Presentation at the seminar in Brussles on Movement of Workers after Eastern enlargement of the EU: the cases of Ireland, Sweden and Austria, organised by the Swedish Institute for European Policy Studies, April 24 2006

Austria's experience with transition regulations and eastern enlargement of the EU

Gudrun Biffl

Contents

Preface

- The number of member states of the European Union increased from 15 to 25 on 1 May 2004 with the accession of 8 countries from Eastern Europe (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia) and Cyprus and Malta. Because of their small size Cyprus and Malta's citizens were granted unrestricted access to EU labour markets from the first day of accession. In Austria, the numbers of citizens from these countries entering the labour market are minimal but did increase since the time of accession, namely from 3 in 2003 to 8 in 2005 (in the main from Cyprus; see Table 8).
- The right in the Treaty of Accession to restrict the free movement of workers from the NMS for a period that can extend to 2011 was invoked by most of the EU 15, the regimes chosen were different, however:
    1. Eight countries, Belgium, Finland, Germany, Greece, France, Luxembourg, Austria and Spain treat workers from the NMS in the same way as non-EEA nationals as far as the access to the labour market is concerned — they may apply for a work permit subject to labour market testing.
    2. Three countries, Italy, the Netherlands and Portugal restrict the immigration of workers from NMS beyond a certain quota.
    3. Two countries, Ireland and the UK permit general access to their labour markets but limit access to their welfare systems to EU 8 nationals.
    4. One country, Sweden, applies the European Community rules on the free movement of workers to nationals of the NMS.

Background and basic facts and data

1. Free Movement of Persons

- The Commission argues that there will be no dramatic increases in migration as a result of eastern enlargement and that the impact on the EU labour market will be limited. Austria argues, however, that while this may be true for the EU labour market as a whole, it may not hold for neighbouring countries during some period of transition. Therefore it is appropriate to shed light on the impact of labour movement from the new EU member states (NMS) to old member states and certain regions after the first phase of the transition regulations.

- Austria is a special case as it shares 1,256 km of common borders with the NMS.[1] Four to five million people in the NMS live near the Austrian border. The conurbations around Vienna, Graz, Linz and Klagenfurt are all close to the border. From conurbations such as Ceske Budejovice, Brno, Bratislava, Györ, Sopron, Szombathely and Maribor it is 60 km at most to the Austrian frontier. Two capitals, Vienna and Bratislava, are situated only 65 km apart. The small distances between conurbations on either side of the border, especially the proximity of Vienna to the frontiers with the Czech Republic, Slovakia and Hungary, is likely to exercise a considerable attraction for commuters when freedom of movement of persons is introduced. By contrast, during previous enlargements, commuting was negligible. All EU-countries that granted free movement of workers – United Kingdom, Ireland, and Sweden – are not affected by commuting due to their geographic distance.
- Commuting is a preferred type of migration in a situation of substantial differences in wages at current exchange rates as commuters may combine higher wages with lower cost of living. The wage differentials declined in recent years, but the wage level in Slovakia has still not reached 25 percent of the Austrian level and neither has Hungary. Only the Czech Republic has surpassed 25 percent in 2004, if we compare annual net earnings in manufacturing industries (Table 6).
- The differences in GDP per head (at purchasing power parities) – which are relevant for the decision to migrate – declined in recent years, but they are still considerable, particularly vis- à-vis Poland and Slovakia. In 2005, GDP per head (at constant purchasing power parities) in Poland reached 40 percent of the Austrian level. (See Table 2 in the statistical annex)
- Already today, Austria (followed by Germany) has the largest proportion of workers from the NMS in its labour force (1.5 percent in 2005). The overall share of foreigners within the employed population in Austria amounted to 12 percent in 2005, 1.6 percent from the EU 14. Furthermore, the aggregate share of third country citizens is much larger than in most other EU countries, namely 8.5 percent in 2005. In view of the expected migration and commuter potential from NMS attention has to be paid to the absorptive capacity of the Austrian labour market.
- With respect to migration there are distinctive differences between the various NMS. Not only are there substantial differences in the present and anticipated income levels, but also in the expected structural adjustment processes (e.g., further decline in agricultural and industrial employment) as well as in their historical migration patterns and levels. Here, too, the situation is not comparable to the one in Spain and Portugal when they joined the EC. At that time, the waves of migration from these countries towards the EC

[1] In contrast, Spain and France have a common border of 576 km, more than $^4/_5$ of which is very mountainous, thus pointing to the unique case of Austria in the recent enlargement.

(resulting from disparate income and economic development levels) had already come to an end, long before their accession to the EC. For most NMS migration flows to their target countries may be expected to take place after the end of the transition period.

2. Potential for migration and commuting

- The experience with enlargement so far has done little to resolve the uncertainty concerning migration potentials. In some countries, which did not apply waiting periods for the free access to the labour market, actual migration exceeded the estimated potentials substantially – notably in Ireland and the UK – in others migration was substantially lower than expected, e.g., in Sweden and Italy. These developments could be due either to differences in national migration regimes, a rerouting of migrants, which would otherwise have gone to countries which applied the transition regimes, differences in economic growth and thus employment opportunities for migrants or simply a general underestimation of the mobility of the Central and Eastern Europeans. Which of these interpretations applies is currently not clear and would require substantial additional research.
- Migration to Austria from the NMS has become more dynamic already before EU-enlargement. In 2003, for example, 11,000 citizens from the NMS entered the labour market as wage and salary earners for the first time, only slightly less than in 2004 (12,400). In 2005, the inflow of citizens from the NMS to the labour market increased somewhat less. Between January 2005 and November 2005 12,600 citizens from the NMS entered the labour market for the first time. Thus, between 2003 and 2004, only some 2000 more migrants from the NMS entered the labour market for the first time. The majority of migrant workers were Poles (4,300 or 34 percent) followed by Hungarians (3,100 or 24 percent), Slovaks (2,800 or 22 percent), Slovenes (1,200 or 10 percent), and Czechs (1,100 or 9 percent). There is, however, a major difference between 2003 and 2005: the proportion of new entrants into the labour market needing a work permit declined substantially between 2003 and 2005. While in 2003 4,700 or 43 percent of the new entrants into the labour market needed a work permit, this was only the case for 11 percent of the new entrants or 1,400 in 2005. This goes to show that the Austrian transition regime did not completely restrict access to the labour market but allowed inflows after labour market testing (permits), in addition to offering free mobility (Freizügigkeit) to migrant workers and their family members already residing in Austria before May 2004. Apart from that, highly skilled researchers from third countries including the NMS may enter the labour market without a permit (Table 8).
- This rather low migration has to be interpreted in the light of the continuing restrictions on labour migration between Austria and the NMS and increased naturalisations of CEE migrants from the 1990's. Furthermore cross-border activities of single entrepreneurs increased substantially since May 2004. The Austrian chamber of commerce reports

10,000 additional single entrepreneurs from the NMS providing their services in Austria. In contrast, the number of self-employed registered with the social security service is somewhat smaller. It amounted to 6,000 in November 2005. The dynamics are substantial, however. Between November 2003 and 2005 the number has more than doubled (+4,000 or 195 percent). The majority of the new self-employed are from Poland, namely 4,100 or 69 percent (Table 9).

- Apart from labour migration and self-employment, the number of cross-border service providers has increased. Cross-border service provision may take place in services where transition agreements apply as well as in so-called liberalised services (no labour market testing)[2]. In 2004, 5,600 permits for service provision were issued, somewhat more than half in non-liberalised services. These numbers were almost double those of a year ahead. During 2005 the numbers stabilised around the level of 2004.
- The situation with respect to commuting is more difficult to ascertain. Apart from the research deficit with respect to commuting potentials in the context of the unique geographic position of Austria, there is also a lack of recent historical experiences from which commuting potentials could be inferred (Germany and Austria were the only countries where substantial commuting was expected as a consequence of enlargement, both countries applied transition periods). Early estimates of commuting potentials expected some 110,000 commuters from the neighbouring countries to Austria within five years after accession and estimates of the long-run potential reached up to 200,000 commuters. These studies, however, suffer from a number of methodological caveats such as insufficient controls for traffic infrastructure, settlement structures and housing market conditions. Finally, recent poll research conducted in the Austrian provinces of Vienna, Lower Austria and Burgenland, as well as in the border regions of the Czech Republic, Slovakia and Hungary suggests that commuting potentials may be of equal magnitude as migration potentials and somewhat higher than estimated previously.
- The current transition regime does not imply zero migration, as documented in the inflow and employment data. To follow this line of argument one may strive towards greater bilateral coordination of migration flows (cross-border quotas, liberalisation of access to the labour market for the highly skilled). In so doing migration may increasingly constitute an instrument of economic and labour market development policies to the mutual advantage of the countries and individuals.

[2] There is a difference between a services provision acknowledgement (Entsendebestätigung) and a services provision permit (Entsendebewilligung): for the latter labour market testing is required as it is in occupations which are not liberalised in the context of free services provision between new and old EU member states. The first is issued for a period of 6 months and may be extended, while the latter may not be extended after the period of 6 months has expired.

3. Experiences with mobility of labour from the new EU member states

- The data base on the basis of which inflows of workers from the NMS can be judged: The Irish data are derived from a monthly count of the number of Personal Public Service Numbers issued by the Department of Social and Family Affairs to immigrants intending to work in Ireland. The UK data come from the Worker Registration Scheme under which employees from the new accession states have to register when they get a job (self-employed workers are not required to register under this scheme). In Austria, social security data informs about the uptake of legal employment. In Sweden, the Swedish migration board grants residence permits on various grounds, one of them being the EU/EEA agreement.
- Inflows of workers from NMS: In the year following enlargement of the EU, Ireland issued 80,000 PPSN numbers to migrants from the NMS. The UK approved 187,000 applicants under the Worker Registration Scheme. Ireland, therefore, issued around 20 PPSN numbers per 1,000 population compared with about 3 applications per 1,000 population in the UK approved under the Worker Registration Scheme. In comparison, the inflow into the Austrian labour market from NMS amounted to 1.6 per 1,000 population in 2004 and 2005, respectively, even though it did not grant free labour movement. In contrast, in Sweden, 7,300 citizens from the NMS applied for residence permits for labour market reasons between 1 May 2004 and September 2005, i.e., about a third of the actual access to the labour market in Austria over that period (25,000 in Austria). Thus, Ireland experienced the greatest volume of short-term migration flows from the accession states, followed by the UK in the year following enlargement. Sweden, a country with a similar total population size as Austria, had a significantly smaller inflow than Austria.
- In Ireland, the UK, Sweden and Austria, Poland accounted for from 50 to 60 percent of the migrants; Lithuania accounted for from 10 to 20 percent in Sweden, the UK and Ireland. The great majority of migrants are young (18 to 34) and single and very few of them have dependants living with them.
- What kind of jobs are the immigrants employed in? This question is difficult to answer as the data for the UK are derived from a breakdown of employment by occupation for short-term migrants while the data for Ireland are derived from a breakdown of employment by occupation for immigrants who were living outside Ireland one year previously. Broadly speaking these data suggest that most immigrants from Eastern Europe are working in semi-skilled or unskilled jobs in the UK while only a minority of migrants in Ireland are employed in such jobs. There appears, therefore, to be a more even spread of migrants from the accession states across the main occupational groups in Ireland than is the case in the UK.

- The flows of immigrants to Ireland and the UK appear to have been larger than expected. Projections made by *Boeri – Brucker* (2005)[3] indicate that the migration flows to Ireland and the UK are four to five times larger than expected while the flow to Sweden is less than expected. This raises the question if the inflows were as high in Ireland and the UK because there were diversions of traditional regional migratory flows (patterns) due to the restrictions imposed by the other EU 15 countries. Boeri and Brucker suggest that. This may not be the full explanation, however, as Sweden did not attract half as many migrants as Austria, even though it did not have restrictions to its labour market. Indications are that it is above all economic growth and employment opportunities which act as pull factors.
- This explanation is supported by the experience of Italy, a country which allowed access to the labour market of up to 79,000 citizens from NMS (quota). In reality only some 48,000 did enter the Italian labour market, a labour market characterised by limited employment growth as a result of weak economic growth. In contrast, Austria experienced substantial employment growth which acted as a pull factor for workers from other EU 15 countries, particularly Germany (Tables 1 and 3). In 2005, the number of Germans coming to work in Austria has increased to such an extent that by now almost as many Germans are working in Austria as Austrians in Germany. This goes to show that as employment conditions in Germany deteriorated relative to Austria, Germans started to flow into Austria in larger numbers than in the past, particularly from the poor regions of former East Germany. Judging from the experience with Germany, increasing flows of migrants from neighbouring countries in the East may be expected as restrictions to free labour movement are lifted in Austria (Tables 7 and 14).

4. The absorptive capacity of the Austrian labour market

- Mainly due to the transition arrangements for family reunification, the number of workers from the NMS rose faster in recent years than that of all foreign workers. There are no signs that illegal employment soared during the last two years. However, the number of self-employed from NMS increased (Table 9). They are working mainly in construction – apparently a way to circumvent transition regulations.
- Despite the comparatively small labour inflow in terms of numbers from NMS, the Austrian labour market could not fully absorb the rapid increase in foreign labour supply. This rise resulted mainly from family reunification, political refugees and workers from (Eastern) Germany. Hence, unemployment in Austria was rising despite a strong increase in employment and active labour market policy measures. Two fifth of the increase in unemployment hit foreign workers due to substitution processes (Table 5).

[3] *Boeri – Brucker* (2005) "Migration, Co-ordination Failure and EU Enlargement", IZA DP No. 1600.

- It is above all the unemployment rates of migrant workers from traditional source countries, i.e., Former Yugoslavia and Turkey, which rise as they are often substituted by newcomers. In contrast, the unemployment rates of citizens from NMS rise less than proportionately, except in the case of Polish people (Table16).

5. Cross border provisions of services: effects on the labour market

- Before discussing the potential impact of services mobility on the labour market, it is helpful, from an analytical point of view, to clarify the distinction between migration and services mobility mode 4, the only contentious issue as far as labour market impact is concerned. In the case of services mobility (mode 4), natural persons are providing a temporary service in another country, while remaining under the direction of the enterprise in the country of origin. In contrast, in the case of migration, a natural person is taking up employment with an employer in the host country. In the first instance, worker mobility is considered part of trade, whereby the payment for the service is the result of transfer price rules between the client/consumer and the supplier. In the case of migration, a complex set of labour market regulations of the host country apply – on matters as diverse as the right of residence, access to the labour market (in the case of temporary migrants mostly on the basis of employment tests) and social and integration policies. In trade, however, different regulatory regimes apply. Currently, the major bulk of service providers mode 4 are intercompany transferees, i.e., employees of a foreign enterprise with a commercial presence in the country where the service is offered. They are in the main highly skilled professionals and managers in multinational enterprises; they move between parent and affiliate companies in foreign countries, receive their salary from the receiving or sending enterprise, depending on administrative procedures in the receiving country. The numbers of third country migrants under these arrangements are small, and as such of limited concern for immigration policy makers. However, this may change if free mobility of services is extended to foreign temporary work/personnel leasing agencies for virtually any kind of service. In those circumstances, migration and labour market policy makers may find it increasingly difficult to plan short and medium–term migration flows in response to labour market needs.
- The requirement to pay the wages of the country of service provision rather than those of the country of origin may be hard to verify and control. Even in cases of check ups, the service provider may be intimidated or simply be ignorant of the wages and labour market rights of the country of service provision as compared to their country of origin.
- Apart from difficulties to regulate/control for the application of local wages and working conditions, another feature of the movement of such service providers may cause problems, i.e., that it will bring about a fragmentation in the provision of services, not dissimilar to the international fragmentation of production of manufactured goods. In response, economic and labour market policy will need to find ways to assist those

groups of workers who lose their jobs as a result of increased specialisation inherent in the process of fragmentation. Such assistance will very likely require further education and training to facilitate intersectoral movement of labour. In addition, the funding of the social protection system will be jeopardised in a situation where an increasing number of services are provided without a concomitant social security contribution. Free Mode 4 services provision may therefore require a switch in the funding of social protection systems from employer/employee contributions to general taxes.

6. Border regions

- Austrian border regions adjoining the NMS are characterised by a below average level of economic development, a high share of agricultural employment and a low share of service sector employment. In many of these regions low wage industries (both in services and manufacturing) dominate the industrial employment structure and the labour market situation reflects the structural problems of the regions. In many cases unemployment rates exceed the national average and participation rates in particular of females are in general low in these regions.
- While most border regions profited after the opening of the markets of Austria's Eastern European neighbours in the early 1990's, experiences since the accession in 2004 are mixed. At the provincial level employment developed worse than the national average in two (Vienna and Burgenland) of five border regions in 2004 and in only one (Vienna) in 2005. Among border districts, industrial border regions showed a clearly worse employment growth than comparable inland regions in both 2004 and 2005, rural regions performed better in 2004, but worse in 2005 and human capital intensive regions (i.e., urban agglomerations and their suburbs) performed better than comparable inland regions. Unemployment developments by contrast were better or equivalent to comparable inland regions in all types of border regions, but evidence on the provincial level is equally mixed as in the case of employment growth. In general it is thus difficult to draw strong and clear conclusions on the short-run effects of accession on the labour markets of border regions in Austria.
- In the provinces located at the border to the NMS unemployment among foreign citizens increased by over 10 percent in all regions. This suggests increasing difficulties of integrating foreigners in the Austrian labour market in general and in some border regions in particular (Tables 12 and 13).
- In the long run the deepening integration between Austria and the NMS in general and in the border regions in particular will lead to an acceleration of the regional specialisation process in the service sector as well as in the agricultural and industrial sectors. In particular in rural border regions this is expected to lead to declining employment in both low productivity manufacturing and service sectors. In general the effects of mounting competition will be felt more strongly in these regions on account of

the fact that in these regions also producers of non-tradeable services will experience additional competition.

7. Policy implications of national and international experiences with labour mobility after enlargement

- In spite of transition regulations, the official inflow of workers from NMS to Austria was larger than in Sweden, a country that had applied the EU rules of free mobility of labour from the day of accession of the NMS. This may be taken as an indicator that the special features of Austria relative to the NMS, in particular the neighbourhood and an actively pursued renewal of historic socio-economic as well as cultural ties, acts as an attractor beyond economic opportunities (trust building cross-border cooperation).
- Austria granted free mobility of labour to those citizens of NMS who had already worked in Austria before May 2004, including their family members; this together with the practice of giving priority to citizens of NMS in case of application for a work permit (labour market testing) was the main reason for the increase.
- Apart from legal ramifications, economic growth and employment opportunities attract migrant workers. The high and rising unemployment in Germany, particularly former East Germany, has resulted in increased inflows of Germans to Austria even at similar wage levels, often into jobs where they are in competition with migrant workers in Austria. Germans have, however, also taken up highly skilled jobs, thereby promoting economic and productivity growth more than proportionately.
- The absorptive capacity of the Austrian labour market reached its limits in the wake of outsourcing of work and continued inflows of migrants after 2001
- Competition for jobs traditionally held by foreign workers has not only risen because of increased inflows of migrant workers from abroad, but also due to increased inflows from within. The so called integration package, a combination of legal changes and implementation procedures, has opened up access to the labour market of family members of migrant workers who did not have special skills which would have allowed them to enter the labour market upon arrival in Austria. Since the majority of those migrants have resided in Austria for more than 4 years, the granting of the settlement certificate (Niederlassungsnachweis) in 2003 led to a substantial increase of labour supply of un- and semiskilled migrants. This rise in the labour supply in specific sectors/ occupations has contributed to the more than proportional rise in unemployment of migrant workers (substitution effect). Thus, total unemployment continues to rise even though employment growth was substantial since 2003.
- Thus it can be shown that it is increasingly difficult to target worker inflows in relation to economic development objectives, given the current migration policy instruments. Austria has high inflow rates of third country origin migrants, compared with other EU

countries (*Biffl,* 2005)[4]. The major inflow results from family reunion and humanitarian intake. In order to promote the employment opportunities and thus the integration into the labour market of the large numbers of migrants already resident in Austria, a prolongation of transition regulations seems appropriate. This does not imply a stop to new inflows from the NMS but rather regulated inflows according to bilateral agreements (e.g., cross-border agreements) in line with socio-economic regional development plans (CENTROPE).

- Recent years have indicated that integration of foreign workers into the labour market in the traditional skill segments is becoming increasingly difficult as Austria is outsourcing production processes in the wake of globalisation, in which migrant workers tended to find employment. Thus major efforts will have to go into upgrading the skills of migrants already residing in Austria such that they can profit from the growing job opportunities in the higher value added end of production of goods and services. Uncontrolled inflows of migrants from NMS may jeopardise this effort.
- A subject that is even more contentious than free labour movement is services mobility mode 4, which is at the dividing line between migration and trade policy. Austria has always been accommodating in the case of highly skilled service provision which is in the main the result of intercompany transfers of temporary labour. The opening up of services to short term service provision from NMS is, however, a major concern to Austria. This is not only because it is difficult to verify that wages and working conditions of Austria are applied but also because of the great complexity of services. There are good reasons for protecting certain services from competition from abroad, namely market failure as consumers as well as workers are to be protected from abuse of monopolistic market structures. There has to be a proper weighing of advantages and disadvantages of the current system before embarking upon free mobility of services mode 4. Research indicates that the boost to economic growth from free services mobility 4 is comparatively minor, and it is not evenly distributed over regions. Indications are that the border regions of Austria may well pay the highest price, which may result in unexpectedly high negative policy fallout.

[4] SOPEMI-Report on Labour Migration: Austria 2004-2005, WIFO-Study for the OECD, Download from http://www.gudrun-biffl.priv.at/fileadmin/files/SOPEMI_2005.pdf

What factors affect the migration patterns from NMS?

1. Economic Growth and Migration

- In the year 2004, economic growth in Austria and Germany corresponded to the EU 15 average. This is in contrast with the economic performance of those countries which opened their labour markets to NMS, i.e., Ireland, UK and Sweden; there economic growth was significantly more dynamic than in Austria (Table 1). In Italy on the other hand, a country which allowed a certain number of citizens from NMS to enter the labour market (quota of 79,000) economic growth was significantly below the EU15 average, and deteriorating in 2005. Also Austria had a slow down in economic growth in 2005 but less so than on average in the EU 15.
- The dynamic economic growth performance allowed a significant rise in employment in Ireland and the UK, and unemployment remained low. This may be taken as an indicator that Ireland and the UK are having labour scarcities and that migrant labour from the NMS promotes economic growth by alleviating labour shortages/bottlenecks. Also Austria had considerable employment growth since 2004, quite in contrast to Sweden, which experienced job-loss economic growth. In Sweden economic growth raised productivity but not employment, and the unemployment rate increased from 5.6 percent in 2003 to 6.3 percent in 2004/05. Also Austria had a rise in unemployment – from 4.3 percent in 2003 to 4.8 percent in 2004 and 5.2 percent in 2005 (Tables 3 und 5). Thus neither in Austria nor in Sweden, or Italy, for that matter, can one argue that labour scarcities prevail which would allow integration of additional migrant workers without a concomitant rise in unemployment.
- This is to say that migrants from NMS could access the labour market in countries with employment growth; they did not raise unemployment in the UK and Ireland, but they may have had a dampening impact on wages, as data and anecdotal evidence from Ireland suggest[5]. Thus economic factors were responsible for the strong inflow of migrant workers from NMS to Ireland and the UK (Pull factors) rather than the diversion hypothesis, i.e., that Ireland and the UK had substantial inflows because of a rerouting of migratory flows away from the traditional immigration countries to those who allowed free labour movement from the day of accession to the EU. This is suggested by the low inflow rate of migrants from NMS to Sweden.
- From employment and unemployment figures alone one may not, however, judge the impact of the inflow of migrants on the labour markets in Ireland and the UK; it is not clear to what extent migrants from NMS have contributed to an alleviation of labour shortages,

[5] Irish Times and Die Presse, p. 5 February 7, 2006.

thereby reducing wage increases, and to what extent they have been complementary to or substitutes of the native workforce.

2. The Austrian Labour Market since EU enlargement

- In Austria, employment growth has become more dynamic since 2003. About half of the employment growth accrued to foreign workers (Table 7).
- The employment of wage and salary earners from the NMS has increased significantly in the last couple of years. Between 2003 and 2005 the annual average of employed citizens from NMS increased by 6,200 to a level of 46,000 (+15.7 percent); thus the growth rate was twice that of other foreign workers in Austria (+6.8 percent).
- The largest number of employees from NMS are Hungarians (14,700) and Poles (12,600), followed by Slovaks, Czechs and Slovenes. Hardly any citizens from Baltic States are working in Austria (Table 14).
- It has been argued that transition regulations are not warranted as they promote clandestine work rather than legal employment. This hypothesis appears not to have been corroborated as there is little indication for a rise in clandestine work in Austria – one has to admit, however, that this is difficult to verify as no survey of the extent and structure of clandestine work has been undertaken in Austria. It is known that clandestine work is pervasive in certain jobs, in particular in the care sector as well as in households in general. But that has been the case long before eastern enlargement of the EU.
- A new phenomenon is fake self-employment from NMS, however. Various individuals open up business on their own account in the liberalised trades (freies Gewerbe) with a proximity to construction work, e.g. gypsum wall builders, and then end up doing regular construction work for employers. Thus they are de facto dependent employees. Their numbers are difficult to establish but seem to go beyond the official data of 6,000 in 2005 (Table 9). Estimates by the chamber of commerce are a minimum of 10,000.

3. The absorptive capacity of the Austrian labour market in detail

- The absorptive capacity of the labour market did not suffice to accommodate the substantial rise of the labour supply in the last couple of years. Between 2003 and 2005, labour supply increased by some 64.000 (almost 1 percent per annum), about half of the increase were foreigners (+30,000). The labour supply did not only rise as a result of demographic forces but also due to reforms of the retirement pension scheme and of migration policy, in particular the facilitation of access to the labour market of immigrants.
- Even though labour demand grew substantially, largely part-time work, unemployment continued to rise. The number of registered unemployed increased between 2003 and

2005 by 12,600 (+5.2 percent). The number of unemployed foreign workers rose more than proportionately (by 6,100 or +16 percent). Obviously competition amongst foreign workers increased as young and middle aged newcomers flowed onto the labour market and filled the jobs formerly occupied by resident foreign workers, often older workers. Half of the rise in unemployment hit foreign workers in Austria.

- In Austria also foreign workers have the right to welfare benefits (unemployment benefits, access to the health system, council housing, etc.). This is not the case in countries which have opened their labour markets without transition arrangements
- The resident population has risen significantly in recent years in Austria, in the main a result of net-immigration. Net-immigration amounted to some 50,000 per annum (0.7 percent of the population). The major driving forces behind net-immigration: family reunification, political refugees and economic immigration. As a result of the long history of immigration inflows due to family reunification have a particularly pronounced weight. A relatively new phenomenon is the immigration of Germans, particularly from the regions of former East Germany – partly as a consequence of Hartz IV-Regulations and active recruitment.
- The sizable inflow of workers from Germany (+8,000 in 2005) may be taken as an indicator that cross-border labour mobility can be strong even between countries with similar income levels – if unemployment is high and rising in the source region and unemployment benefits are meagre. In Poland and Slovakia unemployment rates are currently around 17 to 18 percent, for mobile youth even higher than that.
- The direct impact of rising foreign worker shares on wages per capita is rather small. It is through the mechanism of an increasing labour supply relative to demand and the rise of unemployment that the bargaining power of unions is reduced thereby exerting a downward pressure on wages.

Statistical Appendix

Table 1: Real GDP

	2000	2001	2002	2003	2004	2005	1995/2000	2000/2005
	Percentage changes from previous year						Average year-to-year percentage changes	
Czech Republic	+ 4.0	+ 3.1	+ 1.7	+ 3.2	+ 4.4	+ 4.7	+ 1.5	+ 3.3
Estonia	+ 8.3	+ 7.0	+ 7.6	+ 7.1	+ 8.2	+ 8.7	+ 5.5	+ 7.3
Cyprus	+ 3.9	+ 3.1	+ 0.8	+ 0.1	+ 1.5	+ 2.7	+ 3.8	+ 3.2
Latvia	+ 7.7	+ 8.9	+ 7.2	+ 7.8	+ 8.3	+ 9.3	+ 5.4	+ 7.8
Lithuania	+ 4.6	+ 7.8	+ 7.1	+ 11.0	+ 7.5	+ 7.6	+ 4.2	+ 7.7
Hungary	+ 5.5	+ 4.1	+ 3.8	+ 3.2	+ 4.5	+ 3.9	+ 4.0	+ 3.6
Malta	+ 5.7	– 0.6	+ 0.1	– 2.5	– 0.3	+ 0.2	+ 4.5	+ 0.1
Poland	+ 5.0	+ 1.0	+ 1.4	+ 3.9	+ 5.5	+ 3.4	+ 5.1	+ 3.0
Slovenia	+ 3.8	+ 2.6	+ 3.2	+ 2.6	+ 4.1	+ 3.8	+ 4.4	+ 3.4
Slovakia	+ 2.0	+ 3.7	+ 4.9	+ 4.7	+ 5.4	+ 5.1	+ 3.7	+ 4.7
Bulgaria	+ 7.4	+ 6.0	+ 5.5	+ 5.1	+ 6.0	+ 6.3	– 0.8	+ 5.0
Romania	+ 2.3	+ 5.9	+ 7.9	+ 5.1	+ 8.5	+ 5.4	– 1.2	+ 5.8
Germany	+ 3.1	+ 1.1	– 0.1	– 0.2	+ 1.7	+ 0.8	+ 2.0	+ 0.7
Ireland	+ 7.9	+ 4.5	+ 4.3	+ 2.8	+ 2.8	+ 2.2	+ 9.7	+ 5.1
Italy	+ 3.0	+ 1.7	+ 0.1	– 0.5	+ 0.2	– 0.4	+ 1.9	+ 0.8
Austria	+ 3.1	+ 0.5	+ 0.4	+ 1.0	+ 1.7	+ 1.1	+ 2.9	+ 1.5
Sweden	+ 4.1	+ 0.8	+ 1.7	+ 1.0	+ 3.2	+ 2.1	+ 3.2	+ 2.1
United Kingdom	+ 3.7	+ 1.8	+ 1.7	+ 2.2	+ 2.8	+ 1.0	+ 3.2	+ 2.3
Euro area	+ 3.3	+ 1.5	+ 0.5	+ 0.3	+ 1.5	+ 0.8	+ 2.8	+ 1.4
EU 15	+ 3.4	+ 1.5	+ 0.7	+ 0.7	+ 1.7	+ 0.9	+ 2.9	+ 1.6
EU 25	+ 3.6	+ 1.6	+ 0.9	+ 1.0	+ 2.1	+ 1.2	+ 3.0	+ 1.7

Source: Eurostat, WIFO calculations

Table 2: GDP per head at constant PPS
Reference year 2000

	2000	**2001**	**2002**	**2003**	**2004**	**2005**
			EU 15 = 100			
Czech Republic	58	59	60	61	63	65
Estonia	37	40	42	45	48	51
Cyprus	77	79	79	78	78	80
Latvia	32	34	36	39	41	45
Lithuania	35	37	39	43	46	49
Hungary	48	49	51	52	53	55
Malta	70	68	68	66	64	64
Poland	42	41	42	43	45	46
Slovenia	66	67	69	70	72	74
Slovakia	43	44	46	48	49	51
Bulgaria	25	26	27	28	29	31
Romania	23	24	25	27	28	30
Germany	102	102	101	100	100	100
Ireland	115	119	123	125	127	128
Italy	101	101	101	100	98	97
Austria	115	114	113	114	114	114
Sweden	108	107	108	108	110	111
United Kingdom	102	103	104	105	106	106
Euro area	99	99	99	99	98	98
EU 15	100	100	100	100	100	100
EU 25	91	91	91	92	92	92

Source: Eurostat, WIFO calculations

Table 3a: Total Employment in the EU

	2000	**2001**	**2002**	**2003**	**2004**
			In thousands		
Czech Republic	4,728	4,724	4,760	4,845	4,843
Estonia	572	577	584	593	592
Cyprus	330	346	353	356	363
Latvia	945	965	987	997	1,008
Lithuania	1,586	1,522	1,409	1,442	1,441
Hungary	3,844	3,854	3,856	3,906	3,879
Malta	146	149	148	147	149
Poland	14,526	14,206	13,782	13,617	13,794
Slovenia	895	899	895	893	943
Slovakia	2,102	2,121	2,123	2,162	2,168
Bulgaria	2,980	2,968	2,979	3,166	3,264
Romania	10,653	10,603	9,591	9,155	9,103
Germany	39,145	39,315	39,092	38,720	38,861
Ireland	1,697	1,748	1,779	1,814	1,871
Italy	23,129	23,582	24,008	24,284	24,496
Austria	4,122	4,147	4,142	4,146	4,185
Sweden	4,264	4,345	4,352	4,343	4,321
United Kingdom	27,477	27,706	27,919	28,183	28,437
Euro area	132,603	134,607	135,583	135,991	136,870
EU 15	166,935	169,249	170,342	170,933	172,127
EU 25	195,376	197,943	198,767	199,337	200,491

Source: Eurostat, WIFO calculations

Table 3b: Development of total employment in the EU

	2001	2002	2003	2004	2001	2002	2003	2004
	Changes in thousands from previous year				Percentage changes from previous year			
Czech Republic	– 4	+ 36	+ 85	– 2	– 0.1	+ 0.8	+ 1.8	– 0.0
Estonia	+ 5	+ 7	+ 9	– 1	+ 0.9	+ 1.2	+ 1.5	– 0.2
Cyprus	+ 16	+ 7	+ 3	+ 7	+ 4.8	+ 2.0	+ 0.8	+ 2.0
Latvia	+ 20	+ 22	+ 10	+ 11	+ 2.1	+ 2.3	+ 1.0	+ 1.1
Lithuania	– 64	– 113	+ 33	– 1	– 4.0	– 7.4	+ 2.3	– 0.1
Hungary	+ 10	+ 2	+ 50	– 27	+ 0.3	+ 0.1	+ 1.3	– 0.7
Malta	+ 3	– 1	– 1	+ 2	+ 2.1	– 0.7	– 0.7	+ 1.4
Poland	– 320	– 424	– 165	+ 177	– 2.2	– 3.0	– 1.2	+ 1.3
Slovenia	+ 4	– 4	– 2	+ 50	+ 0.4	– 0.4	– 0.2	+ 5.6
Slovakia	+ 19	+ 2	+ 39	+ 6	+ 0.9	+ 0.1	+ 1.8	+ 0.3
Bulgaria	– 12	+ 11	+ 187	+ 98	– 0.4	+ 0.4	+ 6.3	+ 3.1
Romania	– 50	– 1,012	– 436	– 52	– 0.5	– 9.5	– 4.5	– 0.6
Germany	+ 170	– 223	– 372	+ 141	+ 0.4	– 0.6	– 1.0	+ 0.4
Ireland	+ 51	+ 31	+ 35	+ 57	+ 3.0	+ 1.8	+ 2.0	+ 3.1
Italy	+ 453	+ 426	+ 276	+ 212	+ 2.0	+ 1.8	+ 1.1	+ 0.9
Austria	+ 25	– 5	+ 4	+ 39	+ 0.6	– 0.1	+ 0.1	+ 0.9
Sweden	+ 81	+ 7	– 9	– 22	+ 1.9	+ 0.2	– 0.2	– 0.5
United Kingdom	+ 229	+ 213	+ 264	+ 254	+ 0.8	+ 0.8	+ 0.9	+ 0.9
Euro area	+ 2,004	+ 976	+ 408	+ 879	+ 1.5	+ 0.7	+ 0.3	+ 0.6
EU 15	+ 2,314	+ 1,093	+ 591	+ 1,194	+ 1.4	+ 0.6	+ 0.3	+ 0.7
EU 25	+ 2,567	+ 824	+ 570	+ 1,154	+ 1.3	+ 0.4	+ 0.3	+ 0.6

Source: Eurostat, WIFO calculations

Table 4: Employment rate
Percent of population in the working age (15 to 64 years)

	2000	2001	2002	2003	2004	1996/2000	2000/2004
	Percent					Changes in percentage points	
Czech Republic	65.0	65.0	65.4	64.7	64.2	–	– 0.8
Estonia	60.4	61.0	62.0	62.9	63.0	–	+ 2.6
Cyprus	65.7	67.8	68.6	69.2	68.9	–	+ 3.2
Latvia	57.5	58.6	60.4	61.8	62.3	–	+ 4.8
Lithuania	59.1	57.5	59.9	61.1	61.2	–	+ 2.1
Hungary	56.3	56.2	56.2	57.0	56.8	+ 4.2	+ 0.5
Malta	54.2	54.3	54.4	54.2	54.0	–	– 0.2
Poland	55.0	53.4	51.5	51.2	51.7	–	– 3.3
Slovenia	62.8	63.8	63.4	62.6	65.3	+ 1.2	+ 2.5
Slovakia	56.8	56.8	56.8	57.7	57.0	–	+ 0.2
Bulgaria	50.4	49.7	50.6	52.5	54.2	–	+ 3.8
Romania	63.0	62.4	57.6	57.6	57.7	–	– 5.3
Germany	65.6	65.8	65.4	65.0	65.0	+ 1.5	– 0.6
Ireland	65.2	65.8	65.5	65.5	66.3	+ 9.8	+ 1.1
Italy	53.7	54.8	55.5	56.1	57.6	+ 2.5	+ 3.9
Austria	68.5	68.5	68.7	68.9	69.0 [1]	+ 0.7	+ 0.5
Sweden	73.0	74.0	73.6	72.9	72.1	+ 2.7	– 0.9
United Kingdom	71.2	71.4	71.3	71.5	71.6	+ 2.2	+ 0.4
Euro area	61.7	62.2	62.4	62.6	63.0	+ 3.5	+ 1.3
EU 15	63.4	64.0	64.2	64.3	64.7	+ 3.1	+ 1.3
EU 25	62.4	62.8	62.8	62.9	63.3	–	+ 0.9

Source: Eurostat, WIFO calculations
[1] Estimate

Table 5: Unemployment rate
Percent of total labour force

	2000	2001	2002	2003	2004	2005	1995/2000	2000/2005
	Percent						Changes in percentage points	
Czech Republic	8.7	8.0	7.3	7.8	8.3	8.0	+ 4.8	– 0.7
Estonia	12.5	11.8	9.5	10.2	9.2	7.5	+ 2.8	– 5.0
Cyprus	5.2	4.4	3.9	4.5	5.2	6.1	+ 1.3	+ 0.9
Latvia	13.7	12.9	12.6	10.4	9.8	9.0	– 5.2	– 4.7
Lithuania	16.4	16.4	13.5	12.7	10.9	8.2	+ 3.7	– 8.2
Hungary	6.3	5.6	5.6	5.8	6.0	7.1	– 3.7	+ 0.8
Malta	6.7	7.6	7.7	8.0	7.7	8.0	+ 1.8	+ 1.3
Poland	16.4	18.5	19.8	19.2	18.8	17.9	+ 3.2	+ 1.5
Slovenia	6.6	5.8	6.1	6.5	6.0	5.8	– 0.3	– 0.8
Slovakia	18.7	19.4	18.7	17.5	18.2	16.4	+ 5.4	– 2.3
Bulgaria	16.4	19.2	17.8	13.6	11.7	9.8	+ 6.7	– 6.6
Romania	6.8	6.6	7.5	6.8	7.6	7.9	+ 0.7	+ 1.1
Germany	7.2	7.4	8.2	9.0	9.5	9.4	– 0.8	+ 2.2
Ireland	4.3	3.8	4.3	4.6	4.5	4.3	– 8.0	± 0.0
Italy	10.1	9.1	8.6	8.4	8.0	7.6	– 1.1	– 2.5
Austria	3.6	3.6	4.2	4.3	4.8	5.2	– 0.3	+ 1.6
Sweden	5.6	4.9	4.9	5.6	6.3	6.3	– 3.2	+ 0.7
United Kingdom	5.4	5.0	5.1	4.9	4.7	4.6	– 3.1	– 0.8
Euro area	8.1	7.9	8.3	8.7	8.9	8.5	– 2.4	+ 0.4
EU 15	7.7	7.3	7.6	8.0	8.1	7.8	– 2.4	+ 0.1
EU 25	8.6	8.5	8.8	9.0	9.0	8.7	– 2.0	+ 0.1

Source: Eurostat, WIFO calculations

Table 6: Annual net earnings in manufacturing industries
Two-earner married couple, one at 100 percent, the other at 67 percent of APW, with two children
In a common currency

	2000	**2001**	**2002**	**2003**	**2004**
	Austria = 100				
Czech Republic	21	23	27	27	26
Estonia	13	14	16	17	18
Cyprus	67	68	70	74	75
Latvia	11	11	11	11	11
Lithuania	11	11	12	12	12
Hungary	13	16	18	20	21
Malta	50	52	53	54	49
Poland	20	24	23	21	19
Slovenia	33	35	36	37	38
Slovakia	11	13	14	15	19
Bulgaria	6	6	6	6	6
Romania	6	7	6	7	1
Germany	108	111	112	111	111
Ireland	96	106	115	121	121
Italy	78	80	82	84	83
Austria	100	100	100	100	100
Sweden	98	94	99	99	98
United Kingdom	125	129	130	118	121
Euro area	87	98	92	92	92
EU 15	94	104	99	97	98
EU 25	83	91	88	86	87

Source: Eurostat, WIFO calculations
APW ... average earnings of full-time production worker

Table 7: Wage and salary earners in Austria
Persons in active employment

	Total	Foreign workers		Total	Foreign workers	Total	Foreign workers
	Total number		Share percent	Changes in numbers from previous year		Percentage changes from previous year	
1988	2,760,089	150,915	5.5				
1989	2,808,115	167,381	6.0	+ 48,026	+ 16,466	+ 1.7	+ 10.9
1990	2,873,271	217,611	7.6	+ 65,157	+ 50,230	+ 2.3	+ 30.0
1991	2,931,875	266,461	9.1	+ 58,604	+ 48,851	+ 2.0	+ 22.4
1992	2,957,192	273,884	9.3	+ 25,317	+ 7,422	+ 0.9	+ 2.8
1993	2,947,221	277,511	9.4	– 9,970	+ 3,627	– 0.3	+ 1.3
1994	2,960,827	291,018	9.8	+ 13,606	+ 13,508	+ 0.5	+ 4.9
1995	2,962,695	300,303	10.1	+ 1,868	+ 9,285	+ 0.1	+ 3.2
1996	2,946,077	300,353	10.2	– 16,619	+ 49	– 0.6	+ 0.0
1997	2,956,580	298,775	10.1	+ 10,504	– 1,577	+ 0.4	– 0.5
1998	2,989,012	298,582	10.0	+ 32,432	– 193	+ 1.1	– 0.1
1999	3,026,207	306,401	10.1	+ 37,195	+ 7,819	+ 1.2	+ 2.6
2000	3,054,440	319,850	10.5	+ 28,233	+ 13,449	+ 0.9	+ 4.4
2001	3,066,879	329,314	10.7	+ 12,440	+ 9,464	+ 0.4	+ 3.0
2002	3,051,925	334,432	11.0	– 14,954	+ 5,119	– 0.5	+ 1.6
2003	3,057,409	350,361	11.5	+ 5,484	+ 15,929	+ 0.2	+ 4.8
2004	3,078,544	362,299	11.8	+ 21,136	+ 11,937	+ 0.7	+ 3.4
2005	3,110,408	374,187	12.0	+ 31,863	+ 11,888	+ 1.0	+ 3.3

Source: Federal Ministry for Economic Affairs and Labour.

Table 8: Entrance into the Austrian labour force (wage and salary earners) from NMS
Sum over the year except for 2005, where it is the sum from January till 15 November

	Total			**No permit**			**Permit**		
	2003	2004	2005	2003	2004	2005	2003	2004	2005
Total	48.074	54.533	46.192	39.398	49.311	44.491	8.676	5.222	1.701
10 NMS	11.010	12.356	12.602	6.297	8.658	11.205	4.713	3.698	1.397
Czech Republic	1.171	1.287	1.100	477	665	923	694	622	177
Estonia	6	12	11	5	12	9	1	0	2
Cyprus	2	5	7	2	5	7	0	0	0
Latvia	13	29	23	10	24	22	3	5	1
Lithuania	23	36	51	19	34	48	4	2	3
Hungary	3.593	3.588	3.058	1.915	2.236	2.591	1.678	1.352	467
Malta	1	4	1	1	4	1	0	0	0
Poland	3.328	3.713	4.309	2.180	3.173	4.103	1.148	540	206
Slovenia	513	937	1.231	338	621	1.103	175	316	128
Slovakia	2.360	2.745	2.811	1.350	1.884	2.398	1.010	861	413
EEA except Austria	20.343	25.321	20.225	20.322	25.317	20.224	21	4	1
Others	16.721	16.856	13.365	12.779	15.336	13.062	3.942	1.520	303

Source: Federal Ministry for Economic Affairs and Labour

Table 9: Foreign self-employment in Austria by country of origin
Stocks

	2003	**2004**	**2005**	**2003/2005**	**2005**
		November		Changes in numbers	Share percent of total
Czech Republic	142	187	229	+ 87	3.8
Estonia	2	3	5	+ 3	0.1
Cyprus	5	4	5	0	0.1
Latvia	7	4	6	– 1	0.1
Lithuania	4	6	13	+ 9	0.2
Hungary	567	618	813	+ 246	13.6
Malta	0	2	2	+ 2	0.0
Poland	1,022	2,410	4,109	+ 3,087	68.6
Slovenia	102	112	152	+ 50	2.5
Slovakia	181	352	660	+ 479	11.0
5 new EU member states[1]	2,014	3,679	5,963	+ 3,949	99.5
10 new EU member states	2,032	3,698	5,994	+ 3,962	100.0

Source: Austrian Labour Market Service
[1] Czech Republic, Hungary, Poland, Slovenia, Slovakia

Table 10: Foreign employees in Austria by country of origin

	2000	2001	2002	2003	2004	2005	2003/2005
	Numbers						Changes in numbers
Czech Republic	1,423	1,734	2,433	2,696	3,123	3,575	+ 879
Estonia	13	14	15	20	22	27	+ 7
Cyprus	30	33	34	33	32	36	+ 3
Latvia	28	37	42	52	65	82	+ 30
Lithuania	33	46	56	69	88	103	+ 34
Hungary	10,399	11,266	11,967	12,657	13,628	14,693	+ 2,036
Malta	11	11	13	13	12	12	– 1
Poland	11,158	11,239	11,284	11,549	11,984	12,615	+ 1,067
Slovenia	3,603	3,779	3,908	3,999	4,335	4,748	+ 749
Slovakia	1,894	2,363	2,891	3,520	4,432	5,568	+ 2,048
Former CSFR[1]	6,662	6,315	5,526	5,184	4,858	4,576	– 608
Former CSFR total	9,979	10,412	10,850	11,400	12,412	13,718	+ 2,318
5 new EU member states[2]	35,139	36,696	38,008	39,604	42,358	45,774	+ 6,170
10 new EU member states	35,255	36,837	38,168	39,790	42,576	46,034	+ 6,244
Bulgaria	1,528	1,625	1,702	1,798	1,935	2,015	+ 218
Romania	9,660	9,900	10,116	10,687	11,022	11,315	+ 628
Former Yugoslavia except Slovenia	154,889	158,013	157,407	157,123	156,245	155,389	– 1,733
Turkey	57,128	56,831	56,285	55,689	54,588	53,479	– 2,209
Germany	20,887	23,537	26,502	31,525	38,987	47,033	+ 15,508
Total	319,850	329,314	334,432	350,361	362,299	374,187	+ 23,826

Source: Federation of Austrian Social Security Institutions, WIFO calculations

[1] Not attributable to Czech or Slovak Republic

[2] Czech Republic, Hungary, Poland, Slovenia, Slovakia

Table 11: Foreign unemployment in Austria by country of origin

	2000	**2001**	**2002**	**2003**	**2004**	**2005**	**2003/2005**
			Numbers				Changes in numbers
Czech Republic	263	297	338	352	403	449	+ 97
Hungary	425	476	601	610	676	813	+ 203
Poland	817	970	1,153	1,196	1,300	1,433	+ 237
Slovenia	347	388	439	440	446	472	+ 32
Slovakia	270	322	394	432	551	630	+ 198
5 new EU member states	2,122	2,453	2,925	3,030	3,376	3,797	+ 767
Romania	779	892	1,074	1,055	1,112	1,210	+ 155
Former Yugoslavia except Slovenia	12,389	14,922	18,262	19,030	19,354	20,403	+ 1,373
Turkey	5,647	6,712	7,729	8,019	8,336	8,759	+ 740
Germany	1,549	1,732	2,116	2,438	2,797	3,206	+ 768
Total	25,758	30,607	36,131	38,209	40,394	44,302	+ 6,094

Source: Austrian Labour Market Service, WIFO calculations

Table 12: Foreign unemployment rate in Austria by country of origin

	2000	2001	2002	2003	2004	2005	2000/2005
	Percent of dependent labour force						Changes in percentage points
Hungary	3.9	4.1	4.8	4.6	4.7	5.2	+ 1.3
Poland	6.8	7.9	9.3	9.4	9.8	10.2	+ 3.4
Slovenia	8.8	9.3	10.1	9.9	9.3	9.0	+ 0.3
Czech and Slovak Republic	5.1	5.6	6.3	6.4	7.1	7.3	+ 2.2
5 new EU member states	5.7	6.3	7.1	7.1	7.4	7.7	+ 2.0
Romania	7.5	8.3	9.6	9.0	9.2	9.7	+ 2.2
Former Yugoslavia except Slovenia	7.4	8.6	10.4	10.8	11.0	11.6	+ 4.2
Turkey	9.0	10.6	12.1	12.6	13.2	14.1	+ 5.1
Germany	6.9	6.9	7.4	7.2	6.7	6.4	– 0.5
Total	7.5	8.5	9.8	9.8	10.0	10.6	+ 3.1

Source: Federation of Austrian Social Security Institutions, Austrian Labour Market Service, WIFO calculations