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YOUTH AND THE GENDER PAY GAP IN AUSTRIA  
LESSONS FROM LEADING EUROPEAN POLICY

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**EUSYP Think Tank**

**STRATEGIES AND POLICIES ON YOUTH IN THE EU**

**Youth and the gender pay gap in Austria**

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## **Abstract**

Austria’s gender pay gap reached 18.3% in 2023, making it one of the highest in the European Union. This disparity is pronounced among young workers and also reflects systemic barriers such as occupational segregation, part-time employment and unequal care responsibilities. In contrast Luxembourg (-0.9%) has reduced these disparities through policies like pay transparency enforcement or childcare allowance. This study compares the youth gender pay gap in Austria and Luxembourg between 2010 and 2023. In order to comprehend structural inequities, it examines studies on youth labour rights and policy using the intersectional and institutional theory approach. The research contrasts organisational and policy practices using policy analysis and qualitative case studies. The research question asks how Austria can adapt successful youth-oriented policies from Luxembourg to tackle its structural and intersectional gender pay gap challenges. Findings suggest Austria’s youth-focused measures have been less effective because of the weak policy implementation and failure to address intersectional factors such as migration status, education and sectoral segregation affecting young women and LGBTQ+ workers. The study offers targeted recommendations for institutional reform and youth-inclusive policy changes with the aim to narrow Austria’s gender pay gap and align with broader EU gender equality objectives.

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## 1. Introduction

The gender pay gap (GPG) is still a main feature of European labour markets and undermines both social justice and economic growth. Among the young workers, Austria has the highest youth gender pay gap in the European Union, with 18.3% in 2023, which is far above the EU average (Eurostat, 2025; Geisberger, 2023; OECD, 2023). This persistent inequality contrasts with Luxembourg, where recent policy reforms not only minimised but even reversed the youth GPG to a slight negative gap of -0.9% , which suggests that targeted and robust policy measures can actually help to reduce the gender pay gap (Plasman, 2002; Statista, 2025).

Despite Austria’s commitment to gender equality and its adoption of the EU Youth Strategy goal of reducing the pay gap to 5% by 2030 (Council of the European Union, 2018), there was no progress done from the Austrian side. The Austrian case has in fact a lot of deeper systemic barriers: for example the apprenticeship systems and labour market pathways remain still mostly gender-blind (BMAW, 2023), implementation of the pay transparency laws is still weak (OECD, 2023) and youth, especially who is facing different intersectional disadvantages (for example migration background, care responsibilities or LGBTQ+ status) are not included often in the policy design or in the decision-making (Crenshaw, 1991; Gazier et al., 2023).

As a result, this wage inequality persists not simply because of policy blindness but because of the limited accountability and a lack of innovative, youth-inclusive practices. The experience of Luxembourg shows that meaningful reform is possible. Through a multifaceted approach that combines targeted STEM mentoring for young women, strict enforcement of pay transparency with real sanctions and strong cross-ministerial coordination, Luxembourg has dismantled many of the structural barriers that perpetuate pay inequality (Plasman, 2002; Statista, 2025). This achievement is not only theoretical, it is also evidenced in different measurable outcomes, where the effective policy transfer, institutional cooperation and youth-inclusion have contributed to a more equitable labour market entry, especially for young women and marginalized groups (Blau & Kahn, 2017; OECD, 2023).

This paper asks: How can Austria adapt successful youth-oriented policies from Luxembourg to address the structural and intersectional drivers of its gender pay gap among young workers? In response, the central claim advanced here is that Austria’s persistent gap is maintained by a confluence of gender-blind labour practices, lack of strict enforcement, and inadequate integration of youth and intersectional concerns in national strategies (BMAW, 2023; Gazier et al., 2023). Drawing on comparative policy analysis and qualitative case studies, this analysis will show that practical, evidence-based solutions exist and that adapting Luxembourg’s integrated, youth based, and enforceable models is both feasible and urgently necessary for Austria.

Tackling Austria’s youth gender pay gap is not just a matter of fairness for the next generation; it is a precondition for economic vibrancy, social cohesion, and the realization of EU-wide gender equality objectives (Council of the European Union, 2018).

By reconciling policy intent with effective practice, Austria stands at a crucial crossroads: the choice is between incremental progress and transformative alignment with Europe’s best performers.

## **2. Literature Review: Gender Pay Gap**

### **2.1. Historical Context of Gendered Wage Structures**

The literature on gender wage inequality in Europe has a complex picture, which evolved over the years from the historical patterns to contemporary dynamics and policy interventions. For example an important work, "Two Worlds of Female Labour: Gender Wage Inequality in Western Europe, 1300-1800," states that Western Europe historically exhibited two distinct patterns of female labour (De Pleijt & Van Zanden, 2021). Southern Europe showed a remarkably stable gender wage gap, with unskilled women who consistently earned around 50% of male wages, suggesting that customs and the social norms played a dominant role and women were often marginal in the labour market (De Pleijt & Van Zanden, 2021). In contrast, Northern and Western experienced a more volatile gap, initially smaller but significantly widening between 1500 and 1800, indicating a greater influence of market forces. Austria and Germany, however, are identified as an "intermediate" pattern, where the gender wage ratio in the 15th century was between the Southern and North-Western norms, and, crucially, remained relatively stable at about 60-65% in the very long run, unlike the sharp decline seen in the North Sea area (De Pleijt & Van Zanden, 2021).

This historical context highlights an ongoing debate in this field: whether the wage gap is primarily driven by the market forces like for example productivity, supply/demand or by deeply embedded social norms and discrimination.

Analysing the modern Austrian context, it is notable the variation of the trends and persistent challenges. Böheim, Hofer, and Zulehner's (2005) study on "Wage Differences Between Men and Women in Austria: Evidence from 1983 and 1997" found that despite increased female labour market participation, higher education and the introduction of equal pay laws, the gender wage gap in Austria narrowed only moderately (Boheim et al., 2005). Their decomposition techniques indicated that while women's increased human capital worked to reduce the gap, this gain was largely offset by lower returns to human capital for women, and the "unexplained" portion, often interpreted as discrimination, remained substantial (Boheim et al., 2005). More recent analyses offer a more optimistic and nuanced picture. "About Time: The Narrowing Gender Wage Gap in Austria" (2005-2017) identifies a significant narrowing of the raw and, more notably, the unexplained gender wage gap in Austria, primarily driven by the relative improvement of women's observed and unobserved characteristics, including increased educational attainment and labor force participation (Böheim et al., 2021).

This study links these improvements to the Austrian policy initiatives, like for example the equal treatment laws, parental leave changes and increased childcare facilities, suggesting their positive impact on women's labour market attachment and bargaining power (Böheim et al., 2021). However, an even more recent WIFO article, "Lohnunterschiede zwischen Frauen und Männern in Österreich von 2011 bis 2023," confirms the overall decline in the unadjusted gap but notes also

that the adjusted gap largely stabilized after 2012 (Böheim et al., 2025). Crucially for the focus on youth, this article highlights that a gender-specific wage gap emerges very early, "bereits beim Berufseinstieg" (at career entry), largely due to gender-specific education and apprenticeship choices and subsequent occupational and sectoral concentration (Böheim et al., 2025). This WIFO study also offers a critical lesson regarding the policy effectiveness, finding that the 2011 Austrian Pay Transparency Law had no clear impact on the gender wage gap. This suggests that even if the women increase their level of education, they still face lower returns in some fields and the problem of this "unexplained" gap persists (Böheim et al., 2025).

While the existing literature provides a robust historical foundation and detailed empirical analysis of the gender pay gap in Austria across different periods, a key gap remains in the direct comparative analysis of Austrian policy outcomes against "leading European policies" from *other* countries.

The sources describe Austria's unique historical trajectory and specific policy attempts and their observed impacts (both effective and ineffective), but they do not thoroughly explore how lessons from successful or innovative policy interventions in other European contexts could be specifically adapted or applied to Austria, particularly with a focus on mitigating the early career gap for youth. This paper aims to bridge this gap by synthesizing these in-depth Austrian findings with insights derived from a broader examination of effective "leading European policies," to provide actionable recommendations tailored to Austria's historical and contemporary socio-economic landscape, especially for its young workforce.

## **2.2. Structural Explanations for the Persistent Youth Gender Pay Gap**

Research on the gender pay gap consistently identifies it as a persistent issue across the developed economies. A foundational work by Blau and Kahn (2017) highlights that while the GPG has declined in particular in the 1980s significant disparities remain, with traditional factors like human capital explaining less of the aggregate gap by 2010, while gender differences in occupation and industry remain important (Blau & Kahn, 2017). This aligns with findings from other countries, like Luxembourg, where the occupational and sectoral segregation significantly contribute to the GPG and Germany, where men consistently earn more and experience sharper income growth over their life course (Blau & Kahn, 2017).

Further literature delves into specific sub-themes, in particular the role of the policy interventions and broader labour market regimes. Pay transparency measures, such as mandatory gender pay gap reporting are increasingly common tools to address the GPG, but their effectiveness is highly dependent on proper design and implementation, including strong enforcement mechanisms and public awareness (Boca, 2015; Täht et al., 2023).

For instance, while pay reporting has likely reduced wage gaps in Denmark, France, Switzerland, and the UK, empirical research in Austria found no effect of its pay transparency law, possibly due to weak enforcement and a lack of required concrete action (Gazier et al., 2023). Moreover child care policies are also crucial, because the child care costs and availability significantly impact mothers' labour supply, which is a major determinant of the GPG (Boca, 2015). In many European

“Strategies and Policies on Youth in the EU (EUSYP) Think Tank countries, availability is often more critical than cost and these policies have a stronger impact on mothers from disadvantaged backgrounds (Boca, 2015).

Furthermore the broader institutional factors within labour market regimes, such as minimum wages and welfare state features, play a significant role in shaping in-work poverty and employment trajectories for youth (Blau & Kahn, 2017; OECD, 2023). The Austrian context is characterized by a high gender pay gap (25.5% in 2008), above-average in-work poverty rates for young adults and the prominent role of family responsibilities, particularly for women's "inactivity" in early career stages, reflecting a "conservative welfare state" model (OECD, 2023).

The upcoming EU Pay Transparency Directive (2023) is also highly relevant, because it will introduce really important changes, including regular reporting and mandatory equal pay audits, potentially pushing Austria towards more effective policies (Council of the European Union, 2023). Even if there is extensive research on the general gender pay gap, there remains a gap in the literature specifically focusing on the intersection of youth and the gender pay gap within the Austrian context.

### **3. THEORETICAL FRAMEWORK**

To understand the persistent gender pay gap among youth in Austria needs a comprehensive and critical theoretical approach, situating wage inequality within interlocking systems of disadvantage and institutional structures. This chapter develops an integrated framework combining intersectionality theory (Crenshaw, 1991), institutional theory (Rubery & Koukiadaki, 2018) and selected aspects of human capital theory (Becker, 2021) to illuminate both the causes and enduring mechanisms of pay disparities.

According to intersectionality theory (Crenshaw, 1991), multiple identities, such as gender, age, or migration background, interact to create distinctive disadvantages during youth transitions to work. In the Austrian context, intersectionality offers also an essential lens to explain why progress in the educational attainment among young women does not automatically translate into labour market equality, as sectoral segregation, care responsibilities and migration status all combine to deepen wage gaps and limit access to stable, well-remunerated employment (Böheim et al., 2021; Crenshaw, 1991).

Institutional theory strengthens this analysis by focusing on the structures, institutional, that reinforce or limit inequality. Institutional theory (Rubery & Koukiadaki, 2018) explains how labour-market structures and collective norms maintain or mitigate inequality and explain why Austria's fragmented coordination and weak enforcement perpetuate pay disparities.

The durability of gender-blind apprenticeship systems, the patchy enforcement of pay transparency legislation and the fragmented coordination between ministries in Austria are not accidents, but outcomes of the institutional logics that privilege tradition, social partnership and incremental change over innovation and inclusion. Moreover institutional theory explains why progressive reforms, such as Austria's Pay Transparency Law, may produce little effect in practice without binding enforcement mechanisms and clear lines of accountability (OECD, 2023).

While human capital theory has historically shaped policy discourse on the labour market outcomes, its explanatory power is increasingly limited in contexts where educational attainment has converged for young women and men (Becker, 2021). According to Becker, individuals invest in education and training to enhance their productivity and earnings; but the contemporary analyses explain that rising education levels among young Austrian women have not been sufficient to close the pay gap.

Blau and Kahn (2017) demonstrate that unexplained wage disparities persist, rooted more in the occupational clustering, care burdens and negotiation gaps than in educational deficits. A focus on human capital alone risks obscuring the underlying institutional and intersectional dynamics that systematically undervalue women’s work and restrict their mobility across sectors.

#### **4. Methodology: Comparative and Critical Policy Analysis**

Building on the theoretical framework explained in the previous chapter, this research adopts a qualitative, comparative and theory-informed policy analysis in order to examine how Austria and Luxembourg address the structural and intersectional determinants of the youth gender pay gap through their national youth strategies. This approach combines in-depth document analysis with a critical policy analysis framework, anchored in three complementary theoretical perspectives: intersectionality (Crenshaw, 1991), institutional theory (Rubery & Koukiadaki, 2018) and human capital theory (Becker, 2021).

The empirical basis of the study rests on two primary policy documents: for Austria, *Österreichische Jugendstrategie. Umsetzungsbericht 2024* (Bundeskanzleramt, 2025) and for Luxembourg, the *Plan d’action national pour la jeunesse 2022–2025* (Ministère de l’Éducation nationale, de l’Enfance et de la Jeunesse, 2022). These were selected because they constitute the most recent, official and comprehensive articulations of each country’s youth policy framework, and both are explicitly aligned with the EU Youth Strategy 2019–2027, including the European Youth Goal on gender equality.

### **5. ANALYSIS**

#### **5.1. Descriptive Mapping of National Youth Strategies: Austria and Luxembourg**

##### **5.1.1. Austria: National Youth Strategy**

Austria’s National Youth Strategy is a framework used to guide the policies and initiatives that have the aim to support the development of young people across the country (BMAW, 2023; Bundeskanzleramt, 2025). This strategy follows different objectives of the EU Youth Strategy and establishes four fields of the action: education and training, employment and entrepreneurship, participation and civic engagement and health and wellbeing (Council of the European Union, 2018).

The Austrian strategy has the aim to increase youth participation in the labour market, improve career guidance and foster social inclusion. Key instruments include the nationwide apprenticeship system, transition support programs (“Youth Coaching”) and also sectoral employment guarantees.

Moreover, the implementation is monitored through annual reports and national conferences, but there is limited systematic evaluation of outcome effectiveness.

The strategy thus operates as an umbrella for multiple sectoral initiatives but lacks strong instruments for enforcing equity, addressing intersectional disadvantage, or integrating youth-led policy innovation (OECD, 2023).

### **5.1.2. Luxembourg: National Youth Strategy**

Luxembourg’s national youth strategy has integrated, equity-oriented approach and robust institutional mechanisms. Moreover its strategy 2022–2025 prioritizes inclusion, empowerment and sustainable participation, which explicitly links the youth policy to both EU objectives and the UN Sustainable Development Goals (Ministère de l’Éducation nationale, de l’Enfance et de la Jeunesse, 2022). Its operational framework addresses education, labour market entry, health, social integration, citizenship and gender equality, with special sections devoted to combating structural inequities. Key measures include targeted mentoring, scholarships and family support reforms aimed at equity in youth employment.

Youth participation is institutionalized through the periodic National Assemblies of Young People, consultative forums, and direct involvement of youth organizations in program design and monitoring. Evaluation is rigorous: the strategy mandates five-year reports measuring progress toward equity targets, with external audits of policy effectiveness against indicators including NEET rates, pay gap reduction and minority access to services (Council of the European Union, 2018).

## **5.2. CRITICAL POLICY ANALYSIS**

### **5.2.1. Critical Analysis of the Austrian Youth Strategy (Implementation Report 2024)**

The Austrian Youth Strategy, as explained in its 2024 Implementation Report (Bundeskanzleramt, 2025), frames the “problem” it seeks to address as the challenge of securing favourable framework conditions for the growth, participation and equal opportunities of young people. This framing positions youth policy as a cross-sectoral policy field, designed not merely to influence individuals but to create an enabling environment across education, employment, participation, health, and quality of life domains (Bundeskanzleramt, 2025).

Structural disadvantages facing youth are acknowledged, particularly in transition phases between education and work and within inclusion policies, yet the explicit and direct recognition of the gender pay gap among young people, especially its intersectional dimensions, is notably absent.

The representation of the problem is process-oriented and system-focused. In fact the strategy is built on four main action fields: Education and Employment, Participation and Engagement, Quality of Life and Togetherness, Media and Information, which flows into 35 national youth objectives and currently 156 active measures. The tone of the strategy and its reliance on Reality Checks with youth and expert organisations during policy formulation indicates a commitment to the participatory governance (Bundeskanzleramt, 2025). Gender equality emerges as one of the eleven European Youth Goals to which Austria aligns its measures and is present in different project-based interventions like for example the Girls’ Day, MINT-Girls Challenge, and LEA , Let’s Empower Austria fund.

However, these are primarily voluntary, promotional, and sectoral initiatives rather than binding, outcome-linked policy instruments to address systemic pay inequities (Bundeskanzleramt, 2025).

There are also several assumptions. First is the human-capital-based belief that improvements in education access, skills development and participatory capacity will naturally translate into more equal labour market outcomes (Becker, 2021). Second, the strategy applies a broad notion of “disadvantage” but does not perform a systematic intersectional analysis of how multiple identities, gender, migration background, socio-economic origin, rurality, compound labour market disadvantage for youth (Crenshaw, 1991).

Third, while the integration of youth voices through Reality Checks is admirable, these mechanisms are not tied to enforceable obligations upon ministries to incorporate such input into binding measures. From an intersectionality theory perspective, Austria’s Youth Strategy reflects awareness of diversity but still lacks robust operational tools in order to dismantle overlapping structural inequities, such as occupational segregation or the economic marginalisation of migrant young women, that are central to the persistence of the youth gender pay gap. Policy instruments remain mostly gender-sensitive rather than truly gender-transformative (Crenshaw, 1991).

Applying institutional theory (Rubery & Koukiadaki, 2018), the Austrian Youth Strategy’s key strength lies in its institutionalised coordination architecture. The *Kompetenzzentrum Jugend* in the Federal Chancellery, ministry-level youth coordinators, and the inter-ministerial coordination roundtable do create horizontal governance structures for youth policy (Bundeskanzleramt, 2025).

Yet, compared to leading examples such as Luxembourg’s Youth Pact, Austria’s model remains largely consultative. There is no formalised mechanism to link youth policy objectives with binding implementation in cross-cutting issues like gender and pay equity (Ministère de l’Éducation nationale, de l’Enfance et de la Jeunesse, 2022).

Ministries can develop youth-oriented measures, but there are no sanctions or incentives that are tied to the progress on equality indicators. Additionally the strategy does have positive qualities in the youth and work dimensions. It supports a wide portfolio of educational and vocational initiatives, including apprenticeship promotion (“Lehre mit Matura”), targeted STEM encouragement, career guidance tools, entrepreneurship weeks and youth coaching for early school leavers (Bundeskanzleramt, 2025).

However, these strengths are not strategically leveraged towards narrowing the gender pay gap by explicitly tackling gendered career pathways, valuation of work, or pay transparency in youth-dominated sectors. In comparison with Luxembourg’s youth policy framework, Austria’s approach appears more fragmented in linking youth employment promotion with enforceable labour market equality measures. In fact, Luxembourg integrates youth guarantees, targeted intersectional funding (for girls in STEM, migrant background scholarships), and binding pay transparency audits into a cohesive structure. Austria, by contrast, still treats substantive economic equality as a separate policy silo, largely outside the remit of the Youth Strategy (Bundeskanzleramt, 2025; Ministère de l’Éducation nationale, de l’Enfance et de la Jeunesse, 2022).

These findings reveal key silences in the Austrian document. Most important are the absence of binding economic equity goals; the lack of a formal intersectional framework to analyse and monitor inequality outcomes; the reliance on human-capital reductionism to address labour market disparities and the absence of youth-specific gender pay gap monitoring (Bundeskanzleramt, 2025; Ministère de l'Éducation nationale, de l'Enfance et de la Jeunesse, 2022).

### **5.2.2. Critical Analysis of the Luxembourg Youth Strategy 2022–2025**

The Luxembourg Youth Strategy 2022–2025 is part of the legal framework of the amended 2008 Youth Law and is informed by the Rapport national sur la situation de la jeunesse au Luxembourg 2020. The strategy adopts a holistic perspective on youth development, integrating education, participation and welfare dimensions through broad consultation processes (Ministère de l'Éducation nationale, de l'Enfance et de la Jeunesse, 2022).

However, within this representation, there are different assumptions and silences. Yet, unlike Luxembourg's labour market instruments (e.g., Logib-Lux compulsory pay audits, targeted STEM mentoring), the youth strategy itself does not explicitly target structural economic inequalities such as the youth gender pay gap or sectoral segregation (Ministère de l'Éducation nationale, de l'Enfance et de la Jeunesse, 2022).

While the plan references equality between women and men and identifies “groups at risk,” there is limited operationalisation of intersectionality. For example, the impact of gender and migration status on the access to high-quality employment is acknowledged implicitly but still lacks specific, binding measures to address it. This reflects a general European pattern where youth policy frameworks prioritise social and educational dimensions, while economic equity is siloed into other policy instruments.

From an intersectionality perspective (Crenshaw, 1991), this lack of explicit intersectional design means that policies may fail to address the specific vulnerabilities of, for example, migrant young women, LGBTQ+ youth, or those from rural areas who face barriers both in education-to-work transitions and in pay equity. Measures addressing mental health, youth participation, and social inclusion are robust, but they do not systematically account for how overlapping identities shape disadvantage in employment outcomes.

Through the lens of institutional theory (Rubery & Koukiadaki, 2018), Luxembourg's youth sector stands out for its strong cross-ministerial architecture and statutory requirements for consultation, evaluation, and evidence-based planning. Structures like the Comité interministériel de la jeunesse and integration of youth input through the Youth Dialogue process deliver a high degree of formalised cooperation and institutional strength that Austria's more fragmented youth policy governance lacks (Bundeskanzleramt, 2025).

Binding legal duties in order to produce periodic national youth reports ensure monitoring and adaptive policy design. However, without the binding integration of economic equity objectives into the youth strategy itself, even strong institutions risk reproducing gaps by separating “youth well-being” from “labour market equality.”

From a human capital theory standpoint (Becker, 2021), the policy invests heavily in the skill development, non-formal education and socio-emotional competence building, all of which are valuable for employability. Luxembourg’s model leverages the education–employment nexus effectively through programmes like the *Garantie pour la jeunesse* and strong orientation and transition services (SNJ, ADEM, Maison de l’Orientation) (Ministère de l’Éducation nationale, de l’Enfance et de la Jeunesse, 2022).

These are the essential in smoothing pathways into quality employment. Still, as human capital theory has long been critiqued for overlooking structural inequities, the strategy risks if better skills and well-being automatically translate into equitable labour-market outcomes for all youth, which may not hold true without explicit anti-discrimination and pay equity enforcement integrated into the youth domain.

A crucial positive quality of Luxembourg’s youth and work dimensions, which lacks in Austria is the systematic embedding of employment-oriented measures within the youth policy framework, rather than leaving them entirely to separate labour market policy (Bundeskanzleramt, 2025; Ministère de l’Éducation nationale, de l’Enfance et de la Jeunesse, 2022). Luxembourg’s *Garantie pour la jeunesse* ensures that all 16 - 29-year-olds receive a quality offer for employment, training, or education within four months of registration, linking youth services directly with employment agencies and vocational training providers.

This is reinforced by coordinated housing policies for youth in transition, targeted support for young people struggling to enter the labour market, and life-skills programmes that extend beyond employment to cover financial literacy, digital competencies, and democratic participation. Austria’s youth strategy does not embed such strong direct labour market guarantees or tailored transition housing support, nor does it integrate these services as tightly with the youth participation framework (Bundeskanzleramt, 2025; Ministère de l’Éducation nationale, de l’Enfance et de la Jeunesse, 2022).

In comparison to it, Luxembourg’s youth strategy aligns closely with the EU Youth Goals in its emphasis on the well-being, participation and also multidimensional support, but its strength lies in the integration of youth voice into cross-ministerial action and in coordinated education-to-work services.

For Austria, adapting this model could mean linking the existing apprenticeship system and youth programmes with binding equality targets, cross-ministerial task forces, and explicit intersectional provisions that address the structural roots of the youth gender pay gap (Bundeskanzleramt, 2025; Ministère de l’Éducation nationale, de l’Enfance et de la Jeunesse, 2022).

In conclusion, the Luxembourg Youth Strategy offers a strong example of a good practice. (Ministère de l’Éducation nationale, de l’Enfance et de la Jeunesse, 2022). However, its relative silence on labour market equity metrics and explicit gender pay gap reduction in the youth domain highlights the importance of bridging youth well-being frameworks with targeted economic equality instruments, something that Austria could operationalise by combining Luxembourg’s inclusive,

well-coordinated youth policy architecture with its own need for binding, intersectional labour market reforms.

### **5.3. Recommendations for Austria: Advancing Youth Labour Market Equity Through Integration and Institutional Reform**

Building on the comparative and statistical analyses, several specific measures are recommended for Austria to strengthen its youth policy framework in addressing the youth gender pay gap. The evidence presented shows that Austria’s current approach, although rich in participatory processes and educational opportunities, lacks still the binding institutional mechanisms, intersectional targeting and outcome oriented monitoring that characterise more successful models such as Luxembourg’s (Ministère de l’Éducation nationale, de l’Enfance et de la Jeunesse, 2022; Statista, 2025).

First, Austria should include explicit, binding labour market equality objectives within the national youth strategy. This requires that pay equity, occupational desegregation and equal career progression be stated as formal youth policy goals, accompanied by targeted programmes such as long-term STEM mentoring for girls, scholarships for migrant youth and career orientation tailored to LGBTQ+ and rural youth. These initiatives must be directly tied to measurable equality outcomes and supported with every year funding (Bundeskanzleramt, 2025; Crenshaw, 1991).

Second, the governance framework should be adapted in order to create a formalised inter ministerial taskforce linking the youth, labour, education, and equality portfolios. Such a structure should not only coordinate but also hold legal authority to require that ministries integrate youth equality goals into their programmes, with annual progress reporting against disaggregated indicators by gender, migration status, socio economic background, and region (Rubery & Koukiadaki, 2018). This model mirrors Luxembourg’s inter ministerial mechanism, which has helped maintain near parity in youth pay outcomes (Ministère de l’Éducation nationale, de l’Enfance et de la Jeunesse, 2022).

Third, Austria should introduce binding pay transparency and equality certification within youth dominated employment sectors, including apprenticeships, entry level positions and part time work (Plasman, 2002; Statista, 2025).

Fourth, an intersectional framework should be also included in all the stages of policy design, monitoring and evaluation. This involves systematically collecting and analysing data on overlapping identity based disadvantages, ensuring that programmes target those most at risk of compounded barriers, such as migrant young women or young parents (Crenshaw, 1991).

Finally, Austria should also engage more actively in the EU level benchmarking and peer learning with countries that demonstrate best practice in reducing the youth pay gaps, such as Luxembourg and selected Nordic states. This would align Austria more closely with the European Youth Goal on gender equality and the EU Youth Strategy Work Plan 2025–2027 and also adapt transferable approaches to the Austrian socio economic and institutional context (Council of the European Union, 2018).

Implementing these recommendations would allow Austria to shift from a youth policy that primarily fosters participation and skills to one that also acts as a lever for structural labour market equality. Such an approach would not only address current disparities but also prevent the entrenchment of gendered and intersectional pay inequalities across young people’s life courses.

## 6. CONCLUSION

This research has shown the complex realities that the young people are facing and also revealed how these disparities often remain obscured behind official policy narratives and general statistics. The comparative analysis of Austria’s and Luxembourg’s youth strategies, examined through the frameworks of intersectionality, institutional theory and human capital theory, has shown that the design and implementation of the youth policy have tangible consequences for the lived experiences of young people.

Austria’s Youth Strategy remains incomplete in its structural response. It aspires to empower but doesn't help much with confronting systemic wage inequalities or addressing the compounded disadvantages experienced by specific groups of young people, such as migrant young women or those living in rural regions. This disparity between the inclusive rhetoric and enforceable mechanisms highlights a broader challenge: policies that symbolically recognise inequality but fail still to dismantle its structural roots risk leaving these injustices intact.

Luxembourg’s Youth Pact, by contrast, has a more integrated and binding approach. In fact its alignment of youth participation, targeted interventions, and labour market equality measures reflects a sustained institutional commitment to both social and economic equity. This approach shows the transformative potential of putting together participatory governance with enforceable accountability, robust monitoring and a clear intersectional lens.

The contrast underscores the importance of political will, cross-sectoral coordination, and an understanding of how overlapping identities shape disadvantage, elements that can move youth policy beyond general empowerment and towards structural change. The findings reaffirm that bridging the gap between participation and equality requires more than education, skills programmes or aspirational statements. The Achievement of the substantive youth labour market equity demands legal safeguards, binding equality objectives and systematic tracking of outcomes disaggregated by gender and other intersecting factors. The persistence of the youth gender pay gap is not only a numerical imbalance; it signals ongoing systemic barriers that shape opportunity, economic security and social justice from the beginning of working life.

Closing the youth gender pay gap is not only a matter of economic fairness but also a test of a society’s commitment to justice and equality. Youth policies that fail to confront all these systemic inequities continue the cycles of disadvantage; those that include the equality at their fundamental goal have the power to transform futures. The choice is clear: if we align ambition with enforceable action, Austria can ensure that the next generation enters a labour market defined not by barriers and bias, but by opportunity, dignity and equal worth for all.

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