

## Labour Market

### Employment

There is a difference between the Austrian and the Hungarian side of the border region regarding employment rates. The employment rates in the Austrian part of the border region are above the European average by 3-10% while the West-Transdanubia region is below the European average by -2% (Table 7: Employment rates (%) and deviation from EU25 (%), 2004). Especially the employment rate of women in West-Transdanubia is 3% below the EU 25 deviation. Extraordinary high is the female employment rate in Steiermark with 6% and Niederösterreich with 12% above average. We assume that one of the reasons behind the different female employment rates within the region is the low rate of part time job facilities in West-Transdanubia.

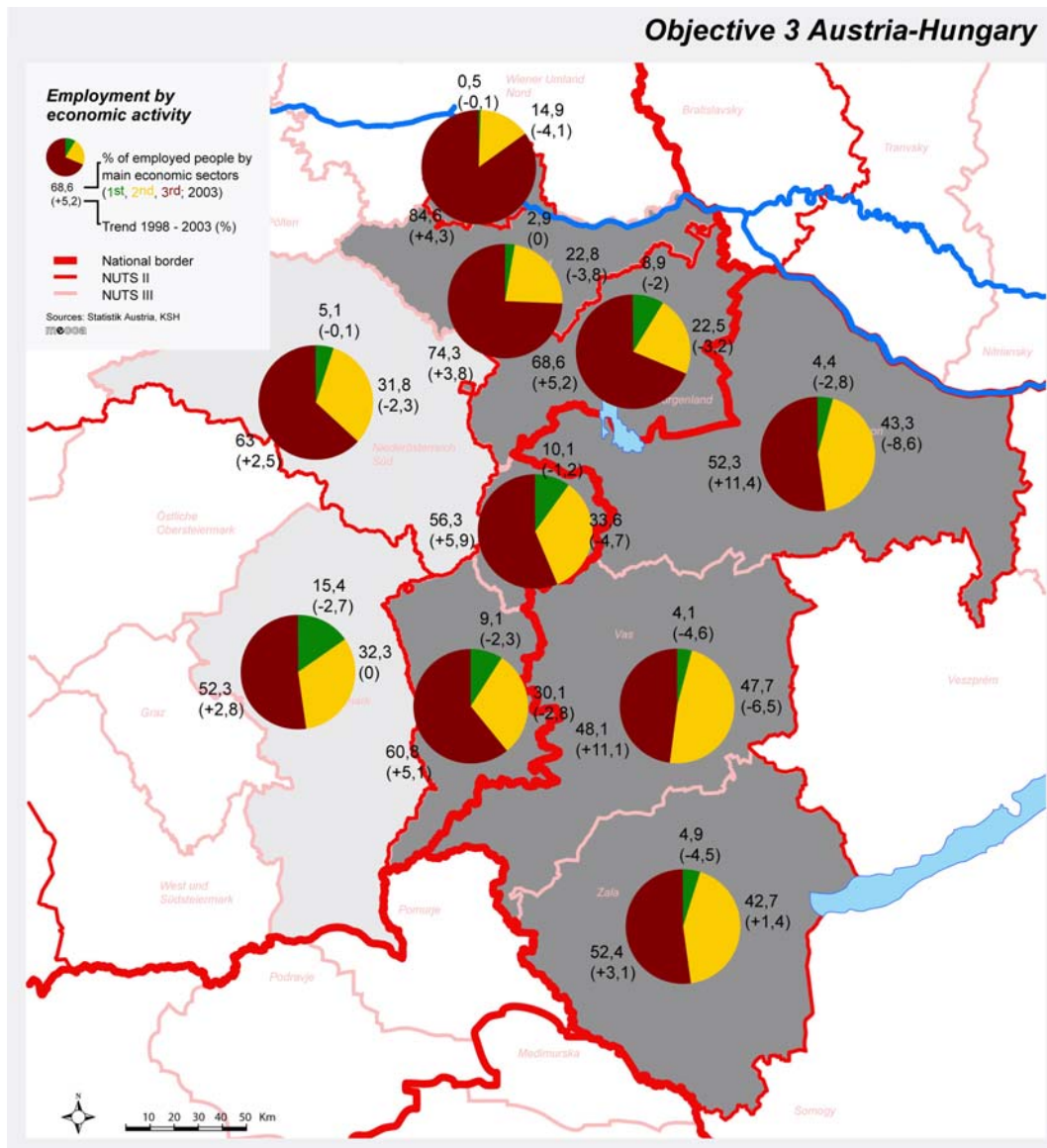
The dominant position of Wien in the regional labour market pattern is underlined by high commuter rates in the surrounding regions (Table 8: Total employment and trends by economic activity 1998, 2003). Nearly one third (31,7%) of Burgenland's labour force are employed outside of Burgenland. This trend is not significant in the Hungarian counties (about 2%) due to their urban centres that offer work places for the resident labour force and function as commuter targets for the surrounding municipalities.

**Table 6: Employment rates (%) and deviation from EU25 (%), 2004**

	EU 25	Nyugat-Dunántúl (West-Transdanubia)	Burgenland	Niederösterreich	Wien	Steiermark
<b>Total</b>	<b>51,4</b>	<b>50,3</b>	<b>52,8</b>	<b>56,3</b>	<b>52,8</b>	<b>54,3</b>
Men	59,6	58,9	61,3	64,1	60,5	63,2
Women	43,7	42,6	44,9	49,1	46,1	46,2
<b>Deviation from EU 25 total</b>		<b>-2</b>	<b>3</b>	<b>10</b>	<b>3</b>	<b>6</b>
Deviation from EU 25 men		-1	3	8	2	6
Deviation from EU 25 women		-3	3	12	5	6

Source: eurostat, <http://epp.eurostat.ec.europa.eu/>

Map 4: Employment by economic activity



**Table 7: Total employment and trends by economic activity 1998, 2003**

Regional Unit NUTS III region	Total			% 1st sector		% 2nd sector		% 3rd sector	
	1998	2003	trend 98-03	2003	trend 98-03	2003	trend 98-03	2003	trend 98-03
Mittelburgenland	11.500	11.900	3,5%	10,08%	-1,22%	33,61%	-4,65%	56,30%	5,87%
Nordburgenland	51.100	57.000	11,5%	8,95%	-2,01%	22,46%	-3,18%	68,60%	5,19%
Südburgenland	29.800	31.900	7,0%	9,09%	-2,32%	30,09%	-2,79%	60,82%	5,11%
Niederösterreich-Süd	98.300	97.000	-1,3%	5,15%	-0,14%	31,86%	-2,33%	63,09%	2,46%
Wiener Umland-Südteil	135.300	140.900	4,1%	2,91%	0,03%	22,78%	-3,75%	74,38%	3,80%
Wien	867.500	885.600	2,1%	0,50%	-0,10%	14,92%	-4,14%	84,59%	4,25%
Oststeiermark	96.200	100.100	4,1%	15,38%	-2,70%	32,27%	0,04%	52,35%	2,76%
<b>Total Austrian Border Region</b>	<b>1.289.700</b>	<b>1.324.400</b>	<b>2,7%</b>	<b>2,88%</b>	<b>-0,38%</b>	<b>19,16%</b>	<b>-3,56%</b>	<b>77,97%</b>	<b>3,97%</b>
Győr-Moson-Sopron	107.353	132.966	23,9%	4,38%	-2,77%	43,32%	-8,61%	52,30%	11,38%
Vas	68.436	85.259	24,6%	4,14%	-4,63%	47,74%	-6,50%	48,12%	11,13%
Zala	60.794	82.965	36,5%	4,94%	-4,47%	42,71%	1,35%	52,35%	3,12%
<b>Total Hungarian Border Region</b>	<b>236.583</b>	<b>301.190</b>	<b>27,3%</b>	<b>4,47%</b>	<b>-3,73%</b>	<b>44,40%</b>	<b>-5,48%</b>	<b>51,13%</b>	<b>9,21%</b>
<b>Total AT-HU Border Region</b>	<b>1.526.283</b>	<b>1.625.590</b>	<b>6,5%</b>	<b>3,17%</b>	<b>-0,85%</b>	<b>23,84%</b>	<b>-3,10%</b>	<b>73,00%</b>	<b>3,97%</b>

Source: Statistics Austria, [http://www.statistik.at/fachbereich\\_02/regkonten\\_tab7.pdf](http://www.statistik.at/fachbereich_02/regkonten_tab7.pdf), KSH (1998, 2003)

In general most of the NUTS III regions follow the usual European employment trend: decrease of the employed persons in the first and second sector and increase in the third sector. The largest contribution to the GDP by the first sector shows the Oststeiermark (approx. 15%) and the Mittelburgenland (approx. 10%). Here agriculture and forestry are still vital economic factors. Of course the opposite is Wien: the rate of people employed in the third sector is approx. 85%.

### Unemployment

Unemployment rates show no significant differences between the Austrian and Hungarian part of the region. In all major unemployment indicators – long term, young people and female – the region shows a better picture than the European average (Table 8: Unemployment rate of different target groups, 2004). Female unemployment is slightly above the average in all regions except Wien. Youth unemployment is especially in Wien above the average, but everywhere far below the European average.

**Table 8: Unemployment rate of different target groups, 2004**

Regions	Total	Long term	Female	Young
	Unemployment rate (%)			
Total Burgenland	4,2	21,2	4,8	7,1
Total Niederösterreich	3,5	27,3	3,7	5,7
Total Steiermark	3,8	27,6	3,7	5,8
Wien	7,2	37,1	6,0	11,1
Total Hungarian Border Region	4,1	38,6	4,2	8,8
EU 15	7,8	40,2	8,8	15,2
EU 25	9,0	44,3	10,0	18,1

Source: EC (2004), CIP (2004), KSH (2005).

### Assessment of the cross-border labour market

The European integration provides a new framework for cross-border labour market relations. While many Hungarians work in Austria official statistics do not indicate a significant number of Austrian employees on the Hungarian side of the border region.

Labour offices have started to cooperate 10 years ago. They set up a joint Labour Market Strategy and established a joint Labour Market Academy. In the last years they extended the co-operation to municipalities and enterprises via joint Labour Market Pacts, which is a potential tool to maintain and

increase the employment level of the border region. The limits imposed under the Austrian Foreign Workers Employment Act have prevented higher rates of cross-border employment in the past five years. In April 2006 Austria extended those limitations by additional three years. With this extension, the free movement of labour force can be realised by 2010.

### **Development tendencies**

Issues of cross border labour market tendencies are discussed very emotionally in general. In the past years workforce moved quite one-sided from Hungary to Austria. Thus all regions face similar trends (decrease in the first and second sector, increase in the third) and the personal mobility will rise in a post-Schengen era, it is very probable that workforce will move in more than one direction.

These trends are already under discussion – e.g. in joint Labour Market Pacts within the EuRegio West-Nyugat Pannonia. Concerning the employment and unemployment rates of women and young people the situation is better than in the EU average. Nevertheless the development needs to be watched to improve the equal opportunities on the labour market. The perspective in the future should emphasize also the positive chances of a liberalized and mobile labour market, especially from the Austrian perspective. The establishment of a cross border labour market strengthens the economic power of the region on a regional as well as on the international level.