

## Satisfying labour demand through migration in Austria: data, facts and figures

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## Migration policy in Austria at a crossroads?

- Currently, Austria is discussing to introduce criteria to promote the inflow of highly skilled third country migrants – on the one hand to speed up the transition from an industrial society to a knowledge society, on the other to combat population ageing.
- While population ageing is a strong argument for a larger migrant intake, the current skill mix represents a challenge for integration policy, above all education and labour market policy.
- While immigration may postpone the slowdown of labour supply growth, it does not resolve the problem of qualitative ageing, i.e. the skills implications of an older work force.
- Therefore, a rethinking of immigration policy towards a larger high-skill intake has set in.



## Social partners divided over road to take

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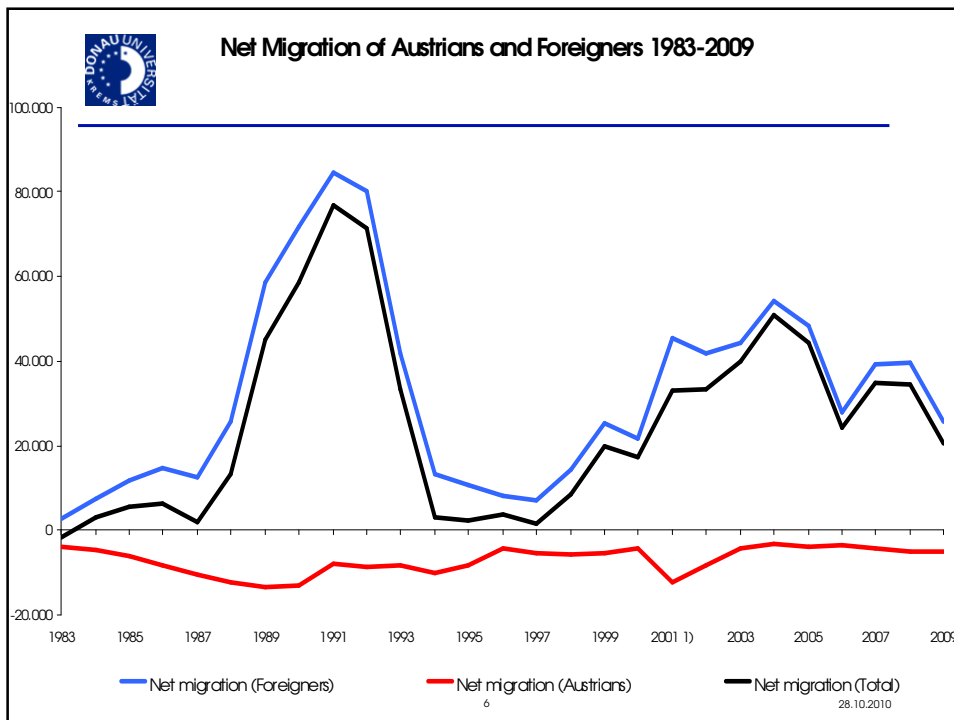
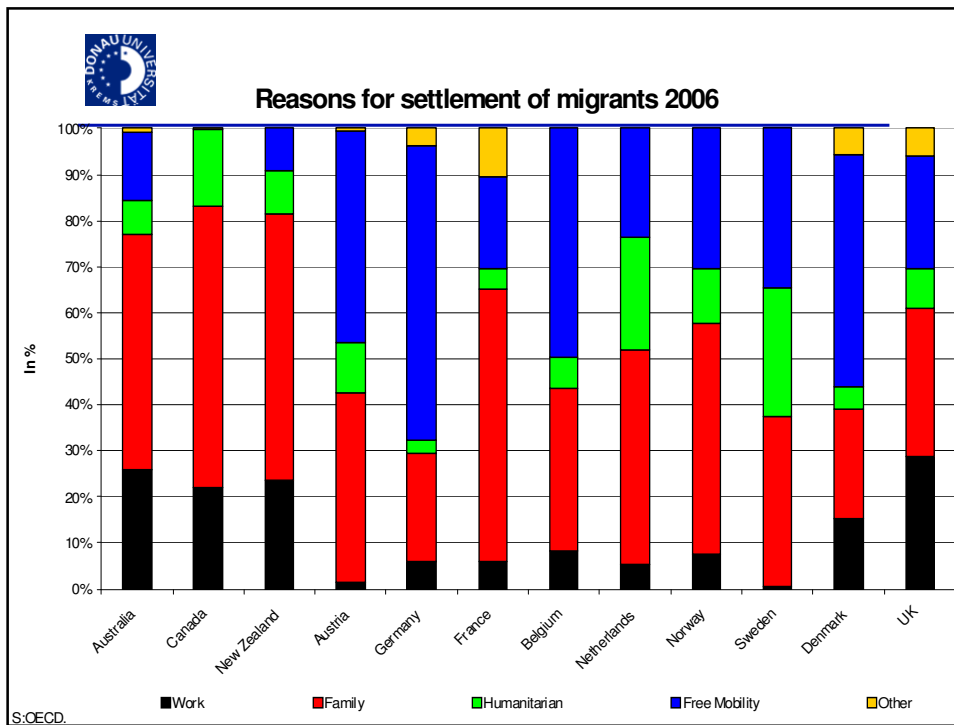
- Employers' associations push for an increased intake of highly skilled migrants,
- Workers' associations argue that increased investment in further education and training, as promoted by the EU in its Lifelong Learning programme, is a more promising road for satisfying skilled labour demand.
- Accordingly, a two-pronged policy reform is envisaged: to encourage the inflow of highly skilled third country migrants while at the same time investing in education and training of low skilled workers



## Focus on Skills

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- To have an in depth understanding of the skill composition of migrant labour is a precondition for the re-design of immigration policy.
- The report clarifies what type of occupations and skill levels enter Austria from within Europe, where free mobility of labour and therefore market conditions drive labour mobility.
- It informs also about the occupational and skill composition of migrants of third countries, who enter Austria either as labour migrants, who fulfil the requirements of the highly skilled immigration programme, or as family members, whose immigration is regulated by the family reunion immigration programme, or who enter/work as researchers and seasonal workers.





## Skill distinction by occupational groups - ILO ISCO-88

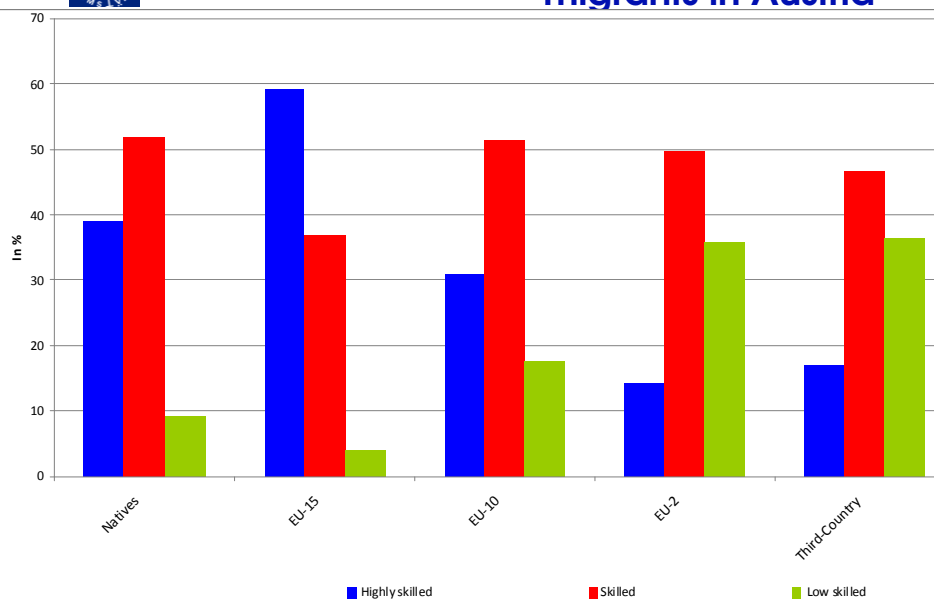
- **Highly skilled:** refers to a person falling within Major groups 1, 2 and 3 (manager, executive, professional, technician or similar)
- **Skilled:** includes
  - **Major Group 4:** Clerks
  - **Major Group 5:** Service Workers and Shop and Market Sales Workers
  - **Major Group 6:** Skilled Agricultural and Fishery Workers
  - **Major Group 7:** Craft and Related Trades Workers
  - **Major Group 8:** Plant and Machine Operators and Assemblers
- **Low skilled = Major Group 9:** elementary occupations

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## Skill composition of natives and migrants in Austria



S: LFS.



## Economic migrants (by citizenship) and the dynamics of their skills composition

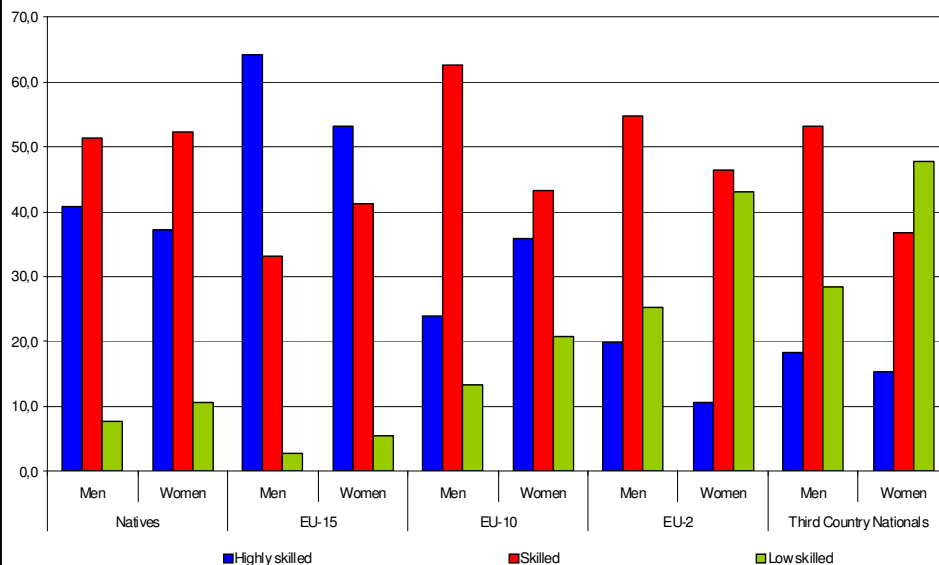
- The share of migrants in high skilled jobs increased from 6.4% in 2004 to 8.1% in 2009, mainly due to a larger EU-14 and TCN inflow, remained stable for skilled and unskilled migrants (9.3%, 25%).
- Between 2004 and 2009, third country nationals are increasingly better skilled and citizens from EU-10 increasingly less skilled.

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### Skill composition of employment by gender and citizenship 2009



S: LFS.



## The 10 major migrant nationalities: 76 % of all migrant workers in 2009

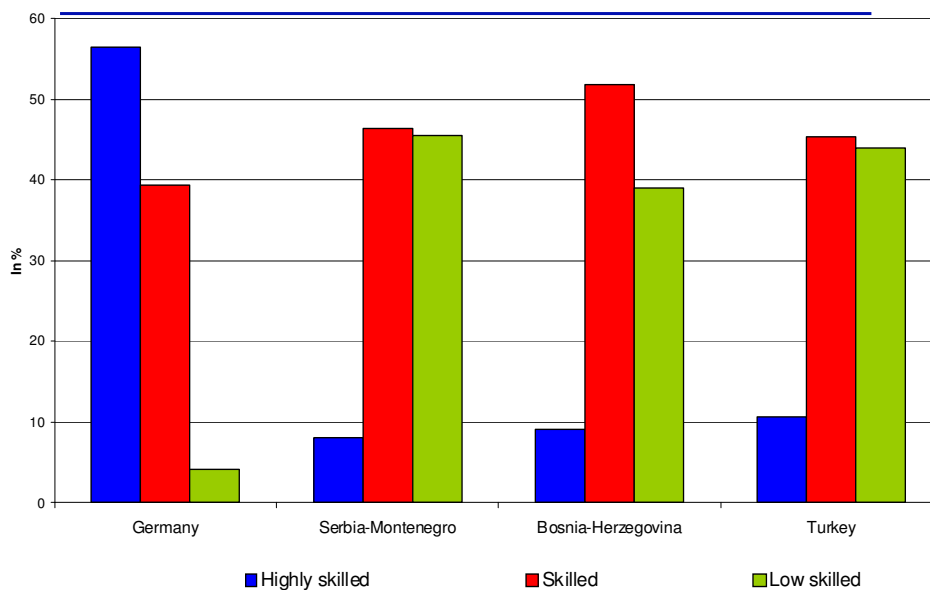
1. Germany,
2. Serbia-Montenegro,
3. Bosnia-Herzegovina,
4. Turkey,
5. Croatia,
6. Poland,
7. Romania,
8. Slovakia,
9. Italy (in the main from South Tyrol) and
10. Hungary.

The rank order has changed between 2004 and 2009 in that the influx from Germany gained weight, overtaking immigrant numbers from Serbia-Montenegro and Bosnia-Herzegovina.

Also the number of Romanians increased significantly since EU-membership in 2007 such that they jumped the queue from 8th place in 2004 to 7th place in 2009.



## Skills by major nationality





## Major occupations of migrants

- The highest proportion of migrants is working as a **labourer in manufacturing, construction, transport and mining** (ISCO 93) with 22%, mainly persons from third countries (19%).
- In contrast, highly **skilled professionals in engineering and related professions** are mainly from another EU-15 country (6% of the total), followed by EU-10 (4%) and third country nationals (3% of the total).
- **Housekeeping and restaurant services**: 21% of all employees are migrants. The major group are third country nationals (12% of all employees), followed by other EU-15 nationals (5% of all workers in 2009, largely from Germany), by citizens of EU-10 countries (3%) and EU-2 countries (1%).

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## Major occupations of migrants 2009

- Of all **health professionals except nursing** 9% were migrants, basically from EU-15 (7%) and EU-10 (1%).
- **Nursing personnel** is not captured in the occupational classification of 223, but rather in 323 (non-academic nursing and care), where more than 11% of all workers had a foreign citizenship in 2009.
- **Personal care work**: 8% are migrant workers, mostly female, evenly spread over the various source countries (3% of the total from third countries, 2% ex aequo from EU-15 and EU-10 and 1% from EU-2)

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## Researchers

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- **Researchers are to a significant extent migrants.**
- **In 2009, 11.1% of a total of 431,400 researchers were migrants, the majority from another EU-15 country (7.1% of all researchers).**
- **But also persons from EU-10, EU-2 and third countries are increasingly satisfying the demand for researchers.**
- **In 2009, 2.7% of all researchers were from third countries, 1.1% from EU-10 and 0.2% from EU-2 countries**



## Seasonal workers

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- **Seasonal workers may enter Austria either on the basis of a temporary employment permit granted by the Federal Ministry of Labour and Social Affairs, or as a result of a bilateral cross-border agreement (commuters from Hungary).**
- **These temporary work contracts are linked to employment contracts, which in both cases have a ceiling. Accordingly, a large proportion of seasonal workers are commuters in border regions in the East and Southeast of Austria.**
- **Seasonal work is not only an opportunity to work for non-resident third country migrants (or EU-12 countries for as long as the transition regulations apply) but also for third country migrants residing in Austria who do not have the resident permit which grants access to the labour market without prior labour market testing.**





## Industries/occupations of seasonal work

- About two thirds of the seasonal foreign workers are in agriculture and forestry and one third in tourism.
- Seasonal foreign workers make up some 80% to 90% of foreign wage and salary earners in agriculture and forestry
- In contrast, only some 8% of all foreign workers in tourism are working on the basis of a seasonal work permit.
- The seasonal worker regulation is an important means to reduce clandestine work of third country migrants

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## Job vacancies (employer survey 2009)

- Of the 52,700 job openings the largest number referred to the medium skill segment (54% of all vacancies) followed by highly skilled workers (31% of all job openings). But there is also unsatisfied demand for unskilled workers, even in the year of the economic crisis of 2009.
- The major occupations for which job openings were recorded were in services tasks, in particular sales personnel (27% of all vacancies), followed by trades persons, i.e. technicians and similar skill level (21.4%) and crafts skills (13.5%). Vacancies for unskilled workers amounted to 12.3%.
- The year of economic crisis has to be borne in mind, however, when wanting to explain the very low vacancy rate of 1.3%, compared to an unemployment rate of some 4.1%.

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## Future needs

- Demand for migrants will continue in the future, in the main in personal social and health care services and the high skill segment of engineering and natural science.
- The root causes are mainly deficiencies in the Austrian education system. In the first case, the reforms of the education system of the 1960s and 1970s did not integrate social and health care in the federal system but left this part of education and training to the Bundesländer to organise. As a consequence, health care education and training is fragmented and not included in the higher education stream which leads to a Matura, i.e. university entrance qualification levels. This has an impact not only on wages and career options but also on the social status and the working conditions.
- Investment in higher education and university facilities in the natural sciences and engineering were insufficient to provide incentives to follow these long cycle university studies. In addition, wage and employment policy provided more incentives to choose law and business studies than science courses. In consequence, not enough people want to work in these occupations, for reasons of limited career opportunities and earnings.

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## Clandestine work and options for legalisation

- Austria has a long tradition of moonlighting. Employer sanctions have not been very successful to combat clandestine work.
- The few data collected on illegal employment reveal that, apart from care work, the industries most affected are construction, catering, agriculture and small-scale industry.
- The majority of illegally working migrants are from Poland or Slovakia on the one hand and the successor states of Former Yugoslavia on the other.
- Jandl, et al. (2007) estimate illegal employment to be most pronounced in construction, catering/tourism (with some 15% of total employment) and agriculture (13%).

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## Inconsistency of migration policy and labour market mechanisms

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- Public sector employment, where many university graduates tend to find a job, tends not to be open to third country citizens, e.g. in the case of medical doctors. Private industries often do not pay the entry wages required for a third country citizen to get a settlement permit.
- Inconsistency:
- On the one hand the migration system wants to encourage the inflow/settlement of highly skilled migrants from third countries, on the other, their career opportunities in Austria appear to be limited (insider-outsider problem)

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**Thank you for your attention!**

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