

This report and a detailed collection of labour market data together with a short report on current developments in the labour market may also be obtained from:

<http://www.bmwa.gv.at/BMWA/Schwerpunkte/Arbeitsmarkt/ArbeitsmarktPolitik/default.htm>

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For in-depth standard tables on unemployment and employment growth in Austria see also:

<http://bali.bmwa.gv.at/index.aspx>

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Summary

An increase of 63,000 (up 1.9%) dependent employment relationships to 3,344,000 in 2007 marked the greatest employment rise since 1991. An average 222,000 were registered as job-seekers across 2007, i.e. down 16,900 on 2006. At 4.4%, Austria had one of the lowest unemployment rates within the European Union in 2007 (2006: 4.7%; EU average 2007: 7.1%). With an employment rate of 71.4% according to Eurostat, Austria ranked fourth within the European Union after Sweden, the Netherlands and Denmark (EU-27: 65.4%).

Roughly €1.836 million were spent on active and activating labour market policies in 2007. The public employment service's (AMS) own *active labour market policy budget* amounted to around €846 million. The share of active and activating labour market spending in total labour market policy expenditure has thus risen by 14

percentage points to 36% since 2002. The federal budget proposal for labour market policy has earmarked record ALMP funding (to be made available to the employment service) also for 2008.

344,831 individuals were enrolled in AMS programmes (178,799 women) in 2007, or 861,214 new subsidy cases were approved (approx. 2.5 cases per person). Subsidies to skills training, especially education and training programmes (BM), accounted for the majority of subsidisation (83% of beneficiaries); the most important types of employment subsidies (17% of beneficiaries) are integration subsidies, socioeconomic enterprises (SÖB) and community work projects (GBP). Support measures include support to counselling and guidance centres, childcare subsidies and subsidies under the business start-up programme (21% of all beneficiaries).

1 Labour market developments – dynamic adjustment to structural changes

A total of 3,344,039 dependent employment relationships on average were registered across 2007. Women accounted for 1,546,057 (46.2%) and men for 1,797,982. An increase of 63,161 (up 1.9%) in 2007 on the year before marked the greatest employment rise since 1991. A microcensus survey of Statistics Austria¹ shows that full-time jobs account for roughly 70% of this increase and part-time jobs for the remainder. Almost 42% of female workers are thus employed in part-time jobs, whereas men's share in this job segment is only 6%. With an increase of 30,389 (up 2.0%) the relative annual average rise in employment for women in 2007 is slightly higher than for men (up 32,772 or 1.9%). In the longer term, however, female employment has risen much more. Women accounted for 169,000 (up 12.3%) out of a total of 210,000 more dependent workers since 2000². Demand growth for part-time jobs is unabated.

School-to-work transition could be improved in the past two years primarily by focusing on apprenticeship subsidies. Whereas almost 13,000 apprenticeship-seekers registered with the employment service had entered employment in 2004, this figure rose to more than 20,000 in 2007. Having increased by 5.1% in 2005, the number of new apprentices continued to

rise in 2006 (up 3.6%) and 2007 (up 2.9%). The stock of dependently employed youth (15 to 24 years) advanced by an average of 8,106 or 1.6% in 2007. Following employment drops in 2001 and 2002, this age group has now clearly exceeded the employment levels recorded for 2000.

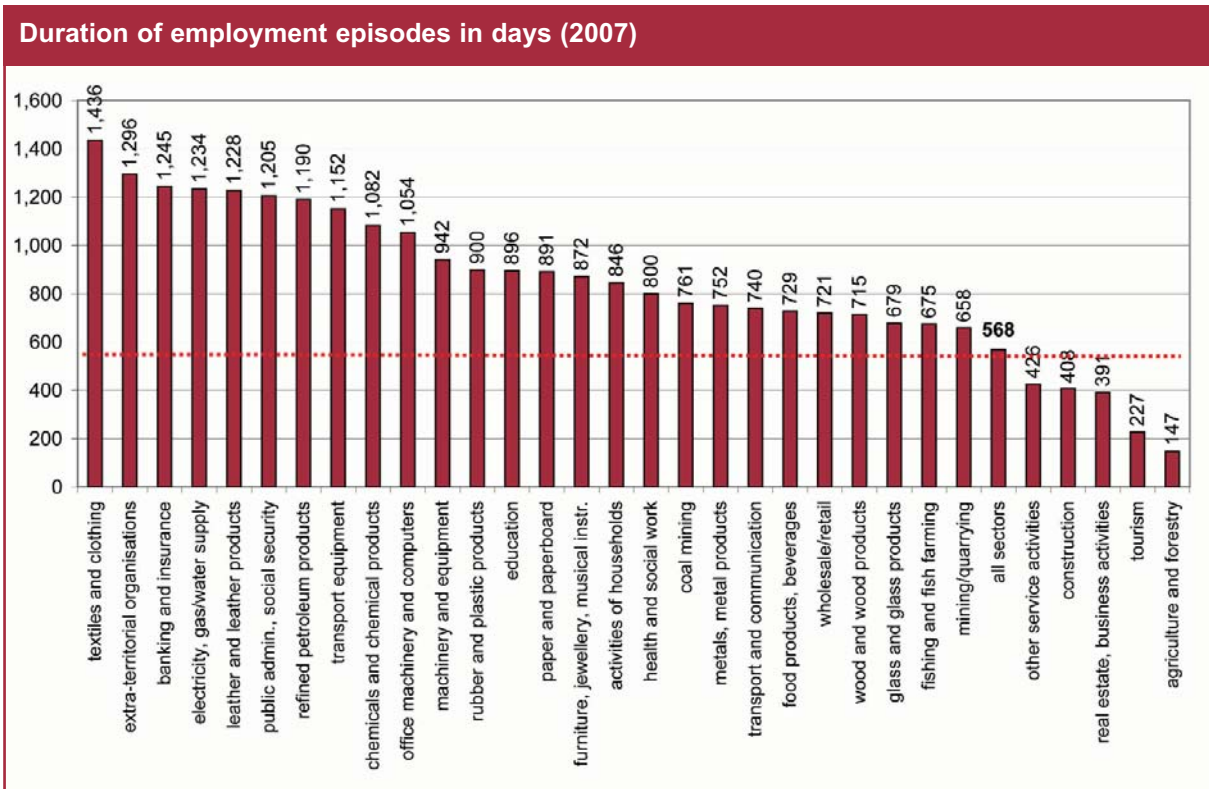
Employment of workers aged 50+ has recorded above average growth rates owing to demographic developments and progressive rises in retirement age. Roughly 593,000 older persons worked in some form of dependent employment relationship in 2007, up 147,000 or 33% on 2000.

Dynamics of the Austrian labour market

In Austria roughly 1.6 million dependent employment relationships are newly entered into and almost as many are terminated. With an average fluctuation rate of about 46%, the Austrian labour market is a very dynamic market. However, labour and job turnover focuses on specific sectors. Seasonal sectors, such as agriculture and forestry, or construction and tourism, account for about 31% of this dynamic picture, retail for 14% and business services for 15% (hired-out workers making up the majority of the latter).

¹ Annual average 2007

² Since those on parental leave are included in the employment statistics (provided they had an ongoing employment relationship prior to taking up leave), the introduction of childcare benefits and the option for one parent to claim such benefits for up to 30 months had an appropriately positive effect on the number of employees. If data are adjusted for this situation, dependent employment (active employment) has risen by 163,000 or 5.3% since 2000 (women still accounting for 124,000).



An average employment relationship in Austria was terminated after roughly 568 days in 2007. Since 2000 employment duration has thus remained virtually stable (up 1.7 days). An above-average decline of job tenure was recorded in power and water supply, education, and in agriculture and forestry. There was a decline in the construction sector's duration of employment by almost 2 weeks to 408 days between 2000 and 2007, whereas in tourism the duration of employment rose by more than 9 days to 227 days across the same period. But employment stability for this seasonal industry is still lagging behind other seasonal sectors' average.

A substantial increase in labour supply, in combination with weaker economic activity,

has resulted in rising unemployment in recent years despite such employment growth. This unemployment trend could be reversed in 2006; potential labour supply increased by another 46,000 in 2007. The annual average stock of registered job-seekers dropped 16,925 to 222,248 in 2007. This positive development is mainly due to a revival of economic activity and the substantial increase in active labour market funds introduced under the 2006 Employment Opportunities Act (BeFG). The marked decline in registered job-seekers of more than 16,900 across 2007 was mainly due to the economic situation, but also to enhanced subsidisation by the employment service.

The outlook for the 2008 labour market is generally assessed positively by research organisations. For instance, the Austrian Institute for Economic Research (WIFO) projects a further increase in dependent employment by more than 67,000 and a

drop in registered job-seekers by around 13,500. The Institute for Advanced Studies (IHS) expects employment to grow by roughly 77,000, and the number of job-seekers to drop by roughly 11,000³.

Labour market indicators at a glance			
	2007	change over previous year	
		in absolut terms	in %
Dependent workers	3,344,039	+ 63,161	+1.9
Annual average of unemployed	222,248	- 16,925	-7.1
Long-term unemployed > 6 months	28,598	- 6,683	-18.9
of whom > 12 months	6,144	- 2,205	-26.4
Inflows into unemployment	903,628	+ 17,352	+1.9
Outflows from unemployment	1,044,524	+ 24,362	+2.3
Inflows of vacancies notified	369,569	+ 33,961	+10.1
Unemployment rate (national method)	6.2%	- 0.6	
Unemployment rate (EU criteria)	4.4%	- 0.3	

³ Labour market forecast for 2008 and 2009 of WIFO and HIS (as at June 2008)

2 Principles of Austrian labour market policy

Under the Labour Market 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.

Under the Public Employment Service Act (AMSG), labour market policy should, within the federal government's full employment policy framework, match the supply of and demand for labour as completely, economically and sustainably as possible in order to prevent and eliminate unemployment in compliance with social and economic principles. This is intended to ensure the supply of workers to business and industry and of jobs to all workers available on the Austrian labour market.

The labour market policy to be implemented by the public employment service (AMS) focuses on the following services:

- Place suitable workers in jobs;
- Help eliminate obstacles to placement;
- Take measures to improve labour market transparency (labour market analyses, eJob-Room, etc.);
- Reduce skills disparities between labour supply and demand through retraining and upskilling in response to labour market needs;
- Provide subsistence income to the unemployed under the unemployment insurance scheme (unemployment benefits, unemployment assistance, etc. including social insurance coverage in terms of health, pension and unemployment insurance).

The AMS's activities of placing workers (and thus filling job openings) and of providing subsistence income for the jobless by granting unemployment benefits and unemployment assistance thus form a both functional and institutional setting which ensures the successful implementation of the principle of "activation taking priority over passive benefit provision".

In agreement with the social partners, the Federal Minister of Economics and Labour updated in 2006 the **employment service's overarching objectives** for implementing labour market policy:

- Maintain the AMS's top position in European benchmarking exercises: improve high level of service delivery, enhance client-focused service and target control mechanisms.
- Upgrade early intervention. Reducing the duration of unemployment through early intervention remains the AMS's key target.
- Promote equal opportunities in the labour market for women, young people and older workers.
- Keep an eye on long-term unemployment and reduce the existing stock of the chronically long-term unemployed: develop cooperation with Austria's laender (provinces), with organisations for the disabled, health services, prisons, etc.
- Improve quality and sustainability of labour market policy measures: enhance quality by tapping and using any existing potential for improvement.

- Ensure proper agreements between the AMS and its clientele through (back-to-work) action plans.
- Focus on clients: have regular polls of clients and cooperate with client groups to enhance client friendliness.
- Ensure quality placement: optimise placement quality by improving self-service delivery, encouraging inter-sectoral placement and supra-regional mobility.
- Enhance labour market transparency: optimise and fine-tune the Internet platform eJob-Room and encourage scientific monitoring and research.

Every year, Austria's public employment service (AMS) reports target attainment outcomes to the Federal Minister of Economics and Labour. For some of the results achieved in 2007 see below:

- ▶ Austria's public employment service has initiated **the international benchmarking exercise with other employment services** and is a leading proponent of the EU project Mutual Learning – Benchmarking among PES. The AMS fared well in this comparison, as can be seen from the results. If measured against its finances and staffing levels, it is among the top contenders. Austria showed excellent results in client satisfaction and job take-up following training and good results regarding placement indicators for job-seekers. There is still room for improvement in areas such as outreach to employers and especially vacancy filling services.
- ▶ All the measures listed in the AMS's overarching objectives are implemented in daily service delivery (early notification of unemployment, early intervention, enhanced skills training).
Early intervention in general – and its emphasis on **equal opportunities for young people, older workers, the long-term and chronically long-term unemployed, and women in particular** – have been integrated into the AMS's annual labour market policy targets. The annual targets for 2007 and 2008 also include enhancing the effectiveness of training programmes.
- ▶ The Service to Job-Seekers DWH Project now enables the AMS to follow up its assistance to registered clients in an integrated process-based manner: such as interventions by the employment service (suggested placements, subsidies, contacts), **(back-to-work) action plans** and follow-up monitoring (destination of exits). On an annual average, action plans (*Betreuungsplan*) have been developed for roughly 93% of all immediately available job-seekers or apprenticeship-seekers
- ▶ Since 2004 **client satisfaction** polls and their outcomes have been incorporated directly into the AMS's strategic and operational planning. In 2006 and 2007 the job-seekers' and employers' overall satisfaction was invariably high.

Targets of client satisfaction - job-seekers

	2006	2007
Overall satisfaction with AMS office		
total	64.6	64.1
men	66.1	65.7
women	62.7	62.2
Satisfaction with assistance during job search		
total	46.9	48.3
men	48.0	48.4
women	45.5	48.3
Accuracy of job matching		
total	37.8	39.3
men	37.2	38.7
women	38.5	40.0

Target monitoring measures the percentage of clients who rate the AMS with 1 or 2 on a scale of 1 to 6.

Targets of client satisfaction - employers

	2006	2007
Overall satisfaction with AMS office	68.0	68.9
Rate of client retention	52.4	58.4
Satisfaction with solution orientation of counselling	67.9	70.9
Satisfaction with placement service	26.1	23.9

Target monitoring measures the percentage of clients who rate the AMS with 1 or 2 on a scale of 1 to 6.

► Top quality service could be provided based on the efforts undertaken by the AMS's **ServiceLines**, but also based on intensive staff coaching, or improvement and partial extension of service delivery. Client concerns revolved primarily around job-see matters (38%), general technical information (16%), termination of benefits (16%), general organisational information (9%) and dates (7%). In 2007, more than 3.8 million calls were answered by ServiceLines. Only 20% of the callers had to be

connected through to one of the AMS offices for information the ServiceLine was unable to provide. The objective of removing some of the burden from counselling staff by screening callers could be largely achieved.

Boasting some 48,000 vacancies and 163,000 job-applicants (as at 16-06-2008), the AMS's **eJob-Room** has become Austria's largest job exchange and an ideal platform for employers and job-seekers. According to online polls of

AMS clients in 2007 roughly 90% of users (employers and job-seekers) would recommend the eJob-Room to others.

- ▶ In March 2007 the Federal Minister of Economics and Labour commissioned the public employment service to conduct a **skills training campaign for metalworkers** to address the skills bottleneck in this labour market segment. The campaign aims to double the number of metalworkers in training from 5,000 to 10,000 in the first year of the programme (beginning in July 2007). 3,669 workers were enrolled in the programme by the end of 2007.

The above targets are closely connected with the targets set by the **European Employment Strategy**, under which EU Member States are expected to implement the following basic policy strands:

1. Implement employment policies aimed at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion.
2. Promote a life-cycle approach to work.
3. Ensure inclusive labour markets for job-seekers and disadvantaged people.
4. Improve matching of labour market needs. Improve matching of job-seekers and vacancies.

5. Promote flexibility combined with employment security and reduce labour market segmentation.
6. Ensure employment-friendly wage and other labour cost developments.
7. Expand and improve investment in human capital.
8. Adapt education and training systems in response to new workplace requirements.

Within the framework of implementing the European Employment Strategy and the Employment Guidelines of the Lisbon Action Plan, Austria underlines its commitment to full employment as the most important employment policy objective. For the purpose of achieving full employment Austria has adopted a broad-based approach involving several strands: create jobs, enhance active labour market policies, improve placement efficiency, devise labour market policies that are client-friendly and responsive to job requirements, ensure needs-compliant skills training and take new initiatives in a changed and changing world of work. This policy orientation is supplemented by targeted interventions under Structural Fund programmes, which are integrated into the overall blueprint of Austrian labour market policy.

3 Labour market policy spending

In 2007 the public employment service's active LMP budget amounted to €846 million, while the sum total of active and activating labour market policy spending was €1.836 million⁴.

The share of active and activating labour market spending in total labour market policy expenditure has thus risen by 14 percentage points to 36% since 2002. This signifies that the AMS's room for intervention was greatly improved, and that effective activation strategies are duly reflected in labour market policy.

Amendment 23/A(E), which was unanimously adopted on 29 November 2006 by the National Council (*Nationalrat*, i.e. lower house of the Austrian parliament), ensures a continuation of current labour market

policies by setting aside sufficient funds for Austria's public employment service. The federal budget proposal for labour market policy has earmarked a similar level of record ALMP funding (to be made available to the employment service) also for 2008.

Training and obtaining qualifications is central to the AMS's active labour market policy. They accounted for around 67% of its programme budget and around 84% of approved subsidy cases and newly subsidised individuals.

2007 expenditure on passive benefits dropped almost 4% due to a favourable situation for job-seekers. In 2007 passive labour market policy spending accounted for €2,759 million (primarily unemployment

Active and activating labour market policy AMS/BMWA 1999-2008 ¹⁾										
	1999	2000	2001	2002	2003	2004	2005	2006	2007 ⁵⁾	2008 ²⁾
in € Mio										
active labour market policy ³⁾										
Austria's public employment service ⁴⁾	626	621	626	628	700	711	712	847	846	871
BMWA - central office	15	9	42	38	66	82	73	80	61	82
subtotal active labour market policy	641	630	667	666	767	793	785	927	907	954
activating labour market policy										
AMS	121	130	243	400	629	747	770	860	790	705
aktivierende AMP für Qualifizierung ⁶⁾	121	124	174	169	212	184	268	405	379	350
old-age part-time scheme	0	6	69	230	417	564	502	456	411	355
BMWA-IAF training bonus for apprenticeship and youth employment	0	0	0	0	85	120	125	132	139	147
sum total active + activating labour market policy	762	760	910	1,066	1,481	1,660	1,680	1,920	1,836	1,806
change over previous years in %										
active + activating labour market policy	28.1	-0.3	19.8	17.0	39.0	12.1	1.2	14.3	-4.3	-5.9
¹⁾ employer-related labour market support not included ²⁾ proposal figures ³⁾ sections/appropriations 1/[15]6351, 1/[1553]6363, 1/[15]63626, 1/[15]63656 ⁴⁾ incl. JASG and DLU effect (2003-2005); DLU = subsistence allowance, JASG = Youth Training Consolidation Act ⁵⁾ provisional results										

⁴ Owing to the decline in the number of beneficiaries under the part-time scheme for older workers the sum total of active and activating labour market policy funds actually spent is expected to decrease for 2007 and 2008.

benefits and unemployment assistance), i.e. up 13% on 2002. The sum total of money spent on active and activating labour market policies (including apprenticeship training bonus scheme and part-time allowance for older workers) increased by 72% across the same period.

Benefits paid for the purpose of activation (upskilling) cover a great variety of benefits under Austria's Unemployment Insurance Act (AIVG), including prorated social insurance contributions that are used for active policies rather than explicitly for out-of-work income support (such as unemployment benefits and unemployment assistance). The following benefits come under this category:

- part-time allowance for older workers
- unemployment benefit/assistance for training,
- unemployment benefits for rehabilitation measures,
- unemployment benefits for foundation programmes and re-employment benefits,

- as well as solidarity bonus and further training allowance.

3.1 Expenditure on active and activating labour market policies by international comparison

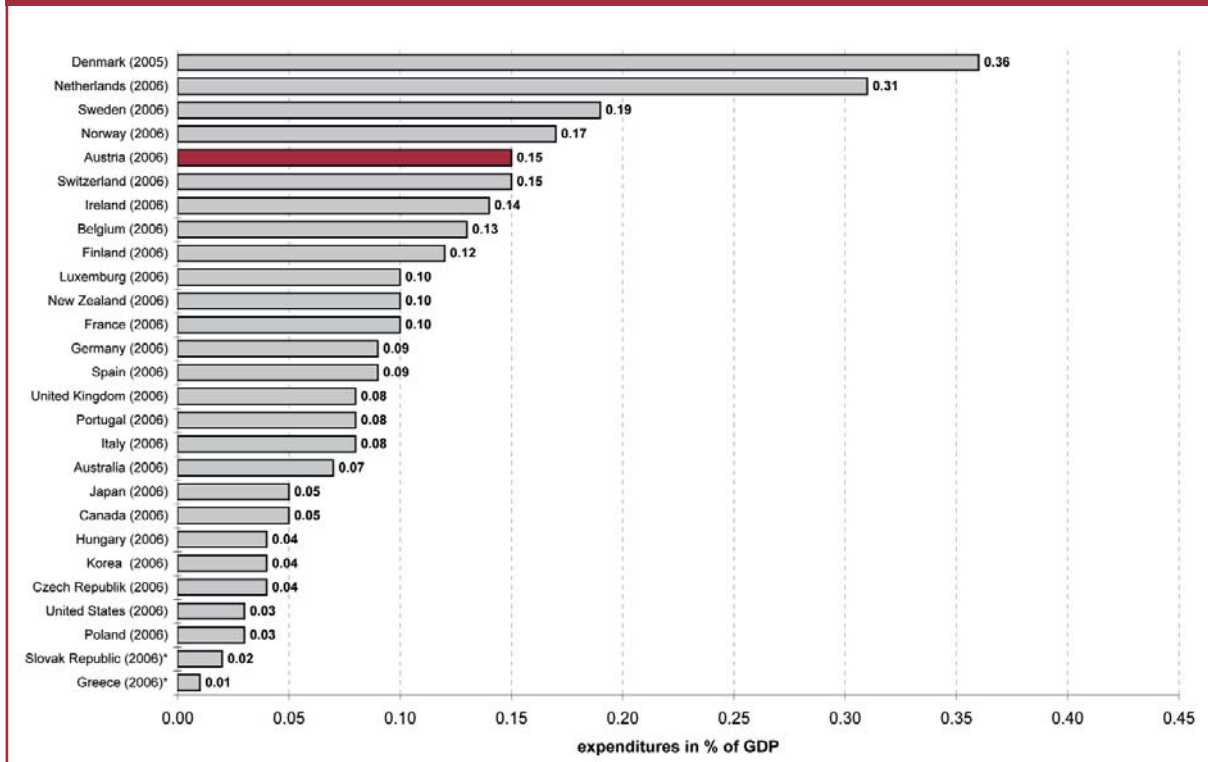
With an active and activating labour market policy expenditure of 0.71% of GDP (according to EU and OECD definition), Austria was close to the (unweighted) OECD average for European members of 0.70% in 2006 (last available data). If relating the ALMP share in GDP to 1% of the unemployment rate, i.e. to have a more comparable picture of varying labour market levels and problems, Austria's position will further improve. This would give 0.15%, thus placing Austria among the top five of all OECD economies for the first time.

Compared with countries having similar levels of unemployment, labour market policy interventions in Austria appear to be highly effective and efficient.

Activating labour market policy AMS/BMWA 2000-2007 ¹⁾								
	2000	2001	2002	2003	2004	2005	2006	2007
€m								
activating labour market policy								
Austria's public employment service								
unemployment benefit/assistance for training	55	104	113	149	179	271	326	303
old-age part-time scheme	6	69	230	417	564	502	456	411
unemployment benefit for labour foundation	39	37	41	54	57	64	68	66
further training allowance	20	21	6	7	8	12	9	10
solidarity bonus (benefit)	0.6	0.3	-	-	-	-	-	-
unemployment benefit for training following parental leave	0.3	0.4	0.2	0.1	0.2	0.03	0.01	0
unemployment benefit for rehabilitation	8	10	9	9	6.5	2.2	0.4	0.04
re-employment subsidy	1.2	1.1	-	-	-	-	-	-
minus DLU effect (2003-2005)	-	-	-	-8	-67	-82	0	0
Sum total of activating labour market policy	130	243	400	629	747	770	860	790

1) including social insurance contributions; excluding employer-related labour market support

2006: Expenditure on active and activating labour market policy in % of GDP (per 1 percentage point of unemployment rate)



Sources: OECD (Employment Outlook 2008), EUROSTAT; BMWA's own estimates

* Greece, Slovak Republik: only Eurostat LMP database categories 2-7 plus categorie 1.1 active LMP spend

3.2 Spending broken down by socioeconomic groups

50.2% of the AMS's gender-assignable subsidisation was used for active LMP measures for women in 2007 (€416.9 million). This ratio is to be seen against a background in which roughly 44% of the average stock of job-seekers (or roughly 43% of those affected by unemployment) across 2007 were women. Women accounted for €712.9 million and men for €791.2 million of total spending on active and activating labour market policies (apprenticeship training bonus not included) in 2007.

In view of the necessary multiple allocations, it is impossible to add up LMP spending by individual groups. For instance,

spending on men with disabilities is shown both in the "people with disabilities" group and in the "men" group.

Additional programme for people with disabilities

In 2006 the AMS was tasked with using employment subsidies (socioeconomic enterprises SÖB, community work projects GBP and company integration subsidies BEBE) to enable 3,000 disabled and/or unemployed individuals with health-related employment handicaps to enter employment. An additional €24.781 million was spent on 6,240 programme participants in the period 2006-2007.

LMP funds used for women and men in 2007								
€m	gender-assignable AMS measures				measures non-assignable by gender		change in 2007 over 2006	
	women		men		2007	2006	women	men
subsidies and activating LMP	2007	2006	2007	2006	2007	2006	change in %	change in %
skills training subsidies	280.88	296.6	279.3	265.3	4.9	5.0	-5.3%	5.3%
employment subsidies	99.95	98.5	107.7	110.4	1.3	2.6	1.5%	-2.5%
support measure	36.11	30.4	26.6	24.9	9.1	13.2	18.7%	6.7%
sub total: active LMP	416.9	425.5	413.5	400.6	15.2	20.8	-2.0%	3.2%
activating UI benefits*	126.05	128.1	136.32	146.4	0	5.9	-1.6%	-6.9%
subtotal	542.99	553.6	549.9	547.1	15.2	26.7	-1.9%	0.5%
old-age part-time allowance**	170.0	188.3	241.3	267.5	-	-	-9.8%	-9.8%
TOTAL	712.9	741.9	791.2	814.6	15.2	26.7	-3.9%	-2.9%

* social insurance contributions not included, AMS DWH data cube Fdg_zuordnung_kosten.mdc; **estimate based on: claimants x daily rate
Sources: AMS annual reports, BMWA, AMS DWH

Funds used for active and activating labour market policy in 2007						
€m	skills training	employment	support	activating UI	old-age part-time	total
women	280.9	99.9	36.1	126.1	170.0	712.9
men	279.3	107.7	26.6	136.3	241.3	791.2
older workers (45+)	85.7	76.0	14.2	81.6	411.3	668.7
people with disabilities	70.9	54.7	10.3	47.7	6.9	190.5
young people (under 25)	296.6	35.7	11.8	40.9	0.0	384.9
foreign nationals	89.4	26.5	9.0	28.0	8.3	161.3

* social insurance contributions not included; source: AMS DWH fdg_zuordnung_kosten.mdc
Sources: BMWA, AMS DWH fdg_personen_kosten.mdc

4 Performance data for the public employment service (AMS) and active labour market policy

4.1 Job brokering by the AMS

In Austria we differentiate between “public” job brokering by the employment service (AMS), “free” job brokering by statutory stakeholders, collective bargaining entities and non-profit organisations, as well as “private” job brokering requiring a license. The principles to be observed in all three areas are set out in the Labour Market Promotion Act (AMFG). They are: voluntary use of such services, impartiality of the service provider, fair pay, and placement service free of charge to job-seekers (save placement services for artists and sports people).

This chapter only addresses the AMS’s job brokering activities. For facts and figures on private placement services see Chapter 8.

Ensuring an efficient, economical and targeted matching of labour supply and demand is the most important task of Austria’s public employment service. The better the AMS’s relation with job-seekers and employers, the better the brokering service offered for the benefit of both sides of the labour market.

This is why an action plan (*Betreuungsplan*) is drawn up with every job-seeker, which includes his/her skills and aspirations, further counselling and assistance measures, plus the job-seeker’s and case worker’s mutual obligations as defined by §38 of the Labour Market Promotion Act (AMFG). Hence this (back-to-work) action plan will determine further action both for the client and the AMS counsellor.

By the same token the AMS concludes service agreements with employers notifying vacancies to the employment service, which define the AMS’s approach to filling such vacancies (pre-screening, number of suggested applicants, etc.). This kind of action plan is essential whenever vacancies are hard to fill and alternative strategies need to be developed.

A Client Monitoring System (CMS) is used in all regional AMS offices to systematically capture the clients’ satisfaction with AMS services and incorporate the results into ongoing efforts to improve service delivery.

The AMS focuses on Internet use to foster activities by clients with greater self-help potential. AMS services offered on the Internet are constantly being upgraded. The AMS eServiceZone is an online service enabling both the job-seekers and the employers to access the employment service outside opening hours. Its core feature is the eJob-Room, a platform where job-seekers can look for vacancies and employers for workers. Employers and job-seekers may retrieve all job applicants and vacancies provided by the AMS, compose and enter ads, and immediately get in touch with interested parties by text message or e-mail. Boasting some 48,000 vacancies in Austria alone and roughly 163,000 job-applicants (as at 16-06-2008), the eJob-Room is Austria’s largest job exchange. A personalised online access has been created specifically for job-seekers. This eAMS account is available to job-seekers to enter change of address

and reachability, apply for benefits and terminate their receipt, as well as receive personal messages from the AMS.

If individuals are seeking a career change and know exactly when their contract will be terminated they, too, may enter their job-search data online using a self-service tool called Next Job. Early job-search notification (before being out of work) will improve people's chances of soon finding a suitable job, and it will also give them the opportunity to communicate the data necessary for applying for UI benefits. This will accelerate and simplify the processing of their application after the required sign-on at one of the AMS offices.

The interactive job-application training tool includes instructions, exercises and tips for all phases of the application process. Practical assistance is provided in the form of checklists and examples of how to write to employers and compose CVs in various job areas.

The AMS's further training database provides an overview of further training options throughout Austria. It includes more than 27,000 current training seminars of more than 2,700 providers. This is intended to enhance the job-seekers' involvement and participation in selecting such courses. Clients may inform the employment service online about their interest in attending specific AMS-subsidised courses.

The clients' demand for Internet services has risen continually in recent years. The AMS website www.ams.at is one of the

most popular Internet addresses in Austria (530,000 visits per month in 2007).

4.1.1 Stock of vacancies and vacancies filled

Detailed documentation and analyses on vacancies filled by the public employment service are available to AMS staff. Placement services are based on the assumption that individuals register with the employment service as job-seekers, and that employers notify their job openings to AMS counsellors. If so, the employment service can prove that it has been directly involved in the filling of such vacancies, although the resultant figures are still far below actual placement activities: the number of employment relationships reported to the Federation of Austrian Social Insurance Institutions (*Hauptverband der Sozialversicherungsträger*) show that substantially more vacancies than those recorded in the AMS's placement data are filled with job-seekers from among the AMS's stock of unemployed.

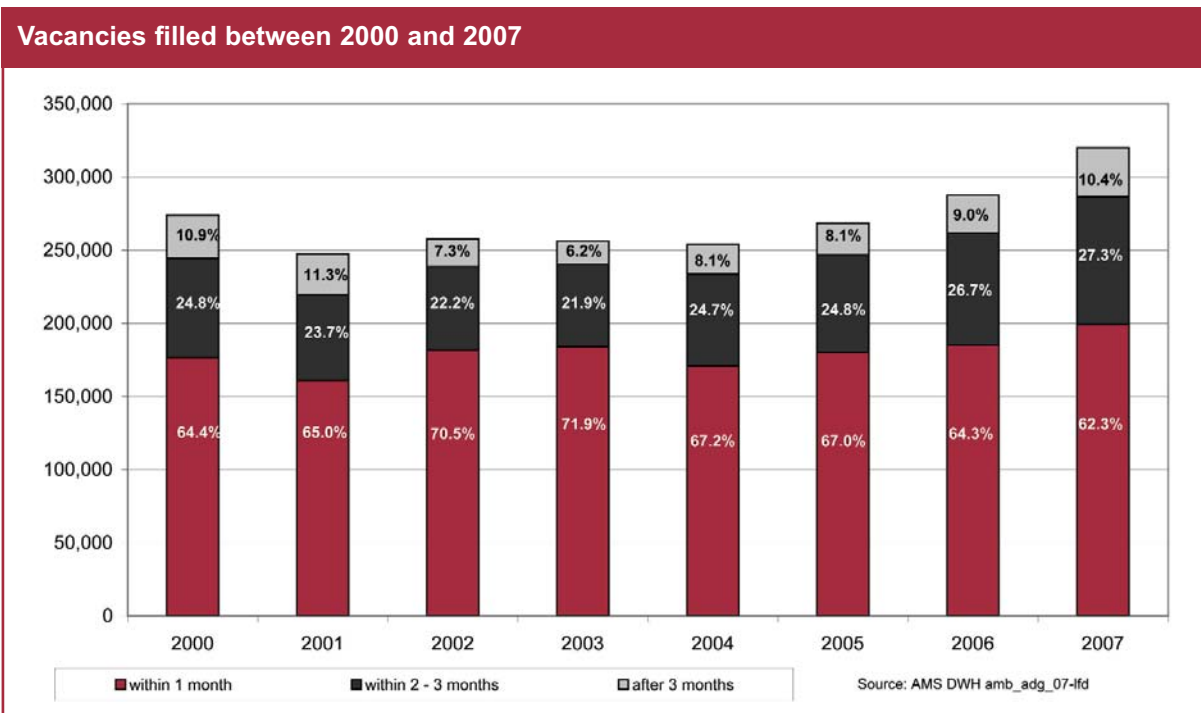
369,569 vacancies were notified to the employment service in 2007, i.e. a clear increase on the year before. Hence the positive development of recent years could be continued, with notified vacancies up 33,961 or 10.1% in 2007. This boost is mainly due to service jobs (up 12,676), production jobs (up 9,997), jobs in retail and communication (up 5,579), as well as administration and clerical jobs (up 2,710). Drops were only recorded in agriculture and forestry, where 440 fewer job openings were reported than in the year before.

Most of the vacancies notified to, or canvassed by, the AMS could be filled within a very short period of time: 90% within three months. A total of 319,876 notified vacancies

was filled in 2007 (E, B and A postings ⁵). The number of vacancies filled rose 11.3% (up 32,384) on the year before.

Vacancies filled				
	within 1 month	within 2 - 3 months	after 3 months	total
2000	176,343	67,867	29,771	273,981
2001	160,835	58,519	27,960	247,314
2002	181,534	57,039	18,855	257,428
2003	184,005	56,078	15,925	256,008
2004	170,677	62,881	20,523	254,081
2005	179,926	66,697	21,806	268,429
2006	184,859	76,772	25,861	287,492
2007	199,159	87,349	33,368	319,876

Source: AMS DWH amb_adg_07-lfd



⁵ E-postings are successful AMS-brokered placements of individuals registered with the AMS; B-postings are successful placements of individuals who, while not directly referred through a so-called linkage posting, obtained their information of the job opening from the AMS; A-postings are vacancies filled otherwise or vacancies withdrawn from the AMS register without indication of the name of the person employed.

4.1.2 Placement of job-seekers

Any individual seeking a job may register with the employment service. He or she may do so not only when out of work but also while working under an ongoing employment relationship, while enrolled in school or some further training programme, or while unavailable to the labour market for whatever reason but seeking a job with an employer in the near future. Registered unemployed, as discussed in this section, are individuals who are registered with the AMS irrespective of whether they draw UI benefits or not. Marginally employed workers may also register as job-seekers.

In 2007, there were altogether 903,628 inflows into registered unemployment, down 17,352 or 1.9% on the year before. Hence inflows into unemployment in 2007 were declining for the first time since 2000.

When broken down by gender, the inflows of men (-2.2%) into unemployment dropped more than those of women (-1.5%) in 2007.

The average stock of unemployed individuals decreased by 16,925 (-7.1%) to 222,248 in 2007. Women's share in the (stock of) unemployed in 2007 was similar to the year before, i.e. around 44%.

Job take-up by unemployed individuals (by unemployment spell)

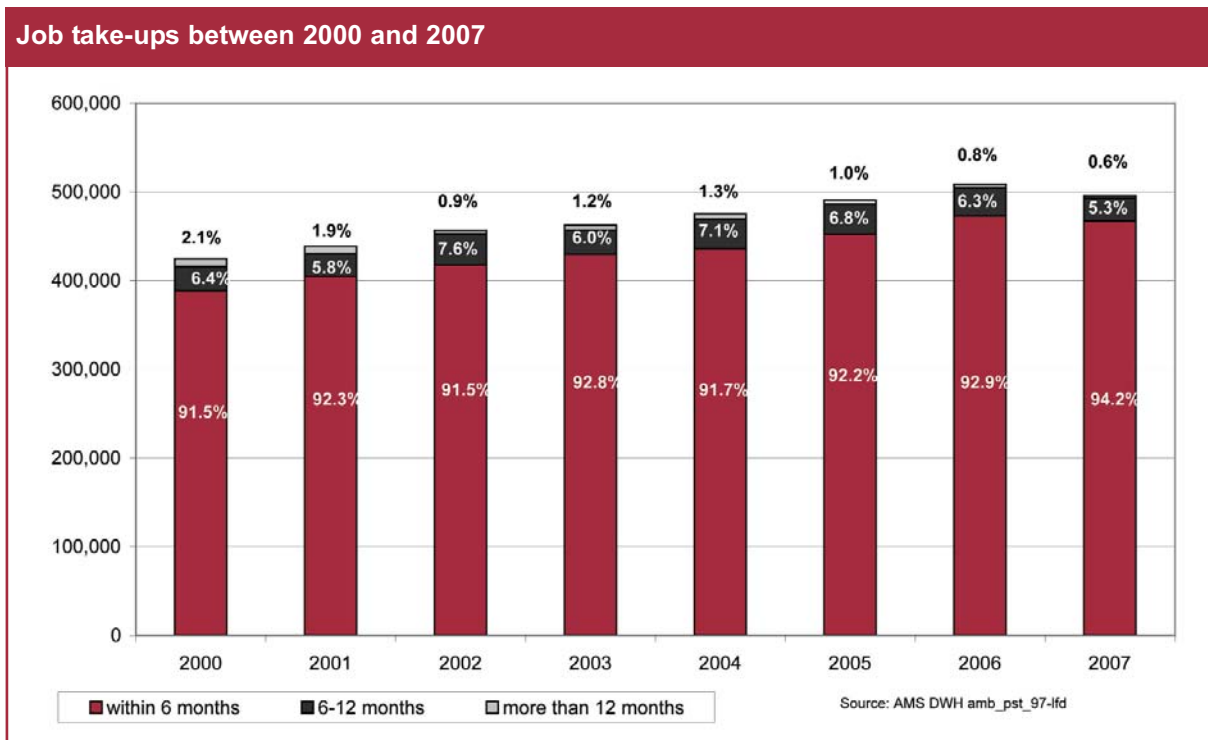
Since 2000 job take-ups by unemployed individuals had risen by approx. 71,531 or 16.8%⁶. The 496,075 job take-ups in 2007 correspond to a decrease of 12,573 or 2.5% over the year before, of which 72.8% occurred within the first three months of unemployment.

Job take-ups				
	within 6 months	6-12 months	more than 12 months	total
2000	388,365	27,296	8,883	424,544
2001	404,653	25,511	8,258	438,422
2002	417,880	34,725	4,204	456,809
2003	429,363	27,558	5,566	462,487
2004	435,661	33,543	6,129	475,333
2005	452,517	33,414	4,869	490,800
2006	472,667	32,019	3,962	508,648
2007	467,060	26,152	2,863	496,075

Source: AMS DWH amb_pst_97-lfd

⁶ Direct job take-ups (job take-ups following on training programmes not included)

In addition to job take-ups by registered unemployed, 38,702 cases of job-take ups involved people exiting from AMS-subsidised upskilling programmes. Take-ups were also recorded for another 20,118 registered apprenticeship-seekers.



Job take-ups by older workers and individuals with health-related employment handicaps

37,042 unemployed people with health-related employment handicaps (people with disabilities and people with other health-related employment handicaps) – 24,063 men and 12,979 women – took up employment in 2007. As compared with 2006 (33,729 direct job take-ups), this was an increase by 3,313 or 9.8%.

The rate of direct job take-ups by unemployed persons aged 45+ remained virtually unchanged in 2007 over the year before. The stock of unemployed of this age group continued to decline (down 3,965 or 5.4).

4.1.3 International networking of job brokering: EURES

EURES (EUROpean Employment Services) is a cooperation network formed by public employment services of the European Economic Area and Switzerland. The objective of the EURES network is to enhance recruitment/placement (job-matching) services and facilitate the free movement of workers.

A network of more than 700 EURES advisers supports workers ready to move and employers looking for workers in Europe. Austria has 17 such EURES advisers, who have been particularly helpful in winter tourism where domestic manpower shortages could be largely reduced. For instance,

around 1,400 job-seekers, apprentices and interns from the EEA were successfully placed in Austrian tourist businesses in the 2007/08 winter season.

The EURES portal lists some 1.48 million⁷ vacancies; workers and employers find up-to-date information on various issues including mobility, living, working and employment conditions in all EEA countries. Workers can look for jobs using an online application tool and accessing some 16,606⁸ registered employers from all over Europe. Also Austrian employers can look for workers in Europe using a special online recruitment tool with direct access to some 309,400 registered job-seekers from all European countries.

4.1.4. Vocational information and guidance

Austria's public employment service is a first-stop shop for information on employment and careers. In its 61 vocational information centres (BIZ) clients may choose between a wide range of free information media outlining careers, job opportunities, as well as initial and special training paths.

Roughly 418,500 individuals (61% of them adults) visited the centres and used their services in 2007. In addition, BIZ staff counselled 96,600 individuals in 5,148 groups in total. While information and counselling to visiting school classes focused on vocational guidance and career

choice, the 1,573 lectures for adult visitors mainly revolved around new developments in the labour market.

BIZ visitor figures in 2007	
total visitors	515,163
young people	232,564
adults	282,599
individuals	418,504
groups	96,659
girls and women	268,971
boys and men	246,192

BIZ centres also organised 3,217 information events throughout Austria, which were attended by 59,784 people. Almost three quarters of these events addressed young people and issues such as career guidance, new apprenticeship trades or career opportunities following matriculation exam.

The AMS's vocational information centres provide free self-service options in advanced media libraries containing a great number of data in brochures, information folders, videos and PCs.

A great variety of data and information about initial and advanced training options, or job and labour market trends, can be retrieved online from the AMS's vocational information portal www.ams.at/berufsinfo. Online tests helping people in their career and education choices, databases providing up-to-date vocational information, as well as downloadable information brochures provide access to the world of work, education and training. The job information

⁷ Data as at 1-07-2008

⁸ Data as at 1-07-2008

system (BIS) is Austria's largest online database containing detailed information on careers and qualifications.

The job compass (*Berufskompass*) is an important guide for career choice and vocational re-orientation. It is linked up with the job descriptions and job profiles of the AMS vocational information system, thus enabling users to immediately retrieve information about jobs, job requirements and job opportunities. The apprenticeship compass (*Lehrlingskompass*) is geared to the needs of young people interested in an apprenticeship. Taken together, job compass and apprenticeship compass recorded roughly 276,000 "visits" in 2007.

The skills barometer (*Qualifikationsbarometer*) shows graphic presentations of the occupational groups, skills and qualifications in demand on the labour market.

Workroom (*Arbeitszimmer*) is the AMS's new youth platform launched in January 2007 and providing information on education, training, higher education and career choice.

The AMS job dictionary (*Berufslexikon*) includes detailed descriptions (and a number of videos) on jobs by level of educational attainment. It also offers general information videos and "virtual company visits".

BIZ visitors 1995 - 2007

	1995	1997	1999	2001	2003	2005	2006	2007
BIZ visitors	246,700	323,000	383,600	416,900	479,523	550,947	554,374	515,163
locations	41	50	50	54	58	60	60	61

4.2 AMS-driven labour market programmes

Individualised presentation

344,831 individuals were enrolled in AMS programmes (178,799 women) in 2007, or 861,214 new subsidy cases were approved (approx. 2.5 cases per person). Below you

will find an analysis of AMS-operated programmes based on the total number of participants.

Subsidies and grants of AMS in 2007

	no. of persons total	change over previous year in abs. terms	change over previous year in %	of whom women	change over previous year in abs. terms	change over previous year in %
all subsidies	344,831	- 14,193	- 4.0	178,799	- 8,243	- 4.4
employment	59,836	+ 1,395	+ 2.4	31,211	+ 1,762	+ 6.0
training	284,541	- 12,446	- 4.2	145,927	- 8,566	- 5.5
support	71,567	- 1,940	- 2.6	40,584	- 318	- 0.8

*no. of persons: individuals are counted unequivocally by counting PST keys across all dimensions and related to the number of subsidy cases. Under this unequivocal count an individual is counted for all categories he/she belongs to but only once for the sum total.
Source: AMS DWH fdg_personen; updated on 25.05.2008

The public employment service subsidised fewer people in 2007 than the year before (down 14,193 or 4.0%) as it focused on measures of higher quality and longer duration and thus on more costly measures. Subsidies to **skills training** accounted for the majority of subsidisation, meaning that 83% of participants in AMS measures (284,541 persons; down 12,446 or 4.2% on previous year) were enrolled in training programmes. 17% of participants (59,836; up 1,395 or 2.4%) received **subsidies to employment** and 21% of all participants (71,567; down 1,940 or 2.6%) were enrolled in **support measures**.

Roughly 52% of AMS programme participants were women and slightly more than half of the gender-assignable programme budget was used for supporting women in 2007. Women's share in the (annualised stock of) unemployed was around 44% and thus far below women's programme participation rate. However, **female participation** varied greatly by programme category: skills training 51%, support 57%, employment subsidies 52%.

The most important **skills training** subsidies concerned education and training programmes (BM) involving 155,916 individuals, subsistence allowances (DLU) during

Individualised presentation

The sum total of participants in the three major types of subsidisation, i.e. skills training, subsidies to employment and support, is *higher* than the total number of all participants per year as one and the same person may be subsidised by both a support and a training grant in the period under report.

Skills training measures and subsidies include training of employees (QfB); labour foundations (AST); guidance, (skills) training measures and active job-search assistance for the unemployed (BM); subsistence allowance (DLU); allowances for training course costs and ancillary course costs (KK, KNK) and subsidies to apprenticeships (LEHR, SZL). *Employment measures and subsidies* include company integration subsidies (BEBE), job schemes in the non-profit sector/community work (GBP), socio-economic enterprises (SÖB), solidarity bonus (SOL), journey-to-work subsidies (ENT), allowance for working short hours (KUA), as well as the wage top-up scheme (KOMB). *Support measures and subsidies* include the appropriations for LMP counselling and guidance centres (BBE), business start-up subsidies (GB), the business start-up programme (UGP), childcare subsidy (KBE), appropriations for childcare facilities (KBE) and job interview grants (VOR).

training involving 199,494 individuals, and allowances to cover ancillary course costs (KNK) involving 165,246 individuals. 22,560 employees were also enrolled in AMS-subsidised training programmes. Subsidies to apprenticeships – JASG⁹ participants not included – involved 43,477 people, mainly under the so-called "Blum bonus", a lump-sum grant to the costs of apprenticeship training.

Subsidies to employment focused on one tool, i.e. the company integration subsidy (BEBE), which was granted to 35,018 individuals. Subsidies to employment in socio-economic enterprises (SÖB) and community work projects (GBP) were awarded to 23,165 people. Such subsidies to employment were granted almost only (exception: journey-to-work subsidy) to employers or job scheme operators directly, who in return employed unemployed individuals or did not dismiss workers at risk of becoming redundant (allowance for working short hours).

The main subsidies within the scope of **support measures** are those supporting counselling and guidance centres (48,608 unemployed individuals were referred to such facilities) and childcare subsidies (8,243 beneficiaries), the latter being the reason for the high share of women in the support segment. Another 7,930 individuals were subsidised under business start-up schemes (business start-up subsidies and consultancy services under the business start-up programme).

The "2006-2008 women in crafts and engineering" programme (FIT) was continued in 2007 and offered certified training in crafts and engineering jobs. Under this programme women are encouraged to take up jobs which are male-dominated, offer improved labour market opportunities and provide higher incomes. During the 2007 FIT programming period around 2,600 women participated in prep courses and around 1,100 women in basic skills training programmes. 450 women were enrolled in special crafts/engineering training programmes to complete formal apprenticeship training. The AMS paid €10.2 million for programme participants in 2007.

The labour market and employment policy focus on older workers has been further developed and upgraded in recent years against the background of social pension reform. The policy mix used to improve labour market integration of older workers varies. It includes reducing non-wage labour costs, securing existing employment relationships, or providing active support to older unemployed people's re-integration into the world of work. In 2007, Austria's public employment service awarded subsidies to roughly 84,300 people aged 45+, this group being well-represented in employment programmes, where they account for more than one third of all participants.

⁹ Youth Training Consolidation Act (JASG)

An analysis by age groups reveals the considerable involvement of young people in active labour market schemes: while the prime-age group (25 to 44 years) accounted for most of the participants (140,145 or 41%), young people (up to age 24) accounted for 123,555 (36%) and older persons (45+) for 84,275 (24%). This compares as follows with the same age groups' percentages in registered unemployment (annual average stock): young people 16%, prime-age group 53%, older persons 31%.

A total of 45,259 (+5,156; +12.9%) people with **health-related employment handicaps** were subsidised in 2007 (8,624 of them registered job-seekers with disabilities and 37,075 of them registered job-seekers with other health-related employment handicaps).

Appropriations

If we take a closer look at **AMS subsidy spending¹⁰ on individual programme categories** (see "spending broken down by socioeconomic groups" and "subsidy spending and subsidised individuals under

Active LMP budget as used (money spent) in 2007 by types of subsidies	
employment	208,862,390.15
training	565,016,066.48
support	71,740,615.96
total	845,619,072.59
data as at 12.03.2008	
Source: fdg_personen_kosten_0607	

active LMP"), the picture will slightly differ from the above individualised approach: although skills training measures also account for most (67%) of the costs, this percentage is substantially lower than that of participants (83%) Subsidies to employment in turn, which involve only 17% of all AMS programme participants, required 25% of all funds, while support measures had a participants-to-appropriations ratio of 21% to 8%.

Regarding **skills training** measures, the main tools (budget-wise) were subsidies to the training and upskilling of job-seekers, subsistence allowances for the duration of such training measures, as well as subsidies to apprenticeships.

In the **subsidies to employment** category, expenses concerned mainly two major groups of tools: integration subsidies on the one hand, and socioeconomic enterprises and job schemes in the non-profit sector (community work) on the other.

As to **support measures**, the emphasis is on subsidies to labour market counselling and guidance centres, childcare subsidies, as well as business start-up subsidies under the business start-up programme.

¹⁰ All data: subsidy spending without activating UI funds (i.e. unemployment insurance funds used for activating labour market policy); source: AMS Data Warehouse; data cube fdg_lg_Personen_Kosten. mdc, payment (kum.) indicator.

Skilled metalworkers training campaign

To ensure a sufficient supply of skilled workers and address the shortage of workers with skills the AMS has launched a skills training campaign for metalworkers aimed to double the number of newly trained metalworkers under its active labour market policy programme. The campaign is targeted at all job-seekers registered with the AMS and specifically at those of migratory background. Since its launch in July 2007 subsidies for 8,592 individuals have been approved (data as at 30-05-2008), and more than 60% of participants have already completed their special training: Almost 14% of them did so with an apprenticeship certificate and 11.8% with an intensive training certificate for skilled workers. Women's share in metalworkers training is 19%; foreign workers account for almost the same percentage (18.6%).

4.3 Labour market policy for young people

In light of developments in the youth employment market, active labour market policies for young people have been stepped up in recent years. This is how the annual number of under 25-year-olds newly subsidised by the employment service (AMS) was more than doubled between 2001 and 2007 from around 46,000 to over 100,000. In 2007 roughly €385 million were spent on active and activated "passive" funds for this target group of

young adults (up €25 million, or 7%, on 2006). The percentage share of this age group in all AMS-subsidised persons advanced between 2001 and 2007 from 24.8% to 34.4% of all newly subsidised individuals, thus being clearly above the 15.8% share of young job-seekers in 2007 unemployment. Enhanced spending on active policies has certainly provided a strong impetus to the youth labour market. Since January 2006 there has been an above-average decline in young job-seekers, which continued in 2007, with youth unemployment dropping by 7.8% on the year before.

4.3.1 Youth employment package – guaranteed training

The dual system is one of the key priorities of labour market and employment policy in Austria. Use of appropriate measures, such as encouraging the creation of additional apprenticeship places under the Blum Bonus (in operation since autumn 2005), has helped achieve a trend reversal also within the apprenticeship market, with the number of apprenticeships and training companies rising substantially. This successful avenue is being pursued by a needs-compliant upgrading of support schemes and framework conditions in the dual training system. A comprehensive employment package for young people will be implemented in the 2008/2009 training year including measures concerning company-based and supra-company apprenticeship training ("guaranteed training").

4.3.2 Upgrading of supra-company training

Improved in both quantitative and qualitative terms in recent years, the supra-company training programme aims to provide adequate assistance and training places (run by special “supra-company” providers, i.e. not companies themselves) to young people who have not found any suitable apprenticeship since leaving compulsory school. The number of programme participants in the 2006/2007 training year totalled some 11,600 young people, with 9,500 of them being trained in special programmes. The reformed framework launched in the 2008/09 training year is intended to establish the supra-company training programmes – as a complement to the prioritised company-based apprenticeships – in terms of regular and equally valued components of the dual system and in terms of upgraded elements of guaranteed training for young people under 18 years of age. For this purpose the revised Vocational Training Act (BAG) has introduced a uniform supra-company training programme enabling participants to complete training with regular apprenticeship certificates. The previously differing remuneration (by type of training programme) has been raised to a common level, while supra-company apprenticeship training programmes will now be targeted not only on socially disadvantaged youth and slow learners but increasingly also on education dropouts and “older” youths.

4.3.3 Revised subsidies to company-based apprenticeship training

Subsidies to individual companies in support of apprenticeship training will now be processed by the apprenticeship offices (*Lehrlingsstellen*) of the Austrian Economic Chamber (WKÖ) and include the following key components:

Basic subsidy: The training bonus (€1,000), previously granted for every apprenticeship, will be replaced by a new system of differentiated, needs-oriented basic subsidies. Based on the remuneration actually paid to apprentices under collective agreements, the subsidisation system involves subsidy rates that are staggered by year of apprenticeship (first year: rate equivalent to three such remunerations; second year: equivalent to two such remunerations; third and fourth year: equivalent to one such remuneration, or for apprenticeships lasting for 3.5 year, to half the remuneration).

Additional quality- and employment-related subsidies: Alongside basic subsidisation, the scheme should offer additional subsidies to employers with the aim of providing incentives to create additional apprenticeship places and introducing quality criteria for orientation. These strategies include:

- Subsidies to employers accepting apprentices for the first time or after a longer interruption, as well as subsidies to newly-started companies accepting apprentices
- Quality bonus for employers whose apprentices pass a quality test at mid-time of their apprenticeship.

- Subsidies to regional inter-company training clusters and to additional training options for apprentices going beyond the job profile defined by law
- Subsidies to train the trainers (initial and continuing training);
- Bonuses for excellent or good final exams
- Subsidies to in-house policies designed to ensure equality of access for young women and men to apprenticeship trades.

Individualised subsidies within company-based apprenticeship training schemes should make up for individual disadvantages on the apprenticeship market and are granted by the employment service to young job-seekers in the course of its counselling and support activities. Such individualised subsidies continue to fall within this service's responsibility.

4.4 New developments in the employment of non-nationals

According to the Federation of Austrian Social Insurance Institutions (*Hauptverband der Sozialversicherungsträger*) an annual average of 412,578 non-nationals were employed in Austria in 2007. As compared with 2006, this was an increase by 21,883 or 5.6%. This coincided with a decrease in the number of unemployed non-nationals by 2,628 (down 6.2%) on 2006. Potential foreign labour supply totalled 452,441 (+1.5%) across 2007, with the percentage of third-country nationals still being one of the highest within the European Union (66.5%).

Whereas citizens of the EU 14 and EEA Member States and their family members (spouses and children) are free to settle in Austria and access the labour market, rules on the employment of third-country nationals (see also transitional provisions) are set out in the Act Governing the Employment of Foreign Nationals (AuslBG). Admission of third-country nationals to the Austrian labour market has been largely restricted to key workers and additionally needed seasonal workers in recent years. The settlement ordinance updated and issued every year by the federal government defines the relevant maximum ratios and numbers for such workers. Also family reunion for settled migrants from third countries is guided by annually fixed ratios. The employment of scientists and researchers, family members of Austrian nationals and naturalised migrants and other special workers, such as media workers, pastoral workers or employees of diplomatic missions and international organisations, is exempted from the AuslBG and not subject to any ratios or quotas.

Transitional provisions for the new Member States

Workers from the “new” Member States, including Romania and Bulgaria, have enjoyed freedom of settlement but no free labour market access (except for Maltese and Cypriots) since their countries' accession to the European Union. According to the transitional regime for the free movement of workers defined in the accession treaties and applied by Austria, they will be

admitted to the Austrian labour market in keeping with the provisions of the AusIBG, but are to be given preference over third-country nationals (Community preference). The maximum transition period of seven years will end on 30 April 2011 for the countries of the May 2004 accession round (EU 8) and on 31 December 2014 for Romania and Bulgaria. Meanwhile the transitional provisions have been renewed for another three years – until 30 April 2009 – for the EU-8 countries and extended to the new members Romania and Bulgaria (for the time being for two years).

However, following one year of uninterrupted admission under a permit, they will be granted free labour market access confirmed by the public employment service. Their spouses and children, with whom they have a joint residence in Austria, will acquire the same right. The spouses and children of Romanians and Bulgarians are subject to a waiting period of 18 months until the end of 2008, after which they will be granted free access.

As at 31 May 2008, i.e. four years after the May 2004 EU enlargement, the number of workers from the new Member States had risen by 98.7% to 81,346, while the number of third-country nationals working in Austria had risen by a mere 3.5% across the same period.

This development clearly illustrates that, with the transitional regime, Austria has succeeded in meeting any additional de-

mand for labour primarily by prioritising the admission of new EU citizens and thus complying with Community preference rules.

Preference to new EU citizens has been transposed into Austrian law and consistently implemented also for Austria's important seasonal employment sector. More than 50% of the seasonally employed workers in tourism and over 80% of seasonal workers and harvest labour in agriculture come from the new EU neighbours. Seasonal workers are granted fixed-term employment permits based on needs-compliant quotas without any option for permanent access to the Austrian labour market.

Also the posting of new EU citizens to provide services in Austria continues to be subject to restrictions imposed by the AusIBG for certain protected areas (specifically for the construction sector), while in the liberalised services sectors it is only necessary to report the posted workers to the central coordination agency (ZKO) of the Federal Ministry of Finance (BMI), which also hosts the agency that checks for illegal employment (KIAB). Whether such postings are in conformity with legal and EU provisions will be examined and confirmed by the AMS based on these reports. In 2007 the employment service issued 5,687 EU posting confirmations - up 31.9% on the year before.

2008 ordinance for skilled workers

In force since 1 January 2008, the 2008 ordinance for skilled workers is another essential step within the federal government's policy mix to ensure a sufficient supply of skilled labour. Based on a joint proposal made by the social partners in their policy package for the future of the labour market until 2010 (*Zukunft - Arbeitsmarkt 2010*), skilled workers from the new Member States who help reduce the skill shortages in 65 job groups defined by the AMS may now (as at July 2008) be admitted to the Austrian labour market under eased rules, although the principle of transitional provisions continues to apply.

These skilled workers will receive a fixed-term employment permit for one year, if they provide evidence of their skills, and if no suitable worker from the available pool of job-seekers can fill the job in question. Following one year of employment in Austria such skilled workers will enjoy free movement. Since January 2008 a total of 3,222 skilled workers has already been admitted to the Austrian labour market (as at 31 July 2008).

Amendments to the Act Governing the Employment of Foreign Nationals (AuslBG) and the Act Governing Adjustments to the Law of Employment Contracts (AVRAG) – labour market opened up to researchers

Amendments to the AuslBG and AVRAG (Federal Law Gazette I no. 78/2007), which entered into force on 1 January 2008, involve the following improvements for the admission of certain foreign workers:

- Full opening of the labour market for foreign scientists and researchers; all scientific work in research and teaching, including arts, may be done at public and private entities and undertakings without the need of a permit. To make the decision easier for scientists, their accompanying spouses and children will have free or easier access to the Austrian labour market.
 - ▶ This is intended to improve Austria's position in the international competition for attracting top-notch research professionals from all over the world to work here.

- So-called “subsidiary protection status holders” will enjoy the same rights as those eligible for asylum in Austria and can thus take up jobs without requiring a permit as soon as they are granted this status.
- Moreover the authority to issue ordinances has been widened for the employment of seasonal workers from the new EU Member States. Fixed-term permits for workers in agriculture and forestry can be issued for up to nine months.
- In addition the ruling of the European Court of Justice of 21 September 2006 (case C 168/2004), i.e. that the Austrian approach to postings of third-country nationals from Member States is contrary to Community law, has meanwhile been transposed. Examination of whether such postings are in conformity with EU law is now based on the notification made by the posting company to the central coordination agency in the Federal Ministry of Finance (BMF), as stipulated in Act Governing Adjustments to the Law of Employment Contracts (AVRAG).

5 Overall economic burden relief and employment effects of labour market policy

The positive effects of placement services – such as rapidly filled vacancies, reduced job search duration and minimised overall economic costs of unemployment – are uncontested. But active labour market support and insurance benefits as key components of labour market policy also help boost overall employment performance. Alongside their effect of direct burden relief for the labour market and active LMP-induced upskilling of job-seekers, they also raise the demand for education services and have indirect effects on demand generated by consumption-boosting labour market policy expenditure on programmes, subsidies and insurance benefits.

The integration of job-seekers into active labour market programmes and measures eased labour market pressures by roughly 71,100 individuals in 2007. The employment multipliers developed by Joanneum Research¹¹ for active LMP interventions and private consumption reveal an *indirect*

employment effect of another 120,400 individuals generated by active and passive LMP spending in 2007.

If this gross effect is set off against withdrawals, which can be allocated using the appropriate Joanneum multipliers for the withheld contributions by employers and employees to unemployment insurance, as such withheld contributions result in reduced investments (employment) by employers and reduced consumption by employees, this computation gives a positive net employment effect induced by money spent under LMP programmes (+14.100 employees on an annual average).

The labour market burden relief and net employment effects of Austria's labour market policy produce a surplus of roughly 85,100 individuals on average per year, thus reducing the registered unemployment rate by 2.2 percentage points.

¹¹ See: Aumayr Ch. /Kurzmann R. (2007), Österreichische Beschäftigungs- und Wertschöpfungsmultiplikatoren, InTeReg Research Report no. 61-2007, May 2007; Weblink: http://www.joanneum.at/uploads/tx_publicationlibrary/RR61.pdf.

Burden relief, employment and withdrawal effects of labour market policy			
	2005	2006	2007
Employment balance in terms of individuals			
Direct burden relief (EE) of active LMP/subsidies	63,901	76,311	71,055
Gross employment effect (BE) induced by education demand ar	120,866	129,636	120,391
of which: active LMP	30,718	40,509	38,708
passive LMP	90,148	89,127	81,683
Withdrawal effects through levying of contributions	106,800	110,452	105,072
of which: employers	53,088	55,025	52,578
employees	55,007	56,763	53,759
Net employment effect (BE minus EZ)	12,771	17,848	14,054
Employment balance (EE and net BE in absolute terms)	76,672	94,159	85,109
Employment balance in percentage points of unemployment rate			
Dependent workers	3,236,343	3,280,878	3,344,039
Actually registered unemployed on annual average	252,654	239,174	222,248
"Fictitious" unemployed	329,326	333,333	307,357
Fictitious unemployment rate	9.2 %	9.2 %	8.4 %
Difference between actual and fictitious unemployment rate	2.0%	2.4 %	2.2 %

6 Income support in case of unemployment – unemployment insurance

The Unemployment Insurance Act (AIVG) makes unemployment insurance mandatory and defines the conditions for drawing unemployment benefit and unemployment assistance, such as eligibility, requirements for and duration of claims.

UI-insured are all those employees who are compulsory members of a social health insurance fund under their employment contract or entitled to services and benefits of a health welfare institution (§4(1) General Social Insurance Act [ASVG]). On or after 1 January 2008 quasi-freelancers (*freie DienstnehmerInnen*) are included in this insurance scheme under §4(4) of the ASVG.

Employees whose income is below the marginal earnings threshold (2008: €349.01; 2007: €341.16) are exempted from any liability to unemployment insurance.

6.1 Benefits

The following cash benefits are granted under UI:

- Unemployment benefit
- Unemployment assistance
- Advance on social pension insurance benefits

- Further training allowance
- Part-time allowance for older workers
- Transition benefits following on part-time scheme for older workers
- Transition benefits

Claimants of these benefits are social health- and pension-insured.

6.2 Requirements for claiming unemployment benefit

The requirements for claiming unemployment benefit (*Arbeitslosengeld*) are

- unemployment¹²
- availability for job placement¹³
- ability to work¹⁴
- willingness to work
- compliance with eligibility criteria
- period of claim not yet exhausted.

Willingness to work

Willingness to work is defined as an unemployed individual's willingness to accept a reasonably suitable job offered by a regional AMS office, or as of 1 August 2008 by a service provider commissioned by the AMS, and/or willingness to take all measures – provided they are reasonably suitable

¹² Individuals are considered unemployed if they have not found a new dependent job after termination of an employment relationship with an employer. If they are to blame for termination or quit the job voluntarily, unemployment benefits will only be paid four weeks after termination of their employment.

¹³ All those who can and may take up a job. While on childcare benefits, this requirement is only met if another suitable person or suitable facility is available to look after the child.

¹⁴ Not included are disabled or otherwise incapacitated individuals who have been enrolled in vocational rehabilitation measures, have met these measures' objectives and, in the course or as a result of such measures, comply with eligibility criteria

for this individual's personal capabilities – likely to lead towards job take-up. This may include (re)training, as well as participation in labour market reintegration measures.

On or after 1 August 2008 revised minimum availability rules apply: unemployed individuals are required to be available for jobs involving at least 20 working hours a week. Exemptions are granted to job-seekers with care duties for children up to their 10th year of age or for disabled children. In the latter case evidence is required as to the lack of sufficiently long care options. Job-seekers with such care duties will also meet the willingness-to-work criteria if they are available for jobs with normal weekly working time of at least 16 hours.

A job is reasonably suitable if it is adequate to the unemployed individual's physical capabilities, does not jeopardise the unemployed individual's health nor violate moral standards. Pay should be fair, the workplace should be reachable within an adequate period of commuter time¹⁵, and the job should be such that statutory care duties can be met.

If claimants of unemployment benefits are unwilling to work – i.e. they refuse or frustrate opportunities by failing to accept jobs and/or failing to participate in labour market programmes or failing to undertake sufficient efforts of finding a job – will lose their entitlements to such benefits for a period of up to six weeks following ascertainment of

such failure. In repeat cases the minimum period of losing entitlements will be extended by another two weeks.

Compliance with eligibility criteria

When filing their application, first-time claimants of unemployment benefits have to furnish proof of 52 weeks of UI contributory employment in Austria within two years (framework period). For repeat claimants the framework period is reduced to one year. Within this period they need 28 weeks of UI contributory employment.

Individuals under 25 years of age are subject to a framework period of one year and an insurance period of 26 weeks within this period.

Suspension of unemployment benefit

Payment of unemployment benefits will be suspended while claimants are on sickness benefits, further training allowance, maternity benefits, or while claimants are abroad, etc.

Duration of benefit payment

Duration will depend on the beneficiary's age and contributory record. As a rule, unemployment benefits are paid for 20 weeks. If a beneficiary furnishes proof of 156 weeks of UI contributory employment within five years prior to asserting this

¹⁵ Reasonable commuter time to and from the workplace of 1.5 hours daily (full time job: 2 hours); commuter times that are much beyond these reference hours need only be accepted under special circumstances.

claim, he/she will be entitled to 30 weeks of unemployment benefit payment. Claim duration is extended to 39 weeks if claimants have a contributory record of 312 weeks within ten years and completed their 40th year of life when asserting their claim, or to 52 weeks if they have a contributory record of 468 weeks within fifteen years and completed their 50th year of life when asserting their claim.

Payment will be extended for individuals participating in AMS-driven (re)training or labour market reintegration programmes by the duration of such programmes. For individuals in a labour foundation it can be extended by a maximum of 156 weeks. Or it can be extended by a maximum of 209 weeks when training is scheduled to be of longer duration or when the unemployed person has completed his/her 50th year of life.

6.3 Amount of unemployment benefit

Unemployment benefits are composed of the basic benefit amount and, where applicable, of family supplements and additional supplements.

The **basic amount** of daily unemployment benefits is 55% of previous net earnings. If applications for claiming unemployment benefits are filed prior to 30 June, the income from work received in the last but one calendar year will be used as a basis for calculating the level of unemployment benefits. If applications are filed after 30 June, the income from work received in the last calendar year will be used. Calcula-

tions relate to the annual contributions base of UI contributory pay recorded by the Federation of Austrian Social Insurance Institutions. If no annual contribution base is available, calculation will be based on the pay received in the past six months prior to asserting claims to benefit payment.

The level of **family supplements** is €0.97 per day per eligible person. Eligible persons include spouses, partners, children and grandchildren, adopted children and foster children if such eligible persons cannot be reasonably expected to earn their own livelihood (especially through paid work). Family supplements for spouses (partners) are to be granted if they are largely dependent on the job-seekers' earnings, earn no more than €349.01 (marginal earnings threshold) per month, and if under-age children, grandchildren, stepchildren, adopted or foster children are eligible for family supplements as well.

Unemployment benefits including **additional supplements** amount to at least €24.90 per day in 2008, provided that the amount does not exceed 80% of the previous daily net income for those eligible for family supplements and 60% of the previous daily net income for those not eligible for family supplements.

In Austria the maximum daily rate (basic benefit amount) for 2008 is €41.77 (2007: €40.14; 2006: €39.31) totalling €1,294.87 for a month comprising 31 calendar days. The maximum benefit level is defined by the maximum assessment basis (which is slightly below the ceiling on insurable earnings <cap on income liable to social insu-

rance; the maximum assessment basis for 2008 being €3,630, for 2007 €3,450 and for 2006 €3,360).

6.4 Unemployment assistance

Unemployment assistance (*Notstandshilfe*) is paid to unemployed individuals who have exhausted their claim for unemployment benefits or transition benefits, are in financial distress and available for placement in a job. Unemployed individuals are deemed to be in financial distress whenever they are unable to meet essential needs. Assessment of financial distress involves the economic situation of the applicant and his/her spouse (partner) living in the same household.

The level of unemployment assistance is defined by an ordinance (*Notstandshilfeverordnung*) and will depend on the unemployment benefit previously paid. Unemployment assistance amounts to 95% of the basic amount of the relevant unemployment benefit unless this basic benefit exceeds 1/30 of the equalisation supple-

ment reference rate of €747 in 2008 (€726 in 2007), i.e. €24.90 for 2008, and 92% for all other cases (where again the resultant amount may not drop below 95% of the computed basic benefit of €24.90 for 2008) plus any family supplements where applicable.

Unemployment assistance is means tested against the partner's (spouse's, cohabitee's) net income after deducting an allowance (which varies depending on the unemployed person's age and insurance record).

If unemployment assistance follows on 20 weeks of unemployment benefit receipt, it will be restricted to the level of the equalisation supplement reference rate after six months (this reference rate being €747 for 2008, €726 for 2007 and €690 for 2006); if it follows on 30 weeks of unemployment benefit receipt, it will be restricted to subsistence level (€871 for 2008, €847 for 2007 and €805 for 2006).

Unemployment assistance will be granted for up to 52 weeks, in any case as long as claimants are in financial distress.

	2004			2005			2006			2007		
	♀	♂	total	♀	♂	total	♀	♂	total	♀	♂	total
Average daily rate of passive benefits in €												
unemployment benefit	20.6	25.7	23.6	21.0	26.1	24.1	21.5	26.7	24.6	22.1	27.0	24.9
unemployment assistance	16.0	20.4	18.6	16.2	20.5	18.7	16.4	20.7	19.0	16.7	21.0	19.3
unemployment benefit and assistance	18.6	23.4	21.5	19.0	23.7	21.8	19.3	24.1	22.1	19.9	24.4	22.5
Average claim duration in days												
unemployment benefit	80.0	76.0	77.6	79.6	75.2	77.0	75.1	72.8	73.7	71.7	66.9	68.9
unemployment assistance	153.7	166.0	160.9	152.8	164.5	159.6	131.8	143.1	138.3	122.8	133.0	128.7
unemployment benefit and assistance	101.9	100.6	101.1	102.2	101.7	101.9	93.6	94.6	94.2	87.8	87.5	87.6

Sources: AMS statistics of beneficiaries; AMS DWH svl_mon_bst_pers_light: indicator DS daily rate of benefits and AMS DWH svl_mon_bew_pers.mdc: indicator DS outflows from claim duration in days; BMWA II/6

6.5 Transition benefits

Transition benefits (*Übergangsgeld*) have been offered to those out of work who, since 1 January 2004, cannot enter retirement because the option of early retirement on grounds of unemployment has been abolished and retirement age has been raised (refers to the 2004 – 2006 period). Individuals eligible for such benefits must have been out of work for 52 weeks or more within the past 15 months.

Transition benefits total the basic amount of unemployment benefits and a 25% supplement.

Any exhausted claim to unemployment benefit may be re-used for claiming transition benefits. Older unemployed individuals may also apply for such benefits if they provide proof of 780 weeks of UI contributory employment during the past 25 years preceding their application. This framework period also includes periods of compulsory social health insurance after the end of UI insurance liability and periods of childcare up to the child's 15th year.

The Federal Minister of Economics and Labour has issued an ordinance (Federal Law Gazette II no. 408/2006 on access to transition benefits) under which also people who reach the earliest possible age of early retirement between 2007 and 2009 may apply for such transition benefits.

6.6 Advance on social pension benefits

When an application is filed for a social pension insurance benefit on the grounds of reduced or lost capacity to work, or for a transition benefit or other benefit under old-age pension insurance, unemployed applicants may receive an advance on social pension benefits until a decision is taken on their application. Applicants need not meet ability, willingness and readiness to work criteria. The level of such advanced benefits is the same as that of the relevant applicant's unemployment benefit or unemployment assistance, but no more than the average expected pension benefits.

If the application for social pension benefits is rejected, the unemployed individual will again have to meet the requirements for claiming UI benefits. The level of any unemployment benefit or unemployment assistance granted subsequently will correspond to the level granted prior to such advancement of funds and will be shortened by the period of payment of such advancement.

6.7 Benefits promoting employment

Further training allowance

The further training allowance scheme (*Weiterbildungsgeld*) involves two types of leave granted under agreements governed by labour law. If applicants take up **paid educational leave**, they will have to provide proof of participation in a further education

or training programme largely covering the educational leave period in question. The chosen programme needs to involve at least 20 weekly hours of training, for people lacking sufficiently long care options for children up to their 7th year of age at least 16 weekly hours, and/or they have to provide proof of comparable time requirements. In case of an **unpaid leave scheme**, the employer will have to hire a previously unemployed worker as a substitute for the worker on leave.

In both cases the conditions for taking up such leaves are compliance with eligibility criteria for unemployment benefit.

Further training allowance amounts to the level of unemployment benefit applicable to beneficiaries, but must not fall below €14.53 a day.

Part-time allowance for older workers

The part-time allowance for older workers (*Altersteilzeitgeld*) is used to refund to the employer any additional expenses generated by an employee's reduced working hours and related pay compensation (ongoing gross pay including special bonuses). The allowance paid under this scheme amounts to 50% of the difference between the gross pay due for the reduced working hours and the gross pay due under pay compensation arrangements, up to the ceiling on insurable earnings, plus the employer's and employee's social insurance

contributions additionally payable at source by the employer on the basis of the previous contribution base.

It is granted to people about to reach statutory retirement age after no more than five years, i.e. the allowance may be paid for no more than five years. However, transitional provisions have been introduced owing to raised retirement age. Under these provisions the scheme can be extended, between 2004 and 2012, from a specially defined minimum age to the end of the calendar month in which the earliest possible retirement age is reached.

An individual may qualify for a part-time allowance if he/she has been in UI contributory employment for 780 weeks (including periods of childcare up to the child's 15th year of age) within the past 25 years prior to claiming this allowance.

Moreover, approval is subject to an agreement (collective agreement, plant-level agreement or other contractual arrangement) and to a reduction of working time to 40-60% of normal working hours.

The employer is obliged to calculate any entitlement to severance pay on the basis of the pay applicable prior to the reduction of normal working hours, to cover the employee in question by social insurance using the contribution base applicable prior to the reduction of normal working hours, and to provide pay compensation to the employee in question.

Processed benefit claims (awarded and disallowed)						
	2006			2007		
	women	men	total	women	men	total
unemployment benefit	275,069	391,102	666,171	276,943	387,479	664,422
unemployment assistance	104,157	132,732	236,889	99,486	124,823	224,309
transition benefits	4,763	2,359	7,122	4,295	1,701	5,966
further training allowance						
for paid leave	1,107	832	1,939	1,162	912	2,074
for unpaid leave	48	21	69	65	19	84
old-age part-time allowance	2,327	3,132	5,459	2,614	3,241	5,855
others*	19,710	28,564	48,274	18,855	27,076	45,931
total	407,181	558,748	965,923	403,420	545,251	948,671

* such as advance on social pension benefits, labour foundations (training courses). Source: AMS Annual Report 2007

6.8 Sanctions

While on unemployment benefit or unemployment assistance, people have to meet all the requirements for claiming such benefits. If they do not, they may be sanctioned.

If claimants are **unwilling to work**, they will be denied unemployment benefit or unemployment assistance as long as they remain unwilling to work (i.e. they will lose their entitlement to such benefits). Claimants who **refuse or frustrate opportunities** by failing to accept a reasonably suitable job assigned to them will lose their entitlement to unemployment benefit or unemployment assistance for a period of six weeks; in repeat cases this period will be extended to eight weeks. This also applies to any refusal of participating in a (re)training scheme or labour market re-integration measure and/or failure to undertake sufficient efforts of finding a job.

As of 1 January 2008 placement by service providers commissioned by the AMS is permitted and subject to the same sanctions as those described above.

In case of **self-inflicted unemployment**, benefits may be suspended for four weeks (i.e. applicants will start receiving such unemployment benefit/assistance four weeks later). **If, without good reason, claimants fail to sign on** they will also lose their entitlement to unemployment benefit/assistance until they return to the employment service.

The **new and more flexible job suitability/acceptability criteria** incorporated into the Unemployment Insurance Act (AIVG) and in force since 1 January 2005 ensure an unemployed **worker's entitlement to employment in his/her former occupation (Berufsschutz)** during the first 100 days of unemployment and supplement this enti-

tlement with individual **pay level entitlements** (*Entgeltsschutz*), under which job-seekers are entitled for a period of 120 days of unemployment to 80% of previous average pay levels (i.e. they need not accept any jobs in which they earn less). After that *Entgeltsschutz* will only amount to 75% of previous pay levels if job-seekers continue to claim unemployment benefit. This special rule protects job-seekers from dropping significantly below previous pay levels even if they accept a part-time job involving fewer working hours than worked before. If job-seekers worked in part-time jobs prior to moving into unemployment, the pay earned in the job brokered by the public employment service (AMS) must not drop under that of the previous part-time job.

At the same time the AMS has been obliged to draw up an action plan for each registered unemployed. Based on the expected need for counselling and assistance, this action plan defines the ways and means of such assistance, the measures to be taken and the rationale for the approach chosen.

Accompanying the introduction of harmonised social pension schemes, entitlements to benefits under social pension insurance were introduced on 1 January 2005 (AIVG) for unemployed individuals under 50 years of age who, because of a means test on the partner, do not qualify for unemployment assistance. They may acquire qualifying periods creditable towards social pension insurance under the same assessment basis as though there was no means test.

Sanctions over time												
	2004			2005			2006			2007		
	women	men	total	women	men	total	women	men	total	women	men	total
unwillingness to work	177	303	480	191	245	436	159	196	355	117	130	247
failure to accept suitable jobs	5,270	10,216	15,486	5,015	10,528	15,543	5,067	10,260	15,327	4,626	9,491	14,117
voluntary quits without reason	12,630	16,272	28,902	12,165	15,917	28,082	12,082	15,449	27,531	12,379	16,140	28,519
failure to sign on	10,289	26,637	36,926	12,272	31,112	43,384	12,317	30,995	43,312	12,665	30,516	43,181
total	28,366	53,428	81,794	29,643	57,802	87,445	29,625	56,900	86,525	29,787	56,277	86,064

Source: AMS DWH: svi_pro_bescheid_pers

7 Effective deployment of resources by the AMS

Staff costs and operating expenses, capital expenditure

In 2007, the AMS used roughly €302.9 million on capital expenditure, staff costs and operating expenses (civil servants not

included) under its budget. The development for the 2005 to 2008 financial years is as follows.

AMS expenditure total (2005 - 2008) in 1,000 €				
in EUR	result 2005	result 2006	result 2007	estimate 2008
I Capital expenditure	15,253	9,330	14,655	17,541
IA Equipment	12,479	6,853	12,070	12,563
IB Real estate	2,775	2,477	2,585	4,977
II Staff and operating costs	273,700	284,585	288,220	305,862
IIA Staff costs including training	157,376	168,150	172,811	183,035
IIA1-5 Staff costs excluding training	153,978	164,232	168,761	177,799
IIA6 Training	3,398	3,917	4,050	5,236
IIB Bodies	851	937	1,056	1,390
IIC Operating expenses	115,473	115,499	114,353	121,436
IIC1 Marketing	7,590	7,830	7,661	7,058
IIC2 Basic work	3,765	4,159	4,294	3,600
IIC3 IT costs	43,328	45,462	41,702	41,922
IIC14 BRZ, BSB, HVSV	5,245	4,671	4,373	5,100
IIC4-13,15-16 Other costs	55,546	53,378	56,323	63,756
Administrative expenses AMS total	288,953	293,916	302,876	323,403
III Civil servants (not included in estimate)	49,620	50,996	52,102	52,400*
Administrative expenses	338,574	344,912	354,978	375,803

Staff deployment in 2007

Budgeted staff requirements for 2007 included 4,328 established posts. An average of 4,330 established posts were filled by 4,853 (part-time) employees (of whom 23.08% were civil servants) at the federal office, as well as the laender and regional

AMS offices. As at 31 December 2007, 35 apprentices (of whom 27 were female) were employed by the AMS.

As at 31 December 2007, 1,310 of a total of 4,853 employees were part-timers, and of these 92.82% were women

Staff deployment 2007				
	established posts actual number 2007	of which established posts civil servants actual number 2007	established posts target 2007	of which female as at 31.12.2007 (%)
AMS				
Burgenland	151.54	50.5	150.42	58.5
AMS Carinthia	326.64	121.9	324.12	56.1
AMS Lower Austria	662.14	185.41	661.1	68.1
AMS Upper Austria	601.26	154.77	601.25	64.9
AMS Salzburg	256.39	57.61	256.36	61.2
AMS Styria	588.16	171.58	587.84	65.1
AMS Tyrol	333.76	63.73	333.9	56.7
AMS Vorarlberg	164.27	21.78	164.48	66.5
AMS Vienna	1096.54	182.32	1097.53	68.1
Federal Office	150.06	46.66	151	53
total	4,330.76	1,056.26	4,328.00	64.13

8 Private placement services

Recruitment and job brokering in Austria are regulated by the Labour Market Promotion Act (AMFG). Any activity designed to match job-seekers and employers for establishing an employment relationship is considered to be such a placement activity unless it is exercised only occasionally and free of charge, or is limited to particular cases. The use of recruitment agencies is voluntary, and no one can be forced to accept an offered vacancy or employ an offered worker. There is no legal claim to any specific job or any specific worker. Placement services have to be impartial and consider the skills, aspirations, psychological and physical aptitudes and social backgrounds of job-seekers on the one hand, and employer and workplace requirements on the other. The vacancies offered should be adequately paid and may not jeopardise job-seekers' health or violate moral standards. Pay is considered adequate if it complies with statutory provisions and collective agreements. Job placement in Austria has to be free of charge for job-seekers (save artists and sports people).

Under §4(1) AMFG the following entities may also provide "private" recruitment/ placement services: statutory stakeholder groups and trade associations with collective bargaining power, non-profit organisations, as well as commercial placement services or, provided they only place executives, business consultants including project and process management consultants.

Under the Economic Stimulation Act (*Konjunkturbelebungs-gesetz*), which entered into force on 1 July 2002, licensing of private placement services has been facilitated. If a not-for profit organisation intends to provide employment services, it will suffice for this organisation to notify the Federal Ministry of Economics and Labour (BMWA) of such a move. Running a private for-profit employment service is a licensed trade pursuant to §94(1) of Austria's Industrial Code (GewO) subject to proof of qualification. The licence for providing such services is issued by the competent district or municipal authorities (*Bezirkshauptmannschaft*, or for cities with own charter a *Magistrat*).

Monitoring and supervision of private placement services is ensured by the Federal Minister of Economics and Labour and the trade authorities. Pursuant to the provisions of the AMFG, commercial providers of such services are obliged to record their placement activities, while trade authorities and the Federal Minister of Economics and Labour may inquire about their job placement practices and outcomes.

Since 2006 a new survey method has been applied for labour market monitoring purposes using a web portal for simplified data entry. It collects data on vacancies filled and the stock of available vacancies by trade as at 31 December of each year.

Private for-profit employment services saw substantial growth in placement activities in 2007. According to the survey conducted

on the cutoff date of 31 December 2007 private placement services filled 10,286 vacancies, up 2,570 on 2006.

Their activities vary greatly by region. Vienna leads with 7,572 vacancies filled by private services, followed by Salzburg with 1,166 placements and Upper Austria with 750 placements. Placement increases in 2007 were highest in Vienna, where 2,050 more vacancies were filled than in the year

before. Vorarlberg recorded the lowest private placement activity, with only 49 jobs brokered by such providers in 2007, followed by Lower Austria with 74 placements.

Health, teaching and cultural workers accounted for most of the job-seekers placed by such services (3,723), followed by workers in service sector jobs (2,482), legal, administrative and clerical jobs (1,960) and other jobs (1,104).

Private placement services as at 31.12.2007

	vacancies filled by such services	vacancies filled otherwise	vacancies as at 31.12.2006
Burgenland	109	80	207
Carinthia	101	1	15
Lower Austria	74	104	14
Upper Austria	750	341	319
Salzburg	1,166	179	159
Styria	243	136	130
Tyrol	222	16	77
Vorarlberg	49	60	38
Vienna	7,572	2,339	4,531
Austria total	10,286	3,256	5,490

Source: BMWA

9 Temporary agency work (TAW)

The hiring out of workers to work for third parties is regulated by the Temporary Agency Work Act (AÜG). This means that workers are made available temporarily by an agency (hirer-out) to work for an employer (hirer). For this purpose an employment relationship is established between the hirer-out and the worker. The AÜG includes comprehensive rules to ensure protection of temporary agency workers, such rules relating primarily to matters of employment contracts, health and safety at work and social insurance law. The worker is entitled to adequate local pay, adequacy being based on the statutory or collectively agreed pay payable by the hirer for similar jobs. In addition, a temporary agency worker will be subject to the working time rules of the collective agreement and/or legislation applicable to the hirer.

Since TAW is a licensed trade under Austria's Industrial Code (GewO), the provision of such a service requires licensing by the locally competent trade authority.

Monitoring and supervision of such agencies is ensured by the Federal Minister of Economics and Labour and the trade

authorities, while the labour inspectorates monitor compliance with health and safety at work and the social insurance institutions compliance with social insurance obligations.

Under §13(4) AÜG agencies have to keep ongoing records on the hiring out of agency workers and submit once a year on 31 July (cutoff date) data on the number of hired-out workers, the number of hiring companies and the number of currently hired-out workers.

Since 2006 the Federal Minister of Economics and Labour has made available a web portal for simplified data entry. According to the outcomes of the 2007 survey 1,608 temporary work agencies had 66,688 agency workers actually working on 31 July 2007. This corresponds to 2.1% of all blue-collar and white-collar workers in Austria. This signifies that the number of hired out workers has more than doubled since 2000 (up 36,568), but caution is advisable as the new survey method used for the first time on the cutoff date in 2006 might distort comparison with previous years.

Workers hired out 2000 - 2007 (according to survey on cutoff date*)										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
temporary work agencies	742	848	999	1,110	1,087	1,287	1,424	1,427	1,442	1,608
number of workers hired out	20,772	24,277	30,120	33,156	31,207	38,491	44,125	46,679	59,262	66,688
percentage of dependently employed blue-/white-collar workers*	1.0%	1.2%	1.4%	1.6%	1.5%	1.3%	1.5%	1.6%	1.9%	2.1%

Source: BMWA; * reference quantity 2000 - 2005 annual average; as of 2006 cutoff date 31.7.

Women's share was 18% (12,490), while men accounted for the majority of agency workers (71.5%). The proportion of blue-collar workers is most pronounced in the foreign workers' group (94.6%). Roughly 64% of blue-collar workers have employment relationships of less than 6 months, while 52% of white-collar workers are hired out for more than 12 months.

If broken down by laender, Upper Austria is leading the pack with 19,173 workers hired out (28.7%) followed by Vienna (13,635 workers hired out or 20.4%), Lower Austria

(11,881 workers hired out or 17.8%) and Styria (10,656 workers hired out or 15.9%).

An analysis by lines and groups of businesses revealed that the great majority of temps have been hired out to industry (26,638 workers), small businesses, crafts and services (24,721 workers) totalling a relative share of 77%.

Retail and tourism saw their relative share grow most (28.0%, or 17.4%, respectively), while the number of temps in banking and insurance dropped by 16.7%.

Workers hired out (as at 31.7.2008) main results by laender (provinces)						
	number of hired out workers		number of dependently employed blue-collar and white-collar workers as at 31.7.2006		number of temporary work agencies	
		of whom women		of whom women		
Burgenland	481	30	81,969	39,576	22	
Carinthia	4,368	435	199,605	95,229	167	
Lower Austria	11,881	2,705	512,461	229,595	169	
Upper Austria	19,173	2,829	567,592	251,772	371	
Salzburg	2,866	584	223,829	106,858	97	
Styria	10,656	2,223	441,968	208,234	320	
Tyrol	1,671	266	283,058	131,856	54	
Vorarlberg	1,957	222	140,294	63,449	62	
Vienna	13,635	3,196	701,957	349,746	346	
Austria total	66,688	12,490	3,152,733	1,476,315	1,608	

Labour market indicators 2007: women and men				
		Veränderung gegenüber dem Vorjahr		
		absolut	in %	
Labour force (dependent employment and unemployed)	3,566,288	+	46,236	+ 1.3
Dependent workers	3,344,039	+	63,161	+ 1.9
Self-employed	391,242	+	177	+ 0.0
Employment rate (EUROSTAT)	71.4%	+	1.2	
Annual average of registered unemployed	222,248	-	16,925	- 7.1
Registered unemployed 15-24 years	35,140	-	2,954	- 7.8
of which 15-19 years	8,517	-	463	- 5.2
Registered unemployed 50 years and older	42,882	-	2,017	- 4.5
Registered inflows into unemployment	903,628	+	17,352	+ 2.0
Registered outflows from unemployment	1,044,524	+	24,362	+ 2.4
Unemployment spell (in days)	92	-	7	- 7.1
Registered long term unemployed > 12 months	6,144	-	2,205	- 26.4
Unemployment rate (national method, based on register data)	6.2%	-	0.6	
Vacancies notified at PES	38,214	+	5,302	+ 16.1
Unemployment rate (EUROSTAT)	4.4%	-	0.3	
Labour market indicators 2007: women				
		Veränderung gegenüber dem Vorjahr		
		absolut	in %	
Labour force (dependent employment and unemployed)	1,643,959	+	24,896	+ 1.5
Dependent workers	1,546,057	+	30,389	+ 2.0
Self-employed	142,810	-	1,526	- 1.1
Employment rate (EUROSTAT)	64.4%	+	0.9	
Annual average of registered unemployed	97,902	-	5,493	- 5.3
Registered unemployed 15-24 years	15,588	-	1,093	- 6.6
of which 15-19 years	4,281	-	350	- 7.6
Registered unemployed 50 years and older	15,886	-	492	- 3.0
Registered inflows into unemployment	394,964	-	5,827	- 1.5
Registered outflows from unemployment	460,157	-	2,336	- 0.5
Unemployment spell (in days)	92	-	7	- 7.1
Registered long term unemployed > 12 months	2,256	-	890	- 28.3
Unemployment rate (national method, based on register data)	6.0%	-	0.4	
Unemployment rate (EUROSTAT)	5.0%	-	0.2	

Labour market indicators 2007: men				
		Veränderung gegenüb. dem Vorjahr		
		absolut		in %
Labour force (dependent employment and unemployed)	1,922,328	+	21,340	+ 1.1
Dependent workers	1,797,982	+	32,772	+ 1.9
Self-employed	248,432	+	1,703	+ 0.7
Employment rate (EUROSTAT)	78.4%	+	1.5	
Annual average of registered unemployed	124,346	-	11,432	- 8.4
Registered unemployed 15-24 years	19,553	-	1,861	- 8.7
of which 15-19 years	4,236	-	113	- 2.6
Registered unemployed 50 years and older	26,996	-	1,526	- 5.4
Registered inflows into unemployment	508,664	-	11,525	- 2.2
Registered outflows from unemployment	584,367	-	22,026	- 3.6
Unemployment spell (in days)	91	-	8	- 8.1
Registered long term unemployed > 12 months	3,889	-	1,315	- 25.3
Unemployment rate (national method, based on register data)	6.5%	-	0.6	
Unemployment rate (EUROSTAT)	3.9%	-	0.5	
Apprenticeship market				
		Veränderung gegenüb. dem Vorjahr		
		absolut		in %
Registered apprenticeship seekers	5,689	-	410	- 6.7
Men	2,953	-	257	- 8.0
Women	2,736	-	153	- 5.3
Apprenticeship places notified	3,546	-	64	- 1.8