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OECD Employment Outlook 2014

The 2014 edition of the OECD Employment Outlook reviews recent labour market trends and short-term prospects in OECD and key emerging economies. It zooms in on how the crisis has affected earnings, provides country comparisons of job quality, examines the causes and consequences of non-regular employment, and estimates the impact of qualifications and skills on labour market outcomes.

For further information: www.oecd.org/employment/outlook

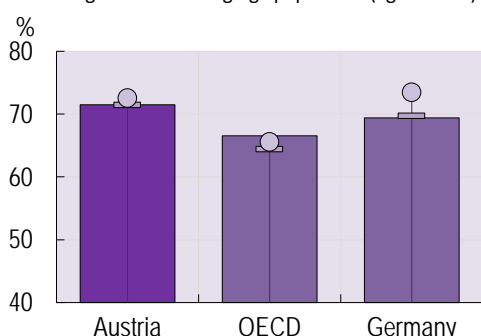
DOI: [10.1787/empl_outlook-2014-en](https://doi.org/10.1787/empl_outlook-2014-en)

Labour market developments in Austria

■ Start of the crisis (Q4 2007) = Country-specific peak/trough ○ Current value (Q2 2014 or latest)

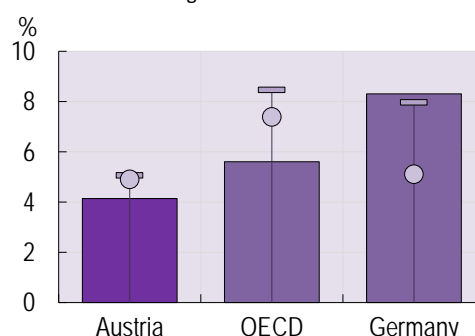
A. Employment rate

Percentage of the working-age population (aged 15-64)



B. Unemployment rate

Percentage of total labour force



Source: OECD Short-Term Labour Market Statistics (database), <http://dx.doi.org/10.1787/data-00046-en>.

Unemployment is comparatively low in Austria but has risen in the past two years because of weak domestic demand

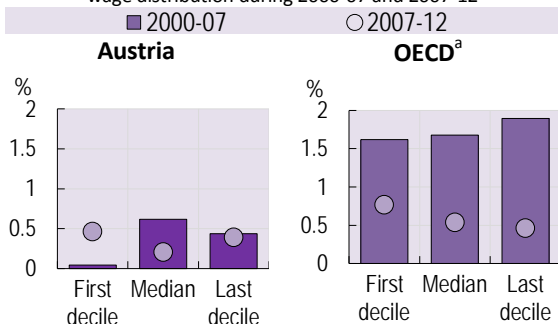
At 5%, Austria's unemployment rate is high in a historical perspective though still lower than in most OECD countries. The same is true for the youth unemployment rate, which at 10% is twice the level of the rate for the total labour force. While the employment rate in 2014 is above the rate before and during the crisis, the reversal in the increase in unemployment is yet to come. During the past year the number of unemployed increased by over 10% and this increase is likely to continue. Overall economic growth is still weak largely because of listless domestic demand. A turnaround in unemployment growth is not expected before late 2015 or 2016.

Wage moderation has helped share the costs of the crisis more equally

The increase in unemployment has affected all groups of the labour force but disadvantaged groups more so, especially the low-skilled. Moderate real wage growth of less than 0.5% on average since 2007 has helped to share the social costs of the crisis more equally between workers and the unemployed. The slowdown in real wage growth since the crisis began has mainly affected workers in the middle of the earnings distribution whereas low-paid workers saw a small increase in growth. This contrasts with the picture for the OECD region as a whole which suggests a comparable slowdown in wage growth for all workers, down from pre-crisis levels that were much higher than in Austria.

Real earnings growth, 2000-2012

Average annual growth in real earnings at different deciles of the wage distribution during 2000-07 and 2007-12



Note: Estimates based on gross earnings of full-time wage and salary workers. However, this definition may vary from one country to another. Further information on sources and definitions can be found at: www.oecd.org/employment/outlook.

a) Unweighted average of countries of 27 OECD countries (excluding Estonia, Iceland, Luxembourg, Mexico, the Netherlands, Slovenia and Turkey).

Source: OECD calculations based on the OECD Earnings Distribution (database), <http://dx.doi.org/10.1787/data-00302-en>.

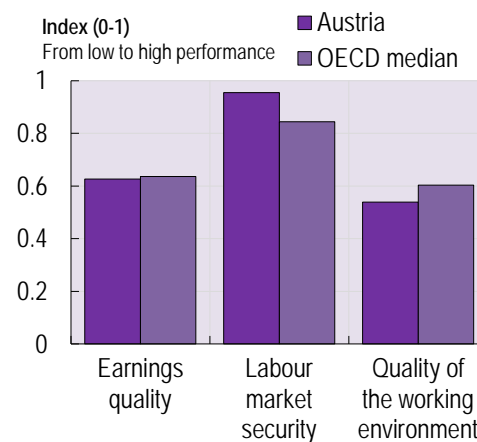
New indicators on job quality suggest a mixed picture for Austria: High labour market security but only modest working conditions

The *Employment Outlook 2014* introduces a new analysis of job quality in the OECD countries. Creating jobs is critical to tackle rising unemployment but the quality of these jobs also matters for improving well-being. Job quality must be taken into account, together with job quantity, when assessing labour market performance. Job quality in this report is defined as the result of three dimensions that have shown to be particularly relevant for workers' well-being: earnings quality (average earnings and earnings inequality); labour market security (unemployment risk and insurance against the loss of unemployment); and the quality of the working environment (contrasting job demands and job resources).

What can be concluded from this new analysis for the quality of jobs held by Austrian workers? Overall, Austria belongs to the group of OECD countries with a middle ranking in

terms of job quality. It is close to the OECD median in terms of earnings quality as average earnings are lower than in a number of other OECD countries even if earnings inequality is quite low. Austria does well in terms of labour market security because workers face a low risk of unemployment and the welfare system provides a strong safety net. This combined gives Austria the fifth-best performance on labour market security. On the downside, however, the quality of the working environment falls below the OECD median. This result is driven by high job demands where Austria ranks only in 27th position among 32 OECD countries, due to long working hours and high reported time pressure. High job demands are not sufficiently compensated by workers' job resources.

Indicators of job quality, 2010



Source: OECD *Employment Outlook*, 2014.

Thus, the quality of the working environment will need to be given more attention in view of the higher likelihood of job burnout, depression and other physical and mental diseases resulting from demanding and stressful jobs.

OECD Employment Outlook 2014 is available to journalists on the **password-protected** website or on request from the Media Relations Division. For further comment on Austria, journalists are invited to contact Mark Keese (+33 1 45 24 87 94; mark.keese@oecd.org) or Christopher Prinz (+33 1 45 24 94 83; christopher.prinz@oecd.org) from the OECD Employment Analysis and Policy Division.