



Job Creation and Local Economic Development 2020: Rebuilding Better examines the impacts of COVID-19 on different types of local labour markets. It also considers their performance prior to the pandemic, and how COVID-19 could impact other ongoing local labour market transitions such as digitalisation, automation and the polarisation of jobs. Finally, it discusses the role local actors will play in rebuilding better. Consult the full publication [here](#).

Austria¹

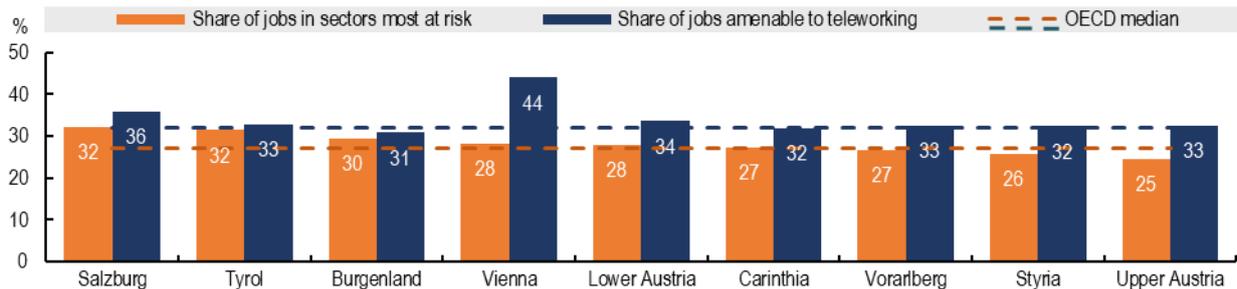
The share of jobs amenable to teleworking is higher or close to the median OECD region in all Austrian regions, but ranges from 31% in Burgenland to 44% in Vienna.

Almost half of Austrian regions had higher unemployment rates in 2018 compared to 2008, and gaps between regions grew during this time period.

The share of middle-skill jobs decreased by 11 percentage points or more in all regions between 2008 and 2018. In Eastern Austria, which includes Vienna, this represents a net decrease of almost 125 000 middle-skill jobs.

The potential impacts of COVID on local labour markets

Jobs in sectors most at risk and amenable to teleworking



Note: The share of jobs at risk is based on estimates of sectors most impacted by strict containment measures, such as those that involve travelling and direct contact between consumers and service providers. The sectoral composition of the regional economy is based on data from 2017 or latest available year. The share of jobs amenable to teleworking is based on the types of tasks performed in different occupations, and the share of those occupations in regional labour markets. These figures do not account for gaps in access to IT infrastructure across regions, which could further restrict teleworking potential. The OECD median presented here is the median of OECD regions with available data for each indicator.

Source: OECD calculations on OECD (2020), "Regional economy", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/6b288ab8-en>; and OECD (2020), *OECD Regions and Cities at a Glance 2020*, <https://doi.org/10.1787/959d5ba0-en>.

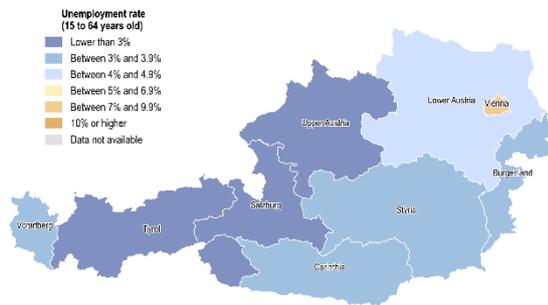
COVID-19 has put unprecedented pressure on local labour markets and economies. The share of jobs in the sectors most at risk from containment measures (e.g. accommodation and food services, and wholesale and retail trade) varies from less than 15% to more than 35% across OECD regions. In Austria, regional variation is relatively small: the share of jobs in sectors most at risk ranges from 25% in Upper Austria to 32% in Salzburg and Tyrol.

While containment measures have restricted economic activity in some sectors, the rapid expansion of teleworking has helped maintain other jobs. The share of jobs amenable to teleworking is close to or higher than the OECD median region in all but one region, but widespread teleworking is more feasible in some regions than others. The share of jobs amenable to teleworking varies roughly 13 percentage points across regions, from 31% in Burgenland to 44% in Vienna.

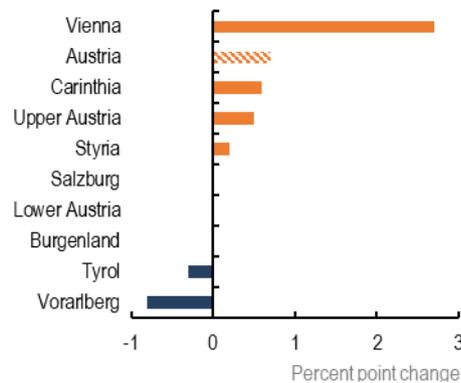
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Local labour market performance prior to COVID-19

Unemployment rate, 2019



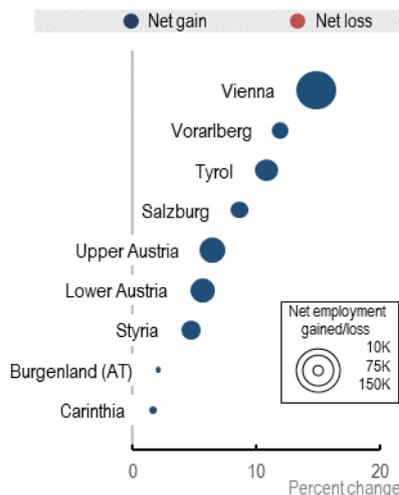
Change in unemployment rate, 2008-2018



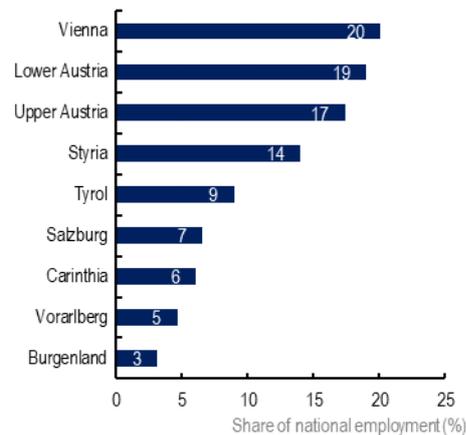
Note: The unemployment rate is computed as the share of unemployed people over the labour force, for the age group 15-64.
Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/f7445d96-en>,

Before the COVID-19 pandemic, unemployment rates in Austria were generally low, but varied almost 4-fold across regions, from a low of 2.2% in Tyrol to a high of 9.4% in Vienna in 2019. Looking at the decade following the 2008 crisis, almost half (4) regions had unemployment rates higher in 2018 than in 2008. Regional gaps in unemployment also grew over this period, due to diverging trends among regions. Some regions, particularly those with higher rates in 2008, saw their unemployment rise, while other regions recorded no net changes or decreases. For example, the unemployment rate increased by 2.7 percentage points in the capital region, Vienna, which had the highest rate in 2008.

Change in net employment, 2008-2018



Employment by region, 2018

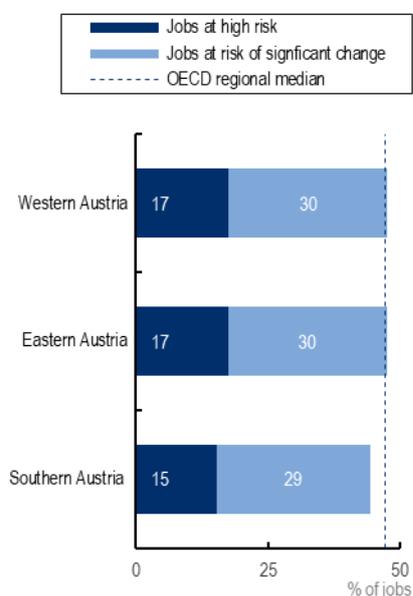


Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/f7445d96-en>

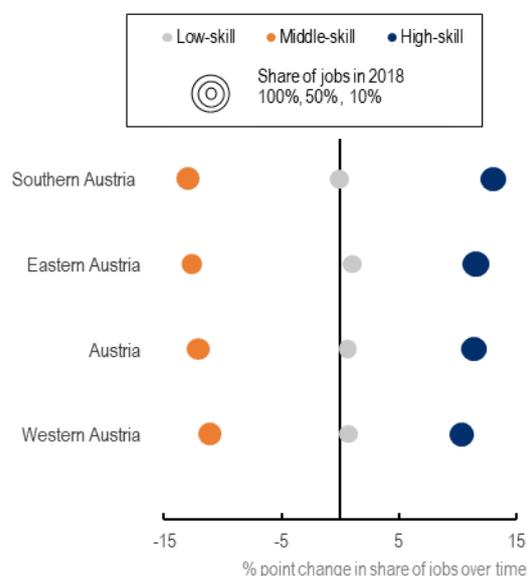
In all regions, the number of people employed grew between 2008 and 2018. Vienna was responsible for 35% of net employment growth over this period, and in 2018, accounted for 20% of all employment in Austria.

Local labour market transitions

Share of jobs at risk of automation, 2018



Job polarisation, 2000-2018



Note: In Panel A “high risk” refers to the share of workers whose job faces a risk of automation of 70% or above. “Significant risk of change” reflects the share of workers whose job faces a risk of automation between 50% and 70%.

In Panel B, high-skill occupations include jobs classified under the ISCO-88 major groups 1 (legislators, senior officials, and managers); 2 (professionals); and 3 (technicians and associate professionals). Middle-skill occupations include jobs classified under the ISCO-88 major groups 4 (clerks); 6 (skilled agricultural workers); 7 (craft and related trades workers); and 8 (plant and machine operators and assemblers). Low-skill occupations include jobs classified under the ISCO-88 major groups 5 (service workers and shop and market sales workers); and 9 (elementary occupations).

Source: OECD calculations based on Survey of Adult Skills (PIAAC) (2012) and EU Labour Force Survey; Nedelkoska, L. and G. Quintini (2018), “Automation, skills use and training”, <https://doi.org/10.1787/2e2f4eea-en>; and OECD (2020), *OECD Employment Outlook 2019: The Future of Work*, <https://doi.org/10.1787/9ee00155-en>.

COVID-19 will likely accelerate automation, putting additional pressures on places with relatively high shares of jobs at risk. Western Austria and Eastern Austria had a share of jobs at high risk or risk of significant change from automation close to the OECD median region, while in Southern Austria, it was slightly below (44%). Regional variations in the share of jobs at risk were relatively small in Austria.

Following general OECD patterns, in Austria, all regions saw the share of middle-skill jobs decrease between 2000 and 2018. The share of middle-skill jobs decreased by 11 percentage points or more in all regions. In Eastern Austria, which includes Vienna, this represents a net decrease of almost 125 000 middle-skill jobs. In all regions, decreasing shares of middle-skill jobs were predominantly offset by increasing shares of high-skill jobs.

Notes

¹ Depending on data availability, data for Austria is presented either at the NUTS1 or NUTS2 level as defined by Eurostat. See Reader's Guide of the full report for more information on the methodologies behind the calculations.