

Statement concerning the political position of the Austrian Trade Union Federation about the transitional arrangements (Expert Workshop: Transitional Arrangements and the Free Movement of Workers - given at 01. December 2008 in Brussels)

1.) Previous remarks

The relevant transitional arrangements are – as compared to the previous transitional arrangements of the past enlargements – the only ones that are directed to the labour market of a single member state. Herewith, the Accession Treaty 2003 and 2006 take into account that there are different situations in the labour markets of the single member states. The Austrian labour market and only the Austrian labour market in its special distinctiveness and development is the subject of judgement. The transitional regulations of the Accession Treaty are a “lex specialis” to Art. 39 EC-Treaty and the Regulation 1612/68. The regulations are on the same level with primary law.

2.) Policy position

The Social Partners have agreed on fundamental restrictions concerning the access of EU-8 citizens to the Austrian labour market also for the last phase of the transition period.

3.) Reasons for this decision

- a) The rise in employment is beginning to stagnate as is the growing share of atypical employment.
- b) Unemployment is still decreasing but the turning point to rising unemployment is unfortunately expected soon.
- c) The forecasted decreasing employment growth for 2009 and 2010 will not be able to absorb the growing labour force supply – even under the current terms of restricted access of EU-8 citizens.
- d) The previous and present application of the relevant labour market restrictions has not stopped but steered and limited the inflow of workers from the EU-8 member states.
- e) In spite of the limited inflow, the number and population share of EU-8 citizens has increased rapidly in recent years.
The figures of employed nationals from CZ, SK, HU and PL have risen from 40.900 (2005) to 48.600 (2007).

That means an increase of about 19 % or 9.5 % per year (figures from SL are not available).

A special statutory regulation – set into force in 2008 – allows defined groups of skilled workers from the EU-8 member states an easier access to the Austrian labour market.

- f) A serious threat consists in the fact that there is a surplus of workforce with low qualification levels in Austria and in more distinctive way in the neighbouring member states. The figures show this fact impressively: so the employment rates of persons with an education level 0-2 (ISCED 1997) in the neighbouring member states (Poland included) are on an average level of 53 % while the figure for Austria amounts nearly 71 % (Quarter 02/2008).
- g) Against the background of one of the highest net-migration rates still resulting from the dynamic of an extraordinary immigration at the beginning of the 1990's, it is important that this additional and growing inflow from the EU-8 member states is controlled also for the last phase of the transition period. It must be avoided that labour market situations are created in which migrants and local workers with identical skills competes one another.

The skills of local workers must remain complementary with those of the immigrants as far as possible otherwise local workers are substitutes to immigrants and as one consequence the wages will decline or the workers are in danger of becoming unemployed.

4.) Conclusion

- a) In Austria, and above all in the neighbouring member states, there exists a high potential of especially low skilled citizens.
- b) A free access to the Austrian labour market would them give the opportunity to integrate themselves into a market with distinctive higher wage levels.
- c) We are of the opinion that especially unemployed people – and unemployment will unfortunately rise strongly – with a distinctive reduced income by unemployment benefits which are not far from poverty level, will not react in the sophisticated way that the Commission believes them to react. They will not observe labour statistics both countries and will not be willing to give up the chance of getting a job paid twice as high as his last one so that they don't have to leave the country.
They will simple try to find a job in Austria – even if they have to compete with the local workers.
- d) In case of an unlimited access to the Austrian labour market during the next years, we expect a remarkable inflow of especially lower qualified workers from the EU-8 member states.
The consequence of such an uncontrolled inflow would be a serious disturbance of the Austrian labour market.

e) The following factors have *exacerbating* effects:

- The small sized scope of the Austrian labour market and its geographically exposed situation.
- Potentially large members of the workforce are able to reach the Austrian labour market as daily or weekly commuters.
- The effect of commuter-related migration is unknown to a large extent and neglected by the relevant communications and reports of the European Commission.
- The high share of unemployment persons with low qualifications in Austria and in the neighbouring member states is also an impeding factor.

Active labour market measures have been set into force in Austria to qualify and integrate these problem groups into the labour market.

- An immediate introduction of worker's free movement would hamper this ongoing process and endanger one of the greatest challenges of the Austrian labour market policy for the next 2 to 3 years, namely, to reach a better integration-rate of the long-term residing migrants.
- The Austrian Social partners have agreed and implemented to give access to skilled workers step by step – in the meantime this pertains to 67 professions.
- An immediate total removal of the transition arrangements would create a serious disturbance of the Austrian labour market at the very least.