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Julia Bock-Schappelwein, Rainer Eppel

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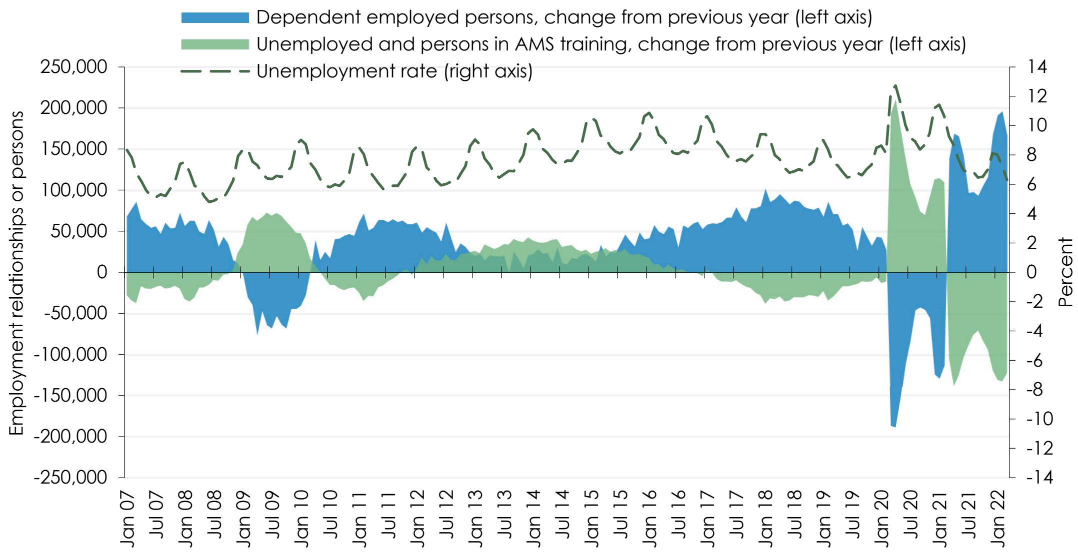
- From spring 2021 onwards, the Austrian labour market gradually recovered from the distortions caused by the COVID-19 pandemic and the containment measures in the previous year.
- Employment already returned to the pre-crisis level of 2019 in May, unemployment only in autumn.
- Even the fourth lockdown towards the end of 2021 was overcome extremely quickly and completely by Austria's economy, and the recovery on the labour market was hardly slowed down by it.
- In spring 2022, the upward trend continued despite the outbreak of the Ukraine war. The number of unemployed fell to the lowest level in ten years. At the same time, an extraordinarily large number of vacancies were registered.
- The number of long-term jobless (including persons in AMS training) almost returned to the level of the pre-crisis year 2019 in spring 2022, but it was still almost two and a half times as high as before the financial market and economic crisis of 2008-09.

Development of dependent employment, extended unemployment and the unemployment rate since January 2007



"After the crisis-related distortions in the previous year, the domestic labour market swung into a recovery course from spring 2021."

The labour market gradually recovered in 2021 from the pandemic-related distortions in the previous year. Employment already returned to pre-crisis levels in May, unemployment only in autumn (source: Federation of Social Insurances, Public Employment Service Austria, WIFO calculations).

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The Austrian Labour Market on Course for Recovery Since Spring 2021

From spring 2021, the Austrian labour market gradually recovered from the major dislocations caused by the COVID-19 pandemic and the measures taken to contain it in the previous year. Employment returned to its pre-pandemic level in May, and unemployment fell below its pre-crisis level starting in the fall. Even the fourth lockdown in winter 2021 barely slowed the recovery. In spring 2022, the upward trend on the labour market continued despite the outbreak of war in Ukraine. Declining but still high long-term joblessness remains a key challenge.

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Scientific referee: Helmut Mahringer • **Research assistance:** Christoph Lorenz (christoph.lorenz@wifo.ac.at) •
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Contact: Julia Bock-Schappelwein (julia.bock-schappelwein@wifo.ac.at), Rainer Eppel (rainer.eppel@wifo.ac.at)

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1. Labour market recovery faster than expected

1.1 Employment above pre-crisis level again as of May 2021

From spring 2021, the domestic labour market swung into recovery.

After the drastic employment losses and the enormous increase in unemployment from March 2020 due to the COVID-19 pandemic and the measures to contain it, the employment trend in Austria was much more favourable again from spring 2021 – and better than expected in the WIFO forecast at the time (Ederer, 2021). The labour market recovered. Total employment exceeded the pre-crisis level of 2019 as early as May 2021 (Bock-Schappelwein et al., 2021)[1] and continued to grow dynamically in the following months despite renewed lockdowns and restrictions. While the first lockdown in spring 2020 had triggered employment losses as high as last seen almost 70 years ago and the highest unemployment since the Second World War (Bock-Schappelwein et al., 2020), the effects of the subsequent lockdowns weakened each time[2].

[1] In the contact-intensive economic sectors, employment in May 2021 was still below the pre-crisis level and unemployment was still noticeably higher.
[2] In the period March 2020 to May 2021, there were three lockdown phases, or four in the eastern region, which dampened employment in the contact-intensive sectors: The first lockdown was in force from 16 March to 1 May 2020 and was gradually relaxed from mid-April (mid-April opening of shops with less than 400 m² sales area, but also larger DIY stores, garden centres, wood shops; early May opening of other areas of trade as well as personal services, resumption of outdoor sports in clubs; mid-May opening of gastronomy, museums, etc.; end of May restart of the hotels as well as easing of events in the arts and culture sector and in sports). The second lockdown lasted from 3 or 17 November to 6 December 2020, the third lockdown from 26 December 2020 to 7 February 2021. The lockdown in spring only covered eastern region and was in place from 1 April to 19 April 2021 (Burgenland) and from 1 April to 3 May 2021 (Lower Austria and Vienna). After the recovery phase over the summer months, the fourth pandemic wave began in autumn 2021. From 8 November 2021, the 2-G rule (fully vaccinated or recovered) applied everywhere where the 3-G rule (vaccinated, recovered or tested) had applied until then (in restaurants, hotels, for personal service activities as well as visits to hospitals and nursing homes or at events for 25 or more persons). From 15 November 2021, the lockdown for the unvaccinated was in force. From 22 November, there was another lockdown, which ended on 11 December (only for fully vaccinated and recovered persons), with country-specific extensions.

Table 1: **The labour market at a glance**

	2019	2020	2021	Change 2020-21		Change 2019-2021	
				Absolute	Percent	Absolute	Percent
Total number of employees[1]	3,797,304	3,717,164	3,804,941	+ 87,777	+ 2.4	+ 7,637	+ 0.2
Men	2,034,007	1,990,920	2,042,274	+ 51,354	+ 2.6	+ 8,267	+ 0.4
Women	1,763,297	1,726,244	1,762,667	+ 36,423	+ 2.1	– 630	– 0.0
Persons in active dependent employment[2]	3,720,041	3,643,933	3,734,366	+ 90,433	+ 2.5	+ 14,325	+ 0.4
Men	2,026,432	1,983,424	2,035,065	+ 51,641	+ 2.6	+ 8,633	+ 0.4
Women	1,693,609	1,660,510	1,699,301	+ 38,791	+ 2.3	+ 5,692	+ 0.3
National employees in active employment	2,920,558	2,866,663	2,894,734	+ 28,071	+ 1.0	– 25,824	– 0.9
Men	1,546,289	1,517,486	1,530,234	+ 12,748	+ 0.8	– 16,055	– 1.0
Women	1,374,269	1,349,178	1,364,500	+ 15,322	+ 1.1	– 9,769	– 0.7
Foreign employees in active employment	799,483	777,270	839,632	+ 62,362	+ 8.0	+ 40,149	+ 5.0
Men	480,143	465,938	504,831	+ 38,893	+ 8.3	+ 24,688	+ 5.1
Women	319,340	311,332	334,801	+ 23,469	+ 7.5	+ 15,461	+ 4.8
Self-employed and unpaid family workers[3]	496,100	495,600	500,500	+ 4,900	+ 1.0	+ 4,400	+ 0.9
Men	286,100	286,900	291,000	+ 4,100	+ 1.4	+ 4,900	+ 1.7
Women	210,000	208,700	209,500	+ 800	+ 0.4	– 500	– 0.2
Persons in active employment, self-employed and unpaid family workers	4,216,141	4,139,533	4,234,866	+ 95,333	+ 2.3	+ 18,725	+ 0.4
Men	2,312,532	2,270,324	2,326,065	+ 55,741	+ 2.5	+ 13,533	+ 0.6
Women	1,903,609	1,869,210	1,908,801	+ 39,591	+ 2.1	+ 5,192	+ 0.3
Registered unemployed[4]	301,328	409,639	331,741	– 77,898	– 19.0	+ 30,413	+ 10.1
Men	166,638	223,969	180,832	– 43,137	– 19.3	+ 14,194	+ 8.5
Women	134,690	185,670	150,909	– 34,761	– 18.7	+ 16,219	+ 12.0
Persons in training[4]	61,959	57,107	70,337	+ 13,230	+ 23.2	+ 8,378	+ 13.5
Men	29,287	26,571	32,636	+ 6,065	+ 22.8	+ 3,349	+ 11.4
Women	32,673	30,536	37,701	+ 7,165	+ 23.5	+ 5,028	+ 15.4
Total labour force[5]	4,517,469	4,549,172	4,566,607	+ 17,435	+ 0.4	+ 49,138	+ 1.1
Men	2,479,170	2,494,293	2,506,897	+ 12,604	+ 0.5	+ 27,727	+ 1.1
Women	2,038,299	2,054,880	2,059,710	+ 4,830	+ 0.2	+ 21,411	+ 1.1
Population 15 to 64 years[6]	5,915,786	5,925,641	5,937,413	+ 11,772	+ 0.2	+ 21,627	+ 0.4
Men	2,979,265	2,985,029	2,991,976	+ 6,947	+ 0.2	+ 12,711	+ 0.4
Women	2,936,521	2,940,612	2,945,437	+ 4,825	+ 0.2	+ 8,916	+ 0.3
Immediately available vacancies reported to the AMS	77.093	62.833	95.087	+ 32.254	+ 51.3	+ 17,994	+ 23.3
		Percent			Percentage points		Percentage points
Labour force participation rate[5]	76.4	76.8	76.9		+ 0.1		+ 0.5
Men	83.2	83.6	83.8		+ 0.2		+ 0.6
Women	69.4	69.9	69.9		+ 0.0		+ 0.5
Employment rate[7]	71.3	69.9	71.3		+ 1.5		+ 0.1
Men	77.6	76.1	77.7		+ 1.7		+ 0.1
Women	64.8	63.6	64.8		+ 1.2		– 0.0
Unemployment rate							
According to AMS and DVSV	7.4	9.9	8.0		– 1.9		+ 0.7
Men	7.6	10.1	8.1		– 2.0		+ 0.6
Women	7.1	9.7	7.9		– 1.8		+ 0.8
According to Eurostat[8]	4.5	5.4	6.2				
Men	4.6	5.5	6.3				
Women	4.4	5.2	6.1				

Source: Federation of Social Insurances (DVSV), Public Employment Service Austria (AMS), WIFO calculations. – [1] According to the Federation of Social Insurances. – [2] According to the Federation of Social Insurances, self-employed persons excluding persons in valid employment contract receiving child care benefit or being in military service. – [3] According to WIFO. 2020 and 2021: provisional. – [4] According to labour market statistics. – [5] Persons in active employment and registered unemployed. – [6] Population at mid-year according to Statistics Austria; 2021: provisional. – [7] Actively employed persons. – [8] Break in time series 2020-21 (change in survey).

Employment already exceeded the pre-crisis level in May 2021. Despite favourable labour market developments, 231,045 persons were still registered for short-time work in 2021.

The growth in active employment was so strong from May that the annual average also exceeded the pre-crisis level of 2019 (+90,433 or +2.5 percent compared to 2020, +14,326 or +0.4 percent compared to 2019). At the same time, the volume of working hours also recovered, but it remained below the pre-crisis level. This was also due to the still high take-up of COVID-19 short-time work. Despite the upward trend, 231,045 persons[3] were still registered for short-time work on average in 2021[4].

Both women and men reached the employment level of before the COVID-19 crisis again on average in 2021 (men +0.4 percent compared to 2019, women +0.3 percent; Table 1). Younger persons under the age of 25, whose employment suffered particularly from the crisis, as well as blue-collar workers, who were disproportionately more affected by the reduction in employment than white-collar workers, on the other hand, were not yet able to make up for the losses of 2020[5]. According to the labour force survey, the number of workers with completed apprenticeship in 2021 was also still noticeably below the level of 2019, whereas the employment of highly qualified workers was noticeably higher[6].

Table 2: **Employees by economic sector**

According to NACE

	2019	2020	2021	Change 2020-21		Change 2019-2021	
				Absolute	Percent	Absolute	Percent
Agriculture, forestry and fishering	25,127	24,804	25,749	+ 945	+ 3.8	+ 622	+ 2.5
Mining and quarrying	6,037	5,935	5,693	− 242	− 4.1	− 343	− 5.7
Manufacturing	628,997	619,522	623,417	+ 3,895	+ 0.6	− 5,580	− 0.9
Electricity, gas, steam and air conditioning supply	25,777	25,947	26,064	+ 117	+ 0.5	+ 288	+ 1.1
Water supply, sewerage, waste management and remediation activities	17,485	17,860	17,865	+ 4	+ 0.0	+ 380	+ 2.2
Construction	271,330	271,077	284,994	+ 13,917	+ 5.1	+ 13,664	+ 5.0
Wholesale and retail trade, repair of motor vehicles and motorcycles	553,652	548,822	562,139	+ 13,317	+ 2.4	+ 8,487	+ 1.5
Transporting and storage	202,733	194,995	194,275	− 721	− 0.4	− 8,458	− 4.2
Accommodation and food service activities	220,420	178,025	186,717	+ 8,691	+ 4.9	− 33,703	−15.3
Information and communication	102,473	106,494	110,852	+ 4,358	+ 4.1	+ 8,380	+ 8.2
Financial and insurance activities	113,573	112,797	111,372	− 1,425	− 1.3	− 2,202	− 1.9
Real estate activities	42,820	42,866	43,575	+ 709	+ 1.7	+ 755	+ 1.8
Professional, scientific and technical activities	186,081	187,954	194,296	+ 6,342	+ 3.4	+ 8,216	+ 4.4
Administrative and support service activities	228,235	211,076	228,127	+ 17,051	+ 8.1	− 109	− 0.0
Public administration and defence; compulsory social security	581,799	583,155	587,998	+ 4,843	+ 0.8	+ 6,199	+ 1.1
Education	110,157	110,263	110,111	− 151	− 0.1	− 45	− 0.0
Human health and social work activities	271,243	276,851	295,260	+ 18,408	+ 6.6	+ 24,017	+ 8.9
Arts, entertainment and recreation	39,515	36,877	37,960	+ 1,084	+ 2.9	− 1,555	− 3.9
Other service activities	87,884	83,910	83,111	− 799	− 1.0	− 4,773	− 5.4
Activities of households as employers, undifferentiated goods- and services-producing activities of private households for own use	2,778	2,746	2,760	+ 15	+ 0.5	− 18	− 0.6
Activities of extraterritorial organisations and bodies	809	808	849	+ 42	+ 5.1	+ 40	+ 4.9
Unknown	1,117	1,149	1,181	+ 32	+ 2.7	+ 64	+ 5.8
Persons in active dependent employment	3,720,041	3,643,933	3,734,366	+ 90,433	+ 2.5	+ 14,326	+ 0.4
Military service	4,684	4,882	4,787	− 95	− 2.0	+ 102	+ 2.2
Persons receiving child care benefit	72,579	68,349	65,788	− 2,560	− 3.7	− 6,790	− 9.4
Employees	3,797,304	3,717,164	3,804,941	+ 87,777	+ 2.4	+ 7,637	+ 0.2

Source: Federation of Social Insurances.

[3] Preliminary figures according to https://www.bma.gv.at/Services/News/Current-Labour-Market-Figures.html (retrieved on 19 April 2022).

[4] The advance notifications are to be distinguished from the actual use of short-time work. Often, the registration is probably only a precautionary measure. Many companies ultimately do not claim pre-registered short-time work and are able to keep their employees in regular employment instead.

[5] For young adults aged 20 to 24, the gap to the pre-crisis level also has demographic reasons: according to Statistics Austria, the number of 20- to 24-year-olds declined noticeably in 2020 and 2021 (beginning of 2021 –24,030 compared to beginning of 2019).

[6] It should be borne in mind, however, that even without the crisis the employment of these two groups would have developed differently, which limits the meaningfulness of the comparison with the pre-crisis level.

After almost all sectors had suffered employment losses at the beginning of the crisis and these were limited to the contact-intensive sectors as the pandemic continued, employment in most sectors already exceeded the pre-crisis level again in the course of 2021. However, especially in the contact-intensive sectors of accommodation and food services, provision of other services, arts, entertainment and recreation, and transport and storage, the number of actively employed persons was still significantly lower than in 2019 (Bock-Schappelwein & Famira-Mühlberger, 2022). In the manufacturing sector, employment in 2021 was also still somewhat below the pre-crisis level (Table 2)[7].

Employment of foreign workers, which had slumped during the crisis, grew dynamically in 2021. Both foreign workers living in Austria and commuters living abroad were able to exceed the employment level of 2019. Persons of all nationality groups benefitted from the increases, above all workers from the "younger" EU member countries Romania, Bulgaria and Croatia (Table 3). The share of foreign workers in total active employment rose to 22.5 percent in 2021 and was thus noticeably above the pre-crisis level.

The contact-intensive sectors still employed significantly fewer persons in 2021 than in the pre-crisis year 2019.

After strong losses at the beginning of the crisis, employment of foreign workers expanded strongly in 2021.

Table 3: **Foreign workers in Austria**

	2016	2017	2018	2019	2020	2021	Change 2020-21		Change 2019-2021	
							Absolute	Percent	Absolute	Percent
Total	651,690	698,512	752,892	799,483	777,270	839,632	+ 62,362	+ 8.0	+ 40,149	+ 5.0
Men	385,119	415,869	451,086	480,143	465,938	504,831	+ 38,893	+ 8.3	+ 24,688	+ 5.1
Women	266,571	282,642	301,807	319,340	311,332	334,801	+ 23,469	+ 7.5	+ 15,461	+ 4.8
Nationality										
14 EU countries[1], EFTA countries	131,410	137,946	145,561	152,661	151,082	160,332	+ 9,250	+ 6.1	+ 7,671	+ 5.0
EU accession countries 2004	178,541	194,755	211,408	223,652	211,740	228,942	+ 17,202	+ 8.1	+ 5,290	+ 2.4
Romania, Bulgaria	52,727	60,062	68,614	76,202	75,408	82,709	+ 7,301	+ 9.7	+ 6,507	+ 8.5
Croatia	25,043	28,054	31,406	34,588	36,596	43,301	+ 6,705	+ 18.3	+ 8,713	+ 25.2
Rest of the world	263,969	277,695	295,904	312,380	302,443	324,348	+ 21,904	+ 7.2	+ 11,968	+ 3.8

Source: Federation of Social Insurances. WIFO calculations. – [1] Including the UK.

1.2 Every second woman in part-time employment

According to the labour force survey, every second employed woman and every ninth employed man worked part-time in 2021. The average weekly working time actually worked by full-time employees in 2021 was 33.8 hours (men 34.6 hours, women 32.3 hours), that of part-time employees 18.2 hours (men 17.3 hours, women 18.5 hours)[8]. The volume of working hours of employed persons amounted to 5,658.9 million hours.

Compared to dependent employment, self-employment in 2021 was somewhat more clearly above the pre-crisis level. This is due to the expansion of employment among men, whereas the number of self-employed women was just below the level of 2019. In 2021, as in the previous year, the latter recorded noticeable employment losses in personal care ("24-hour care"), which almost exclusively affected foreign women.

In addition to self-employment, the number of freelance contract workers also exceeded the pre-crisis level in 2021. It had declined continuously from 2007 to 2020 and rose again for the first time in 2021.

In 2020, marginal employment had suffered comparatively strongly from the COVID-19 crisis, especially among younger persons and women. In 2021, it recovered but remained noticeably below pre-crisis levels (–6.4 percent), especially among women (–8.3 percent). The number of leased workers was also still lower in mid-2021 than in 2019 (Table 4).

Every second employed woman and every ninth employed man was employed part-time in 2021.

In 2021, noticeably more men were self-employed than in the pre-crisis year 2019.

1.3 Unemployment below pre-crisis level again as of October 2021

Unemployment was lower from March 2021 than in the previous year. However, this comparison is not very meaningful due to the onset of the crisis in March 2020. More meaningful is the comparison with the level before the crisis began. Unlike in the case of employment, which already exceeded the pre-crisis level in May 2021, it took until autumn for unemployment to fall below the pre-crisis level. In the annual average of 2021, the decline in unemployment was therefore too weak to reach the 2019 level

Unemployment fell below the pre-crisis level for the first time in autumn 2021. On average for the year, it was still higher.

[7] Due to structural change, employment in mining and quarrying and financial and insurance activities also declined in 2021.

[8] Due to a break in the time series in 2020-21, neither a comparison with the previous year nor a pre-crisis comparison is made.

(–77,898 or –19.0 percent compared to 2020, +30,414 or +10.1 percent compared to 2019; including persons in training +38,791 or +10.7 percent compared to 2019). The number of persons in AMS training measures was significantly above the pre-crisis level with the lifting of contact restrictions and the push for qualification subsidies (Table 5).

Table 4: **Atypical forms of employment**

	2018	2019	2020	2021	Change 2019-2021	
	Average number of employees per year				Absolute	Percent
Staff leasing[1]	85,947	82,131	80,442	78,380	– 3,751	– 4.6
Men	67,376	64,893	63,494	62,390	– 2,503	– 3.9
Women	18,570	17,237	16,948	15,991	– 1,246	– 7.2
Free service contracts	14,083	13,852	13,211	14,698	+ 846	+ 6.1
Men	6,714	6,651	6,529	7,245	+ 594	+ 8.9
Women	7,370	7,201	6,682	7,453	+ 252	+ 3.5
Marginal employment	347,616	346,604	317,489	324,459	– 22,145	– 6.4
Men	131,616	132,194	124,509	127,853	– 4,341	– 3.3
Women	216,001	214,409	192,980	196,606	– 17,803	– 8.3
Part-time employment (hourly limit)[2]	946,700	966,700	974,100	1,010,100	+ 43,400	+ 4.5
Men	161,700	159,300	163,800	175,800	+ 16,500	+ 10.4
Women	784,900	807,400	810,200	834,300	+ 26,900	+ 3.3
Part-time employment (self-assignment)[3]	1,088,000	1,091,000	1,074,600	1,134,300	+ 43,300	+ 4.0
Men	203,400	194,400	194,200	212,300	+ 17,900	+ 9.2
Women	884,600	896,500	880,300	922,000	+ 25,500	+ 2.8

Source: Federal Ministry of Labour, Federation of Social Insurances, Statistics Austria. – [1] According to employment activities statistics. – [2] Employees (labour force concept), weekly working time 12 to 35 hours (approximate exclusion of marginally employed persons). Time series break 2020-21. – [3] Employees (labour force concept), part-time according to self-assignment of respondents, including marginally employed persons. Time series break 2020-21.

The decline in extended unemployment[9] compared to the previous year benefitted women slightly less than men and older unemployed persons less than younger ones. For the under 20-year-olds, extended unemployment in 2021 even fell below the pre-crisis level on average, while it was still higher in all other age groups (Table 5). The number of unemployed persons also remained above the level of 2019 among persons with health problems, for whom the risk of remaining unemployed for a longer period is noticeably increased, as well as among foreign workers. According to the highest educational attainment level of those affected, the relative gap to the pre-crisis level was smallest among persons with an apprenticeship (Table 5).

Despite the broad decline in unemployment compared to the previous year, the number of long-term jobless grew again in 2021 – by 14,914 or 12.8 percent to 131,642 – and was thus about one third higher than in the pre-crisis year 2019 (+33,077 or +33.6 percent; including persons in AMS training +22,645 compared to 2020 and +38,996 compared to 2019).

Although the unemployment rate fell to 8.0 percent in 2021 (2020: 9.9 percent), it was still noticeably above the pre-crisis level (2019: 7.4 percent). This also applies to the extended unemployment rate, which includes persons in AMS training measures (2021: 9.6 percent, 2020: 11.2 percent, 2019: 8.7 percent). The unemployment rate according to Eurostat (Labour Force Survey) was 6.2 percent[10].

By age group, the extended unemployment rate in 2021 was lower than before the COVID-19 crisis only among young persons up to the age of 19; it was higher in all other age groups. The gap to 2019 was above average among women, the low-skilled and persons without Austrian citizenship, but particularly low among persons with academic education or completion of a VET school (Table 6).

[9] In addition to the registered unemployed, it also includes persons in training.

[10] Time series break 2020-21.

Table 5: **Unemployed and persons in training**
2021

	Unemployed		Persons in training		Total	
	Change compared to 2019					
	Absolute	Percent	Absolute	Percent	Absolute	Percent
Total	**+ 30,414**	**+ 10.1**	**+ 8,378**	**+ 13.5**	**+ 38,791**	**+ 10.7**
Gender						
Men	+ 14,195	+ 8.5	+ 3,349	+ 11.4	+ 17,544	+ 9.0
Women	+ 16,219	+ 12.0	+ 5,028	+ 15.4	+ 21,247	+ 12.7
Age						
Until 19 years	– 350	– 7.3	– 602	– 4.3	– 952	– 5.1
20 to 24 years	+ 306	+ 1.2	+ 841	+ 6.8	+ 1,147	+ 3.0
25 to 29 years	+ 2,574	+ 7.2	+ 1,122	+ 15.7	+ 3,696	+ 8.6
30 to 34 years	+ 4,152	+ 11.2	+ 1,479	+ 22.0	+ 5,632	+ 12.8
35 to 39 years	+ 4,426	+ 12.5	+ 1,472	+ 23.3	+ 5,898	+ 14.2
40 to 44 years	+ 4,353	+ 13.8	+ 1,343	+ 26.2	+ 5,696	+ 15.6
45 to 49 years	+ 2,088	+ 6.3	+ 841	+ 18.5	+ 2,929	+ 7.8
50 to 54 years	+ 2,840	+ 7.4	+ 855	+ 24.4	+ 3,696	+ 8.9
55 to 59 years	+ 6,355	+ 14.2	+ 804	+ 41.6	+ 7,158	+ 15.4
60 to 64 years	+ 3,525	+ 23.7	+ 220	+ 83.7	+ 3,745	+ 24.8
From 65 years	+ 146	+ 34.0	+ 1	+ 40.0	+ 147	+ 34.0
Highest level of education completed						
No completed compulsory education	+ 1,475	+ 8.4	+ 800	+ 12.5	+ 2,275	+ 9.5
Compulsory education	+ 11,893	+ 10.3	+ 3,285	+ 11.3	+ 15,178	+ 10.5
Apprenticeship	+ 7,914	+ 8.5	+ 1,564	+ 13.8	+ 9,478	+ 9.1
Secondary technical and vocational school	+ 1,694	+ 10.6	+ 331	+ 11.3	+ 2,025	+ 10.7
Academic secondary school, colleges for higher vocational education	+ 4,307	+ 12.6	+ 1,376	+ 18.3	+ 5,683	+ 13.7
Post-secondary, non-tertiary education	+ 102	+ 9.9	+ 13	+ 8.1	+ 115	+ 9.7
Tertiary education	+ 1,983	+ 8.4	+ 812	+ 18.9	+ 2,795	+ 10.0
Unknown	+ 1,046	+ 110.8	+ 196	+ 66.0	+ 1,242	+ 100.1
Nationality						
Austrian	+ 12,975	+ 6.3	+ 2,309	+ 6.5	+ 15,284	+ 6.4
Foreign	+ 17,438	+ 18.1	+ 6,069	+ 23.1	+ 23,507	+ 19.2
Persons granted asylum or subsidiary protection	+ 2,217	+ 11.7	+ 1,264	+ 10.8	+ 3,481	+ 11.4
Other persons without Austrian nationality	+ 15,221	+ 19.7	+ 4,805	+ 33.0	+ 20,026	+ 21.8

Source: Public Employment Service Austria.

1.4 Strong expansion of the labour supply

The number of the active labour force (actively employed, self-employed and unemployed) in 2021 was noticeably above the pre-crisis level (+1.1 percent). This also applies to the labour force participation rate[11] (+0.5 percentage points compared to 2019). For demographic reasons, the increase in labour supply was exclusively attributable to persons aged 50 and over, whereas the labour supply of younger persons declined significantly. Differentiated by citizenship, the increase was exclusively attributable to foreign workers (Table 7). The employment rate of the actively employed was only slightly higher in 2021 than in 2019 after the slump in the previous year (Table 1).

After the drastic decline in job offers at the beginning of the pandemic and due to the discontinuation of the winter season in tourism, significantly more vacancies were registered again from spring 2021 onwards as the economy picked up, including those that had not been advertised in the months before, which were characterised by uncertainty. According to Statistics Austria[12],

Labour supply in 2021 clearly exceeded the pre-crisis level.

Since the beginning of the 1960s, never before so many vacancies have been registered with the Public Employment Service Austria as in 2021.

[11] The final population figures for 2021 were not yet available at the time the report was finished; the number of self-employed persons for 2021 is also preliminary.

[12] https://www.statistik.at/web_de/statistiken/menschen_und_gesellschaft/arbeitsmarkt/offene_stellen/index.html.

around 14 percent more vacancies were registered in 2021 than in the pre-crisis year 2019. The majority were in service and sales occupations (22.0 percent of all vacancies) and in craft and related occupations (19.4 percent). The majority were full-time positions (84.4 percent).

Table 6: **Extended unemployment rate by personal characteristics**

	2019	2020	2021
		Percent	
Total	**8.7**	**11.2**	**9.6**
Gender			
Men	8.8	11.2	9.5
Women	8.7	11.1	9.7
Age groups			
Until 19 years	12.2	12.7	11.9
20 to 24 years	10.8	14.2	11.5
25 to 54 years	8.0	10.5	8.9
From 55 years	10.1	12.1	10.9
Highest level of education completed[1]			
Compulsory education	27.0	32.3	28.7
Apprenticeship	6.8	9.1	7.7
Secondary technical and vocational school	4.0	5.2	4.4
Academic secondary school, colleges for higher vocational education	5.4	7.3	6.2
Tertiary education	3.7	4.4	3.8
Nationality			
Austrian	7.5	9.3	8.0
Foreign	13.1	17.3	14.6

Source: Public Employment Service Austria, Federation of Social Insurances, Statistics Austria, WIFO calculations. Extended unemployment rate . . . unemployed and persons in training as a percentage of extended labour supply. – [1] Qualification structure of employed persons according to the Microcensus Labour Force Survey 2019 to 2021, based on persons with a normal working week of at least 12 hours.

On average, 95,087 vacancies were registered with the Public Employment Service Austria in 2021, the highest number since the 1960s. In recent years, vacancies in health, cultural and teaching professions, in technical professions as well as in legal, administrative and office professions have developed particularly dynamically. Compared to the pre-crisis year 2019, there was increased demand in 2021 for auxiliary occupations, office occupations, occupations in the construction industry, in the health sector as well as teaching and cultural occupations.

2. The Austrian labour market in spring 2022

2.1 Continuation of the upward trend

In spring, the number of unemployed fell to its lowest level in ten years.

The Austrian economy recovered extremely quickly – still at the end of 2021 – and completely from the fourth lockdown and is expected to have grown strongly in spring 2022 despite the outbreak of war in Ukraine and the related economic distortions. This upswing is also reflected in the labour market, which recently continued to develop favourably and is in a phase of boom (Schiman & Ederer, 2022).

In March 2022, the number of employed persons in active employment was already 3.4 percent above the pre-crisis level of March 2019, extended unemployment was 9.0 percent lower, and the unemployment rate was 1.2 percentage points lower (6.3 percent, including persons in training 7.9 percent or –1 percentage point compared to March 2019). At 335,887 persons, the number of extended unemployed even reached its lowest level in ten years (Figure 3). At the same time, labour demand continued to grow, with more than one and a half times as many job vacancies registered at the end of March (123,897) as before the COVID-19 crisis. These findings all point to a clear upward trend in the labour market.

2.2 Differences in employment development by sector

So far, not all sectors have been able to benefit equally from the favourable development on the labour market (Figure 1). The number of employed persons in March 2022 was particularly significantly above the pre-crisis level in information and communication (+15.0 percent compared to March 2019), health and social work (+11.9), professional, scientific and technical activities (+9.5 percent), construction (+8.9 percent) and other business activities (+6.5 percent). In contrast, there was still a need to catch up especially in the contact-intensive sectors of accommodation and food services (–4.1 percent) and other service activities (–4.7 percent).

Compared to the pre-crisis level in 2019, there is still catch-up potential in the contact-intensive economic sectors.

Table 7: **Labour supply and working-age population trends by citizenship and broad age groups**

	2019	2020	2021	Change 2019-2021	
		Employees or persons		Absolute	Percent
Labour supply[1]					
Total					
15 to 49 years	2,855,556	2,857,163	2,851,039	– 4,517	– 0.2
50 to 64 years	1,151,051	1,181,475	1,198,961	+ 47,909	+ 4.2
15 to 64 years	4,006,607	4,038,638	4,049,999	+ 43,392	+ 1.1
Austrian nationality					
15 to 49 years	2,133,715	2,123,430	2,094,644	– 39,070	– 1.8
50 to 64 years	980,234	1,000,606	1,005,736	+ 25,502	+ 2.6
15 to 64 years	3,113,948	3,124,037	3,100,380	– 13,568	– 0.4
Foreign nationality					
15 to 49 years	721,841	733,732	756,394	+ 34,553	+ 4.8
50 to 64 years	170,818	180,869	193,225	+ 22,407	+ 13.1
15 to 64 years	892,659	914,601	949,619	+ 56,960	+ 6.4
		Persons		Absolute	Percent
Population[2]					
Total					
15 to 49 years	3,985,815	3,961,853	3,944,311	– 41,504	– 1.0
50 to 64 years	1,925,709	1,962,524	1,986,578	+ 60,869	+ 3.2
15 to 64 years	5,911,524	5,924,377	5,930,889	+ 19,365	+ 0.3
Austrian nationality					
15 to 49 years	3,098,184	3,053,493	3,016,080	– 82,104	– 2.7
50 to 64 years	1,709,380	1,734,306	1,745,512	+ 36,132	+ 2.1
15 to 64 years	4,807,564	4,787,799	4,761,592	– 45,972	– 1.0
Foreign nationality					
15 to 49 years	887,631	908,360	928,231	+ 40,600	+ 4.6
50 to 64 years	216,329	228,218	241,066	+ 24,737	+ 11.4
15 to 64 years	1,103,960	1,136,578	1,169,297	+ 65,337	+ 5.9

Source: Public Employment Service Austria, Federation of Social Insurances, Statistics Austria, WIFO calculations. – [1] Sum of employed and unemployed persons. – [2] At the beginning of the year.

It should also be borne in mind that in March 2022, 161,114 persons were still registered for COVID-19 short-time work – around 326,000 fewer than in the previous year as a result of the economic recovery and the lifting or easing of official measures (Figure 2)[13]. Nevertheless, this instrument to stabilise employment continues to dampen unemployment. An important reason for the continued use of short-time work is likely to be the supply bottlenecks from which domestic industrial companies in particular are suffering.

2.3 Long-term unemployment remains high

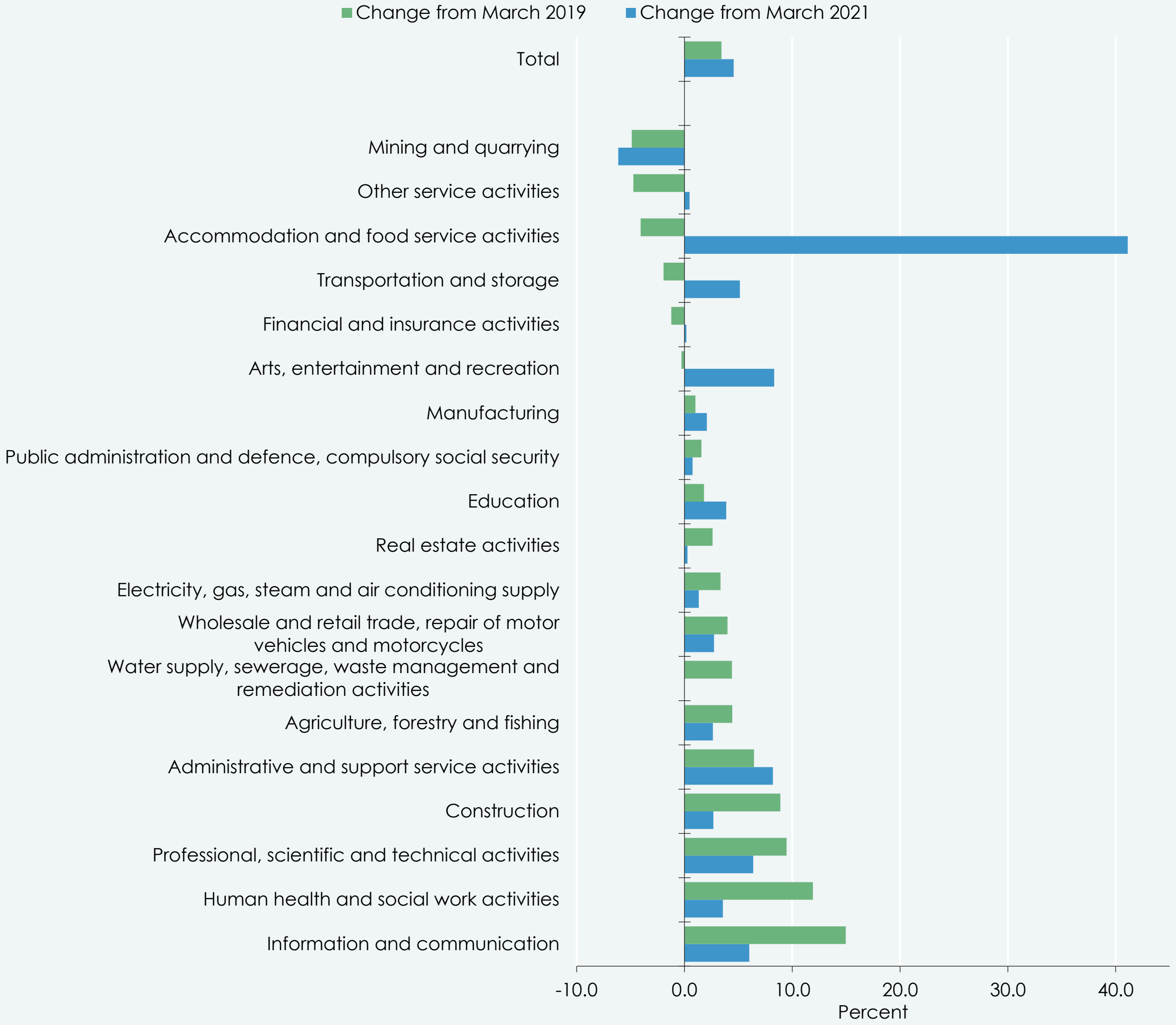
The number of long-term jobless[14], i.e. persons who have been without a job for more than a year except for short breaks, has been declining since its peak in April 2021. At 135,348 persons in March 2022, it was only slightly above the pre-crisis level of 132,932 in March 2019, but still almost two and a half times as high as before the financial market and economic crisis of 2008-09 (March 2008: 57,165 persons; Figure 3). Thus, entrenched unemployment remains a key policy challenge.

Despite the decline, almost two and a half times as many persons are still long-term jobless as before the financial market and economic crisis of 2008-09.

[13] How many employees actually reduced their working hours and to what extent can only be answered after the complete accounting of short-time work cases.
[14] AMS status "unemployed" or "in training".

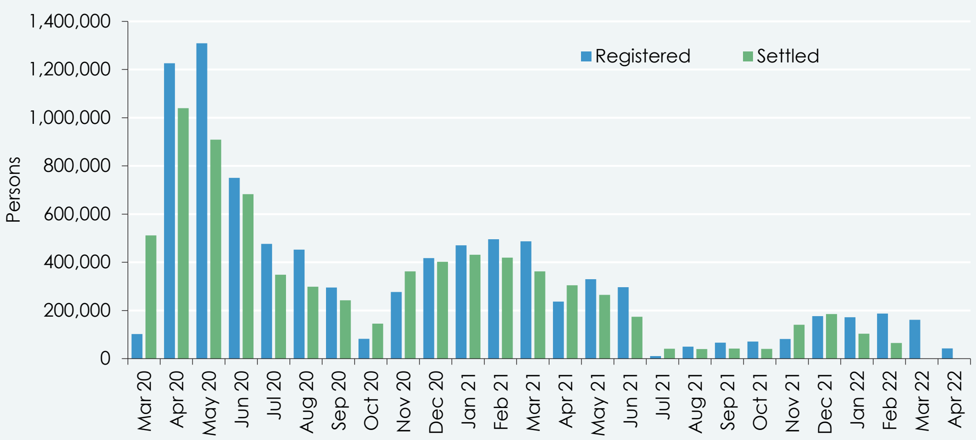
Figure 1: **Dependent employment in March 2022 by economic sector**

Comparison to the previous year's or pre-crisis level



Source: Federation of Social Insurances, WIFO calculations. Ranking of sectors based on relative employment change compared to March 2019.

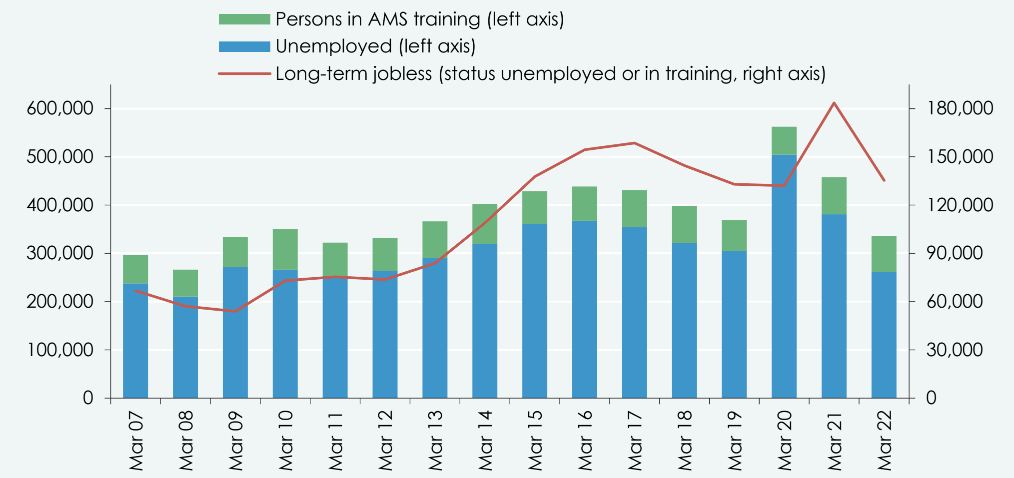
Figure 2: **Utilisation of COVID-19 short-time work**



Source: Federal Ministry of Labour (https://www.bma.gv.at/Services/News/Aktuelle-Arbeitsmarktzahlen.html). Values as of December 2021: provisional (subsequent entries).

More than every third person registered as unemployed or in AMS training was long-term jobless at the end of March 2022 (40.3 percent). Three groups of persons have a particularly high risk of remaining without gainful employment for longer: firstly, low-skilled persons with a compulsory school leaving certificate or less – 42.6 percent of the extended unemployed from this group were considered long-term jobless in March 2022, secondly, persons aged 50 and over (51.5 percent) and thirdly, persons with health impairments (57.4 percent).

Figure 3: **Extended unemployment and long-term joblessness**



Source: Public Employment Service Austria, WIFO calculations.

3. Outlook

Provided that the pandemic development does not bring about severe restrictions again, the positive dynamics on the domestic labour market should continue – despite the economic slowdown due to the Ukraine war, disrupted supply chains and high raw material and energy prices. According to the WIFO economic outlook from March, employment will continue to rise significantly, and unemployment will fall in the further course of 2022, although the aforementioned factors increase uncertainty.

The upswing on the labour market is likely to continue, but a continuation of the Ukraine war could dampen it.

According to current estimates, the Ukraine war will only slightly dampen the upswing on the labour market, which should affect employment and unemployment less than production and the volume of working hours, as companies are again likely to counter production losses with short-time work.

The refugee movement from Ukraine should have only a minor impact on the labour market in 2022, as it takes time for the refugees – so far mostly women with children – to arrive on the Austrian labour market. Initially, the focus will be on organising housing, childcare and school attendance, as well as learning the German language, in addition to coming to terms with the sometimes traumatic experiences (Bock-Schappelwein & Huber, 2022). It is not until 2023 that the impact of the refugee movement on the domestic labour market could become more noticeable. The influx of workers from Ukraine could then increase the labour supply and thus also slow down the decline in unemployment somewhat (Schiman & Ederer, 2022).

As evidenced by the exceptionally high number of job vacancies, the demand for labour is high in the current economic upswing. After the economy ramped up, many companies are looking for staff at the same time. This exacerbates labour shortages or recruitment problems. In addition, the labour supply is no longer growing as strongly as in the past decades. Against this backdrop, many domestic companies are likely to act more cautiously and increasingly try to keep qualified staff in the company even in times of weaker economic activity.

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