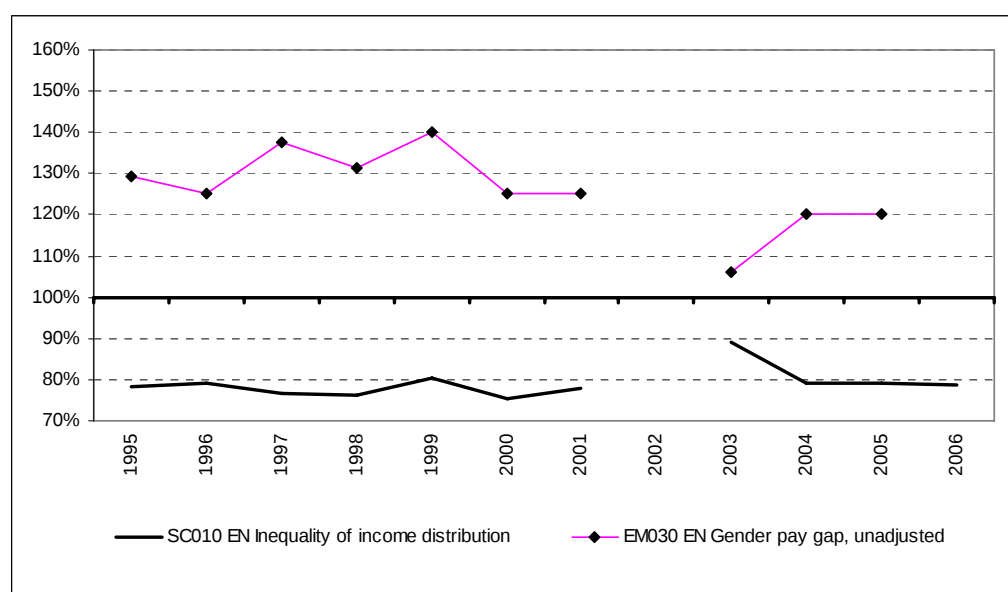
A new distinction among employees is coming up because the gap between blue- and white-collar workers on the one hand and civil servants on the other hand is increasing. This is mainly due to the fact that there are only few new civil servants appointed and therefore the staff becomes older and earns on average more (regular increments).

Table 22 Development of income level (index of annual gross income, adjusted for inflation)

	1998	1999	2000	2001	2002	2003	2004	2005
Blue-collar workers	100	101	99	98	95	93	93	91
With-collar workers	100	101	101	100	101	102	101	101
Civil servants	100	104	104	103	109	112	113	114

Source: Rechnungshof 2007: 17.

Figure 33 shows the level of income inequality estimated by the EU structural indicator for Austria relative to EU 15. Austria is markedly below the EU average, with a stable position. The gender pay gap is still markedly above the EU average.

Figure 33 Inequality of income distribution and gender pay gap 1995-2006, Austria relative to EU15

Source: EU Structural Indicators, download from EUROSTAT 3.3.08, own calculations

3.9.2 Gender Pay Gap

Compared to other European Countries Austria still has a very high gender pay gap, with hardly any signs of improvement. In 2005 Austria ranked with a gap of 18% within the last third of EU-25 countries (EC 2007). The data used for the European comparison are based on the European Statistics on Income and Living Conditions (EU-SILC). Compared to national studies they even seem to underestimate the gender pay gap (Leitner 2003).

Two main reasons for the gender gap in income are the high gender segregation of the Austrian labour market as well as the increasing part time employment of women. This means that women are concentrated in specific sectors that have on average a lower income level (see Table 24). Furthermore the persistent concentration of part time work in lower qualified labour market segments also leads to a lower average income (see Table 23). In addition to these explanatory factors the

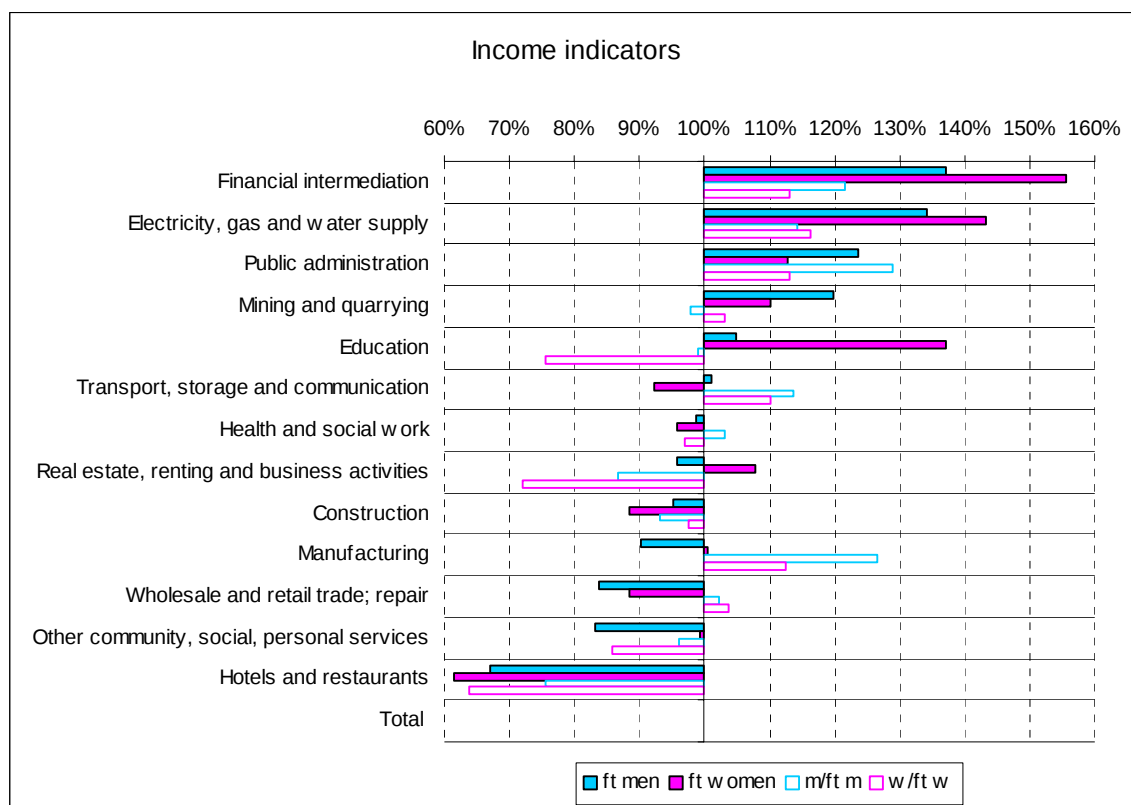
analysis of the gender pay gap also shows a high impact of an overall “discrimination component”. According to Boeheim et al. (2000) the unexplained part of the wage difference – discrimination – lies between 66% and 81% (depending on the econometric specifications). Another study conducted by Hönig and Kreimer (2003) focused on the gender pay gap in three selected occupations (teaching associate professionals, food processing workers and engineering professionals). They conclude that also more subtle discrimination mechanisms are in place, e.g., that women are more likely to be assigned to positions that are not rewarded with pay supplements

Taking a career perspective, additional aspects come into place. Because of periods of non-employment mainly due to childcare, the gender gap increases substantially (Leitner 2003, Gregoritsch et al. 2000). Lutz (2003b) has calculated the loss of earnings of women once they have children. By the time the youngest child has grown up, the loss accumulates to between € 103,000 (one child) and € 136,000 (three or more children), provided that the woman returns to gainful employment. If, however, the woman stops working after giving birth to her first child, her loss will rise to over € 200,000. The likelihood of such a loss will be the lower the fewer children a woman has and the higher her earning capacity is in the labour market. The sharpest dive in income thus occurs with the birth of the first child, and particularly in the first years of that child's life. Here, the woman's loss is up to € 43,000 on average if she does not suspend her gainful employment for more than two years, but it will rise with each additional year of being out of the labour market. Accordingly, the total loss could be limited by reducing the period during which a woman is not in gainful employment. Women who have completed not more formal education and training than compulsory school, as well as female university graduates suffer a lower loss in absolute terms than women who have attained secondary school. For those with compulsory education only, the reason is mainly found in their lower earnings potential, whereas for the university graduates their overall loss of income is limited by the fact that their earnings are more similar to those of their childless peers. If one takes the loss of earnings calculated at a time when the youngest child is between 16 and 24 years of age as a measure for the further trend in arrears, it is found that women with children have little opportunity to make up that loss over the remaining years of their gainful employment. Ever shorter breaks in gainful employment and the rise in the number of women returning to work after long-term career breaks, combined with the trend towards a declining number of children per woman, have led to a growing rate of women entering the labour market. Considering that these women earn lower incomes, earning losses will, as a result, be reduced only to a minor extent.

Figure 34 shows the relative income by sectors for men and women. We can see that in three sectors (Financial intermediation; Electricity, gas and water supply; Public administration) men and women both earn more than their average, and also persons not in full-time employment earn relatively much. Only in one sector (Hotels and restaurants) men and women earn below average, and persons not in full-time employment earn less. In four sectors (Construction; Manufacturing; Wholesale and retail trade and repair; Other community, social, personal services) incomes are below average, however, with some particularities: in those sectors full-time employed men earn below average, in the sales sector the difference between full-time and non full-time is small, and in services women earn an average income (and thus have a relative better position than men). In education women have a

relative good full-time income but high losses in case they do not work full-time, and in business services the the loss in case of workin not full-time is high for men and women, women also have a relative good full-time income, but not men.

Figure 34 Income indicators by sectors and sex (Index of full-time gross annual median income, and index of total gross annual median income / full-time gross annual median income)



Source: Rechnungshof 2006, numbers in Table 24

Table 23 Annual gross income by sex and occupational function

	Annual gross income (median)						Annual gross income (median) only full time employment			
	% part-time employment	% permanent employment	% women	women	men	ratio median income women - men	% women	Women	men	ratio median income women - men
blue-collar workers	19	31	32	13,344	24,837	54%	23	19,250	28,084	69%
Unskilled	34	38	57	11,571	17,303	67%	52	18,329	23,737	77%
semi-skilled	19	29	37	14,465	24,371	59%	28	20,482	27,281	75%
Skilled	10	29	14	15,184	26,436	57%	9	17,963	28,920	62%
(assistant) foremen	6	28	5	17,878	31,536	57%	2	20,960	34,016	62%
white-collar workers	29	19	56	17,875	35,712	50%	43	25,952	41,370	63%
semi-skilled	51	42	68	10,032	15,680	64%	54	18,655	27,977	67%
skilled/foremen	26	18	51	16,216	29,856	54%	38	21,698	33,142	65%
middle skilled	31	17	65	18,293	30,872	59%	55	24,825	35,370	70%
higher skilled	20	11	46	26,551	44,310	60%	36	32,423	47,406	68%
high skilled	14	12	37	31,481	48,916	64%	29	40,149	52,560	76%
executive function	10	8	25	29,383	58,534	50%	20	36,746	61,995	59%
civil servants	17	4	46	28,524	35,932	79%	37	34,296	36,854	93%
semi-skilled	24	11	46	17,129	27,658	62%	31	22,376	28,866	78%
skilled/foremen	11	5	24	21,459	31,147	69%	15	29,310	31,321	94%
middle skilled	18	3	50	26,630	33,684	79%	40	30,729	34,355	89%
higher skilled	16	3	52	33,730	42,804	79%	46	39,248	43,269	91%
high skilled	18	2	49	36,891	50,872	73%	41	41,584	51,893	80%
executive function	3	2	22	46,883	55,609	84%	21	47,411	55,609	85%
Total	24	21	46	17,516	29,306	60%	35	24,993	33,584	74%

Source: Rechnungshof 2006: Tables 20-22.

Table 24 **Annual gross income by sex and branches**

		Annual gross income (median)			Annual gross income (median) only full time employment		
		women	men	ratio median income women - men	women	men	ratio median income women - men
	% women						
Mining and quarrying	14	19,177	31,101	62	31,533	37,176	85
Manufacturing	28	18,713	30,966	60	23,800	33,933	70
Electricity, gas and water supply	19	25,116	45,627	55	35,364	48,355	73
Construction	13	14,508	23,701	61	25,064	29,899	84
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	56	13,982	25,196	55	22,048	29,897	74
Hotels and restaurants	62	8,277	10,729	77	17,641	20,747	85
Transport, storage and communication	25	18,816	27,874	68	26,645	31,186	85
Financial intermediation	52	27,230	48,277	56	36,098	52,563	69
Real estate, renting and business activities	48	13,550	21,258	64	25,200	36,395	69
Public administration and defence; compulsory social security	56	26,094	35,034	74	32,582	38,131	85
Education	56	16,976	28,423	60	27,603	46,274	60
Health and social work	80	16,626	25,470	65	25,976	32,384	80
Other community, social and personal service activities	58	13,080	23,360	56	21,899	33,546	65
Total	46	16,362	27,429	60	26,348	33,771	78

Source: Rechnungshof 2006: Table 17.

3.9.3 Risk of poverty and working poor

According to EU-SILC 2005 the quarter of the Austrian population with the lowest income has less than 13,598€ net-equivalised income (i.e. weighted per-capita income) per year at its disposal. The most affluent quarter has at least 23,735€ per year. The median living standard can be located at 17,993€ net-equivalised income. The positions of different groups of society relative to the median living standard in Austria remain widely unchanged as compared to 2004. Single men and families without children hold the highest median income. A full-time job and higher education go together with a higher living standard. Female single retirees, households with many children and single-parent households as well as households of migrants face substantially lower living standards. Households with the main income source from social transfers (without old-age benefits) have the lowest median living standard.

Table 25 Relative standard of living by age and household composition

	Standard of living (Median)	
	In EURO	In %
Total	17,993	100
Men	18,355	102
up to 19 years	16,173	90
20-39 years	18,962	105
40-64 years	19,468	108
65 years and older	18,769	104
Women	17,663	98
up to 19 years	16,170	90
20-39 years	18,026	100
40-64 years	19,153	106
65 years and older	16,353	91
households with retirees	17,138	95
single men	20,182	112
single women	14,126	79
multi-person households	18,152	101
households without retirees	18,153	101
single men	18,352	102
single women	18,295	102
multi-person households	21,631	120
households with children (without retirees)	16,725	93
single parents	14,461	80
mph + 1 child	19,129	106
mph + 2 children	16,495	92
mph + 3 children and more	14,883	83

mph: multi-person households.

* education: just persons older than 15 years.

Source: STATISTIK AUSTRIA 2007: 28 (EU-SILC 2005).

Table 26 Relative standard of living by socio-economic characteristics

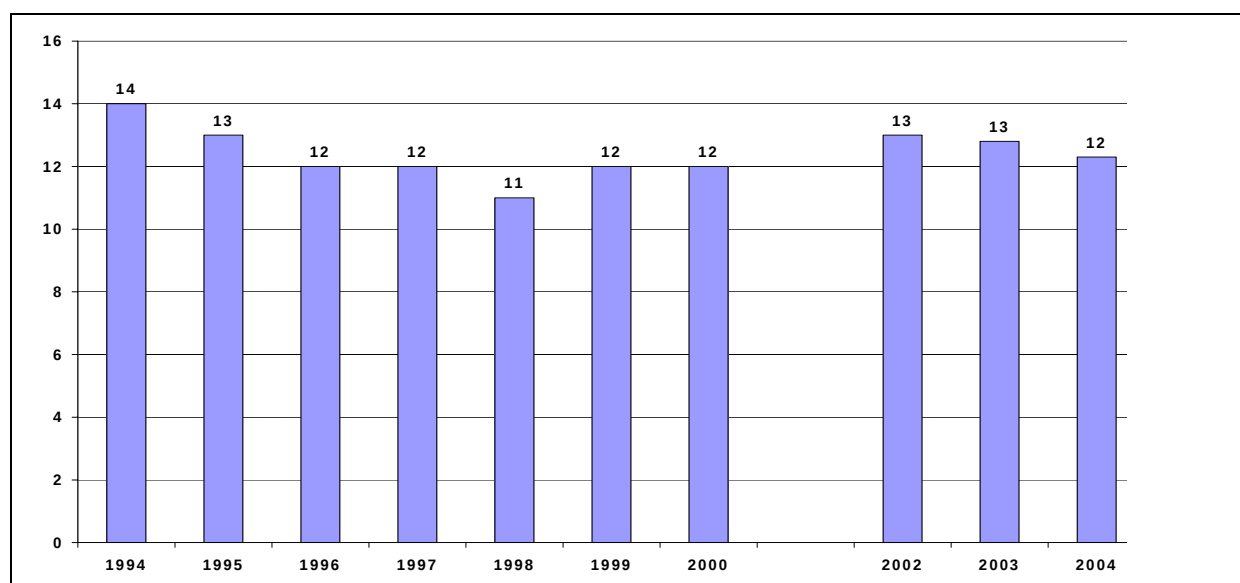
	Standard of living (Median)	
	In EURO	In %
Total	17,993	100
citizenship		
Austrian	18,316	102
naturalized	15,811	88
not Austrian	14,514	81
from EU/EFTA-countries	17,677	98
from other foreign countries	13,309	74
Highest educational level*		
max. compulsory school	15,658	87
apprenticeship/secondary school	18,787	104
general qualification for university entrance	20,742	115
University	24,024	134
main activity		
Employed	19,904	111
full-time	20,417	113
part-time	18,339	102
Retired	18,025	100
Unemployed	14,249	79
home duties	14,900	83
in education/training	16,815	93
main source of income (household)		
Employed	18,672	104
self-employed	20,855	116
social benefits	11,328	63
Pensions	17,236	96
private incomes	16,024	89

* education: just persons older than 15 years.

Source: STATISTIK AUSTRIA 2007: 28 (EU-SILC 2005).

The share of people living with a per capita income of less than 60% of the median income (people at risk of poverty) was stable between 12% and 13% during the last years. 60% of the median equivalised income constitute according to the European convention the risk-of-poverty threshold, that is 10,976€ per year for a single household or 900€ per month. In 2005 about one million persons were living in households with an equivalised income below that threshold. The risk-of-poverty rate was 12% and any change to the precedent year lies within the marginal error. The disposable income of households at risk-of-poverty is 15% lower than the risk-of-poverty threshold (Statistik Austria 2007: 17).

Figure 35 Risk of poverty (share of people with a per capita income of less than 60% of the median income) 1994-2005



Note: 1994-2000 calculated based on ECHP, 2002-2004 based on EU-SILC. Because of a change in survey instrument compare with caution.

Source: Till-Tentschert et al. 2004, Statistik Austria 2007.

Migrants and persons in single-parent households have a very high risk-of-poverty. Female singles and single-mothers face a higher risk-of-poverty than men. Austrian or EU-/EFTA-citizenship, higher education and living in a family are factors for below average risk-of-poverty. However this is only true for households with high employment participation. In households with a maximum employment participation (all persons aged 20 to 64 are full-time employed) the risk-of-poverty is 4%, whereas partial employment participation (in non-single-households) is associated with a much higher risk-of-poverty (17%). On the other hand, having three or more children or small children increases the risk-of-poverty, especially if women are not employed. Families with children below the age of three show a lower risk-of-poverty compared to previous years which might be due to the introduction of the new child care benefit scheme.

Table 27 Risk of poverty by main activity

	Total in 1.000	At risk of poverty		Share in %
		In 1.000	In %	
employed	3,467	251	7	18
Retired	633	65	10	15
home duties	540	113	21	17
in education/training	214	54	25	31
unemployed	200	67	33	25
Total	5,055	550	11	18

Note: persons of working age (20-64).

Source: STATISTIK AUSTRIA 2007: 35 (EU-SILC 2005).

Table 28 Risk of poverty for persons working by education, professional position and citizenship

	Total		At risk of poverty		
	in 1,000	share in %	In 1,000	Share in %	Quota in %
Education					
max. compulsory school	468	14	63	25	14
Apprenticeship/vocational school	1,915	55	129	52	7
Upper secondary or tertiary education	1,072	31	56	23	5
professional position					
Unskilled	641	19	90	36	14
skilled/foremen	894	26	51	21	6
middle skilled	655	19	28	11	4
higher skilled	485	14	17	7	4
highly skilled	349	10	(11)	(5)	(3)
self-employed	427	12	51	20	12
Citizenship					
Austrians	3,052	88	181	73	6
Immigrants					
naturalized (without EU/EFTA)	148	4	21	8	14
from EU/EFTA-countries	66	2	(4)	(2)	(6)
from other foreign countries	188	5	43	17	23
Total	3,455	100	249	100	7

Note: persons of working age (20-64).

Source: STATISTIK AUSTRIA 2007: 36 (EU-SILC 2005).

Table 29 Risk of poverty in precarious employment

	Total		At risk of poverty	
	in 1,000	in %	In 1,000	in %
employed < 10 months (in the last year)	405	8	65	16
part-time < 12h	77	2	15	19
monthly gross income < 1.000 Euro*	74	1	(12)	(16)
Total	5,055	100	550	11

Note: persons of working age (20-64).

* in case of full-time employment.

Source: STATISTIK AUSTRIA 2007: 37 (EU-SILC 2005).

Table 30 Risk of poverty by work intensity of the household

	Total		At risk of poverty		
	in 1,000	share in %	in 1,000	share in %	quota in %
one-person households	758	100	128	100	17
no work intensity	202	27	73	57	36
fractional work intensity	94	12	31	24	33
full work intensity	462	61	24	19	5
multi-person households	6,467	100	708	100	11
no work intensity	545	8	134	19	24
fractional work intensity	2,739	42	453	64	17
full work intensity	3,182	49	122	17	4
Total	7,225	100	836	100	12
no work intensity	747	10	206	25	28
fractional work intensity	2,833	39	484	58	17
full work intensity	3,644	50	146	17	4

Note: households with at least one person of working age (20-64);
work intensity: share of employed people (by employed months in 2004) in relation to all persons of working age in the household, full work intensity: more than 75%, fractional work intensity: up to 75%, no work intensity: no employed months.

Source: STATISTIK AUSTRIA 2007: 39 (EU-SILC 2005).

Table 31 Risk of poverty by household type and age of children

	Total		At risk of poverty	
	in 1,000	in %	In 1,000	in %
single men	379	6	56	15
single women	302	5	59	19
mph, no child	1,909	29	141	7
mph + 1 child	1,379	21	127	9
mph + 2 children	1,559	24	164	11
mph + 3 children and more	765	12	157	21
single parents	285	4	77	27
youngest child up to 3 years	1,174	18	155	13
youngest child between 4 to 6 years	629	10	106	17
youngest child older than 6 years	2,185	33	264	12
Total	6,578	100	782	12

Note: retirees in households are not included.

mph: multi-person households.

Source: STATISTIK AUSTRIA 2007: 40 (EU-SILC 2005).

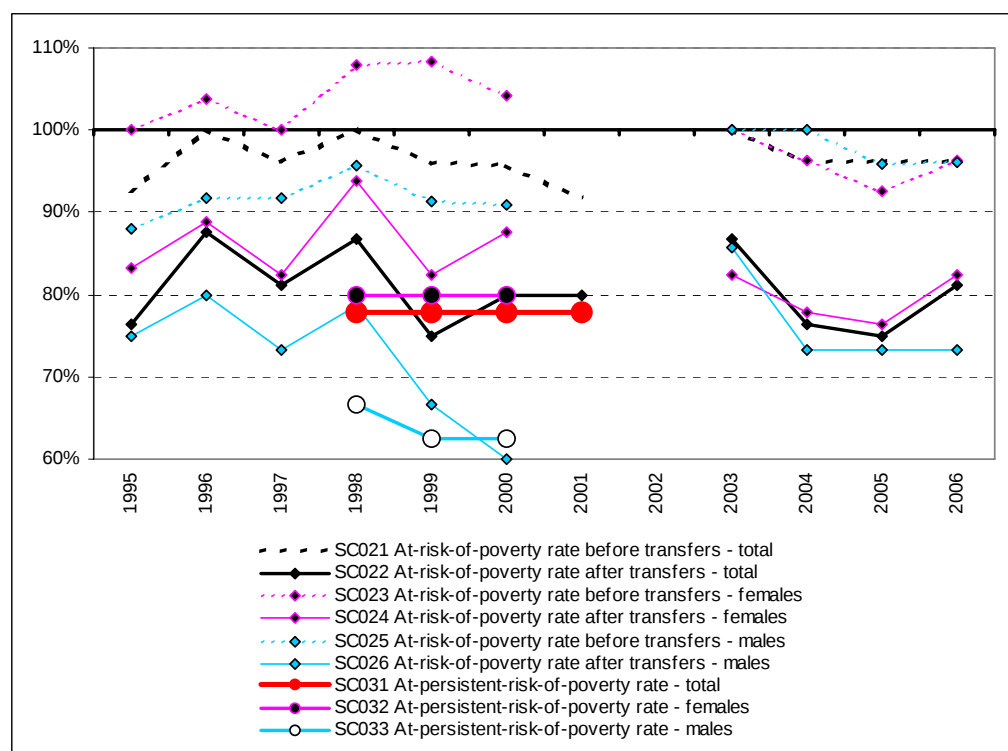
Table 32 Employment of women and risk of poverty in families

	Total in 1,000	At risk of poverty	
		In 1,000	in %
mph, no child			
women employed	1,284	50	4
women not employed	466	67	14
single mothers			
women employed	181	37	21
women not employed	72	32	45
mph + 1 child			
women employed	961	52	5
women not employed	402	72	18
mph + 2 children			
women employed	977	63	6
women not employed	575	101	18
mph + 3 children and more			
women employed	365	47	13
women not employed	395	107	27

Note: households with at least one women of working age (20-64).

mph: multi-person households; women employed: at least one woman in the household is employed; women not employed: no woman in the household is employed.

Source: STATISTIK AUSTRIA 2007: 40 (EU-SILC 2005).

Figure 36 Indicators of poverty risk by sex, before and after social transfers 1995-2006. Austria relative to EU15

Source: EU Structural Indicators, download from EUROSTAT 3.3.08, own calculations

Figure 36 shows the relative position of Austria at a set of indicators for the poverty risk, as compared to EU15. The position changed with the change of the data base from the household panel to SILC. The persistent at-risk-of-poverty rate has been markedly below the EU average, and the position has been very much better for men than for women.

In the old data, the at-risk-of-poverty rate before social transfers of women was the only indicator above the EU average, with the new data, women have a slightly better position than men below the average. After social transfers the position improves by about 20 percentage points, however, more strongly for men than for women. According to this picture, the transfers are successful also in a comparative perspective. In absolute figures the reduction of the rate between before transfers and after transfers is about 10% (from 25% or 26% to 15% to 17%) in EU15, and about 12% (from 25% to 13%) in Austria.

3.9.4 Subsidised wage scheme

One legislative measure to make low wage jobs more attractive is a subsidised wage scheme, which was introduced in January 2006. This regulation enables both employers and employees to avail of subsidised wages in low-wage sectors, and aims to boost employment, particularly in light of Austria's steadily increasing unemployment levels in recent years. The reason for this legislation was the potential of about 5,000 vacancies that couldn't be filled because of the low wage level. Such low-wage jobs are typically part time and often entail commercial, basic office and cleaning activities. Prospective employees should be younger than 25 years or older than 45 years and have been unemployed for more than one year. Wages of the employee concerned are subsidised up to 50% of their gross income, providing that the threshold of 1.000€ (gross wages and subsidies together) per month is not exceeded. The level of subsidy therefore decreases as earnings increase. At the same time the employer receives subsidies of about 15% of the respective employee's gross wages. The AMS administers the scheme and each case is terminated after one year.

It was estimated that about 3,000 unemployed would benefit from the new scheme at a cost of about 14.1 million €. The expectations have not been met. During the first year 2006 356 persons profited from the scheme (thereof 252 women; c.f. AMS 2007). Several reasons for this low take up have been discussed: First there are several other measures to integrate long-term unemployment that are more attractive to employers (e.g. reintegration subsidy, Eingliederungsbeihilfe). Second, there has hardly been any promotion for the scheme. Third, trade unions argued that the scheme would tend to replace conventionally paid jobs.

3.9.5 Minimum wage

In 2007 the social partner organisations agreed on the introduction of a monthly minimum pay rate of 1,000€ per month (gross) to be implemented by the sectoral bargaining parties by 1st January 2009 at the latest. Sectors affected by the agreement will include textiles and leather, food manufacturing and several branches of the private services sector, such as hairdressers, pedicurists, cosmeticians and

taxi drivers. Between 20,000 and 30,000 employees will be affected by the agreement. If the envisaged target will not be reached, the social partners also have agreed that the issue will be handed over to legislation in 2009.

3.10 Work and Family

In 2002 a special survey was conducted within the microcensus focusing on housework and care for children and people in need for care. This survey is the only available source that provides reliable information on time use for gainful employment, housework and care simultaneously.¹²

The average overall working time including employment, housework and childcare for couples with children is about 50 hours a week, with women still working on average 17 hours a week more than men. The table presented in the following makes the gender gap in care work as well as in housework visible and also the changing situation with couples with and without children. Couples without children have a very egalitarian division of work which, however, changes as soon as they have children.

Table 33 Working hours per week (time spend on housework, childcare, employment)

Men + Women	Total working hours	Housework	Childcare	Employment*
Couples without children	29.5	13.3	---	16.1
Couples with children	49.8	12.4	9.9	27.5
Single parent	43.6	13	7.5	23.1
Single without children	30.8	13	---	17.8
Two- or more family households	39.4	10.8	6.3	22.3
People in employment	55.3	10.4	6.8	38.1
Women				
Couples without children	35.6	21.2	0.1	14.3
Couples with children	58.5	22.3	15.6	20.7
Single parent	48.9	17.6	10.8	20.5
Single without children	27.3	15.3	---	12
Two- or more family households	46.3	17.8	10.2	18.3
Women in employment	64	18.3	11.2	34.5
Men				
Couples without children	23.3	5.3		18
Couples with children	41.8	3.2	4.7	33.8
Single parent	33.9	4.6	1.5	27.8
Single without children	36.2	9.7	---	26.4
Two- or more family households	31.7	2.8	2.1	26.8
men in employment	48.4	4.1	3.3	41

* without overtime

Source: BMSGK, Statistik Austria 2003: 54.

¹² A new time use study is planned for 2008.

According to this special programme of the microcensus in 2002 56,8% of all women do the homework mainly on their own. This also holds for employed women (54,3%) and women living with a partner without children (50,7%).

3.10.1 Child care institutions

There is an intensive discussion about the childcare provision in Austria with regard to female labour market participation. The main contentious issue is whether it is better for children to be looked after by their mother or by a public or private childcare institution.¹³ The lack of childcare infrastructure is one of the main barriers for women to participate fully in employment. Although the situation has improved during last years the number of places is extremely limited for children up to 3 years (about 10% of all children in that age group are in private or public childcare institutions). The situation is much better in Vienna compared to the rest of Austria especially the *Länder* in the West (Tirol, Vorarlberg). For children from 3 years on the childcare infrastructure is better developed and the regional differences are not that pronounced. The problems with childcare infrastructure arise again when children start to go to school.

But the number of places available is only one indicator for “sufficient” childcare infrastructure. There are several quality aspects that are discussed in that context, e.g. if there is the possibility that children have lunch at the institution. Only one out of two children in childcare are there for more than a couple of hours and do get lunch there. With regard to lunch at childcare institutions the regional differences increase again because nearly all children in Vienna have lunch but not even one out of five children in Vorarlberg and Tirol.

The average fees for childcare for small children (0-2 years) are 145€ a month (200€ with lunch, 90€ without lunch). Childcare for children from 3 years till school age costs on average 60€ a month (120€ with lunch, 50€ without lunch). The average cost for childcare after school are 122€ a month (134€ with lunch, 80€ without).¹⁴ Thus the fees without lunch exceed the fee to be paid for studying in state financed higher education.

¹³ Childcare provision run by employers hardly play any role in Austria (about 1% of children in childcare are in institutions run by the employer, census 2002). Institutions run by employers are included in private childcare.

¹⁴ Source: Census 2002, special program on housework and care.

Table 34 Share of children in childcare (public and private institutions) among children of the same age

	Austria	Burgen- land	Carinthia	Lower Austria	Upper Austria	Salzburg	Styria	Tirol	Vorarl- berg	Vienna
0 - 2 years										
1995	4.6	6	1.3	2.8	2.4	2.3	1.3	1.1	0.3	16.9
1996	5	6.8	1.3	2.8	2.5	2.7	1.4	1.2	0.3	18.3
1997	5.4	6.4	1.1	3.2	2.5	3.6	1.6	1.6	0.3	19.7
1998	6.3	6.5	1.7	3.7	3	4.7	2.2	1.8	0.4	22.4
1999	7.1	7.2	1.5	4.2	3.6	5.7	2.1	2.2	1.3	24.1
2000	7.7	8.8	1.7	4.7	4.1	6.8	2.1	2.4	3	24.3
2001	8.4	9.7	2	5.1	4.8	7.4	2.7	3	3.3	25.2
2002	8.7	9.8	7.5	5.4	4.8	7.3	3.6	2.9	3.8	23.6
2003	8.5	10.7	10.5	4	4.6	7.5	3.5	3.1	8.2	21.4
2004	9.2	10.7	9.5	5.9	4.8	7.9	4.1	3.3	9.5	21.7
2005	10.2	13.4	10.1	6.4	5.3	8.5	4.5	10.4	8	22.1
2006	10.8	14.6	10.8	6.8	5.5	9	5.2	11.4	9.4	22.3
3 – 5 years										
1995	70.6	88.3	52.3	81.4	71.4	67.5	61.9	64.4	63.5	75.9
1996	71.7	89.2	53.7	82.3	72.2	68.7	63.8	65.9	64.3	76.7
1997	73.2	91	56.5	83.1	74.2	70.4	65.4	67.3	64.7	78
1998	74.7	91.6	59.6	85	76	73	66.8	69.9	65.4	77.5
1999	76.1	92.9	61.4	85.8	77.1	75.2	68.9	71.4	68.9	78.3
2000	77.6	94.4	63.6	86.6	79	76.8	69.7	73.2	70.5	79.9
2001	79.0	96.5	65.2	87.7	80.2	78.2	71.8	75.1	73.1	80.3
2002	80.7	97.5	70.2	88.6	81.1	80.4	74.7	76.3	73.9	81.6
2003	81.8	95.4	71.6	89.1	81.8	80.2	75.7	77.5	83.2	82.3
2004	82.1	95.3	68.7	88.8	82.6	82.2	76.9	79.1	84	81.7
2005	82.7	96.4	72.8	88.7	83.2	82.7	77.6	83.9	79.7	81.4
2006	83.5	95.8	74.9	90.4	84.2	84	78	84.9	81.6	80.6
6 – 9 years										
1995	7.0	1.5	6.1	2.1	6.3	5.5	2.6	2.3	0.6	24.9
1996	7.1	1.2	6.1	2.1	6.4	5.2	2.9	2.1	0.7	25
1997	7.7	1.8	6.8	3.5	6.8	5.5	3.0	2.2	0.8	25.5
1998	7.8	1.7	7.4	4.5	7.1	6	3.3	2.3	1.1	24.4
1999	7.8	1.6	7.4	4.5	7.6	5.6	3.0	2	0.9	24.2
2000	8.4	2.2	8.1	5.3	8.2	5.6	3.4	2.2	1.5	25
2001	8.8	2.2	8.7	6	8.9	5.7	3.4	2.3	1.5	25.2
2002	9.4	2.8	9.1	7.4	9	6.2	4	2.8	2.2	25.3
2003	10.1	3.4	10.1	8.9	9.7	6.8	4.3	2.6	3	25.1
2004	11.1	4.6	12	10.5	10.1	7.1	4.6	3.1	4.1	26.5
2005	11.9	5.2	14.6	11.6	10.7	8	4.8	3.2	4.8	27.2
2006	12.9	5.4	16.4	12.7	11.9	8.6	5.2	3.5	6.6	27.8
With lunch*	54.0	51.6	66.5	45.2	42.3	41.9	31.3	18.8	18.8	97.5
Exp. in mio. €**	1.093	35	58	245	181	70	139	62	36	296

* All children in child care institutions in 2006; ** in 2005

Source: Statistik Austria

Table 35 Public expenditure on childcare institutions (2005)

	Total expenditure on childcare		Number of children aged 0-9		Share of children in childcare in %
	in 1,000€	in %	in 1.000	in %	
Burgenland	34,599	3.2	8	3.2	34.0
Carinthia	58,068	5.3	16	6.1	30.1
Lower Austria	214,932	19.7	51	19.5	32.6
Upper Austria	181,334	16.6	44	16.9	30.2
Salzburg	70,059	6.4	16	6.3	29.9
Styria	139,215	12.7	28	10.8	25.6
Tirol	62,209	5.7	21	8.0	28.4
Vorarlberg	35,953	3.3	11	4.4	27.6
Vienna	296,233	27.1	66	24.9	41.6
Austria	1,092,602	100	265	100	32.0

Source: Statistik Austria 2005 (number of children) 2007 (expenditure).

3.10.2 Policy reforms in the field of reconciliation of work and family

One important reform during the last few years in the context of reconciliation was the reform of parental leave and the introduction of a new childcare benefit scheme. For children born after 1 January 2002, the previous system of parental leave allowance, which was designed as an insurance benefit, was replaced by a childcare benefit designed as a family entitlement. Compared to the former parental leave allowance, the new system has introduced a number of changes: the group of persons eligible for the benefit was substantially enlarged (now also including students and housewives/housemen); the maximum period of entitlement was prolonged by one year (to a maximum of 36 months); and beneficiaries now have the right to earn an additional income beyond the statutory limit for marginal part-time employment (max. 25 hours a week, max. earnings per year 14,600€). People on leave receive a flat rate benefit of 14,53€ per day. Although there are some possibilities to use the leave in a more flexible way (e.g. part-time), most people take a full-time leave.

The new child care benefit was intended to offer parents greater freedom of choice in child care matters and with regard to their participation in the labour market. The idea was to promote the labour market participation of women with young children by means of a scheme that makes it easier for them to reconcile work and family obligations, and to make the system more attractive for men as well. However, according to first evaluation results (cf. Lutz 2003, 2004, Riesenfelder et al. 2006), the new regime – so far – has led to an even longer withdrawal of women from the labour market,¹⁵ without causing fathers to get significantly more involved in the care of young children. This result had been frequently predicted already before the reform.

Under the new childcare benefit scheme the take-up of men increased. Now men represent 7% of all take-ups, while under the old scheme about 3% of all take-ups were male. An analysis of the Federal

¹⁵ The percentage of women returning to the labour market before their children reach the age of 2 ¼ years has dropped from 54% to 35%.

Ministry for Social Security, Generations and Consumer Protection (BMSG) showed the employment status of these men: In 2004 52% of the men were blue-collar workers, white-collar workers or public sector employees, 20% were self-employed, 15% were on unemployment benefits or unemployment assistance and the remaining 12% were stay-at-home dads or students (BMWA 2006: 24).

With the introduction of the new system in 2002 the average take up of parental leave increased from 559 days to 860 days among women or from 316 days to 501 days among men. Furthermore the share of people who didn't return to employment within 39 months after childbirth increased from 40% to 49%.

Table 36 **Re-entry after parental leave**

Time of re-entry (months after birth)	Old system („Karenz“)	New child care benefit allowance („Kinderbetreuungsgeld“)
No re-entry	40%	49%
Up to 12 months	5%	9%
13 - 24 months	42%	19%
25 - 27 months	4%	4%
28 - 30 months	4%	8%
31 - 33 months	3%	8%
34 - 39 months	3%	4%

Source: Riesenfelder et al. 2006: 17.

Lutz (2004) has arrived at a similar result. She also states, that under the new scheme women are longer absent from the labour market and that the aim to give women an opportunity to reconcile employment and care-work could not be reached. Furthermore, it can be expected that women's re-integration problems (including unemployment) will become more pronounced the longer they stay away from their jobs.

People who return in self employment are on average 105 days on leave, people who return in marginal part time employment are on average 418 days on leave and those who return in standard employment are on average 730 days on leave. Most of those who return to employment stay with their employer (Lutz 2004).

A conceptual shortcoming of the childcare benefit lies in the discrepancy between the period of entitlement and the period of job protection. At present, childcare benefit is granted for a period of 30 months (for one parent), while protection against redundancy only lasts 24 months. According to the Chamber of Labour, 50% of women who are currently on leave don't know about this discrepancy and may be rather surprised that their job is no longer available when they intend to return after 30 months. Therefore the Chamber of Labour and the opposition parties demanded a higher benefit for a shorter period of time, which might also make the system more attractive for men.

Taking up the critiques on the childcare benefit scheme some aspects have been reformed by January 1st 2008, which provides for increased flexibility in terms of payment and the period of benefit eligibility.

Now parents are entitled to opt for a modified childcare benefit scheme, providing for higher payments of 800€ a month for 15 months (or up to 18 months if both parents engage in childcare) or 624€ for 20 months (or up to 24 months if both parents engage in childcare). This alternative to the existing scheme is designed to encourage women to re-enter employment earlier following a period of parental leave. Furthermore the maximum amount of additional earnings on top of the childcare benefit entitlement was increased from 14.600€ to 16.200€ a year.

3.10.3 Parents' right to part time work

The right to part time work for parents of pre-school children was introduced in 2004. The aim was to facilitate the reconciliation of work and family commitments, in particular of mothers of small children. After three years of continuous employment with the employer parents are entitled to reduce their working hours until their child starts school and to return to full-time work afterwards. The employer must regularly employ more than 20 workers. These two preconditions (company size and duration of employment with the company) restrict the number of potential users.¹⁶ Estimations of Synthesis Research show that 77% of all employees between 20 and 45 years are not entitled to this option, mainly because they work in micro-enterprises or have just started their careers.¹⁷ Riesenfelder et al (2006: 28) estimate that 19% of parents in leave are entitled to this option. Furthermore, one parent cannot claim his/her right to part-time work if the other parent is on maternity or paternity leave at the same time.

Part-time work in general does in most cases not provide enough earnings for a decent living and still mainly involves lower-qualified jobs. Thus with a change from full-time to part-time, people (mostly women) are frequently faced with de-qualification and reduced career opportunities. Therefore a return to full-time employment (comparable to the former job) may not be very realistic.

There is no information in official statistics on the take up because parents on part-time due to the right to part time work are considered as “normal” part-timers. There are no surveys that contain information on the take up.

3.11 Child labour, forced labour

Child labour is generally prohibited in Austria. Thus, children under the age of 15 must not perform any type of work. The employment of children solely for teaching and educational purposes as well as the engagement of one's own children in light household activities for a limited period of time (e.g. helping with the cooking, washing dishes and tidying up) cannot be regarded as child labour, provided that

¹⁶ In 2001, approximately 48% of all employed women and 33% of men were working in companies with up to 20 employees. In 2001, 35% of all women working in enterprises with less than 20 employees had part-time jobs. This share corresponds to the overall share of women in part-time employment (2001: 35,3%). This relativizes the argument that it would be too much of an administrative burden for small enterprises to offer part-time jobs (cf. Bundesarbeitskammer 2003).

¹⁷ Cf. Lehner, Wagner-Pinter 2003.

there is no risk of economic exploitation or the upbringing or health of the child being endangered by such activities.

Not included in this ban on the employment of children is the engagement of children from the age of 12 in certain light and occasional work, such as employment in a family business, running errands, assisting on playing and sports fields, or collecting flowers, herbs and fruit. In each case of employment of children, the approval of the legal representative is necessary. Such employment must not endanger the child's physical and mental health and development or morals, or expose him/her to the danger of accidents or to the effects of detrimental or hazardous substances. Furthermore, the permitted employment of a child must not in any way prevent or restrict him/her from attending school. Employment is permissible for a maximum of two hours per day, and school lessons and employment combined may on no account exceed seven hours per day. There are no indications visible about major problems with prohibited "child labour" and in permitted employment of children (e.g. helping in the house).

According to a survey among students in upper secondary schools (aged 15 years or older) conducted on behalf of the Austrian Chamber of Labour and the Trade Union two thirds of students have been gainfully employed at least once during the last year.¹⁸ Most of them work during summer holidays, which is required in VET secondary schools (a period of practical instruction or training is part of the curriculum). However, one out of four students also works during school year, which might lead to a drop in performance and in the long run to drop out. 44% of working students don't know about which type of employment relationship they have and how they are insured against social risks. The main areas of employment for students are restaurant trade (31%), retail trade (20%) or looking after children (baby-sitting, 18%). 17% of working students (about 7% of a cohort) mention as reason for their employment the necessity to contribute to household income.

Since 1998 Austria has developed activities against trafficking by establishing intervention measures for the assistance of victims and by establishing prosecution laws, however, "from the expert point of view, the status of victims in Austria is still unresolved." (Bernroithner et al. 2006, 112) In 2003 and 2004 about 200 to 300 cases were investigated. There are estimates of 8,000 to 9,000 undetected prostitutes which had been trafficked to Austria for that purpose and Austria is seen also as a transition country for trafficking purpose from eastern countries to Western and Southern Europe (Ziehrer 2006). For Vienna some information about children who are picked up by police is available. In 2004 no less than 1,300 children were picked up in Vienna – mainly children from Eastern European Countries (Bulgaria, Romania) who are forced to go begging or have to steal or prostitute themselves. It is estimated that this figure is only the tip of an iceberg.¹⁹ In 2004 an inter-ministerial task force was set up to work out a national action plan to combat trafficking in Austria. Within this task force a subgroup "trafficking in children" was set up. In March 2007 the national action plan passed. One measure in this

¹⁸ The study focuses on the situation in Vienna. See for details Schlögl et al. 2007.

¹⁹ See Statement of ECPAT Austria, FICE, IOM, UNICEF Austria and BIM on the occasion of EU Day against Trafficking in Human Beings, <http://www.univie.ac.at/bim/>

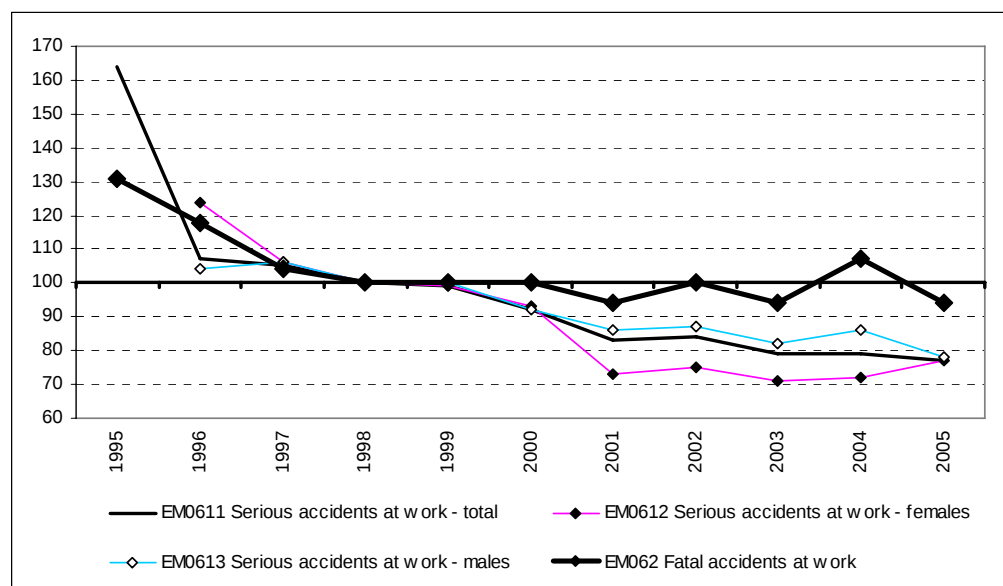
context is a project of the Austrian Federal Ministry of the Interior implanted by the International Organization for Migration (OIM) Vienna.²⁰ The aim of the project was to provide law enforcement authorities dealing with child victims of trafficking with specific skills in combating trafficking in children, to identify good practices to be presented in a Resource Book²¹, as well as to strengthen regional and international cooperation. The Resource Book contains identified good practices and recommendations in combating child trafficking. Experts and practitioners drafted written contributions covering topics as investigative methods, interviewing techniques, age assessment/identification of the child and international cooperation.

Another discussed topic is the situation of children of binational parents. In 2006 the "National Coalition - Netzwerk Kinderrechte" demanded the immediate abandonment of the new Austrian asylum and aliens legislation because it is causing great emotional strain and distress on children of binational parents.

3.12 Occupational Safety and Health

Figure 37 and Figure 38 give an overview about the development of accidents at work in Austria, and how this development relates to EU15.

Figure 37 Accidents at work in Austria by sex 1995-2006 (Index 1998 = 100)

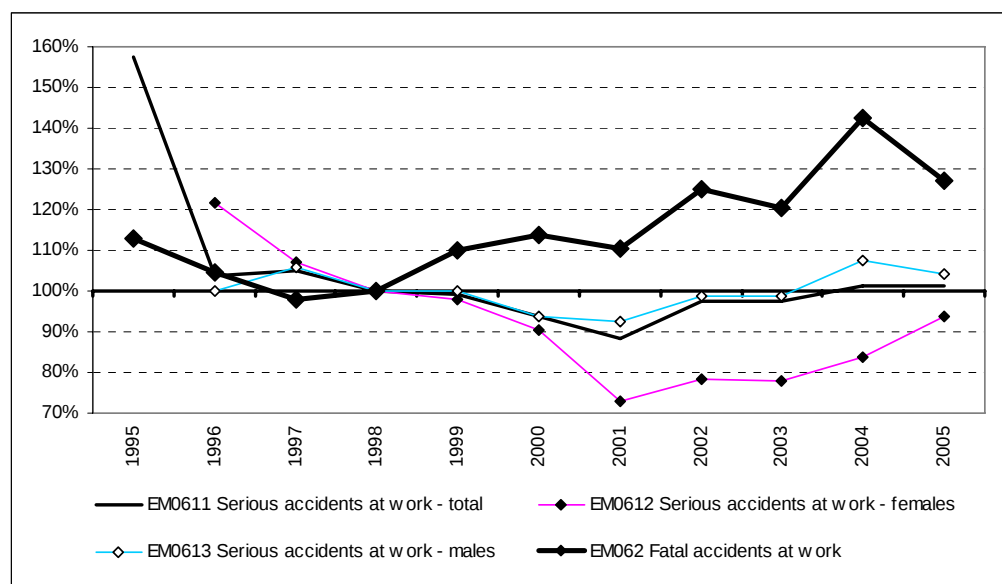


Source: EU Structural Indicators, download from EUROSTAT 3.3.08, own calculations

²⁰ The project was conducted in cooperation with the Ministry for Foreign Affairs of Sweden, Belgian Federal Police, EUROPOL, OSCE, and co-funded by the European Commission (AGIS Programme 2005).

²¹ The Resource Book is available under:

http://austria.iom.int/en/artikel.php?menu_id=43&artikel_id=473&history_back=true.

Figure 38 Accidents at work in by sex 1995-2006, Austria relative to EU15 (Index 1998 = 100)

Source: EU Structural Indicators, download from EUROSTAT 3.3.08, own calculations

The numbers of serious accidents at work go down in Austria during the observed period, for women more markedly than for men. However, the fatal accidents have remained more or less at the same level. As compared to the EU 15 average the situation has improved more strongly in other member states, particularly for fatal accidents, and for men as well.

Responsibility for occupational safety and health protection rests largely with the Ministry of Economics and Labour.²² The Labour Inspection is part of the Federal Ministry of Economics and Labour. 19 regional labour inspectorates and one special inspectorate for construction work are directly responsible to the Central Labour Inspectorate.

3.12.1 The Labour Inspectorate

The Austrian system of Labour Inspection is governed by the 1993 Labour Inspection Act (*Arbeitsinspektionsgesetz*), which sets out the duties and power of labour inspectors, together with the organisational and procedural requirements for monitoring compliance with the provisions on employee protection. The main responsibility of labour inspectors is to prompt, support and advise employers and employees to comply with their respective obligations arising from the safety regulations and to enforce such compliance, if necessary. The 1994 Employee Protection Act (*Arbeitsschutzgesetz*) sets out the obligations placed on employers and employees, and serves to implement the European Community's framework Directive and the general provisions of the individual

²² The *Länder* are only responsible for safety and health at work and labour inspection in the fields of agriculture and forestry and protection of *Länder* employees.

directives on safety and health protection at work. Under the terms of the Employee Protection Act employers are required to inform and instruct employees, and to consult and involve employees and/or their representatives in connection with safety and health protection. More specific requirements for employee protection are laid down in related regulations (covering technical and occupational health and hygiene aspects). Separate laws contain provision on working hours and the protection of pregnant employees and young people. The labour inspectorate is only responsible for the working conditions of employees and has no authority to monitor the activities of self-employed.

The labour inspectors shall in particular supervise orders relating to the following matters:

- the protection of life and limb, health and morals of employees
- the employment of children and young persons
- the employment of women in particular during pregnancy and after confinement
- the employment of workers requiring special protection (disabled persons)
- the working hours, breaks, rest periods, night rest, holiday records²³
- homeworkers.

The Labour Inspectorate is not responsible for matters that have to do with contracts of employment, wages and salaries, vocational training, unlawful dismissal or social insurance law. However it has a supervisory function in respect of certain working conditions, including working hours and protection for young people or pregnant employees.

The inspectors have the right to access and inspect companies, examine circumstances, take samples, request information, question employees and inspect records. In case of any violation of safety regulations, the inspector has to request the employer in writing to restore the conditions legally required. Should the employer fail to do so, the labour inspector has to file a report with the competent authority. If the life and health of employees are at risk, the inspector may provide for a shut-down of the entire premises or parts thereof.

The labour inspector exercises his responsibility autonomously, although the works council or the staff representative body may request him to act. Employers are requested to notify the General Accident Insurance Institution (AUVA) of all accidents resulting in more than three days' absence from work, and all cases of occupational disease. A copy of the report on accidents at work is forwarded to the competent regional office of the Labour Inspectorate. On average, about 4% of accidents reported to the Labour Inspectorate are investigated more deeply. These are accidents at work, which cause

²³ The labour inspectorate has to be consulted if any permit is sought for the purpose of changing the working hours regulation.

death or serious injury or which appear to point to a new or unexpected risk. The reports submitted to the AUVA are generally very detailed, which enables labour inspectors to decide if an investigation is advisable. Besides such proactive and reactive inspections the Labour Inspectorate regularly carries out information-campaigns in different sectors of industry and publishes information material for employers.

Altogether about 500 persons are employed in Labour Inspection, approximately 300 field service persons care for some 210.000 workplaces (i.e. enterprises or sites of enterprises, 700 per field service person) and supervise compliance with the provisions for the protection of approx. 2.4 million employees. The vast field of activities requires professional knowledge in matters of technology, occupational health care, and law. Most inspectors have a university degree in a technical or scientific field or in medicine; alternatively they are expected to have successfully completed a course in technical studies at a vocational training college or to have experience in certain occupations. Previous professional experience in the private sector is not an essential requirement but desirable. During the first two years of service they take part in training courses in the field of law, technology, occupational health care, and communication and go in for a final examination. The training courses are interspersed with on-the-job training at the regional offices, whereby the trainee carries out visits together with an experienced labour inspector and becomes familiar with a specified range of industries and production processes.

The following table gives an overview of Labour Inspection activities since 2001. The situation remained rather stable. The number of contraventions decreased from since 2005 whereas the number of occupational diseases and the number of accidents at work increased by about 4%. This might be due to information campaigns focused on prevention in the context of working life as well as in other spheres of life during the last years.²⁴

²⁴ In 2004 a National Action Plan for accident prevention was implemented that addresses all spheres of life (e.g. household, leisure time) not only working life.

Table 37 Overview: Labour Inspection

	2001	2002	2003	2004	2005	2006
Registered work places	226,204	227,913	229,230	231,525	233,048	236,134
Registered work force	2,556,765	2,588,781	2,609,463	2,646,560	2,680,697	2,716,941
share in total number of employees	81.2%	82.0%	81.9%	82.7%	83.0%	82.8%
Contraventions (number of companies)*	22,544	21,930	23,972	23,784	23,053	21,341
Number of contraventions*	74,258	73,131	83,144	82,957	77,363	67,870
Occupational diseases	1,219	1,215	1,035	1,100	1,146	1,199
share in 100.000 employees	39	39	32	34	35	37
Occupational fatalities (diseases)	20	14	40	62	58	72
share in 100.000 employees	0.6	0.4	1.3	1.9	1.8	2.2
Occupational accidents of employees (without accidents on the route from and to work)	103,065	98,538	103,567	103,487	103,029	106,768
share in 100.000 employees	3,274	3,123	3,252	3,235	3,189	3,254
Occupational fatalities (accidents)	121	120	103	132	124	107
share in 100.000 employees	3.8	3.8	3.2	4.1	3.8	3.3
Labour inspectors (working out of the office)	315	319	316	308	310	305
Total expenditure in Mio. €	23	23	23	24	24	25

* without controls of drivers

Note: Due to a change in statistical methods comparable data is only available from 2001 on.

Source: BMWA 2006, 2007a

3.12.2 Other institutions concerning health and safety at work

Allowances to compensate for particularly hard working conditions are generally regulated by law or collective agreement. Allowances are frequently granted in the public sector (e.g. danger money, hardship pay). Furthermore, collective agreements for certain trades provide for certain allowances, such as night-work allowances or allowances for extremely unpleasant or hazardous work (e.g. dirty work allowance). Whether and to what extent an employee is entitled to certain allowances depends on the provisions applicable to the respective employee (e.g. collective agreement).

The employers' and employees' organisations are represented on the Advisory Council for the Protection of Employees, which discusses regularly health and safety matters, and advises on proposals for new laws and regulations. Consequently social partners have the opportunity to influence the development of national policy and legislation on occupational safety and health protection at an early stage. Moreover, there is a formal appraisal procedure in connection with the drafting of legislation, whereby these institutions again have the right to express their views. The Labour Inspection Act also makes provision for twice-yearly discussions between the labour inspection offices and the social partners at provincial level.

In companies with more than 10 employees, employers must appoint safety representatives. Such appointments are subject to the approval of the works council. A safety and health committee must be set up in establishment with over 100 workers or, when at least three quarters of the workplaces are in offices, with over 250 workers. During their visits, labour inspectors have to make contact with the safety representatives and provide them with a copy of the list of irregularities presented to the employer. Safety representatives have the right to accompany labour inspectors when they are carrying out their inspection.

100% of employees in standard as well as non-standard employment are covered by accident insurance (occupational accidents as well as diseases). This insurance is valid from the first day of employment. However, some sectors are not in the competence of the Labour Inspectorate. These are: plants in agriculture and forestry or transportation services²⁵, public schools, health resorts, denominations, private households, and civil servants who are not working in state-owned enterprises.

²⁵ The Federal Ministry of Transport, Innovation and Technology is responsible for safety and health protection in the sea, rail and air transport sectors and in certain public utilities such as the post office and telephone service.

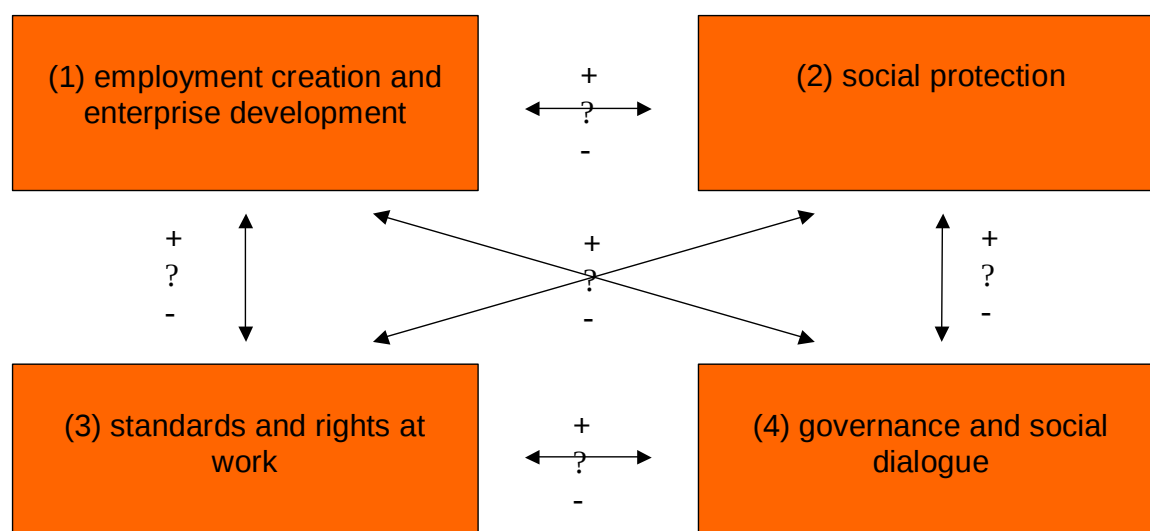
4 Linkages, trade-ins and trade-offs between different elements of working and employment conditions

We may analyse linkages at different levels of abstraction. One level could be at the policy level between the four pillars of the decent work agenda, another level concerns the interrelations between economic sectors and the different aspects of decent work and the distribution among different groups.

4.1 Linkages at policy level

Figure 39 shows possible linkages between the pillars of the decent work agenda. We can assess two different dimensions of the elements, first how strongly each of the pillars is developed, second how the pillars are interacting in an actual policy configuration.

Figure 39 Possible linkages between pillars of decent work agenda



Source: Own figure

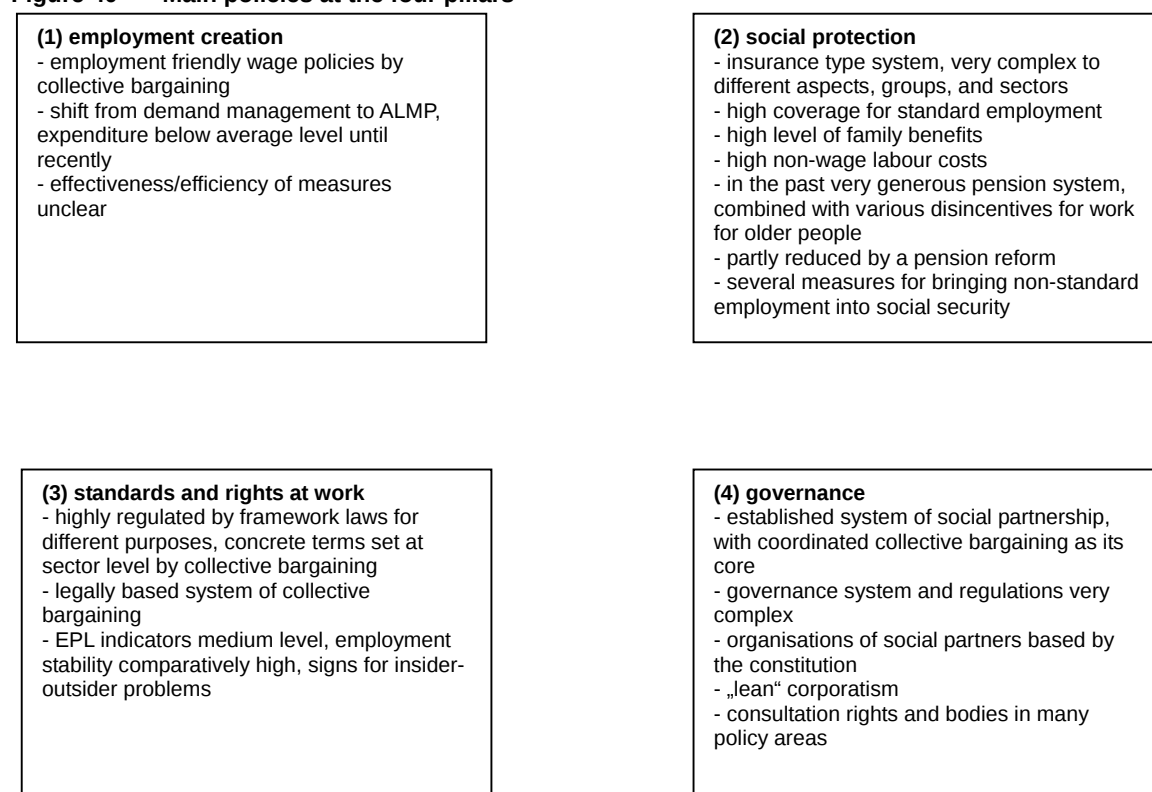
In the current debate we can find several hypotheses about the interrelations between the pillars of the agenda:

- Neoliberals would assert negative relations between (1) on the one hand, and (2), (3), and (4) on the other.
- A more moderate liberal position might put positive signs between (1), (2), and (3). However, it would rather put a question mark between (1) and (4), in particular if there is a strong institutionalised system of social dialogue in place – this has been more or less the position of the Austrian government of 2000-2006.

- The flexicurity model in its essence would put a positive sign between (1) and (2), and question marks to the other relationships.
- The decent work agenda would put positive signs at each of the relations.

If we try to identify the Austrian system in this framework, we can say that each of the pillars is fairly well developed (an overview has been given above in section 2.2.) If we try to identify the strengths and weaknesses of the policies in the different pillars we can first take some stylised facts from comparative analyses, and we can second try to identify policy reforms in the different pillars.

Figure 40 Main policies at the four pillars



Source: Own figure, based on EIE 2006, and analyses of the current project

We can see in Figure 40 various policies in a dense and complex system. At each pillar we can identify strengths and weaknesses. Strengths are that policies are trying to achieve elements of decent work at each dimension, and mostly the available empirical measures are near the EU average. Weaknesses can be identified at the first pillar by little evidence of how the increase of labour market policy measures indeed might bring about better outcomes. In the second pillar the system is very complex, and has even increased its complexity by trying to bring the new non-standard forms of employment under the coverage of social security. The empirical indications point to a rather effective system of social security. However, weaknesses are its complexity, and its strong relation to standard

employment, which also constitutes high non-wage labour costs. In the third pillar there is a broad scope of legal regulations which are difficult to oversee. There is also much flexibility in the application of the regulations, e.g., by bargaining the concrete sectoral application as part the collective agreements. The pillar four has been much disputed in the early 1990s, however, more recently the system of social partnership has been reinforced, and the social partners have contributed many new proposals to policy reform.

Figure 41 gives an overview about the recent reforms concerning issues of decent work. If we try to assign the reform to the four pillars, we can see that most of them are in the pillars (2) and (3), and often they are interlinked.

Figure 41 Overview of recent reforms concerning decent work

		Pillars (1) (2) (3) (4)			
1996	Introduction of free service contracts (Amendment to the General Social Insurance Act)	X	X		
1997	Introduction of new self-employment (Amendment to the Social Security Law for Trade and Industry)	X	X		
2000	Introduction of old-age part-time scheme		X		
2002	Introduction of new childcare benefit scheme		X		
2004	Introduction of transition period for the employment of foreign workers from new member states	X			
2004	Pension Harmonisation Act			X	
2004	Introduction of the right to part-time work for parents		X		
2004/05	Tax-reform	X			
2005	Employment Promotion Act (significant extension of active labour market policy)	X			
2006	Household Service Cheque Act		X	X	
2006	Introduction of a subsidised wage scheme	X			
2007	Improvement of social protection of free service contracts (compulsory unemployment insurance scheme)		X	X	
2007	Amendment to the Working Time Act (provides for greater working time flexibility)		X		
2007	Agreement of social partner organisations on the introduction of a monthly minimum wage of 1,000€ by 2009				X

Source: Own figure

We might discuss a set of hypotheses about the interactions between the pillars:

First, there is quite much agreement to the point that the well-developed system of social protection (2) causes some problems for employment (1), in that the financial sources are too closely related to labour costs. The financing should therefore be changed, e.g., by shifting the financial sources to other aspects of production (e.g., energy, or capital intensity), or by shifting the financial sources from contributions to taxes.

Second, there is dispute about the priority given to the traditional family relations in social protection (2), which would cause negative incentives for the employment of women (1).

Third, there have been disputes about the degree and configuration of the standards and rights at work (3), which would hamper the necessary flexibility of work and enterprises, and therefore had negative impacts on employment (1), this situation would be reinforced by the powers of the employees' side of the social partners (4) which would too strongly rely on given regulations. In this relationship we can see very much change recently, as the social partners have reached consensus

for a loosening of the working time regulations, as well as giving (more) room to opening clauses for enterprises from collective agreements.

Fourth, the rise of atypical work might be seen as an interrelation between standards and rights at work (3) on the one hand, and social protection (2) on the other. Atypical work are relationships which are loosening at the same time both dimensions. However, in Austria there have been certain attempts to create social protection for atypical work, attempts which have been strengthened more recently.

Fifth, the social partners (4) have a longstanding tradition of following policy priorities for employment creation (1) on the one hand, and for social security as well as for rights at work (2) and (3). Following those priorities in a separate way might cause insider-outsider mechanisms. Indeed, there are some indications in the direction of putting much burden on the shoulders of migrants on the one hand, and of low qualified people on the other. Often migrants are low qualified, however, they are also often employed in low qualified positions, if they hold higher qualifications.

4.2 Linkages at levels of sectors and groups

We can also analyse linkages at a more concrete level; first, by finding out whether there are certain sectors of the employment system, where problems of decent work accumulate. Second, we can look, whether there are certain groups of workers, who suffer of multiple problems of decent work. As the results presented in chapter 3 show, atypical employment is on the one hand concentrated in certain sectors and on the other hand, specific groups are over represented in atypical employment.

Figure 42 tries to give an overview about the concentration of non-standard employment in the economic sectors, combined with other variables, as sex composition, enterprise size, income, etc. The picture is quite complex, however, we can see some different areas of employment, with different conditions.

First, there are three sectors, where non-standard employment concentrates: *Real estate, renting and business activities; private households; and other community, social, and personal services*. In these sectors the incomes or qualification levels are comparatively low, the proportion of women and of non-nationals is above average, and sometimes small enterprises or self-employed are also above average.

Figure 42 **Summary indicators for sectors**



Second, at the opposite pole there are four small sectors, where incomes or qualification levels are high, and non-standard employment is low: *Electricity, gas and water supply; financial intermediation; extraterritorial organisations; and mining and quarrying*. The proportion of women (except in financial intermediation) and of non-nationals (except in extraterritorial organisations) is below average. The pattern in the *public administration* is similar, but less marked compared to the others, and the sector is also bigger.

Third, construction and manufacturing are large sectors with average income and low levels of non-standard employment except temporary agency work. The proportion of women is below average, and the proportion of non-nationals above average.

Fourth, in the two bigger service sectors of *hotels and restaurants; and wholesale and retail trade and repair*, the income is markedly below average and qualification is low, the proportion of women is above average and the proportion of non-nationals is only above average in the hotel and restaurant sector. Non-standard employment is average in these sectors. In *transport and communication* the pattern is similar, however, the proportion of women is below average, and income is a bit higher, qualification is also low level.

Fifth, in education; and health and social work the proportion of women is high, and the proportion of non-nationals is below average, incomes and qualifications are only high in education, and these sectors make special use of non-standard employment: in education the free service contracts are used, and in health and social services the proportion of part-time work is above average.

Looking from the perspective of forms of employment, part-time work (incl. marginal part-time work) as well as temporary agency work is distributed unequally among sectors.

- *Part-time work* is typical for trade and services and more likely to be found in lower qualified positions with less career opportunities and lower income. Therefore a return to full-time employment is not very likely and a change to part-time is often associated with de-qualification. This mainly affects women, as working part-time is still one of the most important strategies to reconcile employment and care responsibilities. This division of labour is one of the main sources of income inequality.

- *Temporary agency work* also points to segregation among workers – temporary agency work is typically used as an instrument to deal with requests for flexibility in manufacturing and construction. For most workers affected by temporary agency work it is not a stepping-stone into regular employment but rather an alternative to unemployment.

- A third group of workers who are concentrated in certain sectors as well as in lower qualified job positions are *migrant workers*. They are highly concentrated in restaurants/hotels (32% of all employees) or textile-industry (23%) or over-represented in sectors like food production, construction, private households and services (see also Figure 42). Among migrant workers, discrimination processes are especially pronounced among Turks and workers from former Yugoslavia.

Atypical employment is not per se a problem, e.g. there are very few people working in non-standard who are clearly unsatisfied with their position. In most cases the problems occur rather in a long-term perspective. For certain periods or under specific personal conditions atypical employment might be an alternative to a total withdrawal from the labour market and therefore seen as positive. On the other

hand, experience shows that atypical employment can become a trap and a permanent solution instead of a temporary solution.

Guger/Leoni (2006, 14) also point to the interrelation of low qualification and low wages with a set of other variables which constitute unfavourable employment conditions: women (double as frequent compared to men) and young people (40%) are often in low wage employment, and it is also related often to temporary contracts, and to employment in agriculture, tourism and retailing.

5 Conclusions and policy recommendations

5.1 *Summary and conclusions*

The overall situation concerning decent work is quite favourable in Austria. The Austrian system of employment, social security, industrial relations, and governance is developed to a fairly high degree at each of the pillars, and policies are in fact trying to achieve objectives of decent work, despite not using this heading. If we try to give an account of the elements of the definition of decent work, we can give the following picture.

5.1.1 The elements of decent work

- *Opportunities for work that is productive and delivers a fair income:* Opportunities for productive work are available for most parts of the population, an exception are older people who have still a very low employment rate. Women often have to take part-time solutions below their aspirations because they are still mainly responsible for reconciling working and care functions. Migrant workers, in particular from Ex-Yugoslavia and Turkey are highly restricted in access to more qualified jobs, and non-nationals have also often to take illicit work to earn a living. Opportunities for employment are still high in comparison, however, the development indicates that there have been high pressures on wages bringing about an increase of the – in comparison still moderate – income inequality. Increases of employment have been brought about by non-standard employment, which is – except part-time work mostly done by women, and to a very high degree involuntarily – still not high in its proportion, and quite accepted by the affected persons. The situation with unemployment, which is also favourable in comparison, is becoming increasingly less favourable, in particular concerning youth unemployment and long term unemployment. Active labour market policy has increased in recent years, however, has been markedly below European averages. The gross replacement rate of the unemployment insurance is below the EU average, the net replacement rates are dependent on the previous income, and comparatively high in case of long term unemployment. The tax system still includes a comparatively high tax wedge on labour costs, and also a steep increase of the marginal tax rate above the threshold of marginal part-time employment.

- *Provide security in the workplace and social protection for workers and their families:* Standard employment is providing a high degree of security by compulsory insurance, and by various legal regulations concerning working time including overtime, working conditions and security at work, the work inspectorate, etc. The legal regulations are combined with responsibilities of the social partners to implement them in sectors by collective agreements. There have also been many attempts to include non-standard employment into entitlements for insurance. The social insurance system which includes health, accidents and invalidity, pensions, unemployment, and social exclusion is very complex, and fragmented to different sectors and different kinds of employees. Family/children benefits are particularly strong in Austria, creating to some degree disincentives for the equality of women's access to decent work, reflected by the comparatively very high gender pay gap and the high

degree of often involuntarily taken part-time work. The amount of social expenditure has still stepwise increased in the early 1990s and after 2000. The risk of poverty is below EU average, and is markedly reduced after social transfers. The system includes a high amount of non-wage labour costs, which have been substantially reduced but are still comparatively high. The prevailing system does produce problems of insiders and outsiders, as the minimal payment levels are below the poverty line. This is also reflected by the below average net replacement rates of the unemployment insurance for single persons and lone parents from the lower income sections. A minimum income is not in place in Austria, but there are social partners' agreements to negotiate a minimum income until 2009. The degree of employment protection has been reduced, but is above average for regular contracts. The enforcement of employment protection is reflected by a low number of cases at the court (about 25.000 a year, related to more than 3 million employees).

- *Offer better prospects for personal development and encourage social integration:* There is not so much attention to these aspects in Austrian policy, and there is not so much information available. Some indicators of satisfaction with work arrangements, and of stress at work indicate rather low proportions of very unsatisfied persons, and also slight tendencies of stress reduction rather than increase. If we take accidents as an indicator, we see a mixed picture. There are regulations in place, and accidents are declining in Austria, however, with the exception of fatal accidents which do not show a decline. In comparison to the EU average, there is a relative increase of both types of accidents since 2001. A problem on increase due to the opening of borders is trafficking of women, which is defended by a set of policies and legal amendments in Austria. Experts do not rate the measures taken for victims as being sufficient.

- *Give people the freedom to express their concerns, to organize and to participate in decisions that affect their lives:* There are legal regulations of worker representation at the workplace (*Betriebsräte*), and the organisational structures are strongly developed. In the Austrian system a compulsory membership in the representing bodies (chambers) exists for the employees and the self-employed. These bodies are part of the institutions of social partnership. There has been dispute and critique about this system, however, it has been reinforced by polls in the respective groups, and by legal amendments to the constitution. There is much dispute about this system similar to broader disputes about political representation and participation, whether the members of organisations are rather "administrated" than "given real say". The interest organisations have reacted with rather strong shifts towards service orientation, instead of political representation (which nevertheless has remained in place). At the employers' side there are frequent disputes between the industrialists and the representation of the SMEs, at the employees' side there are frequent questions about problems of insiders and outsiders, and how the employees at the margin of the employments system can be given (more) say in the prevailing structures.

- *Guarantee equal opportunities and equal treatment for all:* There are many indications that the widespread system of legal regulations, combined with strong responsibilities of the social partners does not provide for sufficiently for equal opportunities for all. Women are still working under different

conditions, and have less pay. There are many restrictions in place for migrant workers, particularly from the regions of traditional “guest worker” immigration. The education and training system is still tracked from an age of 10 years to two tracks of different achievement levels, which produces still many restrictions to equal opportunities up to participation in lifelong learning. There are recent debates about those issues, however, more deep reforms are still not in sight. Due to the signs for the ageing society the policies for migrants are particularly under debate about what sufficient integration might mean.

5.1.2 Some policy traits with respect to decent work

One of the main goals of recent labour market policy was to increase labour market participation. Hence, relevant target groups have been women, youth and elderly. Incentives for women and elderly to take up employment or stay longer in employment have been set with the pension reform. Nevertheless, these policies have not been accompanied by necessary adaptations of prevailing conditions (e.g. there was not a significant improvement of child care infrastructure). There have also clear incentives been set for elderly workers to stay longer in employment. Nevertheless, there is not much action about how the working environment could be made more appropriate for the elderly. As a consequence the evaluation of these policies is ambivalent: Employment participation increased during last decade but income inequalities as well as inequalities in working conditions were also reinforced.

The social security system is still strongly dependent on full-time employment and generous family subsidies and family related payments and protection. This causes high non-wage labour costs, to some extent insider-outsider problems, disincentives for the employment of women, and a reinforced tendency of intergenerational social reproduction.

The system of social partnership provides a strong governance system for the issues of decent work. After a kind of crisis and heavy political attacks in the beginning of the 1990s the system seems to have recovered, and a broad set of proposals towards a flexicurity model have been developed by the social partners. This development of the governance system seems to be an interesting specificity of Austria, and deserves more attention in terms of policy learning.

5.1.3 Challenges to decent work and proposals by social partners

Main challenges to decent work in Austria might be seen as follows (see also Guger/Leonie 2006):

- the lack of sufficient opportunities for the employment of older people
- the high gender differences, in particular the pay gap

- the increase of atypical employment and the lack of opportunities to switch to standard employment
- the (expected) lack of a more highly qualified labour supply due to the ageing society
- the pronounced segregation of the labour market (sectors, sex) and the social security system (private/public, blue collar/white collar/self-employed)
- the lack of possibilities / incentives to reconcile employment and care / family work for men and women
- the low minimum payments of social security
- the high non-wage labour costs, in particular the high social contributions for low wage employment, and the tax wedge above the threshold for minimum incomes.

The recent development has been characterised by several attempts to include atypical work into the social security system. The social partners played a central role within that process. There are three programmatic statements from the social partners available ("Growth and full employment" Dec.2006; "Labour market - future 2010" Oct. 2007; "Lifelong learning" Oct. 2007)²⁶, which include proposals to reform several aspects related to decent work.

The paper "growth and full employment" (December 2006) mainly refers to the WIFO white paper that has been developed on behalf of the social partners (WIFO 2006). The starting point of the white paper is the fact that the economic growth rate currently forecasted for Austria will not be strong enough for a reduction of unemployment. Stronger growth remains the key leverage factor to increase employment and reduce the number of unemployed. For a high-wage country that orients itself against Europe's top performers and that is one of the richest states in Europe and worldwide, a strategy to strengthen growth and employment needs to be developed on the basis of innovation and qualification. The key words are technological progress and quality improvement rather than quantitative growth based on low wages. On the contrary to these proposals, the competitiveness has been brought about to a high degree by wage moderation so far.

Innovation and qualification as the guiding principles require a whole set of measures within a well-designed and consistent reform strategy supported by broad-based social consensus and optimism and underpinned by a long-term financial perspective. In its White Paper "Towards Higher Employment via Economic Growth Based on Innovation and Qualification", WIFO presents such a strategy. The white paper builds upon eleven strategic elements²⁷ that are centred around a refocus of

²⁶ All downloads (in German) under: www.sozialpartner.at

²⁷ The eleven strategies are: innovation, education and qualification, infrastructure as a locational and demand factor, competition and start-up activity, flexibility and security, quality of the public sector, successful technology and service cluster,

the Austrian innovation strategy from technology acceptance to technology provision and a radical change of the education and training system. The strategy elements are translated into eight target-focused packages.²⁸ The overall strategy is to be implemented in three phases, starting with a kick-off period between 2007 and 2009. After 2015, growth will then be able to build solely on technological progress and quality improvement.

The proposals of the social partners in their paper “growth and full employment” can be summarised as follows:

- Working time: Normal daily and weekly working and maximum will be extended, other regulations concerning special working time arrangements will also be extended and simplified.
- Overtime: extension of allowed periods for regular overtime; a kind of overtime premium will be set also for part-time workers.
- Active labour market policy: Additional qualification, targeted employment subsidies, specified conditions for migrants according to demand.
- Youth training and employment: Extended safety net for transition from school to work, more flexibility in apprenticeship.
- Employment of older workers: targeted employment subsidies, supported part-time-work.

The paper “Labour market – future 2010” (October 2007) focuses on the lack of skilled labour and on the rising youth unemployment. The main goal is to activate inactive labour potential as far as possible and to allow for controlled migration in a second step. Concrete measures proposed refer to active labour market policy to reduce long-term unemployment, to increase employment participation of elderly, to support employment in low-wage sectors and to provide training in the field of care. Furthermore dangers to established standards of social security and labour law are seen as a consequence of the European enlargement. The proposed measures of active labour market policy have been implemented with the Employment Promotion Act and put into more concrete terms with regard to the social partner proposal (see chapter 3.3).

With the paper “lifelong learning” (October 2007) the social partners requested the government to develop a coherent lifelong learning strategy to reach the goals formulated in the Lisbon-strategy. The social partners formulate goals and main principles for reforms. The reforms demanded refer to all

innovative energy policy and environmental policy, transforming informal work into gainful employment, promoting gender equality, the social system as productive force.

²⁸ Employment package, demand stimulation package, productivity campaign, promotion of competition and flexibility, qualification campaign, integration package, energy and environment package, services and export package.

levels of the educational system (kindergarten, compulsory schools, upper secondary schools, universities, apprenticeship).

Furthermore the Austrian government presented a “flexicurity-package” in October 2007 on which the social partners agreed on.²⁹ This proposal included the extension of social security of free service contracts („Freie Dienstnehmer“) analogous to standard employees; social security of work for service contracts analogous to self-employment; unemployment insurance for self-employed; enterprise social security payments for all categories of employment. The conditions for eligibility for unemployment benefits and educational leave have been modernised.

Table 38 Policy measures reported for Austria as a proportion of total measures reported in the Joint employment Report 2007/08

	Measures total EU27	Austria	% Austria
(1) Employment, labour supply and social protection	53	16	30%
(1.1) Lifecycle approach	15	7	47%
(1.2) Inclusive Im, work attractiveness, work pay, disadvantaged and inactive	27	8	30%
(1.3) Matching of labour market needs	11	1	9%
(2) Adaptability	13	3	23%
(2.1) Flexibility and security, reduce Im segmentation, role of social partners	13	3	23%
(3) Human Capital	13	4	31%
(3.1) Investment in human capital	4	1	25%
(3.2) Adapt ET to competence needs	9	3	33%
Single measures reported for Austria:			
1.1. - increasing incentives to work longer for employees and employees - use statistics broken down by sex for reporting on employment - taken concrete actions in the field of the gender pay gap - improved vocational education and training pathways (youth) - tax promotion for apprenticeship places (youth) - nearly all young unemployed offered new start during first months (youth) - improve the provision of childcare facilities 1.2. - providing specific training opportunities for low-skilled persons - specific training and language courses for migrants - activation measures and support from employment services for migrants - planning to develop plans to simplify procedures for work and residence permits in sectors with labour shortages - increased spending and raised effectiveness of active labour market policies - providing targeted training for the unemployed - cutting the tax wedge on low income groups - subsidies given to employers to hire disabled people and to adapt their workplace to their needs 1.3. - building infrastructures to forecast labour market needs and skills shortages 2.1. - intentions about initiatives to develop flexicurity pathways, seeking cooperation with social partners - labour code review - regulation of temporary agency work 3.1. - simplify the conditions for educational leave 3.2. - development of national qualifications framework - setting up systems for the validation of non-formal and informal learning - efforts to improve infrastructures for forecasting future skills and qualifications needs			

Source: EC Council, Joint employment Report 2007/08; own calculation

²⁹ <http://www.bmwa.gv.at/NR/rdonlyres/CC29BDB2-CCFD-4D6A-BE79-909D7EC709B9/0/HandoutFlexicurityPaket.pdf>

The 2007/08 European Joint Employment report gives a rough assessment of policies taken in the member states about the employment strategy. Table 38 summarises the representation of Austria in the European assessment. We see a quite balanced representation in the different sections. Interestingly, adaptability which explicitly includes the role of the social partners is a bit lower than the others. Investment in human capital is also a bit less represented, which is in line with the high expenditure for education and training in Austria. The concrete measures are grossly in line with the requirements and problems analysed in this report. Some measures are still rather vaguely addressed in the report, in particular “planning to develop plans to simplify procedures for work and residence permits in sectors with labour shortages” in case of migrants.

5.1.4 Which gaps remain?

Guger/Leonie (2006, 24-26) address a reform agenda for Austria, including the following points:

- Unifying the legal systems of labour law and social security law for all sectors of employment and for all groups of employed. This includes the different categories (public/private, employees/self-employed), seniority wages, sector wage differentials, unemployment insurance, invalidity pensions, reconciling time periods for care subsidies with dismissal protection, conditions for part-time employment)
- Better incentive structures, including a reform of the threshold for marginal part-time employment into a general tax exemption for low-wage employment and experience ration in the invalidity pension and the seasonal unemployment insurance
- More working time flexibility for enterprises and employees, including rights for sabbaticals and continuing education and training
- More employment friendly labour costs, including a proposal for the extension of the contributions to the health insurance to incomes from property with a proportional reduction from wage costs
- Controlled and temporary measures for the support of low wage employment
- Higher level of minimum social security payments (kind of basic income) and activity premiums for work of disadvantaged groups
- Investment in social services for education, child care and care for elderly.

In the following section we give a short account of remaining gaps according to some broader groups:

Young people: There is much emphasis in Austrian policy making for a good transition from education and training to work. The situation for young people is comparatively good, however, there are signs for rising transition problems, in particular for drop outs and young people with a migration background. Austria has a strong apprenticeship system, which also comprises a high degree of social security. In some respect this system is seen as hampering access to apprenticeship because of too high requirements for both, enterprises and young people. A safety net has been built up to improve transition, and some new measures have been recently proposed. Among them has been a proposal to allow for dismissals of apprentices after each year for both sides, however, only after completing a mandatory mediation procedure which in case should find alternative solutions for each case. Forms

of atypical work are often used by young people in combination with their completion of initial education and training. There is quite broad consensus that the apprenticeship system is not able to cope with all the problems of disadvantaged young people. However, the alternatives are even less clear so far.³⁰

Older workers: The employment rate of older workers has been chronically low in Austria, reasons for this are seen in the incentives for retirement (which have been reduced to some extent by a pension reform), in uses of prolonged unemployment and invalidity pensions for older people, and in aspects of work regulations, particularly in strong seniority loaded wage schemes and in specific measures of dismissal protection for older workers. Overall there seem to be disincentives for the employment of older workers in the Austrian system of decent work. In the course of a European project the development of a strategy for the elderly has been proposed, however, has not been adopted by the major stakeholders.³¹

Migrants: Migrants are not a homogeneous group in Austria, and the various groups of migrants have markedly changed during the last decades. Traditionally in the 1970s migrants from Yugoslavia, and to a less extent from Turkey have worked as unqualified “guest workers”. Later the crisis in neighbouring regions have lead to comparatively high numbers of refugees, which have found residence in Austria. New groups have been migrants from the EU (more recently many migrants from Germany have settled in Austria), increasingly also from the new member states (where restrictions are still in place) and family members from resident migrants from earlier periods. Overall migration is seen as a factor which contributes to population development (increasing fertility and slowing down population ageing), and increases labour supply, partly to an extent which contributes to unemployment. There seem still to be a tendency to employ migrants in unqualified positions (often below their qualification with certain groups), and there are gaps with proper integration (e.g., too little support with education).

Women: Women have been for a long time a flexible source in the labour market, as the strong reactivity of labour supply to the business cycle has been observed as a specificity of the Austrian economic development. More recently the part-time employment of women is a major source of additional employment in Austria. The support of child care has been reformed towards financial contributions which seem to work as disincentives for employment. The social security system is still strongly geared towards full-time employment and family assistance. Thus there are imbalances of social security with part-time employment and other forms of atypical work which influence the situation of women negatively. The gender pay gap is particularly high in Austria. There are still disputes about the necessity and improved quality and customer friendliness of child care provision, which are related to the traditional models of the family.

³⁰ See the comparative results of an European project about disadvantaged youth: http://ec.europa.eu/employment_social/social_inclusion/docs/youth_study_en.pdf

³¹ See the proposed greenbook for the elderly: http://weissbuch.elderly.at/attach/1PAKTE_GRUENBUCH_AELTERE.pdf

Low qualified people: The proportion of low qualified people is comparatively low in Austria, and concentrated very much on certain groups among migrants. However, there are indications that their position in terms of employment and more so unemployment is much worse than that of qualified workers, compared to the EU average differences. The interrelations of low qualification and other traits have to be analysed more deeply. Low qualified people participate less in training than more qualified people, therefore several specific support measures are under discussion which should be geared to low qualified people (e.g. support of possibilities for completing formal qualifications; higher premium on supported training accounts; revision of labour market training towards more qualification inputs and stronger evaluation of results).

5.2 Policy recommendations

Based on our analysis we can give an overview about some tentative policy recommendations, which are to some part already under debate in Austria, and to some part extended to a broader view of flexicurity and decent work:

- To loosen the strong linkage of social security to full-time employment by reducing non-wage labour costs and opening other sources for financing has been frequently proposed, e.g. also by the WIFO-report. The analysis has shown, that a substantial reduction of non-wage labour costs has been already achieved in the preceding decade, however, the Austrian level is still substantially above the European average. To shift to taxes would include a major shift of the rationale of social security, which is very much influenced by the insurance paradigm.
- Generous unemployment insurance and strong labour market policy are seen as two pillars of the golden triangle of flexicurity. The current proposals for flexicurity point to gaps in flexibility, and see education and training for increasing employability as main source of security. This means a kind of shift in the original proposal, as the point of generous unemployment insurance is not so much emphasised in prevailing proposals. Several rather small scale proposals are made in the debate for the improvement of social security with specific groups or situations, however, the overall impact of these measures cannot be seen easily in the existing complex system.
- Some actors are making proposals towards a basic income as a source for social security. The mainstream rather follows a path of concluding sector collective agreements for a minimum income. The time targets concluded by the social partners to be followed for agreements of the minimum wage, before a legal amendment should be envisaged in case the collective bargaining was not successful is an interesting policy. Other proposals for widening the basic social security net are employment related, by controlled specialised measures for combinations of low wages and public subsidies ("Kombilohn"), and by lessening the tax wedge for low incomes. It is argued that the threshold for marginal part time work should be rather generalised to a tax free amount for all smaller incomes up to a certain limit, to reduce the steep increase of taxes above the threshold. Moreover, to reduce disincentives by the high non-wage labour costs, an extension of social security contributions to

property has been proposed, in parallel with a reduction of the wage related contributions. Minimum levels of social security payments are proposed to be substantially increased, in combination with an activation premium for disadvantaged persons.

- Policies for the integration of the various groups of migrants have been started to be discussed more recently. At the moment, measures at the compulsory school level for a better integration of the children of migrants are developed and debated.

- Some proposals point to the necessity of an overall integration of the segmented system of social security to different sectors, groups of people, and functions. This clearly is a very demanding proposal in the interest group driven Austrian system. If this would be a precondition for a sustainable improvement of the overall system, the likelihood for a substantial change seems not to be very high.

Basically the Austrian case can underline the strengths, and the weaknesses of an institutionalised system of social partnership for the decent work agenda. More recently, the development indicates that signs of sclerosis can eventually be overcome in such an institutionalised system under conditions of a strong organisational base and a cooperative climate. On the other hand, the system is very complex, and most substantial changes need interrelated measures in different policy areas, which are often not easy to be reached.

A tightly regulated system with a complex set of various regulations seems to be able to comply with the requirements for flexicurity. It has still to be worked out, how problems of “outsiders” can be dealt with in this system. The conditions under which a social security system which is strongly geared to full-time employment and family support can comply with the new developments in the economy and society can be studied at the Austrian case. Both these aspects put strong challenges to the Austrian system.

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7 ANNEX - Tables

Table 39 Gender pay gap, relative tax-rates, public spending (Selected EU Structural Indicators 1995-2006; available years)

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
EM030 EN Gender pay gap in unadjusted form - Difference between men's and women's average gross hourly earnings as a percentage of men's average gross hourly earnings													
eu27	em030	17	17	16	17	16	16	16	16	15	15	15	15
eu15	em030	17	16	16	16	15	16	16	16	16	15	15	
at	em030	22	20	22	21	21	20	20		17	18	18	20
at/eu15		129%	125%	138%	131%	140%	125%	125%		106%	120%	120%	

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
EM041 EN Tax rate on low wage earners: Tax wedge on labour cost - single person without children - Income tax expressed as a percentage of the total labour costs of the earner													
eu27	em041		39,7	40,0	39,3	38,5	40,9	40,3	40,4	40,3	39,8	39,7	40,1
eu15	em041		39,7	40,0	39,2	38,4	40,8	40,3	40,4	40,3	39,8	39,7	40,1
at	em041		37,5	41,1	41,5	41,6	43,2	42,9	43,1	43,5	43,9	43,1	43,5
at/eu15			94%	103%	106%	108%	106%	106%	107%	108%	110%	109%	108%

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
EM042 EN Tax rate on low wage earners: Unemployment trap - single person without children - Percentage of gross earnings which is 'taxed away' when an unemployed person returns to employment													
eu27	em042							73,9	73,4	74,0	74,1	75,0	75,4
eu15	em042							74,0	73,5	74,1	74,3	75,2	75,5
at	em042							67,0	67,0	67,0	67,0	67,0	67,0
at/eu15								91%	91%	90%	90%	89%	89%

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
EM043 EN Tax rate on low wage earners: Low wage trap - single person without children - Percentage of Gross earnings which is 'taxed away' when gross earnings increase from 33% to 67% of average wage													
eu27	em043							48,0	47,7	47,6	46,7	46,7	47,4
eu15	em043							48,2	48,0	47,9	47,0	47,0	47,7
at	em043							35,0	36,0	37,0	38,0	36,0	37,0
at/eu15								73%	75%	77%	81%	77%	78%

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
EM044 EN Tax rate on low wage earners: Low wage trap - one earner couple with two children - % of gross earnings taxed away when gross earnings increase from 33% to 67% of average wage													
eu27	em044							54,4	55,9	60,7	58,8	61,6	62,2
eu15	em044							53,9	55,6	60,6	59,0	61,6	62,4
at	em044							79,0	83,0	80,0	65,0	62,0	64,0
at/eu15								146%	149%	132%	110%	101%	103%

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
EM045 EN Implicit Tax Rate on Labour - Ratio of taxes and social security contributions on employed labour income to total compensation of employees													
eu27	em045	37,0	37,4	37,5	37,5	37,3	37,1	36,8	36,6	36,7	36,3	36,5	
eu15	em045	36,9	37,4	37,4	37,5	37,2	37,1	36,7	36,3	36,6	36,5		
at	em045	38,7	39,5	40,8	40,5	40,6	40,2	40,7	40,8	40,9	40,9	40,9	
at/eu15		105%	106%	109%	108%	109%	108%	111%	112%	112%	112%		

Table cont.

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
EB060 EN Public balance - Net borrowing/lending of consolidated general government sector as a percentage of GDP													
eu27	eb060	:	:	:	:	:	0,6	-1,4	-2,5	-3,1	-2,8	-2,4	-1,6
eu15	eb060	:	:	:	:	:	0,8	-1,2	-2,3	-3	-2,7	-2,4	-1,5
at	eb060	-5,6	-3,9	-1,7	-2,3	-2,2	-1,5	0	-0,5	-1,6	-1,2	-1,6	-1,4
at/eu15							-188%	0%	22%	53%	44%	67%	93%

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
EB070 EN General government debt - General government consolidated gross debt as a percentage of GDP													
eu27	eb070	:	:	:	:	:		61	60,3	61,8	62,1	62,7	61,4
eu15	eb070	:	:	:	:	:	63,2	62,2	61,6	63	63,3	64,2	63
at	eb070	67,9	67,6	63,8	64,3	66,5	65,5	66	65,8	64,6	63,8	63,4	61,7
at/eu15							104%	106%	107%	103%	101%	99%	98%

Table 40 Accidents at work (Selected EU Structural Indicators 1995-2006; available years)

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
EM0611 EN Serious accidents at work - total - Index of the number of serious accidents at work per 100 thousand persons in employment (1998=100)													
eu27	em0611	:	:	:	:	:	100	96	88	84	80	78	:
eu15	em0611	104	103	100	100	100	98	94	86	81	78	76	:
at	em0611	164	107	105	100	99	92	83	84	79	79	77	:
at/eu15		158%	104%	105%	100%	99%	94%	88%	98%	98%	101%	101%	

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
EM0612 EN Serious accidents at work - females - Index of the number of serious accidents at work for women per 100 thousand females in employment (1998=100)													
eu27	em0612	:	:	:	:	:	100	98	94	90	86	85	:
eu15	em0612	99	102	99	100	101	103	100	96	91	86	82	:
at	em0612	:	124	106	100	99	93	73	75	71	72	77	:
at/eu15			122%	107%	100%	98%	90%	73%	78%	78%	84%	94%	

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
EM0613 EN Serious accidents at work - males - Index of the number of serious accidents at work for men per 100 thousand males in employment (1998=100)													
eu27	em0613	:	:	:	:	:	100	96	90	86	82	81	:
eu15	em0613	105	104	100	100	100	98	93	88	83	80	75	:
at	em0613	:	104	106	100	100	92	86	87	82	86	78	:
at/eu15			100%	106%	100%	100%	94%	92%	99%	99%	108%	104%	

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
EM062 EN Fatal accidents at work - Index of the number of fatal accidents at work per 100 thousand persons in employment (1998=100)													
eu27	em062	:	:	:	:	:	100	97	91	90	88	86	:
eu15	em062	116	113	106	100	91	88	85	80	78	75	74	:
at	em062	131	118	104	100	100	100	94	100	94	107	94	:
at/eu15		113%	104%	98%	100%	110%	114%	111%	125%	121%	143%	127%	

Table 41 Income distribution, poverty risk, regional dispersion employment (Selected EU Structural Indicators 1995-2006; available years)

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SC010 EN Inequality of income distribution - Ratio of total income received by the 20% of the population with the highest income to that received by the 20% of the population with the lowest income													
eu27	sc010	:	:	:	:	:	:	:	:	:	:	:	:
eu15	sc010	5,1	4,8	4,7	4,6	4,6	4,5	4,5	:	4,6	4,8	4,8	4,7
at	sc010	4	3,8	3,6	3,5	3,7	3,4	3,5	:	4,1	3,8	3,8	3,7
at/eu15		78%	79%	77%	76%	80%	76%	78%		89%	79%	79%	79%
		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SC021 EN At-risk-of-poverty rate before social transfers - total - Share of persons with an equivalised disposable income, before social transfers, below the risk-of-poverty threshold.													
eu27	sc021	:	:	:	:	:	:	:	:	:	:	:	:
eu15	sc021	26	25	25	24	24	23	24	:	25	26	25	26
at	sc021	24	25	24	24	23	22	22	:	25	25	24	25
at/eu15		92%	100%	96%	100%	96%	96%	92%		100%	96%	96%	96%
		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SC022 EN At-risk-of-poverty rate after social transfers - total - Share of persons with an equivalised disposable income, after social transfers, below the risk-of-poverty threshold													
eu27	sc022	:	:	:	:	:	:	:	:	:	:	:	:
eu15	sc022	17	16	16	15	16	15	15	:	15	17	16	16
at	sc022	13	14	13	13	12	12	12	:	13	13	12	13
at/eu15		76%	88%	81%	87%	75%	80%	80%		87%	76%	75%	81%
		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SC023 EN At-risk-of-poverty rate before social transfers - females - Share of women with an equivalised disposable income, before social transfers, below the risk-of-poverty threshold													
eu27	sc023	:	:	:	:	:	:	:	:	:	:	:	:
eu15	sc023	27	26	26	25	24	24	:	:	26	27	27	27
at	sc023	27	27	26	27	26	25	25	:	26	26	25	26
at/eu15		100%	104%	100%	108%	108%	104%			100%	96%	93%	96%
		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SC024 EN At-risk-of-poverty rate after social transfers - females - Share of women with an equivalised disposable income, after social transfers, below the risk-of-poverty threshold													
eu27	sc024	:	:	:	:	:	:	:	:	:	:	:	:
eu15	sc024	18	18	17	16	17	16	:	:	17	18	17	17
at	sc024	15	16	14	15	14	14	14	:	14	14	13	14
at/eu15		83%	89%	82%	94%	82%	88%			82%	78%	76%	82%

Table cont.

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SC025 EN At-risk-of-poverty rate before social transfers - males - Share of men with an equivalised disposable income before social transfers below the risk-of-poverty threshold													
eu27	sc025	:	:	:	:	:	:	:	:	:	:	:	:
eu15	sc025	25	24	24	23	23	22	:	:	23	24	24	25
at	sc025	22	22	22	22	21	20	19	:	23	24	23	24
at/eu15		88%	92%	92%	96%	91%	91%			100%	100%	96%	96%
		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SC026 EN At-risk-of-poverty rate after social transfers - males - Share of men with an equivalised disposable income, after social transfers, below the risk-of-poverty threshold													
eu27	sc026	:	:	:	:	:	:	:	:	:	:	:	:
eu15	sc026	16	15	15	14	15	15	:	:	14	15	15	15
at	sc026	12	12	11	11	10	9	9	:	12	11	11	11
at/eu15		75%	80%	73%	79%	67%	60%			86%	73%	73%	73%
		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SC031 EN At-persistent-risk-of-poverty rate - total - Share of persons with an equivalised disposable income below the risk-of-poverty threshold in the current year and in at least two of the preceding three years													
eu27	sc031	:	:	:	:	:	:	:	:	:	:	:	:
eu15	sc031	:	:	:	9	9	9	9	:	:	:	:	:
at	sc031	:	:	:	7	7	7	7	:	:	:	:	:
at/eu15					78%	78%	78%	78%					
		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SC032 EN At-persistent-risk-of-poverty rate - females - Share of women with an equivalised disposable income below the risk-of-poverty threshold in the current year and in at least two of the preceding three years													
eu27	sc032	:	:	:	:	:	:	:	:	:	:	:	:
eu15	sc032	:	:	:	10	10	10	:	:	:	:	:	:
at	sc032	:	:	:	8	8	8	9	:	:	:	:	:
at/eu15					80%	80%	80%						
		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SC033 EN At-persistent-risk-of-poverty rate - males - Share of men with an equivalised disposable income below the risk-of-poverty threshold in the current year and in at least two of the preceding three years.													
eu27	sc033	:	:	:	:	:	:	:	:	:	:	:	:
eu15	sc033	:	:	:	9	8	8	:	:	:	:	:	:
at	sc033	:	:	:	6	5	5	5	:	:	:	:	:
at/eu15					67%	63%	63%						

Table cont.

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SC041 EN Dispersion of regional employment rates - total - Coefficient of variation of employment rates (of the age group 15-64) across regions (NUTS 2 level) within countries													
eu27	sc041	:	:	:	:	12,9	13	13,2	13,2	12,8	12,1	11,9	11,4
eu15	sc041	:	:	:	:	:	:	:	:	:	:	:	:
at	sc041	:	:	:	:	2,3	2,5	2,6	2,5	3	3,5	4,1	3,4
at/eu15													

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SC042 EN Dispersion of regional employment rates - females - Coefficient of variation of female employment rates (of the age group 15-64) across regions (NUTS 2 level) within countries													
eu27	sc042	:	:	:	:	20,4	20	19,6	19,2	18,5	17	16,8	16,2
eu15	sc042	:	:	:	:	:	:	:	:	:	:	:	:
at	sc042	:	:	:	:	4,2	4,4	4,3	3,3	3,8	3,2	3,4	2,7
at/eu15													

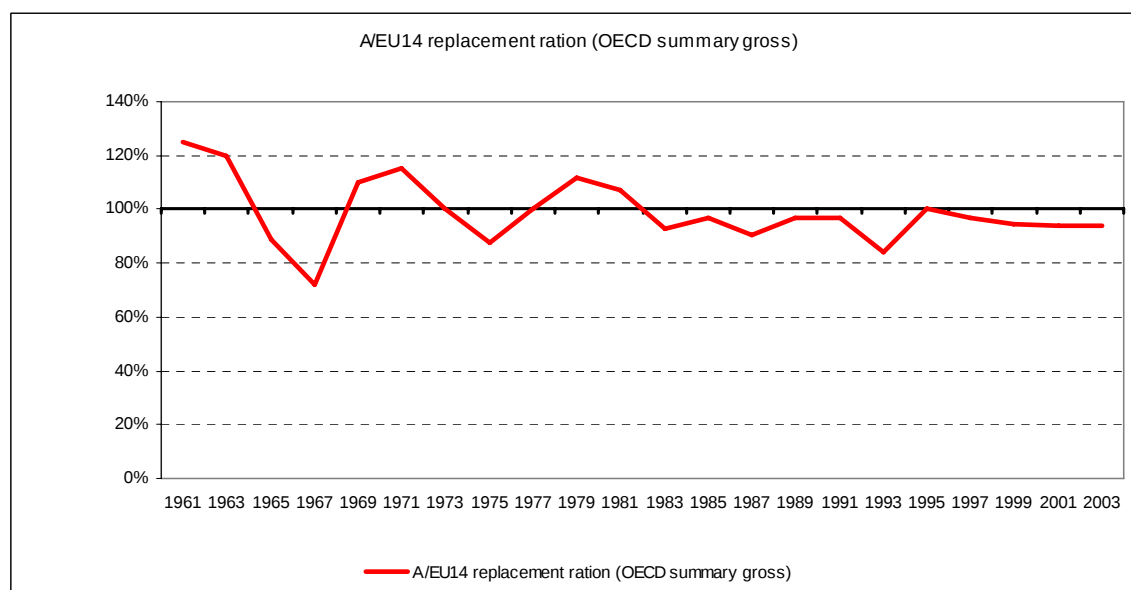
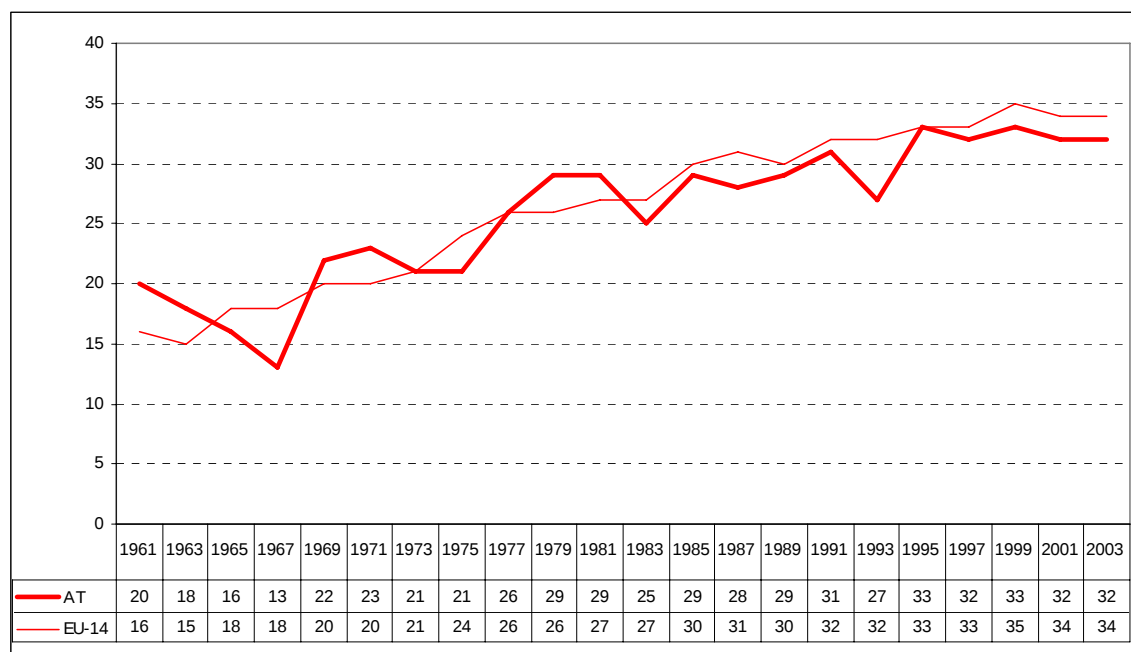
		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SC043 EN Dispersion of regional employment rates - males - Coefficient of variation of male employment rates (of the age group 15-64) across regions (NUTS 2 level) within countries													
eu27	sc043	:	:	:	:	9,1	9,6	10,2	10,6	10,4	10,2	9,7	9,3
eu15	sc043	:	:	:	:	:	:	:	:	:	:	:	:
at	sc043	:	:	:	:	2,2	2,2	2,5	3,7	3,6	3,9	4,9	4,1
at/eu15													

Table 42 **Jobless households (Selected EU Structural Indicators 1995-2006; available years)**

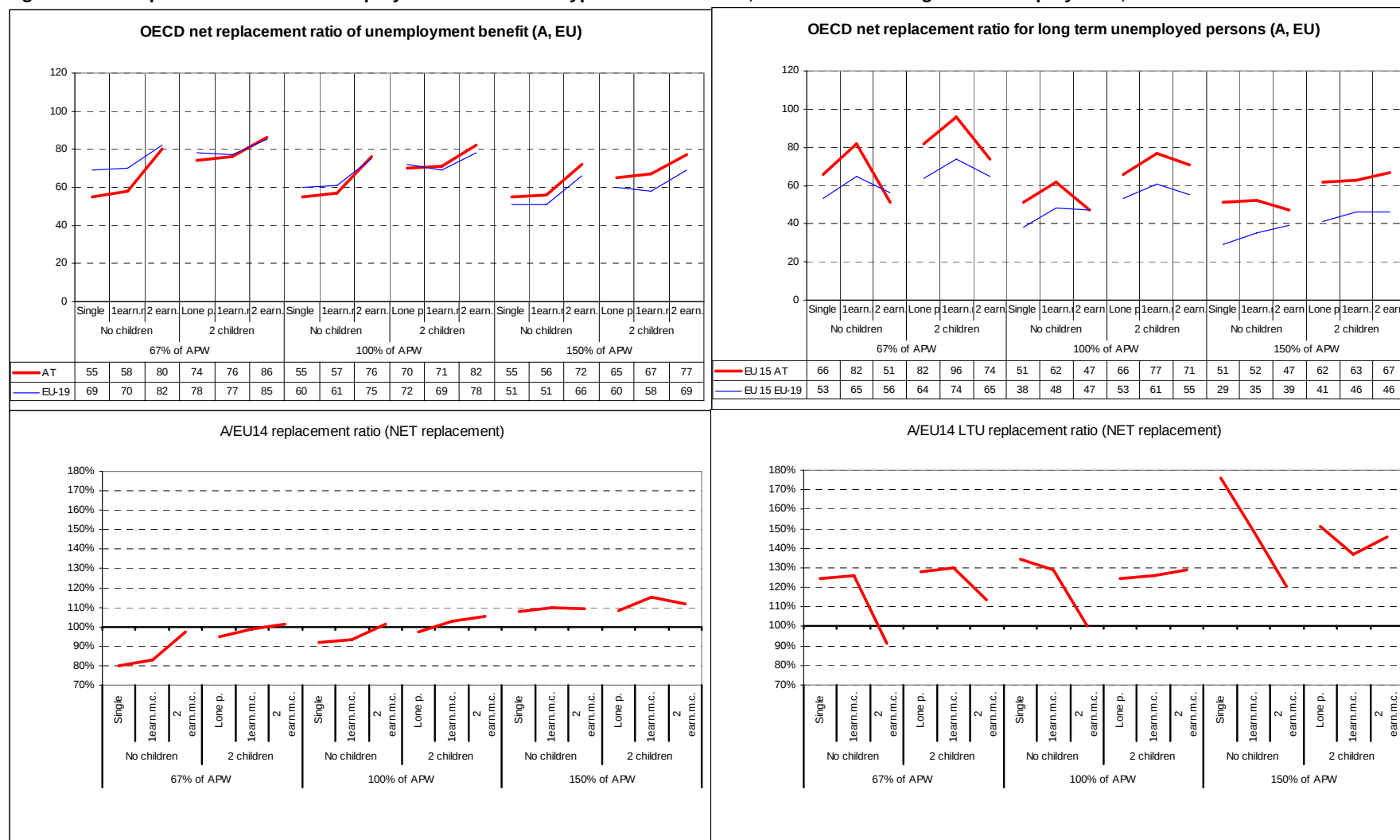
		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SC072 EN Jobless households - total - Share of persons aged 18-59 who are living in households where no-one works.													
eu27	sc072	:	:	:	:	:	:	10,2	10,3	10,3	10,4	10,3	9,8
eu15	sc072	11,5	11,5	11,5	11,1	10,5	9,9	9,7	9,6	9,7	9,8	9,8	9,5
at	sc072	7	8,1	7,7	8,4	8,2	8,3	7,9	7,5	7,4	8,8	8,7	8,8
at/eu15		61%	70%	67%	76%	78%	84%	81%	78%	76%	90%	89%	93%

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SC073 EN Jobless households - women - Share of women aged 18-59 who are living in households where no-one works													
Eu27	sc073	:	:	:	:	:	:	11,4	11,6	11,4	11,5	11,2	10,8
Eu15	sc073	12,9	12,9	12,9	12,5	11,9	11,3	11,1	10,9	10,9	10,9	10,7	10,5
At	sc073	8,4	9,6	9,1	10	9,8	10	9,6	8,8	8,6	10	9,6	9,8
at/eu15		65%	74%	71%	80%	82%	88%	86%	81%	79%	92%	90%	93%

		1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
SC074 EN Jobless households - men - Share of men aged 18-59 who are living in households where no-one works													
Eu27	sc074	:	:	:	:	:	:	8,9	9,1	9,1	9,4	9,3	8,8
Eu15	sc074	10,1	10,1	10	9,7	9	8,4	8,3	8,3	8,6	8,8	8,8	8,5
At	sc074	5,6	6,7	6,3	6,9	6,5	6,5	6,2	6,2	6,1	7,6	7,7	7,8
at/eu15		55%	66%	63%	71%	72%	77%	75%	75%	71%	86%	88%	92%

Figure 43 Replacement rate of unemployment benefits 1961-2003, Austria and EU (OECD summary gross replacement rate)

Source: EIE 2006, 147, own calculation, own picture

Figure 44 Replacement rate of unemployment benefits for types of households, and initial and long term unemployment, Austria and EU 2004

Source: EIE 2006, 148-149, own calculation, own picture

Table 43 Employees by age and annual percentage change, 1999-2006

Source: Federation of Austrian Social Security Institutions

	1999	2000	2001	2002	2003	2004	2005	2006
Up to 19 years	201,587	198,813	195,230	187,806	186,234	182,890	180,933	183,728
20 - 24 years	319,674	305,643	300,450	299,341	307,191	313,972	316,134	318,709
25 - 29 years	427,852	413,093	395,831	377,938	371,157	369,226	372,448	382,737
30 - 34 years	499,444	499,626	487,558	468,473	450,487	431,996	417,810	406,779
35 - 39 years	480,825	499,951	507,548	506,269	506,555	501,024	493,117	483,958
40 - 44 years	407,559	429,335	445,841	459,632	476,397	489,045	499,773	508,199
45 - 49 years	333,899	341,855	355,120	372,432	388,207	402,546	418,553	435,601
50 - 54 years	267,227	282,978	295,847	300,184	301,437	303,527	311,476	325,438
55 - 59 years	148,291	141,034	140,332	153,578	164,810	169,654	183,372	195,314
60 - 64 years	17,135	17,258	20,312	25,360	28,042	30,009	31,253	34,236
65 years and older	4,406	4,153	4,086	4,149	4,243	4,702	5,419	6,177
Total	3,107,899	3,133,739	3,148,155	3,155,162	3,184,760	3,198,591	3,230,288	3,280,876
Annual percentage change								
Up to 19 years	1.8	-1.4	-1.8	-3.8	-0.8	-1.8	-1.1	1.5
20 - 24 years	-0.2	-4.4	-1.7	-0.4	2.6	2.2	0.7	0.8
25 - 29 years	-0.5	-3.4	-4.2	-4.5	-1.8	-0.5	0.9	2.8
30 - 34 years	1.4	0	-2.4	-3.9	-3.8	-4.1	-3.3	-2.6
35 - 39 years	2.7	4	1.5	-0.3	0.1	-1.1	-1.6	-1.9
40 - 44 years	2.5	5.3	3.8	3.1	3.6	2.7	2.2	1.7
45 - 49 years	-0.9	2.4	3.9	4.9	4.2	3.7	4	4.1
50 - 54 years	0.7	5.9	4.5	1.5	0.4	0.7	2.6	4.5
55 - 59 years	-0.3	-4.9	-0.5	9.4	7.3	2.9	8.1	6.5
60 - 64 years	17.9	0.7	17.7	24.9	10.6	7	4.1	9.5
65 years and older	-1.2	-5.7	-1.6	1.5	2.3	10.8	15.2	14
Total	1	0.8	0.5	0.2	0.9	0.4	1	1.6

Table 44 Male employees by age and annual percentage change, 1999-2006

Source: Federation of Austrian Social Security Institutions

	1999	2000	2001	2002	2003	2004	2005	2006
Up to 19 years	118,127	118,800	116,903	112,229	110,450	108,316	107,532	109,466
20 – 24 years	161,556	157,558	154,420	151,888	154,615	157,314	158,207	160,300
25 – 29 years	224,891	214,192	202,856	191,551	187,037	185,617	186,561	191,501
30 – 34 years	281,805	277,792	267,265	253,298	241,082	230,210	221,837	215,705
35 – 39 years	273,997	281,462	282,964	279,009	276,782	273,261	267,423	261,266
40 – 44 years	227,605	237,061	244,042	249,287	256,141	262,222	266,794	270,616
45 – 49 years	187,797	188,865	193,280	199,288	205,396	212,749	220,417	229,234
50 – 54 years	154,646	162,731	167,544	166,170	163,967	163,400	165,781	171,829
55 – 59 years	109,354	103,767	101,099	106,703	111,220	111,899	118,569	124,537
60 – 64 years	12,604	12,512	15,024	19,221	21,467	23,340	24,565	26,851
65 years and older	2,442	2,270	2,317	2,424	2,475	2,810	3,340	3,902
Total	1,754,824	1,757,010	1,747,714	1,731,068	1,730,632	1,731,138	1,741,026	1,765,207
Annual percentage change								
Up to 19 years	3.6	0.6	-1.6	-4	-1.6	-1.9	-0.7	1.8
20 – 24 years	-1.4	-2.5	-2	-1.6	1.8	1.7	0.6	1.3
25 – 29 years	-4.7	-4.8	-5.3	-5.6	-2.4	-0.8	0.5	2.6
30 – 34 years	-0.8	-1.4	-3.8	-5.2	-4.8	-4.5	-3.6	-2.8
35 – 39 years	3	2.7	0.5	-1.4	-0.8	-1.3	-2.1	-2.3
40 – 44 years	3.9	4.2	2.9	2.1	2.7	2.4	1.7	1.4
45 – 49 years	0.1	0.6	2.3	3.1	3.1	3.6	3.6	4
50 – 54 years	1.9	5.2	3	-0.8	-1.3	-0.3	1.5	3.6
55 – 59 years	-0.1	-5.1	-2.6	5.5	4.2	0.6	6	5
60 – 64 years	21.7	-0.7	20.1	27.9	11.7	8.7	5.2	9.3
65 years and older	1.4	-7	2.1	4.6	2.1	13.5	18.9	16.8
Total	0.6	0.1	-0.5	-1	0	0	0.6	1.4

Table 45 Female employees by age and annual percentage change, 1999-2006

Source: Federation of Austrian Social Security Institutions

	1999	2000	2001	2002	2003	2004	2005	2006
Up to 19 years	83,460	80,013	78,327	75,577	75,784	74,574	73,401	74,262
20 - 24 years	158,118	148,085	146,030	147,453	152,576	156,658	157,927	158,409
25 - 29 years	202,961	198,901	192,975	186,387	184,120	183,609	185,887	191,236
30 - 34 years	217,639	221,834	220,293	215,175	209,405	201,786	195,973	191,074
35 - 39 years	206,828	218,489	224,584	227,260	229,773	227,763	225,694	222,692
40 - 44 years	179,954	192,274	201,799	210,345	220,256	226,823	232,979	237,583
45 - 49 years	146,102	152,990	161,840	173,144	182,811	189,797	198,136	206,367
50 - 54 years	112,581	120,247	128,303	134,014	137,470	140,127	145,695	153,609
55 - 59 years	38,937	37,267	39,233	46,875	53,590	57,755	64,803	70,777
60 - 64 years	4,531	4,746	5,288	6,139	6,575	6,669	6,688	7,385
65 years and older	1,964	1,883	1,769	1,725	1,768	1,892	2,079	2,275
Total	1,353,075	1,376,729	1,400,441	1,424,094	1,454,128	1,467,453	1,489,262	1,515,669
Annual percentage change								
Up to 19 years	-0.8	-4.1	-2.1	-3.5	0.3	-1.6	-1.6	1.2
20 - 24 years	1	-6.3	-1.4	1	3.5	2.7	0.8	0.3
25 - 29 years	4.6	-2	-3	-3.4	-1.2	-0.3	1.2	2.9
30 - 34 years	4.4	1.9	-0.7	-2.3	-2.7	-3.6	-2.9	-2.5
35 - 39 years	2.3	5.6	2.8	1.2	1.1	-0.9	-0.9	-1.3
40 - 44 years	0.8	6.8	5	4.2	4.7	3	2.7	2
45 - 49 years	-2.1	4.7	5.8	7	5.6	3.8	4.4	4.2
50 - 54 years	-0.8	6.8	6.7	4.5	2.6	1.9	4	5.4
55 - 59 years	-0.9	-4.3	5.3	19.5	14.3	7.8	12.2	9.2
60 - 64 years	8.3	4.7	11.4	16.1	7.1	1.4	0.3	10.4
65 years and older	-4.3	-4.1	-6.1	-2.5	2.5	7	9.9	9.4
Total	1.6	1.7	1.7	1.7	2.1	0.9	1.5	1.8

Table 46 Economic Indicators 1995-2008 Austria, EU 27, EU 15

European Union 27	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Real GDP	2,6	1,8	2,7	2,9	3,0	3,9	2,0	1,2	1,3	2,5	1,8	3,0	2,9	2,7
Occupied Population	:	0,5	0,6	1,3	0,8	1,8	0,9	0,3	0,4	0,8	1,0	1,6	1,4	1,1
Labour productivity	:	1,5	2,3	1,8	2,4	2,3	1,1	1,1	1,2	1,9	1,0	1,5	1,6	1,6
Annual average hours worked	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Productivity per hour worked	:	:	:	:	:	:	:	:	:	:	:	:	:	:
Harmonised CPI	:	:	7,3	4,6	3,0	3,5	3,2	2,5	2,1	2,3	2,3	2,3	2,2	2,1
Price deflator GDP	3,5	2,9	3,4	2,2	1,5	1,8	2,6	2,8	2,4	2,1	2,0	2,0	2,4	2,1
Nominal compensation per employee	:	3,9	4,4	3,3	4,0	4,2	4,1	3,3	3,3	2,9	2,5	2,6	3,1	3,4
Real compensation per employee (GDP deflator)	:	1,0	0,9	1,1	2,5	2,3	1,4	0,5	0,9	0,7	0,5	0,6	0,7	1,2
Real compensation per employee (private consumption deflator)	:	0,8	0,3	1,4	2,5	1,5	1,4	1,3	1,2	0,8	0,4	0,4	1,1	1,4
Nominal unit labour costs	:	2,3	2,1	1,5	1,6	1,9	2,9	2,2	2,1	1,0	1,5	1,1	1,5	1,7
Real unit labour costs	:	-0,6	-1,3	-0,7	0,0	0,1	0,3	-0,6	-0,3	-1,2	-0,5	-0,9	-0,9	-0,4
European Union 15	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Real GDP	2,5	1,7	2,6	2,9	3,0	3,8	1,9	1,1	1,1	2,3	1,6	2,8	2,7	2,5
Occupied Population	0,8	0,6	1,0	1,8	1,8	2,2	1,4	0,6	0,5	0,8	0,8	1,3	1,4	1,1
Labour productivity	2,0	1,4	1,9	1,4	1,5	1,9	0,6	0,6	1,0	1,8	1,0	1,6	1,5	1,5
Annual average hours worked	:	-0,2	-0,4	-0,1	-0,3	-1,1	-0,4	-0,9	-0,5	-0,1	-0,4	-0,1	-0,2	-0,1
Productivity per hour worked	:	1,3	2,0	1,2	1,5	2,7	1,0	1,4	1,1	1,6	1,2	1,5	1,5	1,4
Harmonised CPI	2,8	2,4	1,7	1,3	1,2	1,9	2,2	2,1	2,0	2,0	2,1	2,2	2,0	2,0
Price deflator GDP	2,7	2,1	1,6	1,7	1,1	1,4	2,4	2,6	2,3	2,0	1,9	1,9	2,2	2,0
Nominal compensation per employee	3,5	3,0	2,6	2,4	2,7	3,5	3,3	2,9	3,2	2,9	2,6	2,7	3,0	3,3
Real compensation per employee (GDP deflator)	0,8	0,9	1,0	0,7	1,5	2,0	0,9	0,2	0,9	0,9	0,6	0,8	0,8	1,3
Real compensation per employee (private consumption deflator)	0,8	0,8	0,8	1,1	1,6	1,2	1,0	1,1	1,2	0,9	0,5	0,5	1,1	1,4
Nominal unit labour costs	1,5	1,6	0,7	1,0	1,2	1,6	2,7	2,3	2,2	1,1	1,5	1,1	1,5	1,7
Real unit labour costs	-1,2	-0,5	-0,9	-0,7	0,1	0,1	0,3	-0,3	-0,1	-0,9	-0,4	-0,8	-0,7	-0,2
Austria	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Real GDP	1,9	2,6	1,8	3,6	3,3	3,4	0,8	0,9	1,1	2,4	2,0	3,1	2,9	2,5
Occupied Population*	:	:	0,6	0,9	1,5	1,1	0,6	-0,4	-0,2	0,6	1,1	1,4	1,4	0,7
Labour productivity*	:	:	1,4	2,2	2,1	2,3	0,3	1,1	0,9	2,1	0,7	1,9	1,7	1,8
Annual average hours worked	:	1,8	0,6	0,1	-1,5	-0,5	-0,1	0,4	0,7	-0,1	-0,3	-0,1	0,2	0,2
Productivity per hour worked	:	1,2	0,7	2,5	3,3	2,7	0,3	0,9	0,5	1,9	1,2	1,7	1,3	1,5
Harmonised CPI	1,6	1,8	1,2	0,8	0,5	2,0	2,3	1,7	1,3	2,0	2,1	1,7	1,8	1,7
Price delator GDP	1,9	1,0	0,0	0,3	0,6	1,8	1,8	1,4	1,3	1,7	1,9	1,5	1,8	1,7
Nominal compensation per employee	3,2	1,7	1,1	2,7	2,2	2,1	1,4	2,1	2,0	1,7	1,6	2,3	2,4	2,5
Real compensation per employee (GDP deflator)	1,2	0,7	1,2	2,3	1,5	0,3	-0,4	0,7	0,6	0,0	-0,2	0,8	0,6	0,7
Real compensation per employee (private consumption deflator)	1,1	-0,2	-0,3	2,3	1,4	-0,5	-0,5	0,9	0,4	-0,2	-0,1	0,9	0,9	1,0
Nominal unit labour costs	1,3	-1,4	-0,2	0,4	0,1	-0,2	1,0	1,1	1,1	-0,4	0,9	0,4	0,7	0,7
Real unit labour costs	-0,7	-2,3	-0,2	0,1	-0,5	-1,9	-0,7	-0,4	-0,3	-2,1	-0,9	-1,1	-1,1	-1,0

Source: EIE 2007, Statistical Annex

Table 47 **Employment Indicators 1005-2006, EU27 (available years)**

EU 27	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1, Total population (000)	:	:	:	:	:	474345	477652	478879	479673	480809	483286	485232
2, Population aged 15-64	:	:	:	:	:	319355	320701	321886	322590	323169	325446	326950
3, Total employmen (000)	197586	198638	199935	202532	204309	207878	209871	210469	211294	212820	214820	217899
4, Population in employment aged 15-64	:	:	192222	194513	197212	198720	200588	200666	201604	203137	206194	210227
5, Employment rate (% population aged 15-64)	:	:	60,7	61,2	61,8	62,2	62,5	62,3	62,5	62,9	63,4	64,3
6, Employment rate (% population aged 15-24)	:	:	36,1	36,7	37,1	37,4	37,5	36,7	36,0	36,0	35,9	36,3
7, Employment rate (% population aged 25-54)	:	:	74,5	74,9	75,6	76,0	76,2	76,0	76,1	76,5	76,9	78,0
8, Employment rate (% population aged 55-64)	:	:	36,2	36,2	36,5	36,9	37,7	38,5	40,0	40,7	42,2	43,5
9, FTE employment rate (% population aged 15-64)	:	:	:	:	:	:	58,2	58,1	58,0	57,8	58,1	58,9
10, Self-employed (% total employment)	18,3	18,2	18,1	17,8	17,6	17,3	17,2	17,0	17,1	16,9	16,7	16,6
11, Part-time employment (% total employment)	:	:	15,9	15,9	15,9	16,2	16,2	16,2	16,5	17,2	17,8	18,1
12, Fixed term contracts (% total employees)	:	:	11,4	11,5	11,8	12,3	12,4	12,4	12,6	13,2	13,9	14,4
13, Employment in Services (% total employment)	63,4	63,9	64,3	64,7	65,5	66,1	66,5	67,2	67,7	68,1	68,4	68,6
14, Employment in Industry (% total employment)	28,4	28,1	27,7	27,5	26,9	26,5	26,3	26,0	25,6	25,4	25,2	25,0
15, Employment in Agriculture (% total employment)	8,2	8,1	8,0	7,8	7,6	7,4	7,2	6,8	6,7	6,5	6,4	6,4
16, Activity rate (% population aged 15-64)	:	:	:	:	:	68,6	68,6	68,6	68,8	69,3	69,7	70,1
17, Activity rate (% of population aged 15-24)	:	:	:	:	:	45,9	45,6	45,0	44,3	44,3	44,1	44,0
18, Activity rate (% of population aged 25-54)	:	:	:	:	:	82,6	82,5	82,6	82,8	83,3	83,6	84,1
19, Activity rate (% of population aged 55-64)	:	:	:	:	:	39,7	40,3	41,1	42,7	43,6	45,2	46,3
20, Total unemployment (000)	:	:	:	:	:	19280	19041	20012	20363	20688	20095	18450
21, Unemployment rate (% labour force 15+)	:	:	:	:	:	8,6	8,4	8,8	9,0	9,0	8,7	7,9
22, Youth unemployment rate (% labour force 15-24)	:	:	:	:	:	17,8	18,1	18,8	19,0	19,1	18,6	17,5
23, Long term unemployment rate (% labour force)	:	:	:	:	:	4,0	3,9	4,0	4,1	4,2	4,0	3,6
24, Youth unemployment ratio (% population aged 15-24)	:	:	:	:	:	8,4	8,1	8,3	8,3	8,3	8,3	7,7

Source: EIE 2007, Statistical Annex

Table 48 Employment Indicators 1005-2006, EU15 (available years)

EU 15	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1, Total population (000)	365962	367055	367997	368337	369708	370902	373067	374831	376752	378064	380661	382744
2, Population aged 15-64	245359	246161	246691	247585	248341	248387	249436	250392	251628	251946	254039	255370
3, Total employment (000)	154721	155663	157211	159894	162893	166402	168776	169914	170733	171975	173358	175637
4, Population in employment aged 15-64	147394	148358	149723	152118	155322	157530	159763	160760	161887	163079	165513	168427
5, Employment rate (% population aged 15-64)	60,1	60,3	60,7	61,4	62,5	63,4	64,0	64,2	64,3	64,7	65,2	66,0
6, Employment rate (% population aged 15-24)	37,5	36,9	37,2	38,2	39,6	40,5	40,9	40,6	39,9	40,0	39,8	40,1
7, Employment rate (% population aged 25-54)	73,2	73,5	73,9	74,6	75,7	76,5	77,0	77,1	77,1	77,6	77,8	78,7
8, Employment rate (% population aged 55-64)	36,0	36,3	36,4	36,6	37,1	37,8	38,8	40,2	41,7	42,5	44,1	45,3
9, FTE employment rate (% population aged 15-64)	55,6	55,5	55,7	56,3	57,1	58,0	58,6	58,8	58,7	58,5	58,6	59,3
10, Self-employed (% total employment)	16,2	16,0	15,8	15,5	15,1	14,9	14,8	14,7	14,8	14,8	14,6	14,6
11, Part-time employment (% total employment)	15,8	16,3	16,7	17,3	17,6	17,7	17,9	18,1	18,5	19,4	20,3	20,8
12, Fixed term contracts (% total employees)	12,0	12,0	12,4	13,0	13,4	13,7	13,5	13,1	13,1	13,6	14,3	14,7
13, Employment in Services (% total employment)	67,5	68,1	68,5	68,9	69,5	70,0	70,4	71,0	71,5	72,0	72,3	72,6
14, Employment in Industry (% total employment)	27,5	27,1	26,7	26,5	26,1	25,7	25,4	24,9	24,6	24,2	23,9	23,7
15, Employment in Agriculture (% total employment)	5,0	4,8	4,7	4,6	4,4	4,3	4,1	4,0	3,9	3,8	3,8	3,7
16, Activity rate (% population aged 15-64)	67,2	67,7	67,9	68,3	68,9	69,2	69,2	69,7	70,1	70,6	71,0	71,6
17, Activity rate (% of population aged 15-24)	47,5	47,0	47,0	47,4	48,2	48,2	47,8	47,8	47,5	47,6	47,8	47,8
18, Activity rate (% of population aged 25-54)	80,5	81,1	81,3	81,7	82,2	82,4	82,3	82,8	83,1	83,7	83,9	84,5
19, Activity rate (% of population aged 55-64)	39,1	39,8	40,1	40,1	40,3	40,8	41,5	42,9	44,5	45,5	47,1	48,3
20, Total unemployment (000)	16748	16956	16614	15820	14683	13318	12725	13479	14317	14640	14485	13704
21, Unemployment rate (% labour force 15+)	10,0	10,1	9,8	9,2	8,5	7,6	7,2	7,5	7,9	8,0	7,9	7,4
22, Youth unemployment rate (% labour force 15-24)	21,3	21,5	20,8	19,3	17,3	15,4	15,2	15,8	16,5	16,8	16,7	16,2
23, Long term unemployment rate (% labour force)	4,9	4,9	4,8	4,3	3,9	3,4	3,1	3,1	3,3	3,4	3,3	3,1
24, Youth unemployment ratio (% population aged 15-24)	10,0	10,2	9,7	9,2	8,5	7,7	6,9	7,2	7,6	7,6	8,0	7,7

Source: EIE 2007, Statistical Annex

Table 49 **Employment Indicators 1005-2006, Austria (available years)**

Austria	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
1, Total population (000)	7887	7899	7908	7915	7930	7944	7963	7893	7998	8045	8109	8155
2, Population aged 15-64	5309	5316	5324	5333	5345	5375	5404	5356	5459	5485	5516	5532
3, Total employment (000)	3918	3932	3967	4017	4083	4122	4147	4142	4140	4139	4158	4216
4, Population in employment aged 15-64	3650	3607	3611	3621	3666	3678	3707	3682	3763	3716	3786	3881
5, Employment rate (% population aged 15-64)	68,8	67,8	67,8	67,9	68,6	68,5	68,5	68,7	68,9	67,8	68,6	70,2
6, Employment rate (% population aged 15-24)	57,4	55,3	54,7	54,5	54,1	52,4	51,3	51,7	51,1	51,9	53,1	54,0
7, Employment rate (% population aged 25-54)	80,6	80,3	80,8	81,0	81,9	82,6	82,9	83,6	84,0	82,6	82,6	83,5
8, Employment rate (% population aged 55-64)	29,7	29,1	28,3	28,4	29,7	28,8	28,9	29,1	30,3	28,8	31,8	35,5
9, FTE employment rate (% population aged 15-64)	65,8	63,6	63,5	63,8	63,9	63,5	63,4	62,9	63,2	60,6	60,7	61,0
10, Self-employed (% total employment)	20,2	20,6	20,6	20,7	20,7	20,5	20,4	20,5	20,2	19,9	19,4	19,2
11, Part-time employment (% total employment)	13,6	14,0	14,7	15,7	16,4	16,3	18,2	19,0	18,7	19,8	21,1	21,8
12, Fixed term contracts (% total employees)	6,8	7,9	7,8	7,9	7,9	8,0	7,9	7,4	6,9	9,6	9,1	9,0
13, Employment in Services (% total employment)	59,1	59,9	60,5	61,2	61,9	62,8	63,3	64,0	64,2	64,8	65,1	65,7
14, Employment in Industry (% total employment)	26,1	25,6	25,2	24,8	24,3	23,9	23,5	22,9	23,0	22,8	23,1	22,9
15, Employment in Agriculture (% total employment)	14,7	14,5	14,3	14,0	13,8	13,4	13,1	13,1	12,8	12,4	11,8	11,4
16, Activity rate (% population aged 15-64)	71,4	70,8	70,9	71,0	71,2	71,0	71,0	71,6	72,0	71,3	72,4	73,7
17, Activity rate (% of population aged 15-24)	60,6	59,1	58,5	58,0	59,2	55,4	54,5	55,1	55,0	57,4	59,2	59,4
18, Activity rate (% of population aged 25-54)	83,5	83,5	84,2	84,4	84,7	85,3	85,4	86,6	87,3	86,3	86,4	87,1
19, Activity rate (% of population aged 55-64)	30,8	30,4	29,6	29,8	29,1	30,5	30,1	30,8	32,0	29,9	33,0	36,8
20, Total unemployment (000)	148	163	164	170	150	138	138	163	166	188	208	196
21, Unemployment rate (% labour force 15+)	3,9	4,3	4,4	4,5	3,9	3,6	3,6	4,2	4,3	4,8	5,2	4,8
22, Youth unemployment rate (% labour force 15-24)	5,6	6,3	6,7	6,4	5,4	5,3	5,8	6,7	8,1	9,4	10,3	9,2
23, Long term unemployment rate (% labour force)	1,0	1,2	1,3	1,3	1,2	1,0	0,9	1,1	1,1	1,3	1,3	1,3
24, Youth unemployment ratio (% population aged 15-24)	3,2	3,8	3,9	3,5	3,0	2,8	3,1	3,4	3,9	5,6	6,1	5,4

Source: EIE 2007, Statistical Annex

Table 50 **Share of employees in atypical employment**

	Total	Free service contract	Temporary agency work	New self-employed	Part-time	Marginal part-time
Agriculture, forestry	216,645	0.1%	0.2%	0.2%	20.3%	3.9%
Fishing	241	0.0%	0.0%	0.0%	0.0%	0.0%
Mining quarrying	9,787	0.3%	2.1%	3.1%	2.8%	0.7%
Manufacturing	741,516	0.8%	2.9%	0.4%	11.2%	1.9%
Electricity, gas and water supply	31,316	1.1%	1.0%	0.0%	8.6%	1.7%
Construction	323,686	0.4%	2.7%	0.5%	8.2%	1.7%
Wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods	610,757	0.9%	1.1%	1.0%	30.0%	5.8%
Hotels and Restaurants	242,583	1.0%	0.9%	0.9%	26.7%	5.5%
Transport, storage and communication	241,781	0.9%	1.1%	0.6%	12.9%	2.3%
Financial intermediation	133,102	0.6%	0.5%	0.1%	17.8%	3.2%
Real estate, renting and business activities	350,737	3.4%	2.5%	2.0%	31.6%	8.9%
Public administration	252,947	1.5%	0.3%	0.0%	17.8%	2.3%
Education	222,214	3.6%	0.3%	0.6%	31.4%	6.5%
Health and social work	347,825	1.7%	0.3%	1.0%	39.6%	5.2%
Other community, social and personal service activities	186,924	5.4%	0.6%	2.2%	32.3%	7.4%
Private households	10,010	14.1%	0.1%	0.7%	82.1%	35.8%
Extraterritorial organisations	6,093	0.0%	1.2%	0.0%	19.5%	0.0%
Total	3,928,256	1.5%	1.4%	0.8%	22.7%	4.4%

Source: LFS 2006, own calculations.

Table 51 **Share of employees in atypical employment (female)**

	Total	Share of women among employees	Free service contract	Temporary agency work	New self- employed	Part-time	Marginal part- time
Agriculture, forestry	100,519	46,4%	0,1%	0,1%	0,1%	28,5%	5,0%
Fishing	16	---	---	---	---	---	---
Mining quarrying	1,372	14,0%	2,1%	0,0%	0,0%	14,6%	2,1%
Manufacturing	195,009	26,3%	1,7%	2,1%	0,6%	32,5%	5,4%
Electricity, gas and water supply	5,715	18,2%	2,0%	1,8%	0,0%	36,7%	7,4%
Construction	36,576	11,3%	1,1%	1,4%	0,4%	46,8%	9,5%
Wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods	337,494	55,3%	0,9%	0,8%	0,8%	48,4%	8,1%
Hotels and Restaurants	156,812	64,6%	1,0%	0,9%	0,8%	34,2%	6,6%
Transport, storage and communication	59,406	24,6%	1,1%	1,5%	0,3%	33,4%	4,6%
Financial intermediation	65,591	49,3%	0,8%	0,6%	0,1%	32,5%	5,9%
Real estate, renting and business activities	171,839	49,0%	4,1%	2,9%	1,4%	51,4%	13,7%
Public administration	108,589	42,9%	1,9%	0,3%	0,0%	36,8%	4,2%
Education	155,444	70,0%	3,2%	0,3%	0,6%	38,1%	7,1%
Health and social work	267,637	76,9%	1,6%	0,2%	0,6%	46,9%	6,2%
Other community, social and personal service activities	106,318	56,9%	5,2%	0,5%	2,1%	43,8%	9,1%
Private households	9,635	96,2%	14,7%	0,1%	0,7%	83,0%	36,0%
Extraterritorial organisations	2,703	44,4%	0,0%	0,7%	0,0%	26,2%	0,0%
Total	1.780,768	45,3%	2,0%	1,0%	0,7%	41,4%	7,5%

Source: LFS 2006, own calculations.

Table 52 Share of employees in atypical employment (male)

	Total	Share of men among employees	Free service contract	Temporary agency work	New self- employed	Part-time	Marginal part- time
Agriculture, forestry	116,126	53,6%	0,1%	0,3%	0,2%	13,2%	3,0%
Fishing	225	93,3%	0,0%	0,0%	0,0%	0,0%	0,0%
Mining quarrying	8,415	86,0%	0,0%	2,4%	3,6%	0,8%	0,4%
Manufacturing	546,506	73,7%	0,5%	3,1%	0,3%	3,5%	0,7%
Electricity, gas and water supply	25,601	81,8%	0,9%	0,8%	0,0%	2,3%	0,4%
Construction	287,111	88,7%	0,3%	2,9%	0,5%	3,3%	0,7%
Wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods	273,263	44,7%	0,7%	1,4%	1,2%	7,3%	2,9%
Hotels and Restaurants	85,771	35,4%	1,1%	0,9%	1,0%	13,1%	3,6%
Transport, storage and communication	182,375	75,4%	0,9%	1,0%	0,6%	6,2%	1,6%
Financial intermediation	67,510	50,7%	0,3%	0,3%	0,2%	3,5%	0,6%
Real estate, renting and business activities	178,898	51,0%	2,6%	2,2%	2,7%	12,5%	4,2%
Public administration	144,358	57,1%	1,2%	0,3%	0,0%	3,5%	0,8%
Education	66,769	30,0%	4,4%	0,3%	0,6%	15,8%	5,3%
Health and social work	80,188	23,1%	2,3%	0,6%	2,0%	15,1%	1,9%
Other community, social and personal service activities	80,606	43,1%	5,8%	0,6%	2,4%	17,2%	5,1%
Private households	375	3,7%	0,0%	0,0%	0,0%	60,0%	30,4%
Extraterritorial organisations	3,390	55,6%	0,0%	1,7%	0,0%	14,2%	0,0%
Total	2.147,487	54,7%	1,1%	1,8%	0,8%	7,2%	1,9%

Source: LFS 2006, own calculations.

Table 53 **Share of employees in atypical employment (migrant workers)**

	Total	Share of migrants among employees	Free service contract	Temporary agency work	New self- employed	Part-time	Marginal part- time
Agriculture, forestry	6,170	2,8%	0,0%	0,9%	0,0%	18,8%	1,1%
Fishing	0	---	---	---	---	---	---
Mining quarrying	1,051	10,7%	0,0%	0,0%	29,2%	0,0%	0,0%
Manufacturing	85,908	11,6%	0,7%	5,1%	0,2%	6,8%	1,5%
Electricity, gas and water supply	362	1,2%	0,0%	0,0%	0,0%	47,5%	0,0%
Construction	46,068	14,2%	0,0%	4,7%	0,8%	4,9%	0,7%
Wholesale and retail trade, repair of motor vehicles, motorcycles and personal and household goods	51,359	8,4%	0,9%	2,4%	0,5%	26,2%	6,1%
Hotels and Restaurants	49,488	20,4%	0,6%	1,0%	1,2%	24,4%	3,3%
Transport, storage and communication	21,475	8,9%	1,7%	4,2%	0,0%	15,0%	2,4%
Financial intermediation	2,649	2,0%	0,0%	4,5%	0,0%	20,7%	5,4%
Real estate, renting and business activities	51,089	14,6%	2,6%	5,5%	1,1%	45,0%	10,4%
Public administration	5,130	2,0%	6,3%	1,1%	0,0%	18,9%	5,6%
Education	10,472	4,7%	22,4%	2,3%	0,9%	54,6%	22,5%
Health and social work	27,821	8,0%	1,7%	0,0%	0,0%	42,5%	7,2%
Other community, social and personal service activities	20,268	10,8%	10,0%	1,2%	3,0%	32,2%	7,5%
Private households	1,304	13,0%	5,4%	0,0%	5,1%	75,1%	16,9%
Extraterritorial organisations	4,041	66,3%	0,0%	1,4%	0,0%	20,4%	0,0%
Total	384,748	9,8%	2,2%	3,3%	0,8%	23,0%	4,9%

Source: LFS 2006, own calculations.