



**Launch of the OECD Review on the Labour Market
Integration of Immigrants and Their Children in
Austria**

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Press conference remarks

by

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Dear Minister Hundstorfer, dear Ladies and Gentlemen,

It is a great pleasure for me to **present to you today the OECD Review on the Labour Market Integration of Immigrants and their Children in Austria.**

The review focuses on **a topic that is high on the policy agenda in many OECD countries**, and for good reasons. The first and obvious one is the large **number of immigrants that are already present in the labour markets** of many OECD countries. In Austria, immigrants account for 17 % of the total working age population, one of the highest shares among the European OECD countries.

Secondly, **promoting employment and employability of migrants** is arguably the single most important aspect of the broader strategy to integrate immigrants and their offspring into our societies. Integration is vital for the acceptance of immigration in the host country and for migrants' ability to participate in society as autonomous citizens. If we succeed on this front, we have won three quarters of the battle.

Finally, **in the context of population ageing and associated labour shortages, immigration can make the difference.** The OECD projections suggest that, in the absence of migration, 50% more persons will exit the Austrian labour force in 2020 than will enter it. **Migration can help fill some of the resulting labour shortages**, and with the introduction of the "Red-White-Red" Card, Austria has recently taken some steps to promote additional labour migration. However, for immigration to be an effective means to tackle labour shortage, it is crucial that immigrants and their children be "integrated" into the labour market of receiving countries.

This review is part of a series of **eleven in-depth country studies** on the labour market integration of immigrants and their children which have been published in our series "Jobs for Immigrants". **The extensive experience gathered on this topic through this previous work has enabled us to provide a comprehensive comparative analysis in this**

Austrian report so as to formulate recommendations that draw on examples of good practices from other OECD countries.

Let me say at the outset **that labour market outcomes of immigrants in Austria are rather favourable from an international perspective**. This is largely driven by the fact that overall labour market conditions are relatively good – the unemployment rate was 3.9% in September, very close to the pre-crisis level; this compared with an unemployment rate of 9.7% in the EU, from 7% in the pre-crisis period. Moreover, Austria has a rather favourable mix of origin countries of migrants. More than half of immigrants are from high-income OECD countries and the remainder are from the countries of the former Yugoslavia; these groups of migrants tend to have relatively favourable labour market outcomes elsewhere. Despite these rather favourable general integration outcomes, Austria is facing a number of significant challenges and has already taken some steps to address them.

Examining the framework for integration in Austria, we find that integration policy has been shaped by a multitude of different actors. This is the case in all OECD countries to some extent, but only few countries have a similarly dispersed structure. We also observe a strong focus on language training in Austrian integration policy, whereas a link to the labour market is often missing. Indeed, at the federal level, there are few measures that go beyond basic German language training. A stronger policy co-ordination at the Federal level, with a clear focus on the labour market and a broader provision of vocational language courses, would be important first steps to enhance policy effectiveness and to improve immigrants' labour market outcomes.

While immigrant men have rather favourable labour market outcomes and employment rates that are slightly above the average of comparable OECD countries, **immigrant women, particularly when coming from lower-income countries, face difficulties to**

integrate into the Austrian labour market. They have significantly higher unemployment rates than Austrian-born women, and more efforts need to be made to ensure that immigrant women can fully benefit from integration measures. For example, **early childhood education and care**, despite significant improvements over the past decade, is still relatively underdeveloped and children of immigrants are under-represented.

Moreover, in comparison with other OECD countries, **Austria has one of the highest shares of immigrants working in jobs that would require a lower qualification than what they actually possess.** The **recognition and accreditation of foreign credentials** help immigrants to find jobs commensurate with their qualification level, but these are rarely used. The framework for recognition and for the accreditation of prior learning thus needs to be strengthened, and be made more widely known. At the same time, we acknowledge the progress made in recent years in Austria; notably in terms of labour-market oriented language training and labour market access of migrants. We also welcome that, starting in 2012, immigrants will be specially targeted by the Public Employment Service (AMS). In addition, in our view, the efforts to train immigrants in skill-shortage occupations are an example of good practice for other OECD countries.

For persons who have moved to Austria as adults, there are several **barriers to integration**, not least the fact that they have acquired their human capital abroad, often in a very different context and language. But this is not the case for the immigrant offspring. Yet, **immigrant offspring** born in Austria are four times more likely to find themselves among the low-educated who are neither in employment nor in education or training than the offspring of native Austrians.

This issue needs to be tackled through a coordinated policy effort. First of all, by making sure that restrictions regarding family migration do not retard the integration process of

immigrant offspring. Secondly, by **raising the participation of children of immigrants in pre-school education at the critical ages of three and four**, in order to equip them with the social and linguistic skills that they need to perform well in school and later in the labour market. Thirdly, by **providing children of immigrants more assistance to access higher vocational colleges and apprenticeships**, which tend to facilitate the school to work transition. Additional effort is also needed to increase the employment of immigrant offspring in the public sector where they are currently strongly underrepresented.

Finally, there are additional structural barriers that make it difficult for immigrants and their children to find their way into employment. One such barrier is **discrimination** in the labour market. Although it is difficult to precisely quantify the extent of this problem, undoubtedly it exists – in Austria as elsewhere. Evidence from other OECD countries has shown that persons who have an immigrant-sounding name but an otherwise equivalent CV have to submit five times as many applications to be invited to recruitment interview as candidates with a native-sounding name. In Austria, we found a low level of awareness about this problem and the anti-discrimination framework is underdeveloped. This needs to be tackled, including through more pro-active anti-discrimination and diversity policy measures.

All in all, there has been significant progress in Austria on the integration framework over the past few years and recent initiative go in the right direction, but further progress is needed to overcome remaining shortcomings. We hope that these recommendations will provide the grounds for the further evaluation of the Austrian integration framework.

Minister Hundstorfer, Ladies and Gentlemen, let me conclude by thanking once again the Federal Ministry for Labour, Social Affairs and Consumer Protection for its support in the preparation of this study and for having invited us here to today.