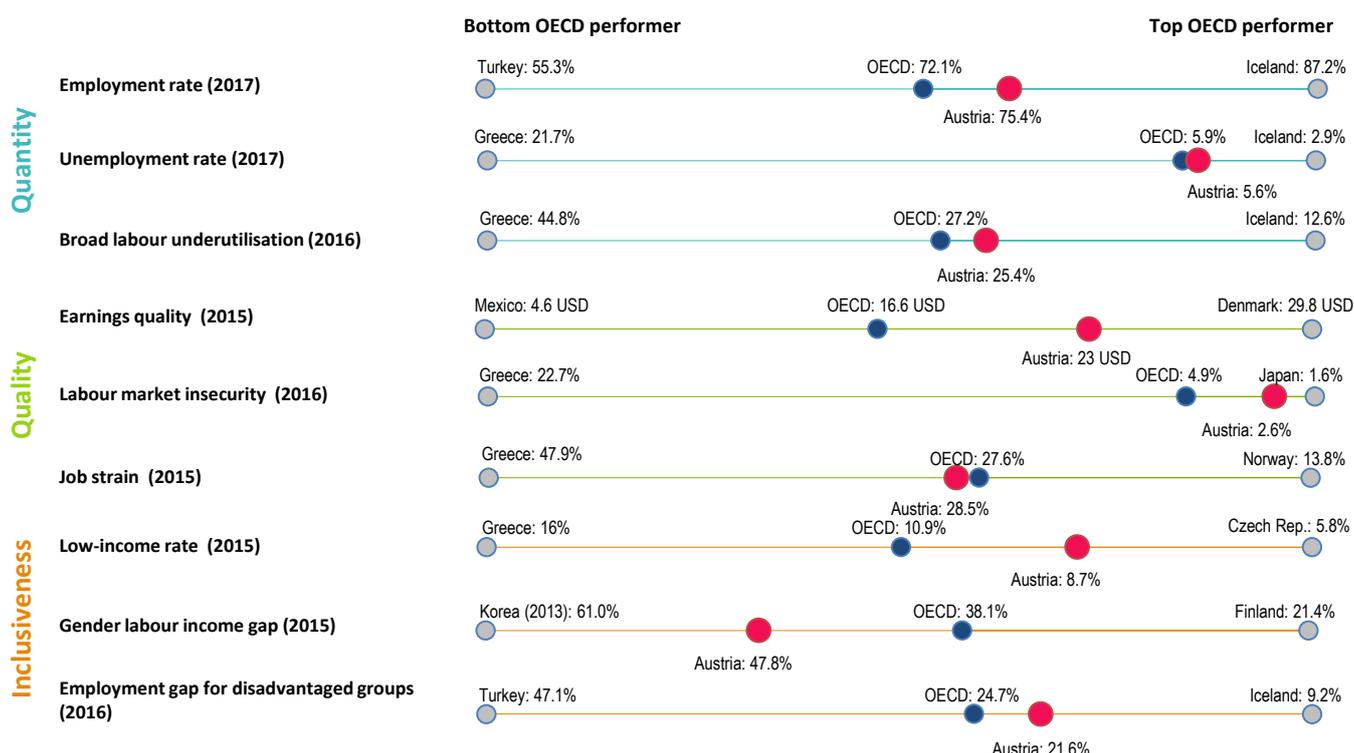


How does AUSTRIA compare?

The digital revolution, globalisation and demographic changes are transforming labour markets at a time when policy makers are also struggling with slow productivity and wage growth and high levels of income inequality. The new *OECD Jobs Strategy* provides a comprehensive framework and policy recommendations to help countries address these challenges. It goes well beyond job quantity and considers job quality and inclusiveness as central policy priorities, while emphasising the importance of resilience and adaptability for good economic and labour market performance in a rapidly changing world of work.

Dashboard of labour market performance for Austria



Notes: Employment rate: share of working age population (20-64 years) in employment (%). Broad labour underutilisation: Share of inactive, unemployed or involuntary part-timers (15-64) in population (%), excluding youth (15-29) in education and not in employment (%). Earnings quality: Gross hourly earnings in USD adjusted for inequality. Labour market insecurity: Expected monetary loss associated with the risk of becoming unemployed as a share of previous earnings. Job strain: Percentage of workers in jobs with a combination of high job demands and few job resources to meet those demands. Low income rate: Share of working-age persons living with less than 50% of median equivalised household disposable income. Gender labour income gap: Difference between per capita annual earnings of men and women (% of per capita earnings of men). Employment gap for disadvantaged groups: Average difference in the prime-age men's employment rate and the rates for five disadvantaged groups (mothers with children, youth who are not in full-time education or training, workers aged 55-64, non-natives, and persons with disabilities; % of the prime-age men's rate).

ASSESSING JOB QUANTITY, QUALITY AND LABOUR MARKET INCLUSIVENESS

The new *OECD Jobs Strategy* presents a dashboard of labour market performance that provides a comprehensive overview of the strengths and weaknesses of different national labour markets, going well beyond the standard measures of employment and unemployment rates. These include measures of job quantity (employment, unemployment and broad underemployment), job quality (pay, labour market security, working environment) and labour market inclusiveness (income equality, gender equality, employment access for potentially disadvantaged groups). Some countries score well on most or all

indicators, implying that there are no hard trade-offs that prevent countries from performing well in all areas.

- Austria scores in the mid third of OECD countries on all three indicators of job quantity. However, the relatively low unemployment rate masks difficulties of elderly and low-educated people in participating in the labour market.



- Due to effective social security systems and redistribution, labour market security and earnings quality are among the top third of OECD countries. The degree of job strain is slightly above OECD average but much greater than in peer countries like Denmark, Netherlands, Sweden and Switzerland.
- Inclusiveness indicators show a mixed picture for Austria. Due to a lack of full-day child-care facilities and schooling, in particular in rural areas, women tend to

leave the workforce, fully or partially, after the arrival of the first child. This contributes to the 6th highest gap in annual earnings between men and women across OECD countries. The employment gap for disadvantaged groups is less pronounced, but nonetheless above the OECD average. However, the share of the working-age population living with less than 50% of the median disposable household income after taxes and transfers is relatively low compared to the OECD average.

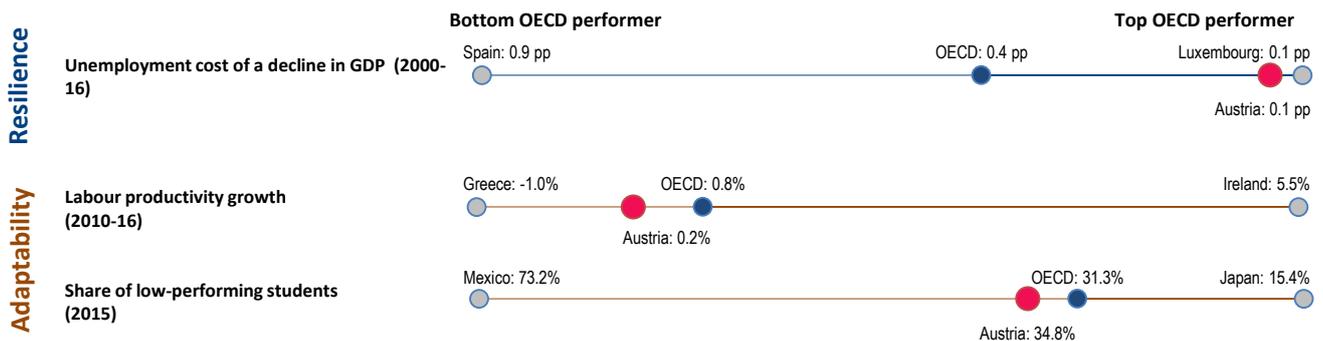
FRAMEWORK CONDITIONS FOR RESILIENCE AND ADAPTABILITY

Labour market resilience and adaptability are important to absorb and adjust to economic shocks and make the most of new opportunities. Resilience is crucial to limit the short-term costs of economic downturns. Labour productivity is a key precondition for high growth of output, employment and wages and central to long-term growth in living standards. Finally, skills are key to improving workers' productivity and wages and provide an indication of the readiness to respond to future challenges.

- Austria is among the top performers in terms of labour market resilience but is in the bottom-third of OECD countries in the main indicators of labour market adaptability.

- Long employment spells with the same employer decrease churn rates on labour markets and contribute to the fact that a decline in GDP has a very low impact on unemployment in Austria.
- Labour productivity growth over the period 2010-16 has been among the lowest across OECD countries, which partly reflects stringent regulations in service sectors and low adoption rates of ICT technologies. Student skills are below the OECD average. Youths whose parents do not have upper secondary education or who are born abroad are particularly likely to have low skills.

Framework conditions for Austria



Notes: Resilience: average increase in unemployment rate over 3 years after a negative shock to GDP of 1% (2000-16); Labour productivity growth: annual average productivity growth (2010-16), measured in per worker terms. Share of low performing students: Share of 15-year-olds not in secondary school or scoring below Level 2 in PISA (%) (2015).