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The Labour Market Development of Oberwart and the Socio-Economic Situation of the Roma

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The socio-economic situation of the Roma in Oberwart*

This paper consists of two distinct, yet connected parts. In a previous paper an overview of Roma history in Austria has been presented (*Leoni,* 2004). The present study can be regarded as a case study that integrates this earlier paper with empirical information[1]. The largest Austrian Roma community, living in the Burgenland district Oberwart, represents the observed population. A survey of the Roma in Oberwart commissioned by WIFO provides data on the economic situation of this group of people, as well as detailed information on their educational situation and on a number of other social and demographic indicators. This information, coupled with the findings from our historical overview of the Austrian Roma population, helps to gain a better understanding of the Roma and the difficulties that they face. The data that have been collected refer to various aspects of the social and economic life of the Roma; however, the ultimate focus of analysis is represented by the labour market. In fact, the overall goal of the present research project is to foster the social integration of the Roma through the labour market. To this end, not only the supply side, i.e., the Roma and their characteristics, but also the demand side, i.e., the labour market in which they are embedded and with which they are confronted, has to be analysed. Hence, the first chapter of this paper is devoted to an in-depth analysis of the labour market conditions in the Oberwart district, while in the second chapter the findings from the survey are presented.

I. The labour market in Oberwart in regional and national comparison

The goal of this first part of is to describe the labour market in Oberwart and to compare it to remaining Burgenland and Austria. Data on the labour market, as well as information on demographic development and economic structure of the area are taken into consideration. Whereas some general remarks about long-term developments are made, the main focus of this analysis rests on the period between 1988 and 2003.

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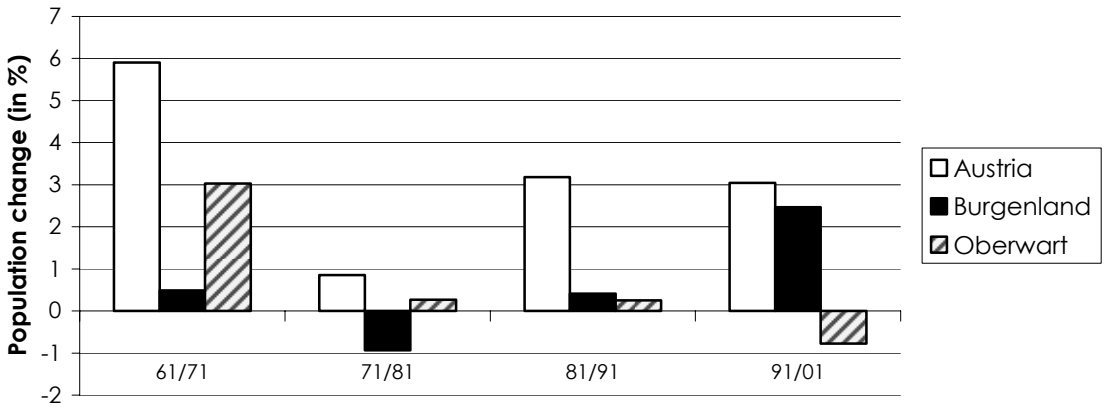
[1] The author is grateful to Riki Keindl and Tina Nardai for their help in organizing and carrying out the survey. Special thanks go to the Roma of Oberwart and Unterwart who participated in the survey and made the research possible.

1. General framework-conditions

1.1 Stagnant demographic development in Oberwart

Oberwart is – together with Stegersbach – one of the Southern districts of Burgenland. It borders on the Styrian district Hartberg to the West, and on Hungary to the East. It comprises 32 municipalities, and an area of 732 km^2. The largest municipality is Oberwart, with 6,696 inhabitants as of 2001, followed by Pinkafeld, with 5,181 people. The population density (73 persons/km^2) is in line with the rest of Burgenland, but lower than in remaining Austria (93 persons/km^2). Whereas in 1991 it accounted for 19.8 percent of the total Burgenland population, this share fell to 19.2 percent in 2001. As Graph 1 evidences, the population growth in Oberwart has been constantly below the Austrian average over the past forty years. The population has stagnated in the 1970s and 1980s, and declined in the 1990s. The censuses of 1971, 1981 and 1991 recorded a stable population. According to the census from the year 2001, the population in the district amounted to 53,365, with a decrease of 0.8 percent with respect to 1991 (53,783). This population growth rate lies clearly below the Austrian average (+3.5 percent).

Graph 1: Relative population change in Austria, Burgenland and Oberwart (1961-2001)



Source: Statistics Austria, WIFO calculations.

The differential with respect to Burgenland as a whole is also pronounced: after three decades characterised by a stagnating population, between 1991 and 2001 in Burgenland a positive migration rate outweighed the negative birth rate resulting in a net population growth of 2.5 percent. It has to be mentioned, however, that while the years between 1991 and 1996 saw a population increase of 3.6 percent, over the second half of the decade there has been a decline of 1.1 percent. This pattern has been influenced by the influx of refugees from the wars in former Yugoslavia. from the In addition, the positive migratory trend has been carried mainly by older cohorts of people, while – at least for the years 2000 and

2001 – there has been a negative net migration of persons aged between 15 and 30. In Oberwart the positive migration trend over the 1991-2001 decade has been weaker than in remaining Burgenland, and thus not sufficient to counterbalance the negative birth rate.

Table 1: Age structure of the population in Austria, Burgenland and Oberwart (1991 and 2001)

	Austria		Burgenland		Oberwart	
	1991	2001	1991	2001	1991	2001
Under 16	17.4	16.8	17.1	15.2	17.7	15.4
16 to 60	62.5	62.1	60.6	60.7	60.4	60.9
Over 60	20.1	21.1	22.3	24.1	21.9	23.7

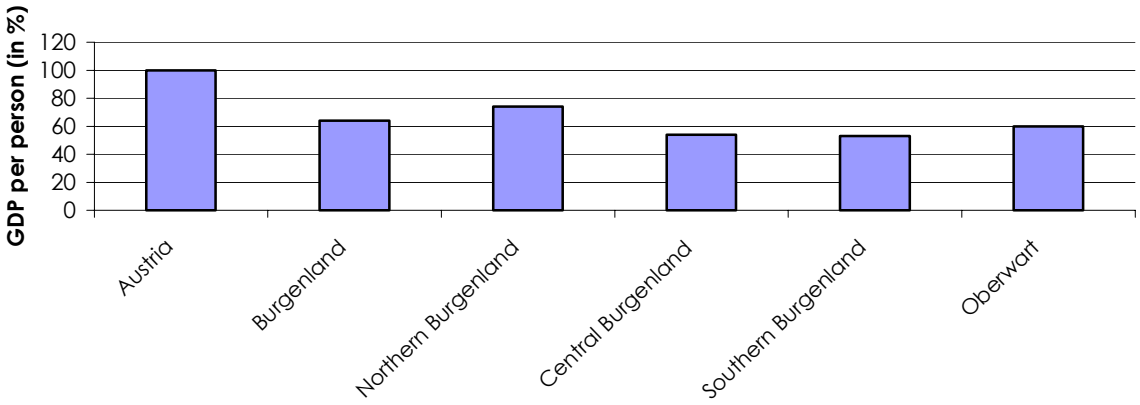
Source: Statistics Austria, WIFO calculations.

Also the age structure of the population indicates that Burgenland and Oberwart have had a less dynamic demographic development than remaining Austria. According to the 2001 census, in Austria 16.8 percent of the population was aged 15 and below. The corresponding figures for Burgenland and Oberwart are 15.2 and 15.4 percent, respectively. Ten years earlier, the share of this age group in the total Burgenland and Oberwart population was 17.1 and 17.7 percent (against a national average of 17.4 percent). Hence, in Burgenland and Oberwart the younger cohorts have shrunk more than proportionally. At the same time, the share of persons aged older than 60 has increased more than in remaining Austria: in Oberwart this share has gone from 21.9 percent in 1991 to 23.7 percent in 2001; in Burgenland it has increased from 22.3 to 24.1 percent, and in Austria only from 20.1 to 21.1 percent. Therefore it can be argued that the positive demographic trend that has been registered in Burgenland over the last ten years can be explained to a certain extent by the return of now retired persons, who had left for work during previous decades.

1.2 Weak economy and low tertiarisation in Burgenland and Oberwart

In spite of a positive trend, Oberwart continues to be one of the economically weakest districts in Austria. In 1995 the level of GDP per person in this area was about 60 percent of the Austrian average. The backwardness of the Oberwart district is linked to the degree of economic development of Burgenland as a whole. This region has traditionally been the weakest Austrian *Bundesland*. When it became part of Austria, in the aftermath of WWI, it had a mainly rural economy, with little infrastructure and an agricultural sector dominated by large estate-holders. Some improvements notwithstanding, Burgenland did not achieve an industrial take-off during the troubled 1920s and 1930s. In the decades after WW II it had to suffer from its border-land position.

Graph 2: Relative GDP per person in 2000[1]



Source: *ÖIR* (2002). – [1] 1995 for the Oberwart value.

In spite of changes, Burgenland has remained the poorest Austrian region up to the present, and qualified as 'Objective 1' area for Structural Funds from the European Union. In 1995 the GDP per person in Burgenland was 64 percent of the national average. Accordingly Oberwart, with 60 percent, was slightly below the regional average. These figures did not change over the next five years, and in 2000 Burgenland had still only 64 percent of the Austrian GDP per person, with the Southern Burgenland[2] at 54 percent. These figures confirm the traditional North-South divide within Burgenland, of which the Oberwart district is clearly a part.

Nevertheless the period since the Austrian accession to the EU brought significant changes to the Burgenland economy, with a marked increase in economic activity. The fall of the ‚Iron curtain', as well as large-scale funding were decisive factors in this development. Between 1995 and 1999 the region benefited from more than € 170 million EU financing (with co-financing from the *Bund* and the *Land* that added other € 240 million), and it was confirmed as ‚Objective 1' area for the period 2000-2006 (with EU funding of € 261 million).

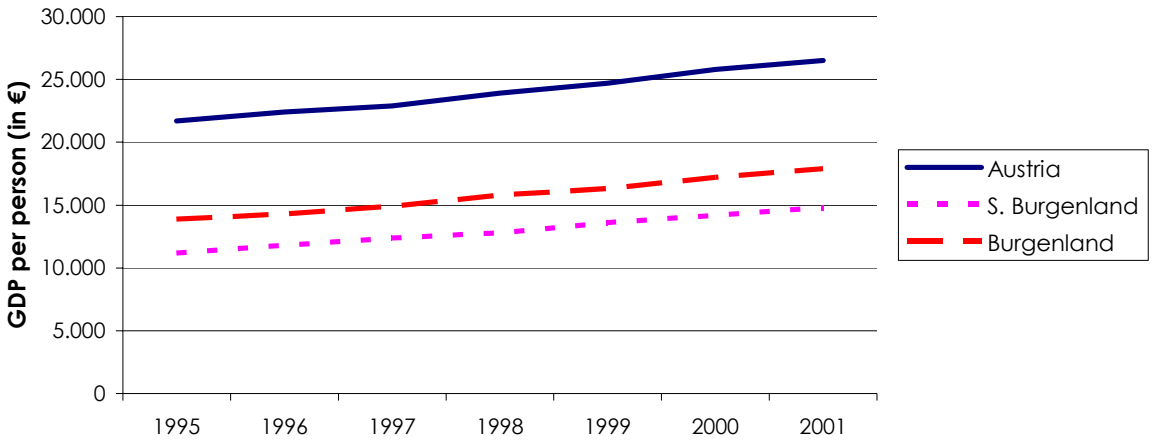
At present, the economic structure of Burgenland presents some peculiarities. The share of total employment[3] in the primary sector is 8.7 percent, thus much higher than in Austria as a whole (4.7 percent). Employment in the secondary sector in Burgenland is in line with the national average (approximately 27 percent), while the tertiary sector is less developed in Burgenland (64.0 percent) than in remaining Austria (68.2 percent). Within Burgenland there are, however, marked regional differences that can be highlighted with data at NUTS-III level. Northern Burgenland is characterized by a particularly high share of service industry (67.0 percent), which is explained by the fact that this sector is well-developed in the district

[2] According to the NUTS-III classification, Burgenland is divided into a Northern, a Central and a Southern part.

[3] Self-employed plus wage and salary earners, data refer to 2001, source: Statistics Austria.

of the Burgenland capital Eisenstadt. Southern and Central Burgenland, on the contrary, have a relatively strong secondary sector, with a share of persons employed in manufacturing of 30.4 and 33.3 percent in 2001, respectively (against 24.2 percent in Northern Burgenland). Since Central Burgenland has only a small population (38,000 inhabitants, against 98,500 in the South and 141,000 in the North), it is the Southern part that qualifies as the industrial pole of Burgenland. This is due to the textile and electronics factories that settled in this area during the 1960s and 1970s.

Graph 3: Development of GDP per person in Austria, Burgenland and Southern Burgenland (1995-2001)



Source: Statistics Austria, WIFO calculations.

The share of agriculture and forestry is approximately the same in all three NUTS-III regions, i.e., close to the Burgenland average of 8.7 percent. However, a closer look at the employment structure reveals significant differences between Northern and Southern Burgenland in this respect. The share of employment in the primary sector is almost the same only as long as we include both self-employed and employees. However, if we look only at the wage and salary earners[4] it becomes clear that the agricultural sector has a completely different structure in the two areas. Whereas Northern Burgenland has a share of 5.8 percent of the wage and salary earners employed in the primary sector, the corresponding figure for Southern Burgenland lies at only 1.7 percent. This indicates that in Northern Burgenland there is a relatively small number of self-employed workers in agriculture. These are the estate-holders, and employment in the sector consists mainly of workers that are hired, particularly during the harvesting season. In the South, on the contrary, the bulk of employment is represented by self-employed persons, i.e., owners of small parcels of land that rely on agriculture for part of

[4] For the data included in the following two paragraphs see *AMS* (2003A) and *AMS* (2003B), the figures refer to 2002.

their subsistence, and do not employ other persons. This type of subsistence agriculture is a symptom of the economic backwardness of the Southern part of Burgenland.

In the Oberwart district itself, employment (the self-employed excluded) in the primary sector reflects the agricultural structure of Southern Burgenland, while the secondary sector accounts for 38.1 percent of the employees. Important locations for the manufacturing industry are the municipalities Großpetersdorf, Pinkafeld and Oberwart, where the largest firms in metal and construction sector operate. The tertiary sector (60.1 percent of wage and salary earners) is larger than in other parts of Burgenland, but noticeably smaller than in remaining Austria, where the corresponding figure amounts to 71.2 percent. The tertiary sector has, however, been catching up over the past decades, both in Southern Burgenland in general and in Oberwart in particular. This has been mainly the result of a strong expansion of the tourism sector, as well as of a development of the health sector infrastructure. The traditional pole of Burgenland tourism is located in the Northern area of Burgenland, around the Neusiedler Lake. However, in recent times tourism, and especially the wellness- and health-tourism linked to spas and therms, has been strongly developed in Central and Southern Burgenland. Important locations in this sense are the Thermal Spa Stegersbach in the Stegersbach district and the Sonnentherme Lutzmannsburg, situated in the Oberpullendorf district.

With the exception of one firm, that has over 800 employees, large manufacturing firms in the Oberwart district (as of July 2002) employ between 100 and 300 persons:

Type of product and location	**Number of employees**
Electronic components, Großpetersdorf	880
Textiles, Rechnitz and Oberwart	318
Automotive parts, Großpetersdorf	311
Metal products, Pinkafeld	300
Metal products, Oberwart	174
Construction products, Pinkafeld	151
Cement, Oberwart	133
Construction products, Oberwart	126

Source: AMS

In the Oberwart district, Bad Tatzmannsdorf is the most popular tourist site. Four of the eight largest service industry employers of the district are located in Bad Tatzmannsdorf, and are directly linked to thermal tourism. Not only for Bad Tatzmannsdorf, but for the whole Oberwart district tourism represents an increasingly important source of revenue. Taken together, the 32 municipalities that constitute the district have registered 539,593 guest-nights in the year 2001/2002. Of these, 55.7 percent were in the summer season. Thus, the Oberwart district accounts for a share of slightly more than 20 percent of the total guest-nights in Burgenland.

Large service industry employers in the Oberwart district (as of July 2002):

Type of service and location	Number of employees
Health, Oberwart	769
Tourism, Bad Tatzmannsdorf	378
Health, Bad Tatzmannsdorf	233
Social and community service, Oberwart	137
Tourism, Bad Tatzmannsdorf	136
Public administration, Oberwart	128
Tourism, Bad Tatzmannsdorf	102
Transport, Unterkohlstätten	90

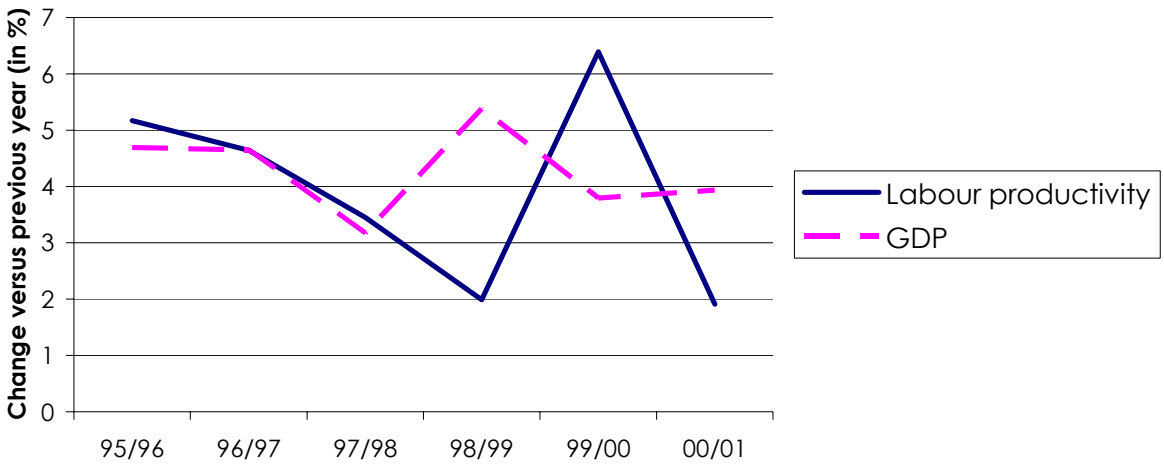
Source: *AMS* (2002).

1.3 Above-average increase in labour productivity in Burgenland

Whereas the development of GDP per capita in Burgenland has run parallel to the national trend (see graph 4), the whole *Bundesland*, and Central and Southern Burgenland in particular, have experienced an above-average increase in labour productivity per employee. Between 1995 and 2001 labour productivity at the national level, measured as the gross value added (in current prices) over the total workforce, has increased by 16.6 percent. Over the same period, the gross value added per employee in Burgenland has gone up by 22.7 percent. In Southern Burgenland, labour productivity has increased even more than in remaining Burgenland, with a rise of 25.9 percent between 1995 and 2001. In general terms, there is a high positive correlation between labour productivity and GDP growth (*Biffl,* 2001). As can be seen from Graph 4, this finding holds only partially for Southern Burgenland: between 1998 and 2000 the two indicators have developed in opposite directions. This fact can be explained by a rapid increase in employment during a period of sustained economic growth that has led to an overheating of the GDP growth rate, contributing to the employment of persons with below average productivity and/or capital widening rather than deepening. In the following period, when economic growth decelerated, the least productive workers lost their jobs, which allowed a renewed above average increase in the growth rate of labour productivity.

In spite of the above-average increase in labour productivity experienced by Burgenland and Southern Burgenland during the second half of the 1990s, the level of labour productivity in the region is still considerably lower than in remaining Austria. This gap has, however, been reduced significantly: whereas in 1995 labour productivity in Austria was almost 20 percent higher than in Burgenland, in 2001 the differential was only 13.7 percent. In 1995 the labour productivity at national level exceeded that in Southern Burgenland by 32.1 percent, while in 2002 this margin had shrunk to 22.4 percent.

Graph 4: Development of GDP and labour productivity, Southern Burgenland (1995-2001)



Source: Statistics Austria, WIFO calculations

The fact that GDP per person has not increased at the same pace as labour productivity, is an indication that the income differential within the population has widened over the observed period. The development of labour productivity and of wages is highly correlated, and therefore we can assume that – especially in Central and Southern Burgenland – wages and salaries have increased more than at national average. This increase has benefited workers who are employed in highly productive sectors of the economy. However, the development of per capita GDP of the whole population has lagged behind, highlighting the fact that there has also been a group of losers in the process. In particular, the gap between persons that perceive income from employment, and those who are not in employment, and are receiving transfer income (like retirement pay, unemployment benefits and social welfare) has increased.

2. Characteristics of the labour market

2.1 Traditional weakness of the Burgenland labour market

The labour market in Burgenland has traditionally been characterised by high unemployment rates, with a large share of the population forced to commute or migrate to make ends meet. Between 1951 and 1961 the migration rate[5] amounted to –8.6 percent, while in the following decade net migration still accounted for –3.7 percent of the total population. This migratory trend came to a halt only in more recent years, with –0.7 percent of net migration between 1971 and 1981, and was eventually reversed with positive migration rates in the

[5] This rate is calculated as net migration (i.e., differential between inflow and outflow of persons) during the ten-year-period over the total population at the beginning of the period.

1980s and 1990s (+1.8 and +4.7 percent, respectively). It is unlikely, however, that this reversal of the migratory trend can be ascribed solely to improved conditions on the labour market. In the long-term perspective, the Burgenland unemployment rate has experienced a hike since 1980 (when it was at 3.4 percent), and has stagnated at a high level throughout the 1990s: it amounted to 8.5, 7.9 and 8.2 percent in 1999, 2000 and 2001, respectively. A part of the migratory flow, at least during the 1990s, has been the consequence of the fall of the Iron Curtain, and of the waves of refugees that arrived to Austria during that period.

As will be seen in Section 2.4, the number of wage and salary earners has increased by more than the Austrian average in Burgenland over the 1995-2002 period. This development has taken place mainly in the Northern and Southern parts of the region, while Central Burgenland has been lagging behind. Whereas the manufacturing sector has shed some labour[6], the service sector (and here especially business-related services, the health sector and tourism) could more than compensate these losses. In spite of this positive trend, the unemployment rate in Burgenland (8.6 percent in 2002) continues to be considerably higher than at national level (6.9 percent). The development of the employment situation in the Oberwart district has followed by and large the regional trend, albeit with slightly less positive results. Throughout the 1990s the number of wage and salary earners in the district has increased only slowly, although continuously. Between 1997 and 2002 the increase was of 5.7 percent, and hence almost two percent below the Burgenland average[7]. Transport, business-related services and trade were the sectors with the strongest positive trend.

2.2 High share of foreign labour force in Burgenland

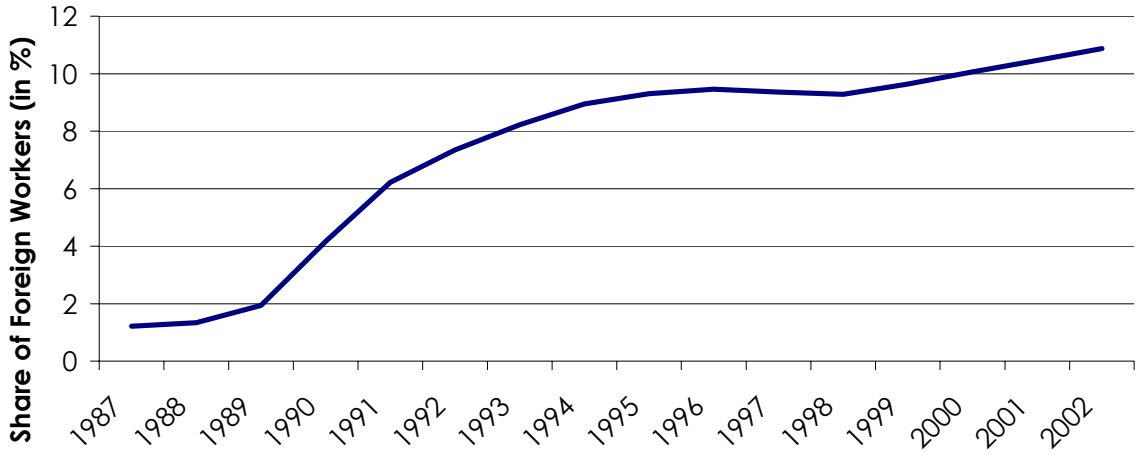
Burgenland's labour market and labour force have always been influenced by the border-land position of the region. During the Cold War era, this peripheric position has hampered economic growth, and led to a drain of human resources from Burgenland. The fall of the Iron Curtain, and the process of EU enlargement, have transformed Burgenland and turned it into a gateway to the East, while attracting workers from the former communist bloc. Since the early 1990s increasing numbers of workers from Hungary and Slovakia have crossed the border as commuters or migrants. In 1998 Austria and Hungary signed a treaty for the regulation of cross-border commuters (*Grenzgängerabkommen*). This treaty allows residents of the border-regions to seek employment in the other country. The regulation is limited by a contingent, and it applies only to jobs in agriculture, tourism and certain manufacturing industries (textile, metal and electronics industries, and the construction sector are excluded). Graph 5 shows how the share of foreign workers in Burgenland has surged in the aftermath of 1989, and has steadily increased in the following period. Up to 1988, the share of foreign

[6] A massive job loss in the manufacturing industry has resulted from the transfer of production sites to Central and East European countries in the wake of opening up of trade.

[7] These figures come from the *Hauptverband der Sozialversicherungsträger* (HSV), and are quoted in *AMS* (2002). They include all ÖNACE industries, and notably the public sector employees who cannot be regionalised in the database at our disposal.

workers on the wage and salary earners in Burgenland was only 1.2 percent. It jumped to 4.2 percent in 1990 and to 8.9 percent in 1994. Over the last decade, the expansion of the foreign workforce has continued, albeit at a lower rate, reaching a share of 10.9 percent in 2002.

Graph 5: Share of foreign workers on total number of employees in Burgenland (1994-2002)



Source: HSV, WIFO calculations.

Over the same time span (1987-2002), the share of foreign workers in Austria has gone from 5.3 to 10.6 percent. Hence, in 2002 the share of foreign labour force in Burgenland lay slightly above the Austrian average – it had been less than one fourth of it in 1987. In 2002 there were 8,971 foreign workers in Burgenland, i.e., 2.7 percent of the total foreign workforce in Austria (334,432). In 1987, there had been only 770 foreigners working in Burgenland, representing merely 0.5 percent of the Austrian total. The high influx of foreigners over the last fifteen years has impacted the Burgenland labour market strongly. In particular, it can be argued that the resulting expansion of labour supply has contributed to increase competition for jobs on the lower end of the qualification spectrum.

2.3 Average firm size in Burgenland and Oberwart

A differentiated analysis of the regional labour market is made possible by social security data (of wage and salary earners) taken from the HSV (*Hauptverband der österreichischen Sozialversicherungsträger*). The dataset on which the following analysis is based comprises the years between 1995 and 2002 (with the 7th of June as cut-off date for every single year), and includes all employment occurrences under exclusion of employees of the public sector, of the railways and of the municipalities (registered with the health insurance, *Krankenfürsorge-anstalten*). Hence, at the national level, approximately 500,000 (averaging 15.8 percent of

the total) wage and salary earners are excluded from the analysis. The dataset allows to gain information on the age- and gender-structure of employment, as well as on the economic sectors and the size of the firms in which wage and salary earners are employed. At the national level all sectors of the economy can be analysed. At regional level, a disaggregation of workers from the service industry is not always possible, and therefore the description of the Oberwart district is limited to the manufacturing industry, with the inclusion of the agricultural, construction, energy and tourism industries.

In terms of firms' size, differences between Burgenland and remaining Austria are rather negligible. Both at national and regional level, small firms represent the vast majority of all enterprises. In 1995, 92.6 percent of all firms in Austria had no more than 20 employees. The corresponding figure for Burgenland was exactly the same. Over the observed period, there has been no major shift in the structure of firms' size. In 2002, the share of firms with up to 20 employees was 92.3 percent of the total in Austria, and 92.5 percent in Burgenland. With respect to medium-sized and larger firms, Burgenland has a slightly higher share of firms with 21 to 50 employees than remaining Austria, and a lower share of firms with more than 100 employees.

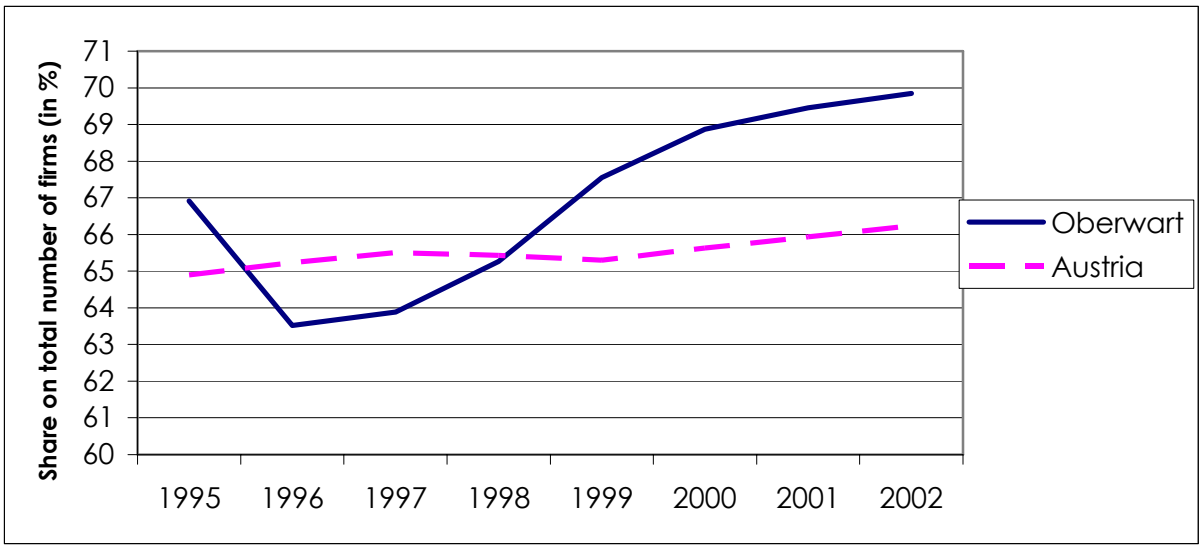
Table 2: Firms' structure according to size, in percent of total number of firms (1995-2001)

Employees		1995	1996	1997	1998	1999	2000	2001	2002
		In percent							
1 to 5	Austria	73.7	73.8	73.9	73.8	73.6	73.4	73.1	73.1
	Burgenland	71.1	70.9	70.9	71.5	71.5	71.7	71.4	71.3
6 to 20	Austria	18.9	18.9	18.8	18.8	19.0	19.1	19.2	19.2
	Burgenland	21.5	21.7	21.4	20.8	20.7	20.6	21.1	21.2
21 to 50	Austria	4.4	4.4	4.4	4.4	4.5	4.5	4.6	4.6
	Burgenland	4.8	4.8	5.1	5.0	5.2	4.9	4.7	4.7
51 to 100	Austria	1.5	1.5	1.5	1.5	1.5	1.6	1.6	1.6
	Burgenland	1.5	1.5	1.6	1.6	1.5	1.7	1.7	1.6
more than 100	Austria	1.4	1.4	1.4	1.4	1.4	1.5	1.5	1.5
	Burgenland	1.1	1.1	1.1	1.1	1.1	1.1	1.2	1.2

Source: HSV, WIFO calculations:

As can be seen from Table 2, greater differences can be observed if we further disaggregate the small firms. Burgenland has a relatively low share of firms with no more than 5 employees, 71.3 percent against 73.1 percent at national level for the year 2002. On the contrary, the share of firms with 6 to 20 workers is higher in Burgenland than in Austria as a whole (21.2 versus 19.2 percent). With respect to the Oberwart district, comparisons have been limited to the abovementioned industries. In Oberwart, the share of firms with up to 5 employees is higher than at national level. Their number has increased over the last years, and amounted to 69.8 percent of the total in 2002 (against 66.2 percent for Austria). The share of firms with 6 to 20 employees is in line with the national average, while there are a relatively small number of firms with 21 to 50 employees, 51 to 100 and more than 100 workers. As in the case of remaining Burgenland, however, differences from the national average are not sizeable.

Graph 6: Firms with no more than 5 employees, Austria and Oberwart, selected industries (1995-2001)



Source: HSV, WIFO calculations.

2.4 Sharp decline of the manufacturing sector

The HSV data allow to look at the development of employment according to industry, gender and age. At the national level, the number of wage and salary earners increased by a yearly average of 0.8 percent between 1995 and 2002[8]. In absolute figures, this corresponds to a yearly employment expansion of 20,000 persons, from 2,555,674 to 2,696,270 workers. In Burgenland, employment has developed stronger than at national level, at a yearly rate of 1.4 percent. Over the whole period, in Burgenland the increase in employment was almost twice as high as in remaining Austria: 10.1 percent against 5.5 percent. At national level, the industry with the highest employment creation in relative terms was the ÖNACE category ‚Computer and related activities', where between 1995 and 2002 employment increased by 39.2 percent (+17,612 workers). Other sectors that expanded vigorously in relative terms were ‚Activities auxiliary to financial intermediation' (+34.5 percent, +3,261 workers), ‚Research and development' (+19.3, +4,377) and ‚Other business activities' (+15.1 percent). The latter was also the sector with the highest increase in absolute terms (+66,116 units), followed by other service-industries such as ‚Health and social work' (+24,576 workers), ‚Computer and related activities' and ‚Activities auxiliary to financial intermediation' (+13,959).

[8] It has to be remarked that the database does not include employees of the public sector.

Table 3: Changes in employment (1995 and 2002)[9]

	B	C	LA	UA	S	St	T	V	W	A
					In percent					
95/96	0.9	–1.3	0.1	–0.3	–0.9	0.4	–0.2	–0.6	–1.7	–0.6
96/97	0.7	–0.1	0.3	0.1	–0.9	1.0	–0.2	–0.6	–1.0	–0.2
97/98	2.1	1.2	2.3	2.3	0.6	1.9	1.4	1.8	–0.3	1.3
98/99	2.7	1.2	1.8	1.5	1.0	1.7	1.9	1.5	0.7	1.5
99/00	2.0	0.6	1.2	1.9	1.3	2.0	2.1	1.5	0.8	2.1
00/01	1.0	1.3	0.3	2.0	1.0	1.7	2.1	1.7	0.6	1.4
01/02	0.3	–1.1	–1.6	–0.3	–0.8	–0.8	–0.3	–1.1	–1.5	–0.2
Total	10.1	1.8	4.5	7.3	1.2	8.1	7.0	4.2	–2.5	5.5
Avrg.	1.4	0.3	0.6	1.0	0.2	1.1	1.0	0.6	–0.6	0.8

Source: HSV, WIFO calculations.

In Burgenland, the strongest expansion – not counting industries where the very low number of employees distorts relative figures – was experienced in ‚Health and social work' (with plus 2,656 employees, corresponding to +93.4 percent), ‚Other business activities (+1,093, +83.6 percent) and 'Wholesale trade' (+1,270, +39.5 percent). Tourism expanded its workforce by 860 units, with an increase of 22.2 percent between 1995 and 2002. During the observed period, a strong fall in employment was registered in manufacturing industries, especially in the industries of electrical machinery, that shed 31.2 percent of its workforce (i.e., 712 persons), and apparel, that lost 627 (46.7 percent) of its employees.

It has already been pointed out that at the district level similar data to the national and *Bundesland* level are not available. In order to gain information that is disaggregated at district level, the analysis is limited to the manufacturing sector, with the inclusion of the agricultural, construction, energy and tourism industries. However, also this restricted dataset includes entries that cannot be univocally assigned to one of the 6 Burgenland districts. On average these data, which have not been taken into consideration, account for 7.6 percent of the total of every single year. Nevertheless, the picture that emerges from the analysis of this dataset provides a good integration of the information surveyed so far. Between 1995 and 2002, the Oberwart district lost 362 jobs in the observed sectors, equivalent to 6.2 percent of the wage and salary earners in 1995. This decline in employment reflects the contraction of the manufacturing sector that has taken place also in remaining Burgenland and Austria. Oberwart, where the secondary sector accounts for an above-average share of the economy, has been particularly hit by this development. In fact, the industries that have incurred the highest job losses were the manufacturing of electrical machinery (–437 units, i.e., –32.9 percent between 1995 and 2002), and the manufacturing of apparel (–228 units,

[9] Burgenland (B), Carinthia (C), Lower Austria (LA), Upper Austria (UA), Salzburg (S), Styria (St), Tyrol (T), Vorarlberg (V), Vienna (W) and Austria (A).

i.e., –71.0 percent). Also the wood industry, where employment shrunk by 64.3 percent (i.e., 117 persons), has experienced a significant decline.

Table 4: Relative changes in employment in Burgenland districts (manufacturing, agriculture, construction, energy and tourism only)

	95/96	96/97	97/98	98/99	99/00	00/01	01/02	Total	Avrg.
					In percent				
Eisenstadt	0.4	1.2	0.2	1.0	–0.4	1.0	0.7	4.1	0.6
Neusiedl a.S.	3.8	2.5	2.2	5.0	3.1	0.1	0.2	18.0	2.4
Mattersburg	–0.1	0.1	1.4	–0.3	–1.1	–1.9	–1.6	–3.4	–0.5
Oberpullendorf	3.1	0.8	–3.5	–5.5	0.8	3.4	–2.2	–3.4	–0.4
Oberwart	–0.5	–2.9	–0.7	1.0	0.9	–4.5	0.4	–6.2	–0.9
Stegersbach	5.2	–2.8	11.6	2.0	1.5	0.7	3.9	23.7	3.2

Source: HSV, WIFO calculations.

Whereas employment in the observed industries has fallen, we have already mentioned that the Oberwart labour market as a whole has witnessed an expansion of employment (see Section 2.1). Data from the HSV, that include the service industry as well as public sector employees, show that between 1997 and 2002 Oberwart registered a plus of 5.7 percent in employment, with a total of 13,163 wage and salary earners in 2002. If we look only at the manufacturing sector, including agriculture, construction and energy, but excluding tourism, the period 1997 to 2002 saw a sharp decline in employment, with 9.2 percent less wage and salary earners in 2002 than in 1997. Hence, it becomes evident that the service industry has been a strong engine of growth over the last years, more than compensating the considerable losses incurred in more traditional sectors of the economy. In fact, of the sectors that are part of our dataset, tourism has experienced the strongest absolute expansion, with 126 new employees (+15.0 percent) between 1995 and 2002. Unfortunately, it is not possible to account for the single sectors of the service industry at district-level. However, a total figure for the whole industry can be calculated. Between 1997 and 2002 approximately 930 jobs were created in the whole economy (while slightly over 300 were lost in the secondary sector). Since over the same period tourism registered 130 additional employees, it can be inferred that the service industry (excluding the tourist sector) created around 800 new employment opportunities for wage and salary earners between 1997 and 2002.

As can be seen from table 4, the observed sectors have performed worse in Oberwart than in the other Burgenland districts. Whereas also Mattersburg and Oberpullendorf have registered a decline in the number of wage and salary earners between 1995 and 2002, in Eisenstadt and Neusiedl am See there has been an expansion of employment in the relevant sectors. The Stegersbach district is particularly remarkable, for – while bordering to Oberwart – it evidences employment figures that are far better than the latter. Of the 800 jobs that have been created in Stegersbach between 1995 and 2002 (in the observed industries), more than 200 have been in the tourist sector. Interestingly, however, also some manufacturing sectors registered strong increases in employment: particularly the ÖNACE categories 19 (tanning

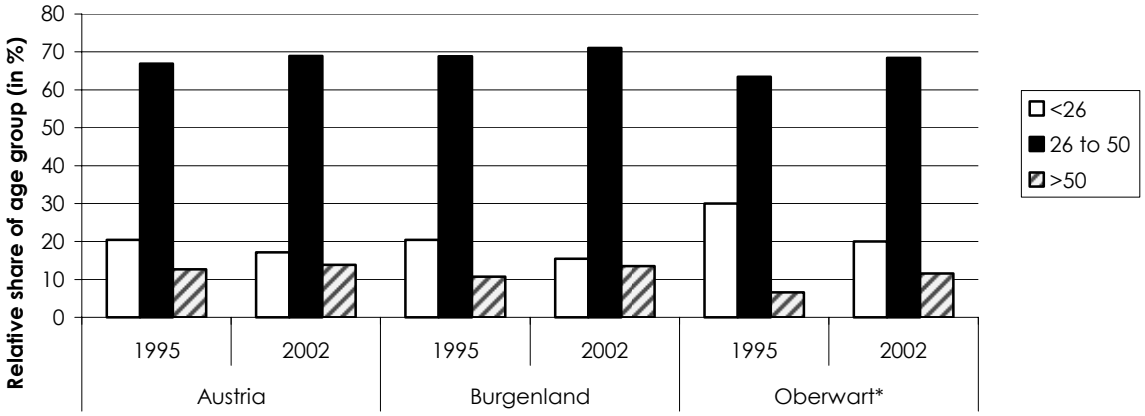
and dressing of leather), 20 (wood) and 28 (fabricated metal products) expanded their number of employees, with over 300, 150 and 70 additional wage and salary earners between 1995 and 2002. According to HSV figures, the district experienced a total increase in employment of 19.3 percent between 1997 and 2002 (all sectors included). Hence, while Stegersbach continues to remain one of the weakest Austrian economic areas (in 1995 its GDP per capita was only 45 percent of the national average), over the past few years it was able to create new employment at very high rates. Oberwart, on the contrary, performed below the Burgenland average over the same period, and lost jobs even in some industries that were expanding in its neighbouring district.

2.5 Shift towards older cohorts in employment age structure

Changes in employment have not been homogenous between age groups. Over the 1995-2002 period, employment has increased more for older cohorts than it has for younger ones. On average, there was a yearly decline of 2.9 percent in the number of wage and salary earners below the age of 26; this corresponds to a cumulative decrease of 11.3 percent. At the same time, people aged over 50 increased employment by 15.3 percent, corresponding to an average of 2.1 per year. The middle group, composed of people aged between 26 and 50, increased by 1.2 percent p.a., or 8.8 percent over the observed period. In Burgenland the demographic trend in employment has followed the pattern of remaining Austria, and the shift towards older cohorts in the age structure of the wage and salary earners has been even more pronounced. Between 1995 and 2002, the number of employees under 26 years of age decreased by 16.8 percent, while that of persons between 26 and 50 increased by 13.7 percent, and that of the over 50 surged by 38.5 percent. These figures correspond to yearly averages of –2.6, +1.9 and +4.8 percent, respectively.

As can be seen from the graph below, these developments have affected the composition of the workforce noticeably. In Burgenland the share of wage and salary earners aged below 26 has declined from 20.4 percent to 15.4 percent in only 7 years. The national average in 2002 was 17.2 percent. With respect to Oberwart, a direct comparison is difficult because of the limitations of the database at district-level. Nevertheless, the available data indicate clearly that in this district the demographic shift in the labour force has taken place too, and arguably with more force than at national and regional level. In fact, in Oberwart between 1995 and 2002 the age group below 26 has registered an average annual decrease of 6.4 percent, which resulted in a cumulative fall of 37.4 percent – from 1,759 to 1,101 persons. At the same time, the older age group has increased by an average of 7.6 per year, going from 385 to 636 persons. The middle age group has remained almost unchanged, increasing by 1.2 percent (from 3,726 to 3,771 workers). The share of employees under 26 (in the observed industries) has fallen from 30.0 percent in 1995 to 20.0 percent in 2002, whereas the older cohort has expanded its share of wage and salary earners from 6.6 percent in 1995 to 11.5 percent in 2002.

Graph 7: Age structure in employment in Austria, Burgenland and Oberwart (1995 and 2002)[1]



Source: Statistics Austria, WIFO calculations. – [1] Only manufacturing, agriculture, construction, tourism and energy.

Also, the gender distribution of employment has changed over this relatively short period of time. Both in Burgenland, and in remaining Austria, the number of employed women has increased more than that of men. Over the observed period, male employment grew at an annual rate of an average 0.2 percent, with a cumulative total of 1.6 percent. Female wage and salary earners, on the other side, increased by 1.5 percent p.a., corresponding to an expansion of 10.7 percent between 1995 and 2002. Hence, the gender structure of the workforce has undergone a slight shift: whereas in 1995 57.3 percent of the wage and salary earners were men (and 42.7 percent women), in 2002 the respective shares were 55.2 and 44.8 percent. In Burgenland there has been a very similar development. Male employees have increased by a yearly average of 1.0 percent, with a cumulative increase of 6.9 percent. At the same time, the number of female wage and salary earners has grown at a rate of 1.9 percent p.a., with a total increase of 14.3 percent. This has brought the share of women in employment to increase from 43.5 percent in 1995 to 45.2 percent in 2002, while the share of men has gone from 56.5 percent to 54.8 percent of the total. In Oberwart, the contraction of the workforce in the manufacturing industry has hit women much harder than men. This is not surprising, since traditionally the presence of women has been strong in those industries – producing mainly textiles, clothing and electrical equipment – that have experienced a rapid decline.

Table 5: Relative changes in employment according to gender – Burgenland districts

		95/96	96/97	97/98	98/99	99/00	00/01	01/02	Total	Avrg.
Eisenstadt	M	–0.0	2.1	–0.5	0.7	1.0	0.6	0.4	4.3	0.6
	W	1.3	–0.9	1.9	1.8	–3.4	1.8	1.3	3.6	0.5
Neusiedl a.S.	M	3.6	3.4	1.0	2.5	4.6	2.0	–0.1	18.3	2.4
	W	4.3	0.7	4.6	9.9	0.3	–3.6	0.6	17.5	2.4
Mattersburg	M	0.6	1.0	0.5	–0.6	–1.2	–2.7	–0.6	–3.1	–0.4
	W	–1.8	–2.2	4.2	0.3	–1.0	0.2	–3.9	–4.3	–0.6
Oberpullend.	M	1.2	0.0	1.4	–2.6	–1.0	3.4	–2.2	0.2	0.0
	W	7.2	2.4	–13.6	–12.6	5.6	3.5	–2.3	–11.5	–1.4
Oberwart	M	3.4	–1.0	–0.6	2.0	1.4	–4.1	0.8	1.7	0.3
	W	–5.8	–5.8	–1.0	–0.6	0.2	–5.1	–0.4	–17.2	–2.6
Stegersbach	M	7.9	–4.1	9.1	1.5	0.6	0.5	2.9	19.3	2.6
	W	–1.0	0.5	17.6	3.1	3.6	1.1	6.0	34.0	4.4

Source: HSV, WIFO calculations.

Between 1995 and 2002, the number of female wage and salary earners (in the observed industries) has fallen by 17.2 percent, at a yearly average of –2.6 percent. Male employees, quite conversely, have remained roughly stable over the period, with plus 1.7 percent, corresponding to an increase of 0.3 percent per year. A similar development has taken place in the Oberpullendorf district, where the number of employed women decreased by 11.5 percent, while that of men remained almost unchanged. In the Stegersbach district on the contrary it was the number of women that increased more than that of men. In the other districts, changes in employment have affected women and men in more or less the same way. It has to be noted, however, that Oberwart was, and continues to be, the district with the highest share of female employment. The share of women in the observed industries was 41.7 percent in 1995, and it has fallen to 36.8 percent in 2002. In the other districts the share of women was about 30 percent at the beginning of the observed period, and – with the exception of Oberpullendorf, where it decreased, and of Stegersbach, where it increased – it has remained stable up to 2002.

The decline in female employment in Oberwart has been mainly concentrated in a few manufacturing industries. The production of electrical machinery, that has registered the highest loss of employment, has alone shed over 450 female workers (equal to 45 percent of the women employed by the sector) between 1995 and 2002. Interestingly, over the same period of time the number of male wage and salary earners in this industry has not fallen, but even slightly increased. The manufacturing of apparel has lost almost 200 female workers (roughly 75 percent of the total). On the contrary, in the tourist sector all new employment has gone to women: while their number in the industry has increased by 160 units between 1995 and 2002, there has been a slight decline in the number of male workers over the same period.

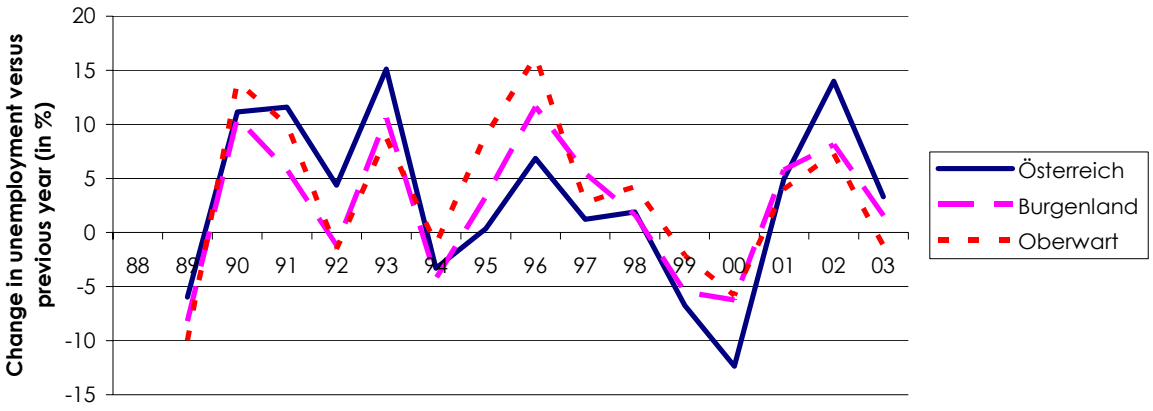
3. Stock-flow analysis

3.1 Sharp rise in unemployment in Oberwart

Whereas the preceding section has looked at the labour market from a static perspective, this section analyses the labour market as a dynamic system. The figures on employment are the net result of gross employment flows, i.e., status changes between employment, unemployment and positions outside the labour force. In order to gain a full understanding of changes in the levels of employment and unemployment, it is necessary to analyse these flows. For instance, the unemployment rate depends both on the frequency with which unemployment occurs, and on the duration of unemployment episodes. A high frequency of unemployment can be the consequence of unstable job situations, but also of increased inflows and outflows into/from the labour market. In other words, inflows into unemployment can come from people that previously were not economically active (e.g., housewives), or from workers that have been laid-off. The duration of unemployment episodes depends on the likelihood of re-integration into the labour market, and on seasonal components (*Biffl,* 1980).

The dynamic of the national and regional labour market can be analysed with the help of data from the Labour Market Service (AMS). This dataset includes monthly figures for the registered unemployed and vacancies, as well as inflows into and outflows from unemployment and vacancies. At the regional level (i.e., the single districts), data on inflows and outflows have been included for the years 1991, 1999 and 2001 only.

Graph 8: Yearly changes in unemployment in Austria, Burgenland and Oberwart (1988-2003)



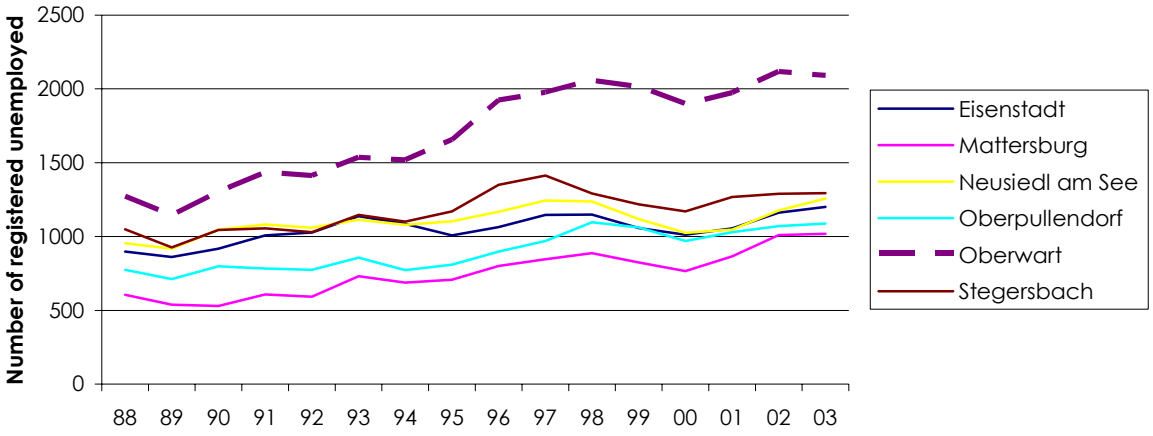
Source: AMS, WIFO calculations.

Unemployment has experienced a very negative dynamic during the last fifteen years in Austria, and in the Oberwart district this trend has been particularly strong. Between 1988 and 2003 the number of unemployed registered with the AMS in the whole of Austria surged by

51.3 percent. Over the same period, unemployment increased by 43.0 percent in Burgenland, thus less than at national level. The Oberwart district, however, registered a much higher rise of unemployment, with 64.5 percent more unemployed persons in 2003 than in 1988. It is important to differentiate between sub-periods within these fifteen years. In fact, at the national level the number of unemployed has increased much more between the late 1980s and the early 1990s, than it has in more recent years (35.5 percent between 1988 and 1994, and 11.7 percent between 1994 and 2003).

In Burgenland and in Oberwart the opposite is true. While at national level the number of registered unemployed has increased by 11.7 percent between 1994 and 2003, the corresponding figure for Burgenland lies at 22.2 percent. The Oberwart district has experienced a particularly high rise of unemployment over this time span, with 37.8 percent more unemployed persons in 2003 than in 1994. This development is particularly remarkable in a comparison with the remaining Burgenland districts (see Graph 9): not unlike Oberwart, all districts have experienced an increase of unemployment over the observed period. However, this rise in unemployment has been homogenous, and rather contained. The number of registered unemployed in the Oberwart district, on the contrary, has followed a much steeper trend, creating a widening gap *vis-à-vis* the remaining districts.

Graph 9: Number of unemployed persons in Burgenland districts (1988-2003)



Source: AMS, WIFO calculations.

3.2 Burgenland and Oberwart labour market dynamic accelerated in mid-1990s

Also the number of inflows into and outflows from unemployment has undergone a significant expansion during the 1988-2003 period, both in Austria as a whole, and in Burgenland. At the national level, the yearly inflows into unemployment have increased by 65.1 percent, while in Burgenland the upward trend has been a bit weaker, at +40.4 percent.

Table 6: Stock and flows of unemployment in Austria, Burgenland and Oberwart (1988-2003)

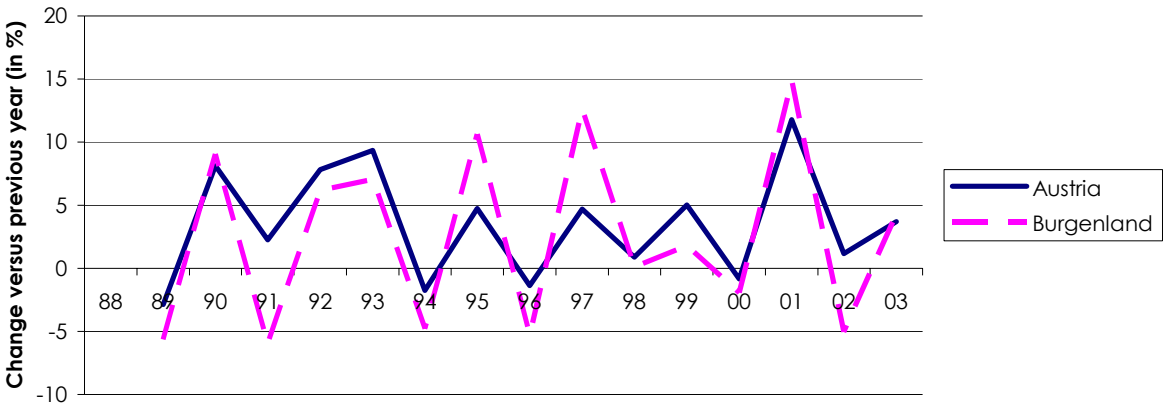
	Austria			Burgenland			Oberwart		
	Stock (avrg)	Inflows (sum)	Outflows (sum)	Stock (avrg)	Inflows (sum)	Outflows (sum)	Stock (avrg)	Inflows (sum)	Outflows (sum)
1988	158631	519157	511089	5555	20236	19933	1272	–	–
1989	149177	495897	496401	5100	18562	18808	1144	–	–
1990	165795	525583	536658	5640	19899	20513	1304	–	–
1991	185029	556833	548780	5967	20717	19283	1434	4459	4367
1992	193098	597948	591724	5895	20698	20473	1412	–	–
1993	222265	640170	646996	6518	21815	21912	1536	–	–
1994	214941	704809	635713	6244	23784	20861	1519	–	–
1995	215716	696895	665950	6451	24010	23078	1655	–	–
1996	230507	706449	656753	7201	25182	21867	1924	–	–
1997	233348	721616	687656	7596	25317	24625	1977	–	–
1998	237794	754979	693724	7720	28892	24651	2060	–	–
1999	221743	806308	728672	7296	27955	25086	2017	5759	5512
2000	194314	800111	722528	6840	27156	24600	1899	–	–
2001	203883	823777	807657	7236	27856	28260	1975	6105	6598
2002	232418	881294	817068	7824	29395	26835	2118	–	–
2003	240079	916546	847442	7946	30694	27996	2093	–	–

Source: AMS, WIFO calculations.

As in the case of the unemployment stock, the flow dynamic in Burgenland has been considerably more pronounced since the mid-1990s. Between 1988 and 1994 the number of yearly inflows increased by only 4.6 percent (against 24.4 percent in Austria), while it surged by 34.2 percent between 1994 and 2003 (against 33.3 percent in remaining Austria). For Oberwart, the data on inflows and outflows into/from unemployment are available only for the years 1991, 1999 and 2001. Between 1991 and 2001 the number of entries into unemployment in the district has climbed by 51.1 percent, slightly more than at the national and regional level (47.2 and 46.5 percent, respectively).

A similar pattern can be detected with regard to outflows from unemployment. Between 1988 and 2003 the number of outflows in Austria has climbed by 76.5 percent, going from 519,000 to 916,000. The correspondent development in Burgenland has been less accentuated, with an increase in yearly unemployment outflows of 51.7 percent over the same period. As graph 9 evidences, here too the dynamic in Burgenland has followed a different pattern than in remaining Austria. Up to the early 1990s, the change in outflows has been rather contained, amounting to +17.5 percent between 1988 and 1994. The corresponding figure for Austria as a whole is +35.8 percent. During the following years, however, Burgenland has adjusted to the national average, with an increase in yearly outflows from unemployment of 29.0 percent between 1994 and 2003 (against 30.0 percent for Austria). In the Oberwart district, the yearly number of outflows has gone from 4,459 in 1991 to 6,105 in 2001. This corresponds to an increase of 36.9 percent, and is more or less in line with the regional value for the same period (34.4 percent).

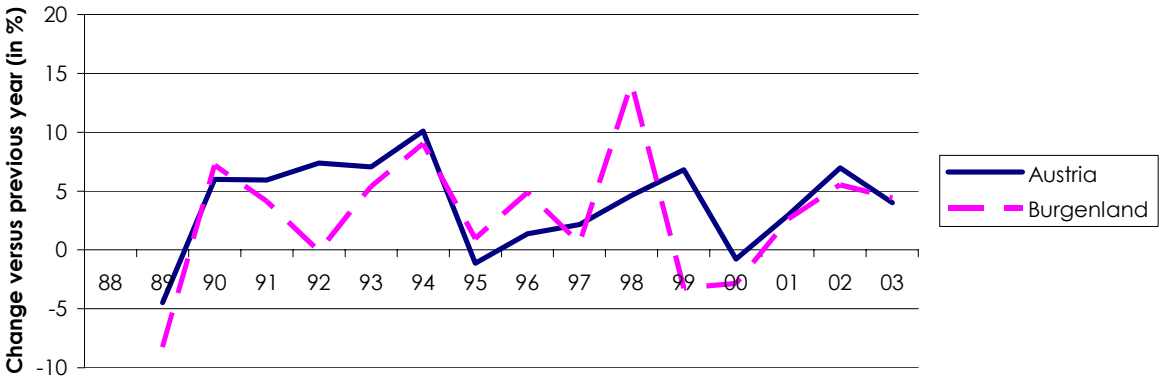
Graph 9: Yearly changes in unemployment inflows in Austria and Burgenland (1988-2003)



Source: AMS, WIFO calculations.

To sum up, it is safe to say that there has been a significant break in the labour market dynamics in Burgenland during the mid-1990s. The years 1994 and 1995 have marked a sharp increase in unemployment, as well as the beginning of an unprecedented dynamic in terms of flows into and out of unemployment. For the Oberwart district, these years have been particularly momentous, as they have brought unemployment to a new level: while up to 1994 unemployment lingered between 1,000 and 1,500 units, from 1996 onwards it stabilised at approximately 2,000 persons. This is a clear indication that the stock of unemployment increased permanently during the mid-1990s, and that an additional number of long-term unemployed was created.

Graph 10: Yearly changes in unemployment outflows in Austria and Burgenland (1988-2003)



Source: AMS, WIFO calculations.

3.3 The unemployment rate and its components

The availability of data on unemployment stocks and flows allows to analyse the unemployment rate in its components, i.e., frequency (incidence) and duration of unemployment episodes. With the help of these data, the probabilities of inflows into and outflows from unemployment, as well as the average duration of unemployment can be calculated. The calculations are based on the following equations:

$$UnemploymentRate_i = \frac{Unemployed_t}{LabourforceSupply_t} = \frac{InflowRate}{OutflowRate} = \frac{iU_t * U_{t-1} * 4.3}{LfS_{t-1} * oU_t}$$

$$InflowRate_t = \frac{iU_t}{LfS_{t-1}} * 100$$

$$OutflowRate_t = \frac{oU_t}{U_{t-1}} * 100$$

Whereby:

iU_t = inflow into unemployment at time t

U_{t-1} = unemployed at time $t-1$

LfS_{t-1} = labour force supply (wage and salary earners plus unemployed) at time $t-1$

oU_t = outflow from unemployment at time t

t = month, t = 1, 2, . . ., 12

Overall, the period between 1988 and 2003 has seen a dramatic increase in the incidence of unemployment, as in Austria the risk to be hit by unemployment has gone from 1.4 percent to 2.1 percent of the labour force. This figure does not correspond to a mathematical probability to become unemployed (*Biffl, 1980*), but is rather a proxy for the size and distribution of unemployed on the total labour supply (of the wage and salary earners). The frequency of unemployment occurrences in Burgenland has not undergone the same sharp increase as in other Austrian regions. However, Burgenland had a very high inflow rate already in the late 1980s, and throughout the following period it has maintained a rate that was noticeably above the national average. Of the remaining *Bundesländer*, only Carinthia has registered higher rates of inflows into unemployment.

Table 7: Inflow rates into unemployment (1988-2003)

	B	C	LA	UA	S	St	T	V	W	A
1988	2.368	2.415	1.390	1.254	1.556	1.698	1.777	1.042	1.042	1.435
1989	2.184	2.301	1.296	1.184	1.482	1.591	1.755	0.996	1.042	1.374
1990	2.300	2.308	1.379	1.297	1.503	1.604	1.860	1.105	1.127	1.447
1991	2.088	2.234	1.352	1.306	1.505	1.608	1.947	1.228	1.093	1.438
1992	2.154	2.440	1.378	1.346	1.624	1.692	2.073	1.443	1.157	1.519
1993	2.273	2.510	1.524	1.477	1.739	1.831	2.287	1.622	1.240	1.645
1994	2.132	2.474	1.459	1.384	1.727	1.737	2.442	1.550	1.246	1.612
1995	2.333	2.595	1.573	1.451	1.814	1.820	2.490	1.602	1.286	1.689
1996	2.194	2.461	1.552	1.466	1.798	1.715	2.434	1.688	1.324	1.670
1997	2.427	2.606	1.657	1.495	1.892	1.812	2.530	1.661	1.361	1.743
1998	2.399	2.625	1.651	1.539	1.812	1.871	2.406	1.597	1.383	1.746
1999	2.427	2.706	1.679	1.615	1.888	1.887	2.439	1.700	1.549	1.825
2000	2.362	2.613	1.681	1.564	1.796	1.836	2.333	1.570	1.657	1.809
2001	2.684	2.902	1.922	1.702	1.950	2.112	2.438	1.705	1.853	2.011
2002	2.472	2.822	1.918	1.707	1.986	2.120	2.395	1.785	1.879	2.011
2003	2.533	2.853	1.911	1.761	1.999	2.111	2.468	1.853	2.012	2.063

Source: AMS, WIFO calculations.

Since at the district level the labour force supply (wage and salary earners plus unemployed) is available only through the census, which is carried out every ten years, it is not possible to calculate the inflow rate into unemployment for districts in a way that is consistent with national data. For this reason, a second type of inflow rate is defined as:

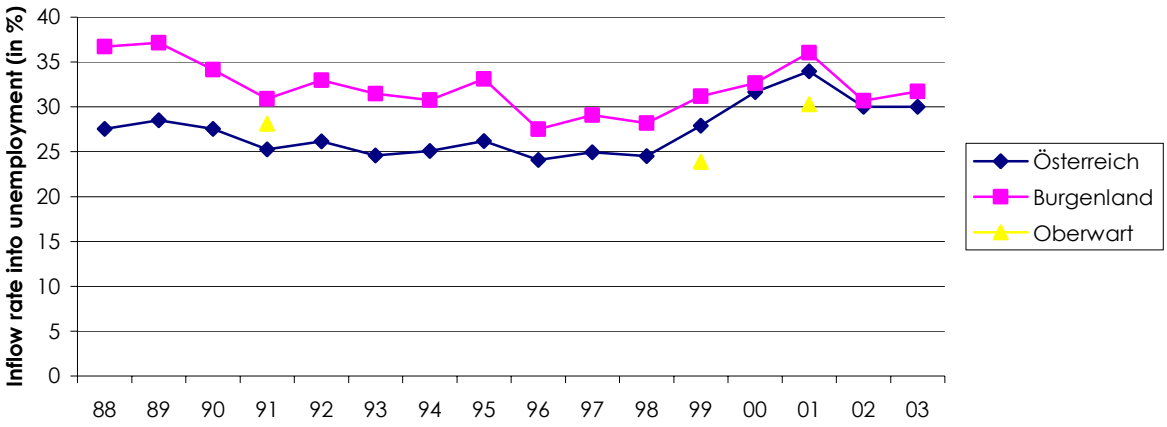
$$InflowRate_t' = \frac{iU_t}{U_{t-1}} * 100$$

and used for comparisons between the district (Oberwart), the *Land* and the national level. As can be seen from Graph 11, the frequency of inflows into unemployment in the Oberwart district, as measured with this second definition, has been constantly lower than in remaining Burgenland. While it was higher than the national average at the beginning of the 1990s, it does not appear to have increased substantially since, and was below this average in the year 2001.

The likelihood to exit the unemployment status can be expressed with the outflow rate, i.e., with the relationship between the monthly outflows from unemployment and the stock of unemployment of the preceding month. Not unlike the inflow rate, also the outflow rate from unemployment reflects the profound changes that have taken place on the Austrian labour market over the last fifteen years. While in 1988 the probability to exit unemployment was 26.9 percent, this figure increased constantly over the 1990s, and amounted to 32.2 percent in 2003. Burgenland, together with Carinthia, Salzburg, Tyrol and Vorarlberg, had an above-average outflow rate at the beginning of the observed period. All these *Bundesländer* have a significant seasonal component in their economies. However, while the remaining regions continue to be above the national average, the outflow dynamic in Burgenland has stagnated: with an outflow rate of 32.7 percent in 2003, this region is now very much in line

with the Austrian average (32.2 percent). As we have seen, however, Burgenland is – together with Carinthia – the region with the highest inflow rate into unemployment. The high number of inflows, coupled with a number of outflows that has decreased in national comparison, is a clear indication that the labour market in Burgenland has lost some of its dynamism, and that there has been a build-up of unemployment.

Graph 11: Inflow rate' into unemployment for Austria, Burgenland and Oberwart district



Source: AMS, WIFO calculations.

Table 8: Outflow rates from unemployment (1988-2003)

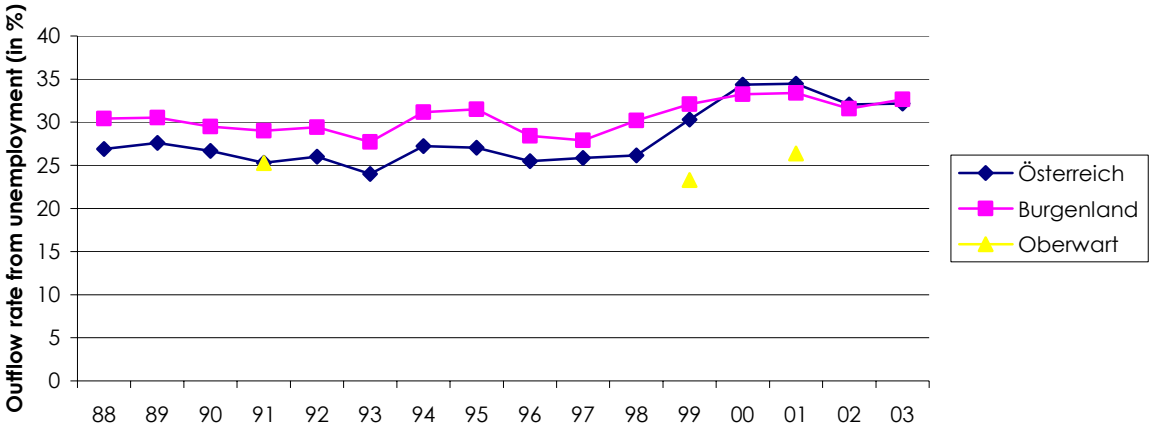
	B	C	LA	UA	S	St	T	V	W	A
1988	30.4	32.1	24.8	26.6	44.7	25.4	39.6	39.6	19.5	26.9
1989	30.5	33.8	25.8	30.0	46.1	24.9	39.3	40.4	19.9	27.6
1990	29.5	34.6	23.8	28.0	46.5	24.4	40.5	37.6	19.0	26.7
1991	29.0	33.0	22.8	26.9	42.7	22.5	39.9	33.5	18.2	25.3
1992	29.4	33.5	23.2	27.8	44.8	23.1	42.8	33.2	18.1	26.0
1993	27.7	30.1	21.8	25.6	40.2	20.8	39.2	26.4	17.2	24.0
1994	31.1	33.9	25.0	29.3	48.5	23.5	43.6	29.4	19.7	27.2
1995	31.5	32.3	25.5	30.8	47.6	23.1	41.7	30.7	19.1	27.0
1996	28.4	28.5	24.7	28.8	42.5	21.9	39.0	29.1	18.6	25.5
1997	27.9	31.2	25.7	30.6	42.0	23.1	39.3	28.8	17.2	25.8
1998	30.2	32.3	26.1	33.1	40.8	24.5	38.4	30.4	16.6	26.2
1999	32.1	35.0	29.0	37.4	45.5	28.9	42.6	35.3	21.7	30.3
2000	33.3	38.4	32.8	43.2	48.7	32.0	47.1	39.4	26.5	34.3
2001	33.4	39.5	32.4	43.8	47.6	33.6	45.9	41.7	26.1	34.5
2002	31.6	37.6	30.8	39.8	43.2	32.0	44.7	35.7	23.8	32.0
2003	32.7	39.2	30.4	43.5	43.1	32.2	45.1	34.2	23.4	32.2

Source: AMS, WIFO calculations.

The outflow rate from unemployment in the Oberwart district (available for the years 1991, 1999 and 2001) presents a peculiar development. For all the observed years, this rate at the district-level has been well below the average for Burgenland. However, while in 1991 it was in

line with the figure for remaining Austria (25.3 percent), it has lagged behind in the following years. For 2001, the outflow rate in Oberwart amounted to 26.4 percent, 7 percentage points below the regional, and 8 percentage points below the national level.

Graph 12: Outflow rate from unemployment for Austria, Burgenland and Oberwart district



Source: AMS, WIFO calculations.

This is particularly remarkable, as the years between 1999 and 2001 coincided with the last strong cyclical upswing, when the Austrian labour market experienced a strong increase in its turnover, and the economy was able to absorb a considerable share of unemployment. In the Oberwart district, on the contrary, the fluctuation on the labour market remained comparably weak, and as a consequence there has been a consolidation of unemployment.

3.4 Oberwart characterised by long duration of unemployment episodes

The data on unemployment flows allow us also to calculate values for the approximate duration of unemployment episodes. The implicit assumption of this approach is that the probability to exit unemployment is equally high for all unemployed persons. This assumption violates the empirical findings whereby the likelihood to find employment decreases with the length of unemployment. Nevertheless it provides a good reference point for the duration of unemployment and the creation of long-term unemployment.

The average duration of unemployment is calculated as the reciprocal of the outflow rate (not expressed in percent). In order to express this duration in weeks, the value is then multiplied with 4.3:

$$DurationofUnemployment_t = \frac{U_{t-1}}{oU_t} * 4{,}3$$

The duration of unemployment in Austria has decreased consistently between 1988 and 2003, going from 16.6 to 13.6 weeks. Burgenland has followed the national trend quite closely, and the average duration of unemployment in the region has gone from 16 and a half weeks in 1988 to slightly over 14 weeks in 2003. The mean value for the whole period lies at 15.8 weeks for Burgenland, and at 15.9 weeks for Austria as a whole. The longest unemployment episodes have been registered in Vienna (22.3 weeks), and the shortest in Salzburg (10.3 weeks), while the remaining *Bundesländer* have registered average unemployment durations between 13 and 18 weeks.

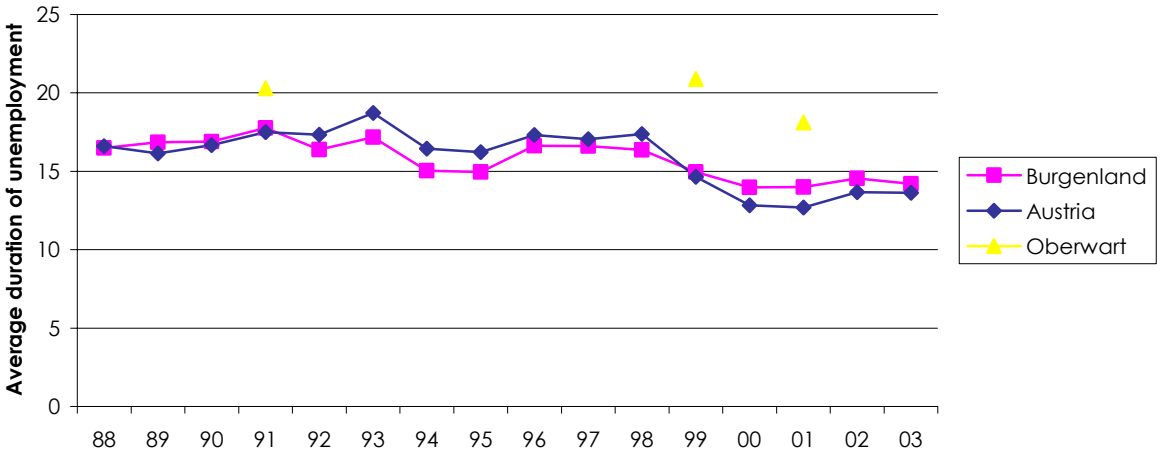
Whereas Burgenland is in line with remaining Austria, the Oberwart district evidences unemployment episodes that on average are significantly longer than in the rest of the country. In 1991, 1999 and 2001 (the three years for which this calculation is possible), on average the unemployed have looked for a job for 20.3, 20.9 and 18.1 weeks, respectively. This long permanence in unemployment is the result of the high inflow rate and the low outflow rate that characterise the labour market in Oberwart. The figures for this district are particularly remarkable if compared with those for Oberpullendorf and Stegersbach, the two districts that border Oberwart on the North and on the South, respectively: Oberpullendorf had an average unemployment duration of 15.7 weeks in 1991, and of 14.5 weeks in 2001; for Stegersbach the corresponding values are 16.0 and 12.5 weeks. Hence, the permanence in unemployment in Oberwart during the observed period has been *grosso modo* 4 to 5 weeks longer than in the neighbouring districts.

Table 9: Average durations of unemployment episodes expressed in weeks (1988-2003)

	B	C	LA	UA	S	St	T	V	W	A
1988	16.5	14.5	18.4	16.7	10.3	18.1	12.3	11.3	22.7	16.6
1989	16.9	13.7	17.9	14.9	9.9	18.3	12.3	11.0	22.4	16.1
1990	16.9	13.5	19.1	15.8	9.8	18.5	11.9	11.8	23.3	16.7
1991	17.8	14.3	19.9	16.3	10.6	19.9	12.0	13.2	24.3	17.5
1992	16.4	14.2	19.4	16.0	10.7	19.8	11.9	13.9	24.3	17.3
1993	17.2	15.5	20.5	17.3	11.7	21.8	12.7	17.5	25.3	18.7
1994	15.0	13.7	17.9	15.1	9.7	19.2	11.5	15.5	22.2	16.4
1995	15.0	14.0	17.4	14.2	9.5	19.2	11.4	14.3	22.8	16.2
1996	16.6	16.2	18.2	15.2	10.6	20.5	11.9	15.2	23.6	17.3
1997	16.6	14.4	17.4	14.3	10.9	19.2	11.9	15.4	25.6	17.1
1998	16.4	14.5	17.7	13.7	11.3	18.9	12.3	14.9	26.9	17.4
1999	14.9	13.0	15.6	12.0	9.9	15.5	10.9	12.5	20.9	14.7
2000	14.0	11.7	13.7	10.3	9.2	13.9	9.7	11.1	16.9	12.8
2001	14.0	11.2	13.8	10.1	9.4	13.0	10.1	10.5	17.2	12.7
2002	14.5	11.9	14.4	11.0	10.4	13.8	10.4	12.2	18.8	13.7
2003	14.2	11.5	14.8	10.2	10.4	13.7	10.3	12.8	18.8	13.6

Source: AMS, WIFO calculations.

Graph 13: Duration of unemployment (expressed in weeks) for Austria, Burgenland and Oberwart



Source: AMS, WIFO calculations

3.5 High unemployment rate in Oberwart

Between 1988 and 2003 the unemployment rate[10] in Austria amounted on average to 6.3 percent per year. In Burgenland, unemployment was significantly higher, at 8.1 percent per year. Carinthia had an equally high unemployment rate over the observed period, while Styria and Vienna were the other two *Bundesländer* with above-average unemployment rates (7.4 and 7.3 percent). Salzburg and Vorarlberg registered the lowest average yearly unemployment rates (4.2 and 4.6 percent, respectively). The unemployment rate for women in Burgenland (8.1 percent) was lower in than the corresponding figure for men (9.1 percent). The total number of unemployed in the year 2002 was 7,824 persons (42.2 percent women), and it increased to 7,946 persons in 2003. These figures are equivalent to an increase of 8.1 percent between 2001 and 2002, and of 1.6 percent between 2002 and 2003. In order to follow the development of the unemployment rate at the district level, data from the censuses 1991 and 2001 has been used. Graph 14 shows the unemployment rates for the six Burgenland districts between 1988 and 2003. For the years 1988 to 1996 the figures of unemployment have been confronted with the labour force supply disclosed in the 1991 census; for the period between 1997 and 2003, data from the census 2001 has been used.

The observed period has seen a marked deterioration of the situation in the Oberwart district in comparison with the other Burgenland districts. Whereas in the late 1980s the gap between Oberwart and the best-performing districts amounted to approximately 2 percentage points, this differential has doubled during the following decade.

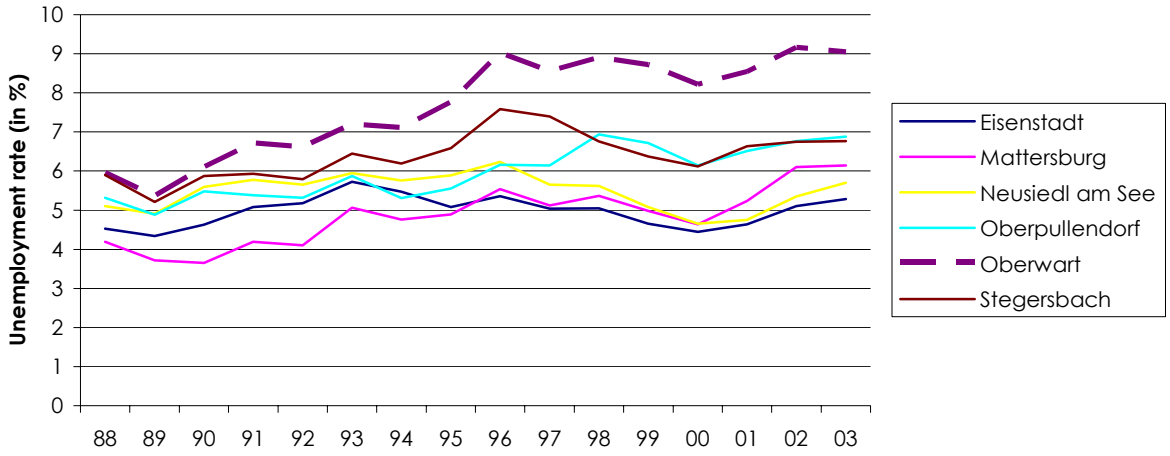
[10] Calculated according to the traditional method, i.e., unemployed over (wage and salary earners) labour force supply.

Table 10: Development of the unemployment rate in Austria and the Bundesländer *(1988-2003)*

	B	C	LA	UA	S	St	T	V	W	A
1988	7.9	7.7	5.4	4.5	3.6	6.5	4.7	2.6	5.5	5.3
1989	7.1	6.9	4.8	3.9	3.3	6.1	4.5	2.3	5.4	5.0
1990	7.6	7.0	5.4	4.4	3.4	6.4	4.8	2.8	5.8	5.4
1991	7.8	7.4	5.9	4.9	3.7	7.1	5.0	3.5	6.3	5.8
1992	7.5	7.6	5.9	4.9	3.8	7.4	4.9	4.1	6.4	5.9
1993	8.1	8.5	6.8	5.8	4.4	8.4	5.6	5.8	7.2	6.8
1994	7.7	8.1	6.5	5.4	4.0	8.1	5.6	5.7	7.1	6.5
1995	7.8	8.5	6.4	5.1	4.2	8.2	5.8	5.3	7.3	6.6
1996	8.6	9.4	6.9	5.5	4.6	8.4	6.1	5.9	7.8	7.0
1997	9.0	9.0	6.9	5.3	4.9	8.1	6.3	6.1	8.3	7.1
1998	9.0	8.8	6.9	5.1	4.9	8.1	6.3	5.8	8.7	7.2
1999	8.5	8.4	6.5	4.8	4.6	7.4	5.7	5.2	8.1	6.7
2000	7.9	7.5	5.8	4.0	4.1	6.4	4.9	4.3	7.2	5.8
2001	8.2	7.6	6.2	4.1	4.3	6.5	5.1	4.3	7.6	6.1
2002	8.7	8.2	6.9	4.7	4.9	7.2	5.3	5.1	9.0	6.9
2003	8.6	8.1	7.0	4.5	5.0	7.3	5.4	5.7	9.5	7.0

Source: AMS, WIFO calculations.

Graph 14: Unemployment rate in the Burgenland districts (1988-2003)



Source: AMS, WIFO calculations.

As we have already observed in preceding sections, a break has occurred at mid-decade. Stegersbach has shared with Oberwart the sharp increase in the unemployment rate at that point in time. However, while in Stegersbach the unemployment rate was brought back to a lower level in the following years, in Oberwart it has continued to be very high.

3.6 Length of job vacancies in line with national average

A last indicator that is of interest with respect to the labour market refers to the stock and flow of job vacancies. Together with data on the unemployed, the AMS displays also the monthly figures on job openings. It has to be noted that these figures include only vacancies that have been registered with the Labour Market Service, and therefore they reflect only a part of the labour demand that is present on the market. On the basis of media surveys carried out on a yearly basis, it is possible to gain a picture of the openings that are advertised through the print media. A comparison between the number of these job vacancies and those registered with the AMS, reveals an interesting peculiarity of the Burgenland labour market. As can be seen from Table 11, only in Lower and Upper Austria, Carinthia and Burgenland the number of openings registered with the AMS is higher than those advertised through the media. In Burgenland, the relationship between job openings advertised in the print media, and those registered with the AMS is by far the lowest (20.9 percent, i.e., for every vacancy listed in the print media there were almost five vacancies registered with the AMS). This figure, that refers to the year 2003, was higher in 1996 (48.6 percent) and 1997 (52.1 percent), but also in those years, of all *Länder*, Burgenland had the lowest share of job openings advertised in the print media (*Biffl, 2000*).

Table 11: Comparison of job openings in print media and at the AMS (2003)

	Print media	AMS	Relationship Print/AMS (in percent)
Vienna	63,474	37,799	167.93
Lower Austria	16,385	52,316	31.32
Upper Austria	53,631	59,590	90.00
Burgenland	1,857	8,863	20.95
Carinthia	25,449	26,288	96.81
Styria	55,193	41,140	134.16
Salzburg	33,806	33,042	102.31
Tyrol	50,622	33,038	153.22
Vorarlberg	21,224	12,898	164.55
Total	321,641	304,974	105.47

Source: *MMO* (2004).

The fact that in Burgenland jobs openings are more likely to be advertised through the AMS than in any other Austrian region, calls for an explanation. It has been observed that the educational requirements of job openings differ between the print media and the AMS (*Biffl,* 2000). Generally speaking, vacancies for people with no more than compulsory education are over-represented at the AMS, while jobs openings for medium to higher educational attainment levels are usually advertised in the print media[11]. This pattern is reflected in the

[11] For instance, in 2003 there were more than 3 times as many openings for persons with compulsory education at the AMS, than in the print media. For occupations that required an upper secondary or a tertiary educational attainment, this relationship was exactly inverse, see MMO (2004).

sectoral distribution of job advertising: the greatest number of job openings in the print media are in service industries, while the AMS lists prevalently jobs in the primary and secondary sectors. Accordingly, the preponderance of AMS job openings on the Burgenland labour market is an indication that standard jobs and skills represent the bulk of labour demand, while occupations that require more complex qualifications are still less frequent. Another possible, and partial, explanation, is that the AMS might work more efficiently and have a better standing in Burgenland than elsewhere

The average time-span that is needed to fill a vacancy is calculated with a similar method to the duration of unemployment episodes:

$$LengthofVacancies_t = \frac{V_{t-1}}{oV_t} * 4{,}3$$

Whereby:

V_{t-1} = number of vacancies at time *t-1*

V_{t-1} = outflow from vacancies at time *t*

Between 1988 and 2003 in Austria the average time-span needed to fill job openings registered with the AMS has greatly decreased. It has gone from 7.3 weeks to 4.1 weeks, and the average for the whole period has been 6.6 weeks. The yearly average in Burgenland has been higher, at 7.8 weeks. However, while Burgenland was above the national average during the late 1980s and most of the 1990s, since 2000 it has fallen in line with remaining Austria: in the years 2001, 2002 and 2003 the average length of a job-opening was virtually the same in Burgenland and in the rest of Austria.

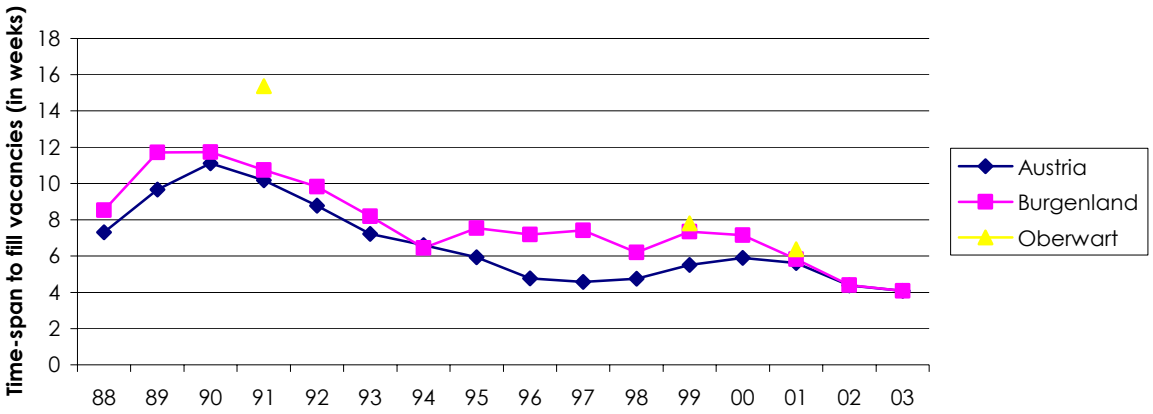
Table 12: Average time-span to fill vacancies (1988-2003)

	B	C	LA	UA	S	St	T	V	W	A
1988	8.5	6.2	8.8	9.9	6.1	7.8	5.1	7.9	7.7	7.3
1989	11.7	7.2	11.5	13.4	7.2	11.0	6.5	11.8	9.8	9.7
1990	11.7	8.2	13.5	12.8	8.7	13.8	7.1	13.2	12.7	11.1
1991	10.7	7.5	14.3	11.4	8.5	11.6	6.7	9.6	10.7	10.2
1992	9.8	6.8	12.0	9.4	7.5	9.5	5.4	6.1	10.1	8.8
1993	8.2	6.0	9.4	7.5	5.7	8.8	4.8	5.0	8.2	7.2
1994	6.4	6.0	8.9	6.8	4.8	7.6	4.5	4.4	7.4	6.6
1995	7.5	4.8	8.2	6.4	4.2	6.6	4.4	3.7	6.6	5.9
1996	7.2	3.2	6.8	5.4	3.8	5.3	3.2	3.4	4.7	4.8
1997	7.4	3.2	6.4	5.1	3.5	4.7	3.1	3.6	4.9	4.6
1998	6.2	3.2	6.3	5.2	4.1	3.8	3.6	4.0	6.1	4.8
1999	7.4	4.1	7.2	6.4	4.7	3.7	4.6	5.6	6.6	5.5
2000	7.1	4.9	7.1	6.4	5.2	4.6	5.5	5.8	7.0	5.9
2001	5.8	4.8	6.8	6.2	4.7	4.4	5.8	5.6	6.8	5.6
2002	4.4	3.8	5.0	5.2	4.1	3.5	4.6	4.0	5.1	4.4
2003	4.1	3.8	4.6	4.6	3.6	4.2	3.8	3.8	4.4	4.1

Source: AMS, WIFO calculations.

In general, there has been a strong homogenisation at national level, and in 2003 the average time-span necessary to fill vacant positions has been approximately the same all over the country: the lowest figure was that for Salzburg (3.6 weeks), while also in the *Bundesländer* where it took longest to fill job openings, Upper and Lower Austria, this time-span was only 1 week longer (4.6 weeks). This consistent decrease in the duration of job openings is an indication that the matching of supply and demand on the labour market has become more efficient. At the same time, this development points also at the fact that there is a clear excess of labour supply, and that the available demand can thus be met very rapidly.

Graph 15: Average time-span needed to fill vacancies in Austria, Burgenland and Oberwart (in weeks)



Source: AMS, WIFO calculations.

As in the case of the flows into and from unemployment, flow data on vacancies at the district level have been obtained only for 1991, 1999 and 2001. Whereas the time-span of vacancies in the Oberwart district was well above the Austrian and Burgenland average in 1991, in recent years the gap in the average length of job openings has been closed. In 1999 and 2003 the average time needed to fill positions advertised through the AMS in Oberwart has been the same as in remaining Burgenland and Austria. As in the case of Burgenland, this development evidences the oversupply of labour that is present on the local labour market.

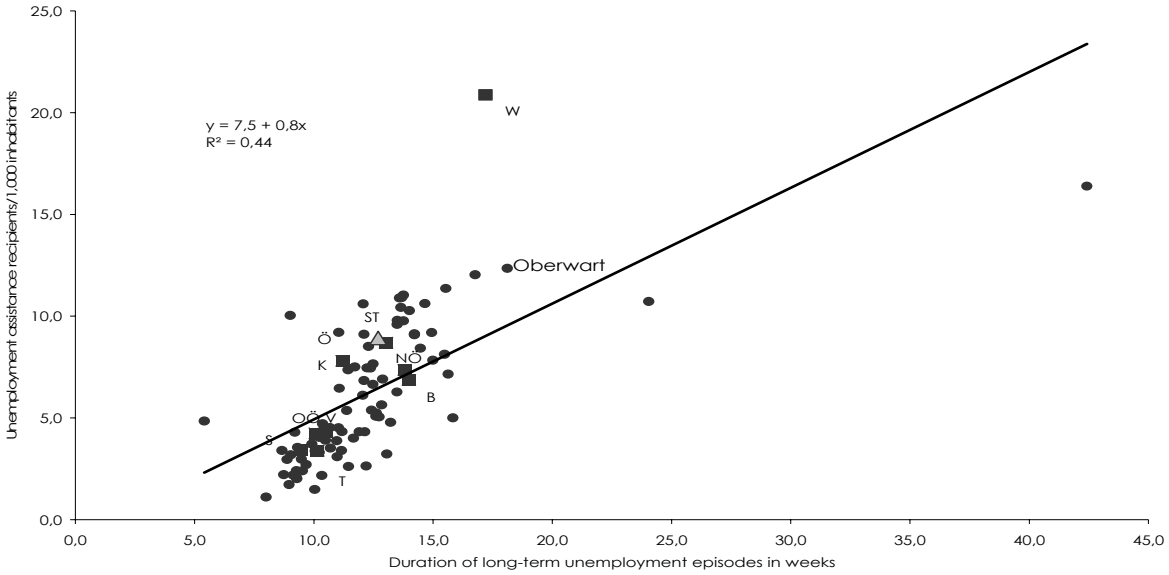
3.7 High level of social assistance and unemployment assistance in Oberwart

The difficult situation faced by the population of the Oberwart district on the labour market is reflected also in the figures that capture the extent of social assistance (*Sozialhilfe*) and long-term unemployment assistance (*Notstandshilfe*). The latter is a good proxy for the problem of long-term unemployment: between the duration of unemployment and the distribution of long-term unemployment assistance (measured in proportion to total population) there is a

clear positive correlation (0.66), with an explanatory power of 44 percent (R^2=0.44) (*Bock-Schappelwein, 2004*).

In a nation-wide comparison, Oberwart ranks at the very bottom of the ranking (for the year 2001) of the combination between length of unemployment episodes, and persons receiving unemployment assistance. As we have seen in Section 3.4, in 2001 the average duration of unemployment in Oberwart was 18.1 weeks, while there were 12.3 persons on unemployment assistance out of 1,000 inhabitants. Only the districts of Reutte (in Lower Austria) and Vienna/periphery exhibit worse figures.

Graph 16: Duration of unemployment episodes and number of unemployment assistance recipients at district level (2001)



Source: *Bock-Schappelwein* (2004).

Whereas Burgenland as a whole does not display a share of social assistance and unemployment assistance that is particularly high in national comparison, there is a remarkable concentration of these types of social transfers in the Oberwart district. The district accounts for slightly less than 20 percent of the total Burgenland population. However, as can be seen from table 13, its shares of social and unemployment assistance are much more than proportional. In 2001, 39.4 percent of the social assistance and 34.6 percent of the unemployment assistance of the Burgenland has gone to people living in the Oberwart district.

Table 13: Proportion of social assistance and unemployment assistance in Burgenland districts

2001	Social assistance	Unemployment assistance
	In percent	
Eisenstadt	6.6	13.8
Mattersburg	7.1	10.3
Neusiedl/See	16.2	8.8
Oberpullendorf	19.9	16.8
Oberwart	39.4	34.6
Stegersbach, Jennersdorf	10.7	15.7
Burgenland	100.0	100.0

Source: *Bock-Schappelwein* (2004).

It is likely that the long-term unemployed in the Oberwart district consist largely of labour force participants who have been released from the manufacturing industry, and find it impossible to re-enter the labour market. Accordingly, it can be argued that the present situation is particularly dire for low-skilled workers who do not meet the qualifications required in the service industry. It is on this backdrop that the findings on the Roma in Oberwart, which are presented in the next section of this paper, have to be interpreted. This ethnic group has traditionally had a weak standing on the labour market, and can be expected to have been affected strongly by the structural changes that have taken place in the local economy and in the composition of the labour force.

II. The Roma community in Oberwart[12]

4. Demographic indicators

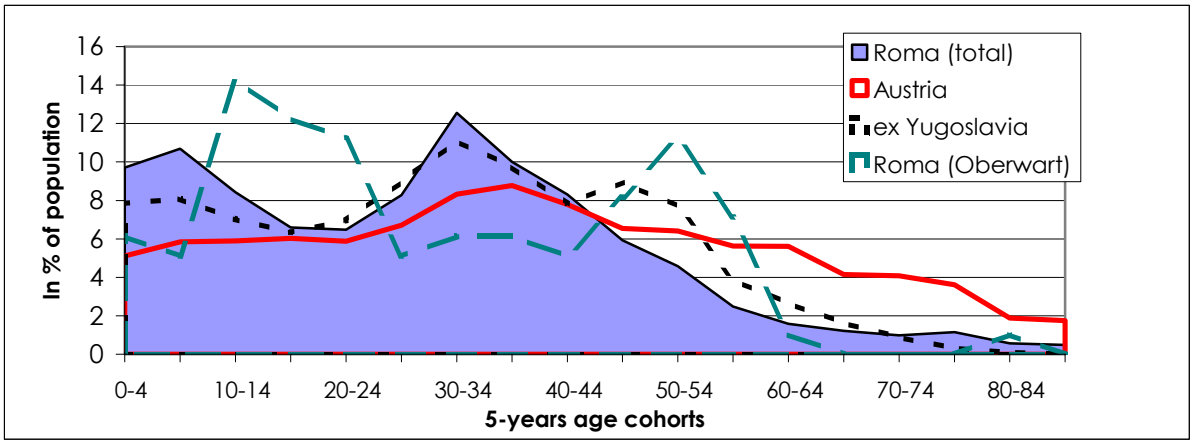
4.1 Hardly any Roma older than 60

In general terms, the whole Roma population that is present in Austria is very young if compared with the rest of the Austrian population. This can be seen in Graph 1, where the age structure of different groups is represented in 5-years cohorts. The Roma have high shares of persons in the age cohorts up to 45. On the other hand, the share of individuals aged over 50 is far below the Austrian average. Whereas there is a considerable difference between the Roma and the remaining Austrian population, a comparison with the group of foreigners

[12] The following sections contain the results of a survey of the Roma population in Oberwart. The interviewer, a Romni who works in the social field and is well-known to the local Roma population, has contacted 31 households in the Oberwart settlement 'Am Anger', in the municipality of Oberwart, and in Unterwart. These households, taken together, count 108 people, 4 of them "Gadsche", i.e., non-Roma. Information for 99 of the 104 Romni and Rom has been provided. In light of the fact that the census of 2001 registered 186 persons as Romanés speakers in the Oberwart district, the survey represents a very good sample of the local Roma population. This is above all true of those Roma who have maintained a strong cultural identity, and who are not afraid of identifying with this ethnic group.

coming from former Yugoslavia presents strong similarities. These similarities result from the fact that numerous Roma came to Austria as migrant workers during the 1960s and 1970s. Other groups arrived during the 1990s. In both instances many Roma came from parts of former Yugoslavia. Most of these people were in their twenties when they migrated, and it is therefore not surprising that they lack cohorts of persons aged over 50. Also the age structure of the Roma in Oberwart, which is included in the graph, is strongly skewed towards younger cohorts. The age distribution in the Oberwart district shows a high share of young persons, aged between 5 and 25, and of mid-aged persons, aged between 45 and 60, while older age cohorts are virtually inexistent. However, there is a different explanation behind these figures. The absence of a generation of elderly people among the Roma is a clear indication that the few survivors of the Holocaust did not enjoy a long life expectancy. In addition, the fact that out of a population of 99 persons, only 8 are aged over 55, might also point at a low life expectancy for the Roma community as a whole. The Roma have become sedentary in Burgenland in the 18th century, and accordingly the Roma community in Oberwart should be comparable to the remaining population in the district. This is not the case: 28.6 percent of the Roma in Oberwart are under the age of 16, and 69.4 percent are aged between 16 and 60. Hence, only 2 percent are older than 60. By comparison, in Oberwart the 2001 census registered 15.4 percent youngsters, 60.9 percent of persons between 16 and 60, and 23.7 percent aged over 60.

Graph 1: Distribution of the population in 5-years age cohorts. Comparison between total Roma population in Austria, Roma population in Oberwart, total Austrian population and former Yugoslavia population in Austria

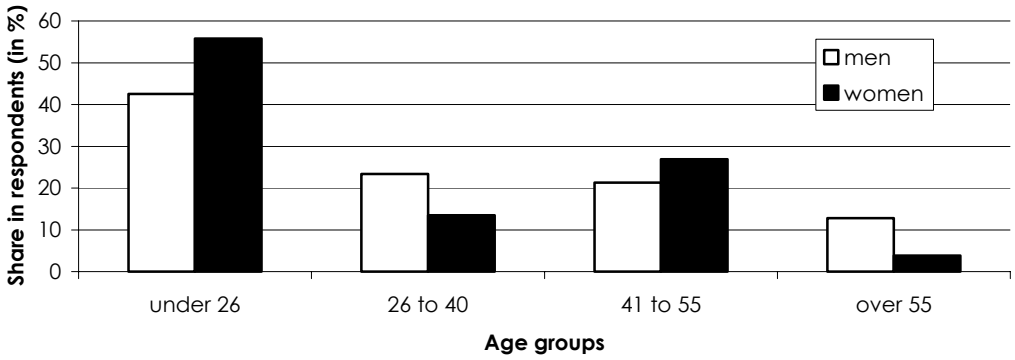


Source: Statistics Austria, WIFO calculations.

The observed population sample in Oberwart is evenly distributed according to gender, with 47 men (47.5 percent) and 52 women (52.5 percent). In terms of age distribution, there is a trend for women to be younger than men. As can be seen in Graph 2, the share of women aged under 26 represents more than half of the total (55.8 percent), while the corresponding

share for men is 42.6 percent. In the cohort between 26 and 40 years of age, men are more than proportionally represented than women (23.4 versus 14.5 percent, respectively). In the oldest age cohort the share of men is higher than that of women (12.8 percent of men but only 3.8 percent of women are aged 55 and older). The fact that the female population is younger than the male one is reflected by the fact that the mean age for men lies at 33 years, that for women at 27. Virtually all interviewed persons (99.0 percent) are Austrian nationals.

Graph 2: Age structure of the Roma population in Oberwart according to gender



Source: Roma Survey 2004, WIFO calculations.

4.2 Roma household structure not dissimilar from Austrian average

On average, every Roma household has 3.49 members, a figure that is clearly above the Austrian average (2.41)[13]. However, it has to be considered that also within Austria there are considerable differences in household size depending on socio-economic status. When the head of the household is a blue-collar worker, the average size of the household is 2.96, whereas the corresponding figure for households led by white-collar employees is 2.53. With the data at our disposal, it is not possible to construct indicators for the fertility rate of the Roma population. In order to do so, information on the number of living births according to year and age cohort of women would be necessary[14]. Nevertheless, it is possible to come up with proxies for a fertility indicator, and to compare them with indicators for the Austrian population and for other Roma communities in Eastern Europe. Of the interviewed Romni aged over 15, 37.1 percent does not have children, 17.1 percent has one child, 11.4 percent

[13] Statistics Austria, 2001, http://www.statistik.at/fachbereich_03/haushalt_grafik.shtml.

[14] The total fertility rate (TFR), one of the most common and widespread measures of fertility, and sometimes also described as the ‚average number of children per woman', is defined as the average number of children that would be born alive to a woman during her lifetime if she experiences a given set of age specific fertility rate (of a population in a given year).

two children, and 34.3 percent three or more children. Hence, on average every Roma mother has 3.01 children. This value does not reflect a fertility rate, and can therefore not be directly compared with the total fertility rate of Austrian women (an average of 1.33 children[15]).

An alternative measure is given by the number of children of Romni aged between 16 and 49 (the reproductive age), divided by the number of women in that age group. This calculation results in an average of 1.18 children per Romni. This number suggests that the fertility of Roma women might be close to that of the Austrian women. Another indicator is given by the average number of children a woman has when she exits the reproductive age. At the end of her reproductive period, i.e., in the age cohort between 45 and 49, each Roma woman in Oberwart has 2.5 children. In Roma communities in Eastern countries, a United Nations Development Program (UNDP) survey has found women aged between 45 and 49 to have on average 5 children[16]. Also figures referring to the number of children per household reflect this picture. On average, every Roma household in Oberwart has 1.06 children who are still in education. The UNDP survey reports Roma households in Eastern Europe to average 3 to 4 children. Because of issues of definition[17], it is difficult to find a comparable figure for the Austrian population. To sum up, however, while probably still slightly above the Austrian average, the fertility of the Roma community in Oberwart has decreased with respect to the past[18], and is much lower than in Roma communities in Eastern Europe. The average Roma household structure is very similar to that of Austrian households with comparable socio-economic characteristics.

The housing situation of the Roma presents some peculiar features: a high percentage of the interviewed population (44.4 percent) is living in a flat owned by the municipality (either in the Roma settlement ‚Am Anger', or in a public housing project in the city area). The average size of the apartments hosting the Roma is 68 m^2, and on average each household member has 23.88m^2 space. However, it is important to differentiate between different housing settings. The average flat space per inhabitant is slightly lower if we consider only the flats at the settlement ‚Am Anger', with 19.28 m^2. The lowest figures refer to the flats that constitute the core of the settlement: in the two terraced houses that contain twelve flats the average living space per household member is 13.60 m^2. This value is an improvement with respect to the mid-1990s, when according to a study quoted by *Samer* (2001)[19], each person had less

[15] Data for 2001, Statistics Austria.

[16] *UNDP* (2002), p. 25.

[17] For instance, Statistics Austria computes the number of children per household defining a child as anybody who, regardless of age and profession, is living with her parents and who does not have children of her own. See http://www.statistik.at/fachbereich_03/haushalt_txt.shtml.

[18] Whereas no exact figures on fertility exist for the past either, there is ample anecdotal evidence that the Roma had a high number of children in the past.

[19] The study in question depicted the situation of the Roma in Oberwart in 1995, see *Samer* (2001), p. 91.

than 9m² at her disposal. Nevertheless, the current situation in the main components of the settlement highlights the persistent lack of space per person by many Roma.

The development of the housing situation indicates that the number of Roma living in the settlement has significantly diminished over the last few years. This is confirmed by the information on migration that emerges from the survey: in fact, over the last five year in almost 60 percent of the ‚Am Anger' households at least one person moved to another part of Austria. This figure is lower for the households residing in Unterwart (40 percent) and in the city of Oberwart (25 percent). Also the number of households in the settlement that have accommodated a new member over the past five years is high, at 52.9 percent. However, while only 10 people have moved to the 'Anger', over the same time-span 21 have left it, resulting in a considerable net migration rate.

5. Employment and income situation

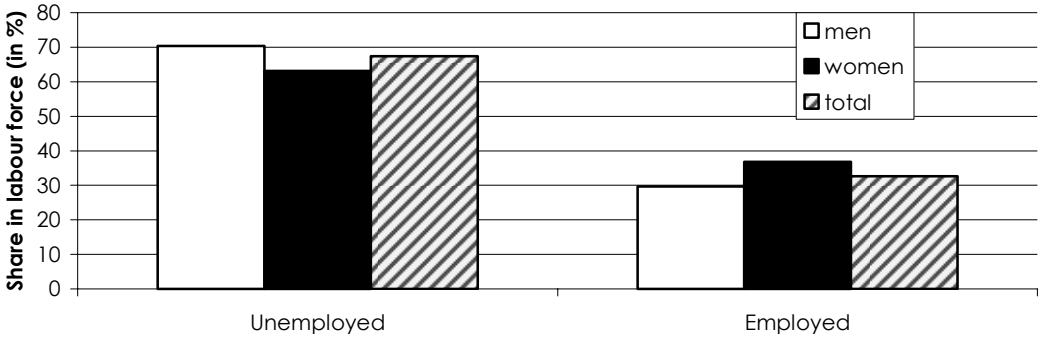
5.1 Two thirds of the Roma are unemployed

Traditionally, the Roma have always had a very weak standing on the labour market. The job situation of the Roma in Oberwart indicates that they have been losers of the modernisation process. Up to the present day they have not been able to find replacement for their traditional – and now obsolete – occupations. However, the present situation is also the outcome of a structural change of the local economy that has taken place in Burgenland over the last decade, and that has affected the Roma more than proportionally. The interviewed Roma population has a participation rate (i.e., the share of employed and unemployed persons in the total population between age 15 and 65) that is not very dissimilar from the rest of the Austrian population (63.9 percent against 69.0 percent). On the contrary, the employment rate, i.e., the share of employed on the population between 15 and 65, is very low: only 20.8 percent (against 65.0 percent for Austria as a whole). This is confirmed by the unemployment rate among the Roma, which lies at 67.4 percent of the labour force. The unemployment rate for women is lower than for men (63.2 percent against 70.4 percent).

The few Roma that have a regular job are employed in different industries, and it is difficult to recognize a clear employment pattern. With the exception of manufacturing, where slightly more than a third (35.3 percent) of the Roma are concentrated, we find rarely more than single individuals in the different industries. Roma are sporadically present in tourism, public sector, health sector and private households. More traditional sectors of employment for the Roma, like construction and agriculture, have lost their importance. For instance, only one of the interviewees is currently working in construction. Little information with respect to the occupational activity of the employed persons emerges from the survey. However, with the exception of those few Roma who work for Roma associations or in the service sector, it is reasonable to assume that most of them are employed as unskilled labour. Employment among the Roma is strongly correlated with the age structure, as young persons are more likely to have a regular job than members of the older age cohorts. In fact, 37.5 percent of

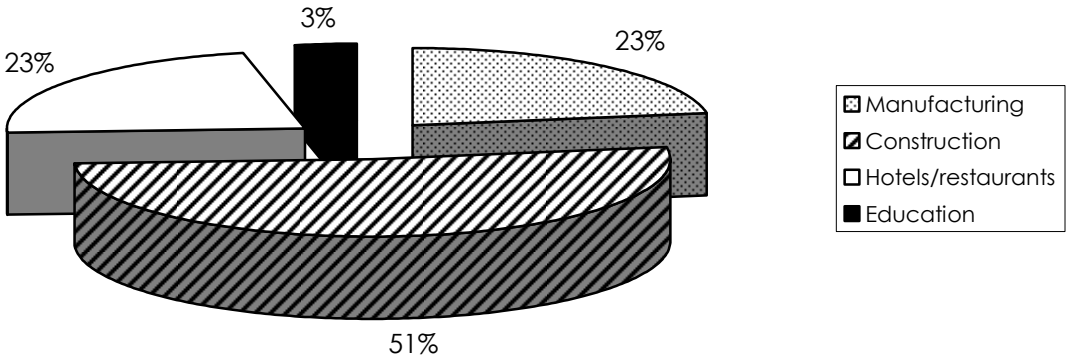
the Roma aged less than 26, and 38.9 percent of those aged between 26 and 40, have an occupation. On the contrary, only 8.3 percent of those between 41 and 55 and nobody older than 55 is currently employed. Differences between gender are less pronounced. In total 23.5 percent of men and 21.9 percent of women have a job. Disaggregating the data for both gender and age reveals that in the youngest cohort employment is more frequent among women than it is among men (44.4 percent against 28.6 percent), while in the group of those aged between 41 and 55 employment is exclusively male. However, due to the few data points that are available at this level of analysis, we have to be careful in interpreting these statistics.

Graph 3: Employment situation of the Roma according to gender



Source: Roma Survey 2004, WIFO calculations.

Graph 4: Previous sector of employment for unemployed Roma



Source: Roma Survey 2004, WIFO calculations.

The data that emerge from the survey of unemployed Roma are very insightful, and enable to gain a better picture of the present position of the Roma on the labour market. As the above graph shows, the majority of unemployed Roma (51.6 percent) was previously

employed in the construction sector. Other large shares of Rom and Romni were laid off from manufacturing and tourism (22.6 percent each). These figures contain also a marked gender pattern: while almost all (84.3 percent) male unemployed come from the construction sector, manufacturing and tourism have shed mostly female labour (91.7 percent of all unemployed women). Almost 70 percent of the unemployed have lost their jobs since the mid-1990s. These figures reflect a clear trend: over the past decade, large numbers of Roma have been expelled from their sectors of employment. This trend is connected to developments that have taken place in the local and regional labour market, and that have been described in the first part of the present paper. On the one hand, structural changes in the economy have initiated adjustment processes with sharp consequences for the labour force of traditional sectors like manufacturing. The Roma, whose presence was strong in these sectors of the economy, were hit more than proportionally by these adjustment processes. On the other hand, the influx of new labour supply through migration (connected to the accession of Austria to the EU, as well as to the EU enlargement process) has resulted in the substitution of the Roma through other groups of workers. The oversupply of unskilled labour has led to the re-emergence of a screening device based on ethnic components. In light of the inveterate prejudices surrounding them, it is not surprising that the Roma are among the first groups to be substituted.

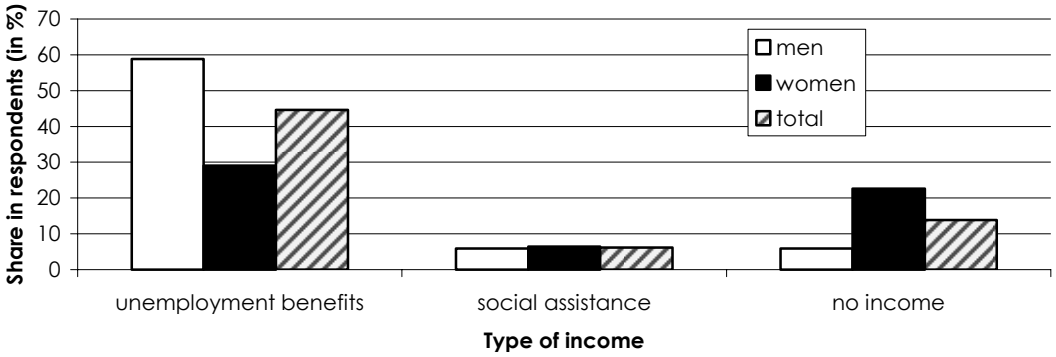
These two components contribute to explain a large share of the unemployment that has been found with the Roma in Oberwart. According to anecdotal evidence, numerous Roma were working in the construction sector in Vienna and in Lower Austria. They were commuters, and used to come and go from their work locations in groups. The crisis of the construction sector as well as the presence of new cohorts of "cheap" labour, have led to the disappearance of this parties of commuters. Whereas this development accounts for male unemployment, female unemployment is more connected to the changes in the local labour market. As we have seen in Section 2.5 (analysis of labour market in Oberwart), the sharp decline of employment in the manufacturing sector, resulting from structural changes in the Burgenland economy, has affected women more than proportionally. Romnis who were employed as workers in the local textile and electronic component factories have found it very difficult to keep their jobs. On the basis of our analysis of the Oberwart labour market, it is safe to say that future prospects for the Roma who have lost their occupations are rather gloomy. Only tourism (hotels and restaurants) and the service industry seem to be able to absorb the labour force that has been shed from other sectors of the economy. In light of their low skill-level, and the competition they face from other groups of workers, it will be difficult for the Roma to assert themselves in these industries.

5.2 Surveyed population relies heavily on social benefits and transfers

The dire employment situation of the Roma in Oberwart is reflected by their income situation. Only 24.6 percent of the respondents receive an income from regular employment. A few individuals derive their income from casual work, from an invalidity pension, or, in one case,

from a pension as Nazi-victim. Almost two thirds of the surveyed population, however, have either no income or have to rely on social benefits and social transfers. As can be seen from graph 5, unemployment benefits represent the most frequent source of income for both men and women (58.8 and 29.0 percent, respectively). In sum, 44.6 percent of the respondents receive one form or other of social insurance payment (*AMS Bezug*). The share of social assistance recipients is 6.2 percent, and equally distributed between men and women. On the contrary, the typology of persons with no income shows a clear gender pattern: whereas only 5.9 percent of male Roma declared to have no source of income, the corresponding share among women was 22.6 percent. In total, 13.8 percent of the interviewees said to have no income.

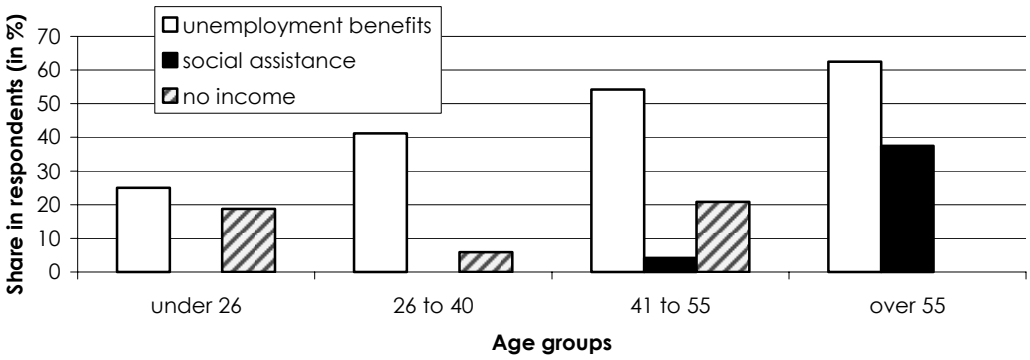
Graph 5: Roma who perceive social payments or have no source of income



Source: Roma Survey 2004, WIFO calculations.

The statistic on unemployment insurance payments can be further disaggregated according to different types of payment. It is important to distinguish between unemployment money (*Arbeitslosengeld*) and unemployment aid (*Notstandshilfe*): the former can be received for 20 weeks (with a maximum extension to 1 year) after the end of an employment episode, while the latter typically goes to persons who are long-term unemployed. A third form of payment, the advance payment on invalidity pension (*Pensionsvorschuss*) is also paid through unemployment insurance. Among the Roma in Oberwart the most frequent form of payment is unemployment aid (27.7 percent of the total), while unemployment money (10.8 percent) and the advance payment on the invalidity pension (6.2 percent) are less common. This is a clear indication for the high number of long-term unemployed among the Roma in Oberwart. The incidence is particularly high with men, 35.3 percent of whom perceive unemployment aid. The corresponding figure for women is noticeably lower, at slightly less than 20 percent.

Graph 6: Age structure of Roma who perceive social payments or have no source of income



Source: Roma Survey 2004, WIFO calculations.

An analysis of the income source along the age structure helps to better clarify the income situation of different sub-groups within the population. Graph 6 evidences that reliance on social assistance is highest among the older cohorts of Roma, those aged 41 and older. The incidence of persons without any income is high among the very young and in the group of persons aged between 41 and 55. As we have seen in the preceding paragraph, it is mainly women who are without income. Thus, it can be inferred that the category of Roma without income is mainly composed by youngsters who have never worked (at least not long enough to be entitled to unemployment insurance benefits), and mid-aged women who have always worked in the household. The share of persons who receive payments through unemployment insurance increases along the age structure. Unemployment aid, which is an indicator of long-term unemployment, is particularly frequent in the age cohort from 26 to 40 (41.2 percent of the total), and from 41 to 55 (33.3 percent). The typical long-term unemployed among the Roma is therefore male and aged between 26 and 55. Social assistance, on the other side, is almost exclusively present in the oldest age group, including Roma aged 55 and more.

The figures on social payments that have been quoted so far represent shares in the total surveyed population. In order to make these data comparable with the rest of the Austrian population, the corresponding shares for the population between 15 and 64 have been computed. Table 1 compares the frequency of social payments among Roma with the national, regional and local averages. It can be seen that the number of unemployment money recipients among the Roma is not much higher than at local level. On the contrary, the share of persons who receive unemployment aid, and also of those who receive social assistance, stands in no relation with the corresponding figures for Austria, Burgenland and Oberwart.

Table 1: Social payment recipients, comparison between Roma, local, regional and national averages[1]

Share in population 15-64 (in percent)	Austria	Burgenland	Oberwart	Roma
Unemployment money	3.7	3.9	5.6	9.7
Unemployment aid	1.3	1.0	1.9	30.5*
Social assistance	0.5	0.3	0.7	5.6

Source: AMS, Roma Survey 2004, WIFO calculations. – [1] includes also recipients of advance payment on invalidity pension.

5.3 High level of indebtedness among the Roma

Of particular relevance is the fact that a very large number of the interviewees has stated to be indebted. In total, 78.8 percent of the Roma in Oberwart have responded that they are in debt. This high share is almost evenly spread between gender: only slightly more men than women are indebted (81.5 against 76.0 percent). A clear pattern emerges when we look at this statistic from the perspective of age cohorts. The below graph shows that the middle age groups, i.e., persons aged between 26 and 55, are most frequently indebted. In particular, this is true of *all* respondents aged between 26 and 40, and 90.9 percent of those between 41 and 55. Indebtedness is less frequent among younger Roma (50.0 percent) and those aged 55 and over (40.0 percent).

When asked to identify the source of their debt, 80.0 percent of the respondents have indicated banks, 25.0 percent credit institutions other than banks, and 32.5 percent other sources of credit. Multiple answers were possible to this question, and slightly more than a quarter of the Roma with debt said that they are indebted with more than one source. In light of their low income level, and the lack of possible collaterals, it is reasonable to expect that the capacity of the Roma to raise credits with institutionalised lenders (banks) is limited. In fact, evidence from the literature suggests that, at least in other European Roma communities, there are money-lenders among the Roma themselves[20]. Although there is only limited available empirical evidence for this phenomenon in Oberwart, the indebtedness of the Roma, and its possible spin-offs, have to be borne in mind. This is particularly true if we consider that not only the unemployed, but also 50 percent of the Roma who are regularly employed and earn a wage have debts.

[20] A detailed description of the issue of indebtedness among Roma in Slovakia is provided by *Gauss* (2004).

6. Education and cultural identity

6.1 Continuing education an important source of social advancement

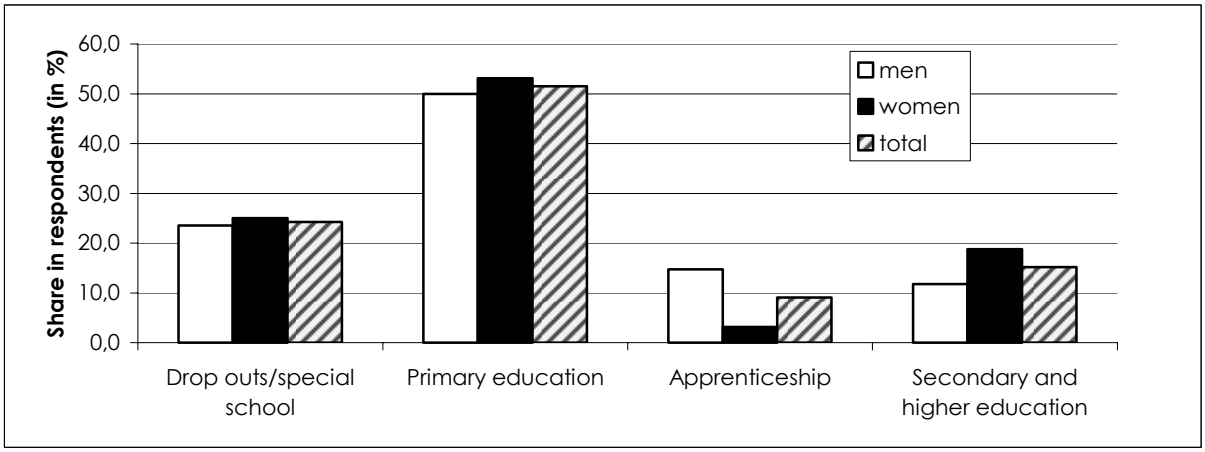
Much of what has been said so far on the employment and income situation of the Roma can be explained by their educational attainment. As we have seen in our historical overview, one of the main problems affecting Austrian Roma in the post-war period consisted in the complete lack of educational possibilities. During the first post-war decades, the Roma communities in Burgenland consisted of mainly illiterate or semi-illiterate persons. The children of these generations lacked a supportive cultural background, and in addition to this they were confronted with prejudice and indifference from the side of the majority population. As a consequence, a share estimated between a third and half of the Roma children in schooling age was placed in the "special need school" for the mentally retarded (*Sonderschule*). Also those children who were not automatically pushed off into the *Sonderschule* did often not complete compulsory education, not to speak of higher degrees. The present educational situation of the adult Roma population is the reflection of this development. As can be seen from the next graph, a large majority of the surveyed population has at best primary education. It has to be mentioned that these figures include those Roma who went to second chance schools at a later stage in life. The share of those who have attended only the special school lies at 19.7 percent[21]. Taken together, 75.8 percent of the respondents have not gone beyond primary education. Slightly more than 9 percent have completed an apprenticeship, while 15.2 percent have attained secondary education. The only Roma in Oberwart who has attained higher education has come from abroad, and has acquired his degree in former Yugoslavia. Gender differences are rather negligible, as an almost equal share of men and women can be found in the lower educational categories. The share of women with secondary education is higher than that of men, but on the other side more men than women have completed an apprenticeship.

It is important to point out that without forms of continuing education this picture would be even more discomforting. In sum, 13.6 percent of the interviewed Roma have obtained one or another educational degree through second chance schools. The relevance of this subgroup is particularly high for the attainment of degrees beyond compulsory education. In fact, two thirds of the Roma who have completed an apprenticeship, one third of those who have completed lower secondary education, and half of those who have completed a high school degree have done so through continuing education. Hence, continuing education can be considered as an important channel through which the Roma can partially recover their educational deficit. Significantly, there is a high correlation between continuing education and employment: two thirds of those Roma who have pursued further education

[21] By comparison, the share of *Sonderschüler* on the total Austrian school population was 2.3 percent in 1980, 1.9 percent in 1990 and 1.4 percent in 2000.

through second chance schools have a regular job at present. In addition to the persons who have completed one or another educational degree, another 16.7 percent of the interviewed Roma has benefited from other forms of continuing educations, like training to become a carpenter or to work in the tourist industry. Here too a relatively high correlation between continuing education and employment exists: while slightly less successful than those who have completed a lower secondary, upper secondary or post-secondary education, half of these persons have regular employment. In total, the 30 percent of Roma who have had one form or the other of continuing education represent over 70 percent of those with a regular job. It is important to point out that continuing education has been pursued mainly by younger Roma: 63.2 percent of this sub-group consists of persons who are younger than 26, and with the inclusion of the cohort of people aged up to 40, this share rises to 84.2 percent. This generational trend indicates that the educational situation of the Roma has been improving in recent years.

Graph 7: Educational attainment according to gender



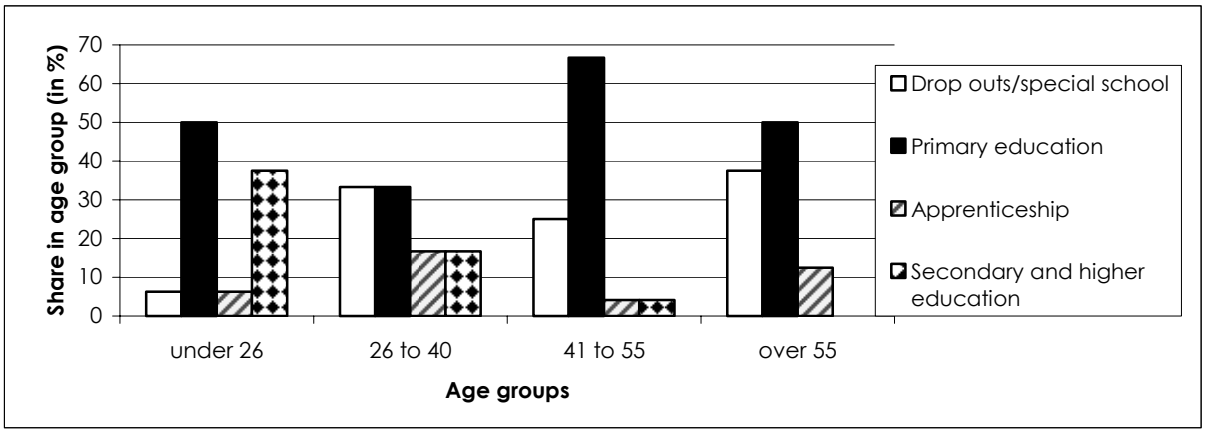
Source: Roma Survey 2004, WIFO calculations.

6.2 Strong generational gap in terms of education

The age structure is an important factor for a proper assessment of the educational situation of the Roma in Oberwart. As graph 8 highlights, there are substantial differences in the educational attainments of different age cohorts. A clear pattern is recognizable, with the educational status improving inversely to age. Among older generations of Roma, schooling beyond primary education is almost completely absent. On the contrary, the educational situation improves significantly if we look at younger cohorts, and particularly at the Roma who are younger than 26. The share of drop outs and special school attendants is highest among individuals aged 55 and above (37.5 percent), and it is lowest among youngsters (6.3 percent). The latter are much more likely than any other group to hold a secondary degree (37.5 percent against 16.7 percent for persons aged between 26 and 40, and

3.1 percent for persons older than 40). This strong age-related pattern is the outcome of an important development that has taken place over the past fifteen years (see first working paper). Increased awareness for the hurdles faced by the Roma, together with initiatives like the learning support provided by the *Verein Roma* have decreased the number of children who have been placed in special schools or integration classes.

Graph 8: Educational attainment according to age groups



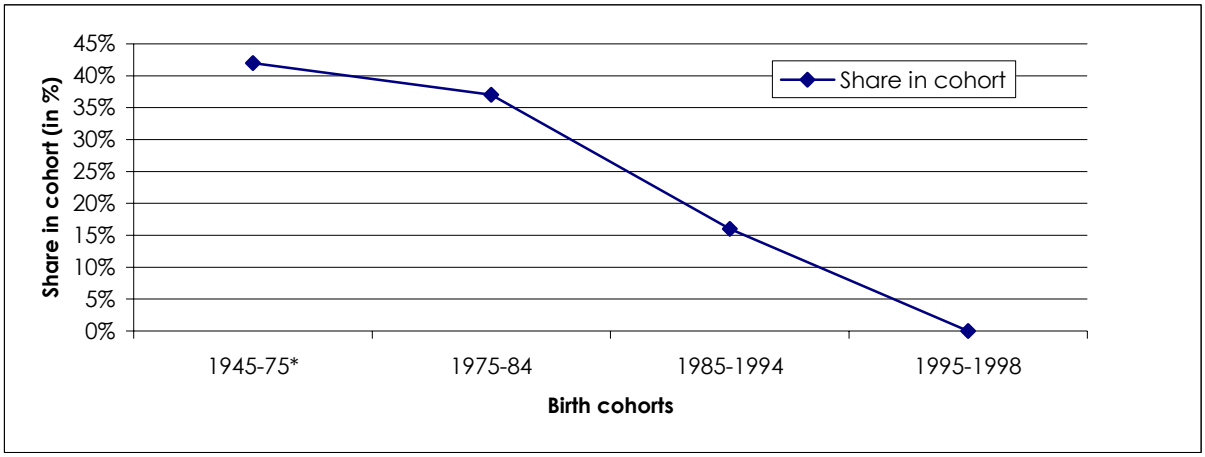
Source: Roma Survey 2004, WIFO calculations.

Graph 8 and the connected statistics include only adults, i.e., persons who have already completed their educational period. One third of the interviewed population, however, consists of children and youngsters who are still in education. Information on their educational status completes what has been said so far, and confirms that the educational situation of the Roma in Oberwart has turned to the better. Only 6.4 percent of the children covered by the survey are attending a special school or are part of an integration class. The graph below shows that, for the children of schooling age born after 1994 this share has declined to zero. Some caution is necessary with respect to these figures, especially since the number of observations for the youngest cohort is very small. Nevertheless, it seems safe to say that the massive discrimination that took place in the past, when Roma children dropped systematically out of regular education, has been superseded. It remains to be seen whether the youngest Roma will be able not only to improve on earlier generations, but also to close the gap with respect to their peer group within the majority population.

Education can be considered as the single most important factor of upwards social mobility. In this light, the changes that have taken place over the last fifteen years are appreciable, and it is important to document them. For younger Roma the completion of compulsory education has become almost self-evident and secondary degrees have come within reach. This represents a clear improvement with respect to the past. However, it would be dangerous to overestimate this positive trend, and to overlook the educational deficiencies that are still in place. It has to be remembered that even young Roma are still lagging behind their peers in majority society: almost 60 percent of the age group up to 26 has completed

only primary education. In addition, most adult and older Roma have a large educational deficit that gives them little chance to assert themselves on the labour market.

Graph 9: Share of special school attendants among Roma children



Source: *Samer* (2001), Roma Survey 2004, WIFO calculations. – * Estimated value

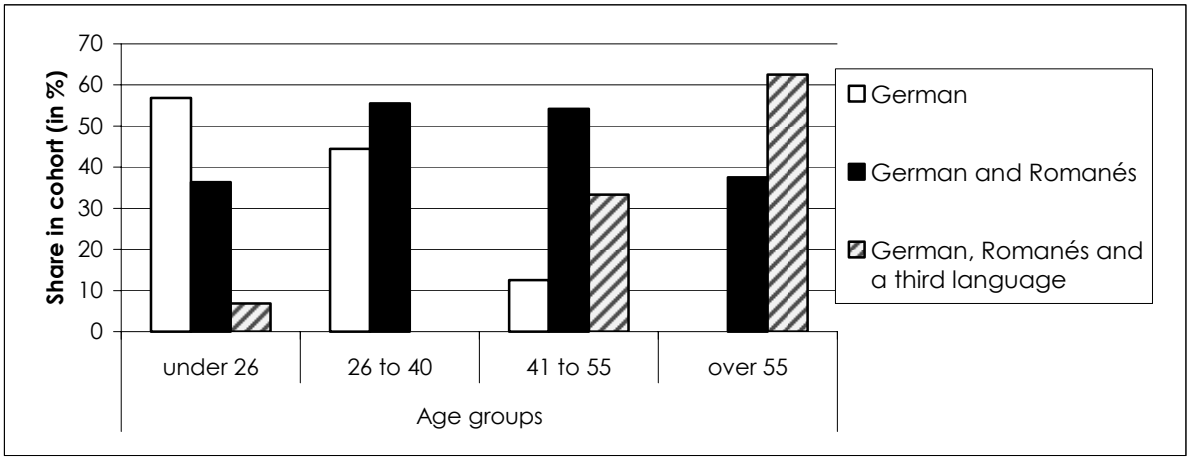
6.3 The decline of Romanés as a spoken language

In addition to demographic and socio-economic information, the survey carried out in Oberwart contains also data aimed at better understanding the cultural background of the Roma in Oberwart. The indicators presented in this section do not constitute a structured and comprehensive body of information, but they rather integrate what has been said so far with some insights into themes like language and culture.

The Roma have been living in the Oberwart area for over two centuries. Although they still represent one of the largest Roma communities in Austria, their number has been severely reduced with respect to the interwar-period, when more than 3,000 Roma populated the district (see first working paper). Their numeric decimation coupled with their marginalisation has had a strong impact on their cultural identity. The low number of Roma recorded by the census reflects the fact that many Roma have been assimilated by the majority population, or that they disavow their ethnicity. The census does not ask for ethnic affiliation, but only for the language that is spoken by an individual. However, almost 40 percent of the respondents have stated to speak only German, and no Romanés. Of the remaining persons, three quarters speak both German and Romanés, while a minority (17 percent of the total) speaks German, Romanés and a third language (in most cases Hungarian). The graph below shows that there is a clear age structure behind these figures. Whereas 56.8 percent of the young Roma speak only German, the corresponding shares are lower for persons aged between 26 and 40 (44.4 percent) and those between 41 and 55 (12.5 percent). Individuals aged over 55 all speak Romanés. Conversely, the share of Roma who have maintained their traditional mastery of Hungarian is almost non-existent for individuals aged 40 and younger, while it

represents one third of the persons aged between 41 and 55, and almost two thirds of those in the oldest age cohort.

Graph 10: Languages spoken by the Roma according to age group



Source: Roma Survey 2004, WIFO calculations.

In other words, the young and very young generations of Roma in Oberwart are gradually losing a fundamental element of their culture, which had been preserved over centuries and was still well alive only a few decades ago. On the other hand, the youngest among the Roma are now benefiting from the improved educational circumstances, and are learning English as a second language. This is true of almost fifty percent of the Roma who are younger than 26. The corresponding figure for persons between 26 and 40 is 5.6 percent and English is not spoken at all by older members of the community.

Traditional occupations are another element of cultural identity that has gone lost to the Burgenland Roma. Once upon a time the Roma had grown accustomed to make a living out of some of these traditional occupations, like music and handcraft. With the loss of the economic niches that secured the function of these occupations, most Roma have lost the corresponding skills. It is interesting, however, that many of the interviewees have expressed the desire to pursue a creative or artistic activity. In most cases these activities belong to the traditional set of Roma occupations. When asked whether they have the desire to express themselves trough creative means, 37.5 percent of men and 62.5 percent of women gave an affirmative answer. Whereas there is a clear gender pattern, the positive and negative answers to this question are equally distributed between age groups. When asked to specify their preferred type of creative (or artistic) activity, 58.6 percent of the respondents have indicated either only music, or a combination of which music was a part. Another 31 percent have indicated that they would like to tinker or make handicrafts. This result is particularly significant since – unlike music and painting - this option was not explicitly included in the survey.

An interesting information emerges from a question referring to the transportation habits of the Roma. Slightly more than half of the interviewed Roma possess a driving licence (55.4 percent), with a dominance of men over women (64.7 percent against 45.2 percent). The age group of people between 26 and 40 has the highest share (76.5 percent), while the oldest group of Roma has the lowest share of driving licence holders (37.5 percent). When asked what means of transport they use, however, the bulk of respondents (92.9 percent), regardless of age and gender, have indicated to use only the car. Public transport, the train as well as bikes and motorbikes are used by less than 4 percent of the Roma. These data express the restricted mobility of those individuals who do not possess a driving licence and a car. This heavy reliance on the car might be connected to a preference rooted in the cultural background of the Roma. Anecdotal evidence suggests that the car has come to substitute older means of transport (like horse and carriage) that were an essential part of the traditional nomadic life-style.

7. Health and health-related behaviour

7.1 The health problems of the Roma as an indicator of social exclusion

The Roma are used to live at the margins of society. In addition to problems faced in the realm of education and on the labour market, they have to cope with effects of social exclusion that have not only economic and social, but also psychological components. Whereas indicators on employment, income and education provide 'hard facts', there are aspects of marginalisation that are less tangible. This section of the paper looks at some health indicators that have been included in the survey. Health and health-related behaviour are linked to socio-economic factors, and they are also the expression of a broader existential dimension. Thus, certain health indicators are very useful to point at an underlying social and psychological malaise.

The Body Mass Index (BMI) is providing information on how weight from a certain point onwards may represent a health hazard. It is a measure of weight over height, and it is calculated as the weight in kilograms divided by the square of the height in metres. The survey carried out in the Oberwart district contains information on the respondent's body-weight and -height, and therefore makes it possible to compute the BMI values accurately. The BMI can be divided in four categories, ranging from underweight to obese. Different individuals can have different physical constitutions, and accordingly there are certain margins for this categorisation. If the BMI lies above 25-27 (depending on whether the individual is younger or older than 35) however, a person is considered to be overweight, and it is advisable for her to lose weight in order to avoid the risk of health damages. With a BMI over 30 (obesity) it is absolutely necessary to intervene, as some common conditions related to obesity include cardiovascular disease, high blood pressure, osteoarthritis, some cancers and diabetes.

The surveyed Roma population presents a very high share of overweight and obese persons. As can be seen from table 2, approximately 4 out of 10 Rom and Romni are obese according to the BMI index. To control for these values, a comparison with data taken from the Vienna Health Survey for the year 2001 has been made. On average, the Viennese population presents much lower BMI values than the surveyed Roma population: the mean value is 25.5 for men (against 30.9 for the Roma), and 24.3 for women (against 30.3). However, it is important to remember that socio-economic factors like education, income and occupation are often correlated with health indicators. The BMI is no exception, and therefore a more differentiated analysis is necessary to compare the data for the Roma with a sample of the Austrian population.

Table 2: Distribution of body-weight categories in the interviewed population

Bodyweight (in %)	Men	Women
Normal	35.3	37.5
Overweight	26.5	21.9
Obese	38.2	40.6

Source: Roma Survey 2004, WIFO calculations.

Table 3 highlights the fact that – according to the Vienna health survey – women and men with lower educational attainments tend to have higher BMI indexes than individuals with higher levels of education. This is particularly true of men with an apprenticeship, 59.4 of whom are overweight, and 16.8 of whom are obese, and women with primary education, 49.8 percent of whom are overweight, and 21.2 percent of whom are obese. In this light, the Roma are less of an exception than might be thought at first sight. Other marginalised social groups with similar characteristics to the Roma, like Australia's Aboriginals, have also been found to be affected by recurring health problems, like diffuse obesity[22]. Hence, health issues connected with bodyweight are not a feature that is unique to the Roma. Quite conversely, it is shared in different degrees by other social groups, and can be associated with poverty, low education, unemployment, social exclusion.

It has to be pointed out that obesity, in addition to presenting serious health risks, can also be a major hurdle for employability and access to the labour market. Especially in the case of low-skilled workers, a degree of overweight that impairs mobility and manual skills limits severely the possibility to find a job.

[22] According to the World Health Organisation (WHO), autochthonous populations in North America, Australia and Oceania present high shares of obesity and non-infectious diseases such as coronary diseases and diabetes, http://www.uno.de/menschen/menschenrechte/pressemappe/autocht.htm.

Table 3: Distribution of body-weight categories according to education in the Viennese population

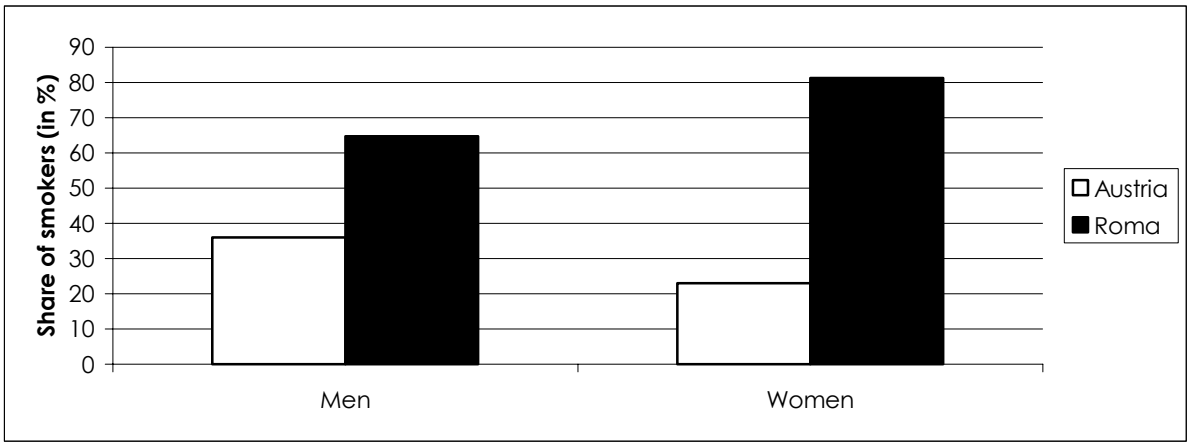
Education	Overweight BMI >25 (in percent)		Obesity BMI >30 (in percent)	
	Men	Women	Men	Women
Primary education	40.2	49.8	8.5	21.2
Apprenticeship	59.4	43.0	16.8	11.6
Secondary education	46.3	27.0	8.4	7.4
Higher education	36.8	20.9	6.5	6.7
Total	48.9	36.9	11.4	12.3

Source: Vienna Health and Social Survey, 2001.

7.2 High percentage of smokers among the Roma

Another aspect of health-related behaviour that has emerged from the survey refers to smoking. Information from the survey has been confronted with national data, and as Graph 11 shows, the share of smokers among the Roma in Oberwart lies significantly above the national average. While in Austria 30 percent of the persons aged 16 and older smokes, the corresponding figure for the Roma is 72.7 percent. In particular, 64.7 percent of the interviewed men, and 81.3 percent of the women (.i.e., almost 4 times as many as in Austria as a whole) have indicated that they are currently smokers. While in Austria approximately 50 percent of the population has smoked at one stage in life, almost 90 percent of the interviewed adult Roma have stated that they have smoked at one point in their life. Not only the diffusion, but also the frequency of smoking is very high among the Roma: 80 percent of men and 60 percent of women who smoke report to consume one packet (i.e., 20 cigarettes) or more per day.

Graph 11: Smokers according to gender, comparison between Roma and Austrian population

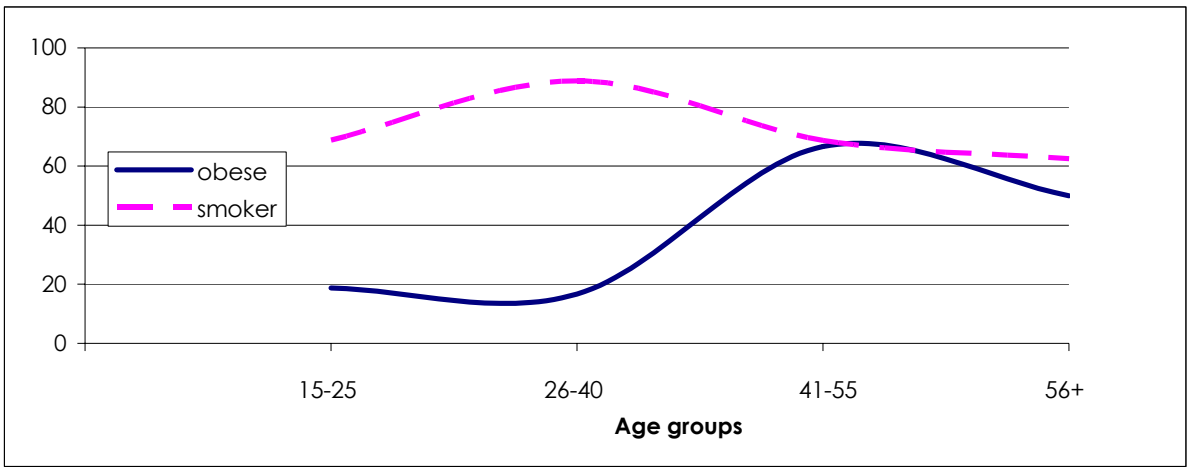


Source: Roma Survey 2004, WIFO calculations.

In addition to the well-known health damages associated with smoking, it is worthwhile to mention also its financial costs for the concerned individuals. Since many Roma are heavy smokers (and in light of the fact that a packet of cigarettes costs approximately € 3.00), smoking presents also a significant burden on the monthly budget of these persons.

As the below graph indicates, there is an age-specific pattern with respect to the interaction between smoking and obesity. Whereas younger persons have a more healthy body weight, they have also the highest share of smokers. This is particularly true of the second age cohort, which includes all individuals aged between 26 and 40. With increasing age, obesity becomes a problem for a much larger share of the Roma population. Whereas less than 20 percent of the youngsters have a BMI index over 30, the corresponding share among Roma who are between 41 and 55 is more than three times as high (66.7 percent). On the other hand, the number of smokers declines in the older cohorts.

Graph 12: Obesity and smoking along the age structure



Source: Roma Survey 2004, WIFO calculations.

Further elements that point at the poor health condition of the Roma population in Oberwart refer to the presence of chronic diseases and to the regularity with which medical assistance is sought. According to the results that emerge from the survey, almost 41 percent of the interviewed persons suffer from a chronic illness. More than three quarters of these people go regularly to the doctor. Of the remaining persons, 41.0 percent have regular contact with medical counselling. On the other hand, the number of Roma who pay regular visits to the dentist is very low: slightly more than 30 percent. By comparison the Vienna Health Survey 2001 reports that 54.3 percent of men had been at the dentist's at least five times (and 77 percent at least twice) over the past 5 years. The corresponding share for Viennese women was 62.1 percent (80.2 percent). However, here too differences emerge once we control for socio-economic indicators like education: whereas 57.2 of men and 68.9 percent

of women with higher education went regularly to the dentist, these shares drop to 42.5 and 46.7 percent for men and women with compulsory education only.

7.3 Precarious health situation of older individuals

Next to questions referring to objective and (relatively) easily quantifiable aspects of personal health, the survey contained also a set of standard questions to determine the status of perceived health of the interviewees. Asked to assess their health status, 15.2 percent of the Roma have responded that it is very good, and 30.3 percent that it is good. On the other hand, 30.3 percent of the surveyed population has stated that its health is mediocre, 16.7 percent that it is poor, and 7.6 percent that it is very poor. As the below table shows, the pattern of responses does not vary strongly by gender: in sum, 44.1 percent of men have reported to have good or very good health, against 46.9 percent of women. Whereas women have been more likely than men to say that their health status is only mediocre (37.5 percent against 23.5 percent), men have responded more frequently that their health is poor (9.4 against 23.5 percent). For both women and men a very poor health is the least frequent status (6.3 and 8.8 percent, respectively).

Table 4: Responses to questions on perceived health and physical fitness according to gender

Question I: How do you assess your health condition?

Question II: How do you assess your physical fitness?

	Men		Women	
Question	I	II	I	II
Very good	14.7	20.6	15.6	18.8
Good	29.4	23.5	31.3	50.0
Mediocre	23.5	17.6	37.5	21.9
Poor	23.5	29.4	9.4	9.4
Very poor	8.8	8.8	6.3	--
Total	100.0	100.0	100.0	100.0

Source: Roma Survey 2004, WIFO calculations.

These figures can be compared with similar data from the Vienna Health and Social Survey[23], where interviewees were asked whether they are happy with their present health condition. In light of this comparison, the subjective (perceived) health condition of the average Viennese seems to be better than that of the Roma. In fact, 85.9 percent of Viennese men said to be happy or very happy with their health status. The corresponding figure for women was 81.4 percent. Only 14.1 percent of men and 18.6 percent of women considered themselves not very happy or not at all happy with their health. However, here too there are

[23] In order to make this comparison, however, some caveats are necessary. The question posed in the Vienna Health Survey allowed only four possibly answers (not five), ranging from 'very happy' to ‚not at all happy'. In addition, the results from the Viennese survey include also older age cohorts that are completely absent in the Roma population.

noticeable differences between respondents along socio-economic cleavages. In fact, the perceived health status tends to improve with increasing household income. Whereas only 10.4 percent of men and 16.3 percent of women belonging to the top quartile of households ranked according to income reported to be not very happy or not at all happy with their health, the corresponding shares for men and women from the bottom quartile were 23.8 percent and 37.6 percent, respectively.

There is a clear gender gap among the Roma with respect to perceived physical fitness. As the columns of Table 4 that refer to question II show, when asked to assess their physical fitness, Roma women have tended to respond more positively than men. Only 44.1 percent of men, but 68.8 percent of women consider their physical performance to be 'very good' or 'good'. At the same time, 29.4 percent of men have stated that their physical fitness is 'poor', and almost 9 percent that it is 'very poor'. The share of women who consider their fitness 'poor' is much lower, at 9.4 percent, and no Romni has stated to perform very poorly.

Table 5: Responses to questions on perceived health and physical fitness according to age group

Age group	<26		26-40		40-55		>55	
Question	I	II	I	II	I	II	I	II
Very good	50.0	43.8	11.1	27.8	–	4.2	–	–
Good	25.0	31.3	61.1	55.6	16.7	29.2	12.5	25.0
Mediocre	18.8	12.5	16.7	11.1	50.0	33.3	25.0	12.5
Bad	6.3	12.5	5.6	–	16.7	29.2	62.5	50.0
Very bad	–	–	5.6	5.6	16.7	4.2	–	12.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Roma Survey 2004, WIFO calculations.

A common characteristic of perceived health indicators is to worsen with increasing age. This trend is somehow intuitive, and can be observed in the data from the Vienna Health Survey too. However, the decline of these indicators for older age cohorts of the Roma is particularly sharp. Whereas approximately half of the persons younger than 26 answered at least one of the two questions with 'very good', no person aged 55 and above has given this response to either question. At least 70 percent of the two younger age cohorts (i.e., persons aged 40 and less) have answered the two questions with 'good' or 'very good'. Among Roma aged over 40, however, this share is much lower, ranging between 12.5 and 33.4 percent. Quite conversely, the most frequent response to the two questions was 'mediocre' for persons between 40 and 55, and 'bad' for persons aged over 55. These results are particularly striking if we bear in mind that the surveyed Roma population lacks members aged 60 and above. Hence, the high rate at which the (subjective) health status of the Roma deteriorates with increasing age reflects a problematic health status that emerges when the individual enters mid-life. Arguably these indicators point also at a shorter life expectancy or at least low living standard in old age for the Roma.

An in-depth medical analysis of these issues goes beyond the scope and possibilities of the present paper. To conclude, it is, however, possible to say that health is a very serious issue for the Roma community and one that must not be overlooked. The poor health status of the Roma can be partly explained with their low educational level and extremely precarious income situation. There is ample evidence that also in majority society socio-economic indicators are a significant explanatory variable for health problems and health-related behaviour. At the same time, in the case of the Roma unhealthy behaviour, acute health problems and the perceived health condition point at a malaise that goes beyond socio-economic factors, and is the expression of social exclusion.

8. Conclusion

There is ample evidence that the Oberwart district (and arguably also Burgenland as a whole) continues to face serious challenges on the labour market[24]. The creation of employment has been more dynamic than in remaining Austria, however, neither in Burgenland nor in Oberwart could the existent labour supply be absorbed. According to most indicators Oberwart has the worst labour market situation of all Burgenland districts. The 1990s have been characterised by an increase in labour market fluctuation, whereby the unemployment inflow rate has risen more than the outflow rate. This, coupled with the long duration of unemployment episodes, points at the existence of a large socket of long-term unemployed. The data on the distribution of unemployment aid confirm this picture. The mid-1990s have witnessed a sharp deterioration of labour market conditions, and have brought the number of unemployed to a new level. In spite of the cyclical upswing of the late 1990s, this high number of unemployed could not be absorbed by the local economy. While the service industry has expanded considerably and generated labour demand, the traditional manufacturing industries have shrunk at a fast pace. This development has hit particularly women. They have lost their jobs in the textile and electrical equipment industry and the expansion in tourism has not been sufficient to compensate for these losses. In general, it is the group of low-skilled workers that faces the most difficult situation. This finding applies to the whole Oberwart population, however, it is particularly significant for the local Roma community.

[24] This statement finds corroboration in the *Arbeitsklima-Index*, a periodical measure of social and economic changes from the viewpoint of employees. In its most recent issue, the index highlights an increasing gap between Austria's Western and Eastern regions: Burgenland (together with Vienna and Lower Austria) has the worst performance with respect to the labour market expectations of wage and salary earners. "Seit 2001 ist der Arbeitsklima-Index im Sinken begriffen, derzeit hält er in Gesamtösterreich bei 105 Punkten. Dabei zeigt sich jedoch ein enormes Ost-West-Gefälle von zehn Indexpunkten: Während der Index in Vorarlberg und Tirol konstant bei 112 Punkten liegt, ist er in der Steiermark und Kärnten seit der letzten Messung abgestürzt (von 108 auf 105 Punkte). Weiter gesunken ist die Arbeitszufriedenheit in Wien, Niederösterreich und Burgenland (derzeit 102 Punkte)", http://www.sora.at/news/Arbeitsklimaindex/.

The situation on the labour market represents the backdrop against which the survey of the Roma in the Oberwart has to be interpreted. In some respects the results from the survey confirm expectations, and find correspondence with studies carried out with other European Roma groups. At the same time, they highlight specific characteristics of the Burgenland Roma as well as recent changes that have taken place. In terms of household structure and fertility rate, there is a certain convergence between the Roma and the rest of Austrian society. The findings on education and employment, however, confirm long-standing problems, and place the Roma community far below the national average. Not all individuals are affected in the same degree by these problems. A strong generational cleavage has been found. Older persons are in a particularly weak socio-economic position. Very few among them have a regular occupation. In addition, they have no part in the educational improvement that is benefiting the youngest generations of Roma. Also their health situation is particularly severe, for the health issues that affect a large share of the Roma population become more intense with increasing age. Not only older Roma, however, but also other sub-groups within the surveyed population face specific challenges. Young males and mid-aged women who have never been in regular employment, for instance, often have no source of income at all. With respect to employment, the situation of the Roma has to be seen in connection with the recent reallocation of elements in the value-added production chain. Over and above long-standing occupational problems, the Roma population has been hit more than proportionally by the structural changes that have taken place in Burgenland and Austria during the last decade. Many Roma have lost their jobs in manufacturing and construction. Their position has been undermined by over-supply of unskilled labour given a sharp decline of labour-intensive low-tech production.

The findings from this study provide also indications for future perspectives. Formal education and opportunities for continuing education outside the regular schooling age represent the single most important factor to foster an improvement of the Roma's situation. At the same time, it has been shown that a holistic approach is necessary, and that educational and occupational measures have to be embedded in a wider context. For instance, initiatives that target the health problems of this group have to be considered an integral part of any strategy to fight social exclusion. In spite of their willingness and partial successes at finding occupational niches, the Roma are more than ever in a precarious employment position. It will be difficult for them to find replacement for the jobs they lost in recent years. While the heavy incidence of (long-term) unemployment on the whole Oberwart population deserves attention, the specific occupational needs of the Roma community have to be addressed. These conclusions are not confined to the Roma community in Oberwart, and apply to the wider Roma population that is present on Austrian territory. The structural change of the economy has led to a decline in unskilled labour demand, while the oversupply of unskilled labour has contributed to the re-emergence of a screening device based on ethnic components. Roma minorities, which are numerous in Vienna and in Lower and Upper Austria, are strongly affected by this development.

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