Danube University Krems
Department for Migration and Globalisation

Migration and Labour Integration in Austria

SOPEMI Report on Labour Migration Austria 2017-18

Gudrun Biffl

January 2019

Report of the Austrian correspondent to SOPEMI (Système d'observation permanente des migrations), OECD's reporting system on Migration.

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Austria – Country Note

In 2017, a total of 139,300 foreign nationals registered their residence (of more than 90 days) in Austria, a decline by 19,400 (-12%) vs 2016. At the same time 89,600 foreign nationals left Austria, i.e. almost the same number as in 2016. Accordingly, net immigration amounted to 49,800, a 29% decline versus 2016. Factoring in the net outflow of 5,100 Austrian nationals in 2017 reduces net immigration to 44,600. By January 2018, the stock of foreign nationals amounted to 1.396 million (15.8% of the total population), constituting an increase of 54,000 persons (+4%) compared to January of the previous year. The largest groups were German (186,800), Serbian (120,200), Turkish (117,300), Romanian (102,300) and nationals of Bosnia-Herzegovina (95,200).

Of the 139,300 newly arrived foreign nationals in 2017, 86,700 (62.2%) came from the EEA and Switzerland. That figure includes 31,300 from EU15 countries, mainly Germany (17,300) and Italy (4,700) – and 54,000 (38%) from EU13 countries, mostly Romania (17,200), Hungary (12,400), Slovakia (5,100) and Poland (5,100). An additional 52,700 (37.8%) came from non-EU countries, the largest group (23,300) coming from other European countries (including Turkey). This inflow has been relatively stable for some years. Quite in contrast to inflows from Asia; they declined to 19,500 (-46%) vs 2016, largely resulting from the decline in refugee inflows from Afghanistan, Syria, Iraq and Iran.

In 2017, a total of 23,900 new residence permits were issued to third country nationals, 6.6% less than in the previous year. Of these, 16,700 were permanent (settlement permits), a slight decline vs 2016 (-3.5%), and 7,200 temporary residence permits, representing a somewhat more pronounced decline (-13%). Around 22.2% (3,700) were issued to third country family members of non-EU immigrants on the basis of a quota; the remaining 77.8% (13,000) were either family members of Austrian or EEA-citizens, holders of Red-White-Red cards (i.e., labour migrants), graduates of Austrian universities and humanitarian migrants. Roughly 7,200 temporary permits were issued; the largest share went to students and their family members (61.3%), followed by special cases of temporary salaried employees and their family members (19.5%). Extensions of temporary permits were granted mostly to students (12,300, 72% of all extensions).

After a large increase in asylum applications in 2015 to 88,300, the inflow of asylum seekers halved in 2016 and declined further to 24,700 in 2017. The decline continued well into 2018 reaching 13,400 by the end of the year. The major source countries were Syria (7,400), Afghanistan (3,800), Pakistan (1,600), and Iraq (1,400). According to national authorities (Ministry of the Interior) Austria granted asylum (Geneva Convention) to 21,800 asylum seekers, subsidiary protection to 7,100, and humanitarian residence to 1,600 in the course of 2017.

Responding to the humanitarian crisis in the Middle East, Austria agreed to resettle 1,900 humanitarian migrants between 2013 and 2017. A shared admission scheme was adopted for Syrian refugees, some identified by UNHCR as particularly vulnerable persons, others by the Christian community in Syria and Austria.

According to the Austrian Ministry of the Interior the number of arrests of foreigners entering or residing unlawfully in Austria reached 94,300 in 2015, declined thereafter to 50,800 in 2016 and further to 27,800 in 2017. One particular target of cross-border police cooperation has been the capture of people smugglers. The number of apprehensions doubled in 2015 to

1,100 but declined again in 2016 (249) and 2017 (222); the composition of nationalities of the smugglers is changing slowly with citizens of the Western Balkans being complemented by Austrians, Turks, Germans, Italians, Pakistani, Syrians, and Iraqis.

In 2017 legislative reforms on asylum came into effect; the amendments include the obligation of asylum seekers to remain in the region, which pays for basic assistance (Grundversorgung), to stay in specified accommodations for the duration of the procedures to prohibit the move of asylum seekers from rural to urban areas. In 2018 asylum legislation was tightened further, aiming at shorter procedures, demanding asylum seekers to contribute financially to their subsistence costs, allowing the authorities to access mobile phone contents to speed up identity checks, and raising the duration of legal stay to 10 years in Austria for refugees before they become eligible for naturalisation.

In 2017 the Integration Act (Integrationsgesetz IntG) came into effect, focussing on the right to language and orientation courses and the duty to pursue integration actively. In September 2017, the Integration Year Act (Integrationsjahrgesetz IJG) came into effect, focussing on the provision of active labour market policy measures for refugees; asylum seekers with a high probability of getting asylum granted will be able to access labour market policy measures, including work training programmes, from January 2018 onwards. This legislative reform was taken back in 2018 by not providing funding for an integration year. In addition, the right of asylum seekers under the age of 25 to take up apprenticeship education and training in designated (scarcity) occupations has been withdrawn in 2018.

In 2017, amendments of various Alien Acts ((Fremdenrechtsänderungsgesetz FRÄG 2017) came into effect, impacting on Foreign Employment Act, Settlement and Residence Act, Alien Police Law, Asylum Law, BFA-Law, Basic Services Law (for asylum seekers), Border Control Act. One focus is on intercompany transfers and posted workers, another on the RWR-Card, making university graduates of bachelor studies and PhD-graduates eligible for the R-W-R-card, introducing a new category for business start-ups and amending the points for skilled migration in the scarce skills category. In addition, amendments to seasonal work regulations came into effect in 2017.

In 2017, an integration monitor was implemented by the Ministry of Europe, Integration and Foreign Affairs. As a result, 'new' administrative data has been made publicly available, first published in the Integration Report 2018 of the Ministry.

Introduction: The economy and the labour market 2017/2018

Austrian economic growth picked up in 2017 and reached 2.7%, after 2% in 2016, reaching the highest rate since 2011. The economic recovery had a broad base: not only export growth provided a boost but also domestic demand. In 2018, real GDP growth is expected to remain at the level of 2017 (2.7% on an annual average). The positive economic development is largely due to the acceleration of growth of world-trade and the good integration of Austrian exports into the international value-added chains. The world economy continues to be dynamic, driven by the industrialised world (with USA being an important driver) and developing countries alike. In Austria, in addition, the investment backlog of CEECs had come to an end in 2016, partly due to the payment of EU-subsidies, which had been delayed – this was an important driver of economic growth in Austria, given the tight economic interlinkage. The positive export performance was complemented by healthy consumer demand, still profiting from the positive effects of the tax reform, which had come into effect in 2016, and the positive employment development of 2017/18.

In 2017, private household demand remained high with a growth rate of 1.7%. The effect of the tax reform which had come into effect in January 2016 and which had enticed households to invest in durable consumer goods, petered out but was compensated by the positive impact of employment growth in 2017. The situation continued to be dynamic in 2018, not least due to higher collective wage agreements. Public sector expenditure grew somewhat less than in 2016 but remained high with 1.5% in real terms.

Investment demand remained dynamic at +3.9% vs 2016 in real terms, after +4.3% in 2016. Investment in equipment to expand production capacities was in the forefront. The construction sector started to grow again after a drawn-out sluggish development, in housing as well as non-housing, boosting investment growth by +3.5% vs 2016 in real terms, after 0.4% in 2016. In 2018, investment demand is expected to remain more or less at the level of 2017.

Increased global economic growth from mid-2016 onwards affected Austrian foreign trade positively. Exports rose by 4.6%, with exports of goods taking the lead, largely machines and vehicles. Export growth profited not only from EU-demand increases but also from rising demand of third countries, in particular the USA and BRICS-countries (Brazil, Russia, India, China, South Africa). Since imports (+4.4%) grew somewhat less than exports, international trade had a positive impact on economic growth. However, as import prices (+2,7%) rose more than export prices (+1.8%), the terms-of-trade deteriorated vs 2016 by -0.9%.

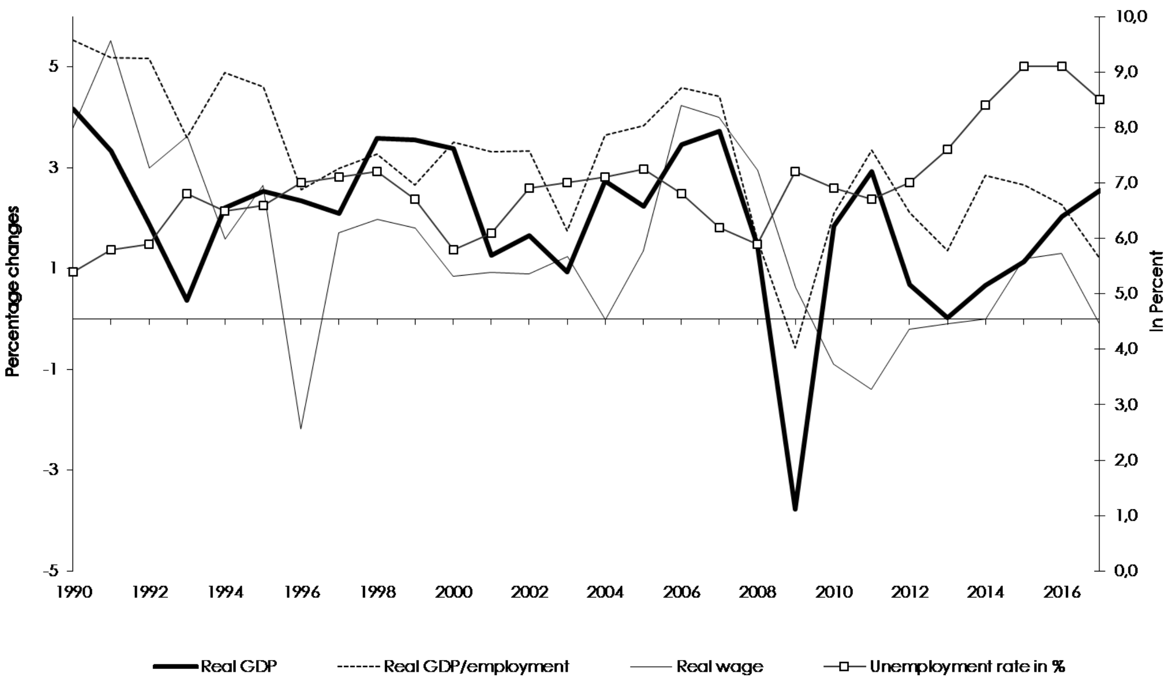
Industrial production was very dynamic in 2017; with a real growth rate of +4.7% vs 2016, after 3.3% in 2016, the highest increase for six years. Consequently, employer outlook improved continually over the year; employer surveys exhibited the highest business confidence in years. The degree of capacity utilisation rose to 86%.

The construction sector, which – in 2016 - had had the first output growth since 2007 (+0.4%), expanded in 2017 by 3.1% vs 2016 in real terms. In addition, all services industries performed well: banking and insurance increased by 3.4%, retail trade by 1.1%, tourism by 1.4%, real estate by 1.3%, transport services by 3% and utilities by 7.4%.

The inflation rate is highly pro-cyclical – accordingly, the dynamic economic performance went hand in hand with rising prices. With an inflation rate of 2.2% (harmonised consumer price index) Austria continued to have a higher rate than the Euro-area (1.5%). In Austria, the price-rise was largely due to an increase in the expenditure group of transport (largely fuel prices). Also, a large positive impact on price levels came from restaurants and hotels, alcoholic beverages and tobacco products.

The public sector budget deficit declined in 2017, reaching -0.8% of GDP after -1.6 per cent in 2016. The positive business cycle development raised public revenues by 3.1% vs 2016. Public expenditures remained fairly high, however. Accordingly, the public sector debt declined to €28.97 billion (78.3% of GDP) by the end of 2017, i.e. €6.2 billion less than 2016.

Figure 1: Macro-economic indicators
1990-2017



Source: Statistics Austria, Austrian Labour Market Service, Federation of Austrian Social Security Institutions, Own calculations.

The economic upswing of 2017 gave a further boost to employment growth. Total labour demand (including self-employed) rose by 72,500 or 1.8%, a growth rate not seen since 2012. As a result of this substantial employment growth, unemployment declined for the first time since 2011; the decline was substantial, amounting to 17,300 or 4.9%; thereby reaching a level of registered unemployed (excluding unemployed on education and training measures) of 340,000. This number continues to surpass the level of 2014 by 20,600 or 6.5%.

In 2017, total labour supply continued to grow substantially, reaching a plus of 55,200 or 1.2%. The dimension of the labour supply increase is reminiscent of the early years of the 1990s and due to a combination of factors, one being unbroken labour inflows from abroad, particularly from other EU-member states, another being a continued rise in labour force participation rates of women, a third factor being the implementation of effective barriers to early retirement and disability pensions and the fourth factor being the entry of refugees into the labour market. In 2017, on an annual average 29,200 refugees were registered as unemployed, of whom 13,200 (45%) were on education and training measures, during which they were not available for work. (bmeia 2018)

The major bulk of the employed are wage and salary earners; their numbers rose by 68,400 or 1.9% (after 52,000 or +1.5 percent in 2016) to 3.7 million in 2017 (including persons on parental leave and conscripts). In the year of 2018, the numbers of wage and salary earners continued to rise, and are expected to reach a plus of 86,000 (+2.4%) vs 2017. (Table 1)

In 2017, nominal monthly wages (including supplementary payments) of wage and salary earners rose by 2%, clearly more than in 2016 (+1.4%). In real terms, i.e. taking the inflation rate (consumer price index) into account, this implied, however, a virtual stagnation vs a year ago. The monthly nominal gross income of wage and salary earners amounted to 3.076 € per capita on average in the economy. In 2018, net real wages are expected to rise, albeit only slightly.

Labour productivity (real GDP/employment) has been positive but with a declining growth rate since 2014. Real productivity growth per employee has risen by 1.2% in 2017, about the same as the hourly labour productivity (1.1%), after -0.4% in 2016. No major change is to be expected in 2018. (Figure 1)

The buoyant labour demand allowed a substantial decline in unemployment, of which both, native and foreign labour, profited. The unemployment rate declined for the first time in three years to 8.5%, after 9.1% in 2016, to almost the level of 2014. The unemployment rate is calculated on the basis of registered unemployment in % of the total labour force excluding self-employed, which is the traditional Austrian calculation of unemployment rates (based on administrative data, Figure 1). The EU-wide harmonised unemployment rate, based on the Labour Force Survey, declined to 5.6%, after 6.1% in 2016. Thus, Austria can no longer boast one of the lowest unemployment rates in the EU; in 2017, the EU28-average amounted to 7.8%, with the lowest rates in the Czech Republic (2.9%), Germany (3.8%), Hungary (4.2%), Malta (4.1%), the UK (4.4%), the Netherlands (4.9%), Luxembourg (5.5%), Poland (5%) and Romania (5.1%.)

Total employment (including self-employed and family helpers) amounted to 4.137 million in 2017 (+72,500 or 1.8% vs 2016), of whom 809,500 (19.6%) foreigners. The number of foreign wage and salary earners has more or less continuously increased between 1999 and today (with a slight dip (-5,500, -1.3%) in 2009). The number of foreign wage and salary earners reached 698,500 in 2017 (+46,800, +7.2% vs 2016). The number of Austrian wage and salary earners has been less dynamic, with transitory employment declines in 2002, 2003, 2009, 2013 and 2014. In 2017, their employment increased by 21,600 (+0.7%) to 2.957 million. Consequently, the share of foreign citizens in wage employment rose to 19.1% in 2017. Not only foreign wage and salary employment was significantly more expansive than the one of Austrian citizens but also self-employment. While the number of foreign self-employed rose continuously between 2008 (the first year of continuous data availability) and 2017, namely from 43,800 to 111,000 (+67,200, +153%), the number of self-employed Austrians declined over that time span by 1,400 or 0.4% to 370,700. Accordingly, the share of foreign self-employed in total self-employed doubled over the last 9 years, reaching 23% in 2017.

Figure 2: National and foreign labour 1990-2017

Source: BaliWeb - Austrian Labour Market Service, Federation of Austrian Social Security Institutions. – [1] Including formerly employed persons who are currently on parental leave or military service but excluding unemployed in education and training measures.

Accordingly, the rise in total self-employment by 4,100 or 0.9% vs a year ago to 481,700 in 2017 is basically due to rising numbers of foreigners (+5,100, +4.9%), the majority being migrant women from the EU-2 countries, i.e. Bulgaria and Romania (+3,300, +12.6%). They tend to work in the personal service sector, largely as domestic helpers and domestic care workers for the elderly. The recent upswing in the employment of foreigners is in the main the result of the end of transition regulations. It began with the EU-8 enlargement countries in spring 2011 (Malta and Cyprus never had transition regulations imposed upon). Then the number of employees of the EU-10 MS increased by 19,500 or 28% to 88,500 in 2011; the rise gained momentum in 2012 and slowed down without ever falling to the growth rates of the years of transition regulations, i.e. 2004-2010. Accordingly, between 2010 and 2017, the employment of citizens from EU-10 more than doubled (+125,700, +182%) reaching an all-time-high of 194,800 in 2017.

Table 1: National and foreign labour force (wage and salaries plus self-employed) and unemployment rate of wage and salary earners:*

	Annual average		Change 2015/2016		Change 2016/2017	
	2016	2017	Absolute	Percent	Absolute	Percent
Total labour force	4 421 794	4476993	63 392	1,5	55 199	1,2
Austrian labour force	3 562 450	3568121	15 236	0,4	5 671	0,2
Foreign labour force	859 344	908872	48 156	5,9	49 528	5,8
Total employment[1]	4 064 481	4137018	60 410	1,5	72 537	1,8
Austrian wage&salary	2 935 182	2956785	16 009	0,5	21 603	0,7
Foreign wage & salary	651 690	698512	36 009	5,8	46 822	7,2
Austrian selfemployed	371 747	370712	1 560	0,4	-1 035	-0,3
Foreign selfemployed	105 862	111009	6 832	6,9	5 147	4,9
Total unemployment	357 313	339975	2 982	0,8	-17 338	-4,9
National unemployment	255 521	240624	-2 333	-0,9	-14 897	-5,8
Foreign unemployment	101 792	99351	5 315	5,5	-2 441	-2,4
	2012	2013	2014	2015	2016	2017
Total unemployment rate	7,2	7,8	8,6	9,1	9,1	8,5
National unemployment rate	6,7	7,2	7,8	8,1	8,0	7,5
Foreign unemployment rate	9,7	10,7	12,1	13,5	13,5	12,5

Source: BaliWeb, own calculations. –[1] Including formerly employed persons who are currently on parental leave or military service but excluding unemployed in education and training measures.

The same happened with EU2-MS (Bulgaria and Romania) when the transition regulations fell in 2013. The number of workers from Bulgaria and Romania increased by 38.3% (+11,000) in 2014, reaching a level of 39,700. In what followed, the numbers continued to increase substantially, raising employment of citizens of the EU2-MS to 60,100 in 2017. This meant that the employment of citizens from the EU-2 countries more than doubled between 2012, the year before the end of the transition regulations, and 2017 (+23,700, +128%).

Also, the inflow of Croatians into the Austrian labour market is getting more dynamic as a result of EU membership, even though transition regulations still apply (2017: 28,100; +3,000 or 12% vs 2016). (Table 2)

The inflow of workers from EU15 countries, largely from Germany, continued, albeit at a somewhat reduced pace, raising the number of employees from the EU15 (except Austria) to 134,800 (+6,400, +5%) in 2017. In contrast, the number of workers from the EFTA countries has remained fairly stable for the last 10 years, their numbers amounting to some 3,200 persons all in all in 2017, the majority being from Switzerland (2,800). Accordingly, the number of employees from the EU15/EEA amounted to 137,900 in 2017 (+6,500 or 5% vs 2016).

Table 2: Employment of foreign workers by citizenship, annual average.

	Foreign workers Total	EU15/EEA +CH	EU-12	Croatia	Third Country Citizens	EU15/EEA+CH	EU-12	Croatia	Third Country Citizens	Foreign worker share
						In % of total				
1994	291 018	19 954	44 681		226 384	6,9	15,4		77,8	9,5
1995	300 303	22 472	44 834		232 998	7,5	14,9		77,6	9,8
1996	300 353	24 455	44 001		231 898	8,1	14,6		77,2	9,9
1997	298 775	26 094	43 325		229 357	8,7	14,5		76,8	10,1
1998	298 582	28 078	43 170		227 334	9,4	14,5		76,1	10,0
1999	306 401	30 902	44 431		231 068	10,1	14,5		75,4	10,1
2000	319 850	33 694	46 327		239 829	10,5	14,5		75,0	10,5
2001	329 314	37 022	48 221		244 071	11,2	14,6		74,1	10,7
2002	334 432	40 830	49 985		243 617	12,2	14,9		72,8	11,0
2003	350 361	44 856	52 275		253 231	12,8	14,9		72,3	11,5
2004	362 299	54 934	55 533		251 832	15,2	15,3		69,5	11,8
2005	374 187	63 829	59 339		251 018	17,1	15,9		67,1	12,0
2006	390 695	73 282	63 016		254 397	18,8	16,1		65,1	12,4
2007	412 578	82 962	69 877		259 740	20,1	16,9		63,0	12,8
2008	437 055	94 150	78 863		264 041	21,5	18,0		60,4	13,3
2009	431 552	96 851	81 847	15 193	237 661	22,4	19,0	3,5	55,1	13,3
2010	451 276	103 743	89 477	16 053	242 003	23,0	19,8	3,6	53,6	13,8
2011	488 934	110 540	112 129	17 001	249 264	22,6	22,9	3,5	51,0	14,7
2012	527 062	115 119	142 642	17 750	251 551	21,8	27,1	3,4	47,7	15,6
2013	556752	119 666	165 139	18 607	253 340	21,5	29,7	3,3	45,5	16,4
2014	588722	122 894	191 327	20 479	254 022	20,9	32,5	3,5	43,1	16,8
2015	615682	126 343	211 148	22 573	255 618	20,5	34,3	3,7	41,5	17,4
2016	651 690	131 408	231 266	25 044	263 972	20,2	35,5	3,8	40,5	18,2
2017	698 512	137 946	254 814	28 054	277 698	19,7	36,5	4,0	39,8	19,1

Source: BALIweb. http://www.dnet.at/bali/

The employment growth of third country citizens gained momentum in 2016, which may not come as a surprise, given the rise in the numbers of refugees and increasing efforts to get them into employment. The numbers of third country migrant workers rose by 13.700 or 5.2% in 2017 vs 2016, reaching a level of 277,700 in 2017. The share of third country citizens in foreign employment declined, however, as former third country citizens like the Croatians joined the ranks of EU citizens. Accordingly, the share of third country citizens in total foreign employment declined from 54% in 2010 to 39.8% in 2017. Also, the share of EU15/EEA/CH citizens is slipping, from 23% in 2010 to 19.7% in 2017 – while the share of citizens from EU-enlargement countries (East and South-East of Austria) is rising, from 23.4% in 2010 to 40.5% in 2017. (Table 2)

As economic growth is expected to remain on the high level of 2017 in 2018, i.e. at 2.7% on an annual average, employment growth is rising as well, particularly of foreigners. The continued efforts to open employment opportunities for refugees provide a further boost.

In 2018 foreign employment gained momentum with a rise of 51,500 or 7.3% vs a year ago at the end of November. The most dynamic inflows are from citizens of the new EU-MS (EU-2, Croatia and EU-10) constituting half the increase in foreign employment vs November 2017. Employment inflows from third countries gain momentum vs 2017 (+18,200, +6.4%) reaching a level of 303,200 at the end of November. It takes some time for the refugees to find a way into employment. What we see now is largely a rise in unemployment as refugees have to register with the Labour Market Service (LMS) in order to be able to access education and training measures and to get basic income support.

In 2017, unemployment numbers declined in view of significant employment growth. The number of unemployed foreign workers declined by 2,400 or 2.4% to a level of 99,400, while the number of registered Austrian citizens decreased by 14,900 or 5.8% to 240,600. The subdued decline of unemployment of foreigners relative to natives is largely the result of the refugees flowing into unemployment. In 2018, unemployment continued to decline to -19,600 by the end of November (-6%); this decline accrued largely to Austrian citizens (-19,300, -8.5%) while the number of foreign unemployed hardly changed (-200, -0.2%).

The unemployment rate of wage and salary earners - the traditional national calculation of the unemployment rate which excludes the self-employed from the labour supply base (which is based on administrative data) - amounted to 8.5% in 2017, a decline by 0.6 percentage points vs a year ago. The unemployment rate declined for natives and foreign workers almost to the same extent in relative terms, reaching a level of 7.5% for natives and 12.5% for foreigners, thereby leaving the gap between them almost unaffected at 5 percentage points, after 5.5 percentage points in 2016. In 2018, on an annual average, the unemployment rate of wage and salary earners is expected to decline to 7.7% in the wake of dynamic economic and employment growth and a slowdown in refugee inflows.

The labour supply of foreign wage and salary earners increased during 2018 significantly to reach 860,900 by the end of November (+32,300 vs a year ago). The unemployment rate declined for foreign workers to 11.4 percent (-0.8 percentage points vs November 2017) and for Austrian citizens to 6.5% (-0.6 percentage points).

I. Migration Flows

The scope of flow analysis of migration is widening in Austria as population registers have been increasingly harmonised and centralised. Thus, from 2001 onwards, inflows and outflows of nationals and foreigners by various nationalities have been made available on a national as well as regional basis.

In addition, detailed flow data exist for certain groups of migrants, in particular foreigners of third country origin. Flow data are the result of institutional procedures linked to the planning and monitoring of various categories of third country migrants, mainly asylum seekers, foreign workers and, since the early 1990s, family members (family formation and re-unification). With the introduction of a more universal legislation on aliens (since mid-1993, revised 1997, amended 2002/2003/2005/2011/2013/2016/2017 and 2018), flow data on family reunification of third country citizens (non-EU/EEA-citizens) are becoming available.

The inflow of third country foreigners is differentiated by legal status, the main categories are:

a) Foreign workers (seasonal and annual workers, cross-border workers and commuters), wage and salary earners or self-employed;

b) Third country workers (between 2003 and mid 2011 only highly skilled workers on the basis of a cap, thereafter without a quota for various skills on the basis of points);

c) Family reunification;

d) Third country foreign students;

e) Asylum seekers;

f) Others.

Annual quotas of residence permits are imposed on an increasingly smaller group of third country migrants, since 2011 basically only third country family migration of third country citizens residing/working in Austria; the quotas are determined by the governors of the federal states together with the Federal Minister of the Interior and the Federal Minister of Labour.

1 Legal and institutional framework and policy reforms

Administrative procedures in the migration field are guided by three regulatory institutions – the Federal Ministry of the Interior, the Federal Ministry of Economic Affairs and Labour[1]and the Federal Ministry of Foreign Affairs (since 2013 Ministry of Europe, Integration and Foreign Affairs). While the first regulates the inflow and residence status of third country immigrants and short-term movers, the second regulates access to the labour market albeit of an increasingly smaller and very specific group of workers, and the third is in charge of visa issuing procedures and development policies - the latter in coordination with the Prime Minister's Office. The interaction and co-ordination of policy concerning immigration is laid down in Federal Laws. The Chancellery/Prime minister has the position of a mediator in certain situations. Between 2010 and 2013, the State Secretariat for Integration, established in

[1] The various governments have changed the position of the Labour Ministry – for some time Labour was part of the Ministry of Economic Affairs, currently it is integrated in the Ministry of Social Affairs and Consumer Protection (Ministry of Labour, Social Affairs and Consumer Protection).

the Ministry of Interior in 2010, was responsible for the coordination of integration measures in Austria. In 2014, in consequence of federal elections and a reorganisation of ministerial competences, the Secretariat of Integration was dismantled and the integration section moved from the Ministry of Interior to the Ministry of Foreign Affairs, together with the now Minister of Foreign Affairs who formerly was Secretary of State of Integration, Sebastian Kurz.

In 2014, the Ministry of the Interior established a Migration Council to draw up a strategic long-term migration policy in Austria. By the end of 2015 the council presented a paper (bmi 2016) which led to the **establishment of a coordination unit[2] and a permanent migration commission**, composed of migration experts. They took up work in 2016. In addition, in 2017 a **migration-centre** has been established in Melk, a city along the Danube in Lower Austria, with the title: **"Migration mc²",** this is to indicate that migration becomes increasingly dynamic as modern communication technology goes global. The centre is to start work in 2018, as a meeting point for people interested in migration in general and school classes in particular.

The inflow of economic (labour) migrants of third country origin has been regulated by quotas until July 2011 whereupon it was substituted for **a point system of economic immigration of third country citizens**; the quotas for third country migrant workers have been abandoned. However, even before 2011 the majority of third country citizens had been able to enter outside a quota regulation, namely:

1. persons working for foreign media with sufficient income,
2. artists with sufficient income,
3. wage and salary earners who may access the labour market without labour market testing (*specific groups of persons defined in the foreign employment law*),
4. Third country partners or dependents (minors) of Austrians and citizens of the EEA.

In 2005, migration legislation has been revised fundamentally, affecting asylum law, the regulation of residence and settlement of foreigners and Alien Police Law (Asylgesetz 2005, Niederlassungs- und Aufenthaltsgesetz 2005 – NAG, Fremdenpolizeigesetz 2005). The regulations of the residence status and the access to work have been overhauled, coordinated by the two legislative bodies and in accordance with EU guidelines. The redrawing of legislation was to a large extent due to EU-efforts to coordinate migration policy and to harmonise legislation, in this case for EU citizens and their third country family members. (Table 3)

Family reunification of third country citizens who are partners of or are dependent children of an Austrian or EU/EEA citizen (core family) has always been uncapped[3]. Also third country citizens with the settlement right in another EU country (after 5 years of legal residence), may settle in Austria outside a quota.

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[2] http://www.bmi.gv.at/103/Sektion_III/Gruppe_B/Abteilung_III_13/III_13_a.aspx

[3] Until legislative reform in 2011, the permanent residence permit (which was issued on the basis of family reunion) could be transferred into a permanent settlement permit in its own right after 4 years of residence. From mid 2011 onwards family members can apply for the red-white-red-plus-card which gives them free access to the labour market straight away. For a detailed account of legislation, quotas, and actual inflows see annual reports to the Ministry of the Interior, e.g., *Biffl – Bock-Schappelwein* (2007/8/9/10/11/12/13), Zur Niederlassung von Ausländern und Ausländerinnen in Österreich, Ministry of Interior download site.

Until 2011, the inflow of settlers from third countries and of their third country family members was regulated by quotas. It applied to highly skilled third country settlers with a work contract and family re-unification with third country citizens. The new residence and settlement law (NAG 2005) introduced a minimum income requirement for family reunification (family sponsoring[4]), in line with regulations in other immigration countries overseas. This amendment has reduced the inflow of migrants with low earning capacities who want to join a partner in Austria who himself/herself is living off welfare benefits (long-term unemployment benefits (Notstandshilfe) and social assistance). In addition, **forced and/or arranged marriages** are a target of control. Accordingly, in 2010 legislative reform came into effect **raising the age of the partner** who wants to enter Austria on the basis of **family reunification to 21**. This is a controversial element of policy reform as it may hamper integration given the postponement of entry of the partner.

Access to the labour market is granted to settlers and to temporary residents according to the rules of the Foreign Worker Law (Federal Ministry of Economic Affairs/Social Affairs and Labour). Persons residing less than 6 months for purposes of work in Austria are granted a work-visa and do not require a temporary resident permit (from 2006 onwards). Only for stays beyond 6 months is a residence permit required.

Accordingly, the quota system for family reunification of third country citizens with third country citizens continues to be based on an annual quota. The **highly skilled third country citizens (Schlüsselarbeitskraft**) quota category for work, and their third country family members, however, came to an end in July 2011. Instead, in **July 2011, a policy reform of skilled worker inflows came into effect. It brought an end to quota regulations for highly skilled workers of third countries and introduced a point system of immigration**. The annual inflows follow the rules of a so-called Red-White Red-Card which aimed at raising the inflow and settlement of skilled and highly skilled third country citizens.

In that context family reunification (Familiennachzug) quotas continue to apply only for citizens of third countries, who are residing in Austria on the basis of a quota. (Figure 3) One may distinguish between 5 types of family reunion quotas (NAG 2005/NLV2018):

1. Third country citizens with permanent settlement rights in another EU country (Daueraufenthalt-EU) who want to come to Austria for the purpose of work (§8/1/3 NAG) or who want to settle in Austria without accessing the labour market (§49/1 NAG). This is a new quota in the revised residence law of 2005 and has been applied for the first time in 2006. The quota was set at 350 in 2006; due to the limited uptake the cap has been reduced to 113 in 2012, raised thereafter again and reaching 153 in 2018.
2. Family members of third country citizens (§46/4 NAG), where the sponsor has the permanent residence rights in Austria (the age of dependent children was raised from 15 to 18 years); the inflow quota for 2011 was 4,905, i.e., the same as in the two preceding years. The quota was raised slowly to 5,220 in 2018. This continues to be a rather tight cap for family reunification but does not seem to lead to queuing, i.e. a build-up of open requests abroad.

[4] The sponsor has to document a regular income commensurate with the minimum wage.

3. Transfer of residence title – Status changes (Zweckänderung)[5]: Third country citizens, who have a permanent residence permit as family members without access to work and no right to the red-white-red-plus card[6] may have this title transformed to one allowing access to the labour market (§§47/4 and 56/3 NAG – this refers to - among others - non-married partnerships, relatives outside the core family). This is a quota introduced in 2006, meant to facilitate labour market integration of more distant family members of settlers, who have resided in Austria for less than 5 years. The cap was set at 645 in 2006 and continuously reduced to 160 in 2009. It turned out that this cap was somewhat tight; it was raised again in 2011 to 190. With the introduction of the red-white-red card mid-2011, this group of third country migrants may have their status transferred to a red-white-red-plus-card, which allows free access to the labour market. The quota has been continually raised, reaching 302 in 2018.

4. Third country citizens and their family members who settle in Austria without wanting to enter the labour market (§§ 42 and 46 NAG); the regulations were amended in the residence law of 2005, requiring the proof of regular monthly income (double the minimum of unemployment benefits as regulated in § 293 ASVG). The quota was raised to 240 in 2011 (after 235 in 2010 and 230 in 2009). In this category the cap tends to be rather tight; it was therefore raised to 265 in 2012 and further still, reaching 450 in 2017. For 2018, the quota was reduced again slightly to 445.

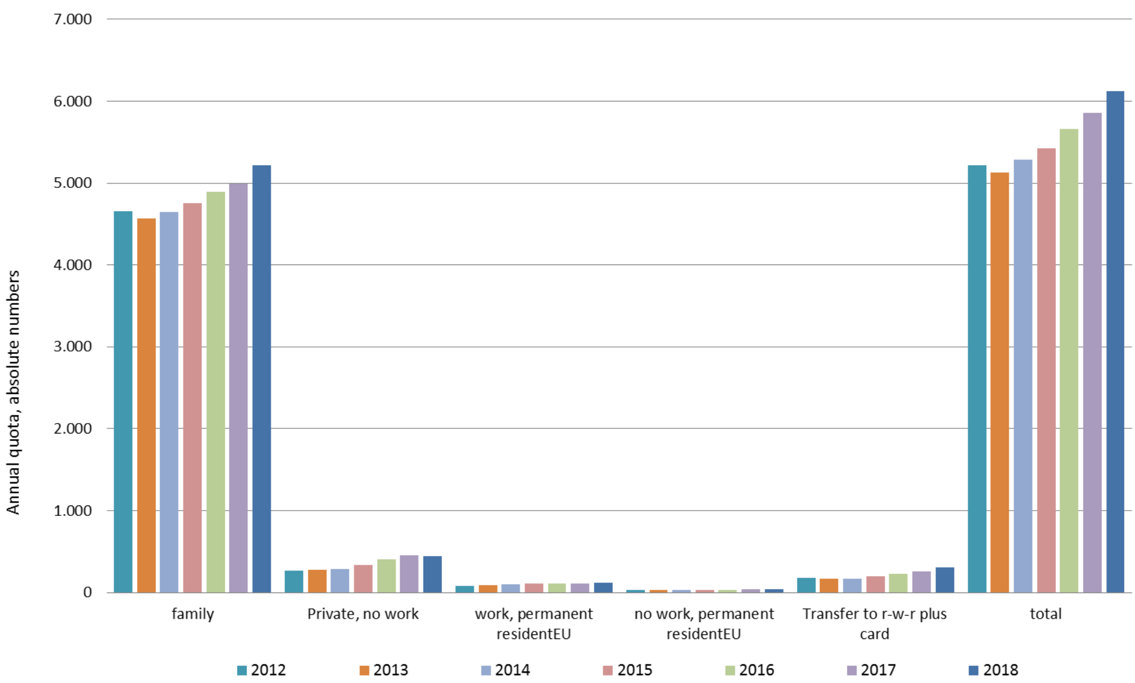
5. Highly skilled workers (**until mid-2011** §§2/5 and 12/8 AuslBG and § 41 NAG), their partners and dependent children (§46/3 NAG)[7]; for 2010 the inflow quota was fixed at 2,645, more or less the same level as in the years beforehand and the same as 2011. The cap has never been reached on a national level; but some regions had set the cap too tightly and had to raise the cap over time. The actual inflows of highly skilled workers of third countries were low and fairly stable over time, rising between 2006 and 2010 from 548 to 610. Thus, highly skilled migration is not affected by cyclical economic fluctuations of demand but follows an autonomous trend in line with international economic integration. In addition to the highly skilled workers their family members entered under the cap. Their numbers amounted to 416 in 2010, which is also only slightly more than in 2006 (302) – they were allowed to access work on the basis of labour market testing.

[5] More about status changes of immigrants in Buschek-Chauvel and Chahrokh (2015).

[6] The name of the card refers to the colour combination of the Austrian flag.

[7] The point system or red-white-red card is the new control system in place, abandoning the quota system.

Figure 3: Quota system and annual cap by category, 2012-2018



Source: Ministry of the Interior, Settlement Order 2018, NLV-2018.

Thus, the quota system for third country family migration continues to be complex, the basic logic being the linkage of the residence and labour rights of the family members of third country citizens to the status/title of the 'anchor', i.e. the third country citizen with the residence title in Austria who requests the reunification with family members. Figure 3 provides some insight into the remaining quota system, which applies to fairly small groups of third country migrants. The total number of quota places has been rising since the introduction of the new system (2012: 5,213), reaching 6,120 in 2018. This annual inflow cap continues to be substantially lower than in 2011 (8,145), the year of transition; the difference is due to the introduction of the red–white-red card for third country wage and salary earners.

Introduction of a Point System (Red-White-Red card)

The inflow of third country labour migrants had been regulated by regulatory reforms from the early 1990s until 2011, upon which a point system has been introduced, modelled after the Canadian system. Restrictions had been implemented in the 1990s in view of Austria joining the EU in 1995. Austria expected a major increase in the number of EU-migrants in the wake of free mobility of labour. Therefore, the inflow of third country migrants was to be curtailed in order not to disrupt the highly regulated Austrian labour market. Accordingly, labour supply inflows of third country migrants were limited to highly skilled migrants (Schlüsselkraftverfahren), family migration and inflows on humanitarian grounds.

In mid-2011 a point system of immigration came into effect, referred to as "Rot-Weiss-Rot-Karte" (red-white-red card), which replaced the key-skills quota and widened the scope for third country workers to access the Austrian labour market. The system differentiates between 5 types of skills, namely highly skilled persons, persons with scarce occupational skills, persons with other (medium to higher) skills, third country graduates of Austrian universities, since 2017 also start-up founders. Highly skilled third country citizens wanting to work in Austria have to obtain at least 70 points out of 100 possible points. Points are given in four domains: for educational qualifications and honorary recognition of competences, for occupational experience, for language skills and for age. An additional advantage in terms of points offers successful university graduation at bachelor level (since 2017) or above in Austria. In the area of scarce occupational skills 55 of a maximum of 90 points have to be reached, in case of other higher skills 50 points have to be reached and a minimum income level has to be obtained. Third country start-up founders have to have a minimum of 50 points out of a maximum of 85. They have to invest a minimum 0f €50,000, of which 50% own capital.

Two types of cards may be issued, the R-W-R Card and the R-W-R Card plus. The first grants settlement rights and access to work with a specific employer (employer nomination) **for the first two years of employment;** after two years the 'Plus' card may be obtained which allows settlement and free access to work anywhere in Austria. Family members of RWR Card holders get an R-W-R-plus Card, allowing them to work in Austria. In addition to the R-W-R Card a **Blue card** can be obtained, requesting university education and income surpassing 1.5 times the Austrian average gross annual wages of full-time employees.

In addition, third country citizens who do not yet have an employer who nominates them may turn to the Austrian embassy/Consulate for a job search visa. The Austrian embassy issues the visa if the required points are achieved. The Labour Market Service (LMS) informs the Embassy and is the gatekeeper for immigration of potential third country job seekers. The required forms can be downloaded from the website of the Ministry of the Interior, the Ministry of Europe, Integration and Foreign Affairs as well as a special website for potential third country immigrants (www.migration.gv.at).

In the context of labour migration and access to employment, the following settlement and temporary residence permits are most relevant:

- settlement permit: worker- R-W-R card from 2011 onwards
- settlement permit: R-W-R-plus card from 2011 onwards
- temporary residence permit – intercompany transfers (Rotationskraft)
- temporary residence permit – persons on business assignments of third country firms without a registered office in Austria (Betriebsentsandter - GATS)
- temporary residence permit – special cases of paid employment specified in the Foreign Employment Law, the most important being for researchers.

For the above permits, access to the labour market is issued together with the residence permit in a so called "one stop shop procedure", which means that the settlement permit and the work permit are issued in a single procedure. In addition, third country nationals who have a residence permit without the explicit right to enter the labour market may obtain a work permit on the basis of an employer nomination scheme, i.e. after labour market testing.[8]

Until the reform of the Foreign Employment Act in 2013 access of third country citizens to the labour market was capped by a quota (Bundeshöchstzahl für bewilligungspflichtige

[8] Art. 4b Aliens' Employment Act

Beschäftigung[9]). The latter was set by the Ministry of Labour meaning that the sum of employed and unemployed third country foreigners, who work on the basis of a work permit, should not exceed 8% of the total dependent labour supply (§14 AuslBG). In some special cases a work permit could be granted by the governor beyond this quota up to a limit of 9% of total labour supply (wage and salary earners plus registered unemployed). This regulation has been abandoned in the amendment of the Foreign Employment Act in 2013, as it has lost meaning with the introduction of the r-w-r-card which basically offers unlimited access to the labour marked for skilled third country migrants (no cap).

The point system brought about major changes. While third country 'key workers' did not have to prove university education until mid-2011 but instead only a certain minimum income[10], thereby effectively excluding young third country university graduates with low earning power, this is no longer the case. It is also no longer necessary to prove prior work. In 2010, the numbers of third country employees allowed to settle as key workers with fairly high income amounted to some 600 persons (sum over the year); in addition, their partners and dependent children settled, adding 420 settlement permits. Thus a sum of some 1,000 'key workers' plus family members entered in 2010. In 2011, the year of transition from the old to the new system, their numbers rose slightly to some 1,200 – adding key workers (plus family members) and r-w-r-card holders. In 2013, the second full year of the new system, 1,177 r-w-r-cards were granted. By 2016, the fifth full year of the point system, all in all 1,801 r-w-r-cards were issued, either for the first time (1,088), or prolonged (69), or transferred from another title (442). In addition, some 150 blue cards were issued. This goes to show that the annual inflow of highly skilled or skilled third country migrants has more than tripled since the introduction of the point system (to some 2,000 persons). This is still less than expected at the time of the introduction of the point system, when hopes were for 5,000 new red-white red-cards in 2016 (see Biffl et al. 2010:28).

In order to raise the inflow of skilled third country migrants, the foreign worker act was amended in 2013, allowing the employer in Austria to apply for the card (as was the regulation for the former key skills model), thereby reducing waiting periods and costs to the potential migrant, and promoting the uptake. **As this reform was considered too limited, the incoming coalition government of ÖVP and FPÖ (conservative and freedom party), headed by the Federal Chancellor Sebastian Kurz, amended the red-white-red-card-system in 2018 to make it even less bureaucratic and to widen the list of scarce occupations from 27 to 45 in 2018, taking provincial scarcities into account. While unions and the chamber of labour are against this reform, employers are happy with it**.

Amendments to the R-W-R-Card in 2017 and 2018

In the more recent legislative reforms of the R-W-R-card, which came into effect in October 2017, various aspects were addressed. A major aspect refers to university graduates: from now on also bachelor- and PhD-graduates are eligible for the R-W-R-card. In addition:

- the job search period for university graduates has been extended from 6 to 12 months based on a regular residence title,

[9] The abandonment of the federal and state caps on the share of foreign labour came into effect in January 2014.

[10] The minimum income was set at 60% of the maximum for social security contributions, i.e. 34.500 € per annum in 2011.

- students (bachelor, master, PhD) may work for 20 hours per week (formerly 10 hours for bachelor students),
- university graduates may work during their job-search period (20 hours per week) without labour market testing,
- a new category of R-W-R-cards was introduced for founders of business start-ups (criteria encompass innovative products etc., personal management involvement, business plan and start-up capital of €50.000),
- specifications of RWR-cards for self-employed in order to better distinguish them from founder start-ups, namely an investment capital of at least €100,000 or the creation of jobs/ protection of existing jobs and regional/local added economic benefit;
- the point system for skilled migrants in scarce occupational groups has been adapted by giving less weight to age; accordingly, workers over the age of 40 may access this type of permit,
- the R-W-R-card is issued for 2 years (until 2017 only one year) for a specific employer; after that the RWR-plus card may be issued with unlimited access to the labour market;
- the RWR-card for self-employed is also valid for two years and may be transferred to a settlement permit thereafter, or to a RWR-card in case of status change from self-employed to wage and salary earner.
- The minimum income level to be obtained by the migrant worker was reduced: from 2,565 € in 2017 to 2,052€ in 2018 for under 30-year-olds, and to 2,565€ down from 3,078€ for over 30-year-olds.
- In addition, since 2018 a rental contract is no longer required before the issue of the red-white-red-card.

Intercompany transfers, posted workers and other 'Special' cases of employment

Depending on the length of stay, intercompany transferees and persons on business assignment need a work permit (if the duration of stay exceeds six months), or a job confirmation for residence of less than 6 months (for the work visa D[11], which is issued by the embassies).[12]

According to the requirements of the Directive 2005/71/EC researchers have to provide a hosting agreement of a registered research institution. They do not need a work permit - just as any other activity exempt from work permit regulations in the Foreign Employment Act).[13]

Thus, persons with a residence permit on the basis of 'special cases of paid employment activity' are exempt from permit requirements in the foreign employment act. Among the activities stated are inter alia diplomats, as well as their domestic service providers, representatives of religious groups, internationally renowned researchers, mariners/employees on cross border ships, top managers as well as their family members and household service providers.

[11] Art. 24 Settlement and Residence Act. For more on temporary business migration see Biffl 2014.

[12] Art. 18 Foreign Employment Act

[13] Art. 67 Settlement and Residence Act

Legislative reforms for Inter-Company-Transfers and posted workers in 2017

In a quest to combat wage and social dumping, the government passed a draft bill in April 2016, which required an amendment to the Foreign Employment Act and came into effect in October 2017. The major focus of the amendment was on intercompany transfers (ICT-Rotationsarbeitskraft) and posted workers (Entsendung); in the latter case, foreign enterprises post workers to carry out a service in Austria – the employer has to apply Austrian Labour Law (wages, working hours, vacation) and ensure equal treatment relative to Austrian workers.

The **legislative reform on intercompany transfers** (Rotationsarbeitskraft) represents the **implementation of the EU Directive (2014/66/EU) on Intra-Corporate Transferees** (ICT). The Directive refers to third country Managers, Specialists (key personnel) and Trainees, who are seconded temporarily from a third country employment base to one or multiple-concern entities within the EU. The objective of the ICT-Directive is to harmonise the admission arrangements and conditions of the various EU Member States and to facilitate the mobility of employees of international concerns within the EU. In Austria, the ICT-temporary employment and residence permit follows the logic of the RWR-card in case of intra-company transfer periods of more than 90 days - then a 'mobile ICT' is issued. Immediate family members receive access to the labour market under the condition of labour market testing. The 'mobile ICT' category replaces the former ICT category (Rotationsarbeitskraft). The maximum duration of stay for ICT-managers and specialists is three years, for trainees one year.

Seasonal and other forms of temporary employment

Immigration of workers to Austria is highly regulated; in case of transitory seasonal demands for workers the Federal Ministry of Labour and Social Affairs may admit temporary workers, based on an annual cap regulated by decree for third country citizens as well as persons from Croatia, for whom transition regulations apply (they receive preferential treatment, just as asylum seekers, when wanting to access seasonal work); seasonal workers tend to be admitted in tourism as well as agriculture and forestry.[14] Until 2017, i.e. before legislative reforms of seasonal work came into effect – a result of the integration of the Seasonal Workers Directive (2014/36/EU) into Austrian law, the work permit was limited to six months but could be extended by a further six months if this was foreseen in the regulation, after twelve months the seasonal worker was not allowed to apply for a further permit for two months in order to prohibit settlement via this channel. With the **implementation of the seasonal worker directive (BGBl. I Nr. 66/2017)**, the

- **maximum duration of employment** of a seasonal worker is 9 months (within 12 months) – beforehand it was 12 months within 14 months
- the employer has to certify in the application for a seasonal worker that **adequate housing** is provided and that the rent will not be automatically deducted from the wages
- introduction of **visa** for formerly visa-free seasonal workers; but visa may be issued for 5 years in case of less than 90 days' work (Visa C); for work beyond 90 days visa maybe issued inland by the police directorate (Visa D).
- Visa D may be issued for 9 resp. 12 months (formerly max 6 months)

14 Art. 2 Settlement Regulation

For a work permit to be granted labour market testing is required, i.e. the potential employer has to prove that he is unable to fill that seasonal post by domestic labour, unless the person is a 'core-seasonal worker'[15]. Core seasonal workers have to prove that they have been working for up to 4 months in the last 5 years as seasonal workers in tourism or agriculture/forestry. They may be employed without going through the quota proceedings but they continue to need a seasonal work permit. More than 60% of the 'Core seasonal workers' (Stamm-Saisonniers) are from the Ukraine and Kosovo; 80% of them tend to come regularly to the same employer in Austria. The annual quotas (Kontingente) are set by the Minister of Labour. In 2013, the quota in agriculture and forestry was set at 6,535 (4,275 in agriculture & forestry and 2,260 for harvesting) and in tourism (at 1,780 in the winter season and at 1,275 for the summer season). The quotas have been reduced in 2012 and 2013 due to the opening of the seasonal labour market for the EU-8 citizens (end of transition regulations). In 2014 the quotas have been reduced again as Bulgaria and Romania received free mobility of labour rights, therefore seasonal work permits are no longer required. The quota for seasonal work was set at 4,000 employment contracts for 2018, plus 600 contracts for harvesting.[16]

Seasonal work is often the only way for asylum seekers to access the labour market as wage/salary earners in private industries. In **July 2012, asylum seekers under the age of 18 were allowed to take up apprenticeship education and thus part-time work with an employer, in March 2013 the age limit has been extended to 25 years of age, thus allowing also young adults to work (plus education/training) as an apprentice**. **This provision was abandoned in October 2018 by the coalition government – against massive protest by employers, the Chamber of commerce, opposition parties and NGOs. The Minister of Interior Herbert Kickl (FPÖ) argued that apprenticeship education and training does not protect against deportation in case of a negative asylum order. As a consequence, in a quest to execute deportations of asylum seekers with negative asylum orders, also apprentices were increasingly brought outside of the country towards the end of 2018.**

However, asylum seekers may become self-employed in special occupations not covered by trade law, e.g. as journalists, artists, sports and language trainers. Asylum seekers may also take up work in charitable and non-profit institutions as well as community services for a reduced hourly wage so that their earnings are not deducted from their welfare benefits. They may earn 110 euro per month in addition to their benefits; in case they earn more their welfare receipts are reduced by the surplus. These regulations have been fiercely debated in 2016. Strong opposition was voiced against the objective to raise the numbers of asylum seekers taking up these low-wage, largely unskilled, jobs. Instead, preference was to be given to education and training measures to raise their skills and competences and thereby their employability**.** The Integration-Year Act 2017, which primarily addresses the labour market integration of refugees and recipients of subsidiary protection and - for this target group - came into effect in September 2017, may also be applied to asylum seekers with a high probability of getting their request granted – this part of the law came into effect in January 2018. This legislation was a response to the above critique. It offers asylum seekers with a high probability of recognition to access active labour market policy measures. However, the

[15] Regulated in§ 5 AuslBG, BGBl. I Nr. 25/2011, which came into effect May 1, 2011.

[16] https://www.ris.bka.gv.at/Dokumente/BgblAuth/BGBLA_2018_II_23/BGBLA_2018_II_23.pdfsig

implementation of this law is somehow hindered by the limited labour market policy budget for this target group.

Family migration and policy reform

Third country origin family members of EEA nationals or Austrian nationals are granted free access to the labour market. As skill mismatch and labour scarcities surfaced increasingly in the second half of the 2000s, migration policy was reformed. The adaptation of the **migration model in favour of inflows of skilled labour** was part of the government programme 2008-2013 (Regierungsprogramm: 105-112)[17]. In October 2010 the social partners agreed on the **reform of migration policy, by introducing the so called 'Rot-Weiss-Rot-Karte' (Red-White-Red-Card)**. The implementation in July 2011 required amendments to the Foreign Worker Act (AuslBG) and the Settlement and Residence Act (NAG2005). This decision was backed up by research on the expected impact of this migration policy reform on economic and employment growth. (Biffl et al. 2010). As the administrative costs were high for the migrant - the application had to be handed in at the Austrian embassy abroad – changes to the legislation were requested by the employers. Accordingly, in December 2012 an amendment to the foreign worker law was proposed by the Ministry of Labour allowing the employer to organise the paper work in Austria, thereby minimising the administrative work for prospective third country employees. The law was adopted and came into effect on April 18, 2013.

Family members of RWR-Card and Blue Card holders receive the **RWR- Card-Plus**. Not only family members of the RWR and Blue card qualify for the RWR-Card-Plus but also third country family members of third country citizens with permanent residence titles and certain temporary titles, i.e. researchers and scientists and skilled self-employed. Holders of the RWR-Card-Plus have unlimited access to the labour market and need no work-permit according to the Foreign-Employment Act. The income requirement of third country citizens is adapted annually and amounted to € 1,398 for a married couple in 2018/19. Family members have to document A1 German language competences (EU reference scale for language competences)[18] when first applying for the card.[19]

Accreditation and validation of skills acquired abroad

In order to promote the employment of migrants commensurate with their acquired skills[20], the National Assembly adopted a decision to ease skills recognition of university graduates from third countries in April 2012. The decision was based on a five-point programme elaborated by the Minister of Science and Research in cooperation with the then State Secretary for Integration. The decision facilitated the validation (regarding non-regulated professions) and accreditation (regarding regulated professions) of third-country graduates' degrees through increased information provision, improved services and shorter procedures.[21] In December 2015 a law on the right to accreditation and acknowledgement of one's skills acquired abroad went into the parliament for consultation (Anerkennungs- und

[17] For more see the section on Migration and Integration: http://www.bka.gv.at/DocView.axd?CobId=32965

[18] http://europass.cedefop.europa.eu/resources/european-language-levels-cefr

[19] More about family migration in Lukits (2016)

[20] A quarter of all foreign born is employed below their skill level (Statistics Austria 2015)

[21] Basic research into skills recognition procedures in Austria was undertaken by Biffl et al 2012 and a website was developed in consequence for guidance of migrants: www.berufsanerkennung.at

Bewertungsgesetz, AuBG[22]). The bill was modelled after the German one, which came into effect in 2012 (BMBF 2014**). The Austrian counterpart came into effect on April 12, 2016.**

Compulsory education or training for under 18 year olds

Austria has an above average proportion of youth in the age group 15-18 that is neither in employment, nor in education and training measures (NEET). In 2016 the share amounted to 4.3% compared to 3.3% in the EU28 on average. In absolute numbers this amounts to some 5,000 youth annually. Youth of migrant background has a particularly high share. In order to reduce the number of NEETS under the age of 18, legislative reforms were undertaken in 2016 (Ausbildungspflichtgesetz – APflG, BGBl. Nr. 62/2016). According to this law, which came into effect in July 2017, all youth (with settlement rights) finishing compulsory education in the school-year 2016/2017 or later, have to continue education or engage in further training in order to raise their employability and life chances.

The types of education and training measures eligible are:

- All types of upper secondary education
- Vocational education & training, in particular apprenticeships (also modular)
- Participation in active labour market policy measures
- Participation in courses leading to school leaving certificates
- Participation in education and training measures for youth needing assistance (disabled youth)
- Employment providing development perspectives.

A coordination agency has been put in place on federal level, linked to points of coordination on state level.[23] Parents or legal guardians are obliged to inform the regional coordination agencies if their child does not commence one of the above activities 4 months after ending compulsory schools or dropping out of schools. Also, public schools and other institutions like the Labour Market service and social-services (for disabled) have to inform the agency. Sanctions will come into effect in case of non-compliance as soon as July 2018 – as a measure of last resort.

Asylum legislation and procedures

As a response to **the humanitarian crisis in the Middle East**, Austria decided for the first time to implement **a resettlement programme in the summer 2013[24].** The Austrian government initiated a Humanitarian Admission Programme (HAP I) by resettling 500 Syrian refugees to Austria. In spring 2014, the Austrian government decided to expand the programme by introducing HAP II, adding another 1,000 resettlement places. Both programmes, HAP I and HAP II, have adopted a shared admission scheme for Syrian refugees: one part of the quota

[22] The whole title: Bundesgesetz über die Vereinfachung der Verfahren zur Anerkennung und Bewertung ausländischer Bildungsabschlüsse und Berufsqualifikationen.

[23] The coordination on federal level is between the Ministry of Education, Science & Research, the Ministry of Labour, Social Affairs, Health and Consumer Protection, The Ministry for Women, Families and Youth and the Ministry for Digitalisation and Economic Development: https://www.ausbildungbis18.at/

[24] The refugees entering on a resettlement ticket are not included in the number of asylum seekers as they are accepted as refugees before entering Austria.

was filled by UNHCR quota-refugees who were already registered in the region, with a focus on particularly vulnerable groups. The other part was directed towards the Christian community in Syria, helping to bring in refugees with family ties in Austria. Additionally, the possibility of direct application for refugees with family members in Austria was introduced during HAP II. IOM was organizing the transfer of the refugees to Austria and also delivering pre-arrival Cultural Orientation Trainings in the transit countries. HAP I was completed in December 2014 with a total of 504 refugees being resettled. HAP II started to bring in refugees by October 2014. All in all, 1,317 refugees were admitted to Austria within the HAP programme by the end of 2015 (of whom 780 UNHCR-cases and 537 as family members). (Kratzmann 2016) In 2016 Austria announced the implementation of a third Humanitarian Admission Programme (HAP III) of some 400 Syrian refugees for the period 2016/17. At the end of 2016, the third humanitarian resettlement programme (HAPIII) started with a focus on vulnerable Syrian refugees from camps in Jordan (200 persons) and Turkey (200 persons). Preferential treatment was given to refugees who have family members residing in Austria.

Austria, in view of the imbalance between resettlement commitments made by different Member States, and the on-going crisis in the Mediterranean, proposed a resettlement programme initiative "Save Lives" (presentation before the European Parliament December 2014). The aim for this programme was to establish an EU-wide resettlement programme which could potentially encompass all Member States that would be based on a binding distribution key (calculated according to a fixed formula). This initiative was not successful. Rather, in April 2014, the Council of the European Union and the European Parliament adopted a Regulation setting up a new financial instrument for the period 2014-2020, the Asylum, Migration and Integration Fund (AMIF), which merged the previous European Refugee Fund, the European Return Fund, and the European Integration Fund, implemented within the framework of the Multi-annual Financial Framework 2007-2013. The AMIF foresees special financial incentives to support resettlement. By 2018, resettlement has become an EU-wide issues, resulting in a Union Resettlement Framework for EU resettlement. In addition, a regional development and protection programme (RDPP) has been implemented, providing protection to displaced persons and their host communities, as well as promoting socio-economic development, aiming at reducing asylum flows to Europe. Funding is available by various EU funds: in particular AMIF, European neighbourhood Instrument (ENI) and EU Africa Trust Fund.

In addition, in 2015, the European Commission drew up a European Agenda on Migration, aiming at reducing irregular migration in the EU.[25] **One outcome was an action plan on the return of irregular migrants.[26] In June 2017, Austria implemented the three re-integration programmes promoted by the EU: RESTART II managed by IOM-Austria; IRMA plus managed by Caritas Austria, and ERIN managed by the Ministry of the Interior. In June 2017 Austria joined the European Repatriation Network (ERIN), which is headed by the Repatriation and Departure Service (R&DS) of the Ministry of Security and Justice of the Netherlands.**

[25]https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-migration/background-information/docs/communication_on_the_european_agenda_on_migration_en.pdf

[26]https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-migration/proposal-implementation-package/docs/communication_from_the_ec_to_ep_and_council_-_eu_action_plan_on_return_en.pdf

In the wake of the massive inflow and transit of asylum seekers in 2015, the **Austrian government decided upon a reform of asylum legislation (April 2016, followed by reforms 2017 & 2018)**. The major aspects of the first amendment refer to the duration of asylum proceedings, the period of protection (review after 5 years) and access to welfare payments.[27] Accordingly, the period of protection/residence of recognized refugees (according to the Geneva Convention) is limited to three years, after which persons may be expected to return if the source country can be considered safe for the person in question. Family reunion is becoming more difficult, above all for persons with subsidiary protection status. In addition, an emergency decree was to allow the refusal of entry at the border to potential asylum seekers, if a certain upper limit (in 2016: 37,500 asylum seekers) was reached. Persons who manage to enter clandestinely and file an asylum application in Austria may continue to do so if a referral to the source or transit country is unfeasible.

As the current system of burden sharing between the federal state and the Bundesländer relative to the welfare allowances for refugees ended December 2016, a renewal was discussed. In 2017, only financial allowances were provided; in future, it was suggested, to reduce the financial allowances and to provide in kind allowances where feasible, e.g. housing, as housing costs differ significantly between the Bundesländer. The provision of welfare benefits is linked to the signing of an integration contract. Some of the points to agree upon are the following: adherence to the rules of the Austrian democracy, the inadmissibility of violence (also in the family), the precedence of state law over religious regulations, the equality of men and women, the willingness to acquire the German language, to work and to accept the core values of the Austrian society.

Table 3: Evolution of the legal migration framework in Austria

1961	Raab-Olah-Accord between the Chamber of Commerce and the Trade Union Congress: the foundation for recruitment of foreign workers
1975	Foreign employment Law (AuslBG 1975) substituting regulations dating back to the 1930s
1988	Amendment to the Foreign Employment Law
1990	Alien Law and amendment to the Foreign Employment Law
1993	Alien Law, Residence Law and amendment to the Foreign Employment Law
1994	EEA-Agreement
1995	Amendment to the Residence Law
1996	Amendment to the Foreign Employment Law
1998	Alien Law 1997
2003	Amendment to the Alien Law 1997 (Fremdengesetznovelle 2002)
2005	Reframing of Migration Legislation 2005: Alien Police Law 2005, Settlement and Residence Law 2005, Asylum Law 2005
2010	Amendment of various Alien Acts (Fremdenrechtsänderungsgesetz 2009) – impact on Asylum Law (AsylG 2005), Alien Police Act (FPG 2005), The Fees Act 1957, Basic

[27] More on the reception of refugees in Austria and access to welfare services (Koppenberg 2014), For an overview of Asylum and Migration policies and recent changes see IOM (2015)

Income/Services Provision Act - Federal State (GVG-B 2005), Residence Act (NAG), Citizenship Act 1985 (StBG), Acquittance Law 1972 (deletion from criminal record)

2011 Amendment of Migration Legislation (Fremdenrechtsänderungsgesetz 2011), largely regulations on legal advice in Alien Law procedures

2012 Law on the implementation of a Federal Agency of Alien Affairs and Asylum (BFA-Bundesamt für Fremdenwesen und Asyl) BFA-Einrichtungsgesetz – BFA-G) BGBl. I Nr. 87/2012

2013 Amendment to the Settlement and Residence Law (NAG 2005) and the Foreign Employment Act (AuslBG (BGBl 2013/72) incorporating EU Guideline 2011/98/EU

2013 Amendment to the BFA-Law relative to administrative procedures, coming into effect January 2014 (asylum procedures and alien affairs from now on the responsibility of the newly established BFA (Bundesamt für Fremdenwesen und Asyl)

2016 Amendment of procedures for the accreditation of qualifications and skills obtained in third countries (Anerkennungs- und Bewertungsgesetz AuBG), enacted in 2016.

2016 Amendment of asylum regulations on access to social services and residence status (changes in Asylum Law 2005, Alien Act 2005, BFA-Act), came into effect June 2016

2017 Integration Act (Integrationsgesetz IntG) focussing on right to language and orientation courses and duty to cooperate (integration as a two-way-process), came into effect in June and October 2017

2017 Integration Year Act (Integrationsjahrgesetz IJG) focusses on provision of active labour market policy measures for refugees - came into effect in September 2017, and for asylum seekers January 2018

2017 Amendment of various Alien Acts ((Fremdenrechtsänderungsgesetz FRÄG 2017) – impact on Foreign Employment Act, Settlement and Residence Act, Alien Police Law, Asylum Law, BFA-Law, Basic Services Law (for asylum seekers), Border Control Act, – came into effect October 2017.

2018 Amendment of various Alien Acts (Fremdenrechtsänderungsgesetz FRÄG 2018) – impacts on the Settlement and Residence Act, the Alien Police Act 2005, Asylum Law 2005, BFA-(asylum) Procedures Act, BFA-Establishment Act, Basic Services Act 2005, Citizenship Act 1985, University Act 2002/2005, Foreign Employment Act, das Memorial Act, Registration Act 1991, Civil Status Act 2013, Civilian Service Act 1986, Security Police Act. The main aim was to tighten asylum procedures, to demand asylum seekers to contribute financially to their subsistence costs, to access mobile phone contents to speed up identity checks, and to make the take-up of Austrian citizenship more difficult

In November 2017 legislative reforms on asylum came into effect; changes comprise the following:

- Regional housing restriction (§ 15c. (1) AsylG): accordingly, asylum seekers are to remain in the federal state which pays out the basic assistance (Grundversorgung), otherwise sanctions are to be applied.
- Fixed accommodation (§ 15b AsylG): asylum seekers are to remain in a specified accommodation for the duration of the procedures; private quarters continue to be eligible.
- Sanctions for denied asylum cases in case of unwillingness to leave the country within the given time frame (§120 Abs.1 FPG).

In addition, asylum seekers may work in private households on the basis of a services cheque (simple types of jobs) after three months into asylum proceedings (since April 2017). In 2018, the gist of the reform was on accessing mobile phone data to speed up asylum proceedings; in addition, factors were identified which may lead to the denial/de-recognition of the refugee status, e.g. return to the source country to join Jihad warriors. It is also becoming more difficult for refugees to acquire the Austrian citizenship, by raising the duration of legal residence from 6 to 10 years. More recently legislation is underway aiming at the reduction of the minimum living allowance (Mindestsicherung) migrants not sufficiently participating in integration measures, expected to come into effect in 2019.

Another topic related to migration surfaced towards the end of 2018, namely femicide. Austria is amongst the EU-MS with the highest number of femicides per capita. The majority of the perpetrators are migrant men (80% in 2017/18);[28] the most recent ones were spectacular killings by refugees and asylum seekers. As a result, the minister of Interior, Herbert Kickl, mused about de-recognising the refugee status in case of such severe criminal acts and returning them to the source countries. His statements were interpreted by national and international (opposition) politicians, NGOs as well as the Austrian President Van der Bellen as an attack of the Human Rights Convention and the Charter of Fundamental Rights of the European Union.

An institutional reform worth mentioning took place in the Ministry of Interior according to which all aspects of alien affairs were bundled into one section: Section V Alien Affairs, headed by Peter Webinger, beginning January 2019.

2 Migration flows by category

Population flows of nationals and foreigners

Austria experienced three waves of significant net immigration since the early 1980s; the first in the mid to late 1980s, to a large extent triggered by asylum seekers (at first from Poland – Solidarnosz, later from Yugoslavia) culminating in 1991 with 76,800 net immigration; the steep rise towards the end of the 1980s is a result of the fall of the Iron Curtain and German reunion on the one hand and civil war in Yugoslavia on the other. German reunion gave a boost to Austrian economic growth; the favourable employment opportunities attracted many migrants from traditional source countries as well as Central and Eastern European Countries (CEECs, see *Biffl,* 1996). The unprecedented rise in population inflows of the late 1980s and early 1990s triggered a revision of Alien Law in Austria. The legislative reform brought about the introduction of immigration legislation which was modelled after US-regulations.

The second wave of immigration set in towards the end of the 1990s and reached its peak in 2004 with net immigration of 50,800. After that net population inflows declined to 20,600 in 2009, i.e. by 59% versus 2004. The slowdown in inflows was transitory, largely due to restrictive migration policy (transition regulations for the new EU12-MS), later the severe economic recession in 2009; the renewed economic upswing in 2011 in combination with the end of transition regulations, triggered a third wave of immigration. The peak was reached in 2015, as a result of massive refugee inflows from the Middle East; accordingly, the net inflows amounted to 113,100 in 2015. While the second wave of inflows had been largely due to the

[28] Christina Pausackl & Lisa Edelbacher: Profil, 14. 1. 2019: Frauenmorde in Österreich: "Ich schlachte dich ab wie ein Schwein" https://www.profil.at/oesterreich/frauenmorde-oesterreich-10590171

echo-effect of the first one of the early 1990s – through the acquisition of Austrian citizenship and thus easier family reunion, as family reunification of an Austrian citizen with a third country national is possible outside quota restrictions.

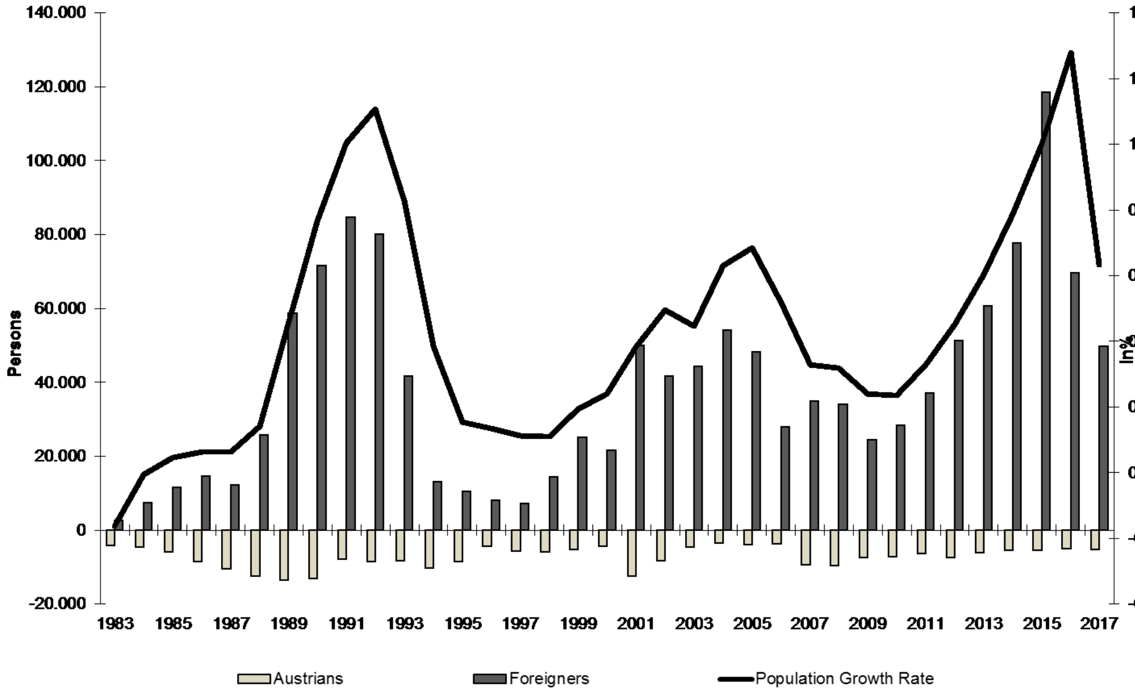
The large inflow of third country nationals in the late 1990s and early years of 2000 fuelled another legislative reform (Alien Law 2005, see chapter on legal ramifications above). Thus, also Austrian citizens face barriers to family reunification/formation with third country citizens if they have no regular (minimum) income (dependent children face no entry barriers as they are covered by family allowance/child benefits). The restrictions in combination with the declining echo effect resulted in a reduction of net inflows of migrants from 50,800 in 2004 to 24,100 in 2006. In 2007 and 2008, net immigration of foreigners picked up again, reaching a level of 24,700 in 2008. The ensuing economic downturn affected net inflows of foreigners in 2009, reducing them to 17,100. In 2010 immigration picked up again; in combination with the large inflow of asylum seekers in 2014 and even more so 2015 the net inflow of foreign citizens amounted to118,500 in 2015; this was a rise vs 2014 of 40,100 (+52%). **The massive inflow of asylum seekers triggered reforms in asylum regulations and intensified border controls in cooperation with the neighbouring countries (Hungary and Balkans) in 2016** (for more see chapter on legal ramifications above). As a consequence, inflows of asylum seekers declined substantially in 2016 and thus net inflows of foreigners. Accordingly, net inflows declined by more than half vs 2015 to 64,700. In 2017, net migration continued to decline in view of an increasingly hostile immigration policy, reaching a low of 44,600 and thus the level of 2012.

The change in paradigm of immigration policy in 1992, which meant a shifted from labour migration to family re-unification and humanitarian intake, resulted in increasingly supply driven rather than demand driven immigration flows. Thus the mismatch between skills supplied and demanded increased. Accordingly, employers demanded reforms in immigration policy, basically the promotion of labour migration at the upper end of the skill level. The government took the issue on and implemented the first tier (highly skilled) of a three-tiered point based labour immigration model in 2011. The second tier (skilled migrants) has been implemented in 2012. The third tier for low skilled workers has never been implemented, as there are no scarcities of unskilled labourers in Austria. This is largely the result of increasing inflows of unskilled workers from the EU-12 after the end of transition regulations, and, of course, more recently of refugee inflows.

Net immigration flows are the result of significant net-immigration of foreigners; Austrians, in contrast, are on balance emigrating. In 2017, the total net immigration of 44,600 was a result of a net inflow of foreigners of 49,800 and a net outflow of Austrians of 5,100. (Figure 4)

It can be taken from Figure 5 that the inflow dynamics changed by source country, but on average the most important countries of origin of migrants between 2007 and 2017 were - apart from Germany - Central, Eastern and South-Eastern European countries. The influx of substantial numbers of persons from the Middle East (Syria, Iraq, Iran) and from the Far East (Afghanistan), largely asylum seekers, is a relatively recent phenomenon and gained momentum in 2015. Also, persons from Africa (Nigeria, Somalia) are increasingly entering Austria.

Figure 4: Net migration of Austrians and Foreigners 1983-2017

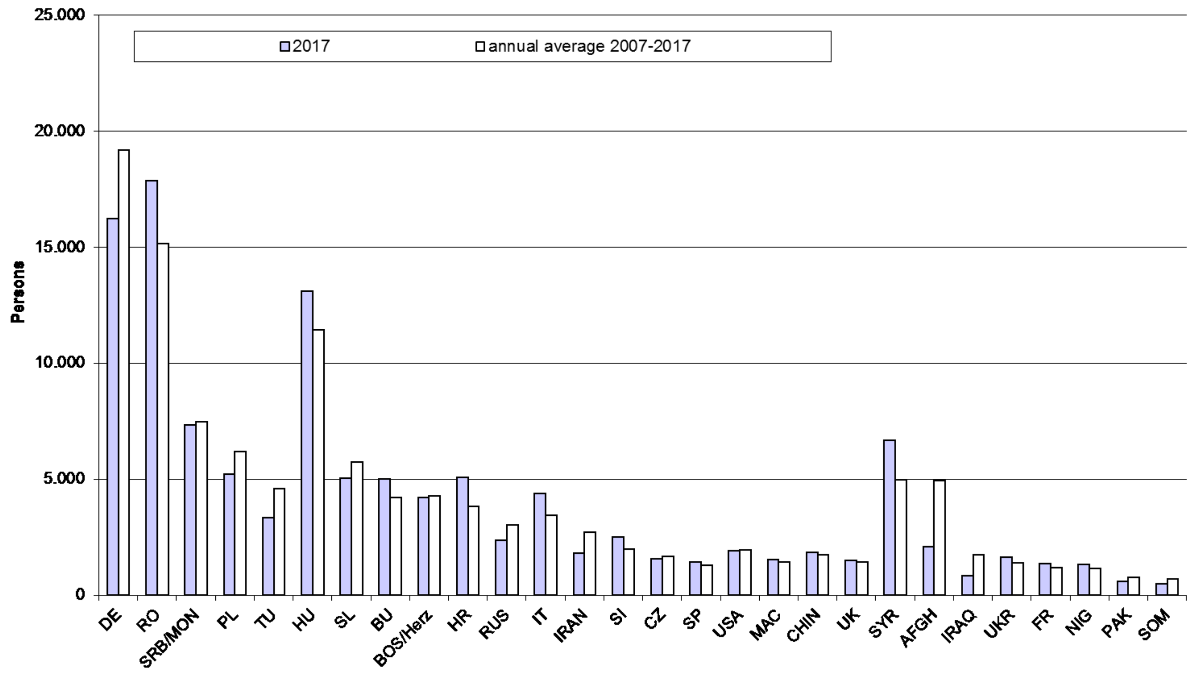


Source: Statistics Austria.

The net flow figures can be disaggregated into gross flows by gender and citizenship. In 2017, gross inflows amounted to 154,700 (of whom 139,300 foreigners) and outflows to 110,100 (of whom 89,600 foreigners). The net migration rate (net migration per 1,000 inhabitants) which had declined from a high of 6.2 in 2004 to a low of 2 in 2009 rose to an unprecedented rate of 13.1 in 2015 as a result of the massive refugee inflows, and declined again to 5.1 in 2017. Male net migration rates are generally higher than female rates; in the wake of the refugee inflow of 2015 the male rate rose to 16 in 2015, the female rate to 10.3; in 2016 and 2017, with the decline of refugee inflows, the net migration rates of men fell again to 7.8 resp. 4.8 and for women to 7 resp. 5.4.

There is a significant difference between Austrian citizens and migrants. While the migration rate of foreign citizens amounted to 99.2 per 1000 foreign inhabitants in 2015 – and 36.4 in 2017 (after 53.3 in 2016), it is negative in the case of Austrians but insignificant relative to the population size (-0.7) (Table 4)

Figure 5: Inflows of top 28 nationalities into Austria 2016 and on average 2007-2017



Source: Statistics Austria.

Source countries of migrants

Of the 154,700 inflows of foreigners in 2017, more than half of them (58%, 90,400) came from the EU plus EEA/CH – after 46.3%, 92,000 in 2015. The inflow of citizens from the EU/EEA/CH increased slightly vs a year ago to 86,600 but remained below the rate of 2015 (92,000). The inflow of third country citizens declined substantially in 2017 vs a year ago, i.e. from 73.000 to 52,800, basically a result of the reduced refugee inflows from the Near (Syria) and Far (Afghanistan) East. The inflow of foreigners from Asia declined as a consequence from 67,500 in 2015 to 37,100 in 2016 and further to 20,100 in 2017. The inflow of third country citizens from Europe remained more or less stable relative to 2016 (decline from 23,500 to 22,500), just as the inflows from the Americas. In contrast, the inflow of third country citizens from Africa decreased significantly (from 7,200 to 5,000 in 2017).

In 2017, 22 percent of foreign inflows originated from an EU-14-MS (before 2004: 31,300), in the main Germany (17,300), followed by Italy (4,700); 38.8% came from the EU-13-MS (since 2004: 54,000). The largest numbers came from Romania (17,200), followed by Hungary (12,400), Slovakia (5,100), Poland (5,100), Bulgaria (4,800) and Croatia (4,600). In contrast, 37.8% or 52,700 inflows came from third countries, after 54% or 106,700 in 2015. The largest numbers originated from Asia (19,500), in the main from the Middle East and Afghanistan.

But inflows from European third countries did not subside. The major source countries continue to be Serbia (7,700), Bosnia-Herzegovina (4,500) and Turkey (3,600).

The more recent inflow dynamics represent a major shift away from 'old' EU-MS towards the new EU-MS in the East and South-East. Inflows from Turkey had slowed down in the wake of the economic recession of 2009 but picked up somewhat since 2011. The same holds for the Balkan countries, particularly Bosnia-Herzegovina and Serbia, but increasingly also from the Russian Federation and the Ukraine.

The inflows from North America and Latin America remained fairly stable over the last couple of years (2,500 and 2,100 respectively in 2017, in toto 3.3% of all foreign inflows). The migrant inflows from Asia have subsided after the refugee inflows of 2015 but remained at a higher level than before 2015. In 2013, the inflows stood at 14,900, rising to 22,400 in 2014. In 2015, the increase to 67,700 was abrupt but subsided to 36,800 in 2016 and further to 19,500 in 2017. The main source region is Syria with an inflow of 6,300 in 2017; more pronounced was the decline in case of Afghanistan (from 11,600 in 2016 to 2,000 in 2017); but also inflows from China and India follow a steady slightly rising path. Inflows from Africa rise, in particular from Egypt, Nigeria, Somalia, Algeria, Morocco and Tunisia, but continue to have a low share in inflows (3.4% of all inflows of foreign citizens). The inflows from Oceania are small and dwindling (0.3% in 2017).

If we compare the migration flows of third country citizens based on the population register (52,800) with the number of settler resident permits granted to third country citizens in the course of 2017, it can be established that only a third of the gross inflows of third country citizens received a settler permit by the Ministry of Interior (16,700). (Table 5 and Table 11)

Of all the 89,600 outflows of foreigners in 2017, 59% or 53,000 are directed towards the EU/EEA/CH. This development goes to show that there is much mobility between Austria and the EU/EEA/CH. **The balance between inflows and outflows between the EU/EEA/CH countries and Austria results in net immigration to Austria by 33,500, representing two thirds of the net foreign population inflows in 2017**.

The largest proportion of outflows into the EU/EEA/CH regions goes to the new EU-13-MS, namely 32,100, while only 20,300 are directed towards the EU-14-MS. The balance between inflows and outflows is in both cases positive (24,000 respectively 9,200 net migration to Austria).

Table 4: Migration flows in Austria: 2006-2017

Total Population												
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total												
Inflows	98.535	106.470	109.713	107.523	112.691	124.619	140.358	151.280	170.115	214.410	174.310	154.749
Outflows	74.432	81.000	85.063	90.470	91.375	93.914	96.561	96.552	97.791	101.343	109.634	110.119
Net migration	24.103	25.470	24.650	17.053	21.316	30.705	43.797	54.728	72.324	113.067	64.676	44630
Men												
Inflows	54.298	57.853	59.149	58.933	61.536	69.379	78.212	83.480	96.014	126.712	97.876	84.412
Outflows	43.981	47.573	49.415	52.476	52.930	54.297	56.377	55.385	56.434	58.897	64.369	63.798
Net migration	10.317	10.280	9.734	6.457	8.606	15.082	21.835	28.095	39.580	67.815	33.507	20.614
Women												
Inflows	44.237	48.617	50.564	48.590	51.155	55.240	62.146	67.800	74.101	87.698	76.434	70.337
Outflows	30.451	33.427	35.648	37.994	38.445	39.617	40.184	41.167	41.357	42.446	45.265	46.321
Net migration	13.786	15.190	14.916	10.596	12.710	15.623	21.962	26.633	32.744	45.252	31.169	24.016
Net migration												
Total	*2,9*	*3,1*	*3,0*	*2,0*	*2,5*	*3,7*	*5,2*	*6,5*	*8,5*	*13,1*	*7,4*	*5,1*
Men	*2,6*	*2,5*	*2,4*	*1,6*	*2,1*	*3,7*	*5,3*	*6,8*	*9,5*	*16,0*	*7,8*	*4,8*
Women	*3,2*	*3,6*	*3,5*	*2,5*	*3,0*	*3,6*	*5,1*	*6,1*	*7,5*	*10,3*	*7,0*	*5,4*
Foreigners												
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total												
Inflows	82.899	91.546	94.368	91.660	96.896	109.921	125.605	135.228	154.260	198.658	158.746	139.329
Outflows	55.045	56.643	60.226	67.219	68.398	72.812	74.394	74.508	76.517	80.141	89.026	89.556
Net migration	27.854	34.903	34.142	24.441	28.498	37.109	51.211	60.720	77.743	118.517	69.720	49.773
Men												
Inflows	45.213	48.306	49.332	48.810	52.107	62.324	68.633	73.234	85.952	116.748	88.167	74.894
Outflows	30.857	31.424	32.111	37.962	37.358	41.547	43.067	42.098	43.725	46.380	52.322	51.998
Net migration	14.356	16.882	17.221	10.848	14.749	20.777	25.566	31.136	42.227	70.368	35.845	22.896
Women												
Inflows	40.171	43.644	45.429	43.008	46.155	52.612	56.972	61.994	68.308	81.910	70.579	64.435
Outflows	22.047	22.303	23.238	28.160	29.046	32.026	31.327	32.410	32.792	33.761	36.704	37.558
Net migration	18.124	21.341	22.191	14.848	17.109	20.586	25.645	29.584	35.516	48.149	33.875	26.877
Net migration												
Total	*34,9*	*42,7*	*40,4*	*28,1*	*31,8*	*39,9*	*52,5*	*58,7*	*70,4*	*99,2*	*53,3*	*36,4*
Men	*34,8*	*40,3*	*40,0*	*24,6*	*32,6*	*44,4*	*52,1*	*59,8*	*75,8*	*115,4*	*53,1*	*32,6*
Women	*46,9*	*53,7*	*53,6*	*34,6*	*38,5*	*44,6*	*52,9*	*57,6*	*65,0*	*82,2*	*53,5*	*40,4*
Austrians												
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total												
Inflows	15.636	14.924	15.345	15.863	15.795	14.698	14.753	16.052	15.855	15.752	15.564	15.420
Outflows	19.387	24.357	24.837	23.251	22.977	21.102	22.167	22.044	21.274	21.202	20.608	20.563
Net migration	-3.751	-9.433	-9.492	-7.388	-7.182	-6.404	-7.414	-5.992	-5.419	-5.450	-5.044	-5.143
Men												
Inflows	10.424	9.891	10.123	10.326	10.412	9.971	9.579	10.246	10.062	9.964	9.709	9.518
Outflows	12.749	12.681	12.573	12.511	12.314	12.496	13.310	13.287	12.709	12.517	12.047	11.800
Net migration	-2.325	-2.790	-2.450	-2.185	-1.902	-2.525	-3.731	-3.041	-2.647	-2.553	-2.338	-2.282
Women												
Inflows	5.164	5.064	5.190	5.641	5.724	5.301	5.174	5.806	5.793	5.788	5.855	5.902
Outflows	7.842	7.783	7.716	8.556	7.985	8.535	8.857	8.757	8.565	8.685	8.561	8.763
Net migration	-2.678	-2.719	-2.526	-2.915	-2.261	-3.234	-3.683	-2.951	-2.772	-2.897	-2.706	-2.861
Total	*-0,5*	*-1,3*	*-1,3*	*-1,0*	*-1,0*	*-0,9*	*-1,0*	*-0,8*	*-0,7*	*-0,7*	*-0,7*	*-0,7*
Men	*-0,6*	*-0,8*	*-0,7*	*-0,6*	*-0,5*	*-0,7*	*-1,0*	*-0,8*	*-0,7*	*-0,7*	*-0,6*	*-0,6*
Women	*-0,7*	*-0,7*	*-0,7*	*-0,8*	*-0,6*	*-0,8*	*-1,0*	*-0,8*	*-0,7*	*-0,8*	*-0,7*	*-0,8*

S: Statistics Austria.

Table 5: Inflows and outflows by source and destination countries 2017

Source-/Host-Country	Total			Austrian Citizens			Foreign Citizens		
	Inflows from abroad	Outflows to abroad	Net	Inflows from abroad	Outflows to abroad	Net	Inflows from abroad	Outflows to abroad	Net
Total	**154.749**	**110.119**	**44.630**	**15.420**	**20.563**	**-5.143**	**139.329**	**89.556**	**49.773**
EU-, EFTA	**90.432**	**61.561**	**28.871**	**3.763**	**7.494**	**-3.731**	**86.669**	**54.067**	**32.602**
EU-MS (27)	**88.472**	**58.711**	**29.761**	**3.127**	**5.903**	**-2.776**	**85.345**	**52.808**	**32.537**
EU-MS before 2004 (14)	**34.008**	**26.879**	**7.129**	**2.679**	**5.084**	**-2.405**	**31.329**	**21.795**	**9.534**
Germany	19.075	15.041	4.034	1745	3.506	-1761	17.330	11.535	5.795
France	1.468	1.321	147	109	156	-47	1.359	1.165	194
Greece	1.244	695	549	53	43	10	1.191	652	539
Italy	4.840	3.079	1761	158	232	-74	4.682	2.847	1.835
Netherlands	1.051	977	74	60	135	-75	991	842	149
Spain	1.738	1.635	103	126	208	-82	1.612	1.427	185
United Kingdom	1.952	1.703	249	260	427	-167	1.692	1.276	416
EU-MS since 2004 (13)	**54.464**	**31.832**	**22.632**	**448**	**819**	**-371**	**54.016**	**31.013**	**23.003**
Bulgaria	4.835	2.697	2.138	29	50	-21	4.806	2.647	2.159
Croatia	4.606	2.190	2.416	39	70	-31	4.567	2.120	2.447
Poland	5.182	3.675	1.507	58	88	-30	5.124	3.587	1.537
Romania	17.331	9.301	8.030	98	143	-45	17.233	9.158	8.075
Slovakia	5.115	3.461	1.654	45	68	-23	5.070	3.393	1.677
Slovenia	2.519	1.131	1.388	14	27	-13	2.505	1.104	1.401
Czech Republic	1.669	1.382	287	64	133	-69	1.605	1.249	356
Hungary	12.478	7.478	5.000	82	182	-100	12.396	7.296	5.100
EFTA, assoc.States	**1.960**	**2.850**	**-890**	**636**	**1.591**	**-955**	**1.324**	**1.259**	**65**
Switzerland	1.652	2.525	-873	590	1.495	-905	1.062	1.030	32
Third Countries	**64.317**	**48.558**	**15.759**	**11.657**	**13.069**	**-1.412**	**52.660**	**35.489**	**17.171**
Europe (incl. Turkey)	**24.274**	**16.957**	**7.317**	**1.006**	**1.572**	**-566**	**23.268**	**15.385**	**7.883**
Bosnia-Herzegovina	4.576	2.563	2.013	124	146	-22	4.452	2.417	2.035
Kosovo	1.191	708	483	30	54	-24	1.161	654	507
Macedonia	1.577	800	777	22	22	-	1.555	778	777
Russian Federation	2.287	1.982	305	52	50	2	2.235	1.932	303
Serbia	7.895	5.364	2.531	184	242	-58	7.711	5.122	2.589
Turkey	4.119	3.970	149	557	1.017	-460	3.562	2.953	609
Ukraine	1.568	966	602	19	24	-5	1.549	942	607
Africa	**5.234**	**4.627**	**607**	**494**	**435**	**59**	**4.740**	**4.192**	**548**
Egypt	895	495	400	220	156	64	675	339	336
Nigeria	1.228	1.382	-154	30	67	-37	1.198	1.315	-117
Somalia	498	380	118	4	8	-4	494	372	122
America	**5.282**	**5.016**	**266**	**707**	**1.004**	**-297**	**4.575**	**4.012**	**563**
Northamerica	**2.872**	**3.452**	**-580**	**362**	**658**	**-296**	**2.510**	**2.794**	**-284**
USA	2.332	2.879	-547	309	555	-246	2.023	2.324	-301
Latinamerica	**2.410**	**1.564**	**846**	**345**	**346**	**-1**	**2.065**	**1.218**	**847**
Asia	**20.266**	**12.337**	**7.929**	**814**	**888**	**-74**	**19.452**	**11.449**	**8.003**
Afghanistan	2.042	1.875	167	8	20	-12	2.034	1.855	179
China	1.734	1.536	198	96	103	-7	1.638	1.433	205
India	1.421	921	500	48	46	2	1.373	875	498
Iraq	834	1.205	-371	42	43	-1	792	1.162	-370
Iran	1.832	1.170	662	65	60	5	1.767	1.110	657
Syria	6.335	819	5.516	14	17	-3	6.321	802	5.519
Oceania	**476**	**483**	**-7**	**120**	**190**	**-70**	**356**	**293**	**63**
Unknown	**8.785**	**9.138**	**-353**	**8.516**	**8.980**	**-464**	**269**	**158**	**111**

S: STATISTICS AUSTRIA.

The German population in Austria is largely a floating population with a high proportion flowing in and out, the net effect being 5,600 or 11% of all net inflows of foreigners in 2017; the situation is similar in the case of Italy with a net inflow of 1,700. **The largest net inflows from the EU13-MS in 2017 originated from Romania with 8,400 or 16.9% of all net foreign migration to Austria. Second in line was Hungary with net migration to Austria of 5,600 or 11.1% of all foreign net migration, followed by Croatia, Slovakia, Poland and Bulgaria**. (Table 5) This is an indication for settlement tendencies in Austria rather than high cross-country mobility.

A fairly new feature emerged in the last couple of years, namely that Turkish migrants were increasingly returning to Turkey such that, in 2012, only a small net inflow of 937 Turks occurred.

However, in 2013, net immigration from Turkey started to rise again to 1,300. This was a transitory phenomenon, as net inflows declined again in 2014 to 530, but 2015 and 2016 saw again a rise in net immigration from Turkey to some 800 persons; in2017 the net inflow declined again to some 300. While dynamic economic growth in Turkey tended to motivate Turkish migrants to return to Turkey, increasing refugee inflows from Syria to Turkey and political unrest in the border regions of Turkey do not seem to raise the propensity to migrate to Austria. This may be the result of a certain political animosity against Austria as critical voices against Erdogan make the media in Austria and Turkey.[29]

While net inflows from North America and Latin America tend to be fairly small and stable over time, this is not the case for Asia. **The net inflow of migrants from Asia doubled in 2014 versus a year ago to 14,600, exploded 2015 to 60,200 and subsided to 23,700 in 2016 and further to 7,600 in 2017. This was a decline to 15% of all net foreign inflows, after 34% in 2016. The only remaining country with a significant net inflow is Syria.** (Table 5)

Entries and departures of refugees

Asylum issues lie within the competence of the federal government. The Federal Asylum Office in the newly established Federal Agency of Alien Affairs and Asylum (BFA – Bundesamt für Fremdenwesen und Asyl), which resorts to the Ministry of Interior (bmi), is the first instance in asylum proceedings (Art. 58 Asylum Act). Appeals against decisions of the Federal Asylum Office could until January 2014 be addressed to the Asylum Court, an independent court established in 2008 (Art. 61 para 1 Asylum Act). As of 1 January 2014, the Federal Asylum Office was replaced by the Federal Office for Alien Affairs and Asylum[30] which is also responsible for certain alien police proceedings (Act on the Restructuring of the Alien Authorities)[31]; and includes also the Administrative High Court (Bundesverwaltungsgericht), the last instance in matters on asylum and alien law. The Asylum Court is an integral part of the Administrative High Court; in the preparation of the structural and institutional reform of legal proceedings in public administration, the Asylum Court acted as the hub for the reform process[32].

The assistance and financial support of asylum seekers and other foreigners in need of help is regulated in the Basic Assistance Act on federal level (Grundversorgungsgesetz - Bund 2005 - BGBl. Nr. I 100/2005 idF BGBl. I Nr. 122/2009) and in specific legislation of the Provinces, which are to guarantee uniform standards across the country. A burden sharing between the federal state and the 'Bundesländer' is ensured by an agreement specified in the law (GVV, Art. 15a B-VG (BGBl. Nr. I 80/2004). Apart from asylum seekers, recognized refugees, who have obtained asylum, continue to receive basic support for the first four months after recognition of their status. Basic support/assistance (Grundversorgung) consists of board and lodging, health and care services, information and (legal) advice, access to education and training, clothing, etc. and pocket money). **In the beginning of 2017, the number of asylum seekers receiving basic income support amounted to 78,962, declined to 61,242 early 2018 and to 57,040 in the beginning of 2019.**

[29] Turkish hacker attacks against Austrian media and institutions. https://www.oe24.at/oesterreich/politik/Erdogan-Internet-Krieg-gegen-OeSTERREICH/273582014

[30] This court replaced 194 offices that were responsible for alien and asylum law issues.

[31] Verwaltungsgerichtsbarkeitsnovelle, BGBl. I No. 87/2012.

[32] For more see website: http://www.asylgh.gv.at/site/7814/default.aspx

With the amendment of the Asylum Procedures Act (BFA-Verfahrensgesetz (BFA-VG), BGBl. I Nr. 24/2016) in 2016, regulations on counselling of asylum seekers and on the duration of the right to stay (Asyl auf Zeit) have been amended resp. specified. Accordingly, persons applying for asylum after November 2015 no longer receive permanent settlement rights but get the right to stay for three years upon which their status may be transferred into a permanent stay unless specified factors suggest a denial.

The unsurpassed influx of asylum seekers and refugees in 2015 put the asylum authorities under pressure to raise the number of staff in the asylum courts to speed up procedures[33]. In the beginning of 2015, the Federal Office (BFA) had a staff of some 689 persons. In 2015 their numbers were augmented by 206 or 30% to 895, according to the Federal Office of Alien Affairs and Asylum[34]. In the course of 2016, the Federal Office augmented their staff in charge of asylum cases to 1,284. In addition, 7 new regional offices were opened in 2016. The BFA increased personnel by another 142 to 1,426 in 2017.[35] In order to harmonise procedures, a curriculum was tailored to the needs of the authority.

As asylum applications have lost momentum in 2016, largely as a result of the deal between the EU and Turkey, but also as a consequence of actions by the Austrian Ministries of Foreign Affairs, of the Interior and of Defence against illegal border crossings, the inflows more than halved vs 2015 and continued to decline in 2017 and thereafter.

Entries of refugees

From the mid-1980s onwards, the number of asylum seekers has been rising, at first steadily and towards the end of the 1980s abruptly – an experience Austria shared with other western European countries. By the end of December 1991 27,300 asylum seekers were registered in Austria. This was the starting point of a reform of the asylum legislation (Asylum Law 1991) – to a large extent induced by the intergovernmental co-operation within EU-member countries and the then prospective new EU-MS to harmonise aspects of admission policies for foreign migrants in general and asylum seekers in particular. Major amendments to the asylum legislation took place in 1997, 2003, 2005, 2009, 2011, 2016, 2017 and 2018 – partly a consequence of EU-wide coordination of asylum legislation and procedures and thus harmonisation - the latter largely to restrain numbers, partly as a response to the large asylum inflows of 2015, largely aiming at speeding up procedures.

In January 2010, a comprehensive revision of the Alien Laws came into effect. Several changes to tighten alien police and asylum legislation were introduced. The amendments redefined the offences which may lead to detention of asylum seekers, and introduced the possibility to deprive, under certain conditions, delinquent refugees and beneficiaries of subsidiary protection of their status. Finally, the legal framework for granting residence permits to rejected asylum seekers based on humanitarian grounds was redefined. With July 2011 a one-week mobility restriction outside the asylum reception centre was introduced for new arrivals of asylum seekers. From October 1, 2011 onwards, asylum seekers who have had their claim rejected by the asylum court are automatically provided with legal counselling and

[33] More about the asylum procedures in http://www.bfa.gv.at/bmi_docs/1954.pdf

[34] See http://www.bfa.gv.at/files/Statistiken/BFA_Jahresbilanz2015_web.pdf.

[35] For more see the annual report by the BFA: http://www.bfa.gv.at/files/Statistiken/BFA_Jahresbilanz_2016.pdf

support on further steps to take by one of the following NGOs: Diakonie, Volkshilfe or Human Rights Austria.

The first major reform of the asylum legislation, which had come into effect in 1992, resulted in a significant reduction of the number of asylum seekers in Austria. The legislative reform, institutional restructuring and reform of public funding of asylum seekers while they wait for the outcome of the asylum procedures, have all contributed to the reduction of inflows of asylum seekers. By the end of 1992 only 16,238 asylum seekers were registered, –11,100 (–40.5 percent) versus 1991. The downward trend continued until 1993, when a low of 4,744 asylum registrations was reached. The decline in asylum applications took place at a time when substantial numbers of citizens of former Yugoslavia entered Austria as 'de facto refugees'.

From April 1992 until mid-1995 an estimated number of 100,000 refugees from former Yugoslavia had fled into Austria. The total number of persons receiving shelter and/or financial support over that time span amounted to 84,000. The major inflow took place in 1992 with 50,000 Bosnians, followed by 20,000 in 1993, 10,000 in 1994 and 4,000 until mid-1995. By the end of December 1997 some 5,800 Bosnians remained in the financial care of the federal government and the states ("Bund-Länder-Aktion"). The promotion of the Federal Ministry of the Interior of return migration of Bosnians, who had remained in refugee camps, gained weight in 1997. Some but not all took up the opportunity for a subsidised return to Bosnia. By mid-1998, the end of the right to reside in Austria, the remaining Bosnians received permission to stay in Austria on humanitarian grounds.

As far as asylum applications are concerned, a slight rise set in 1994 and plateaued at 7,000 in 1996. In 1998 the number of asylum seekers rose again and reached 20,100 in 1999 as Kosovars fled into Austria. The invasion of Kosovo by Serbia and the resulting flight of Albanian Kosovars to neighbouring regions resulted in a rise of asylum applications, quite in contrast to the former refugee inflows from Bosnia. This goes to show that applications for asylum are guided by many factors, among them also institutional ones.

The Albanian Kosovars tended to choose the asylum route, because they thought they could never return to their country of origin. In contrast, Bosnians had hoped to return at some stage and therefore only claimed refuge. As it turned out, hardly any Bosnians returned to their country of origin, while Albanians tended to return, in relative terms, to a larger extent (largely due to the rejection of asylum by the Austrian authorities).

After a temporary slowdown of asylum inflows in the year 2000, inflows of asylum seekers rose rapidly until 2002, partly as a result of the crisis in Afghanistan. In 2002 the number of asylum seekers peaked at 39,400. Ever since then the numbers of applications for asylum declined steadily. In 2007 only 11,900 asylum applications were filed, 25,100 or 67.8 percent less than in 2002. The sharp reduction in the numbers of asylum seekers between 2002 and 2007 was largely the result of Austria moving from a Schengen country at the border to one within a larger Schengen region (Dublin Convention). It became therefore increasingly difficult to apply for asylum in Austria as one tended to have to pass through another Schengen country before reaching Austria. The neighbouring countries are considered 'safe havens', implying that asylum seekers crossing through one of these countries may be returned rightfully to these countries as first countries of asylum. It is increasingly recognised that some of the countries of transition of asylum seekers cannot be considered 'safe havens', however. Accordingly, public pressure was mounting in Austria in 2010 to revisit and adapt current

Austrian practices of refoulement, triggered off by some spectacular cases which were caught by the media, where family members and children were being separated and deported to some of the countries concerned. As a result, since then refoulement cases are receiving more critical attention.

The Schengen border did not, however, prevent inflows of asylum seekers from rising in the longer term. Already in 2008, the number of asylum seekers increased for the first time since 2002 to 12,841 and continued to rise ever since. By the end of December 2012, the applications for asylum reached 17,400. In 2013 the inflow of asylum seekers stabilised at the high level of 2012 (17,503), but in 2014 figures started to rise again, reaching 28,000, +10,600 or 60% versus 2013. In 2015 a real wave of asylum seekers arrived in Austria, many of them passing through Hungary and still not wanting to register in Austria, as they hoped to get to Germany or, to a lesser extent, to Sweden. As a result, 88,340 asylum seekers registered in Austria while some 500,000 passed through Austria direction Germany. (Figure 6)

Table 6: Asylum seekers in Austria by the end of the year: 1953-2017

1953	1,723	1986	8,639
1954	2,283	1987	11,406
1955	1,941	1988	15,790
1956	169,941	1989	21,882
1957	58,585	1990	22,789
1958	3,599	1991	27,306
1959	3,439	1992	16,238
1960	5,178	1993	4,744
1961	4,116	1994	5,082
1962	3,458	1995	5,920
1963	3,435	1996	6,991
1964	3,611	1997	6,719
1965	4,247	1998	13,805
1966	3,805	1999	20,129
1967	3,872	2000	18,284
1968	7,334	2001	30,127
1969	9,831	2002	39,354
1970	3,085	2003	32,359
1971	2,075	2004	24,634
1972	1,838	2005	22,461
1973	1,576	2006	13,349
1974	1,712	2007	11,921
1975	1,502	2008	12,841
1976	1,818	2009	15,821
1977	2,566	2010	11,012
1978	3,412	2011	14,416
1979	5,627	2012	17,413
1981	34,557	2013	17,503
1982	6,314	2014	28,027
1983	5,868	2015	88,340
1984	7,208	2016	42,285
1985	6,724	2017	24,735
		2018	13,400

Source: Statistics Austria, Statistical Handbook of the Republic of Austria.

In 2015, Austria was the number four in terms of absolute numbers of asylum seekers in Europe, after Germany (476,500), Hungary (177,100) and Sweden (162,500), followed by Italy (84,100), France (75,800), and ex aequo Belgium and the Netherlands (45,000).

In the course of 2015 asylum applications went through the ceiling. Not only did the applications rise exorbitantly, as can be taken from Figure 6, but the transit through Austria increased to such an extent that special buses and supplementary trains had to be organised to take the refugees from the Austrian borders in the East and South-East (Hungary, Croatia, Slovenia) across Austria to the border of Germany, as most of the refugees wanted to go to Germany or Sweden. Registration and reception centres were overcrowded and bypassed as the Austrian authorities lost control over the events. Without the help of NGOs, the refugee crisis would have turned into a veritable humanitarian crisis in Austria, just as in many countries of the Balkans where the refugees had passed through.

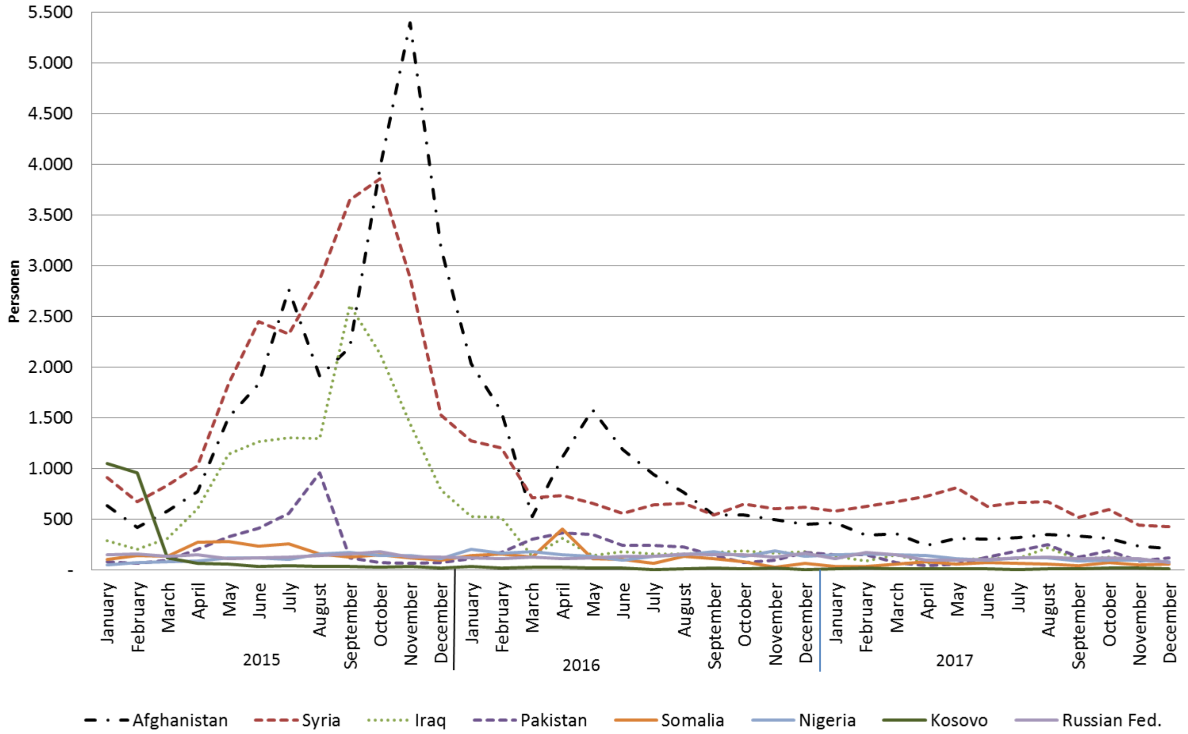
The large inflows in 2015 were in the main the result of refugee inflows from the Middle East, in particular from Syria. But refugees from Afghanistan continued to flow in in rising numbers as well, and the flows from the Russian Federation, other Asian and African countries did not slow down. The only slowdown Austria experienced in 2015 was the flow from citizens of the Balkans; Kosovars and others had to accept that in this new environment chances to get refugee status granted dwindled rapidly.

Early in January 2016, the Austrian government decided to curb the inflow of asylum seekers by setting a ceiling to a maximum of 1.5% of the population for a planning period of four years, amounting to 37,500 for 2016. To operationalise this objective, fences were put up along the Southern borders, i.e. in Spielfeld (Styria) to block inflows from Slovenia. The construction of a fence and screening facilities had been finished by the beginning of 2016, while discussions on implementing similar devices on the Brenner Pass (Tyrol) to block inflows from Italy began to surface in January 2016. The fences were highly contested in the Austrian general public, particularly the plans on the Brenner Pass to Italy. Fears surfaced that the fences could signal the end of Schengen or the virtual exclusion of Greece from the Schengen area as the Balkan route of refugees was to be blocked or at least highly controlled by the neighbouring Balkan countries. These speculations were fuelled by visits of the Austrian Minister of Foreign Affairs to the Balkans in February 2016. In the end, no additional fences were put up but regular traffic controls were introduced on the various borders of Austria.

The concerted actions to contain refugee inflows resulted in a substantial decline of asylum seekers by the end of 2016, namely to 42,285. This was a reduction by 46,100 or 52%. The strict border controls as well as less tolerance of residence of irregular migrants, largely rejected asylum cases, and enforcement of their return to the source countries as a deterrent, contributed to a further decline of asylum inflows, reaching a low of 24,700 by the end of 2017 (-17,600 or 42% vs 2016) and 13,400 by the end of 2018 (-29,700; -69% vs 2017). The number of asylum seekers in 2018 is the lowest since1998.

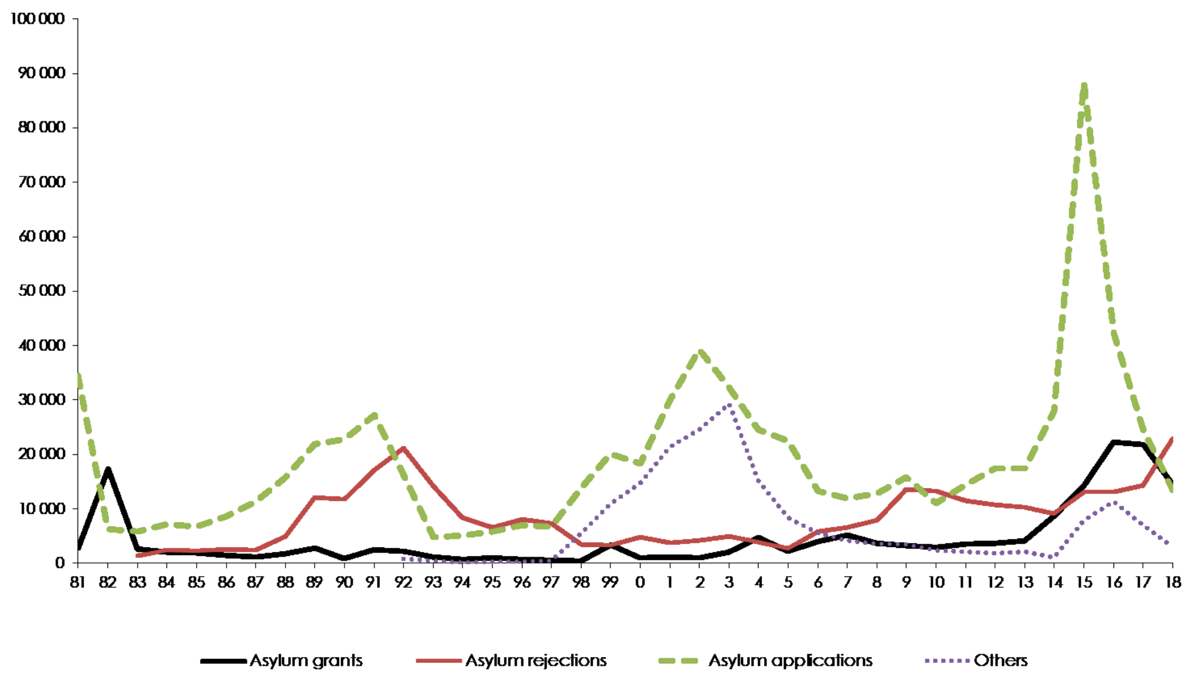
Figure 6 provides some insight into the inflow of asylum seekers in the course of 2015 to 2017 and the main countries of origin. The largest numbers of asylum seekers between January and December 2015 originated from Afghanistan (25,600), followed by Syria (24,500), Iraq (13,600), Iran (3,400), Pakistan (3,000), and Kosovo (2,500). In 2016, the largest groups remained the same with Afghanistan in the lead (11,800), followed by Syria (8,800), Iraq (2,900), Pakistan (2,500), Iran (2,500) and Nigeria (1,900). In 2017 the rank order changed somewhat with Syria taking the lead (7,400), followed by Afghanistan (3,800), Pakistan (1,600), Nigeria, Iraq and the Russian Federation (all of them 1,400).

Figure 6: Monthly asylum applications from 2015 to 2017 by major source countries



Source: Statistics Austria.

Figure 7: Asylum procedures: Inflows, acceptances and rejections 1981-2018



Source: Statistics Austria.

In the course of 2018 the inflow of asylum seekers continued to slow down, reaching a low of 13,400 by the end of December. The rank order of the major source countries did not change much: Syria continued to be the source country number 1 (3,300), followed by Afghanistan (2,100), Iran (1,100), the Russian Federation (900), Iraq (700) and Nigeria (600).

In 2017 Austria had a per capita ratio of asylum seekers of 282 per 100,000 inhabitants, surpassed only by Greece (545), Cyprus (538), Malta (418) and Luxembourg (412); the ratio was somewhat higher than in Germany (269).

The figures on total numbers of rejections and grants of asylum inform about the outcome of asylum procedures. According to the Ministry of the Interior, 43,100 asylum decisions have been taken in 2017, after 46,700 in 2016. Of all decisions in 2017, 21,800 were positive (after 22,300 in 2016), i.e. 50.5% of all decisions over the year, and 14,300 were rejections (33.2% of all decisions). Of the latter, 7,100 received subsidiary protection status. In addition, some 7,000 asylum decisions were taken on various accounts, either the applicant did not show up for investigation, withdrew the application or received some other form of temporary protection. (Figure 7) The year 2018 was marked by a reduction of the backlog of processing asylum cases by reducing the duration of proceedings; in addition, a focus was put on de-recognition of refugee status and return of irregular migrants to their source countries.

Table 7: Asylum seekers by gender and country/region of origin by 31 December: 2010-2017

									In % of asylum seekers							
Asylum seekers	2010	2011	2012	2013	2014	2015	2016	2017	2010	2011	2012	2013	2014	2015	2016	2017
Total	11 012	14 416	17 413	17 503	28 027	88 340	42 285	24 735	100	100	100	100	100	100	100	100
Men	7 768	10 661	12 846	12 528	21 258	63 764	28 207	15 024	70,5	74,0	73,8	71,6	75,8	72,2	66,7	60,7
Women	3 244	3 755	4 567	4 975	6 769	24 576	14 078	9 711	29,5	26,0	26,2	28,4	24,2	27,8	33,3	39,3
from Europe	4 604	3 876	5 138	5 218	5 968	5 504	3 649	3 423	41,8	26,9	29,5	29,8	21,3	6,2	8,6	13,8
of which:																
Serbia, Monten.,Kosovo	1 047	547	622	1 156	2 283	2 804	419	304	9,5	3,8	3,6	6,6	8,1	3,2	1,0	1,2
Macedonia	194	81	122	170	160	297	116	118	1,8	0,6	0,7	1,0	0,6	0,3	0,3	0,5
Russian Fed.	2 322	2 314	3 091	2 841	1 996	1 680	1 633	1 396	21,1	16,1	17,8	16,2	7,1	1,9	3,9	5,6
Moldova	127	79	54	35	32	25	13	29	1,2	0,5	0,3	0,2	0,1	0,0	0,0	0,1
Georgia	370	261	300	257	417	406	350	454	3,4	1,8	1,7	1,5	1,5	0,5	0,8	1,8
Turkey	369	414	273	302	203	221	346	299	3,4	2,9	1,6	1,7	0,7	0,3	0,8	1,2
from Asia	4 175	7 633	9 015	7 935	16 323	72 966	30 575	16 313	37,9	52,9	51,8	45,3	58,2	82,6	72,3	66,0
of which:																
Afghanistan	1 582	3 609	4 005	2 589	5 076	25 563	11 794	3781	14,4	25,0	23,0	14,8	18,1	28,9	27,9	15,3
Bangladesh	116	87	212	278	119	718	305	144	1,1	0,6	1,2	1,6	0,4	0,8	0,7	0,6
China	217	238	241	237	243	309	267	218	2,0	1,7	1,4	1,4	0,9	0,3	0,6	0,9
India	433	476	401	339	396	448	515	415	3,9	3,3	2,3	1,9	1,4	0,5	1,2	1,7
Iraq	336	484	491	468	1 105	13 633	2 862	1 403	3,1	3,4	2,8	2,7	3,9	15,4	6,8	5,7
Iran	387	457	761	595	743	3 426	2 460	994	3,5	3,2	4,4	3,4	2,7	3,9	5,8	4,0
Pakistan	276	949	1823	1037	596	3021	2496	1574	2,5	6,6	10,5	5,9	2,1	3,4	5,9	6,4
Syria	194	422	915	1 991	7 730	24 547	8 773	7 356	1,8	2,9	5,3	11,4	27,6	27,8	20,7	29,7
from Africa	796	2 700	1 933	3 789	3 943	5 814	7 071	3 731	7,2	18,7	11,1	21,6	14,1	6,6	16,7	15,1
of which:																
Nigeria	573	414	400	691	673	1 385	1 855	1 405	5,2	2,9	2,3	3,9	2,4	1,6	4,4	5,7
Somalia	190	610	481	433	1 162	2 073	1 537	697	1,7	4,2	2,8	2,5	4,1	2,3	3,6	2,8
Algeria	304	447	575	949	563	945	1 032	369	2,8	3,1	3,3	5,4	2,0	1,1	2,4	1,5
Morocco	137	313	354	516	296	731	1 052	352	1,2	2,2	2,0	2,9	1,1	0,8	2,5	1,4
S: BMI; Statistics Austria.																

Of all 21,800 positive decisions on asylum in 2017, the largest numbers went to persons from Syria (11,800; 54%), followed by persons from Afghanistan (4,300; 19.6%), from Iran (1,300; 6%), from Iraq (1,200; 5.3%) and persons with unknown citizenship (1,300; 5.9%). The recognition rates differed between source countries, the highest being for Syrians - in 2016 just as in 2015 89% of the decisions were grants of asylum and only 6% were rejections – many of them received subsidiary protection. In 2017, the recognition rate of Syrians rose to 92%, only 4% were negative. Next in line was the recognition rate of Iranians with 66%, followed by Somalis with 49%. The recognition rate of Afghanis amounted to 47% in 2017; the percentage of negative decisions was 32%, but many of them received subsidiary protection status. 33% of asylum seekers from the Russian Federation got refugee status and 54% were rejected. The lowest rates go to asylum seekers of the Ukraine (1%), of Nigeria (1%) and of Pakistan (2%).

The number of de-recognitions of asylum status rose to 1,640 in 2018.

In the course of the years of 2000 the share of men amongst asylum seekers has declined somewhat from 77.8 percent in 2001 to 66 percent in 2008; between 2009 and 2015 the share of men was on the rise again, reaching 76% in 2014. This changed in 2015 and 2016 when whole families fled from the war-stricken zones of Syria; accordingly, the share of female asylum seekers increased, reducing the male share to 67% in 2016 and further to 60.7% in 2017. (Table 7)

There are many reasons for the high share of male refugees; according to interviews featured in the public media men tend to be sent by their families/clans to pave the way for a later potential family reunification; apart from that, young men leave their war-stricken countries in order to avoid being drafted into an army which often turns against their own people, minorities or 'rebel' groups.

The composition of the source countries of asylum seekers in Austria in 2017 can be taken from Table 7. The number of asylum seekers from Europe has reached a peak in 2003 with 16,500 applications (51% of all asylum claims) and has been declining since. In 2017 the total number reached a low of 3,400 or 13.8% of all asylum registrations. The largest single country of origin of asylum seekers from Europe in 2017 was the Russian Federation (1,400). The numbers of asylum requests from Asia had been soaring in 2015, reaching a total of 73,000 or 83% of all asylum applications. In 2016 the applications more than halved to 30,600 and further to 16,300 in 2017. In 2017, the single most important source region from Asia was Syria (7,400), followed by Afghanistan (3,800), Pakistan (1,600) and Iraq (1,400).

A relatively small number of asylum applications, but rising until 2016, concerned persons from Africa, reaching 7,100 in 2016 (after 5,800 in 2015); in 2017, their numbers declined sharply to 3,700 (-3,300 or 47% vs 2016); the decline may be taken as a result of the efforts by EU-MS, in particular Italy, to prohibit landings on European territory. The largest single country of origin in 2017 was Nigeria (1,400), followed by Somalia (700), Algeria and Morocco (each 400).

An increasing number of unaccompanied minors filed asylum applications until 2016. In 2015 the number of unaccompanied minors requesting asylum reached 9,300 or 10.6% of all asylum applications, 7,400 or 372% more than in 2014. The majority was between 14 and 18 years old (83%). The most important source countries in terms of numbers were Afghanistan (6,400), followed by Syria (1,200) and Somalia (265). With the declining inflows of asylum seekers in 2016 the numbers of unaccompanied minors declined as well, namely to 4,600. The majority continued to be between 14 and 18 years old. The largest numbers were from Afghanistan (60%), followed by Somalia, Pakistan and Nigeria. In 2017, the numbers declined further, more than proportionately relatively to all asylum seekers, to 1,400, the majority in the age group 14-18-year-olds (89%). The share of unaccompanied minors of all asylum seekers declined to 5.5%. The largest source countries are Afghanistan (700, 51%), followed by Pakistan (200, 15%) and Nigeria (1000, 8%).

Processing asylum applications tends to be a lengthy process. While applicants from certain countries are granted refugee status with a high probability, e.g., persons from Syria, Iran or

Somalia, others may face long waiting periods. In Austria, in the wake of reforms of the asylum legislation, procedures were streamlined and accelerated in 2004, e.g., by raising the number of staff for processing. In 2007 several cases made the public media, and a decision of the constitutional courts requested the Ministry of the Interior to clarify procedures by which residence may be granted to rejected asylum seekers on humanitarian grounds[36]. This enquiry triggered again legislative reforms. Consequently, in April 1 2009, an amendment to the residence and asylum law (2005) came into effect (Fremdenrechtsnovelle 2009, BGBl. I Nr. 29/2009). Accordingly, residence status on humanitarian grounds has to be regulated separately in either law, i.e. in the asylum act (§10 cites criteria on the basis of which permanent or temporary residence may be granted), and in the residence act (§§ 43 und 44 NAG 2005) procedures have been differentiated and extended. The catalogue of criteria is the same in asylum legislation (§ 10 Abs. 2 Z 2 AsylG) as in the alien police law ((§66 Abs. 2 FPG) and the residence act ((§1 Abs. 3 NAG).[37] In 2010 spectacular cases became known to the public, e.g. 8 year old twins (Kosovo Albanians) were put into a detention centre with their father before being deported October 7, which put **the subject of humanitarian residence to 'integrated' asylum seekers back on the agenda**. The girls plus father were allowed to return after a couple of weeks while procedures were overhauled.

Over the whole period of 1981 till 2017, a total of 713,000 asylum applications were registered, of which a total of 157,900 were accepted as refugees according to the Geneva Convention, i.e., 22 percent; and 283,900 got their case rejected, i.e., 40 percent. Of the latter, a large proportion received subsidiary protection. The category 'others' (271,000 or 38 percent of all asylum applications) moved on before the procedures were terminated in Austria, either moving with the help of IOM to another host country or going into hiding (Figure 7).

Harmonisation of asylum legislation within the EU has brought about major changes in the treatment and deployment of asylum seekers in Austria. The legislative reform of 2005 had substantial financial implications for the state and regions. As of 2005, every applicant has the right to financial support by the state for the period of the asylum procedures. The financial burden is shared by all federal states according to their population size. This means that until 2004, large numbers of asylum seekers depended on the support of NGOs, in particular churches and affiliated institutions like Caritas. Since 2004 the states do not only have to provide shelter and other basic support, but the local Labour Market Service is called upon to provide employment opportunities for asylum seekers after a waiting period of 3 months. By order of the former Minister of Economic Affairs and Labour[38] in 2004 labour market access was, however, limited to seasonal work, thereby reducing the scope of employment the law would actually offer. This order brought about a deterioration of employment and learning opportunities of asylum seekers versus earlier labour market practices. More recent legislative reforms are opening up some more employment opportunities, as mentioned in the chapter on the legal framework. But access to apprenticeship education has been denied again

[36] *Biffl – Bock Schappelwein* (2008) collected information on legislation in other EU-MS and on the annual numbers of rejected asylum seekers who get residence granted on humanitarian grounds.

[37] For more information see *Biffl et al.* (2009).

[38] The order was issued by former Minister Bartenstein (Erlass zu GZ 435.006/6-II/7/04, EU–Erweiterungs-Anpassungsgesetz; Durchführungserlass).

after some years, by decree in autumn 2018, as the option of apprenticeship was seen by the minister of the Interior as an incentive to apply for asylum in Austria.

Once asylum seekers have received refugee status, they may enter the labour market without any legal restrictions. In case of rejection of the application, access to employment is denied unless they receive subsidiary protection status.

While most migrants do not need any special integration support on the labour market, namely third country workers who have a work contract and who are free to enter, reside and work in Austria outside of any quota regulation, others are in need of special assistance beyond the right of free access to the labour market. This is particularly true for asylum seekers and refugees (Geneva Convention). Accordingly, a jobcentre was put in place, run by the Labour Market Service and the Integration Fund, to focus on the special needs of the target group.[39]

Since 2002 an increasing number of asylum seekers is receiving education and training as well as employment through innovative labour market policy initiatives, funded by the ESF (European Social Fund). Various regional integration programmes, e.g., EPIMA and job shop, concentrate on improving skills/educational attainment level of young asylum seekers, also in view of improving their prospects to enter adequate employment (decent work agenda). This development is in line with the objective of the EC to promote the employability of asylum seekers, documented in the Directive of the European Parliament of 25 April 2004, which aims at the promotion of integration of asylum seekers and refugees (www.refugeenet.org).

The massive inflow of refugees in 2015 and the concomitant large acceptance rates set a whole machinery of new integration measures into motion. The government agreed to put up extra money for integration measures, namely 75 million euros for the integration of refugees: a major share was directed towards the education system to help refugee children, followed by the creation of housing, the development of welcome centres etc. In addition, 70 million euro were dedicated to the promotion of labour market integration, be it further education and training or other support measures. (Berger et al 2016) In 2017, the budget for refugee integration has been raised by an additional 80 million euro for schools to help refugee children, also for German language courses. For labour market integration of refugees and persons on subsidiary protection another 80 million euro was budgeted. These supplementary budgets were reduced in 2018 and terminated in 2019.

The general understanding for the supplementary budget was that the costs of the refugee intake were substantial which could only be mitigated by investing in the refugees and their potentials such that they may help themselves and thereby contribute to economic growth as quickly as possible.

Outflow of refugees

Until the fall of the Iron Curtain in 1989, asylum seekers and refugees (the majority from Eastern Europe) used Austria as a stepping stone for emigration to the traditional immigration countries overseas. Austria never conceived herself as an immigration country. Therefore, an active integration scenario for refugees or immigrants was not put in place until the large

[39] http://www.integrationsfonds.at/habibi/habibi_jobcenter/

inflow of refugees from the region of former Yugoslavia in the early 1990s. The outflow of asylum seekers and refugees was therefore always quite high relative to inflows. When looking for outflow data one has to bear in mind that no comprehensive information exists on the outflow of refugees and asylum seekers. We only have data on the voluntary outflow assisted by IOM. It can be taken from Table 8 that registered outflows declined in the early to mid-1990s and between 2000 and 2012: then it was on the one hand the consequence of policy changes in immigration countries – they started to recruit directly from Eastern European countries through their diplomatic representations – on the other hand refugees themselves may have preferred to stay closer to their countries of origin.

In 1999, as the number of asylum applications reached record levels and integration in Austria became more difficult, asylum seekers tended to leave again in larger numbers, in particular to other countries in Europe and the USA. This behaviour came to a halt as asylum seekers could increasingly remain in Austria, often on humanitarian grounds. In 2006, however, we see the beginnings of an increased outflow of refugees as it became increasingly difficult for asylum seekers to find work and their chances for settlement on humanitarian grounds were deteriorating. By 2009, 8,000 refugees left Austria via the rest of the world, with the help of IOM, more than double the number of 2006. Since then the outflow slowed down again to a low of 2,600 in 2012. After that, assisted outflows increased again, largely of persons who saw no chance for receiving a refugee status granted. In this context it has to be taken into account that not all outflows are registered, but only those which are the result of processing through IOM (International Organisation of Migration). (Figure 9 and 10, also Table 8)

Table 8: Outflow of refugees[1] via Austria 1972-2017

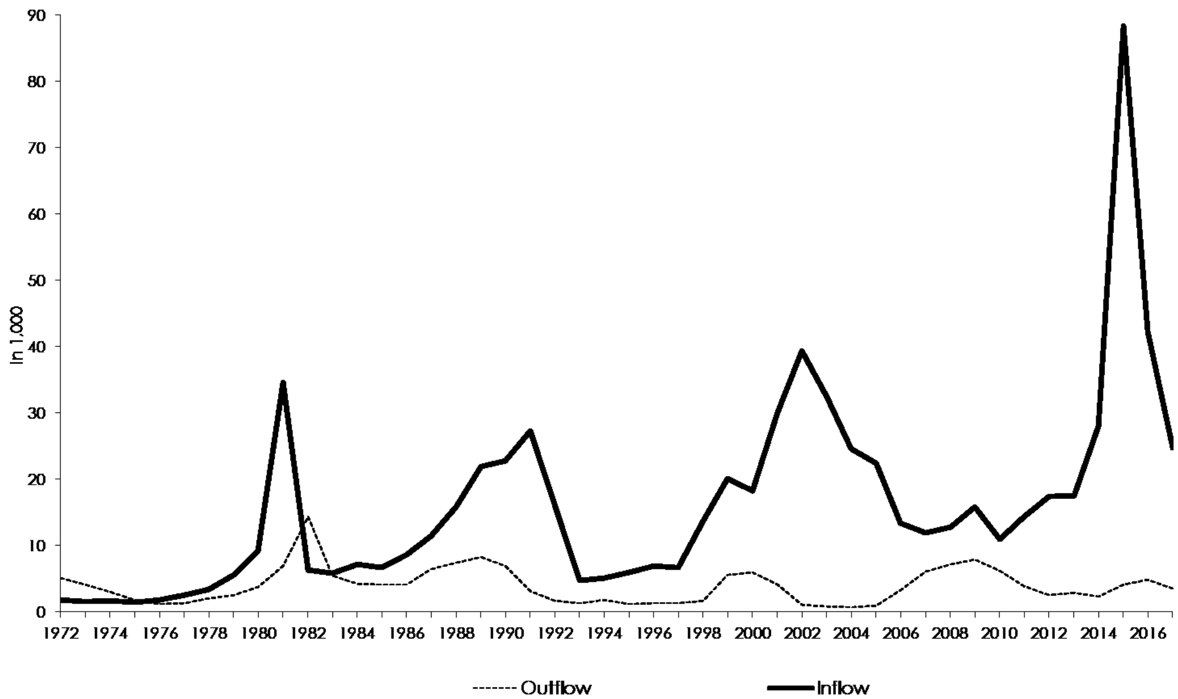
1972	5,140	1995	1,158
1973	4,105	1996	1,318
1974	3,012	1997	1,333
1975	1,787	1998	1,655
1976	1,186	1999	5,003
1977	1,335	2000	5,926
1978	2,071	2001	4,122
1979	2,597	2002	1,117
1980	3,818	2003	0,823
1981	6,909	2004	0,689
1982	14,317	2005	0,967
1983	5,441	2006	3,317
1984	4,314	2007	6,065
1985	4,103	2008	7,125
1986	4,131	2009	7,968
1987	6,397	2010	6,253
1988	7,397	2011	3,886
1989	8,267	2012	2,601
1990	6,934	2013	2,896
1991	3,098	2014	2,299
1992	1,754	2015	4,126
1993	1,375	2016	4,812
1994	1,803	2017	3,546

Source: International Organisation for Migration. – [1] Outflow pertains only to refugees who leave Austria with the help of I.O.M. (since 2000 voluntary return of rejected asylum cases).

Since 2000, IOM Austria provides **support for the return of voluntary returnees**, who have not been granted refugee status, within the framework of the "**General Humanitarian Return**

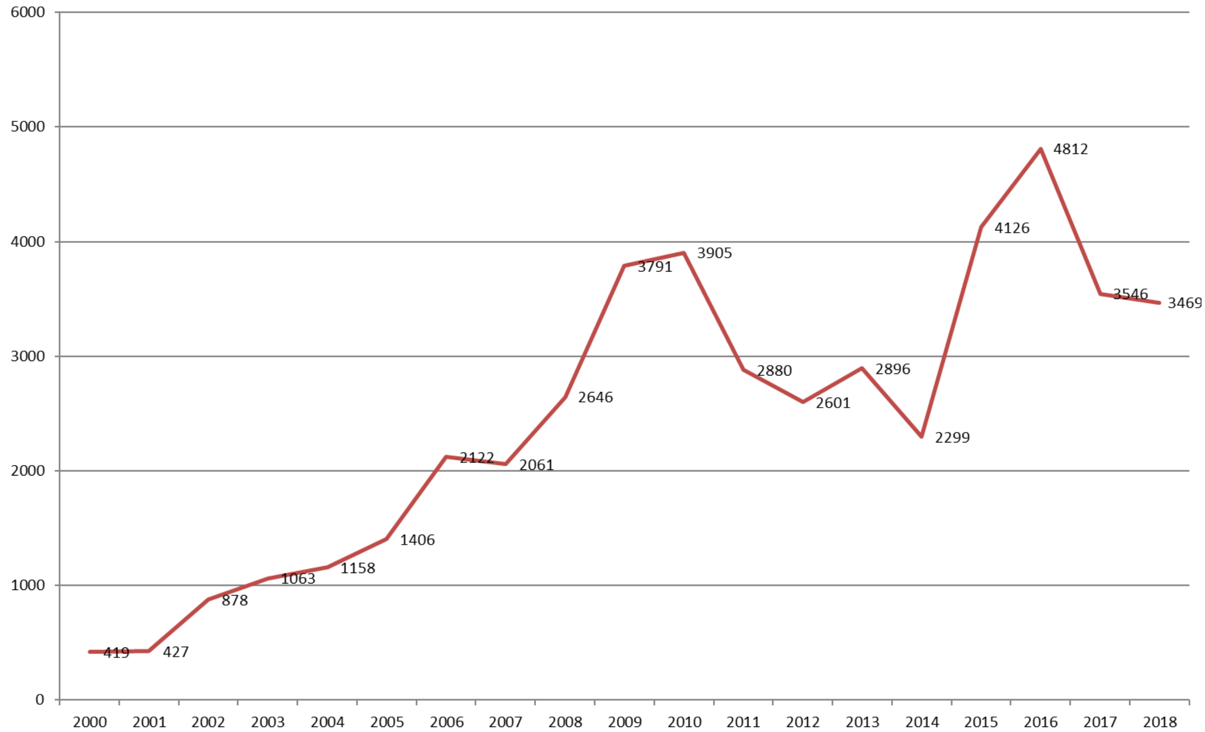
Programme (GHRP)". The travel costs for the majority of returnees who take part in the programme are covered by the Austrian Ministry of the Interior. In 2016, 4,812 asylees returned voluntarily to their source country with the support of IOM, 686 more than a year ahead. The numbers declined in 2017 to 3,546 and further to 3,469 in 2018. In 2016, the 10 major countries of return were: Iraq, Afghanistan, Iran, Serbia, the Russian Federation, Kosovo, Romania, Ukraine, Macedonia and China. This ranking changed in 2017 and 2018 and new countries moved up, e.g. Albania and Armenia. The largest numbers voluntarily returning in 2017 and 2018 were from Iraq, followed by Serbia, the Russian Federation, Georgia, Afghanistan and the Ukraine. (Figure 9 and 10) The majority of the returnees are men (73% in 2018), largely between 18 and 34 years of age.

Figure 8: Inflow and outflow of asylum seekers and/or refugees via Austria 1972-2017



Source: Statistics Austria, IOM (from 2000 only voluntary assisted returns).

Figure 9: Voluntary returns assisted by IOM Austria via the GHRP: 2000-2018

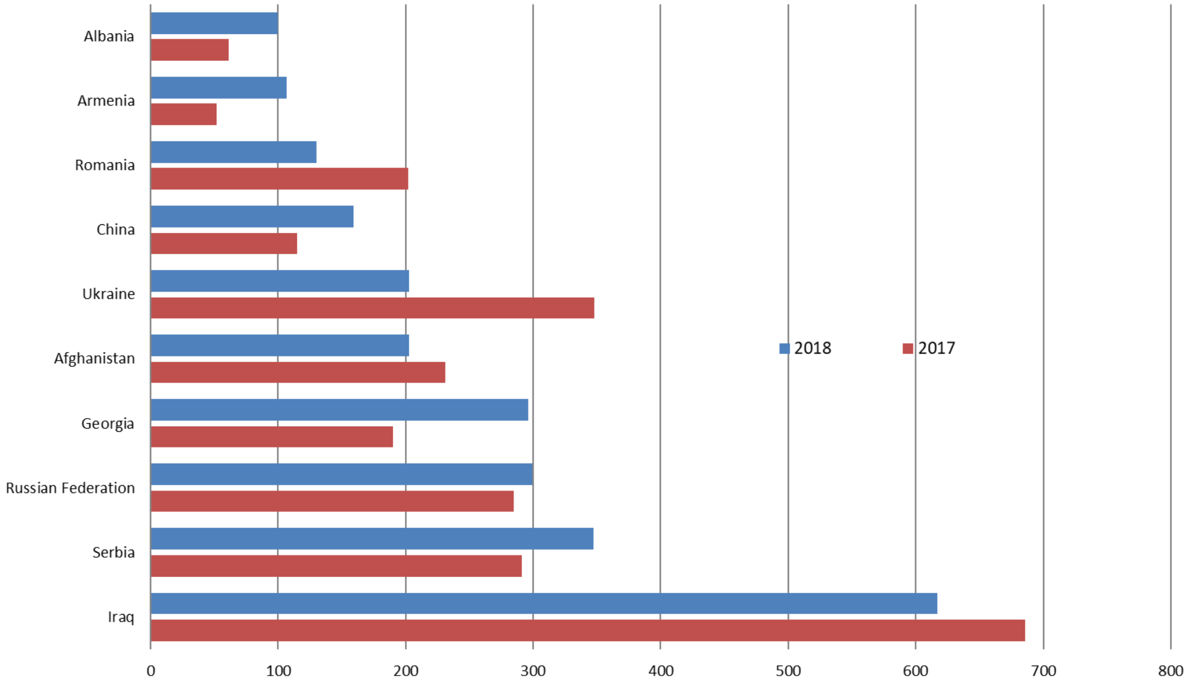


Source: IOM Austria.

Apart from funding the travel costs (based on a memorandum of Understanding signed by IOM-Austria and the Ministry of the Interior in 2000), IOM Austria offers also reintegration assistance with co-funding from the Austrian Ministry of the Interior and the European Commission. One such project is 'RESTART II' – reintegration assistance for voluntary returnees to Afghanistan and Iran, for the period of January 2017 to the end of 2019.

Since June 2016, the Austrian Ministry of the Interior is official partner of the European Re-Integration Network (ERIN). ERIN is a departure and re-integration programme on European level which, on the basis of tendering procedures, commissions various institutions (NGOs and NPOs in the respective source countries) to provide the individual support for re-integration in the source countries. 90% of the costs of the actions of ERIN are financed out of European Funds.

Figure 10: Top ten countries of assisted returns by IOM via the GHRP

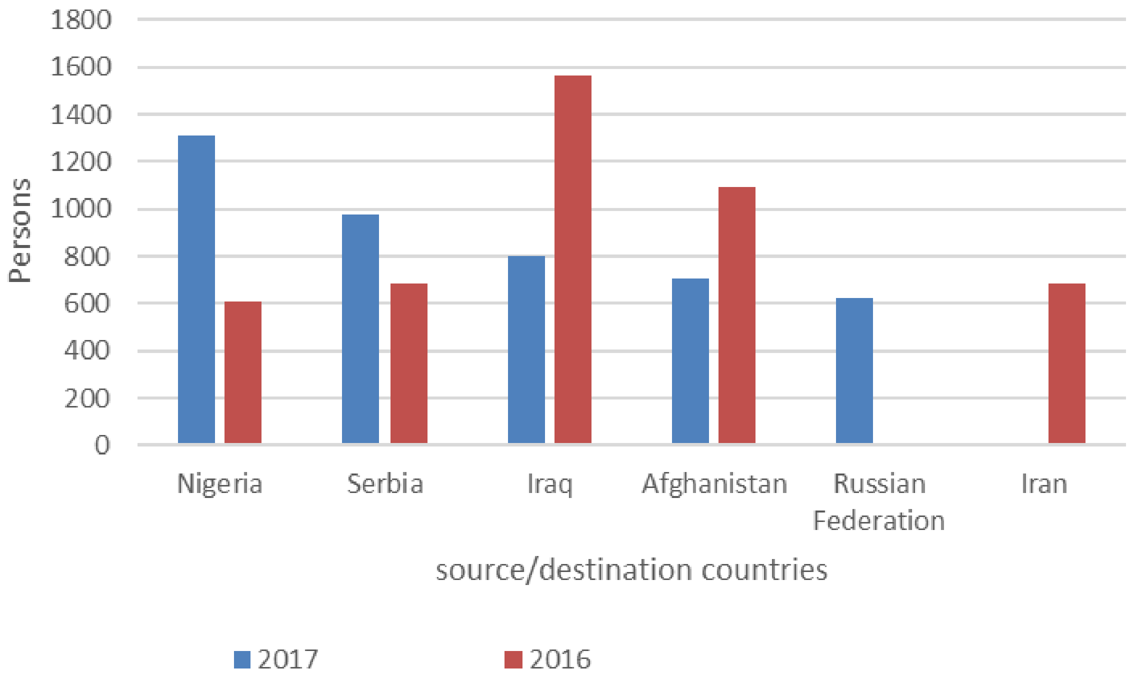


S: IOM, General Humanitarian Return Programme.

The ERIN-Programme is headed by the Ministry of Security and Justice of the Netherlands, the Repatriation and Departure Service (R&DS). Between mid-2016 and mid-2018 1,085 persons received re-integration support. Within the programme every participant receives €3,500, of which €500.- in cash and the rest in kind by the local service provider; an exception is the Russian Federation where the support is only provided in-kind). The programme is open to persons from Afghanistan, Iraq, Pakistan and the Russian Federation.

In June 2018 the Ministry of the Interior joined the European return and reintegration Network (ERRIN). This is a network comprising 16 European States together with the European Commission and FRONTEX. ERRIN is a specific action in the framework of AMIF, basically funded by the EU (90%). The amount of funding provided to voluntary returnees depends on the contract with service providers (NGO) based on tendering. In mid-2018 ERRIN Reintegration support was provided to persons from Iraq and Pakistan.

Figure 11: Top five nationalities of forceful returns by the Federal Agency of Foreign Affairs and Asylum: 2016 and 2017



Source: BFA.

Since January 2017, Austria offers also two other re-integration programmes: RESTART II (organised via IOM) – see above, and IRMA plus (organised by Caritas Austria). The project is co-financed by the Asylum, Migration and Integration Fund (AMIF) of the European Union and the Austrian Federal Ministry of the Interior. Just as in the case of ERIN, a combination of cash (€500.-) and in-kind benefits are granted. Financial assistance is to help address the most immediate needs upon voluntary return to the country of origin. In-kind assistance encompasses various aspects to start or join a business (e.g. purchase of equipment, goods) in addition to education and training, accommodation, child support, medical support. Business Guides and referral to business trainings are offered free of charge. In 2018, an additional assistance package was offered by the two return assistance organisations, Verein Menschenrechte Österreich and Caritas, for asylum seekers from Afghanistan, Iran, Nigeria, the Russian Federation and Syria.[40] The additional amount of start up money was 1,000 euro and a maximum amount of 3,000 euro for families.

IRMA plus is solely directed towards vulnerable groups in specific source countries (Armenia, Ghana, India, Kirgizstan, Mongolia, Pakistan, Russian federation, Tadzhikistan). In the case of Nigeria also non-vulnerable groups receive integration support. Measures to support returnees' efforts to reintegrate into their societies are determined in a participatory and consultative manner in the source country, taking into account the individual needs and skills of each participant. The maximum amount of support per person is 3,000 euro (including in kind support)

In toto in 2017, 11,974 irregular migrants were brought out of Austria by the Federal Office for Alien Affairs and Asylum (BFA), 5,100 (42%) on a voluntary basis and 6,900 (58%, of which 3,760 Dublin cases) forcefully. This was a rise by 11% vs 2016. Never before have so many

[40] For more see website www.voluntaryreturn.at

irregular migrants been brought outside the country. The top five destination countries in 2017 were Nigeria (1,309), followed by Serbia (979), Iraq (802), Afghanistan (703) and the Russian Federation (621). 18 charter destinations were taking place. [41] In 2017, the share of voluntary returns declined vs 2016. **In 2018, even more irregular migrants (asylum seekers) were brought outside the country, namely 12,611 (+4% vs 2017): 5,665 on a voluntary basis (45%) and 6,946 forcefully (55%, of which 2,285 Dublin cases). Forceful returns without Dublin cases increased by 24% vs 2017.** 42% of the forceful returns applied to adjudged perpetrators. The number of irregular migrants in administrative detention rose by 105% v2 2016 to 5,000.[42]

Deportations as well as voluntary returns require intense bilateral debates and agreements before the return of the nationals of the respective source countries can take place. In 2018, all in all 72 charter flights to third countries were organised for the returns into 17 destinations. The number of destination countries was augmented by Bangladesh, Azerbaijan and Bosnia.

Inflows of third country citizens on the basis of permits

By mid-1993 a central alien register was established in the Federal Ministry of the Interior. This register distinguishes between different types of third country migrants and their residence status. The Settlement and Temporary Residence Law (NAG 2005) which replaced the Alien Laws of the 1990s spells out the conditions under which different groups may enter and reside in Austria. The Alien-Register of the Federal Ministry of the Interior registers only those third country citizens, who require a residence permit.

Until 1997, third country citizens residing in Austria received a residence permit (Aufenthaltsbewilligung, AB). With the amendment of the Alien Law in 1997, the residence permit system became more differentiated. Residence could be granted on a temporary basis (temporary residence permit – Aufenthaltserlaubnis, AE) or permanent basis (settlement permit – Niederlassungsbewilligung, NB). In 2003, rights of longer-term permanent residents were widened by introducing a settlement certificate (Niederlassungsnachweis, NN), the de facto green card (Table 9). The immigration reform of 2011 introduced additional differentiations, namely the Blue Card, the Red-White-Red-Card (Rot-Weiss-Rot Karte) and the Red-White-Red Plus Card for family members of R-W-R card holders plus other forms of permanent residence status, the permanent residence status of third country citizens, who have acquired the right to permanent residence in another EU-MS (Daueraufenthalt EU). The option to transfer from a residence status with limited rights to one of all access rights of permanent residence (Zweckänderung) introduces some structural dynamics in the composition of permit holders over time.

From 2006 onwards, temporary residence permits are only issued for persons who reside for more than 6 months in Austria. Thus, due to a change in administrative procedures and eligibility criteria data on the residence status of third country citizens have a statistical break in 2006, i.e. data are not strictly comparable before and after 2006.

The number of valid residence permits of third country citizens (mid-year count) follows a rising trend, with cyclical fluctuations and reactions to institutional changes; the numbers increased from 280,500 in 1994 to 575,200 in 2004, the year of Eastern enlargement of the EU. Accordingly, in 2005 the number of permits to third country citizens declined to 506,200

[41] For more see https://www.bfa.gv.at/files/Statistiken/BFA_Bilanz_2017.pdf

[42] For more see https://www.globaldetentionproject.org/countries/europe/austria

(–70,000 or 12 percent) as the citizens of new EU-MS got the right to reside/settle in Austria without a permit.

In 2006 (mid-year count) the numbers continued to decline to 476,900 valid residence permits, 29,400 less than a year ago. The decline was in the main the result of the reduction in the number of short-term permits (AE/AB of less than 6 months of stay); short stays of that order are from January 2006 onwards granted through a visa rather than a residence permit. In reaction to the ensuing recession, the number of residence permits declined further to 454,000 in 2008, 22,900 or 4.8 percent less than 2006. The number of residence permits remained more or less at this level until 2010 (456.600). With the economic upswing after the recession in 2009/10, the number of residence permits to third country citizens started to rise in 2011 (midyear count) and continued to do so until 2013, when 492,000 permits were counted midyear. The rise affected above all the permanent residence status; the number of persons with a temporary residence status increased only slightly and the number of family members other than partners and dependent children (Familienangehörige) declined even. In contrast, the number of settlement permits (NB) increased significantly between 2010 and 2013. With EU-membership of Croatia in July 2013 the number of third country citizens in Austria declined again, coming down to 430,600 in July 2015. Since then the number of residence permits has been on the rise again, reaching 461,000 by mid-2018.

Table 9: Structure of valid residence permits in Austria (2003-2018, midyear count)

Settlement Certificate (NN)															
			Permanent residence (Daueraufenthalt)												
			Temporary Residence Permit (AB)												
			Family Member (FamAng)												
2003-2005			2006 -												
	2004	2005		2006	2007	2008	2009	2010	2011	2012	2013	2015	2016	2017	2018
AB	25 624	19 022	AB	19 008	18 765	19 290	20 381	20 275	21 458	22 698	24 449	26 165	28 119	25 457	21 582
AE	39 583	24 182	NB	85 617	84 764	84 590	82 376	90 279	90 302	96 827	107 921	114 801	8 725	6 588	7 875
NB	482 318	359 175	Family Member	17 882	38 167	42 416	42 936	40 036	37 126	36 636	36 799	37 773	38 109	38 756	38 798
NN	27 682	103 842	Perm. Residents	354 346	311 730	307 664	308 566	306 007	320 483	324 393	322 810	251 849	373 027	385 522	392 756
Total	575 207	506 221	Total	476 853	453 426	453 960	454 259	456 597	469 369	480 554	491 979	430 588	447 980	456 323	461 011

Source: Federal Ministry of the Interior. Mid-year Data for 2014 due to administrative reform missing.

In July 2011 the quota system for skilled third country migrants was phased out and replaced by a point system. This basic reorientation of migration policy did not only result in a slight increase of residence permits between mid-2011 and 2012 (+11,200 or 2.4% to 480,554) but also in a change in composition of third country migrants. While the number of settler permits (+6,500 or 7.2%) and permanent residence permits (+3,900 or 1.2%) increased – together with temporary residence permits (+1,200 or 5.8%) – the number of residence permits for relatives of core family members (Angehörige)[43] declined by some 500 or 1.3% to 36,600. The possibility for this category to transfer the title, in particular also to acquire the r-w-r-card plus, is the major reason for the decline. Between mid-2012 and mid 2013 the number of residence permits of third country citizens increased further by 11,400 (+2.4%) to 492,000. The largest increases pertained to settler permits (+11,100 or 11.5%) and temporary residence permits (+1,800 or 7.8%), while residence permits for relatives of core family members (Angehörige) remained more or less stable (36,800). The numbers of permanent residence permit holders

[43] In this category persons who have been living in the household of the sponsor in the origin country are included as well as persons with severe health problems who are in need of care by the sponsor.

declined somewhat (-1,600 or -0.5%), while still making up 66% of all residence permits (322,800). Only 24,400 or 5% of all valid residence permits are temporary, i.e., for more than 6 months and less than a year.

The institutional and administrative restructuring of the Ministry of the Interior, i.e. the establishment of the Federal Office for Alien Affairs and Asylum (Bundesamt für Fremdenwesen und Asyl – BFA), disrupted the availability of data. Accordingly, no mid-year count of permits to third country residents is available for 2014. Mid-year counts from 2015 to 2018 show that the decline of residence permits, largely due to EU-membership of Croatia, was short lived. Between mid-2015 and mid-2018 the numbers increased again, with permanent residence cards (consisting of red-white-red plus cards, settlement certificates and permanent residence cards from other EU countries) reaching an all-time-high of 392,800. The number of settlement permits which are granted for a year (Red-White-Red card, Blue card and NB) are comparatively small as they can be converted into a permanent card (R-W-R-Plus Card, EU Permanent permit or other). The number of residence cards for distant family members (Angehörige) remained fairly stable since 2011, the year of the permit reform, as they can be easily transferred to a permanent permit with all access rights to the labour market.

Inflow of third country migrants by type of permit

It is important to remember that already before 2011 a relatively small proportion of the annual inflows of settlers (NB = Niederlassungsbewilligung) was regulated by quotas; with the introduction of the point system (red-white-red-card) the residence permits covered by quotas declined even more.

Temporary residents (until 2005 AE = Aufenthaltserlaubnis, from 2006 AB = Aufenthaltsbewilligung) are able to reside on the basis of regulations of labour market institutions, university or other school access rights or on humanitarian grounds.

Over the year 2017 a sum total of 23,900 residence permits was issued to newcomers from third countries, -1,700 (+6.6%) vs 2016. The decline affected temporary residents more than settlers. **Of all inflows of third country migrants 16,700 (-600 or 3.5% vs 2016) or 69.8 percent were settlers. The number of temporary resident permits granted to third country citizens amounted to 7,200 permits (-1,100, -13% vs 2016).**

Of the 16,700 new settler permits in 2017, 22% of the permits (3,700) were issued on the basis of a quota, i.e., as a family member of a third country citizen, who belongs to a settler category for which quotas continue to apply. Thus, 78 percent of the new third country settlers are either family members of Austrian or EEA-citizens, or are holders of a red-white-red card, i.e. labour migrants, third country graduates of Austrian universities or settlers on humanitarian grounds. (Table 10)

Settler permits can also be acquired by having a temporary permit transformed or the status of a settler visa without access to work transferred into one with access to work. In the course of 2017, 24,700 uncapped transfers of title were issued and 475 settler permits within a capped permit group. Of the uncapped group 50.6% went to men, of the capped 44%.

As to the first issues of temporary resident permits: of the total of 7,200 issued to third country citizens in 2017, the majority are students and their family members (4,100 or 57%), followed by persons working in Austria temporarily (and their family members).

Temporary residence may also be granted on the basis of regulations not in the authority of the Ministry of the Interior. The major groups concerned are temporary workers who are granted an employment permit for seasonal work by the Federal Ministry of Labour, Social Affairs, Health and Consumer Protection as well as cross-border workers. These temporary work contracts have a ceiling, in 2018: the quota for agriculture and forestry was set at 4,000; for harvesters at 600; for summer tourism 2018 the quota was set at 720 and for winter tourism 2017/18 as well as 2018/19 at 1,100. These caps represent significant reductions relative to the last couple of years, thereby hoping to get asylum seekers and other resident migrants into jobs.

Table 10: Annual inflows of settlers and temporary residents of third countries 2005-2017

Residence Permits issued in the course of the Year 2005-2017													
Annual Sum by end of December													
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
First issue settler	32 166	16 353	15 888	15361	14 347	16 150	20 466	19 939	17 902	17 188	17 738	17 284	16 677
First Issue temporary resident	21 200	6 613	5 699	5 879	5 532	6 238	7 517	8 484	8 583	9 462	10 319	8 295	7 219
	53 366	22 966	21 587	21 240	19 879	22 388	27 983	28 423	26 485	26 650	28 057	25 579	23 896
Men													
First issue settler	**14 508**	**7 016**	**7 083**	**7 037**	**6 566**	**7 965**	**10 139**	**10 065**	**8 869**	**8 269**	**8 489**	**8 397**	**8 103**
of which within quota regulation	2 287	1 616	2 096	2 218	1 809	1 970	1 907	1 582	1 558	1 438	1 536	3 587	1 477
outside quota	12 221	5 400	4 987	4 819	4 757	5 995	8 232	8 483	7 311	6 831	6 953	4 810	6626
Prolongation of settlement	**36 484**	**51 852**	**59 203**	**56 327**	**53 643**	**52 331**	**59 212**	**54 185**	**55 894**	**42 214**	**44 758**	**39 226**	**39844**
Transfer of title to settler (no quota)		**362**	**614**	**1 057**	**1 181**	**1 357**	**1 668**	**2 946**	**2 138**	**16 137**	**19 426**	**13 171**	**12491**
Transfer of title to settler (quota)		**144**	**280**	**279**	**286**	**250**	**901**	**157**	**116**	**150**	**157**	**175**	**209**
First issue temporary resident	**11 374**	**2 902**	**2 621**	**2 660**	**2 550**	**2 889**	**3 561**	**4 049**	**4 172**	**4 603**	**5 019**	**3 934**	**3 335**
Prolongation of temporary stay	**0**	**0**	**7 124**	**7 596**	**7 899**	**7 602**	**7 478**	**7 795**	**8 151**	**8 612**	**9 561**	**9 355**	**8 094**
Transfer of title to temp.res.			0		188	**229**	**246**	**259**	**295**	**278**	**303**	**368**	**371**
Total	**62 366**	**61 770**	**76 031**	**73 620**	**72 125**	**72 394**	**80 390**	**79 456**	**79 635**	**80 263**	**87 713**	**74 626**	**72 447**
Women													
First issue settler	**17 658**	**9 337**	**8 805**	**8 324**	**7 781**	**8 185**	**10 327**	**9 874**	**9 033**	**8 919**	**9 249**	**8 887**	**8 574**
of which within quota regulation	3 971	2 453	3 159	5 183	2 601	2 419	2 498	2 214	2 316	2 415	2 388	2 366	2 226
outside quota	13 687	6 884	5 646	3 141	5 180	5 766	7 829	7 660	6 717	6 504	6 861	6 521	6348
Prolongation of settlement	**41 883**	**55 778**	**62 174**	**63 067**	**61 096**	**60 501**	**65 510**	**59 175**	**58 154**	**46 578**	**50 060**	**44 300**	**43748**
Transfer of title to settler (no quota)		**450**	**619**	**951**	**1 129**	**567**	**1 719**	**2 740**	**1 744**	**15 224**	**18 731**	**13 018**	**12 214**
Transfer of title to settler (quota)		**229**	**292**	**289**	**251**	**261**	**927**	**184**	**166**	**215**	**223**	**267**	**266**
First issue temporary resident	**9 826**	**3 711**	**3 078**	**3 219**	**2 982**	**3 349**	**3 956**	**4 435**	**4 411**	**4 859**	**5 300**	**4 361**	**3 884**
Prolongation of temporary stay	**12 508**	**8 008**	**7 085**	**7 422**	**7 841**	**7 664**	**7 534**	**7 973**	**8 299**	**8 798**	**9 959**	**10 004**	**8 934**
Transfer of other resident title			0		402	**479**	**511**	**536**	**537**	**528**	**525**	**584**	**520**
Total	**81 875**	**76 834**	**81 142**	**82 032**	**81 080**	**80 527**	**87 327**	**84 917**	**82 344**	**85 121**	**94 047**	**81 421**	**78 140**
Total													
First issue settler	**32 166**	**16 353**	**15 888**	**15 361**	**14 347**	**16 150**	**20 466**	**19 939**	**17 902**	**17 188**	**17 738**	**17 284**	**16 677**
of which within quota regulation	6 258	4 069	5 255	7 401	4 410	4 389	4 405	3 796	3 874	3 853	3 924	5 953	3 703
outside quota	25 908	12 284	10 633	7 960	9 937	11 761	16 061	16 143	14 028	13 335	13 814	11 331	12 974
Prolongation of settlement	**78 367**	**107 630**	**121 377**	**119 394**	**114 739**	**112 832**	**124 722**	**113 360**	**114 048**	**88 792**	**94 818**	**83 526**	**83 592**
Transfer of title to settler (no quota)		**812**	**1 233**	**2 008**	**2 310**	**1 924**	3 387	**5 686**	**3 882**	**31 361**	**38 157**	**26 189**	**24 705**
Transfer of title to settler (quota)		**373**	**572**	**568**	**537**	**511**	1 828	**341**	**282**	**365**	**380**	**442**	**475**
First issue temporary resident	**21 200**	**6 613**	**5 699**	**5 879**	**5 532**	**6 238**	**7 517**	**8 484**	**8 583**	**9 462**	**10 319**	**8 295**	**7 219**
Prolongation of temporary stay	**12 508**	**8 008**	**14 209**	**15 018**	**15 740**	**15 266**	**15 012**	**15 768**	**16 450**	**17 410**	**19 520**	**19 359**	**17 028**
Transfer of title					590	708	757	**795**	**832**	**806**	**828**	**952**	**891**
Total	**144 241**	**139 789**	**158 978**	**158 228**	**153 205**	**152 921**	**167 717**	**164 373**	**161 979**	**165 384**	**181 760**	**156 047**	**150 587**
Source: Ministry of the Interior.													

In these cases, the residence in Austria is an integral part of the work contract and does not need processing by the Ministry of the Interior. Consequently, they are not included in the third country citizenship residence register but only show up in social-security-based employment counts, the employment contract being registered with the Labour Market Service. In 2017 seasonal work permits issued to foreign workers on the basis of a quota (Saisonkontingente) amounted to 8,100 (6,100 in agriculture & forestry including harvesting, 2,000 in tourism). In addition, a sum of 2,900 core-seasonal workers (Stammsaisonniers) was employed over the year (1,300 in agriculture & forestry and 1,600 in tourism). They tend to come regularly every year. In 2017 their numbers amounted to 2,900 (-200 vs 2016); these represent 26% of all seasonal work permits. This is to say that the majority of seasonal workers are asylum seekers for whom this is often the only way to get proper employment. In 2018, the total number of temporary work permits issued remained more or less stable vs 2017 with 8,500 on an annual sum (7,500 in agriculture & forestry including harvesting; 1,000 in tourism). The number of core-seasonal workers over the year amounted to 3,400 (1,300 in agriculture/forestry and 2,100 in tourism), i.e., all in all 11,800 seasonal work permits. This number is only slightly higher than in 2017.

All temporary residents registered in the alien register of the Ministry of the Interior exceed a stay of 6 months; the major groups are students, employees on training and work experience schemes, sports and entertainment schemes etc. The temporary residence status may be extended. The total number of extensions is almost double the number of first issues, namely 17,000 in 2017, 2,300 or 12% less than a year ago. (Table 10)

The capped categories of first settlers constitute in sum 3,700 cases in 2017 (+2,300 or 38% vs 2016) and may include third country citizens, who come for work, their family members and persons on private means with no wish to engage in gainful employment. The figures had halved between 2005 (6,300) and 2015 (3,900) but augmented abruptly in 2016 to the level of 2005, largely a consequence of the refugee boom of 2015 starting to access employment. In 2017, given the restrictive immigration policy, the numbers declined to the levels of 2012.

Settlement permits entitle third country citizens to settle in Austria, but not everybody intends to settle. Others want to transform their settlement category into another title with more rights, e.g. free access to the labour market. In 2017, some 25,000 residence titles were transferred into a settlement title with free access to work, somewhat less than in 2016 (-1,500, -6%). The majority of acquired titles are uncapped, largely family members who acquire the right to work anywhere in Austria.

Adding extensions and transformations into the permit picture, Austria issued a total of some 150,600 permits in 2017, 5,500 or 3.5% less than in 2016. (Table 10)

In the event of a legal stay beyond 5 years, settlers may opt for obtaining a settlement certificate, which is available since 2003, modelled after the American 'green card'. Prolongations of settlement permits are becoming more frequent as the duration of stay gets longer and integration proceeds. In addition, large numbers of prolongations go to third country citizens who have permanent residence rights in another EU-MS. They may access the labour market in Austria without any limitations. Their numbers amounted to 25,700 in 2006 and increased to 26,800 in 2010.

From mid-2011 onwards third country migrants may also opt for an r-w-r card or an r-w-r card plus or a blue card. This option is increasingly being taken up.

Table 11: Sum of settlement permits granted to citizens of third countries (Non-EU) by residence status and gender (first permits, prolongations and transfer of title to settler) 2015-2017

1 January to end of December

	2015			2016			2017		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Sum of all first settlement permits with quota	**1 536**	**2 388**	**3 924**	**1 525**	**2 366**	**3 891**	**1 477**	**2 226**	**3 703**
First permit: r-w-r card (plus): §46/1/2); access wo	*1 371*	*2 217*	*3 588*	*1 372*	*2 161*	*3 533*	*1 298*	*2 036*	*3 334*
First settler permit:	*165*	*171*	*336*	*153*	*205*	*358*	*179*	*190*	*369*
No access to work	135	153	288	135	194	329	154	174	328
access to work	10	15	25	3	8	11	9	16	25
Access to work (European agreement)	20	3	23	15	3	18	16		16
Sum of all first settlement permits, no quota	**6 953**	**6 861**	**13 814**	**6 872**	**6 521**	**13 393**	**6 626**	**6 348**	**12 974**
Humanitarian	*145*	*72*	*217*	*130*	*71*	*201*	*304*	*122*	*426*
Family member outside core family	*281*	*482*	*763*	240	382	622	*211*	322	533
No access to work	22	21	43	16	12	28	32	21	53
access to work	259	461	720	224	370	594	179	301	480
Other-skilled							*117*	*48*	*165*
Blue card EU	*82*	*40*	*122*	*93*	*47*	*140*	*113*	*43*	*156*
r-w-r-card (§41/1) highly skilled	*45*	*12*	*57*	*66*	*15*	*81*	*51*	*16*	*67*
r-w-r-card (§41/2/1) shortage list, skilled	*170*	*12*	*182*	*73*	*10*	*83*	*135*	*29*	*164*
r-w-r-card (§41/2/2) shortage list, other skilled	*653*	*225*	*878*	*654*	*204*	*858*	*693*	*219*	*912*
r-w-r-card (§41/2/3) university graduate	*18*	*18*	*36*	*19*	*18*	*37*	*20*	*16*	*36*
r-w-r-card (§41/2/4) self-employed skilled	*21*	*7*	*28*	*20*	*8*	*28*	*20*	*10*	*30*
r-w-r-card plus	*2 037*	*1 949*	*3 986*	*1 949*	*1 926*	*3 875*	*1878*	*1763*	*3641*
r-w-r-card plus (§41a/1-10)	*715*	*474*	*1 189*	*978*	*557*	*1 535*	*595*	*346*	*941*
r-w-r-card plus, family §46/1-3	*787*	*1 140*	*1 927*	*811*	*1 053*	*1 864*	*759*	*1199*	*1958*
Family member/relative	*1 999*	*2 430*	*4 429*	*1 839*	*2 230*	*4 069*	*1730*	*2215*	*3945*
Sum of prolongations of settlement permits (NB)	***1 353***	***2 249***	***3 602***	***1 243***	***1 987***	***3 230***	**1341**	**2211**	**3552**
Sum of prolongation of other settlement permits	***43 405***	***47 811***	***91 216***	***37 983***	***42 313***	***80 296***	**39844**	**43748**	**83592**
Blue Card EU	12	7	19	5	2	7	2	1	3
Permanent resident EC	14 014	13 821	*27 835*	*10 504*	*10 304*	*20 808*	10878	10625	21503
Permanent resident Family	7	8	*15*	2	5	7	3	3	6
Family member	8 201	11 242	*19 443*	*7 314*	*10 205*	*17 519*	7345	10 135	17480
r-w-r card (§41/1) highly skilled	5	2	*7*	1	2	3	11	7	18
r-w-r card (§41/2/1-2) other skilled	60	15	*75*	35	16	51	121	56	177
r-w-r-card (§41/2/3) university graduate	6	2	*8*	1	11	12	7	7	14
r-w-r-card (§41/2/4) self-employed skilled	8		*8*	3		3	4	1	5
r-w-r-card plus	12 187	12 359	*24 546*	*10 969*	*11 034*	*22 003*	12096	11 733	23829
r-w-r-card plus (§41a/1-10 and §46/1-3)	8 905	10 355	*19 260*	*9 149*	*10 734*	*19 883*	9377	11180	20557
Sum of all prolongations of settlement permits	**44 758**	**50 060**	**94 818**	**39 226**	**44 300**	**83 526**	**41185**	**45959**	**87144**
Transformation of title to settler, no quota	**19 426**	**18 831**	**38 257**	**13 171**	**13 018**	**26 189**	**12491**	**12214**	**24705**
of which R-W-R card				342	274	616	352	243	595
Transformation of title to settler, quota	**157**	**223**	**380**	**175**	**267**	**442**	**209**	**266**	**475**
Sum of all settlement permits issued/prolonged /transferred	**72 830**	**78 363**	**151 193**	**60 969**	**66 472**	**127 441**	**61 988**	**67 013**	**129 001**
S: Ministry of the Interior.									

In addition to settlement permits, the Federal Ministry of the Interior issues temporary residence permits to persons who have obtained the right to enter for study, for temporary work and business purposes including services mobility (GATS mode 4) or on humanitarian grounds. In the course of 2017, all in all 7,200 temporary residence permits were issued for the first time – 13% less than in 2016.

Table 12: Sum of temporary residence permits granted to citizens of third countries (Non-EU) by residence status and gender 2015-2017

1 January to end of December

	2015			2016			2017		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
First temporary residence permits	**5 019**	**5 300**	**10 319**	**3 934**	**4 361**	**8 295**	**3335**	**3884**	**7219**
Employed persons on basis of GATS (mode 4)	214	8	222	87	7	94	52	7	59
Special protection/humanitarian	1	1	2	1		1			
Family member of researcher	42	76	118	36	87	123	32	68	100
Family member of intercompany transfers	47	92	139	49	59	108	40	64	104
Family member of special employment	88	173	261	65	117	182	74	131	205
Family member of students	263	240	503	226	241	467	179	198	377
Family member of scientist/artist	18	46	64	10	29	39	4	7	11
Researcher	172	95	267	190	96	286	128	78	206
Artist (on the basis of work contract)	29	23	52	21	11	32	10	12	22
Artist (self-employed)	25	17	42	20	15	35	14	8	22
Intercompany transfers	91	23	114	79	20	99	66	16	82
Pupil	477	554	1031	379	469	848	345	422	767
Self-employed	7	6	13	10	4	14	5	3	8
Special cases of salaried employees	580	999	1579	480	932	1412	396	805	1201
Social worker	2	5	7		6	6		4	4
Students of higher education	2 963	2 942	5905	2281	2268	4549	1990	2061	4051
Extensions of temporary residence permits	**9 561**	**9 959**	**19 520**	**9 355**	**10 004**	**19 359**	**8094**	**8934**	**17028**
Employed persons on basis of GATS (mode 4)	43	6	49	49	6	55	42	2	44
Special protection/humanitarian	1	1	2						
Family member of researcher	11	39	50	24	42	66	20	32	52
Family member of intercompany transfers	81	159	240	81	163	244	51	100	151
Family member of special employment	246	391	637	221	341	562	137	201	338
Family member of students	319	412	731	340	374	714	341	374	715
Family member of scientist/artist	47	88	135	41	89	130	32	68	100
Researcher	86	62	148	97	71	168	93	54	147
Artist (on the basis of work contract)	84	71	155	85	64	149	67	44	111
Artist (self-employed)	148	102	250	138	91	229	77	52	129
Intercompany transfers	147	65	212	152	57	209	108	25	133
Pupil	754	1 126	1 880	798	1071	1869	736	950	1686
Self-employed	15	8	23	14	10	24	15	13	28
Special cases of salaried employees	1 019	554	1 573	955	513	1468	707	375	1082
Students of higher education	6 560	6 875	13 435	6360	7112	13472	5668	6644	12312
Transfer of Title to temporayr residence	**303**	**525**	**828**	**368**	**584**	**952**	**371**	**520**	**891**
Sum of all temporary residence permits	**14 883**	**15 784**	**30 667**	**13 657**	**14 949**	**28 606**	**11800**	**13338**	**25138**

Source: Federal Ministry of the Interior, Central Alien Register.

The largest number of first temporary residence permits goes to students of higher education, namely 4,100 or 56 percent of all first temporary residence permits in 2017. Their numbers had been on a rise between 2013 and 2015 but declined again from 2016 onwards, reaching almost the low levels of 2011. In addition, students are the largest group to get their temporary stay extended namely 12,300 – again a significant decline to almost the level of 2014 - or 72% of all extensions. (Table 12) Temporary residence status does not entail the access to welfare payments, in particular unemployment benefits. This is no deterrent for family members to join, in 2017 some 700 or 4% of all extensions of temporary residence permits.

The legislative reform of intercompany transfers (ICTs, Rotationsarbeitskraft) of 2017, which came into effect October 2017, aimed at facilitating the transfer of third country specialised personnel within the enterprise to Austria (for a maximum of 90 days). It is meant to promote mobility of third country highly skilled and key-skilled employees as well as trainees of enterprises with a seat in a third country towards affiliates in EU-MS. In 2016 their numbers were quite small (207 persons including family members) and even declining to 186 in 2017.

Stock-Flow analysis by residence title

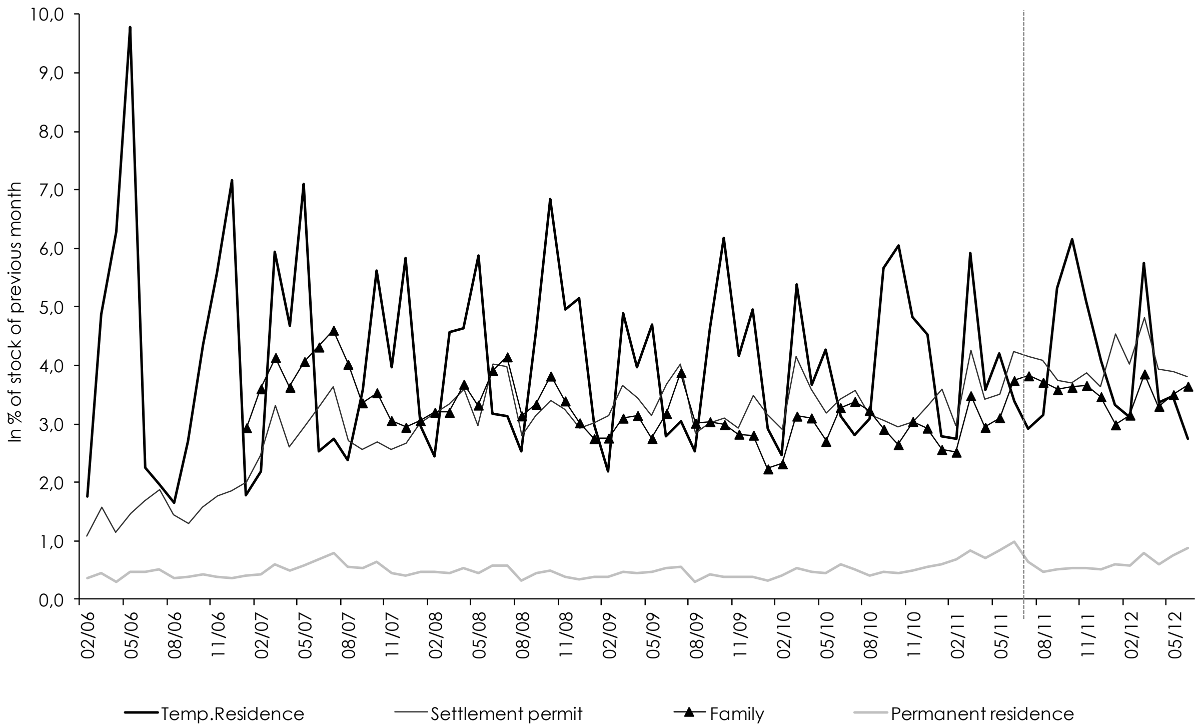
The level and structure of valid residence permits at a particular point in time is the result of flows into and out of a particular category within a certain period of time. The stock of valid permits by residence status at the end of a month ($B_{i,t+1}$) is the result of the stock in the beginning of the month ($B_{i,t}$), plus the inflows during the month i.e., first issues ($Z_{Ei,t+1}$), prolongations ($Z_{Vi,t+1}$) and transfers ($Z_{Zi,t+1}$), minus outflows due to prolongations ($A_{Vi,t+1}$), transfers ($A_{Zi,t+1}$) or exit from Austria, death or naturalisation ($A_{Di,t+1}$); flows that cannot be attributed clearly or statistical errors are also to be taken into account ($\varepsilon_{i,t+1}$).

$$B_{i,t+1} = B_{i,t} + Z_{Ei,t+1} + Z_{Vi,t+1} + Z_{Zi,t+1} - A_{Vi,t+1} - A_{Zj,t+1} - A_{Di,t+1} + \varepsilon_{i,t+1}$$

$$B_{t+1} = \sum_{i=1}^{n} B_{i,t+1}$$ Whereby i = 1,…n categories of residence status

While inflows are clearly defined, some questions remain unresolved relative to the composition of outflows. Flows in and out of categories which are the result of transfers or prolongations of titles do not have an effect on the total stock, but they are considerable, thus indicating substantial administrative activities. The inflow rate has declined in 2006 as a result of reductions in the inflow of family members due to legislative change, and again in 2007 as a result of the enlargement of the EU 25 by Bulgaria and Romania.

Figure 12: Monthly inflows of third country citizens by residence status (2006-2012)



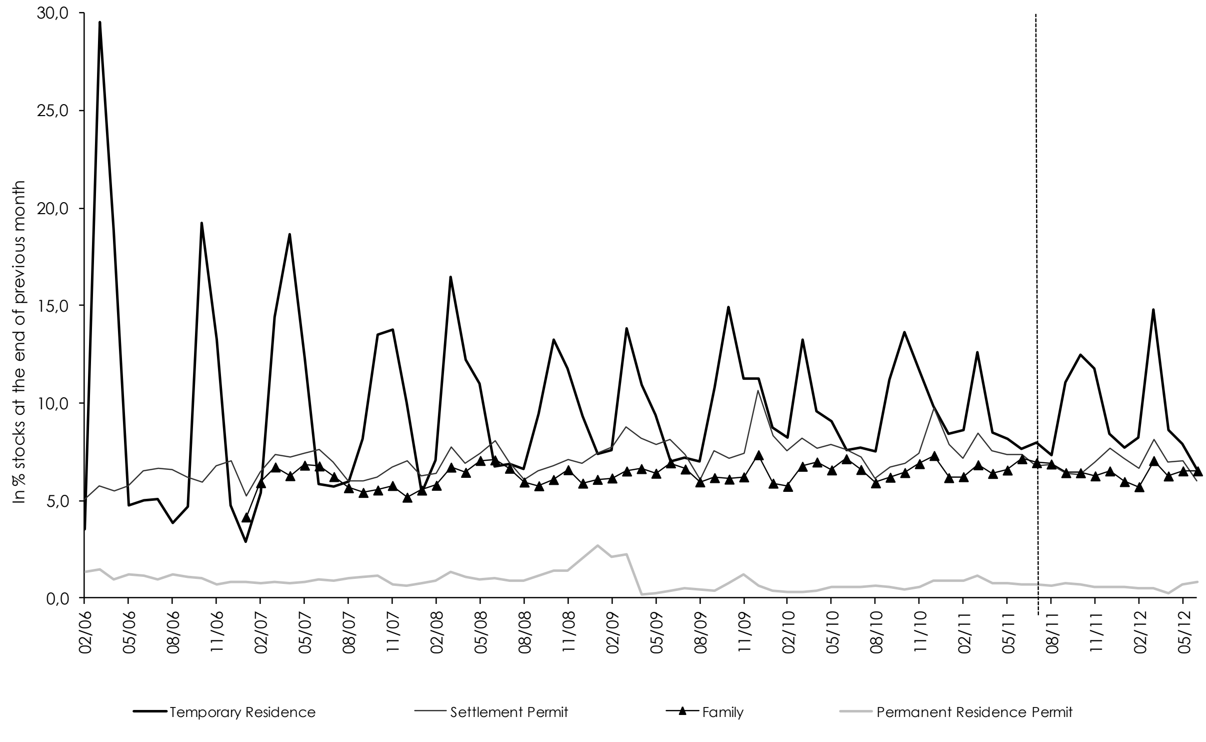
Source: Federal Ministry of the Interior, Own-calculations.

In Figure 12 and 13 we look at the dynamics of inflows (first issues) and outflows relative to monthly stocks in the various categories of residence permits over the year from 2006 onwards. We do not look into extensions as little is known about administrative procedures and the duration of processing by categories of permits and region. According to flow data, the volatility of temporary residence permits is relatively high, and there is still a seasonal pattern even though temporary migrants with short-term contracts of less than 6 months (often seasonal workers) are no longer registered in the Alien Register of the Ministry of the Interior. Administrative procedures may account for the small inflows at the turn of the year, both for settlers and temporary residents, but there seems to be a strong connection to work, accounting for the seasonal pattern of the inflow rate of temporary residents – it is fairly high in relation to the stock in spring and autumn and low in the winter and summer months.

While temporary residents tend to flow in in larger numbers in the second half of the year, largely due to the important role of university students, who tend to enter before the start of winter semester, the contrary is the case for settlers. The annual average in terms of numbers is quite stable in the case of settlers, albeit on a slight rise since 2010; also, the number of temporary residents tends to remain stable.

The inflow rate of persons on the basis of services mobility mode 4 (GATS – Betriebsentsandter) is high and rising. Particularly volatile and at times very high is the inflow rate of artists. In contrast, green card holders and permanent residents have a very low and relatively stable inflow rate. On a continuous rise is the inflow rate of settler permits, as more and more family members acquire this status, which grants access rights to the labour market without labour market testing.

Figure 13: Monthly outflows of third country citizens by residence status (2006-2012)



Source: Federal Ministry of the Interior, Own-calculations.

In contrast, the inflow rate of green card holders (Permanent Residence permits), i.e. third country citizens, who have resided and worked in an old EU-MS (also in Austria) for 4 years, have the right to settle and work anywhere in the EU, is less volatile and rising. The inflow rate into settlement permits is higher and also slightly rising; it exhibits an uneven spread over the year. The inflow rate of family members is about as high as the inflow rate of settlers, and exhibiting the same pattern. This may be the result of a time sequence of transfer of title from family to settlement and further to permanent residence.

The outflow rates are exhibiting a similar pattern as the inflow rates, given the specific characteristics of the groups covered. Accordingly, we have the strongest outflow rates in spring with term-break.

Experiences with the point system (r-w-r card)

As mentioned in section one (Legal ramifications) migration policy is changing in Austria, putting greater emphasis on labour migration and thus facilitating access to work. In July 2011 the first pillar of the point system was introduced, namely skilled and highly skilled migrants – with the red-white-red-card, together with the promotion of a transfer of resident title of third country migrants which allows to access the labour market immediately without labour market testing (red-white-red card plus), addressing not only graduates of Austrian universities but also refugees and persons under special protection on humanitarian grounds.

As mentioned earlier, before the reform of the r-w-r-card legislation in April 2013, the r-w-r-card had to be applied from abroad (with the exception of university graduates), while the r-w-r-plus card could always be obtained in Austria. **Until 2017, the r-w-r card was issued for one year – since the reform in 2017 to 2 years - for a particular employer and can be transferred to a r-w-r card plus**. A major distinguishing feature of the two cards is that the r-w-r card is issued for work with a particular employer while the r-w-r-plus card allows free choice of employer across Austria. It is up to the Labour Market Service to establish the eligibility, on the basis of the criteria spelled out in the law.

Early experiences: 2011-2013

It can be taken from Figure 14 that the numbers of r-w-r-card holders who have a job (registered with the Labour Market Service, special statistical evaluation) rose quickly from mid-2011 to October 2012 to 1,200 permits. After that the inflow slowed down[44] – largely due to transfers of r-w-r-cards to the r-w-r-card plus, which then could be obtained after 10 months employment as r-w-r-card holder. This development indicates that the amendment of the application procedures in April 2013 did not immediately raise the inflow of skilled workers. The slow uptake may also be due to the weakening of economic growth. In any rate, the inflow of skilled third country migrants in 2013, the year the amendment of procedures came into effect, only slightly surpassed the 1,100 inflows of 2012 with a total of 1,177. It is above all the inflow of female r-w-r card holders which slows down. Consequently, the share of men rose from 62.5% in June 2012 to 71% in June 2013.

Of the 1,536 valid r-w-r cards registered with the Ministry of the Interior at the end of July 2013, 942 or 61% were skilled workers (949) and 92 or 6% were highly skilled wage and salary earners, a composition not much different from July 2012. Further, 173 or 11% of all r-w-r cards issued went to third country graduates of Austrian universities. A fairly small number were self-employed (29 or 2%). In mid-2012 the second pillar, namely skilled workers in listed

[44] The number of permits registered with the Ministry of the Interior is always above the number of employed r-w-r-card holders registered with the LMS.

occupations (Mangelberufe), was opened. In July 2013 300 or 20% of the cards accrued to skilled workers in listed occupations, i.e. those judged to exhibit labour scarcities.

Figure 14: Development of the number of red-white-red-card holders (dependent employment) in Austria 2011-2013

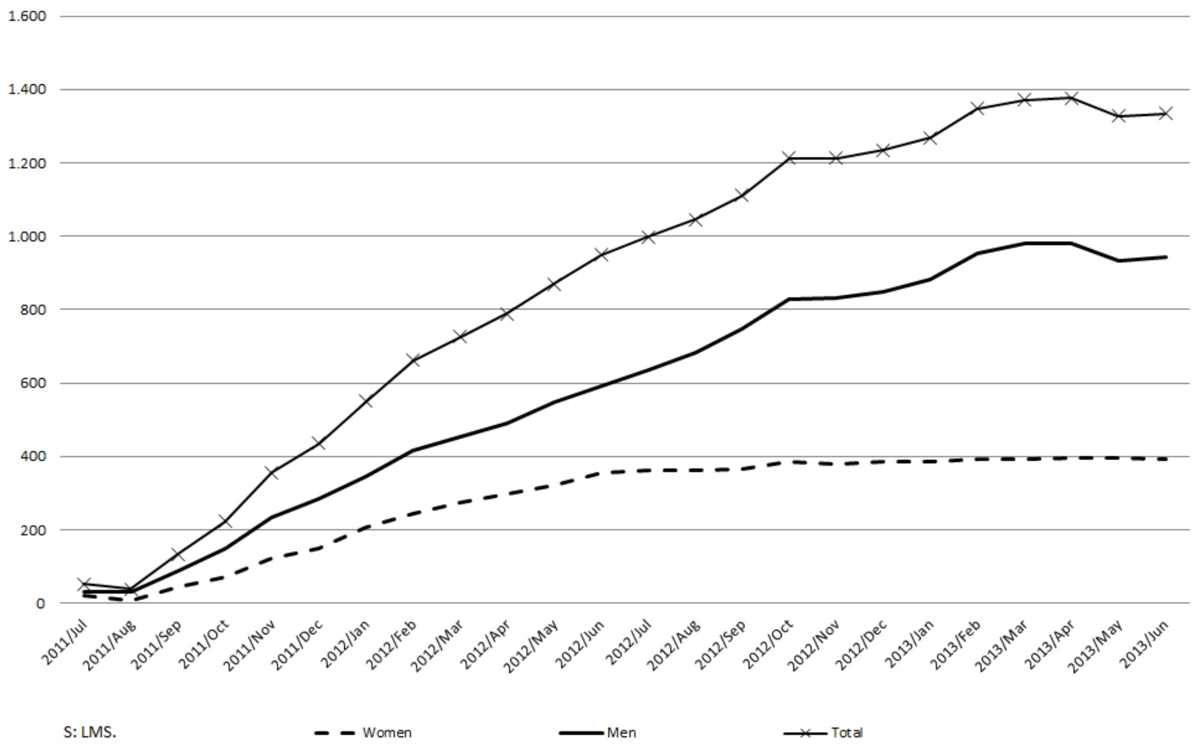
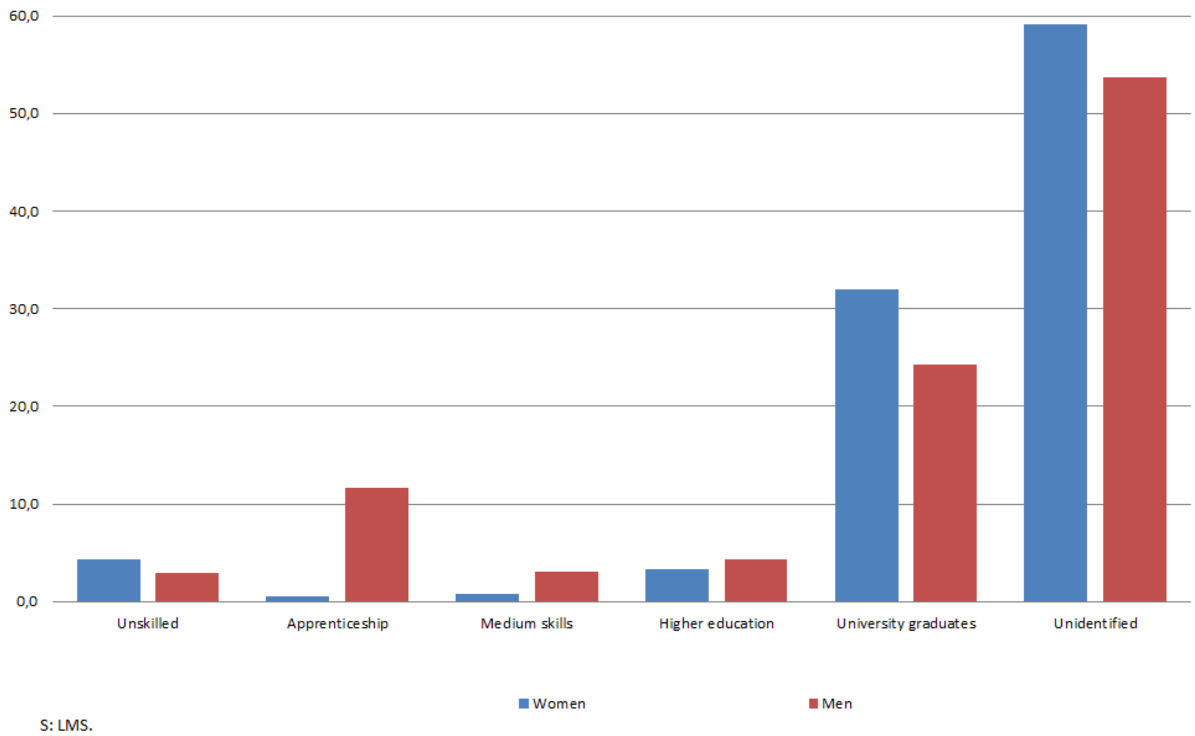


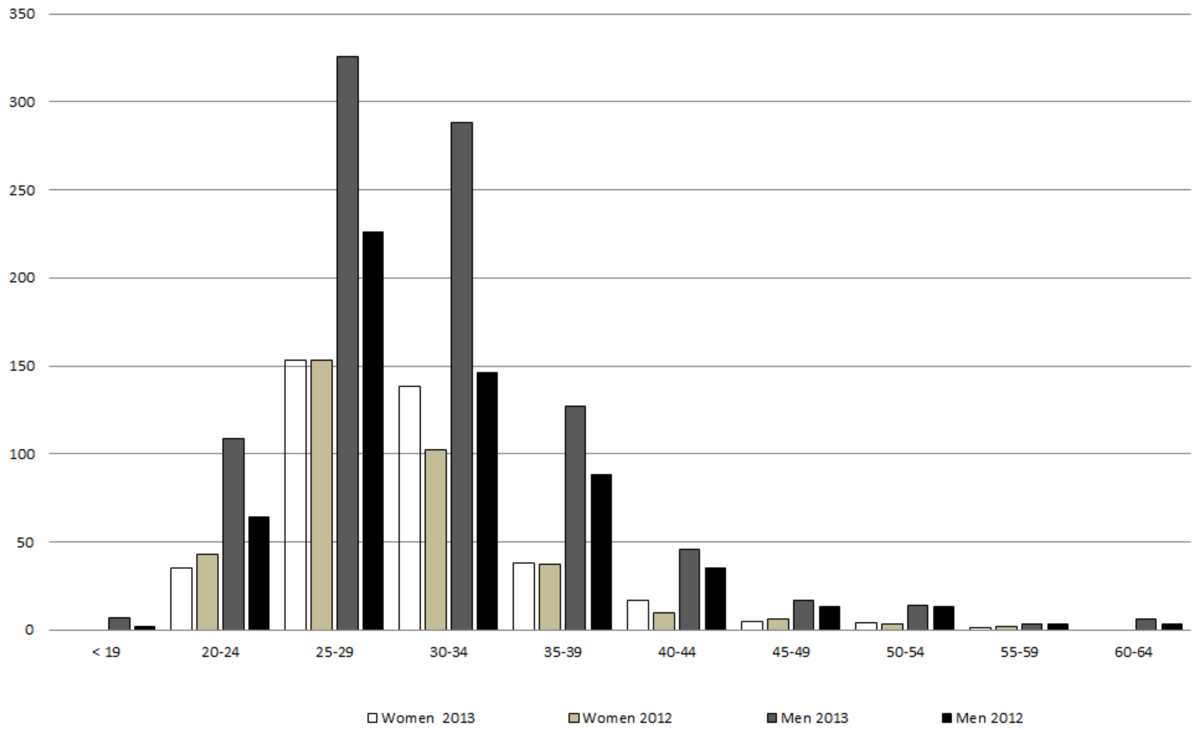
Figure 15: Educational attainment of r-w-r card holders: June 2013



An analysis of the data registered with the LMS (special statistical evaluation (2011-2013) shows that the educational attainment level of more than half of the r-w-r card holders was not identified. It can only be said that 27% were university graduates, about half of them graduates from Austrian universities. While women were to a larger extent university graduates, men were overrepresented amongst persons with medium (vocational) skills. (Figure 15)

It can be taken from Figure 16 that 39% of women and 35% of men were in the age group 25-29 and a further 35% (women) and 31% (men) between 30 and 35. Amongst older r-w-r-card holders men dominated while there was hardly any gender difference amongst youth. The marked increase in r-w-r cards between June 2012 and 2013 (+385, + 41%) accrued solely to young and middle-aged men.

Figure 16: Composition of r-w-r card holders by age and sex in Austria, end of June 2013



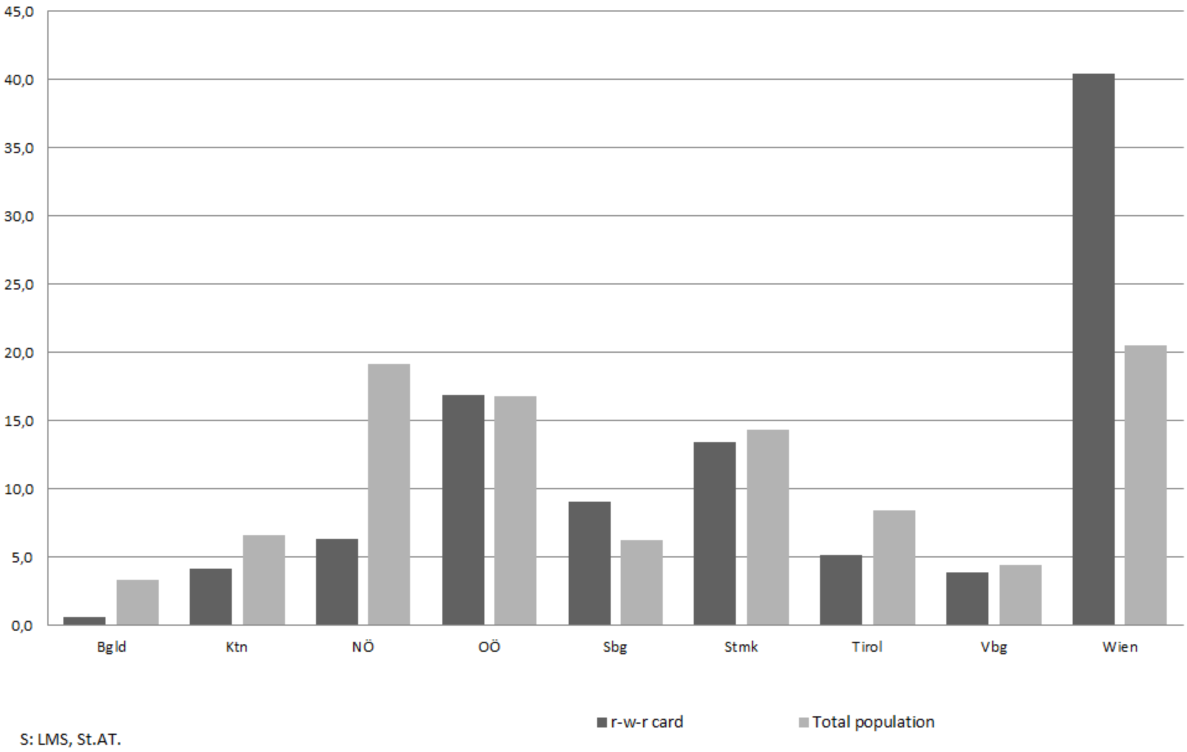
S. LMS.

The occupations of r-w-r-card holders are varied: 19% were managers in leading positions, around one third were engineers, 7% were scientists/researchers or artists, some 4% were active in sports. 20% were skilled workers in the industrial sector (particularly in the building occupations), 6% were in services, particularly in tourism (largely cooks) and in commerce.

The majority of the r-w-r-card holders were concentrated on Vienna (40% of all cards) - just as the average of foreign citizens (40%) - and in contrast to the native population of whom only 18% resided in the capital Vienna. (Figure 17) The focus of the r-w-r-cards was on regions with strong managerial and administrative centres, important innovative industrial production sites and research centres.

43% of the cards were issued to persons from former Yugoslavia, particularly from Bosnia-Herzegovina, Serbia and Croatia. Further, 21% went to citizens from CEECS, particularly from Russia and Ukraine. In addition, some 15% went to persons who originated from Central and East Asia, somewhat less from the Near East. But also citizens from Canada and the USA are amongst the r-w-r-card holders (around 7%), followed by South-Asia (83). Only few come from Middle- and South America (33), Africa (31) and Australia (16).

Figure 17: Distribution of r-w-r card holders and foreign worker in Austria by province Bundesland), end of June 2013



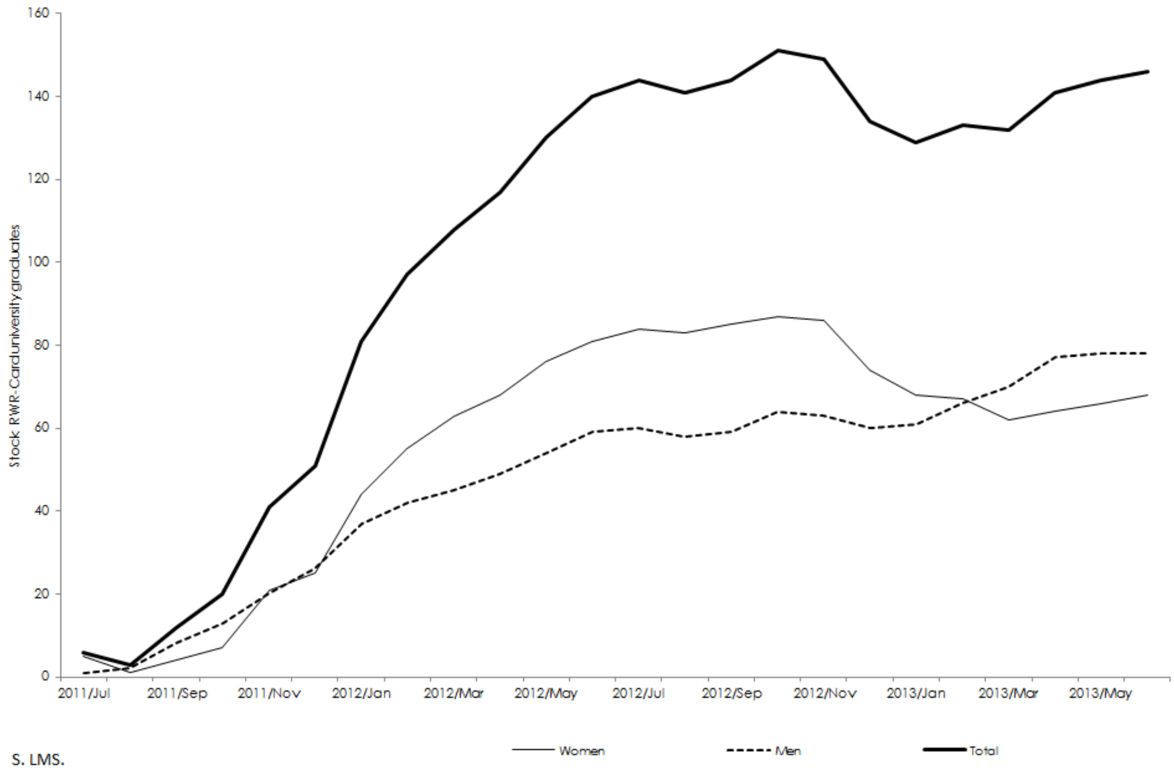
A comparison of the number of r-w-r-card holders with the former key-skills-category indicates a rise in numbers but not to the extent envisaged by the authorities. It can be taken from Figure 18 that the number of third country graduates from Austrian universities who obtained a R-W-R-Card has been rising from July 2011 to October 2012 swiftly to 151 and declined thereafter to 146 by the end of June 2013. Over this period the gender mix has changed dramatically. While almost equal numbers of men and women had received the card in the beginning, the cards issued to women rose faster in the year 2012 such that by the end of September two third of the cards accrued to women. Thereafter the numbers broke off abruptly for women while the number of cards issued to men continued to rise. Accordingly, by the end of June 2013 less than half of the cards went to female university graduates.

Uptake of the R-W-R card by third country graduates of Austrian universities 2011-2013

A comparison of the occupational composition of male and female r-w-r card holders between mid-2012 and mid-2013 shows that men have always been focused on employment in the engineering field; this concentration has even increased over time. In contrast, women tended to be concentrated in services occupations, in particular the health professions but also in law occupations and accounting. This tendency has become more prominent, women not being able to access to the same extent as in the beginning engineering posts. What is relatively new in more recent times is that women are increasingly able to access top management positions.

The occupational composition of university graduates with an r-w-r card differs by region. While Vienna has the focus on top management positions and administrative occupations in a supervisory capacity (36% versus 20% on average in Austria), the share of engineers is particularly high in Carinthia (50% of all r-w-r cards of graduates compared to the Austrian average of 17%), followed by Upper Austria, Lower Austria, Salzburg and Styria – provinces with concentrations of innovative industries. In Vorarlberg, in contrast, almost half of the r-w-r cards of graduates are in the health professions and in the building sector, compared to 8-9% in Austria on average.

Figure 18:Stock of university graduates with R-W-R Card: development over time



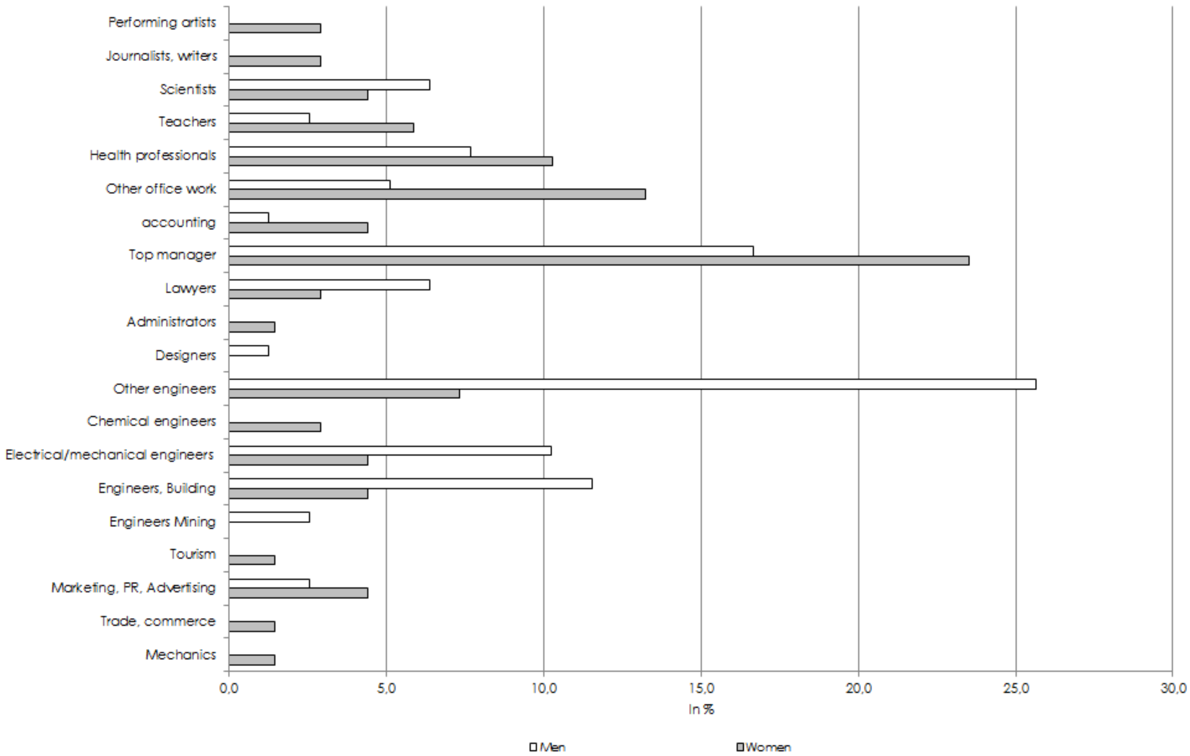
S. LMS.

The most important source countries of university graduates with an r-w-r card (46.6% of the total) between 2011 and 2013 were from:

- Bosnia-Herzegovina,
- Russia,
- Ukraine,
- Peoples Republic of China.

The major change versus mid-2012 is the increasing diversity of source countries - then 61% of all cards went to the origin countries Bosnia-Herzegovina, India, Russia, Turkey and China.

Figure 19: Occupational composition of R-W-R cards to university graduates by gender (June 2013)

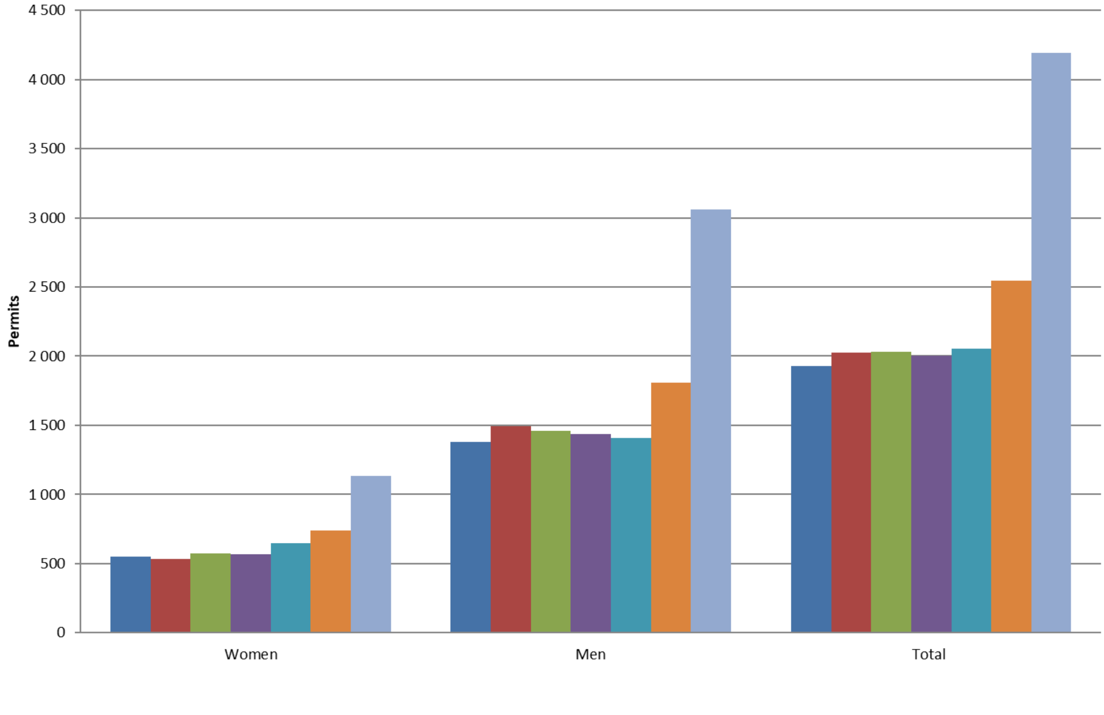


Source: LMS

Consolidation and reform boost

An overview of the reports/issues of r-w-r-cards, blue cards and job-search Visa (JSV) by the Labour Market Service (LMS) between 2012 and 2018 indicates relatively little change in numbers until 2016. In 2017 and 2018 the administrative reforms and the reduction of bureaucracy gave a boost to numbers long hoped for. Accordingly, the sum of r-w-r and blue cards plus JSV issued/granted by the LMS rose from 1,926 in 2012 to 2016 only slightly to 2,100 and 'dynamically' thereafter, reaching 4,192 in 2018 (+127, +7%). This was more than double the number of 2016. This number conforms to the forecast provided by Biffl et al 2010(p.28), whereupon it was suggested that by 2020 an annual inflow of approximately 5,000 could be envisaged, given continued economic growth and wellbeing in Austria.

Figure 20: Sum of r-w-r card, blue card and JSV holders issued to third country migrants by the Labour Market Service: 2012-2018



S: LMS

Inflows of skilled third country migrants in need of LMS-permission

As mentioned above, the administrative reform of the point system in 2013 had only a limited positive impact on the number of red-white-red card holders in need of LMS-permission. In the course of 2014, some 1,847 red-white red-cards were registered for the first time by the Labour Market Service, some 600 more than a year ahead. It took further reform steps to finally Since then, no further rise in the total number of permits granted occurred. Only the composition changed slightly. The share of women increased from 28% in 2014 to 31% in 2016. In addition, the proportion of highly skilled increased slightly from 6% to 8%.

The number of occupations on the shortage list is declining rapidly as labour supply from the EU-MS, largely EU13-MS, is increasing beyond expectations. As a result we see a clear shift away from skilled migrants under the shortage list – from 19% of all RWR-Cards in 2014 to 7.6% in 2016 - to 'other skilled migrants'; their share increased from 63% in 2014 to 72% of all RWR-Cards in 2016.

Data by the Labour Market Service provides also some information on the transfer of permits from one with limited access rights to the labour market to the R-W-R Plus card and thus universal access rights to the labour market. The number of transfers has been declining continuously from 2,600 R-W-R Plus cards in 2014 to 1,600 in 2016. The decline affected men to a larger extent than women. Also, the number of permits issued to key skilled self-employed third country citizens was on a decline (from 34 to 18), albeit from a very low rate. (Table 13)

Table 13: Approval of Red-White-Red Cards and R-W-R-Plus Cards by the Labour Market Service during 2014-2016

Wage & Salary Earners	Women	Men	Total	Women	Men	Total	Women	Men	Total
		2014			2015			2016	
Job Search Visa	**5**	**31**	**36**	**4**	**21**	**25**	**6**	**20**	**26**
R-W-R-Card, of which:	**522**	**1325**	**1847**	**514**	**1303**	**1817**	**579**	**1268**	**1847**
Highly skilled	26	79	105	29	76	105	44	106	150
Skilled, shortage list	47	304	351	51	209	260	48	92	140
Other key skills	340	830	1170	337	918	1255	363	958	1321
University Graduates	109	112	221	97	100	197	124	112	236
Blue Card EU	**45**	**106**	**151**	**47**	**112**	**159**	**62**	**118**	**180**
Artists	**94**	**114**	**208**	**97**	**100**	**197**	**64**	**87**	**151**
Total	**666**	**1576**	**2242**	**662**	**1536**	**2198**	**711**	**1493**	**2204**
Selfemployed	**6**	**28**	**34**	5	20	25	**6**	**12**	**18**
RWR-Plus cards of which:	**855**	**1725**	**2580**	757	1345	**2102**	**581**	**1066**	**1647**
Transfer of permit from RWR-card	332	875	1207	371	821	1192	373	830	1203
Transfer of Blue Card EU	24	47	71	25	42	67	28	46	74
Transfer from 2 years (§15/1)	285	454	739	246	295	541	146	147	293
Transfer of §15/2-AE/BS	143	306	449	98	178	276	26	37	63
Transfer from family member (§15/3)	71	43	114	17	9	26	7	4	11
Recognition (§17(2) AuslBG)	0	0	0	0	0	0	0	0	0
Recognition (§60(1) NAG)	5	0	5	0	0	0	1	2	3
Total	**1532**	**3329**	**4861**	**1424**	**2901**	**4325**	**1298**	**2571**	**3869**
S: LMS, own calculations.									

The annual numbers of RWR-Cards issued to university graduates are smaller than hoped for but slightly rising from 221 in 2014 to 236 in 2016. The legislative reform of 2017, coming into effect October 2017, allowing bachelors to access the RWR-Card did not raise the numbers of graduates in the RWR-Card-category.

The gender proportions of university graduates receiving a R–W-R card is fairly balanced. The data provided by the LMS are somewhat higher than the data provided by the Ministry of the Interior. According to the latter a total of 1,400 RWR cards were issued or prolonged by the Ministry in 2017, of which only 50 to university graduates. (Table 11)

It can be taken from Table 11 that some 50,926 R-W-R Plus cards were issued or prolonged in the course of 2017, after 49,200 in 2016. The stock of valid R-W-R Plus Card holders at the end of 2017 amounted to 96,400, compared to only 1,900 R-W-R card holders. This is an indication for an increasing tendency of skilled and highly skilled migrants to settle in Austria by taking up the plus card. In the beginning of July 2018, the number of valid R-W-R card holders was significantly higher at 2,900, and the number of valid R-W-R Plus cards rose to 97,400. The large number of R-W-R Plus card holders must not come as a surprise as it is a residence title not only accessible to family members of r-w-r-card holders but also to persons who have been key-skill workers, researchers, blue card holders and their family members with more than one year of residence in Austria, as well as persons on humanitarian grounds, largely former recipients of subsidiary protection.

Open questions regarding migration policy reform

An analysis of the potential impact of an increased inflow of r-w-r-card holders and a forecast of the uptake (Biffl et al 2010) suggested that the annual inflow could increase from 1,000 in 2011 to 8,000 in 2030. It was suggested that the uptake could be slow, depending on the management system of skilled worker migration, hoping to reach an annual inflow of 5,000 by 2015, and a further increase to 8,000 annually between 2020 and 2030, largely due to pull factors resulting from increasing skilled labour shortages. It was estimated that over the whole period (2011-2030) a total of 100,000 skilled third country labour migrants would settle in Austria on the basis of the point system. A major pillar supporting the forecast assumptions were third country graduates from Austrian universities: it was assumed that of the annual number of 1,000 graduates 50% would remain in Austria to work. This would be a much higher propensity to stay than currently in Germany and Austria (Wolfeil 2012). International experiences with the uptake of residence in the country of graduation are varied, depending on both, the source and the host country. On average, the proportion of stayers in Europe tends to be between 20% and 30%. The situation in Austria is at the lower end of the spectrum with some 16% of third country graduates remaining in Austria.

The experience with the r-w-r-card so far is that the number of inflows increased versus the former key-skill quota regulation but not to the extent expected. This may be due to a variety of factors, one being that the transition from an employer nomination scheme to a point system was half-hearted, expecting the applicant to have an employer in Austria before arriving from abroad. **The uptake of Job-Search Visa (for 6 months job search in Austria, extended to 12 months in the legislative reform of 2017, coming into effect October 2017)** by highly skilled third country migrants – regulated in §24a of the Alien Police Act 2005, reformed in FRÄG 2017 – has been very sluggish as the potential migrant bears substantial migration and search costs. It is above all the administrative procedures, in particular the processing of the applications, which are tedious and prohibitively expensive for persons living far away from Austrian embassies. In addition, until the legislative reform of 2017, adequate housing had to be ensured even before entering Austria. Accordingly, the chamber of commerce finds the fault in an inefficient management system of the 'new' migration policy. An additional barrier to entry may be restrictive licensing regulations in certain occupations, in particular health and legal professions. (Biffl et al 2012) According to LMS-approval data we can discern the first signs of an increasing dynamic in skilled migration inflows in 2018.

While the development of a government website to render the criteria of the new migration policy more transparent (www.migration.gv.at) is an important step in promoting inflows, it can only be a first step. A comparison with the German website indicates that Austria is quite dry about immigration, not really showing enthusiasm about newcomers and appreciation of their potential contributions.[45] Austria is also not engaging employers to the same extent as Germany in the recruitment efforts of skilled international migrants.[46] The marketing aspects as well as the management of recruitment of international skilled migrants are not yet receiving the attention they deserve to attract migrants. Thus, the first steps are taken with the reform of migration policy thinking, next steps will have to follow.

One aspect will have to be the development of an immigration profile of Austria, which could motivate EU as well as third country migrants to work in Austria. Should it not be known that Austria is a country with strong corporatist organisational structures with institutionalised mechanism of policy coordination and conflict management? These structures ensure macro-economic flexibility and adaptability to external shocks, one factor for the stable Austrian economic development. (Calmfors—Driffill 1988; Biffl 2000). This system is, however, also responsible for large segments of the labour market being protected from external inflows, e.g., a large number of regulated occupations (Chamber system of professions/ occupations), pronounced seniority rules for careers in the public sector as well as large enterprises in private industry. These regulations make it hard for skilled migrants to enter at intermediate career levels, be they foreigners or Austrians wanting to return from abroad and

[45] See promotion of skilled migration http://www.fachkraefte-offensive.de and welcome site for skilled migrants http://www.make-it-in-germany.com in Germany.

[46] For more see German Internet platform http://www.kompetenzzentrum-fachkraeftesicherung.de.

hoping to get their foreign experience taken into account. This is why it is hard for university graduates with work experience abroad to find adequate employment and pay in Austria while it is comparatively easy for persons in the medium skill segment (Fachkräfte). A further aspect to be known before migrating to Austria is that the low unemployment rate has its counterpart in a pronounced wage differentiation by age, occupation, gender, educational attainment level and firm size.

Another aspect to be informed about is that Austria has a generous welfare system. This is one reason why Austria is more reluctant than countries with a residual welfare model and a neo-liberal governance model (USA, Australia, United Kingdom) to bring in immigrants. Also, the small proportion of university graduates in total employment is a factor distinguishing Austria from other immigration countries. To understand why this is the case might help explain why so few foreign university graduates stay in Austria after finishing their studies, that is EU students as well as third country students.

All these factors have to be taken into account when designing an immigration policy as they will play a major role in the profile of the migrants attracted to come to Austria and their period of stay.

Documentation of settlement on the basis of free movement within the EU/EEA and third country inflows by category

The Alien register of the Ministry of the Interior informs about the number of citizens of another EU/EEA country and their family members who have the right to settle in Austria. Since the reform of the Alien Law in 2011, which came into effect in July 2011, 5 different types of documentation of residence of EU/EEA citizens are published by the Ministry. (

Table 14[47])

- Documentation of registry (Anmeldebescheinigung) of EEA/CH citizens and their family members who are also EEA/CH citizens,
- Residence card (Aufenthaltskarte) for family members of EEA/CH citizens who are third country citizens,
- Documentation of permanent residence (Bescheinigung des Daueraufenthalts) to EEA/CH citizens after 5 years of residence,
- Permanent Residence Card (Daueraufenthaltskarte) for third country citizens, who are family members of EEA/CH citizens.
- Photo identification of EEA/CH citizens (Lichtbildausweis für EWR-Bürger).

[47]) http://www.bmi.gv.at/cms/BMI_Niederlassung/statistiken/files/Hinweise_zur_Asyl_Fremden_und_NAG_Statistik_Fremdenpolizei_und_Visawesen_v1_15.pdf

Table 14: Documentation of residence titles of EEA/CH citizens and their third country family members (EU residence regulations)

	Duration of residence in Austria		Group of Persons	
	Three months and beyond	Permanent Residence	EEA/CH citizens with right of residence	Third country citizens (family members of EEA/CH citizens with right of residence)
Documentation of registry	x		x	
Residence card	x			x
Documentation of permanent residence		x	x	
Perm. residence card		x		x

S: BMI.

The first two are issued for a period of stay surpassing 3 months in Austria; the last two are proof of permanent residence status in Austria (§ 9 NAG). Residence has to be registered with the authorities within a period of 4 months after entry. The residence card is issued to third country citizens, who are partners or relatives of EEA/CH citizens with the right to reside, and who receive financial support (Unterhalt).

EEA/CH citizens are eligible for the documentation of permanent residence after 5 years of legal and uninterrupted residence in Austria. The permanent residence card goes to third country citizens who are family members and as such supported by the EEA/CH citizen, who has obtained the right to permanent residence.

In the course of the year 2017 75,900 EEA/CH citizens and their family members entered Austria and registered as 'settlers', i.e. 1,500 or 2% less than a year ago. There is hardly any difference in male and female numbers (women: 38,200; men: 37,800).

The great majority of documentations were registrations of residence of EEA/EU citizens (89%) for more than 3 months residence (Documentation of registry - Anmeldebescheinigung). Only 3,700 or 4.8% went to third country family members of EEA/CH citizens for more than 3 months residence (Residence Card /Aufenthaltskarte). In addition, 3,500 EEA/CH citizens received a permanent residence document (Bescheinigung des Daueraufenthalts), and 1,200 third country family members received a permanent residence card (Daueraufenthaltskarte).

Table 15: Annual inflow of EEA-Citizens and their family members (EEA/CH citizens and third country citizens) with residence rights in Austria
1 January to end of December

	2014			2015			2016			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total
Documentation of registry (EU citizen)	**32 435**	**32 647**	**65 082**	**40 776**	**41 107**	**81 883**	**34 445**	**35 115**	**69 560**	**33856**	**33762**	**67618**
Employee	20 112	15 924	36 036	25 298	20 541	45 839	20 458	16 685	37 143	20568	16093	36661
Education	2 003	2 755	4 758	3 105	4 514	7 619	2 746	3 659	6 405	2 485	3 642	6127
Family member	7 835	10 709	18 544	9 309	12 268	21 577	8 467	11 294	19 761	8 176	10 620	18796
Self-employed	1 034	1 221	2 255	1 346	1 394	2 740	960	1 132	2 092	865	1 026	1891
Other family member/relative	181	500	681	187	558	745	142	487	629	139	441	580
Others	1 270	1 538	2 808	1 531	1 832	3 363	1 672	1 858	3 530	1 623	1 940	3563
Residence Card (Third country)	**1 144**	**1 141**	**2 285**	**1 760**	**1 616**	**3 376**	**1 753**	**1 668**	**3 421**	**1 822**	**1 842**	**3664**
Documentation of perm. Residence (EU	**1 156**	**1 428**	**2 584**	**1 720**	**2 001**	**3 721**	**1 470**	**1 837**	**3 307**	**1 515**	**1 950**	**3465**
Permanent resident card (Third country	**108**	**85**	**193**	**450**	**423**	**873**	**571**	**644**	**1 215**	**558**	**635**	**1193**
Total	**34 843**	**35 301**	**70 144**	**44 706**	**45 147**	**89 853**	**38 239**	**39 264**	**77 503**	**37 751**	**38 189**	**75 940**

Source: Federal Ministry of the Interior, Central Alien Register.

The great majority of EEA/CH citizens registered (Documentation of Registry) entered for work (36,700, 54%), some 9.1% (6,100) for study purposes, and 18,800 (27.8%) as family members. (Table 15) The three most important source countries of documentations of registry in 2017 were from Romania (12,600), Germany (12,400) and Hungary (11,700), followed by Slovaks (5,100), Croatians (4,500), Polish citizens (4,200), Bulgarians (3,600), Italians (3,600), and Slovenes (2,100). The citizenship of the 3,700 residence card holders (third country family members of EEA citizens) is particularly diverse, with the largest numbers being from Serbia (1,100), Bosnia-Herzegovina (500), Macedonia (400), Turkey (150) and Russian Federation (112). Of the 3,500 persons with a documentation of permanent residence, citizens from Croatia constitute the largest group, i.e. 1,300 or 37%. In contrast, the 1,200 persons with a permanent residence card are very diverse, with the largest numbers coming from the Balkans.

Stock of third country resident permit holders by type of status (mid-year count)

As already mentioned above, the transfer of alien and asylum processing from the Ministry of Interior to the Agency for Alien Affairs and Asylum (BFA) resulted in a break in the statistical data in 2014. Accordingly, we focus on the mid-year stock count of 2015 to 2017.

Accordingly, the stock of valid third country residence permits in July 2017 amounted to 456,300, with an equal balance of men and women (225,500 men and 230,800 women).

In the first half of 2017, the stock of third country permit holders increased vs 2016 by 8,300 (+1.9%); this represents a continuation of the long-term rising trend, which is interrupted by former third countries joining the EU, the last having been Croatia in mid-2013. The gender composition remains very stable over time with a share of women always close to 50%. The share of children and youth under 18 is slowly declining since 2005 and reached 18.4% in 2017, which is clearly below the 24.5% of 2005. In contrast, older persons (60+) make up an increasing share of immigrants of third countries. In 2017 they made up 13.3% of the stock compared to 7% in 2005. Thus, ageing makes itself felt amongst immigrants as well. Women are more than proportionately 20 to 40 years old, whereas men tend to be on average somewhat older than women.

The age composition of third country migrants registered by the Ministry of Interior by mid-2018 conforms to the age structure of the third country population in the population register by the beginning of the year 2018. The share of older persons (65+) still remains significantly lower amongst third country migrants than in the total population.

By mid-2018, the largest single group of third country residence permit holders were citizens from Serbia/Kosovo (124700 permits), followed by citizens of Turkey (106,500 permits): the two together account for 50% of all permits. Third in line are citizens from Bosnia-Herzegovina (91,200 or 19.7%), Macedonia (20,500 or 4.4%) and increasingly persons from the Russian Federation (13,700, 39% mid-2018). (Figure 21)

Table 16: Stock of valid residence permits of non-EU citizens by age

Count by 1 July

	2011	2012	2013	2014*	2015	2016	2017	2018		2011	2012	2013	2014	2015	2016	2017	2018
0-14	71 628	71 347	72 253	64 268	64 465	65 071	65 333	65 068		15,3	14,8	14,7	15,3	15,0	14,5	14,3	14,1
15-18	23 625	23 794	23 939	18 823	18 799	18 925	18 667	18 688		5,0	5,0	4,9	4,5	4,4	4,2	4,1	4,0
19-24	43 288	43 192	44 411	39 158	39 185	40 521	39 872	38 894		9,2	9,0	9,0	9,3	9,1	9,0	8,7	8,4
25-29	49 867	49 616	49 959	45 175	45 315	46 036	45 247	44 236		10,6	10,3	10,2	10,7	10,5	10,3	9,9	9,6
30-34	48 780	51 136	53 380	50 277	50 932	52 109	51 706	50 925		10,4	10,6	10,9	12,0	11,8	11,6	11,3	11,0
35-39	44 160	45 291	46 366	42 834	44 522	47 189	48 903	50 189		9,4	9,4	9,4	10,2	10,3	10,5	10,7	10,9
40-44	40 063	41 478	42 219	36 135	37 428	39 274	40 641	41 826		8,5	8,6	8,6	8,6	8,7	8,8	8,9	9,0
45-49	35 102	36 271	37 282	30 052	30 931	32 402	33 985	35 267		7,5	7,5	7,6	7,2	7,2	7,2	7,4	7,6
50-54	27 814	29 172	30 160	24 446	25 631	27 431	28 503	29 503		5,9	6,1	6,1	5,8	6,0	6,1	6,2	6,4
55-59	29 376	28 585	27 141	20 268	20 974	21 556	22 742	23 734		6,3	5,9	5,5	4,8	4,9	4,8	5,0	5,1
60-64	25 063	26 705	27 804	21 261	21 762	22 223	21 568	21 021		5,3	5,6	5,7	5,1	5,1	5,0	4,7	4,5
65+	30 603	33 967	37 065	27 577	30 644	35 243	39 156	43 116		6,5	7,1	7,5	6,6	7,1	7,9	8,6	9,3
	469 369	480 554	491 979	420 300	430 588	447 980	456 323	462 467		100	100	100	100	100	100	100	100

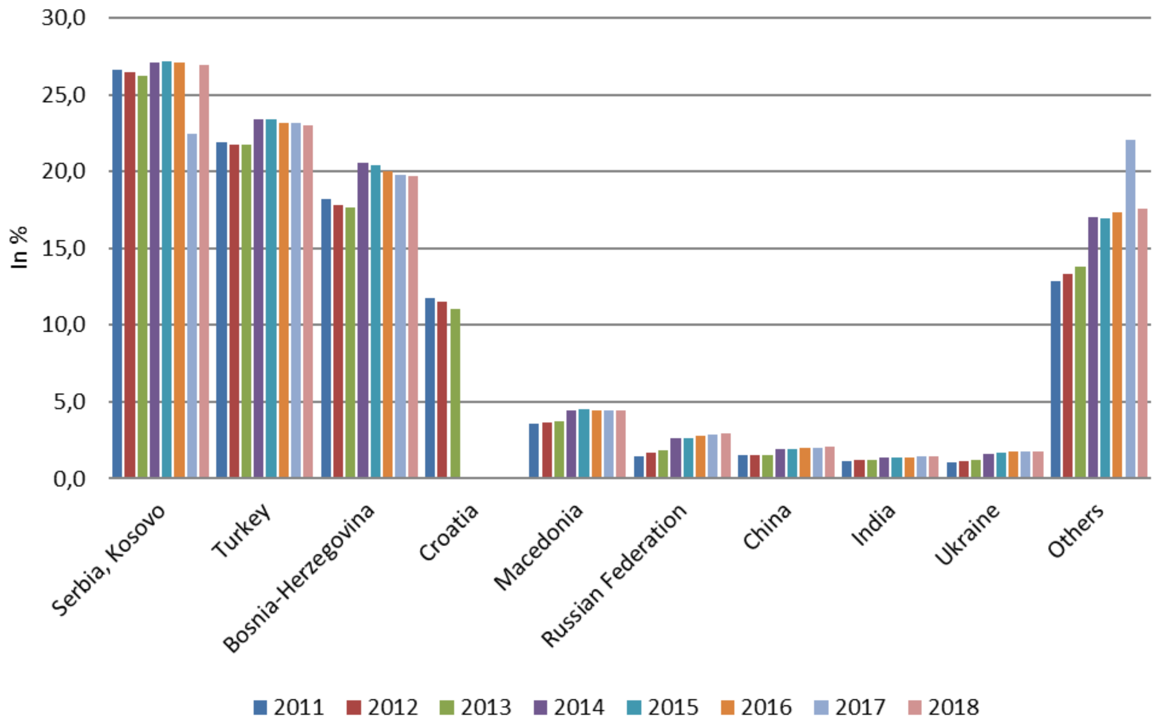
Source: Federal Ministry of the Interior, Central Alien Register. *2014 break in series.

The majority of the permit holders are permanent residents with unlimited access rights to work. People who originally came as settlers to join their family members, and who were barred from work for 5 years unless their skills were scarce and sought after (access to work subject to labour market testing) had their residence permits transformed to one with the option to take up work. Thus, the relatively small annual inflow of highly skilled workers does not mean that there is hardly any inflow of labour. It only shows that the target group of highly skilled migrants is small, but family reunion is a substantial source of labour, largely of a semi-skilled nature.

In contrast to third country citizens who come from traditional guest worker regions and who tend to have long-term residence rights, the newcomers from further afield tend to have temporary residence permits for a particular purpose. Persons from South-Korea, Japan, Mongolia, Ukraine, USA, Iran, Georgia, Albania and Taiwan are largely university students in Austria.

Among the US-citizens are not only highly skilled managers but also special groups exempted from the foreign worker law (AuslBG), in particular also au-pair workers. Among persons from Nigeria and Ukraine family members are an important residence category, quite in contrast to citizens from India and Russia who have fairly large proportions of settler permits.

Figure 21: Structure of valid residence permits by major countries of origin in% 2011 to 2018 (mid-year count)



Source: Federal Ministry of the Interior, Central Alien Register. 2014 break in series.

Of the r-w-r- card holders (in July 2018 2,918 valid permits) the top 10 source countries are Bosnia-Herzegovina (618), Serbia (272), Russian Federation (211), Ukraine (170), India (150), China (150) and USA (132). These 7 source countries constitute 62% of the valid r-w-r cards at the end of June/beginning of July 2018.

The Labour Market Service has the discretionary power to grant access to the labour market to family members who have not yet resided the required length of time in Austria to access the labour market without prior labour market testing. Explicitly excluded from access to the labour market are pensioners of third country origin and 'Privateers'. The amendment of the Alien Law of July 2002 allowed students to take up employment but not as fulltime workers but only as part-timers, to help cover their living expenses. This amendment was not expected to and did not raise labour supply of migrant students but was to legalise the clandestine work on the part of third country students.

Table 17: Valid residence permits by category 2014/18 (mid-year stock)

	2014	2015	2016	2017	2018
Temporary residents					
Pupil	2 630	2 550	2 770	2 573	2 442
Student of higher education	16 586	16 929	18 639	16 735	15 391
Temporary residence §69aNAG	16	8	3	1	1
Family	2 361	2 484	2 598	5 174	1 292
Intercompany transferees	321	295	282	258	129
Employed persons on basis of GATS (mode 4)	239	205	133	110	100
Self-employment	30	36	41	36	38
Social worker	5	8	6	4	6
Special cases of highly skilled employees(Researche	2 785	2 597	2 533	2 256	1 335
Artist	498	503	489	440	53
Researcher	585	550	625	701	312
Sum of temporary residents	**26 056**	**26 165**	**28 119**	**25 457**	**21 099**
Settler pemits					
Family member	38 082	37 773	38 109	38 756	39022
No access to work	1 489	1 617	1 807	2 001	2130
Relative	3 012	2 970	3 049	2 826	2466
unlimited access	4 033	2 784	0	1 995	3 427
Blue Card	239	258	259	315	396
R-W-R Card	1 640	1 634	1 576	1 623	2918
R-W-R Plus	84 382	86 749	93 379	96221	97369
Permanent resident- EU free mobility	200 992	225 661	245 845	264476	278 652
Family member-Permanent resident- EU free mobility	30 269	26 178	18 960	13270	5631
Settlement permit - Formerly settlement certificate	30 022	18 799	16 826	9617	9314
Mobility -unlimited access to work	58	57	51	81	43
Sum of all Settlers	**394 218**	**404 480**	**419 861**	**430 866**	**441 368**
Sum of all valid resident permits of third country citizer	**420 274**	**430 600**	**447 980**	**456 323**	**462 467**

Source: Federal Ministry of the Interior, Central Alien Register.

The foreign residence law (NAG 2005) specifies further that university graduates may have their temporary residence permit transferred to one of a highly skilled worker (Schlüssel-arbeitskraft) outside any quota (see chapter on legislative reforms). This was not easily achieved until mid-2011, when the r-w-r-card was introduced, because a minimum wage had been required to become eligible for a skilled worker title; this wage was often too high for entrants into the labour market[48]. By July 2018 367 or 13% of all r-w-r cards went to university graduates (after193 or 12% in July 2017). This is somewhat more than in the previous years.

The regional dispersion of settlers and temporary residence permit holders differs significantly. Settler permit holders are concentrated on the central east-west axis of Austria and temporary resident permit holders along the eastern and south-eastern border. Citizens of

[48] The minimum wage had to be 60% of the wage level at which the maximum social security contribution rate is charged, i.e., annual earnings of 34,500€ or more in 2011.

third countries rarely settle in border regions of Upper and Lower Austria to the Czech Republic, neither in large sections of Styria, Carinthia and Burgenland.

Also, in certain central regions south of the Danube third country citizens hardly settle. In contrast, Styria and Vienna are the most important regions for temporary resident permit holders. The regional clusters are linked to the history of migration and eventual settlement of former foreign workers on the one hand, and economic integration with neighbouring countries in the East and South East after the fall of the Iron Curtain on the other. Burgenland and Vienna are examples of particularly successful regional integration with the neighbouring countries Hungary and the Slovak Republic.

There is a strong ethnic/cultural regional segmentation of settlers and temporary residents. While Turks and Serbs tend to settle in Vorarlberg, Tyrol and Salzburg in the west and in Vienna and Lower Austria south of Vienna in the east, Croats tend to be concentrated in the south and certain districts in Tyrol and Salzburg. In the east there are small enclaves of recent Croat settlements, often in areas in which Croats have old settlements which date back to the times of the Austro-Hungarian Empire. Temporary residents tend to come from the Eastern and South Eastern European countries/regions.

Labour market flows

Austria has started out as a country targeting migrant workers rather than immigrant workers and their families. As a result, Austria has a long history of work permits; only relatively recently, i.e., in the 1990s, was this system complemented by regulations of family reunification and thus by a complex system of residence permits, following the pattern of immigration countries. In what follows, a short history of the development of the work permits system is given.

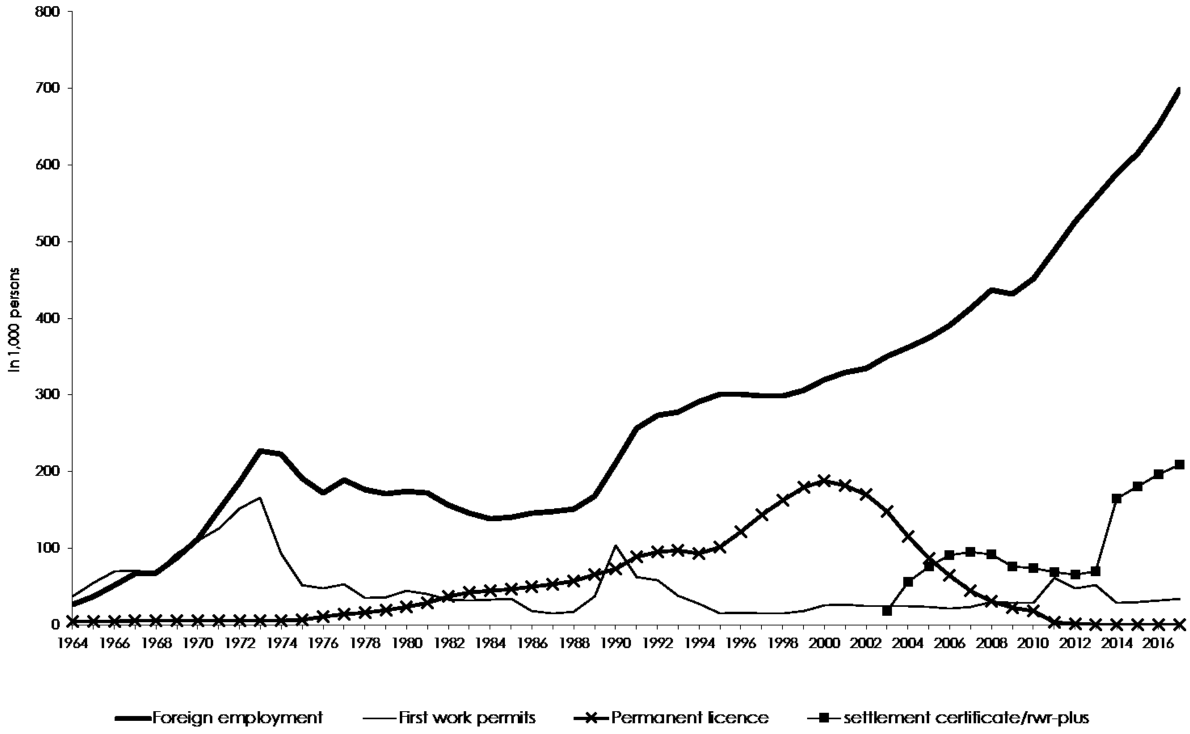
Entries of foreigners for work

Over time, i.e., since the 1960s, a highly differentiated system of work permits for different purposes and the changing status of foreigners evolved, as prolonged duration of work and stay widened the scope of labour and social rights of migrants in Austria.

Initial work permits were issued to foreign citizens until 2008 (from 1994 onwards only those from outside the EEA/EU), i.e. third country citizens, when they were entering the labour market for the first time. The first work permit was issued to the firm and not the worker. These initial work permits could be transferred to a permit issued to the foreign person (work entitlement -Arbeitserlaubnis) after one year of work and after five years of work to a permanent licence (Befreiungsschein – BS), which allows free mobility within the whole of Austria. With the legislative reform of the Foreign Employment Act in 2013 (BGBl I 2013/72) the work entitlement permit (AE) and the permanent licence (BS) have been abandoned and persons holding these permits may have them transferred to a Red-White Red-Card –Plus, which grants free movement on the labour market.

The "first" issue permit was only a weak indicator of the inflow from abroad since family members of foreign workers residing in Austria were also amongst this group, if they enter the Austrian labour market for the first time and were not eligible for the "green card" yet.

Figure 22: First work permits and total foreign employment
1964-2017



Source: Austrian Labour Market Service.

A graph can better clarify the different aspects of the work permit system and its linkage to the stock of foreign employment. First entry permits used to have a high correlation with the development of total foreign employment until 1990. Only in periods of rising demand for foreign workers did the issue of first entry permits increase. As employment of foreign workers stabilised, other forms of permits took over and regulated continued employment.

Between 1990 and today severe restrictions on the recruitment of third country foreign workers prevent the inflow of third country migrant workers while free mobility of labour within the EEA raises foreign employment numbers. The objective of the restrictive migration policy relative to third country worker inflows has always been to promote integration of migrants who are already residing in Austria on the one hand and to put a break on labour market competition flowing from labour supply rises of EU citizens on the other.

It is apparent from Figure 22 that the increase in foreign employment between 1989 and 2000 found its counterpart in the rise of various types of work permits, the initial permit (BB) taking the lead and prolongations and eventually permanent licenses taking over as a result of an increased duration of stay and work in Austria. With the introduction of the 'green card', a permanent work and residence permit was established. In 2003, the numbers of first employment permits broke off as the majority of the foreign workforce had resided in Austria for 5 years legally and had thus the right to access the labour market without a work permit. With the introduction of the point system in 2011 another break in the series and in procedures occurred. Increasing numbers could have their permits transferred to permanent residence status.

Since 2010, the number of first employment permits issued over the year rose again as various forms of third country employment gained weight, in particular employment permits for household helpers (au-pairs, third country students, cross-border service providers (grenzüberschreitende Arbeitskräfteüberlassung) - as distinct from posted workers (Betriebsentsandte), the latter do not need a work permit. Accordingly, in 2013 52,000 (initial) work permits were issued, 4,100 or 8.6% more than a year ago. The issue of employment permits to third country citizens declined somewhat in 2014 to 28,500, but picked up thereafter and reached 33,500 in 2017.

Increasingly, third country migrants obtain residence permits with the right to access the labour market. As a consequence, some of the former employment permits have become obsolete. Accordingly, hardly any permanent licenses are issued as people may obtain the red-white-red plus card or other forms of permanent residence with all access rights to the labour market. The decline in all the other permits is also the result of the introduction of a more comprehensive immigration model with residence permits which pari passu grant access rights to the labour market without any need to register with the labour market service.

It is helpful to put the flow data, i.e., permits granted over the year by category, in the context of stocks of persons/permits on an annual average. It can be taken from Table 18 that the Austrian labour authorities are endeavouring to document the various forms of foreign worker inflows to the labour market, some of them as a result of eastern enlargement of the EU and increased mobility of persons within the EU, including services mobility. The latter differentiates between the liberalised services, where no labour market testing applies and non-liberalised services, where labour market testing applies until the end of the transition regulations. There is a difference between a services provision acknowledgement (Entsendebestätigung) and a services provision permit (Entsendebewilligung): for the latter labour market testing is required as it is in occupations which are not liberalised in the context of free services provision between new and old EU member states (transition regulation). The first is issued for a period of 6 months and may be extended, while the latter may not be extended after the period of 6 months has expired. From 1st may 2011 onwards until the end of 2013 only Bulgaria and Romania were still under transition regulations. Accordingly, the number of GATS grants declined to 620 in 2016 and declined further to 525 in 2017.

Table 18: Various types of work permits for third country citizens 2006-2017
Stocks, Annual average

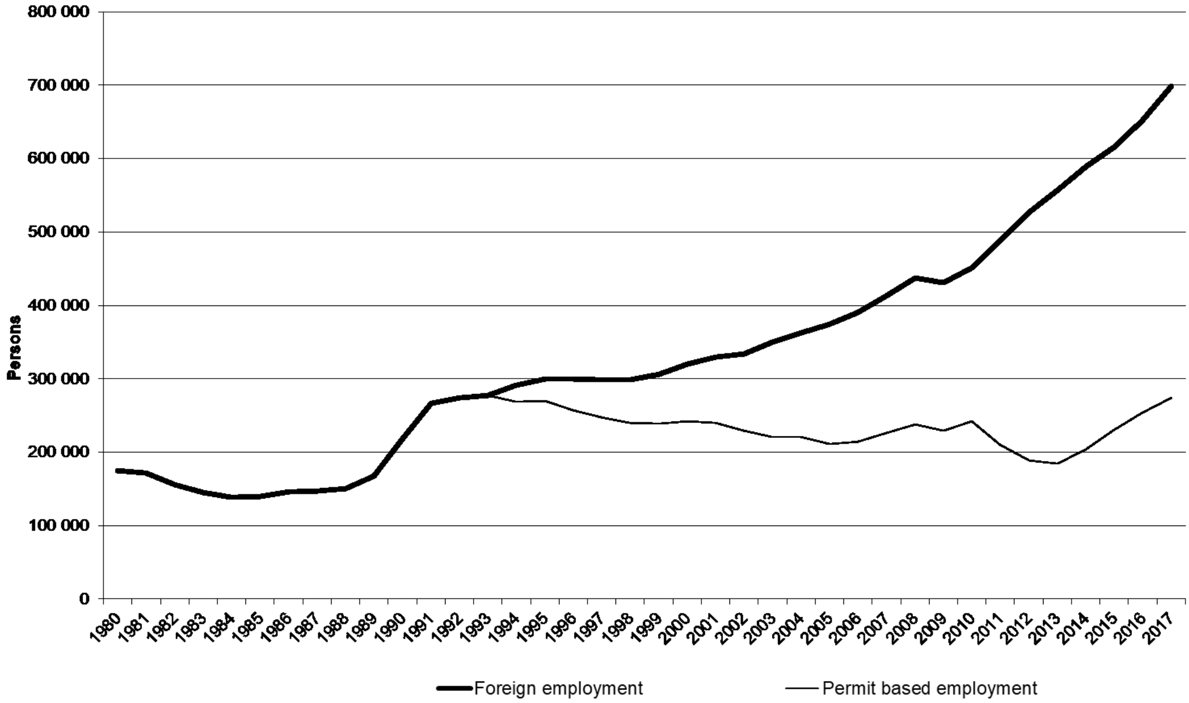
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2 017
Temporary work permits (BB)	21 401	23 636	29 313	28 166	28 385	20 283	14 450	9 000	9 378	9 562	10 066	10 886
Work entitlements (AE)	6 067	3 417	1 495	879	590	404	310	351	179	30	0	0
Permanent licences (BS) incl §4c	68 481	47 819	33 108	24 398	19 620	14 943	5 541	2 200	1 978	922	294	102
Provisional permit	10	14	25	23	219	50	0	0	0	0	0	0
Cross-border services (GATS)	466	391	361	207	1 784	345	1 473	1 176	677	537	620	525
Bilateral agreements	774	916	1 011	858	1 077	404						
Free mobility of labour to new EU-MS	17 808	27 058	34 839	40 645	47 597	18 182	4 842	14 303	8 168	7 535	20 397	24 697
Highly skilled permits	581	880	1 181	1 908	649	1 495	1 926	2 026	2 242	2 198	2 053	1 772
Settlement certificate (NN)	91 228	95 147	91 783	76 497	73 685	68 982	83 104					
Permanent Resident/R-W-R Plus	1 507	6 170	12 354	15 696	16 915	7 870		13 918	20 925	30 970	37 915	43 483
Settlement EEA	6 071	20 355	31 444	40 579	52 113	65 068	77 085	140 000	143 593	150 068	158 313	165 635
R-W-R card						1 500	1 926	2 026	1 659	1 842	1 674	
Employed based on valid permit	214 908	226 526	237 825	225 904	242 595	199 526	189 184	185 000	203 586	230 925	254 007	274 153

Source: Austrian Labour Market Service.

In 2017 274,200 foreign workers needed some sort of a permit, either issued by the Labour market service or by the Ministry of Interior, to be able to work in Austria. The size of the permit-based workforce depends on institutional regulations, in particular EU-membership of

Austria and the free mobility of labour granted. The end of transition regulations for citizens of the EU-8 countries, for example, shows up in a clear decline in the number of first work permits: between 2010 and 2012 their numbers declined by 13,900 or 49% to 14,500. Until 2015 the numbers of first work permit holders (Beschäftigungsbewilligung) declined further to 9,600 and rose slightly to 10,900 in 2017. With increasing labour mobility within the EU, the difference between permit based foreign employment and total foreign employment opened up. In 2012 only 36% of total foreign employment was working on the basis of a permit. (Figure 23) But the number of permit holders is rising since then again as the inflows of third country citizens continue to rise. In 2017, 165,600 or 60% of all permit-based employment of foreigners had settlement rights in the EEA. A further 16% (43,500) were third country citizens who had settlement rights in Austria. A fairly small number are employed on the basis of GATS (mode 4 services mobility), namely 525 permit based foreign employment.

Figure 23: Foreign employment and permit based foreign employment (annual average) 1980-2017



Source: Austrian Labour Market Service.

In 2017, only 35,700 or 5.1% of the 698,500 foreign employees were working on the basis of a permit issued by the Labour Market Service: 10,900 on the basis of an initial work permit for third country citizens (BB), 24,700 EU-citizens working as specialists on the basis of labour market testing (transition regulations) and 102 had a permanent license which they did not yet transfer into a red-white-red-plus card. It can be taken from Figure 23 that the gap between foreign employees needing a residence or work permit to access the labour market declines between 1992, the year of the introduction of immigration laws which replaced the guest worker model and 2013. Since then the permit numbers are rising again, partly as a result of Croatia entering the EU in 2013 and working on the basis of labour market testing as a consequence of transition regulations, partly because refugees are starting to enter the labour market. Of the refugees who entered Austria in larger numbers in 2015/16 some 15% managed to find employment by mid-2017.

II. Posted workers

A relatively new phenomenon on the Austrian labour market is the implementation of posted work, i.e. cross-border services provision by persons who are employed in one country but carry out work in another. The distinction between temporary migration and posted work, i.e. a special case of trade in services, is somewhat blurred as can be exemplified by temporary work in harvesting. In the case of migrant workers who are employed directly by the local farmer, national immigration regulations apply, while in the case of services provision by a posted worker from a foreign leasing firm/labour contractor, GATS (General Agreement on Trade in Services) rules apply. The ILO considers posted workers as migrants who are covered by the Migrant Worker Conventions 97 and 143[49]; this group of temporary migrants is accorded the right to equal treatment on the labour market comparable to local workers.

GATS rules apply to trade in services, including services provided by self-employed independent contractors and posted workers. Thus, posted workers may work alongside local workers thereby having similar economic and social impact on local workers as migrants.

Data on the value of trade in services by modes of supply are not available. According to estimates of the World Trade Organisation, mode 4, i.e. posted workers, is judged to amount to 1% to 3% of the value of global services trade and to a similar share in employment. All modes of services trade are expanding, e.g. IT-services (mode 1), tourism (mode 2), global production networks of multinationals and FDI-related services (mode 3), and key personnel (mode 4).

Opening up to freer trade and confronting national labour institutions and legislation with the logic of trade through the promotion of services mobility (mode 4) means ensuring unimpeded competition between the EU-MS. In theory, under the assumption of perfect competition and constant returns to scale, such a course should lead to economic benefits and higher living standards for all. In practice, the outcome for most countries may not be so simple, and the economic and social effects are a matter of controversy.

Given the complexity of employment relationships involved in services mobility involving cross-border movement of persons, it is hard to establish the exact numbers of foreign persons and working hours involved. However, Austria, a country with comparatively good data on migration and cross-border service provision, has a reasonable basis for assessing the effect of services mobility on the labour market. Austria is a small open economy which owes much of its prosperity to its openness to international trade and migration. Today (2018), 58% of GDP derive from the production of goods and services for exports. At the same time, some 19% of the workforce are foreign workers and more than 20 percent are foreign born migrants. This puts Austria amongst the leading European countries in terms of dependence on international trade and migrant labour.

[49] Convention No.143 emphasises regulations to reduce illegal migration and to promote integration; Convention 97 on the right to equal treatment has not been ratified by many migrant receiving countries; only 42 countries, mostly emigration countries, have signed. Many other ILO conventions cover migrants, e.g. the freedom of association Convention No.87, or the social security convention No.118.

1 Posted workers from third countries and EU-MS during transition regulations (labour market register)

Given a long border with new EU-member states, Austria imposed transition agreements on the new EU-10-MS (2004) and EU-2-MS (2007), involving regulations on labour migration (labour market testing) – thereby curtailing free mobility of labour –and on posted work (for certain occupations and industries)- thereby curtailing free mobility of services. The Austrian Labour Market Service has been monitoring the inflow of service providers since 1997. It differentiates between liberalised services, which may enter freely – in this case the service provision is only documented / registered (Entsendebestätigung) - and controlled services for which certain restrictions prevail (Entsendebewilligung). In the latter case it is in the national interest to protect the domestic service providers from competition. Accordingly, an authorisation has to be requested which in effect has to state that the national interests are not jeopardised by the specific service provision (complementarity to national services).

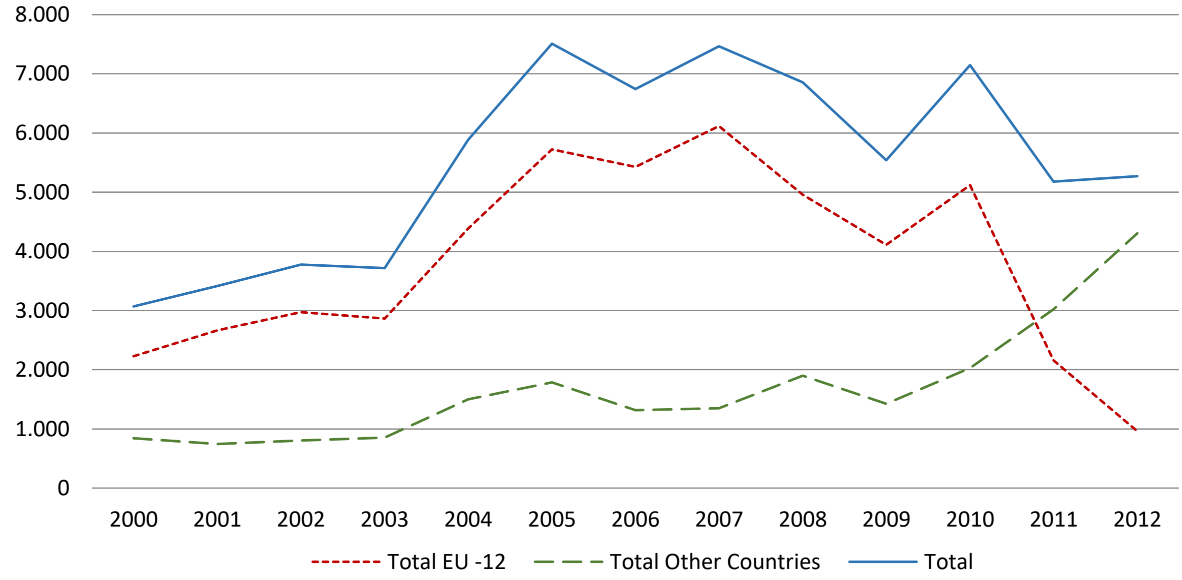
The services sheltered from competition from cross-border service providers are gardening, certain services in the stone, metal and construction industry, security and cleaning services, home care services and social work.

In spite of the restrictions on services mobility and labour market testing, both, the number of service providers and of migrants, continued to increase after 2004. The number of migrants (wage and salary earners) from the new EU-12 MS increased between 2003 and 2010 by some 40,000, i.e., by more than 70%, to 89,000. When the transition regulations ended for E10-MS in 2011, the inflow received a real boost, reaching an employment level of workers from EU12 of 143,000 (+54,000 or 61% within just one year). Their share amongst the workers with non-Austrian citizenship increased from 15% in 2003 to 27% in 2012 and their share in the total workforce reached 4.1%.

As far as service provision is concerned, the total number of service providers excluding intercompany transfers (Entsendebestätigung and Entsendebewilligung) increased from 3,070 in the year 2000 to 5,300 in 2012, i.e. by 2,200 or 72%. This number represents 0.2% of the Austrian salaried workforce. As the service providers work for a maximum of half a year in Austria, the proportion of the volume of labour is even smaller. It can be taken from Figure 24 that the number of posted workers has been increasing significantly between 2003 and 2004, largely from the new EU-MS. The numbers declined in the wake of the economic recession 2008/2009 but picked up again in 2010 to the level of 2004, losing momentum thereafter.

In view of restrictions on cross-border service provision in certain occupations, many persons from the new EU-MS set up a business as independent contractors/self-employed, largely self-employed homecare service providers and to a lesser extent certain building services. In addition, the number of cross-border service providers from the EU-12 increased substantially after enlargement, both in the liberalised occupations and the ones protected from competition; the former increased from 79 in 2003 to 2,600 in 2004. Their numbers peaked in 2010, the year before the end of transition regulations at 4,800 and halved thereafter as unfettered free services mobility came into effect. Cross-border service provision by third country citizens was less dynamic but reached a high of 2,800 in 2012. The most important third country source of service providers in 2012 was Bosnia-Herzegovina (1,600 posted workers), followed by Croatia, Macedonia and Serbia. The largest number of posted workers is found in the construction sector, followed by manufacturing and the entertainment sector.

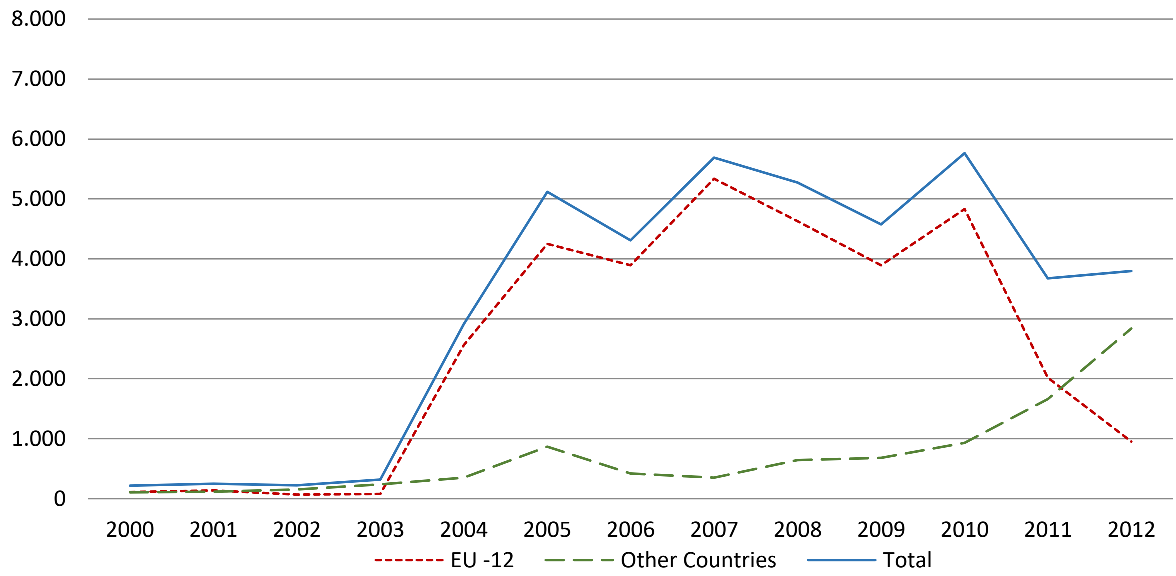
Figure 24: Total number of posted workers by source region



Source: LMS

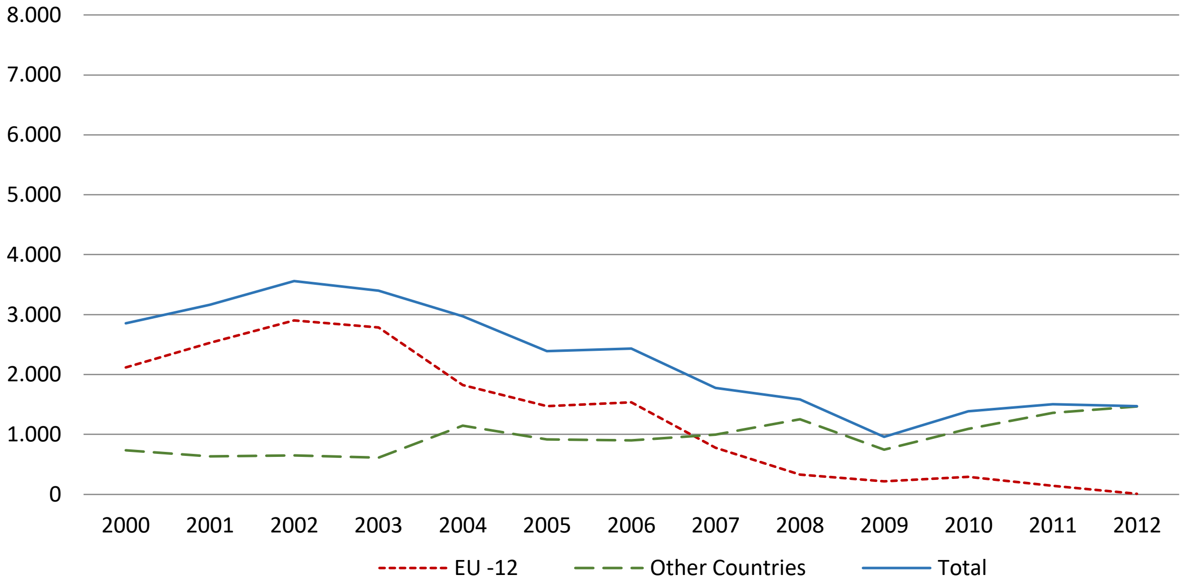
The number of service providers in the protected occupations increased from 2,900 in the year 2000 to a peak of 3,600 in 2002, largely affecting EU-12 countries, and declined thereafter. With the end of transition regulations and the lifting of barriers to services mobility of EU-12 citizens the total numbers declined to 1,500 in 2012. The major third country source countries are, as in the case of liberalized services, Croatia, Bosnia-Herzegovina and Serbia, followed by Russia and India. The major industries in which posted workers are providing their services in protected occupations are business-oriented services, the building industry, manufacturing and arts, sports and entertainment.

Figure 25: Number of posted workers in liberalized services by source region



Source: LMS

Figure 26: Number of posted workers in services protected from competition from third countries and EU-MS for which transition regulations apply



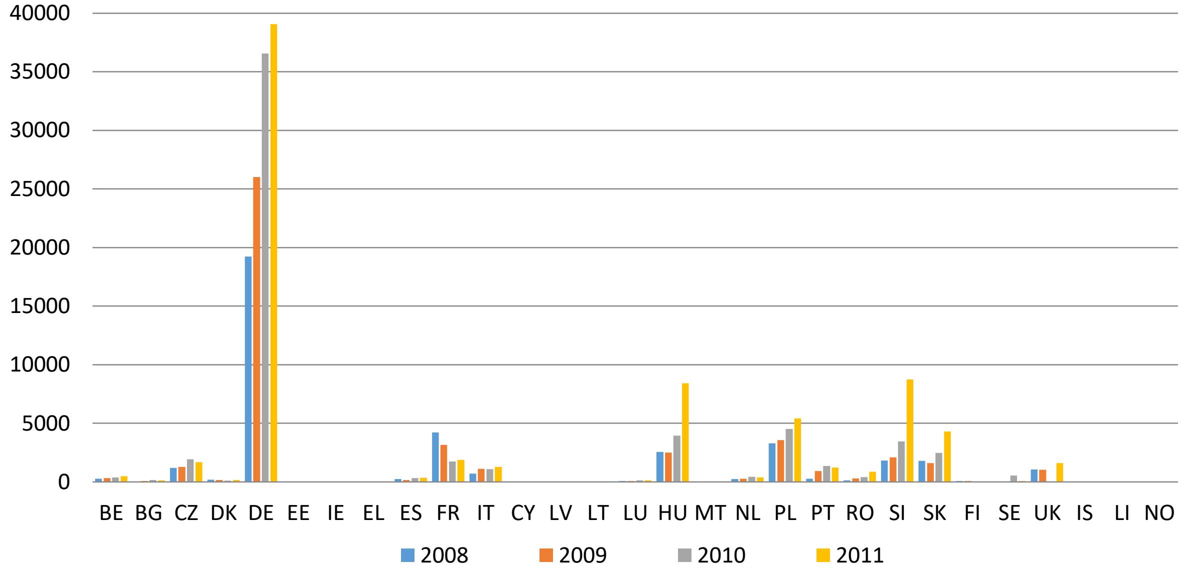
Source: LMS

2 Posted workers in Austria and the EU

While the total number of posted workers from third countries and EU-12-MS during transition regulations is comparatively small, this is not the case for posted workers who enjoy free mobility within the EU. Article 12 of Regulation (EC) No 883/2004 provides the legal basis for posting workers across EU-MS.[50] Its aim is to facilitate the freedom to provide services for the benefit of employers who post workers to Member States other than that in which they are established, as well as the freedom of workers to move to other Member States, e.g., transport workers. Specific regulations pertain to the posting of workers to another Member State for a temporary period and where a person is working in two or more Member States and certain categories of workers such as civil servants. The rules for determining which Member State's legislation is to apply are set out in Articles 11 – 16 of Regulation 883/2004 and the related implementing provisions are set out in Articles 14 - 21 of Regulation 987/20094.

[50] For more see: Rights and rules for posted workers https://ec.europa.eu/social/main.jsp?catId=471

Figure 27: Source countries of posted workers from the EU/EEA in Austria (per number of workers)



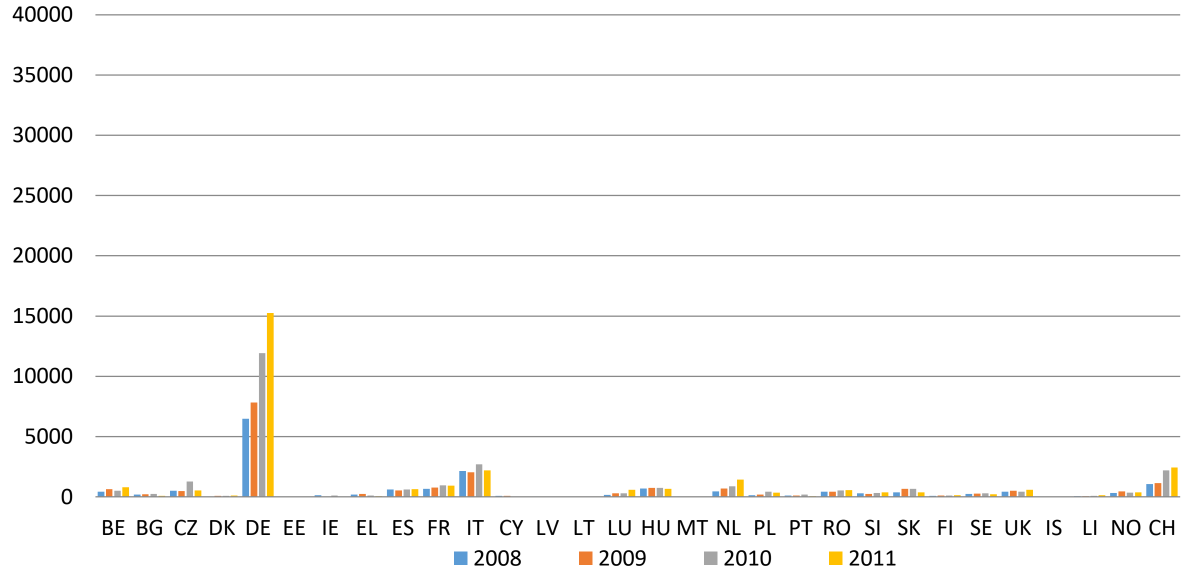
Source: OECD/Eurostat

According to Eurostat/OECD data on posted workers, the total number of posted workers in Austria from another EU-MS or EEA/EFTA country rose from 37,400 in 2008 to 76,300 in 2011, i.e., it more than doubled over a span of 3 years. The proportion of posted workers relative to the total salaried Austrian workforce amounted to 1.4% in 2011; the share has risen to 2.8% in 2015.[51] This is one of the highest shares in the EU, only surpassed by Germany, France and Belgium. In 2011, 1.5 million posted workers were registered in the EU-27; their numbers increased to 2.05 million in 2015. In relation to the total workforce this is somewhat less than 1%. The major source countries of posted workers in Austria are Germany, providing 51% of all posted workers in 2011, followed by Slovenia, Hungary, Poland and Slovakia.

Austria is also a sending country of posted workers. The number of Austrian workers who are posted to another EU/EEA country is also on the rise, from 16,200 in 2008 to 28,800 in 2011. The major destination countries are the major trading partners of Austria, namely Germany, Italy and the Netherlands. In 2011, the number of Austrian posted workers to another EU/EEA state was about a third of the number of workers posted to Austria.

[51] For more see: ec.europa.eu/social/BlobServlet?docId=15181&langId=en

Figure 28: Destination countries of Austrian posted workers in the EU/EEA (per number of workers)



Source: OECD/Eurostat

3 Prospects for posting workers

Given the increasing role of services in employment creation, the numbers of posted workers relative to migrant workers may increase quickly. In view of strict wage regulations and control of working conditions in the case of migrants and the limited controls and controllability of wage and working conditions of posted workers, the posting of workers may actually take precedence over immigration as a strategy of companies to satisfy their labour demands in a flexible way.

The use of posted workers represents yet another facet of the diversification of employment forms, with core workers (insiders) being increasingly complemented by temporary workers (outsiders), who are either employed in leasing firms registered in Austria and working for various companies in Austria or in an enterprise registered in a foreign country but carrying out a specific task/service in Austria, i.e. posted workers.

Given EU-policy to promote unrestricted movement of services, i.e. short-term labour migration regulated by the Services Directive, thereby enforcing Article 28 EC ensuring the entitlement of employers to free movement of goods and services, we may expect a further rise in the latter form of diversification of work.

While the economic benefits from free trade in commodities as one of the four 'fundamental freedoms' are not questioned, the impact of posted work - as distinct from immigration - on labour markets and the welfare system is less clear. In the case of mode 4 temporary migration/services mobility, it is argued by some (Winters et al. 2003) that the economic advantages are more straightforward and similar to the trade in goods and therefore less costly than permanent immigration. In the former, goods come into the country, in the latter, services. According to WTO (2004), the main advantage is derived from the temporary character of posted work, thus avoiding additional costs in terms of infrastructure and social and cultural integration associated with permanent immigration. This judgement is based on the assumption that posted workers, as a special case of temporary migrants, will return to their country of origin. Assuming this will happen, the question remains to what extent the preference of institutions like WTO to services mobility is the result of an underestimation or neglect of the social costs of trade, in particular the impact on working conditions given widely differing wage and employment conditions across EU-MS. In addition, the use of service providers rather than native or immigrant labour may impact on education and career choices of local youth, raising issues of long-term competitiveness. This is argued by Teitelbaum who sees the shift of US students away from science doctorates to MBAs and Law degrees as a result of the rising number of foreign-born science students, who have depressed the wages for post-doctoral researchers in science.

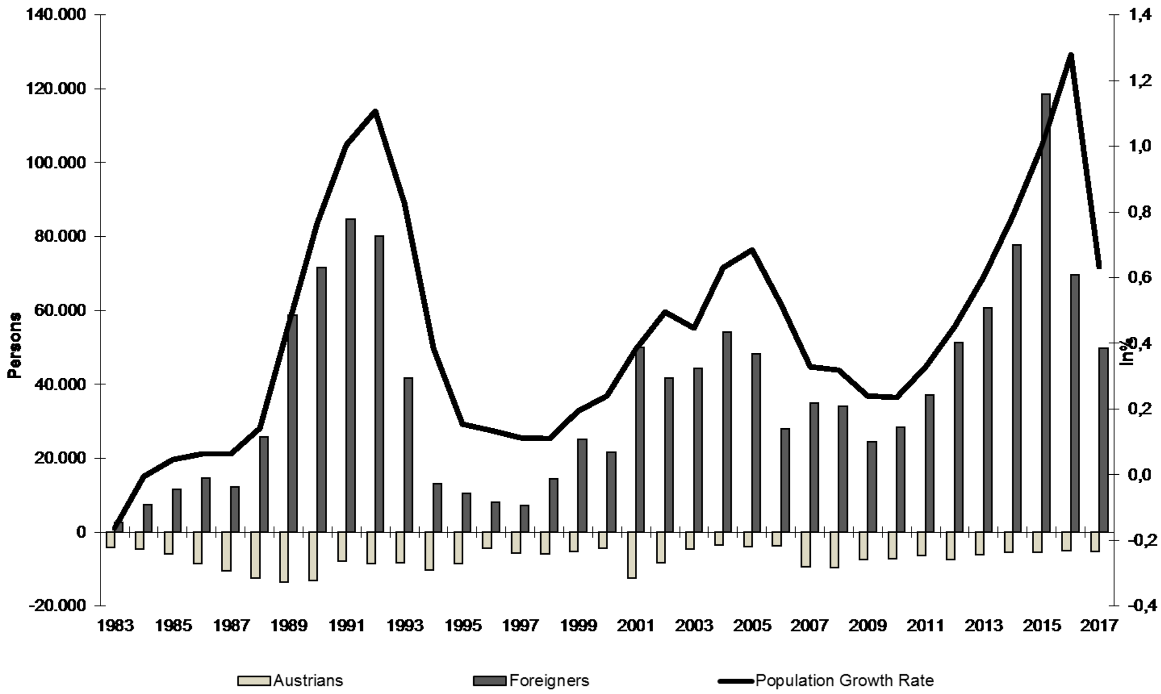
A further factor to be taken into account is that the different bases of the two tax systems, the value added tax which focuses on the final product and the tax of the factor of production, labour, may have a different effect on the productive potential of the economy and the funding of the welfare state - apart from a different impact on tax revenues due to a differing potential for tax evasions. While the value added tax system is fairly harmonised across the EU, this is not the case for labour taxation (income tax and social security contributions), explaining part of the differences in wages between EU-MS. In the case of Austria, labour taxation is the major source of funding of the social security system (health, unemployment, retirement). By encouraging the movement of posted workers in place of migrant workers, employment growth may be negatively affected thereby jeopardising the quality of social services provision. Accordingly, a rising number of posted workers at the cost of employment growth in Austria may raise concerns about the sustainability of the funding system of social services and promote a shift away from employment-based taxes to services taxation.

III. Foreign residents and residents abroad: stocks

1 Foreign residents in Austria

Over the last 30 years the demographic development has been largely determined by migration. Migration is driven by labour and family migration, free mobility of EEA/CH citizens and refugee flows. Natural population growth flowing from fertility and life expectancy (births over deaths) has had little positive influence on the population size since the end of the 1990s, but is beginning to gain weight with the refugee inflows of 2014/16 as refugees tend to originate in countries with high fertility rates. (Table 19)

Figure 29: Net-migration of Austrians and foreigners and total population growth rate 1996-2017



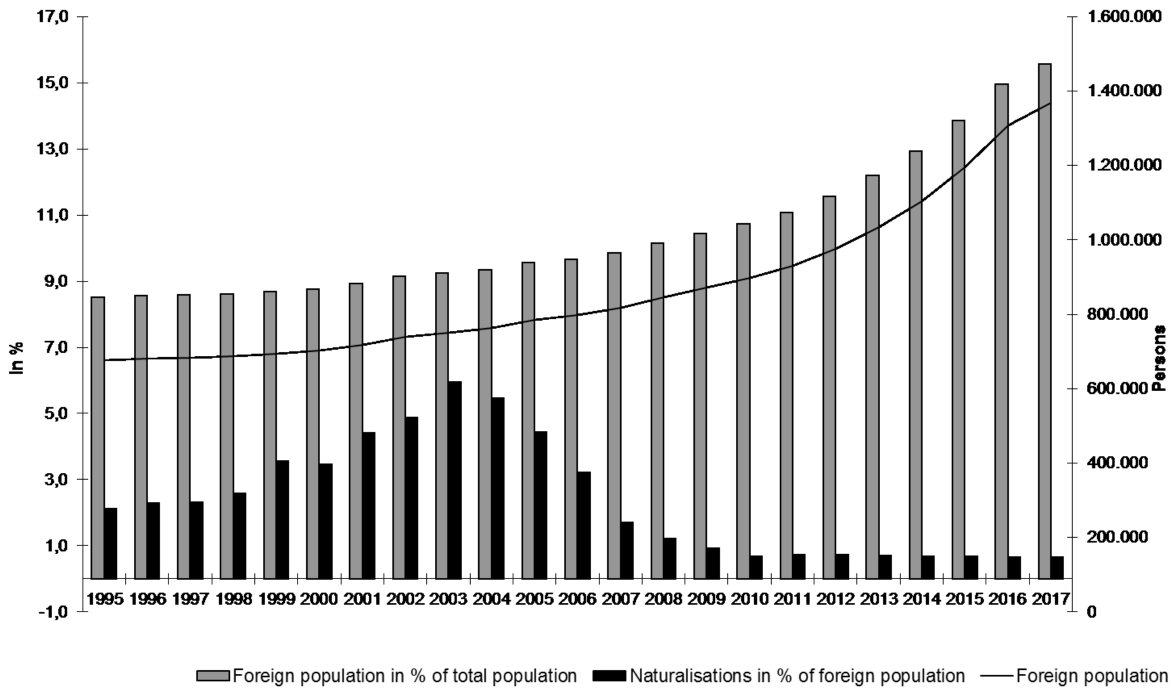
Source: Statistics Austria. Own calculations.

In 2017, 8,795,100 inhabitants were registered in Austria, 251,100 or 2.9 percent more than in 2014[52]. Thus, population growth gained momentum, largely as a result of the refugee inflows of 2015/16. The abrupt rise in population growth in 2015 and 2016 is a result of substantial refugee inflows on top of a continuous dynamic inflow of EU-citizens, largely from the new EU-

[52] The population data series has been revised with register data checks flowing from the census requirements. In order to ensure consistency of data a revision of population data and migration data was necessary (level difference of 35,000 persons by 31.10.2011). The revision affects stocks of population between 1.4.2007 and 1.1. 2012, annual averages of the population series and migration data of 2007-2011. For more see http://www.statistik.at/web_de/statistiken/bevoelkerung/bevoelkerungsstand_und_veraenderung/bevoelkerungs-veraenderung_nach_komponenten/index.html

MS (end of transition regulations of EU-10 in 2011 and of EU-2 in 2013, membership of Croatia in 2013).

Figure 30: Foreign population and naturalisations in % of foreign population 1995-2017



S: Statistics Austria

The rise in population growth from 2009 onwards is almost completely the result of immigration, given a positive balance of births over deaths between 2009 and 2017 of only 17,600 relative to a net migration balance over that time span of 462,300. The positive migration balance between the beginning and end of year has started to pick up in 2000 from 17,300 to a peak in 2004 of 50,800; after that, net immigration slowed down and reached a low of 17,100 in 2009, a result of the international economic crisis which slowed down international migration flows. With the economic upswing in 2010 migration gained momentum again, peaking in 2015 with net immigration of 113,100 as a result of massive refugee inflows, followed by a slowdown of growth to 64,700 in 2016 and 44,600 in 2017 - a consequence of barriers to entry of asylum seekers in Europe in general and Austria in particular. Also, the increased hostility against migrants in the political arena, above all refugees, may have acted as s a deterrent to entry.

Table 19: Foreign residents in Austria

	Population		Population change between beginning and end of year				
	Yearly average	Changes absolute	Total change	Birth-death	Migration	Naturalisation	Stat. Correction
				Total			
1997	7.968.041	9.025	6.150	4.613	1.537	0	
1998	7.976.789	8.748	11.345	2.894	8.451	0	
1999	7.992.323	15.534	19.725	-62	19.787	0	
2000	8.011.566	19.243	18.760	1.488	17.272	0	
2001[1)]	8.042.293	30.727	38.802	691	32.964	0	5.147
2002[2)]	8.082.121	39.828	36.633	2.268	33.294	0	1.071
2003[2)]	8.118.245	36.124	42.300	-265	39.873	0	2.692
2004[3)]	8.169.441	51.196	58.786	4.676	50.826	0	3.284
2005	8.225.278	55.837	52.939	3.001	44.332	0	5.606
2006	8.267.948	42.670	28.686	3.619	24.103	0	964
2007	8.295.189	27.241	25.005	1.625	25.470	0	-2.090
2008	8.321.541	26.352	27.014	2.669	24.650	0	-305
2009	8.341.483	19.942	16.640	-1.037	17.053	0	624
2010	8.361.069	19.586	23.521	1.543	21.316	0	662
2011	8.388.534	27.465	32.957	1.630	30.705	0	622
2012	8.426.311	37.777	43.739	-484	43.797	0	426
2013	8.477.230	50.919	55.926	-196	54.728	0	1.394
2014	8.543.932	66.702	77.140	3.470	72.324	0	1.346
2015	8.629.519	85.587	115.545	1.308	113.067	0	1.170
2016	8.739.806	110.287	72.394	7.006	64.676	0	712
2017	8.795.073	55.267	49.402	4.363	44.630	0	409
				Austrians			
1997	7.284.647	6.090	5.539	-4.650	-5.603	15.792	
1998	7.290.308	5.661	5.784	-6.089	-5.913	17.786	
1999	7.298.368	8.060	10.337	-9.028	-5.313	24.678	
2000	7.309.798	11.430	12.522	-7.483	-4.315	24.320	
2001	7.324.719	14.921	17.320	-7.505	-12.408	31.731	-6.407
2002	7.343.758	19.039	20.141	-5.911	-8.372	36.011	-1.587
2003	7.368.318	24.560	34.837	-7.521	-4.528	44.694	2.192
2004	7.406.950	38.632	38.601	-2.571	-3.402	41.645	2.929
2005	7.439.407	32.457	30.674	-4.333	-3.863	34.876	3.994
2006	7.469.723	30.316	20.573	-3.861	-3.751	25.746	2.439
2007	7.478.511	8.788	105	-5.883	-9.433	14.010	1.411
2008	7.476.961	-1.550	-3.311	-5.620	-9.492	10.258	1.543
2009	7.470.437	-6.524	-6.935	-9.198	-7.388	7.978	1.673
2010	7.464.223	-6.214	-6.103	-7.374	-7.182	6.135	2.318
2011	7.459.004	-5.219	-5.269	-7.591	-6.404	6.690	2.036
2012	7.451.118	-7.886	-9.100	-10.408	-7.414	7.043	1.679
2013	7.443.418	-7.700	-5.920	-10.545	-5.992	7.354	3.263
2014	7.440.084	-3.334	-2.824	-7.973	-5.419	7.570	2.998
2015	7.434.393	-5.691	-6.051	-10.126	-5.450	8.144	1.381
2016	7.431.843	-2.550	-1.862	-6.643	-5.044	8.530	1.295
2017	7.427.234	-4.609	-4.548	-9.393	-5.143	9.125	863
				Foreigners			
1997	683.394	4.648	611	9.263	7.140	-15.792	
1998	686.481	3.087	5.561	8.983	14.364	-17.786	
1999	693.955	7.474	9.388	8.966	25.100	-24.678	
2000	701.768	7.813	6.238	8.971	21.587	-24.320	
2001[1)]	717.574	15.806	25.374	8.196	37.355	-31.731	11.554
2002[2)]	738.363	20.789	16.492	8.179	41.666	-36.011	2.658
2003[2)]	749.927	11.564	7.463	7.256	44.401	-44.694	500
2004[3)]	762.491	12.564	20.185	7.247	54.228	-41.645	355
2005	785.871	23.380	22.265	7.334	48.195	-34.876	1.612
2006	798.225	12.354	8.113	7.480	27.854	-25.746	-1.475
2007	816.678	18.453	24.900	7.508	34.903	-14.010	-3.501
2008	844.580	27.902	30.325	8.289	34.142	-10.258	-1.848
2009	871.046	26.466	23.575	8.161	24.441	-7.978	-1.049
2010	896.846	25.800	29.624	8.917	28.498	-6.135	-1.656
2011	929.530	32.684	38.226	9.221	37.109	-6.690	-1.414
2012	975.193	45.663	52.839	9.924	51.211	-7.043	-1.253
2013	1.033.812	58.619	61.846	10.349	60.720	-7.354	-1.869
2014	1.103.848	70.036	79.964	11.443	77.743	-7.570	-1.652
2015	1.195.126	91.278	121.596	11.434	118.517	-8.144	-211
2016	1.307.963	112.837	74.256	13.649	69.720	-8.530	-583
2017	1.367.839	59.876	53.950	13.756	49.773	-9.125	-454

S: Statistics Austria. 1) Statistical correction of Census 2001 data by 10,545 for annual average. 2) Statistical correction: elimination of inconsistences of balace of birth according to natural population develepment in the central population register (POPREG) and stock-flow

Apart from economic growth, the migration flows of the years of 2000 are marked by at times opposing driving forces: Eastern enlargement of the EU acted on the one hand as a motor of inflow dynamics (raising inflows to +50,800 in 2004), while migration policy reforms of 2005 tended to reduce family reunification inflows in 2006; the introduction of the r-w-r-card and r-w-r-plus card in 2011, however, raised third country inflows.

Accordingly, immigration continues to be high from old and new EU member states as well as more distant regions of the world. The most recent boost to population growth was the result of the refugee crisis in the wake of the Syrian civil war, the one of the early 1990s of the falling apart of Yugoslavia.

Natural population growth, i.e., the balance of births and deaths, has picked up in 2004 temporarily, partly linked to immigration, but has become somewhat volatile since; while natural population growth of foreigners keeps rising since 2004, reaching a peak in 2017 with +13,800, it has been negative for Austrian citizens for more than 20 years.

Naturalisations

Impact of reform of the citizenship law

The number of naturalisations is declining rapidly since 2003, as the echo-effect of the large population inflows of the late 1980s and early 1990s - which was linked to the fall of the Iron Curtain and the demise of Yugoslavia - with the ensuing uptake of Austrian citizenship after 10 years of legal residence came to an end. In the course of the year 2017, 9,100 foreigners adopted the Austrian citizenship, almost the same as in 2008. This amounts to a naturalisation rate of 0.7 percent (naturalisations in % of foreign population). This means that the naturalisation rate has remained stable and low for eight consecutive years. The decline by 5.3 percentage points relative to 2003 had been the result of three factors – **the reform of the citizenship law (2005)**, the end of the echo effect, and the enlargement of the European Union - as long as the citizens of the 'new' EU-MS were third country citizens they tended to adopt the Austrian citizenship in order to enjoy the advantages of EU-citizenship. This is no longer necessary, given EU-citizenship and with it full participation in citizenship rights. Accordingly, the largest numbers of naturalisations (46% in 2017) are from non-EU- European third-countries, including Turkey, followed by persons from Asia (23% in 2017).

To acquire Austrian citizenship has become more difficult for third country immigrants with the reform 2005, e.g. because of the requirement, in case of marriage with an Austrian, 5 years of marriage and a minimum period of residence in Austria (6 years) as well as financial means to support oneself have to be proven. This is why the Expert Council on Integration to the Ministry of the Interior proposed to **promote take-up of Austrian citizenship by making naturalisation more readily accessible under certain condition**s. The political debate was heated on this issue – in particular the linkage of preferential access to citizenship if civil engagement, e.g. participation in voluntary social work, could be proven. The reform of citizenship law passed the ministerial council in April 2013 and came into effect on August 1, 2013. The expert council contributed to the reform of the citizenship test[53], focusing on values rather than factual historic knowledge, and the implementation of a website on citizenship[54]. **The amendment to the citizenship law introduced a reduced waiting period for citizenship (from 10 to 6 years) if a high degree of 'integration', be it economic, social or cultural, can be proven.** The law identifies good German language competence (at B2 level of the Common European Reference Framework for languages) together with a self-sufficient economic situation (no take-up of social assistance payments) as an indicator of integration. Should the German language proficiency be lower, proof of helping non-profit organisations which serve the community (e.g. the voluntary fire brigade, Red-Cross or the Samaritans, to name only some) for three years also suffices or three years of work in education, health or social services or as an official of an interest group. In order to facilitate the understanding of the Austrian

[53] The new test has become the standard by November 1, 2013.

[54] For more see http://www.staatsbuergerschaft.gv.at/index

codified value system a Reader (Rot-Weiss-Rot-Fibel 2013) on the Austrian values was developed, based on the constitution and civil law (focus on philosophy of Law). In addition, a website has been implemented which allows potential migrants to test their eligibility.[55] **The reform of Alien Legislation in 2018 (FRÄG 2018) raised the waiting period for eligibility for Geneva Convention-refugees again from the former 6 years to 10 years.**

The net effect of the diverging developments of migration, balance of births over deaths and naturalisations, on the number of inhabitants in Austria continues to be positive (annual average 2017: +55,300, +0.6%). The demographic composition of the population is changing, however. The numbers of Austrian citizens started to decline in 2008, on the one hand because of restrictions on the acquisition of citizenship, on the other because of the rising numbers of EU citizens in the Austrian population – the latter tend not to have a major incentive to take up Austrian citizenship. The declining trend continued into 2017, when the number of Austrians fell to 7,427,200 (-4,600 vs 2016). In contrast, the number of foreigners continues to rise. In 2017, the foreign population increased by 59,900 or 4.6% to 1,367,800. The proportion of foreigners in the total population has as a consequence risen to 15.6 % in 2017, after 15 percent a year ago. (Figure 30)

Naturalisations, trends and composition

The rate of naturalisations follows with a certain time lag the waves of immigration. It increased in the course of the 1970s, in the wake of the consolidation of foreign worker employment, family reunion and eventual settlement.

Table 20: Naturalisations in Austria

	Former nationality					
	Former Yugoslavia	Central and Eastern European Countries	FRG	Turkey	Total	Women
1972	0,941	1,087	2,114	.	6,017	4,049
1973	0,952	1,496	1,876	.	6,183	4,025
1974	0,967	1,423	2,215	.	6,648	4,391
1975	1,039	1,297	2,546	.	7,139	4,581
1976	1,103	1,262	2,563	.	7,545	4,666
1977	1,369	1,042	2,374	.	7,405	4,294
1978	1,217	1,107	2,106	.	6,942	4,129
1979	1,432	1,327	2,103	.	7,754	4,555
1980	1,839	1,453	2,210	.	8,602	4,995
1981	1,517	1,555	1,960	.	7,980	4,822
1982	1,204	1,591	1,946	0,301	7,752	4,835
1983	2,262	1,777	2,804	0,306	10,904	6,404
1984	1,428	1,129	2,589	0,323	8,876	4,006
1985	1,449	1,368	2,091	0,296	8,491	4,025
1986	1,463	2,191	2,299	0,334	10,015	4,752
1987	1,416	1,847	1,381	0,392	8,114	3,955
1988	1,731	1,985	1,125	0,509	8,233	4,012
1989	2,323	1,664	0,886	0,723	8,470	4,305
1990	2,641	2,118	0,517	1,106	9,199	4,704
1991	3,221	2,413	0,455	1,809	11,394	5,685
1992	4,337	1,839	0,410	1,994	11,920	6,033
1993	5,791	1,858	0,406	2,688	14,402	7,490
1994	5,623	2,672	0,328	3,379	16,270	8,394
1995	4,538	2,588	0,202	3,209	15,309	7,965
1996	3,133	2,083	0,140	7,499	16,243	8,604

[55] http://www.staatsbuergerschaft.gv.at/index.php?id=3#&panel1-1

1997	3,671	2,898	0,164	5,068	16,274	8,600
1998	4,151	3,850	0,157	5,683	18,321	9,532
1999	6,745	3,515	0,91	10,350	25,032	12,649
2000	7,576	4,758	0,102	6,732	24,645	12,415
2001	10,760	5,155	0,108	10,068	32,080	15,872
2002	14,018	4,062	0,091	12,649	36,382	17,898
2003	21,615	4,098	0,107	13,680	45,112	22,567
2004	19,068	3,523	0,137	13,024	41,645	20,990
2005	17,064	2,666	0,139	9,562	35,417	17,848
2006	12,886	2,165	0,128	7,549	26,259	13,430
2007	9,362	1,141	0,113	2,077	14,041	7,600
2008	6,031	0,948	0,067	1,664	10,258	5,455
2009	4,181	0,802	0,174	1,242	7,978	4,222
2010	3,167	0,525	0,140	0,937	6,190	3,263
2011	2,837	0,619	0,118	1,181	6,754	3,608
2012	2,855	0,512	0,113	1,200	7,107	3,832
2013	2,648	1,223	0,129	1,108	7,418	3,927
2014	2,593	1,382	0,196	0,885	7,693	4,073
2015	2,566	1,437	0,160	0,998	8,265	4,432
2016	2,973	1,372	0,195	0,820	8,626	4,623
2017	2,814	1,257	0,244	0,779	9,271	4,835

Source: Statistics Austria, Statistical Handbook of the Republic of Austria.

It declined in the early 1980s and fluctuated at a relatively low level of 2.2 percent of the foreign population between 1987 and 1995. Thereafter, the naturalisation rate rose, reaching the peak in 2003 with 5.9 percent of the foreign population; after that peak the naturalisation rate declined again, reaching a low of 0.7 percent in 2011. Since then the proportion has remained unchanged. (Table 20)

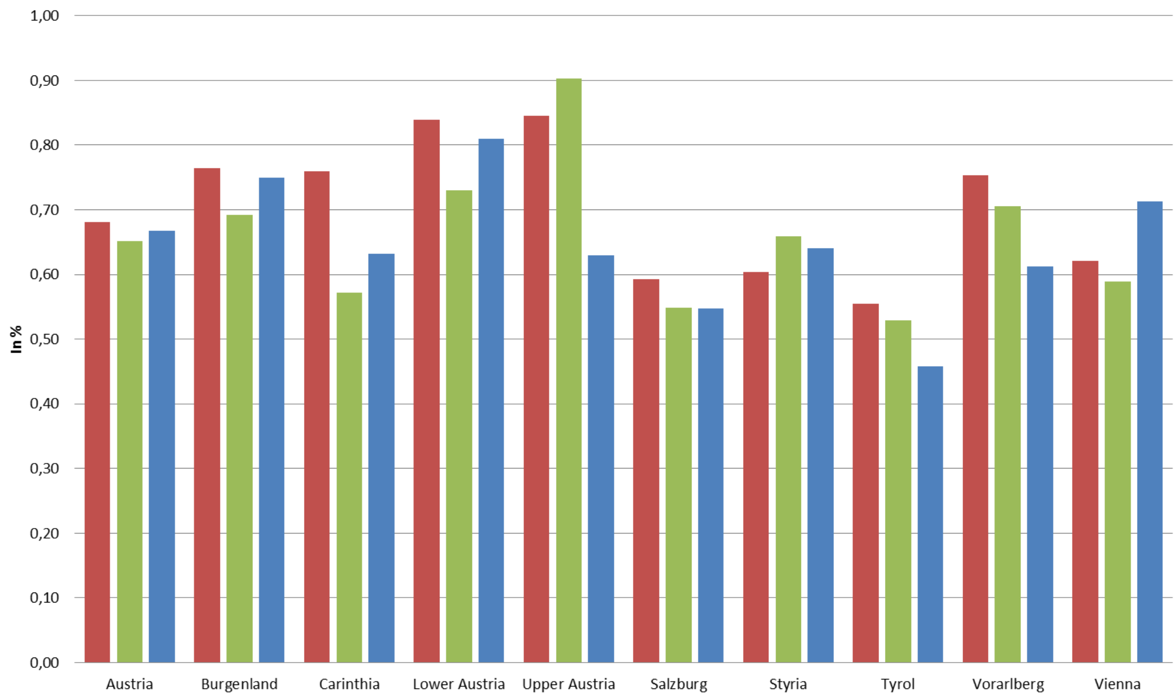
During 2017 9,271 persons adopted the Austria citizenship of whom 146 who lived abroad. All in all some 133 nationalities adopted the Austrian citizenship. In 2017, 52% of naturalisations went to four source regions: Turkey (800), former Yugoslavia excluding Slovenia (2,800) and Central and Eastern European countries (1,300).

In 2017, 57% of all naturalisations were given on the basis of a legal entitlement. As to the age composition of the naturalised persons: 36% were under the age of 18, 62% in the main working age (18-59) and a small number was over 60 (1.2%). The law regulating naturalisation specifies that foreigners may apply for citizenship after 10 years of legal residence. The legislative reform of 2013 reduced the average period for naturalisations, which may have contributed to the increase in the last two years. Citizens of the EU/EEA may apply for Austrian citizenship after 4 years of residence, in contrast to citizens of third countries who have to prove 10 years of residence unless they can document a high degree of 'integration', as mentioned above.

In 2017, 42% of all naturalisations went to Vienna, more than the share of Vienna in the total population which stands at 21%, but less than the share of Vienna in the foreign population, which amounts to 40% in 2017. Upper and Lower Austria are second in line with 12.9 respectively 11.9% of all naturalisation in 2017. As a consequence of different regional patterns of residence of foreigners by country of origin, legal status and propensity to adopt the Austrian citizenship, the naturalisation rate differs by region (Bundesland). It can be taken from Figure 31 that Carinthia, Tyrol, Salzburg and Vienna have below average naturalisation rates while Upper Austria and Vorarlberg have above average naturalisation rates. The development over time differs between the regions: while the national average is on a slight decline between 2014 and 2016, remaining stable in 2017, there is no clear trend in the various Bundesländer. The communities have a certain discretionary power in granting citizenship. The largest number of naturalisations goes to first generation migrants (5,900 or 64%). Refugees (Geneva Convention) are increasingly taking up Austrian citizenship: in 2017 1,252 or 13.7% of all naturalisations.

In 2017, of the 9,125 naturalised citizens residing in Austria more than half (53%) were women. Apart from general regulations, citizenship may be granted to persons who have rendered special service to the Austrian State (§10(6) StbG), this may include special talents, e.g., artists, high achievers in sports, science, business, etc. This regulation has been overhauled in 2014 in the wake of 'misunderstandings' of regional decision-makers about the actual services rendered.[56] In no way can it me an honorary title; the qualifications and services rendered have to be made transparent to ensure protection against potential misuse of this fast track citizenship category. In 2017 19 persons (after 27 in 2016) received Austrian citizenship outside the normal procedures for foreigners on the basis of special services rendered to the Republic of Austria.

Figure 31: Naturalisation rate (naturalisations in % of foreign population) by region (Bundesländer)



S: Statistics Austria, own calculations.

Between 1991 and 2017 480,900 foreigners took up Austrian citizenship, about two third from the traditional recruitment areas of migrant workers, the region of former Yugoslavia (181,300, 38 percent) and Turkey (127,900, 27 percent). In contrast, over the period 1980 to 1990, 96,600 foreigners were naturalised, of whom 25 percent from the above countries of origin. Then Germans and citizens of the former 'Eastern Block' were the main contenders.

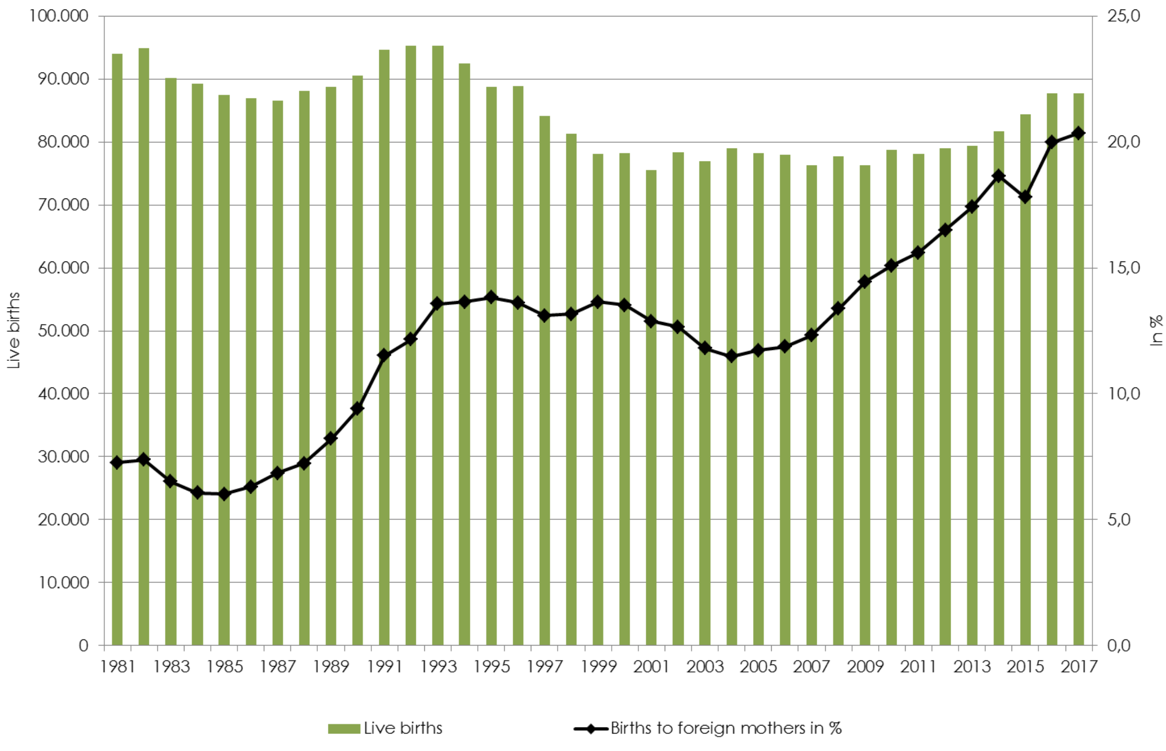
[56] For more see http://www.bmi.gv.at/406/verleihung.aspx

2 Live births of Austrian and foreign women

The number of births in Austria has been declining more or less continuously between 1992 and 2001, when a turning point was reached and births started to rise again - until 2004. After that the numbers of live births to Austrian women resumed the declining trend which lasted until 2014. Since then numbers are rising again, partly due to naturalisations of third country migrant women. Accordingly, the number of births to foreign women followed a rising trend with short periods of decline, e.g. between 1993 and 2003. Since then the number and proportion of births to foreign mothers has been rising, reaching 20.4% in 2017. (Figure 32)

The total number of live births has been declining from a peak of 95,300 in 1992 to 88,700 in 1995. It stabilised somewhat thereafter but took a further dip in 1997 with the decline lasting until 2001. In 2002 the number of live births increased again to 78,400, and remained more or less at this level until 2013. From 2014 onwards, the number of live births rose again, reaching a peak of 87,700 in 2016 (+3,300 or 3.9% versus 2015). Until 2013, the rise in the number of live births had been solely attributable to mothers with non-Austrian citizenship. But from 2014 onwards also Austrian women exhibited a rise in live births. The total number of births to Austrian mothers amounted to 68,200 in 2016 compared to 19,500 live births to foreign women.

Figure 32: Live births of native and foreign women 1981-2017



Source: Statistics Austria.

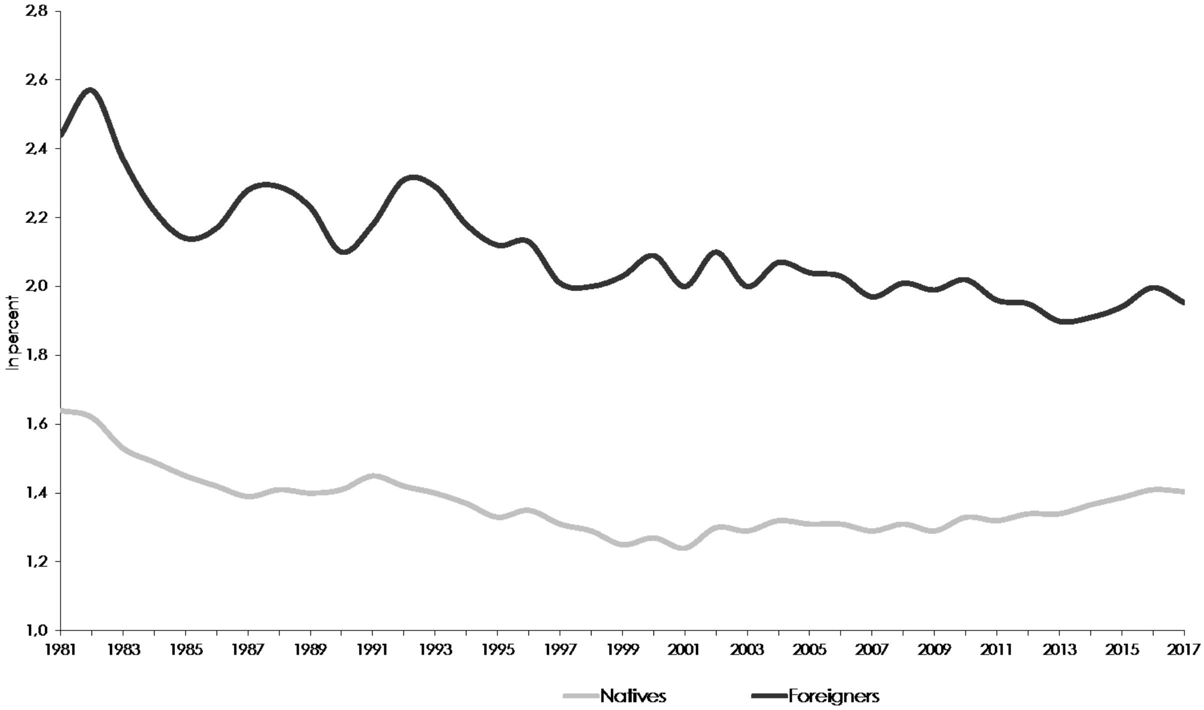
The increase in the number of live births between 1988 and 1992 had thus been temporary; it was the consequence of an above average inflow of young migrant women who had an above average fertility rate relative to Austrian women (Figure 33). The declining number of births since then has to be seen as a result of the declining fertility rate of Austrian and foreign women. The fertility rate of Austrian women has stabilised in 1999 at 1.25, while it declined slightly in the case of foreign women from 2.10 1998 to 1.99 in 2001. In 2002 the fertility rate of both, Austrian and foreign women, increased slightly. Since then the difference between the rates of Austrian and foreign women remained fairly stable but increased again in 2017 with the fertility rate of foreign women rising more than proportionately (2017: 1.40 for Austrian and 1.95 for foreign women). Thus, the rise of the total fertility rate from a low of 1.39 in 2007 to 1.52 in 2017 is largely a result of the inflow of migrant women.

Figure 33: Live births to native and foreign women 1981-2017

Figure 34 indicates that the fertility rate of foreign women is around the reproduction rate with 1.95 in 2017, somewhat lower than the rate of women from former Yugoslavia (2.13 in 2017), while the rate of Austrian women is clearly below the reproduction rate (2017 1.40); the fertility rate of Turkish women is above the reproduction rate; it is somewhat unstable over time – it was more or less stagnating between 2007 and 2011 at 2.69, but took a strong dip in 2012 to 2.24. Since then the fertility rate is on the increase again, reaching 2.29 in the year 2017. Third-country women tend to have an above average fertility rate and are on the rise (from 2.26 in 2014 to 2.53 in 2017). In contrast, women from the EEA/CH tend to take an intermediate position and slightly rising (from 1.56 in 2014 to 1.58 in 2017).

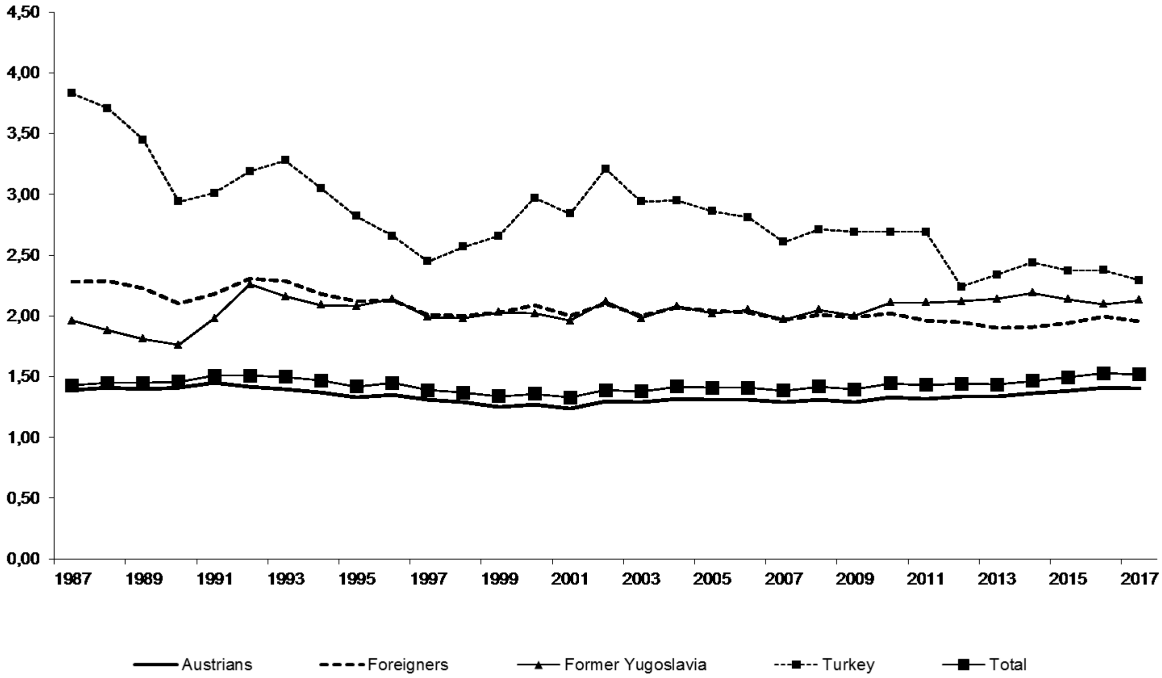
The increasing number of foreign births between 1992 and 1995 was the result of a rising number of young and medium aged foreign women and not the consequence of a rise in the fertility rate of foreign women in Austria. The fertility rate of foreign women decreased over this time span (1992-2001) from 2.37 children per woman to 1.99, i.e., by 13.9 percent.

Figure 34: Total fertility rate of native and foreign women (average number of children per woman) 1981-2017



S. Statistics Austria.

Figure 35: Total fertility rate of Austrian and foreign women by major source region
Average number of children per woman (1987-2016)



Source: Statistics Austria.

The fertility rate of Austrian women has decreased between 1992 and 2001 by 12.7 percent to 1.24 children per woman. The slight increase in the fertility rate of both native and foreign women in 2002 was short lived and may have been motivated by the reforms of parental leave and increased family allowance, but under certain restrictive eligibility criteria.

4 Foreign born population

Since 2001 (census) Statistics Austria provides information on the population with migrant background (foreign born). In January 2018, 19.2 percent of the Austrian population were first generation migrants (1,697.1 million of a total of 8.8 million inhabitants), compared to 14.7% in 2007 and 12.5% in 2001. (Table 21)

Table 21: Foreign born at the beginning of the year: 2007 - 2018

Country of birth	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	**8.351.643**	**8.375.164**	**8.408.121**	**8.451.860**	**8.507.786**	**8.584.926**	**8.700.471**	**8.772.865**	**8.822.267**
Austria	7.076.156	7.080.458	7.085.038	7.087.089	7.093.162	7.100.331	7.105.748	**7.116.599**	**7.125.144**
Foreign	1.275.487	1.294.706	1.323.083	1.364.771	1.414.624	1.484.595	1.594.723	**1.656.266**	**1.697.123**
Foreign born in %	15,3	15,5	15,7	16,1	16,6	17,3	18,3	18,9	19,2
of Whom									
EU/EEA	**571.175**	**585.276**	**604.075**	**628.256**	**658.292**	**697.257**	**730.025**	**755.824**	**778.487**
(EU-14)	257.355	264.251	270.324	278.045	286.996	295.149	304.626	311.866	317.989
Germany	191.207	196.885	201.366	205.868	210.735	214.998	219.943	223.953	227.790
MS since 2004 (EU-13)	299.023	305.980	318.559	334.867	355.817	386.395	409.402	427.713	443.963
EEA/CH, Ass.States	14.797	15.045	15.192	15.344	15.479	15.713	15.997	16.245	16.535
Non-EU-MS	**704.312**	**709.430**	**719.008**	**736.515**	**756.332**	**787.338**	**864.698**	**900.442**	**918.636**
By continents									
Other Europe	525.982	528.856	531.484	537.760	547.128	558.673	569.429	577.595	586.229
Former Yugoslavia	329.128	330.373	331.096	334.004	340.815	348.915	356.318	362.181	368.961
Turkey	157.847	158.535	158.683	159.185	159.958	160.039	160.184	160.371	160.313
Others	39.007	39.948	41.705	44.571	46.355	49.719	52.927	55.043	56.955
Africa	40.092	40.090	41.058	42.352	43.784	46.597	50.739	53.961	54.932
America	29.232	29.783	30.490	31.475	32.606	33.731	35.146	36.233	37.577
Asia	105.916	107.684	112.927	121.473	129.581	143.981	199.859	222.297	230.257
Oceania	2.504	2.535	2.622	2.687	2.824	2.884	3.011	3.098	3.137
Unknown	586	482	427	768	409	1.472	6.514	7.258	6.504

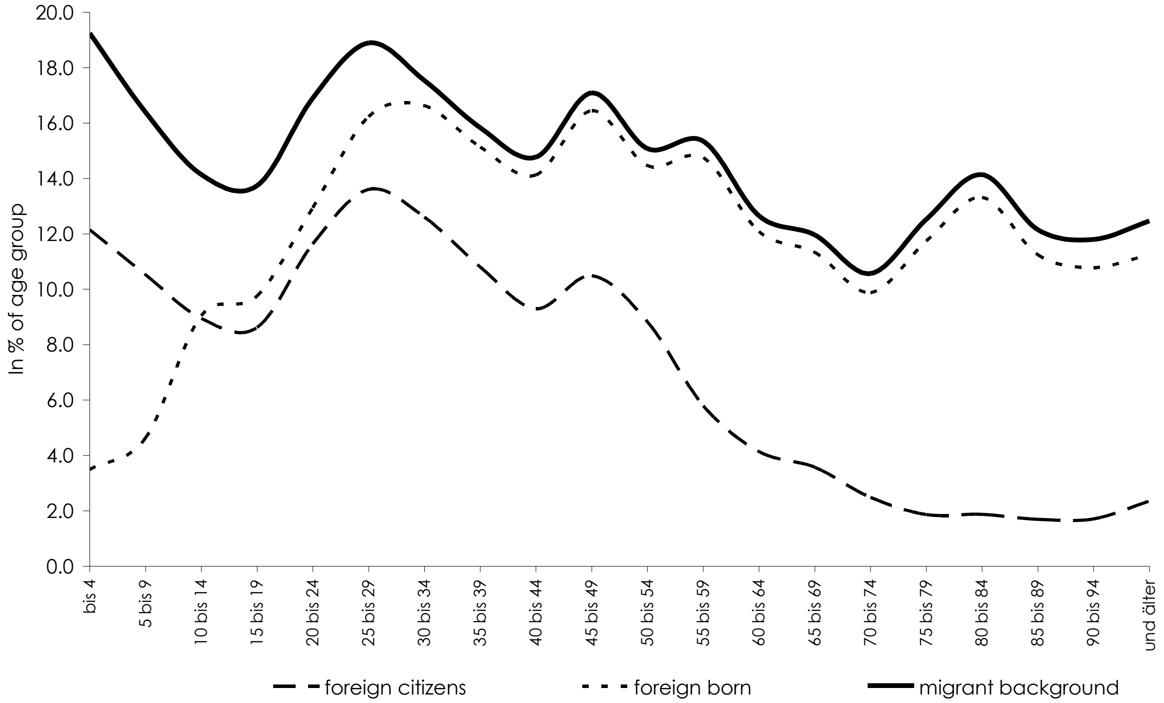
S:STATISTIC AUSTRIA.
Former Yugoslavia except Slovenia, 2014/15 except Croatia

The most important source regions of migrants to Austria continue to be from third countries; they are, however, losing terrain to citizens from the European Economic Area. In January 2018 918,600 or 54% of the foreign born were from third countries compared to 62% in 2002, before EU enlargement. The major source regions are from former Yugoslavia: excluding Croatia and Slovenia this group of foreign-born migrants accounts for 369,000 or 40% of third country foreign born, followed by Turkish migrants (160,300 or 17.5% of foreign born third country migrants). Of the 778,500 foreign born from the EEA (46% of all foreign born in January 2018) the largest group is from the new EU-MS, the EU-13, namely 444,000 or 57%, followed by the 'old' EU-MS, the EU-14 states, with 318,000 or 41%. A fairly small number originates from the small associated states of the EEA, namely 16,500 or 2.1%. The most important source countries of foreign born from the EU-13 are Romania (113,300), followed by Poland (75,100) and Hungary (75,800). The largest country of origin of EU-14 foreign born is from Germany with 227,800 or 72% of all EU-14 foreign born.

The combination of foreign born with foreign citizenship allows a further differentiation of persons with migrant background, namely second-generation migrants who were born in Austria to first generation migrants and who continue to be foreign citizens. This number amounted to 206,300 or 14.8 percent of the total foreign resident population in January 2018. Accordingly, the proportion of first-generation migrants plus second-generation migrants born in Austria with foreign citizenship amounted to 21.7 percent of the total population (1.9 million) in January 2018.

In contrast, in 2001, according to census data, the proportion of foreign born plus foreign citizens born in Austria amounted to 1.1 million or 13.9%. In the census data of 2001 one may identify a larger number of second-generation migrants, namely by taking persons into account who are migrants and who speak another language than German at home and who are either born abroad or whose parents are born abroad. This procedure represents an underestimation of migrants, as Germans are excluded from that data (we also excluded French, English and Spanish speaking people). But still, we can obtain an estimation of the migrant population differentiated by birth cohort. With that procedure, the proportion of persons with migrant background amounted to 15.4 percent in 2001, compared to 11.2 percent foreign born and 13.9% taking country of birth and foreign citizenship into account.

Figure 36: Foreign citizens, foreign born and persons with migration background in percent of total population in Austria in 2001



Source: Statistics Austria, Own calculations.

Figure 36 informs about the age structure of migrants in relation to the native population in 2001; it indicates that the proportion of persons with migrant background (as defined above) is not spread evenly across age groups, as immigrants tended to enter in waves[57].

[57] For a detailed analysis and methodological issues see *Biffl et al.* (2008).

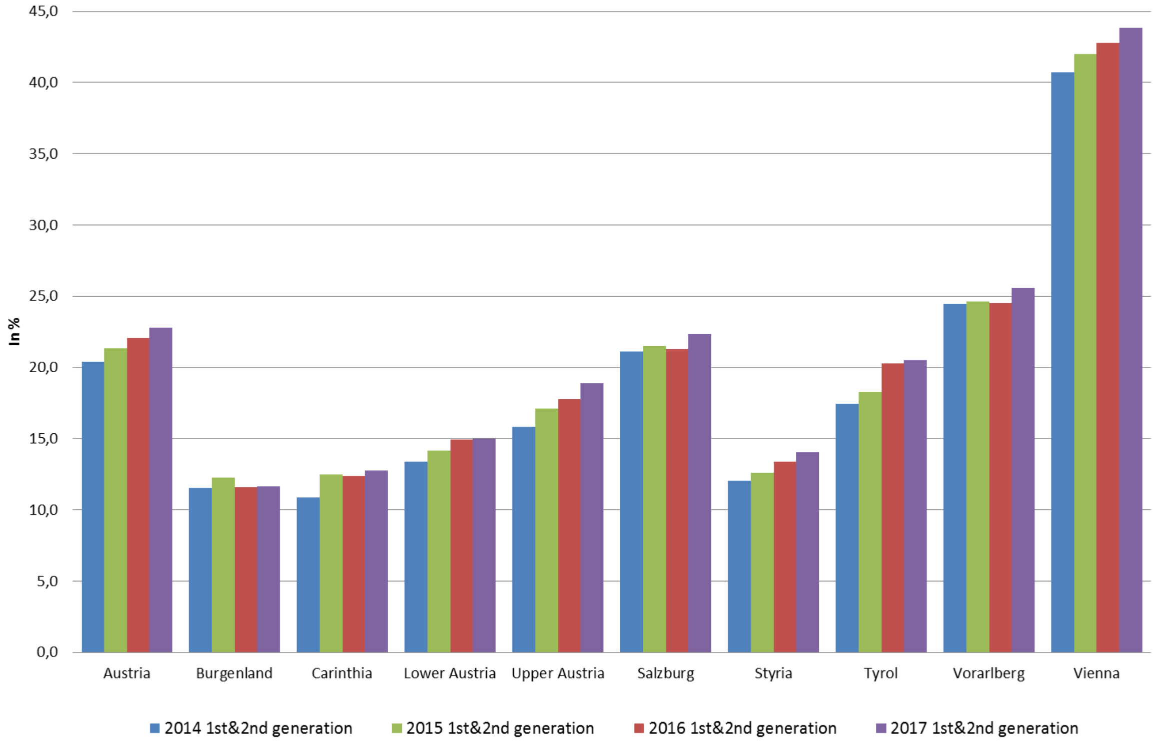
Table 22: Population by citizenship and country of birth: 2001-2018

Country of Birth	Total	by Citizenship		Total	By Citizenship	
		Austrian	Non-Austrian		Austrian	Non-Austrian
	absolute numbers			in %		
			15.05.2001			
Total	8.032.926	7.322.000	710.926	100,0	91,1	8,9
Austria	7.029.527	6.913.512	116.015	87,5	86,1	1,4
Abroad	1.003.399	408.488	594.911	12,5	5,1	7,4
			01.01.2007			
Total	8.282.984	7.478.205	804.779	100,0	90,3	9,7
Austria	7.067.289	6.951.007	116.282	85,3	83,9	1,4
Abroad	1.215.695	527.198	688.497	14,7	6,4	8,3
			01.01.2008			
Total	8.307.989	7.478.310	829.679	100,0	90,0	10,0
Austria	7.072.311	6.951.625	120.686	85,1	83,7	1,5
Abroad	1.235.678	526.685	708.993	14,9	6,3	8,5
			01.01.2009			
Total	8.335.003	7.474.999	860.004	100,0	89,7	10,3
Austria	7.074.726	6.949.422	125.304	84,9	83,4	1,5
Abroad	1.260.277	525.577	734.700	15,1	6,3	8,8
			01.01.2010			
Total	8.351.643	7.468.064	883.579	100,0	89,4	10,6
Austria	7.076.156	6.945.083	131.073	84,7	83,2	1,6
Abroad	1.275.487	522.981	752.506	15,3	6,3	9,0
			01.01.2011			
Total	8.375.164	7.461.961	913.203	100,0	89,1	10,9
Austria	7.080.458	6.942.405	138.053	84,5	82,9	1,6
Abroad	1.294.706	519.556	775.150	15,5	6,2	9,3
			01.01.2012			
Total	8.408.121	7.456.692	951.429	100,0	88,7	11,3
Austria	7.085.038	6.939.893	145.145	84,3	82,5	1,7
Abroad	1.323.083	516.799	806.284	15,7	6,1	9,6
			01.01.2013			
Total	8.451.860	7.447.592	1.004.268	100,0	88,1	11,9
Austria	7.087.089	6.933.596	153.493	83,9	82,0	1,8
Abroad	1.364.771	513.996	850.775	16,1	6,1	10,1
			01.01.2014			
Total	8.507.786	7.441.672	1.066.114	100,0	87,5	12,5
Austria	7.093.162	6.929.526	163.636	83,4	81,4	1,9
Abroad	1.414.624	512.146	902.478	16,6	6,0	10,6
			01.01.2015			
Total	8.584.926	7.438.848	1.146.078	100,0	86,7	13,3
Austria	7.100.331	6.928.366	171.965	82,7	80,7	2,0
Abroad	1.484.595	510.482	974.113	17,3	5,9	11,3
			01.01.2016			
Total	8.700.471	7.432.797	1.267.674	100,0	85,4	14,6
Austria	7.105.748	6.923.921	181.827	81,7	79,6	2,1
Abroad	1.594.723	508.876	1.085.847	18,3	5,8	12,5
			01.01.2017			
Total	8.772.865	7.430.935	1.341.930	100,0	84,7	15,3
Austria	7.116.599	6.922.702	193.897	81,1	78,9	2,2
Abroad	1.656.266	508.233	1.148.033	18,9	5,8	13,1
			01.01.2018			
Total	8.822.267	7.426.387	1.395.880	100,0	84,2	15,8
Austria	7.125.144	6.918.831	206.313	80,8	78,4	2,3
Abroad	1.697.123	507.556	1.189.567	19,2	5,8	13,5

S: STATISTICS AUSTRIA, Census (2001), PopReg since 2007.

The situation of the first and second generation migrants is increasingly the focus of policy, making integration a key policy issue in regions with a long tradition of immigration, above all Vienna, Vorarlberg, Upper Austria and Lower Austria. Differentiated analyses of the situation of immigrants are being undertaken, e.g., for Vienna, Lower Austria and Burgenland (*Biffl et al.,* 2008/ 2009)

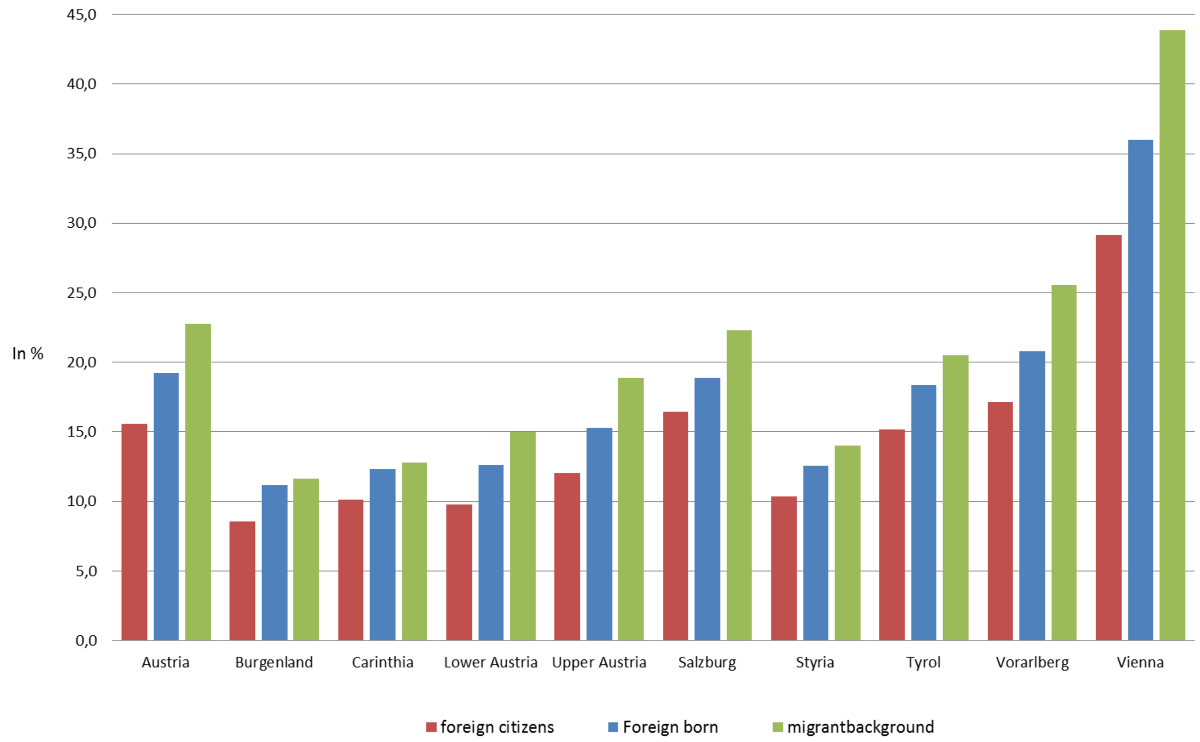
Figure 37: First and second generation migrants as a proportion of total population by region in Austria in %: 2014/15/16/17



Source: Statistics Austria, LFS. Own calculations.

Another source of information on foreign born is the Labour Force Survey which informs about 'migrant background' since 2008. According to this data source, the share of foreign born in the population has consistently been some 2 percentage points lower than the proportion of foreigners or the foreign born in the population register (POPREG). In 2017 (annual average), the share of foreign born according to the LFS amounted to 17% (compared to 19.2% of the population register by 1.01.2018). The numbers amounted to 1.470 million (rather than 1.697 million in the population register of January 2018). The number of second generation migrants (both parents born abroad) amounted to 500,800 or 25.4% of the migrant population. Thus, according to the LFS, the proportion of first and second generation migrants taken together amounted to 22.8% of the Austrian population in 2017. (Figure 37)

Figure 38: Foreign born, foreign citizens and persons with migrant background (first and second generation migrants) in % of total population by region (2017)



Source: Statistics Austria, LFS 2016, Population average 2016. Own calculations.

If one combines the information of the various sources, i.e. the population register (foreign born and foreign citizenship) and the Labour Force Survey (migrant background), one can see the impact of naturalisations and thus of the duration of stay of migrants and the differing behaviour patterns of migrants relative to citizenship uptake. The share of foreign citizens in the total population is lower than the share of first generation migrants in the total population (foreign born), which in turn is surpassed by persons with migrant background, i.e. first plus second generation migrants. (Figure 38)

In Austria, the city of Vienna has a long tradition of immigration with on average 43.9% of the population having a migration background (first and second generation migrants). In contrast, Burgenland, the easternmost region, and Styria in the South have relatively small numbers of migrants as immigration is a relatively recent phenomenon.

Composition of migrants by source region, age, gender and timing of immigration

According to the LFS of 2017, 38% of the foreign born migrants are from another EU-MS and 62% are from third countries, quite in contrast to the flow data. This is the consequence of a long history of migration from third countries. It is going to take some time until the composition of stocks will tip in favour of EU-citizens, who are dominating the more recent inflows – with the exception of 2015/16, when refugees dominated the picture.

Table 23: First and second generation migrants in Austria (LFS): 2017 (annual average)

Characteristics	Population in private households	Migration background		
		Total	First generation	Second Generation
	in 1.000			
Total	**8.645,8**	**1.970,3**	**1.469,5**	**500,8**
	Country of birth of parents 1)			
Austria	6.675,5	-	-	-
EU-MS (except Austria)	752,9	752,9	609,5	143,4
Non EU-MS	1.217,5	1.217,5	860,0	357,4
of which: Ex-Yugoslavia	513,5	513,5	356,5	157,0
Turkey	271,7	271,7	157,0	114,7
Others	432,3	432,3	346,5	85,8
	Citizenship			
Austria	7.344,4	723,3	396,3	327,0
EU-MS (except Austria)	655,2	624,0	550,0	74,0
Non EU-MS	646,2	623,0	523,2	99,8
of which: Ex-Yugoslavia	244,0	235,9	192,9	42,9
Turkey	115,8	110,6	85,5	25,0
Others	286,4	276,5	244,7	31,8
	Country of birth			
Austria	7.074,4	500,8	-	500,8
EU-MS (except Austria)	701,2	628,8	628,8	-
Non EU-MS	870,3	840,7	840,7	-
of which: Ex-Yugoslavia	344,0	342,6	342,6	-
Turkey	155,7	154,1	154,1	-
Others	370,6	343,9	343,9	-
	Year of immigration			
Born in Austria	7.074,4	500,8	-	500,8
before 1980	203,3	157,3	157,3	-
1980 - 1989	149,0	139,8	139,8	-
1990 - 1999	324,2	311,0	311,0	-
2000 - 2009	380,7	363,5	363,5	-
after 2010	514,3	497,8	497,8	-
	Age, Sex			
Men	**4.256,4**	**958,4**	**700,0**	**258,4**
less than 15	647,0	166,0	39,9	126,0
15 - 29	805,0	212,6	139,2	73,5
30 - 44	870,6	265,4	233,7	31,7
45 - 59	1.002,2	196,7	184,3	12,3
60 and older	931,6	117,7	102,9	14,8
Women	**4.389,5**	**1.011,9**	**769,5**	**242,5**
less than 15	611,4	153,7	43,5	110,2
15 - 29	764,2	208,6	136,7	71,9
30 - 44	866,9	288,2	257,6	30,6
45 - 59	1.006,2	207,4	196,2	11,2
60 and older	1.140,8	153,9	135,4	18,6

S: STATISTICs AUSTRIA, LFS. - Definition Migration background see "Recommendations for the 2010 censuses of population and housing", p. 90 of the United Nations Economic Commission for Europe (UNECE; see www.unece.org/stats/documents/2010.00.census.htm). - 2nd generation: both parents born abroad. - 1) "Austria" = at least one parent born in Austria; if both parents are born abroad = country of birth of mother.

The single largest third country group is born in former Yugoslavia, namely 342,600, followed by Turkey (154,100). As Table 23 indicates, only a fairly small proportion of the foreign born has come to Austria before 1980 – mainly as guest workers, namely 157,300 or 7.8%. The majority of the foreign born have come after 1989, either as refugees (largely from former Yugoslavia), as family members in the wake of family reunification and formation or as economic migrants, largely from the EU. The development indicates that the rise of immigrant flows from EU-MS is a relatively recent phenomenon, linked to free mobility of labour which acts as a facilitator of mobility.

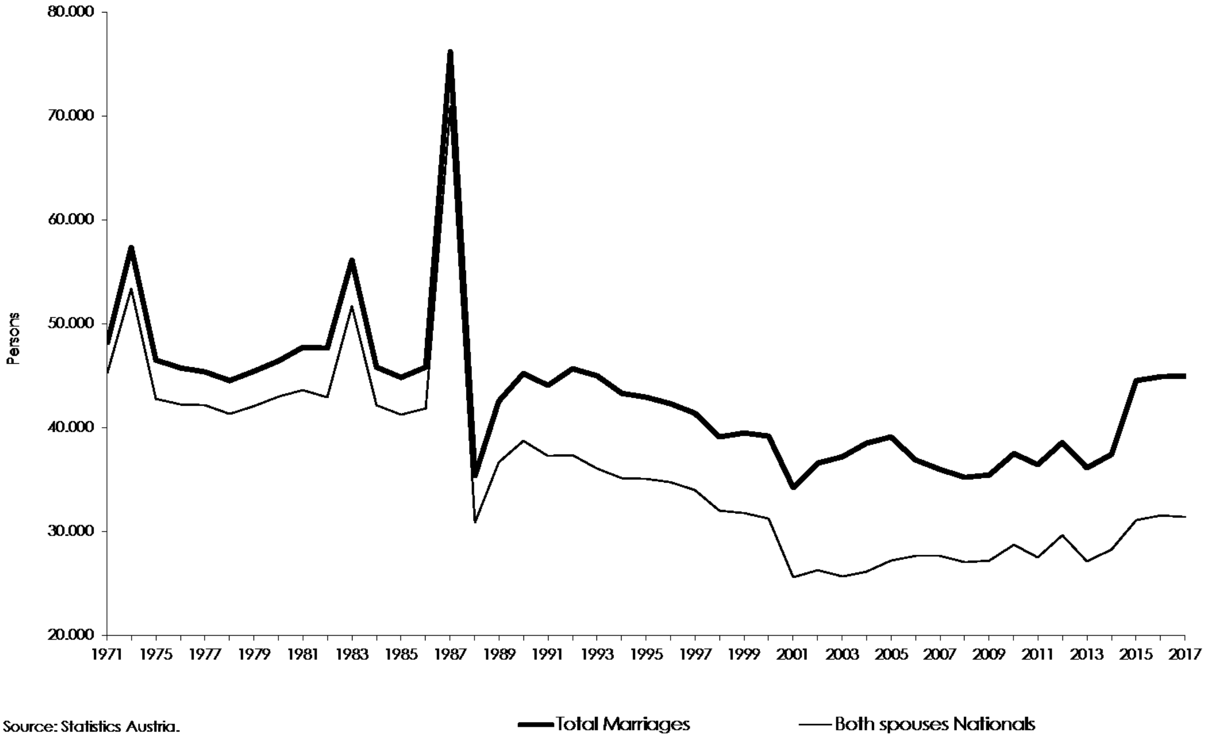
Migrants are on average younger than natives. The share of youth of less than 15 years is larger among the immigrants than among natives, just as the share of 15-44-year-olds. In contrast, natives are to a much larger extent than migrants 60 years or older.

The gender distribution is fairly balanced. In 2017, 958,400 male migrants (first and second generation) were registered, 22.5% of the total male population, compared to 1,012 female migrants, 23% of the total female population in Austria. The number of migrant women surpasses the number of male migrants in all age groups except the under 29-year-olds.

5 Development of mixed marriages

The number of total marriages in Austria has been stable for a long time – apart from some temporary increases as a result of a marriage bonus. The introduction of a bonus system never had any long run impact on marriage behaviour, it did, however, have a significant effect upon the number of first marriages in the period, in which tax benefits were granted or a marriage bonus, i.e., in the 1970s and 1980s (see Figure 39 and Table 24). Also foreigners had access to the marriage bonus. In the 1990s one discontinued with the policy to provide incentives to marry, as these incentives did not have the effect hoped for, namely an increase in the fertility rate.

Figure 39: Total marriages and marriages of nationals 1971-2017



Source: Statistics Austria.

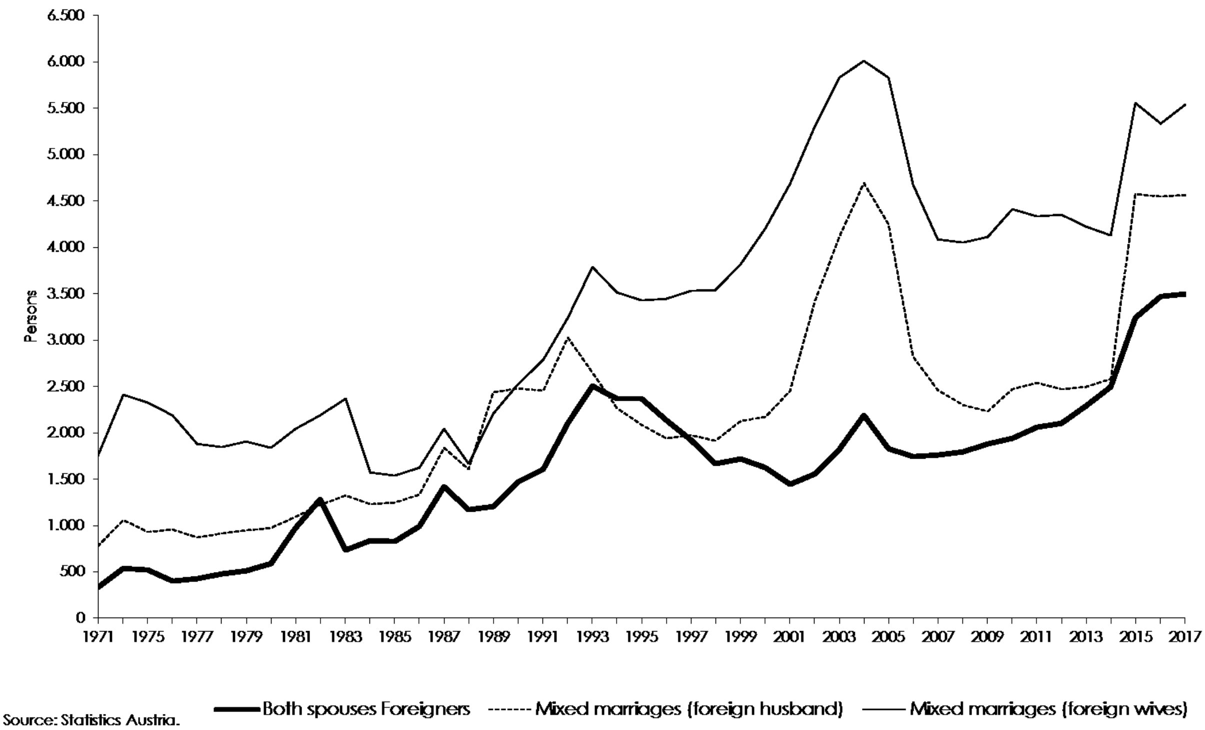
Table 24: Marriages of Nationals and Foreigners

	Total Marriages	Both spouses	Both spouses	Mixed Marriages: of which	
		Nationals	*Foreigners*	*Foreign husband*	*Foreign wife*
1971	48.166	45.312	331	774	1.749
1972	57.372	53.365	539	1.057	2.411
1975	46.542	42.769	518	930	2.325
1976	45.767	42.220	399	955	2.193
1977	45.378	42.198	428	869	1.883
1978	44.573	41.334	477	916	1.846
1979	45.445	42.077	514	945	1.909
1980	46.435	43.037	586	976	1.836
1981	47.768	43.652	976	1.093	2.047
1982	47.643	42.947	1.281	1.222	2.193
1983	56.171	51.745	736	1.321	2.369
1984	45.823	42.187	836	1.228	1.572
1985	44.867	41.250	830	1.252	1.535
1986	45.821	41.871	989	1.336	1.625
1987	76.205	70.907	1.421	1.834	2.043
1988	35.361	30.911	1.170	1.609	1.671
1989	42.523	36.670	1.202	2.441	2.210
1990	45.212	38.734	1.470	2.482	2.526
1991	44.106	37.260	1.603	2.458	2.785
1992	45.701	37.323	2.105	3.031	3.242
1993	45.014	36.072	2.506	2.649	3.787
1994	43.284	35.137	2.371	2.265	3.511
1995	42.946	35.070	2.369	2.082	3.425
1996	42.298	34.778	2.137	1.940	3.443
1997	41.394	33.966	1.923	1.977	3.528
1998	39.143	32.030	1.664	1.912	3.537
1999	39.485	31.816	1.719	2.131	3.819
2000	39.228	31.226	1.623	2.170	4.209
2001	34.213	25.622	1.446	2.456	4.689
2002	36.570	26.299	1.554	3.412	5.305
2003	37.195	25.713	1.823	4.111	5.832
2004	38.528	26.124	2.192	4.692	6.007
2005	39.153	27.245	1.833	4.246	5.829
2006	36.923	27.677	1.746	2.821	4.679
2007	35.996	27.689	1.758	2.463	4.086
2008	35.223	27.075	1.795	2.301	4.052
2009	35.469	27.245	1.880	2.228	4.116
2010	37.545	28.722	1.943	2.471	4.409
2011	36.426	27.491	2.063	2.538	4.334
2012	38.592	29.661	2.106	2.475	4.350
2013	36.140	27.125	2.294	2.500	4.221
2014	37.458	28.243	2.499	2.585	4.131
2015	44.502	31.130	3.240	4.577	5.555
2016	44.890	31.538	3.471	4.547	5.334
2017	44.981	31.375	3.501	4.563	5.542
Source: Statistics Austria.					

With the ageing of the population, marriages followed a declining trend, which affected Austrians as well as foreigners. In 2008, the declining trend in the number of marriages came to a transitory halt at 35,200. After that the numbers increased at first slightly but since 2014 rapidly, reaching 45,000 in 2017. The number of Austrians (both spouses) marrying rose to 31,400 and the number of foreigners (both spouses) rose from 1,900 in 2010 to 3,500 in 2017. The number of mixed marriages declined continuously from 2004 till 2009 to 6,300. In 2010 their numbers increased only slightly to 6,900 and remained more or less at this level until 2014

(6,700), whereupon mixed marriages took a jump to 10,100 in 2015, with a stabilisation around this level in 2016 and 2017. This may be taken as an indication that the legislative reform on family reunion in 2005, which made it difficult for poor Austrians (often with migrant background) to marry a third country citizen (legislative reform of family formation and reunification) had some impact. Above all, Austrian women who marry a foreign spouse are experiencing declines in marriages (–129 or 3 percent between 2004 and 2017). But also Austrian men marrying a foreign spouse experienced declines over that time span (–465 or 8 percent).

Figure 40: Mixed marriages and marriages of foreigners
1971-2017



Source: Statistics Austria.

The proportion of marriages with both spouses nationals has declined significantly over the last 46 years. In 1971 94 percent of all marriages were between nationals. In 2004, their share had come down to 67.8% and stayed more or less at that level (69.8% 2017). The share of foreign marriages (with both spouses foreigners) increased from 0.7 percent 1971 to 7.8% 2017. While in 1971 only 5.2 percent of all marriages were with an Austrian spouse and foreign partner, their share rose to 27.8 percent in 2004 but declined thereafter to 22.5% in 2017.

Traditionally the propensity to marry a foreigner is higher with Austrian men. Their share in total marriages amounted to 3.6 percent 1971 and rose to 15.7 percent 2003, and declined thereafter to 12.3 percent in 2017. In contrast, only 1.6 percent of all marriages in 1971 were mixed, with the wife being Austrian and the husband foreign. This share has increased over time as well, particularly in the early years of 2000, reaching 12.2 percent in 2004. Since then the share of marriages of Austrian women with a foreign spouse has declined to 10.1 percent in 2017.

The reasons for the disparate development of marriages are complex and not solely due to demographic change. Behavioural factors are also responsible, e.g., Austrians tend not to marry to the same extent and at such an early age as in the olden days, i.e., the 1960s and

1970s. In addition, Austria's immigrant population tends to look for potential spouses in their countries of origin, often also third generation immigrants. In 1999 the Citizenship Law was amended to the extent that in the case of mixed marriages the partner of third country origin is eligible for Austrian citizenship after 5 years of marriage with the same partner and 6 years of legal residence. In the most recent legislative reform of 2005, it has been made more difficult for the partner to obtain Austrian citizenship. The major hurdle is the need for regular income of one's own. In addition, the earnings/income requirement for the Austrian partner who wants to marry a third country citizen made it harder. The nationality mix of the foreign spouses of Austrians is rather diverse; there is, however, a clear linkage with the traditional migrant source countries, in particular former Yugoslavia and Turkey.

IV. Employment and unemployment of foreign workers

1 Employment of foreign workers

According to social security data, Austria counted 698,500 foreign wage and salary earners in 2017, i.e., 46,800 or 7.2 percent more than a year ago, while the employment of Austrians grew only by 21,600 or 0.7% versus 2016. This meant that - in 2017 - 68% of total employment growth accrued to foreign citizens. Accordingly, the foreign worker share in total employment rose to 19.1 percent, after 18.2% in 2016. (Table 26)

Of the total number of foreign employees 420,800 are citizens from the EEA/CH/EU-28, of whom 134,800 from the old member states (EU 14/EEA/CH) and 282,800 from the new MS (EU 13). Thus, 60.2 percent of foreign workers are EU-28/EEA citizens and 39.8% of third country origin (277,900) (Table 25 and Table 26).

The share of EU citizens amongst foreign wage and salary earners in Austria is rising for every single EU-MS: In 2000, only 10% of foreign wage and salary earners had been EU 14/EEA/CH citizens compared to 19.3% today. The largest increase, however, exhibited citizens from the new EU-MS as a consequence of enlargement, with a boost after the expiration of transition regulations. Accordingly, the share of EU-10 and EU-2 citizens in the foreign work force has risen from 15% in 2004 to 36.5% in 2017. In addition, the membership of Croatia in 2013 raised the number of foreign workers by 28,100 in 2017, accounting for 4% of foreign employment.

Table 25: Foreign employment by major source regions

	Foreign workers Total	EU15/EEA +CH	EU-12	Croatia	Third Country Citizens	EU15/EEA+CH	EU-12	Croatia	Third Country Citizens	Foreign worker share
						In % of total				
1994	291 018	19 954	44 681		226 384	6,9	15,4		77,8	9,5
1995	300 303	22 472	44 834		232 998	7,5	14,9		77,6	9,8
1996	300 353	24 455	44 001		231 898	8,1	14,6		77,2	9,9
1997	298 775	26 094	43 325		229 357	8,7	14,5		76,8	10,1
1998	298 582	28 078	43 170		227 334	9,4	14,5		76,1	10,0
1999	306 401	30 902	44 431		231 068	10,1	14,5		75,4	10,1
2000	319 850	33 694	46 327		239 829	10,5	14,5		75,0	10,5
2001	329 314	37 022	48 221		244 071	11,2	14,6		74,1	10,7
2002	334 432	40 830	49 985		243 617	12,2	14,9		72,8	11,0
2003	350 361	44 856	52 275		253 231	12,8	14,9		72,3	11,5
2004	362 299	54 934	55 533		251 832	15,2	15,3		69,5	11,8
2005	374 187	63 829	59 339		251 018	17,1	15,9		67,1	12,0
2006	390 695	73 282	63 016		254 397	18,8	16,1		65,1	12,4
2007	412 578	82 962	69 877		259 740	20,1	16,9		63,0	12,8
2008	437 055	94 150	78 863		264 041	21,5	18,0		60,4	13,3
2009	431 552	96 851	81 847	15 193	237 661	22,4	19,0	3,5	55,1	13,3
2010	451 276	103 743	89 477	16 053	242 003	23,0	19,8	3,6	53,6	13,8
2011	488 934	110 540	112 129	17 001	249 264	22,6	22,9	3,5	51,0	14,7
2012	527 062	115 119	142 642	17 750	251 551	21,8	27,1	3,4	47,7	15,6
2013	556 752	119 666	165 139	18 607	253 340	21,5	29,7	3,3	45,5	16,4
2014	588 722	122 894	191 327	20 479	254 022	20,9	32,5	3,5	43,1	16,8
2015	615 682	126 343	211 148	22 573	255 618	20,5	34,3	3,7	41,5	17,4
2016	651 690	131 408	231 266	25 044	263 972	20,2	35,5	3,8	40,5	18,2
2017	698 512	137 946	254 814	28 054	277 698	19,7	36,5	4,0	39,8	19,1

Consequently, third country citizens are making up a continuously smaller share of foreign workers. This is to say that their numbers continue to rise but not to the same extent as the numbers of EU/EEA citizens. Thus, in 2017 they made up 39.8% of the foreign workforce compared to 70% in 2004; their numbers rose from 251,800 to 277,700 over that time span. When comparing the number of third country citizens over that time span one has to bear in mind that many of the third countries concerned have, over time, joined the European Union.

Table 26: Foreign wage and salary earners in Austria from 1975-2017
Annual average

	Foreign[1] workers	Changes vs year ago		Share in total employment
		Absolute	Percent	In percent
1975	191,011	-31,316	-14.1	7.2
1976	171,673	-19,338	-10.1	6.4
1977	188,863	17,190	10.0	6.9
1978	176,709	-12,154	-6.4	6.4
1979	170,592	-6,117	-3.5	6.2
1980	174,712	4,120	2.4	6.3
1981	171,773	-2,939	-1.7	6.1
1982	155,988	-15,785	-9.2	5.6
1983	145,347	-10,641	-6.8	5.3
1984	138,710	-6,637	-4.6	5.1
1985	140,206	1,496	1.1	5.1
1986	145,963	5,757	4.1	5.3
1987	147,382	1,419	1.0	5.3
1988	150,915	3,533	2.4	5.5
1989	167,381	16,466	10.9	6.0
1990	217,611	50,230	30.0	7.6
1991	266,461	48,850	22.4	9.1
1992	273,884	7,423	2.8	9.3
1993	277,511	3,627	1.3	9.4
1994[1]	291,018	13,507	4.9	9.8
1995	300,303	9,285	3.2	10.1
1996	300,353	0,050	0.0	10.2
1997	298,775	-1,578	-0.5	10.1
1998	298,582	-0,193	-0.1	10.0
1999	306,401	7,819	2.6	10.1
2000	319,850	13,449	4.4	10.5
2001	329,314	9,464	3.0	10.7
2002	334,432	5,118	1.6	11.0
2003	350,361	15,929	4.8	11.5
2004	362,299	11,938	3.4	11.8
2005	374,187	11,888	3.3	12.0
2006	390,695	16,508	4.4	12.4
2007	412,578	21,883	5.6	12.8
2008	437,055	24,478	5.9	12.9
2009	431,552	-5,503	-1.3	12.9
2010	451,276	19,724	4.6	13.4
2011	488,934	37,658	8.3	14.3
2012	527,062	38,100	7.8	15.2
2013	556,752	29,700	5.6	16.0
2014	588,722	31,969	5.7	16.8
2015	615,682	26,960	4.6	17.4
2016	651,690	36,008	5.8	18.2
2017	698,512	46,822	7.2	19.1

Source: Federal Ministry of Economics and Labour; Federation of Austrian Social Security Institutions. - [1] Corrected series (permanent licences and persons on parental leave included). - [13] Since 1994 foreign employment according to social security data.

The composition of foreign labour by nationality and gender

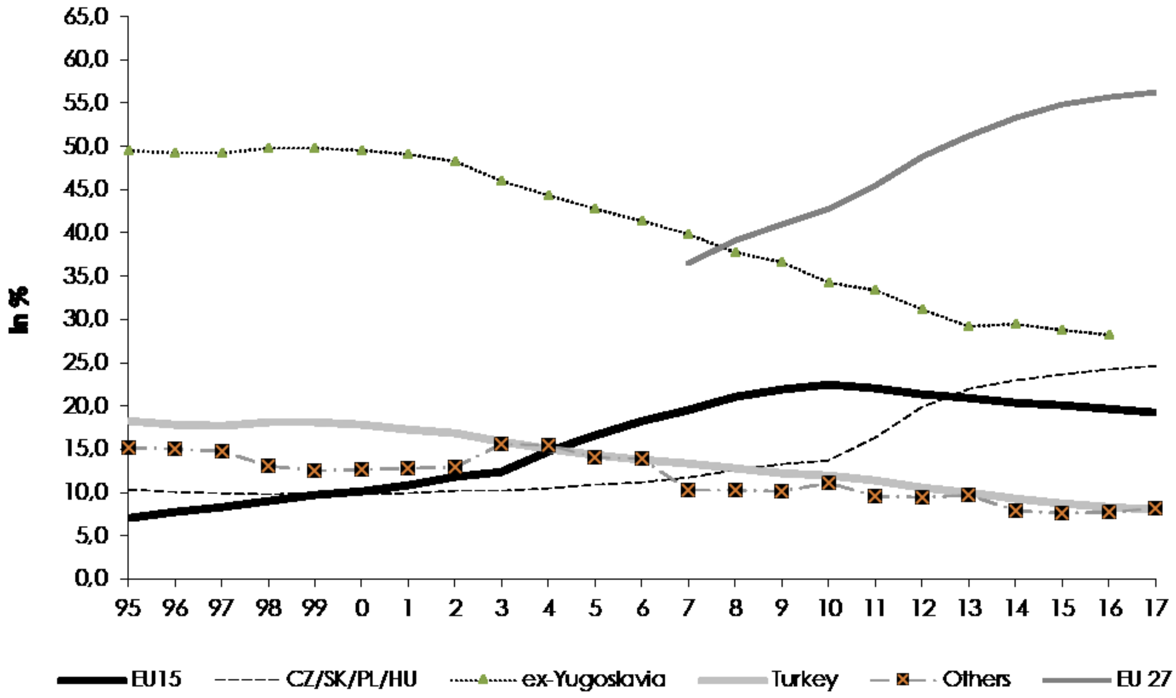
The composition of foreign labour by nationality is changing. The most pronounced development of the past few years is the rising share of EU citizens in the foreign workforce. In the wake of EU enlargement in 2004 it rose to almost 35% and after EU enlargement of 2007 to almost 39%. In 2008, the share of EU-27 citizens in the foreign work force exceeded the share of workers from the region of pre-war Yugoslavia for the first time (38%). This shift marks a historic transition, especially in light of the fact that citizens from (former) Yugoslavia accounted for more than three quarters of foreign labour in Austria in 1970 and amounted to almost half of foreign workers up until 2002. Most of the foreign workers from the new EU MS are citizens from the Czech Republic, Slovakia, Poland and Hungary, i.e., nationalities that made up a sizable proportion of the foreign workforce in Austria even before EU-enlargement. (Figure 41)

The data indicate that the absolute number of workers from EU 27 countries follows a clear and steeply rising trend (+242,000, +160.5% between 2007 and 2017). While the absolute number of workers from the region of pre-war Yugoslavia rose slowly between 2007 and 2017 (28,500, +17.4%), the proportion of migrant workers from this region is on a clear decline. The same holds for Turkey, apart from cyclical fluctuations. Thus, the proportion of EU citizens working in Austria can be expected to continue to rise at the detriment of the source regions of the former foreign workers.

Accordingly, the share of EU 15 citizens has been rising from 7.1% of the foreign workforce in 1995 to 19.3 percent in 2017. The major influx is from Germany - Germans account for 72% of all EU 15 citizens in the Austrian workforce. But increasingly also Italians, French, Dutch, and British citizens take up work in Austria.

In contrast, the share of persons from the region of pre-war Yugoslavia has been declining from 49 percent in 1995 to 27.6 percent 2017. Within that group, the share of persons from Croatia is rather small (4 percent of all foreign workers in 2017). The proportion of Bosnians has increased rather more rapidly, as they received preferential treatment on humanitarian grounds when applying for work permits in the early 1990s; their numbers rose as their family members joined them. In 2017, they accounted for 6.3 percent of all foreign workers. The Slovenes, now an EU-MS, account for 3 percent of all foreign workers. About half of all workers from pre-war Yugoslavia continue to have the "old" Yugoslavian citizenship or declare themselves as Yugoslavs. This indicates that they are immigrants who have been in Austria for a long time. They accounted for 14.3% of all foreign workers in 2017 (a subgroup of the 27.6% that include all the immigrants from the region of pre-war Yugoslavia).

Figure 41: Composition of foreign labour by region/country of origin: 1995-2017



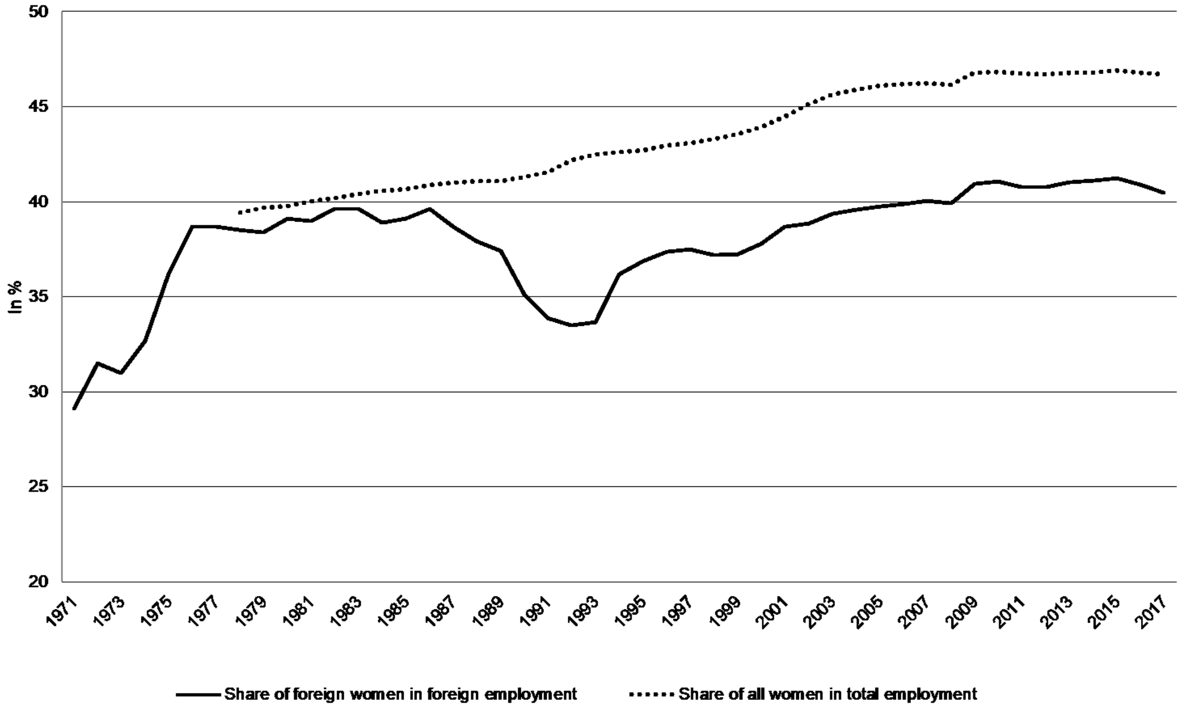
Source: BALIweb. Federation of Austrian Social Security Institutions.

The share of Turks in foreign employment has declined between 1989 and 1997 from 23.4 percent to 17.7 percent. In 1998 their numbers increased again more than proportionately to a share of 18.2 percent of all foreign workers – basically as a result of the implementation of the association agreement of Turkey with the EU (article 4c/2 AuslBG). According to the integration of the association agreement into the Austrian Foreign Worker Law, access to the labour market has to be granted (either a work permit or any other type of work entitlement) upon request by the eligible Turkish citizen. In 1999 the number of work permits of Turkish citizens rose proportionately such that their share in foreign employment remained stable at 18.2 percent. After 1999, the decline picked up again such that the share of Turks in foreign employment reached 8 percent in 2017; this is the lowest share of Turks in foreign employment since the late 1970s.

This is the result of various factors, one being a reduction in net-inflows in the wake of return migration to Turkey (since 2012, however, inflows start to gain momentum again and outflows slow down), another of continued naturalisations. (Biffl 2012)

Ever since 1993, the employment share of foreign women increased – a consequence of increasing family migration and women increasingly accessing the labour market. The share of women in foreign employment rose from 33.5 percent in 1992 to 41.2% in 2015 and declined since then slightly to 40.5 percent in 2017. Over that time span the proportion of women in foreign employment remained clearly below the Austrian average (2017: 46.7 percent). (Figure 42)

Figure 42: Female employment share in total salaried employment 1971-2017



Source: Federal Ministry of Economics and Labour; Federation of Austrian Social Security Institutions. - [1] Since 1994 foreign employment according to social security data.

The share of women in foreign employment differs greatly by country of origin. Women from Serbia and Montenegro (2017: 44.7%) as well as Croatia (2017: 43.6%) tend to have the highest shares of foreign female employment, and continued to do so in 2017. Next in line are Bosnians (41.8 percent). The lowest proportion of women in total employment is amongst Macedonians (34.8 percent) but rising, and Turks (33.6 percent).

The lifting of labour market entry barriers to Turkish citizens as a result of the implementation of agreements of the EU with Turkey in 1997 tended to raise the share of women in the employment of Turks in Austria from 24.8 percent in 1997 to 33 percent in 2012; the rise slowed down over time and declined until 2012, partly due to limited work opportunities in their major skill segments, partly due to marriage of Turkish men in Austria who look for wives in Turkey, who tend to stay at home. Women from other countries, largely from CEECs, tended to have low employment shares relative to men, largely because of a high degree of clandestine work, in particular in domestic and care services; but signs are for the better as female employment shares are rising, reaching 40.8 percent in 2017, after 28.9 percent in 2001. In particular, the share of women in employment of workers from the EU-12-MS is rising, reaching 39.3% in 2017. (Table 28)

Table 27: Foreign workers by nationality 1971-2017[1]

Annual average

	Foreign Workers Total	EU-15	of which: Germany	EFTA	EU-10	EU-2	Yugoslavia 1	2	Croatia	Bosnia	Turkey	Others
							In percent					
1971	150 200	.	3.0	.			76.0		.	.	13.1	7.0
1972	187 100	.	2.8	.			77.7		.	.	11.4	7.2
1973	226 800	.	2.5	.			78.5		.	.	11.8	6.4
1974	222 300	.	2.6	.			76.2		.	.	13.5	7.0
1975	191 000	.	3.1	.			73.9		.	.	14.1	8.0
1976	171 700	.	6.2	.			70.2		.	.	14.3	8.3
1977	188 900	.	6.3	.			69.7		.	.	14.3	8.7
1978	176 700	.	6.6	.			68.5		.	.	14.8	8.9
1979	170 600	.	6.8	.			67.2		.	.	15.6	9.2
1980	174 700	.	6.9	.			65.9		.	.	16.2	9.8
1981	171 800	.	7.1	.			64.5		.	.	16.9	10.3
1982	156 000	.	7.6	.			62.0		.	.	18.3	10.6
1983	145 300	.	7.8	.			61.4		.	.	19.0	10.5
1984	138 700	.	8.0	.			59.9		.	.	20.0	10.7
1985	140 200	.	8.0	.			58.5		.	.	20.8	11.4
1986	146 000	.	7.8	.			57.3		.	.	21.4	12.1
1987	147 400	.	7.8	.			56.0		.	.	22.2	12.6
1988	150 900	.	7.9	.			55.1		.	.	22.7	14.3 2)
1989	167 400	.	7.4	.			54.3		.	.	23.4	14.9 2)
1990 2)	217 600	.	6.0	.			50.8		.	.	23.2	20.0 2)
1991 3)	266 500	7.2	5.1	0.7			48.5		.	.	21.6	22.0 2)
1992	273 900	6.9	5.0	0.7			48.8 4)		0.4	.	20.3	22.4
1993	277 500	6.9	5.0	0.7			45.6		2.3	1.2	19.6	22.1
1994 4)	291 000	6,3	4,2	0,3			44,4		1,3	2,3	18,6	26,7
1995	300 300	7,1	4,5	0,1			43,1	49,2	1,6	3,6	18,2	25,5
1996	300 400	7,8	4,9	0,1			42,0	49,3	1,8	4,5	17,8	25,1
1997	298 800	8,3	5,2	0,1			41,3	49,3	1,9	5,0	17,7	24,6
1998	298 600	9,0	5,7	0,1			41,0	49,8	2,1	5,5	18,2	22,9
1999	306 400	9,7	6,1	0,1			40,1	49,8	2,3	6,0	18,2	22,3
2000	319 900	10,1	6,5	0,1			38,8	49,5	2,6	6,6	17,9	22,4
2001	329 300	10,8	7,1	0,1			37,3	49,1	3,0	7,3	17,3	22,7
2002	334 400	11,8	7,9	0,1			35,8	48,2	3,2	7,6	16,8	23,1
2003	350 400	12,4	9,0	0,1			33,4	46,0	3,2	7,6	15,9	25,7
2004	362 300	14,7	10,8	0,1	11,8	3,6	31,3	44,3	3,3	7,6	15,1	12,6
2005	374 200	16,6	12,6	0,1	12,3	3,6	29,1	42,8	3,4	7,6	14,3	10,4
2006	390 700	18,3	14,2	0,1	12,6	3,5	26,9	41,4	3,5	7,5	13,8	10,2
2007	412 578	19,6	15,5	0,1	13,2	3,7	24,8	39,9	3,3	7,1	13,4	10,2
2008	437 055	21,0	16,5	0,1	14,0	4,1	22,5	37,8	3,3	7,0	12,8	10,2
2009	431 552	21,9	17,2	0,1	14,7	4,3	21,0	36,6	3,5	7,4	12,2	10,2
2010	451 276	22,4	17,4	0,1	15,3	4,5	19,1	34,2	3,4	6,9	12,0	11,5
2011	488 934	22,1	17,4	0,1	18,1	4,8	17,1	33,4	3,3	6,6	11,5	10,0
2012	527 062	21,3	16,5	0,1	22,1	5,0	15,1	31,2	3,2	6,4	10,6	9,8
2013	556 752	21,0	15,9	0,1	24,5	5,2	17,0	28,2	3,3	6,5	10,0	10,1
2014	588 722	20,4	15,2	0,1	25,8	6,7	17,0	29,4	3,5	6,4	9,3	8,3
2015	615 681	20,0	14,8	0,1	26,7	7,6	16,0	28,8	3,7	6,3	8,7	8,1
2016	651 690	19,7	14,3	0,1	27,4	8,1	15,1	28,2	3,8	6,3	8,3	8,2
2017	698 512	19,3	13,9	0,1	27,9	8,6	14,3	27,6	4,0	6,3	8,0	8,5

Source: Federal Ministry of Labour. Official series, not corrected for statistical breaks. - [1] 1971-1976 estimate. - [2] Including work permits surpassing actual employment of foreign workers. - [3] Starting with 1992 new frontiers. - [4] Since 1994 foreign employment according to social security data. – [5] From 2007 onwards EEA25/27 includes Bulgaria and Romania, taken out of others. Yugoslavia (1) citizenship "Yugoslavia" + Macedonia, Serbia and Montenegro, Kosovo; Yugoslavia (2) includes citizens from Bosnia Herzegovina, Croatia and Slovenia as well.

Table 28: Foreign workers of third countries by gender and selected nationalities
Annual average

	2016				2017			
	Male	Female	Total	Female	Male	Female	Total	Female
Nationalities				In %				In %
Serbia&Montenegro	14 171	11 266	25 437	44,3	15733	12 742	28 475	44,7
Croatia	14 103	10 940	25 043	43,7	15830	12 224	28 054	43,6
Bosnia	23 978	17 252	41 230	41,8	25447	18 250	43 697	41,8
Macedonia	4 339	2 259	6 598	34,2	4761	2 540	7 301	34,8
Turkey	36 141	18 205	54 346	33,5	37197	18 854	56 051	33,6
Others	292 387	206 649	499 036	41,4	316902	218032	534934	40,8
Of whom								
EU12	139 046	92 220	231 266	39,9	154721	100 093	254 814	39,3
Total	385 119	266 571	651 690	40,9	415870	282642	698 512	40,5

Source: LMS, Baliweb. http://www.dnet.at/bali/

Industrial structure of foreign employment

The industrial structure of employment before and after 2007 cannot be compared without a significant margin of error due to the introduction of a new industrial classification (statistical break). Accordingly, we do not take a longer-term perspective but compare the employment structure by industries between June 2015 and June 2018 (ÖNACE 2008). The industrial structure of employment in the middle of the year provides a relatively good estimate of the average annual employment development.

The employment development followed a rising trend between 2012 and 2018, i.e. dependent employment (excluding conscripts and persons on maternity leave) rose between midyear 2012 and 2018 by 294,800 or 8.7% to 3,686,000 in June 2018. Over the same time span the employment of foreign workers increased more than proportionately, namely by 230,400 or 42.8% to 768,000 in June 2018. This means that 78% of the employment growth over the last six years accrued to foreign wage and salary earners. Thus, the share of foreign workers in total employment increased from 15.9% in June 2012 to 20.8% in June 2018.

In spite of the dynamic employment situation over the last 6 years, employment in **manufacturing industries** only started to recover in 2017, slightly surpassing the employment level of 2012 (+16,300, + 2.8%). Also, in 2018 the employment increase vs 2017 was rather limited at 34,300 (5.9%). The weak employment growth is, however, somewhat exaggerated, as manufacturing output increased substantially beyond the output level of 2012, which was not entirely the result of productivity increases but rather of an increasing implementation of leasing workers rather than regular workers in manufacturing. The employment increase shows up in "Other Business Services", where employment levels in June 2018 surpassed the level of 2012 by 23.5% or 44,100.

Foreign workers were more than proportionately affected by employment declines in the crisis of 2009/10, partly as a result of their skill composition, which tends to be concentrated at the lower end of the skill segment. In the economic upswing they were, however, also on average more than proportionately profiting. As a result, the share of foreign workers in manufacturing industries declined from 2008 to 2009, rose to the level of 2008 in the following year and increased to 18.8% in 2018.

Table 29: Employment of wage and salary earners by industry

By end of June

		Total				Change vs year ago 2017/18		Foreign workers				Change vs year ago 2017/18		Foreigners in % of total 2018
	Industries(ÖNACE 2008)	June 2015	June 2016	June 2017	June 2018	Numbers	In %	June 2015	June 2016	June 2017	June 2018	Numbers	In %	In %
A	Agriculture and Forestry	29 697	29 187	29 336	30 881	1 545	5,3	17 287	16 466	17 011	18 108	1 097	6,4	58,6
B	Mining, stones and minerals	5 870	5 835	6 120	6 200	80	1,3	571	599	655	692	37	5,6	11,2
C	Production of Commodities	578 940	580 451	598 946	616 951	18 005	3,0	94 596	98 346	106 651	116 025	9 374	8,8	18,8
D	Energy Supply	26 717	26 746	25 786	25 517	-269	-1,0	981	1 037	993	1 084	91	9,2	4,2
E	Watersupply & environmental clean up	15 544	15 753	16 489	16 995	506	3,1	2 711	2 843	3 060	3 215	155	5,1	18,9
F	Construction	260 678	263 506	267 328	275 327	7 999	3,0	65 353	68 845	73 994	80 284	6 290	8,5	29,2
G	Trade, repairworks	530 206	536 475	537 947	546 425	8 478	1,6	87 276	91 741	96 239	102 578	6 339	6,6	18,8
H	Transport and Storage	185 223	187 621	191 772	197 563	5 791	3,0	37 194	40 089	43 836	48 224	4 388	10,0	24,4
I	Tourism	210 266	216 826	219 811	225 626	5 815	2,6	95 872	101 839	106 320	112 510	6 190	5,8	49,9
J	Information and Communication	85 846	88 695	91 303	96 470	5 167	5,7	10 606	11 581	13 057	14 759	1 702	13,0	15,3
K	Financial Services, Insurance	115 338	115 560	112 974	113 075	101	0,1	8 778	9 247	9 666	10 223	557	5,8	9,0
L	Real estate and housing	40 806	41 106	41 582	41 823	241	0,6	8 116	8 316	8 257	8 519	262	3,2	20,4
M	Services of Professionals	163 715	166 764	170 214	177 182	6 968	4,1	24 868	25 862	27 199	29 745	2 546	9,4	16,8
N	Other business services	195 484	204 271	222 277	231 430	9 153	4,1	74 228	80 960	92 588	101 665	9 077	9,8	43,9
O	Public administration, social security	552 227	557 914	567 345	577 896	10 551	1,9	22 893	24 029	25 600	27 385	1 785	7,0	4,7
P	Education and research	101 630	102 616	106 734	105 584	-1 150	-1,1	19 770	20 599	22 248	23 035	787	3,5	21,8
Q	Health-, veterinary and social services	246 429	255 746	264 022	268 943	4 921	1,9	34 160	36 971	39 632	41 196	1 564	3,9	15,3
R	Arts, entertainment and recreation	37 695	38 036	38 862	39 869	1 007	2,6	9 188	9 564	9 999	10 501	502	5,0	26,3
S	Other Services	88 961	92 954	87 232	87 702	470	0,5	14 427	15 907	15 619	16 471	852	5,5	18,8
T	Private Households	3 291	3 428	2 876	2 742	-134	-4,7	1 261	1 365	1 145	1 102	-43	-3,8	40,2
U	Exterritorial organisations	706	770	761	766	5	0,7	319	352	374	388	14	3,7	50,7
	Unknown		1 110	1 002	1 050	48	4,8	301	329	316	331	15	4,7	31,5
	Sum of all industries	3 475 269	3 531 370	3 600 719	3 686 017	85 298	2,4	630 756	666 887	714 459	768 040	53 581	7,5	20,8
	Maternity leave, conscripts,	87 389	85 557	83 321	81 072	-2 249	-2,7							
	Sum	3 562 658	3 616 927	3 684 040	3 767 089	83 049	2,3	18,1	18,9	19,8	20,8			

Source: BALI web. Federation of Austrian Social Security Institutions (HSV).

The construction sector exhibited a similar cyclical employment pattern as manufacturing. The decline was just as pronounced such that, by the end of June 2018, the number of wage and salary earners only slightly surpassed the values of 2012 (+13,400, +5.1%). Dynamic economic growth in 2018 boosted employment growth in the construction sector (+7,800, +3%). The share of foreign workers is higher than in manufacturing with 29.2% in June 2018, but the employment decline in the crisis year of 2009 had affected migrants only proportionately, keeping their employment share constant between 2008 and 2009. From 2010 to 2018 it was above all foreign workers who took up jobs in construction such that their employment levels in June 2018 clearly surpassed those of 2012 (rise of foreign worker share from 27.7% to 29.2%).

The services sector does not exhibit the pronounced cyclical fluctuations of manufacturing and construction. This is because many services are part of public infrastructure, in particular education, health and public administration. Accordingly, in June 2018, total employment in the services sector (excluding self-employed) exceeded the Level of June 2012 by 239,000 or 9.7%. The share of the services sector in total dependent employment rose from 71.7% in June 2008 to 74% in June 2018. The share of foreign workers in the services sector is lower than in construction but even somewhat higher than in manufacturing industries with 20.2% in June 2018. In certain services industries the proportion of foreign workers is amongst the highest of any industry. Tourism industries take the lead with a share of 49.4% foreign workers, followed by other business services (43.9%), in particular cleaning, and domestic services (40.2%). The lowest share of foreign workers has public administration with 4.7%, the highest share of any industry has agriculture and forestry with 58.6% in June 2018. (Table 29)

Regional distribution of foreign employment

The regional distribution of foreigners in terms of the proportion of foreign workers in total employment has remained very stable in the second half of the 1990s but is changing since

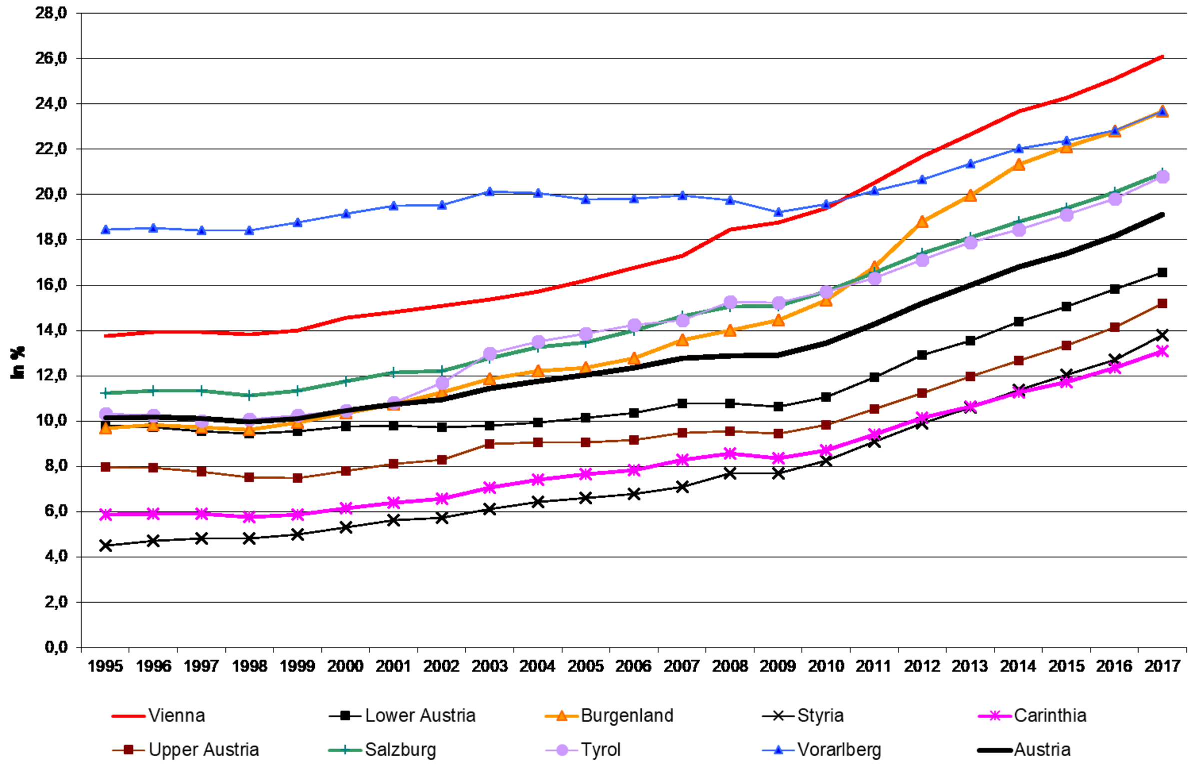
2000. Every federal state started to increase the share of foreign workers in total employment from 1999 onwards and the rank order changed little, except for Burgenland and Vienna. These two provinces have seen an enormous increase in the share of foreign workers since enlargement of the EU in 2004 and 2007, indicating that the increase is largely due to employees from the enlargement countries, partly as cross-border workers partly as proper immigrants. As a result, the ranking of the provinces has changed, with Vienna taking the lead (2017: 26.1% foreign worker share), followed ex aequo by Vorarlberg and Burgenland (2017: 23.7%), the westernmost and the easternmost province. The range between the highest and the lowest foreign worker share has declined somewhat between 1995 and 2017 to 13 percentage points, after 14 percentage points in 1995. The provinces with the lowest share remained the same, namely Styria and Carinthia, but they switched places with Styria having a slightly higher share than Carinthia in 2017, i.e. 13.8% versus 13.1%, while in 1995 Styria had the lowest share with 4.5% versus Carinthia with 5.9%. (Figure 43)

The rank order was affected by a differing regional mix of temporary workers, cross-border workers, settlers, and a regionally differing propensity to take up citizenship.

The distribution of foreign workers across Austria is quite concentrated. In Vienna alone we find 31% of all foreign employees in 2017 (compared to 35% in 2000), a further 14.4% are employed in Lower Austria and 14.1% in Upper Austria. 60% of all foreign workers in Austria were working in these 3 regions in 2017. (Figure 44 and Table 30)

The regional concentration of foreign workers differs somewhat by the nationality of foreigners. While Yugoslavs, Turks and the multicultural conglomerate of 'Others' tend to be to a larger extent than the average foreign worker in Vienna, Germans tend to be concentrated upon the western regions, Tyrol, Vorarlberg, Upper Austria and Salzburg. Yugoslavs tend to concentrate, apart from Vienna, in Lower and Upper Austria. Turks, given their occupational specialisation in textiles, clothing and leather, are, apart from Vienna, more than proportionally represented in Vorarlberg, Lower Austria and Tyrol.

Figure 43: Foreign worker share by region/Bundesland in Austria (foreigners in percent of total dependent employment): 1995-2017



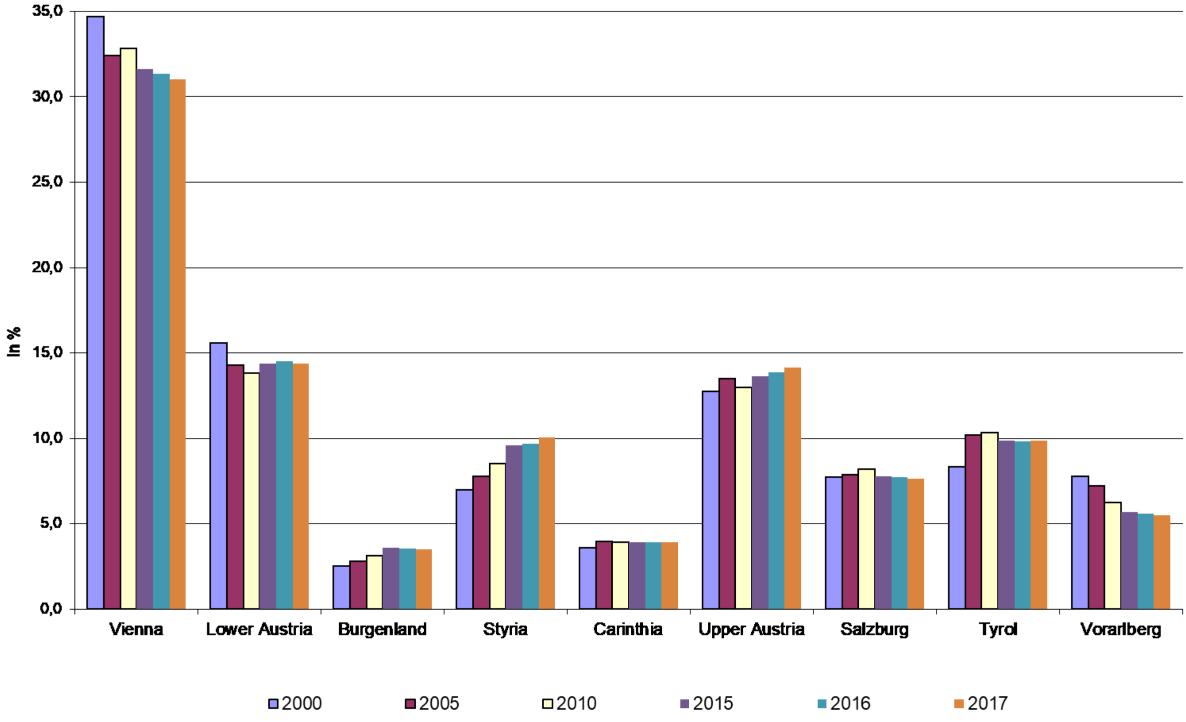
Source: Federation of Austrian Social Security Institutions.

Table 30: Proportion of foreign workers in total employment in the provinces of Austria

	Foreigners						Foreigners in % of total employment					
	2000	2005	2010	2015	2016	2017	2000	2005	2010	2015	2016	2017
Vienna	110 117	118 629	148 243	194 639	204 326	216 709	14,6	16,2	19,8	24,3	25,1	26,1
Lower Austria	49 513	52 229	62 383	88 524	94 487	100 541	9,8	10,1	11,5	15,1	15,8	16,6
Burgenland	8 074	10 194	14 153	22 047	23 027	24 314	10,3	12,4	15,9	22,1	22,8	23,7
Styria	22 245	28 506	38 361	58 949	63 083	70 169	5,3	6,6	8,5	12,0	12,7	13,8
Carinthia	11 464	14 568	17 719	24 086	25 662	27 503	6,1	7,6	9,0	11,7	12,4	13,1
Upper Austria	40 427	49 325	58 535	83 860	90 327	98 727	7,8	9,1	10,2	13,3	14,1	15,2
Salzburg	24 483	28 823	36 956	47 900	50 288	53 278	11,8	13,5	16,2	19,4	20,1	20,9
Tyrol	26 526	37 357	46 663	60 665	64 111	68 814	10,5	13,9	16,2	19,1	19,8	20,8
Vorarlberg	24 710	26 337	28 264	35 011	36 379	38 457	19,2	19,8	20,2	22,4	22,8	23,7
Austria	317 559	365 968	451 277	615 681	651 690	698 512	10,4	11,8	13,8	17,4	18,2	19,1

Source: Federation of Austrian Social Security Institutions.

Figure 44: Regional distribution of foreign labour in Austria (total foreign employment = 100): 2000-2017



Source: Federation of Austrian Social Security Institutions.

Employment of migrants by major occupational groups[58]

A break-down of the employment stocks by occupational groups shows that 39% of total employment in 2009 accrued to the **highly skilled occupations**, i.e. ISCO-88 classes of 1, 2 and 3, 51.8% to the **skilled group** of ISCO-88 groups 4-8 and 9.2% to the **low skilled group** of elementary occupations. The overall skills composition so defined did not change much between 2004 and 2009. Table 31 shows that workers with EU-15 citizenship are on average the best skilled group, 59.2% belonging to the highly skilled and only 3.9% to the low skilled. In contrast, citizens of EU-10 countries are less skilled than the Austrians, 30.9% belonging to the high skilled group and 17.7% to the low skilled one. A striking feature of this group of workers is that they have about the same proportion of persons with medium skills as Austrians (51.5%). Citizens of EU-2 countries have a somewhat smaller proportion of workers with medium skills (49.8%) but a significantly higher proportion of persons with low skills (35.8%). This share is only slightly below the share of low skilled workers of third country origin (36.5%). In contrast, the share of highly skilled workers is higher among third country citizens than among EU-2 workers (17.1%).

[58] Highly skilled comprise ILO ISCO-88 Classes 1, 2 and 3 (managers, executives, professionals, self-employed), skilled: major groups 4-8 (clerks, service workers, craft and related trade workers, machine operators…) and low skilled: major group 9 (elementary occupations).

Table 31: Workers by groups of citizenship and main skill category of employment, 2009

Main categorisation	Nationals		EU 15		EU 10		EU 2		TCNs		Total	
	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
A. Highly skilled	1.393.539	39,0%	62.282	59,2%	16.973	30,9%	2.936	14,4%	41.334	17,1%	**1.517.064**	**38,0%**
B. Skilled	1.849.662	51,8%	38.848	36,9%	28.312	51,5%	10.176	49,8%	112.585	46,5%	**2.039.583**	**51,1%**
C. Low skilled	327.833	9,2%	4.115	3,9%	9.723	17,7%	7.316	35,8%	88.310	36,5%	**43.7297**	**10,9%**
TOTAL	**3.571.034**	**100,0%**	**105.245**	**100,0%**	**55.008**	**100,0%**	**20.428**	**100,0%**	**242.229**	**100,0%**	**3.993.944**	**100,0%**

Source: Labour Force Survey 2009.

Table 32: Workers by groups of citizenship and main category of employment, 2009

Nationality		**A. Highly skilled**	**B. Skilled**	**C. Low skilled**	**Total**
Nationals	**abs.**	**1.393.539**	**1.849.662**	**327.833**	**3.571.034**
	% of Total	**91,9%**	**90,7%**	**75,0%**	**89,0%**
Foreign Nationals	**abs.**	**123.525**	**189.921**	**109.464**	**422.910**
	% of Total	**8,1%**	**9,3%**	**25,0%**	**10,6%**
EU 15	*abs.*	*62.282*	*38.848*	*4.115*	***105.245***
	% of Total	*4,1%*	*1,9%*	*0,9%*	***2,6%***
EU 10	*abs.*	*16.973*	*28.312*	*9.723*	***55.008***
	% of Total	*1,1%*	*1,4%*	*2,2%*	***1,4%***
EU 2	*abs.*	*2.936*	*10.176*	*7.316*	***20428***
	% of Total	*0,2%*	*0,5%*	*1,7%*	***0,5%***
TCNs	*abs.*	*41.334*	*112.585*	*88.310*	***242229***
	% of Total	*2,7%*	*5,5%*	*20,2%*	***6,1%***
Total	**Total**	**1.517.064**	**2.039.583**	**437.297**	**3.993.944**

Source: Labour Force Survey 2009.

The proportion of foreign citizens amongst the employed changed somewhat over time: the share of migrants in high skilled jobs increased from 6.4% in 2004 to 8.1% in 2009, and declined in the medium (from 9.6% to 9.3%) and low skill segment (from 25.1% to 25% in 2009).

In 2009, of all highly skilled workers 4% were EU-14 nationals – compared to 3% in 2004; 1% were EU-10 nationals – just as in 2004; less than 1% were EU-2 nationals – just as in 2004; and 3% were third country citizens – compared to 2% in 2004.

Of all skilled workers, 2% were migrants from another EU-15 country (2004: 1%); 1% was from an EU-10 –MS (2004: 2%); less than 1% were EU-2 nationals – just as in 2004; but 6% were from third countries – just as in 2004.

Of all low skilled workers, 1% was from another EU-15 country (2004: 1%); 2% were from an EU-10 country (2004: 1%); 2% were from an EU-2 country (2004: 2%), and 20% were from a third country (2004: 21%).

Thus, the rising share of highly skilled migrants in total employment is due to above average increases of EU-15 (a rise of 1.1 percentage points between 2004 and 2009) and third country highly skilled workers (+0.8 percentage points between 2004 and 2009). The declining share of skilled migrant workers is, in contrast, due to an above average fall in the number of medium skilled EU-10 (-0.2 percentage points) and third country nationals (-0.9 percentage points 2004/2009). The share of low skilled migrant workers in total employment declined only in the case of third country citizens (-1.1 percentage points 2004/2009), while rising for all EU groups, in particular from EU-10 countries.

The labour force data substantiate the notion that migrants from another EU-MS tend to have higher skills than third country citizens. The dynamics over time show that EU-15 citizens tend to satisfy growing skill demands increasingly (rising share of highly skilled plus skilled migrants in total highly skilled and skilled employment: from 4.4% in 2004 to 6% in 2009) while EU-10 and EU-2 citizens tend to be somewhat stronger represented in the low skill segment, and increasingly so (rising share from 3.1% to 3.9% 2004/09). Third country nationals, on the other hand, have a very diverse skill composition, satisfying labour demand in all three skill levels. Over time the share of highly skilled rises (from 1.9% to 2.7%) and the share of low skilled declines (from 21.3% to 20.2%). The great bulk remains in the low skilled segment, however, namely 88.300 or 36% of all third country workers in 2009.

Researchers[59] are to a significant extent migrants. In 2009, 11.1% of a total of 431,400 researchers were migrants, the majority from another EU-15 country (7.1% of all researchers). But also persons from EU-10, EU-2 and third countries are increasingly satisfying the demand for researchers. In 2009, 2.7% of all researchers were from third countries, 1.1% from EU-10 and 0.2% from EU-2 countries.

Seasonal work is not only an opportunity to work for non-resident third country migrants (or EU-13 countries for as long as the transition regulations applied) but also for third country migrants residing in Austria who do not have the resident permit which grants access to the labour market without prior labour market testing. As a consequence of the introduction of the 'green card' in 2003, which allows entry into the labour market without the firm having to apply for a work permit, the employment opportunities of unskilled migrants who have legally resided in Austria for 4 years improved. Accordingly, the seasonal worker quota in agriculture, forestry and harvesting plus tourism could be reduced in 2003 from some 27,000 (sum of monthly contingents averaged over a year) to some 21,000 in 2004. The actual number of seasonal workers has been fluctuating around an annual average of some 12,000 ever since then. About two thirds of the seasonal foreign workers are working in agriculture and forestry and one third in tourism.

Seasonal foreign workers make up a fairly high proportion of foreign wage and salary earners in agriculture and forestry, namely some 80% to 90%. In contrast, only some 8% of all foreign

[59] Means a (third-country national) holding an appropriate higher education qualification, which gives access to doctoral programmes, who is selected by a research organisation for carrying out a research project for which the above qualification is normally required.

workers in tourism are working on the basis of a seasonal work permit. The seasonal worker regulation is an important means to reduce clandestine work of third country migrants[60]. (Biffl et al. 2009)

Skills composition by sex

In 2009, men were on average somewhat better skilled than women. Of a total of 2.1 million employed men 39.6% were highly skilled - compared to 36.1% of the 1.9 million employed women, 55.1% were skilled (compared to 50.9% of women) and 12.7% were unskilled (compared to 13% of women). The best skilled men and women were citizens from another EU-15 country: 64.2 % of men and 53.3% of women were highly skilled and only 2.7% of men and 5.4% of women were low skilled. In contrast, 40.7% of Austrian men and 37% of Austrian women were highly skilled and 7.8% respectively 10.7% were low skilled. Women from another EU-15 country contributed thus more to skilled (2.1 vs. 1.7%) and low skilled (1.1 vs. 0.8%) and less to high skilled labour demand (3.8 vs. 4.3% of high skilled labour) than third country men.

In the case of EU-10 and EU-2 citizenship women are working more than proportionately in Austria than men, namely 1.7% respectively 0.7% of all female employment compared to 1.1% respectively 0.4% of all male employment; their skill composition differs by sex. Women from EU-10 countries have a pronounced polarisation of their skill structure. While 35.9% of EU-10 female workers are highly skilled, compared to 24% of EU-10 men, 20.9% are low skilled – compared to 13.4% of their male counterparts.

EU-2 women are, in contrast, to a smaller extent than their male counterparts highly skilled (10.6% versus 19.8%), and the proportion of unskilled is significantly higher than in the case of EU-2 men (43% versus 25.4%).

Amongst third country citizens women have an even higher share of unskilled workers than EU-2 women (47.7%), but they also have a higher share of highly skilled (15.5%). Men of third countries are on average better skilled than their female counterparts. Migrant men tend to be much stronger represented in the medium skill bracket than migrant women.

The ten major single nationalities of migrants in Austria represent 76% of all foreign citizens in the work force in 2009. They are in the correct rank order: from Germany, Serbia-Montenegro, Bosnia-Herzegovina, Turkey, Croatia, Poland, Romania, Slovakia, Italy (in the main from South Tyrol) and Hungary. The rank order has changed between 2004 and 2009 in that the influx from Germany gained weight, overtaking immigrant numbers from Serbia-Montenegro and Bosnia-Herzegovina. Also, the number of Romanians increased significantly since EU-membership in 2007 such that they jumped the queue from 8th place in 2004 to 7th place in 2009.

The skill composition of the migrant workers differs greatly by country of origin. Of the 4 top migrant nationalities in 2009, Germans had the highest proportion of highly skilled workers (56% highly skilled) and a fairly high proportion were skilled (39%). In contrast, workers from the regions of former Yugoslavia and Turkey tended to have a fairly similar skill structure with some

[60] The contingent as well as the number of seasonal permits is larger than the number of employed persons averaged over a year. In seasonal peak times the actual number of seasonal workers is quite high, however, e.g. in June 2009 some 12,000 harvesters and seasonal workers in agriculture and forestry were employed in addition to 3,600 seasonal workers in tourism.

10% highly skilled and an almost equal division of skilled and low skilled. Amongst them, migrants from Bosnia-Herzegovina tend to be somewhat better skilled than the other two categories.

Table 33: The top 4 migrant worker groups by skill level, 2009

	Total	A. Highly skilled	In %	B. Skilled	In %	C. Low skilled	In %
Germany	75.942	42.933	56,5%	29.816	39,3%	3.193	4,2%
Serbia-Montenegro	51.429	4.181	8,1%	23.834	46,3%	23.414	45,5%
Bosnia-Herzegovina	47.389	4.309	9,1%	24.555	51,8%	18.525	39,1%
Turkey	38.965	4.153	10,7%	17.681	45,4%	17.131	44,0%

Source: Labour Force Survey 2009. Shaded figures are statistically not reliable due to small sample size.

Some major occupations of economic migrants

Migrants make up 21% of all employees in housekeeping and restaurant services. The major group are third country nationals (12% of all workers), followed by other EU-15 nationals (5% of all workers in 2009, largely from Germany), by citizens of EU-10 countries (3%) and EU-2 countries (1%).

In personal care work some 8% are migrant workers, mostly female, evenly spread over the various source countries (3% of the total from third countries, 2% ex aequo from EU-15 and EU-10 and 1% from EU-2.

Of all health professionals except nursing 9% were migrants, basically from EU-15 (7%) and EU-10 (1%).

Nursing personnel is not captured in the occupational classification of 223, but rather in 323 (non-academic nursing and care), where more than 11% of all workers had a foreign citizenship in 2009.

The highest proportion of migrants is working as a labourer in manufacturing, construction, transport and mining (ISCO 93) with 22%, mainly persons from third countries (19%). In contrast, highly skilled professionals in engineering and related professions are mainly from another EU-15 country (6% of the total), followed by EU-10 (4%) and third country nationals (3% of the total).

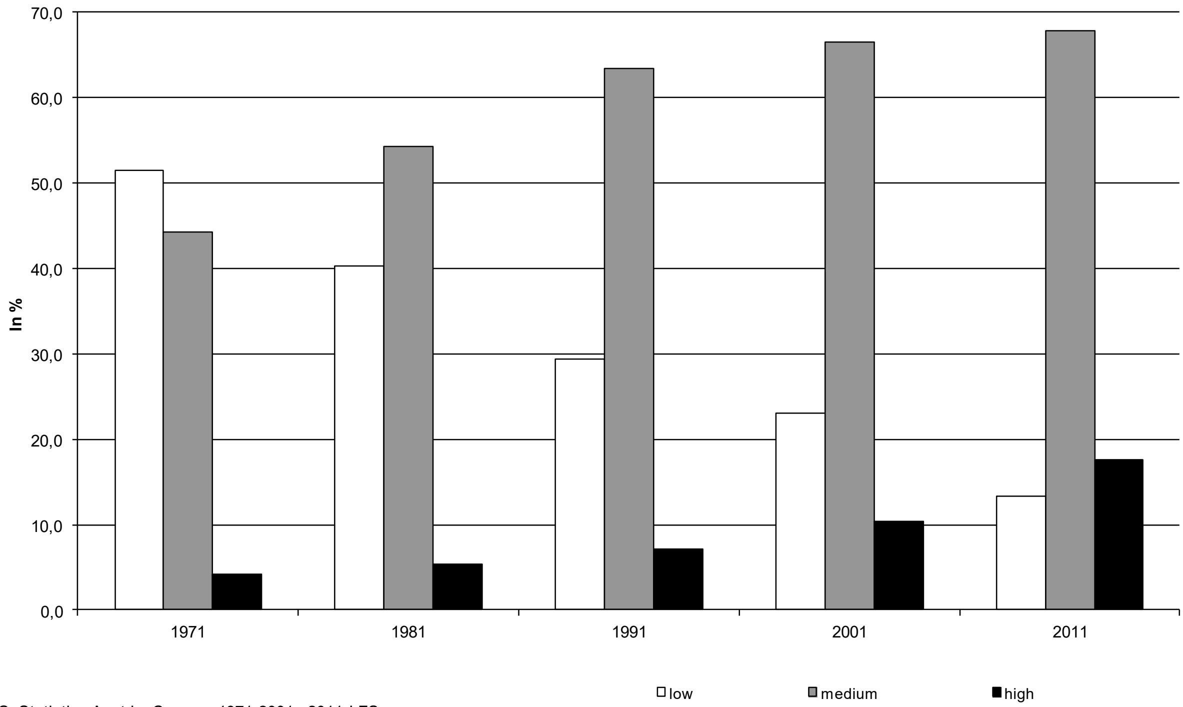
Migrants by educational attainment level

Austria has in international comparison an above average proportion of workers in the medium skill bracket (ISCED 3-4). This group is very heterogeneous in terms of educational background, with a narrow academically oriented stream (Gymnasium), which prepares for university education in humanities, medicine, law, philosophy and the like, as well as streams of upper secondary education with a strong vocational orientation geared towards higher education either in the engineering or commercial/business fields. It comprises also the medium skills obtained through apprenticeship education and middle vocational schools as well as postsecondary non-tertiary education. Accordingly, the proportion of unskilled workers, defined as persons with high school as a maximum educational attainment level

(ISCED 0-2), is fairly low just as the proportion of university graduates, basically only long-cycle university studies (ISCED 5-6).

With the introduction of short cycle university studies in the period 2000 to 2007, i.e. the bachelor, the proportion of university graduates is bound to rise reducing the share of the upper medium skill segment (Biffl et al 2010).

Figure 45: Skill composition of employment over time: Austria 1971 -2011



S: Statistics Austria. Census 1971-2001, 2011 LFS.

In international comparison, Austria has a pronounced gender gap of the educational attainment level. While the gender gap in the low skill segment amounts to less than one percentage point in the EU 15/27 it amounts to 8.4 percentage points in Austria. Consequently, more men than women are university graduates in Austria (+3.3 percentage points), quite in contrast to the EU15/27 average, where the number of women tends to exceed that of the male counterparts.

Another distinctive feature of the Austrian labour market is the gap in the labour force participation rate by educational attainment level, particularly in the case of women. Accordingly, the proportion of the unskilled amongst workers (ISCED 0-2) is significantly lower than in the population aged 15-64, above all in the case of women, while the share of university graduates is higher. This pattern is somehow linked to the limited outsourcing of household production to the labour market, indicating that the balance between work and family life is not easy to obtain in Austria. This situation results in a marked difference in fertility by educational attainment level on the one hand and a high poverty risk of single earner families with (many) children, many of them migrants, on the other. (Biffl 2008, Neyer 2008)

As Figure 45 indicates, the long-term improvement of the skill composition of the labour force features above all in a rapidly declining trend of unskilled labourers (ISCED 0-2), a slow rise in the share of university graduates (ISCED 5-6) and a massive rise in the medium to upper medium skill bracket (ISCED 3-4) between 1971 and 2001. Ever since then the proportion of workers with medium skills more or less stagnates while the diverging trends at the upper and lower end of the skills' spectrum continue well into 2011. However, a slowdown in the decline of the share of unskilled workers can be discerned since the 1990s, and an acceleration in the rising trend of workers with university education.

In what follows we focus on the development of employment by educational attainment level and citizenship.

In 2011[61], of the 3.5 million employees (15-64-year olds) 430.100 or 12% were foreign citizens. Of this number 160.000 or 37% were EU-27 citizens and 63% of third countries. Between 2004 and 2011 the number of employees increased by 9% (+313.200); the bulk of the employment increase accrued to Austrian citizens, followed by EU citizens, while the number of third country citizens rose fairly little. This development is largely due to a significant increase in the number of 'new' Austrians, i.e. third country citizens who acquired Austrian citizenship[62]. Citizens of another EU-MS see little reason for acquiring the Austrian citizenship.

The skill composition of migrants and Austrians differs, indicating a certain extent of complementarity in employment. Migrants tend to satisfy labour demand at the low and high end of the skill spectrum. While their share in total employment (15-64-year olds) amounted to 12% on average in 2011, it reaches 20% among unskilled labourers (ISCED 0-2) and 13% among university graduates (ISCED 5-6). The polarisation of skills of migrants relative to Austrians holds for both men and women. On average 12.7% of male employees are foreigners (11.5% of female employment), but 13.2% of all male university graduates are foreigners (12% of all female graduates) and 23.8% of all unskilled men (18% of unskilled women). EU27 citizens tend to satisfy labour demand of university graduates while citizens of third countries tend to cluster at the lower end of the skills' spectrum.

Citizens from another EU country represented 4.5% of all employees in 2011. They constituted, however, 8.1% of all employed university graduates (men: 7.9%, women: 8.4%) and only 2.3% of all unskilled labourers. In contrast, citizens from a third country represented 7.7% of all employees but 18.5% of all unskilled labourers (men 21%, women 15.9%).

It can be taken from Table 34 that the skill composition of third country migrants has been improving since 2004. Then the share of unskilled labourers amongst all third country citizens amounted to 42% compared to 35.9% in 2011, while the share of university graduates rose from 10.7% to 11%. This is in contrast to the development of the skill structure of EU citizens, which is quite volatile. Their share of the highly skilled is over the whole period slightly increasing (from 31.7% in 2004 to 33.7% in 2011) and the share of unskilled is slightly declining (from 9.6% in 2004 to 7.5% in 2011).

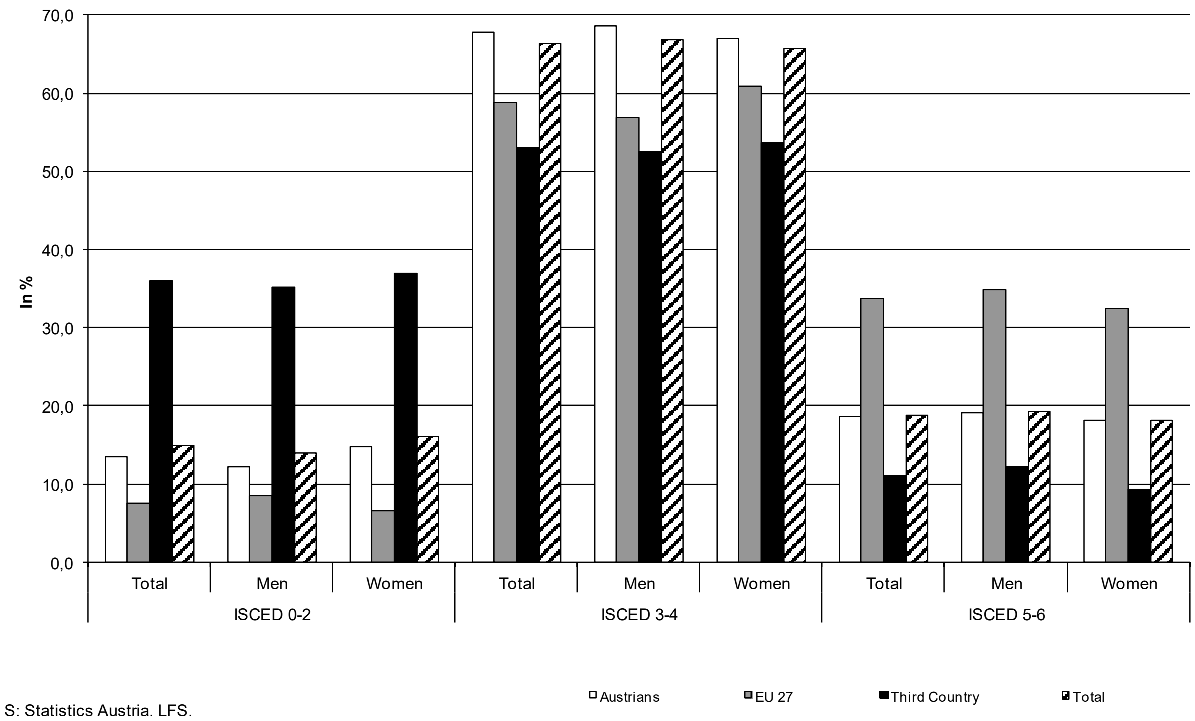
Research into overqualification (Biffl et al 2008, Bock-Schappelwein et al 2009) indicates that education and training obtained in Austria is key to employment which is commensurate with the educational attainment level acquired. The duration of stay and employment is another important factor ensuring adequate employment. In the medium skill segment overqualification is fairly rare, particularly in the case of apprenticeship education. Only some 9% of Austrian employees with apprenticeship education are overqualified for their job. In the

[61] The data base is the Labour Force Survey (fourth quarter) from 2004-2010, employed persons 15-64 years of age; Data are taken from the LFS from 2004 onwards, as a statistical break does not allow comparisons with earlier periods.

[62] Between 2004 and 2010 142,300 foreigners acquired the Austrian citizenship, 92% of them were of third country origin.

case of foreigners who have not received their training in Austria the share of overqualification is higher, amounting to some 21%; persons from Romania and former Yugoslavia are more often than others overqualified for their jobs (some 28%).

Figure 46: Composition of employment by educational attainment level and citizenship: 2011



S: Statistics Austria. LFS.

University graduates are more prone to work below their skill levels, in the main if they have not graduated from an Austrian university. This is above all the case for persons who migrate to Austria at a mature age (over 40). It appears to be particularly difficult for university graduates from Asia, Turkey and former Yugoslavia to transfer their knowledge and skills to the Austrian labour market. In these cases, about two thirds tend to be overqualified for their jobs. The introduction of coordinated action by the various institutions involved in accrediting and validating skills and competencies acquired abroad in spring 2012 should contribute to a reduction in the mismatch of skills and jobs amongst migrants. Research by Biffl – Pfeffer – Skrivanek (2012) provided the basis for a road-map towards accreditation of formal education acquired abroad. Further steps are taken towards validating competencies which have been acquired informally through concerted action based on a LifeLongLearning-Strategy of the government.

Table 34: Development of the composition of employment by educational attainment level in % (15-64 years old)

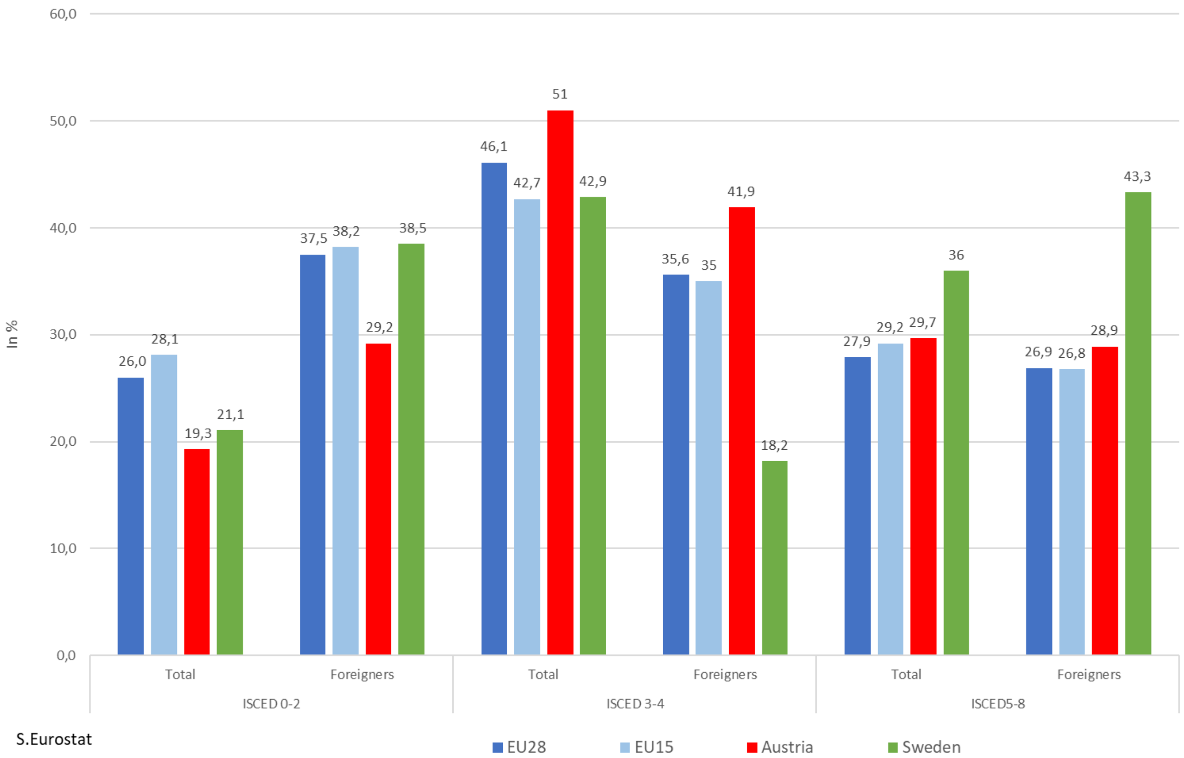
Nationality	Educational attainment level	2004	2005	2006	2007	2008	2009	2010	2011
	ISCED 0-2	15,5	14,9	15,5	15,2	14,3	13,5	13,8	13,4
	ISCED 3-4	67,7	67,8	68,6	68,7	69,2	68,8	68,8	67,9
	ISCED 5-6	16,9	17,2	15,9	16,1	16,5	17,6	17,4	18,6
Nationals	**Total in %**	**89,5**	**89,9**	**89,6**	**89,1**	**89,3**	**89,5**	**88,5**	**87,8**
	Total Persons	**2.876.648**	**2.932.825**	**2.999.709**	**3.010.876**	**3.089.915**	**3.089.372**	**3.070.735**	**3.098.292**
	ISCED 0-2	9,6	7,9	8,5	9,4	8,1	9,2	9,8	7,5
	ISCED 3-4	58,8	56,4	59,7	58,4	62,2	58,0	58,9	58,8
	ISCED 5-6	31,7	35,7	31,8	32,2	29,7	32,7	31,3	33,7
EU	**Total in %**	**3,4**	**3,1**	**3,5**	**3,9**	**4,3**	**4,2**	**4,7**	**4,5**
	Total Persons	**108.326**	**99.790**	**116.419**	**132.364**	**147.242**	**145.137**	**162.711**	**158.604**
	ISCED 0-2	42,0	41,7	41,3	41,0	37,5	37,6	39,6	35,9
	ISCED 3-4	47,3	49,2	47,2	48,0	54,9	50,7	48,6	53,1
	ISCED 5-6	10,7	9,1	11,5	11,0	7,6	11,7	11,9	11,0
Third Country	**Total in %**	**7,2**	**7,0**	**7,0**	**7,0**	**6,4**	**6,3**	**6,8**	**7,7**
	Total Persons	**230.245**	**229.964**	**233.336**	**236.945**	**221.964**	**216.111**	**234.894**	**271.541**
	ISCED 0-2	17,2	16,6	17,0	16,7	15,5	14,8	15,4	14,9
	ISCED 3-4	65,9	66,2	66,8	66,9	68,0	67,2	67,0	66,4
	ISCED 5-6	16,9	17,2	16,2	16,4	16,5	17,9	17,6	18,7
Total	**Total in %**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**	**100,0**
	Total Persons	**3.215.219**	**3.262.579**	**3.349.464**	**3.380.185**	**3.459.121**	**3.450.620**	**3.468.340**	**3.528.437**

S: Statistics Austria. LFS. Own calculations.

Educational attainment of the population of working age in EU comparison

Austria has in comparison with the EU 28 and 15 a significantly smaller proportion of people of working age in the lowest skill group (ISCED 0-2)): 19.3% as compared to 26% and 28.1% respectively, and even a smaller share than Sweden (21.1%). Also, in the case of foreigners, the proportion of unskilled persons is smaller than on average in the EU 28 and 15 as well as Sweden (29.2% as compared to some 38% for the other three categories). The forte of Austria is the medium skill group. In Austria in 2017 all in all 51% of the people of working age were in the skill group ISCED 3-4, while the share of this skill group in Sweden and the EU15 was slightly over 42%, compared to 46% in the EU28. This is also the skill segment in Austria in which migrants tend to be concentrated (42%), while only 18% of all foreigners in Sweden were in this skill group – compared to some 35% in the EU on average. In contrast, there is hardly any difference between Austria and the EU on average in the share of highly skilled people of working age (EU28: 28%, Austria: 29.7%). In this comparison, Sweden has the highest proportion of highly skilled at 36%, indicating that Sweden is at the upper end of the technology front with a large demand for the highly skilled. And this demand is largely met by migrants, symbolized by a share of 43.3% of all foreigners in this skill segment. (OECD 2015; Baller et al 2016). (Figure 47)

Figure 47: Composition of population of working age (15-64) by educational groups: 2017



S.Eurostat

Table 35: Population 15 years and over by educational attainment (ISCED 2011), nationality, country of birth and migration background: 2017

	Men				Women			
	Total	Highest educational level attained			Total	Highest educational level attained		
		ISCED 0-2	ISCED 3-4	ISCED 5-8		ISCED 0-2	ISCED 3-4	ISCED 5-8
	Population 15+	in%			**Population 15+**	in%		
Total	**3 586,4**	**18,1**	**53,1**	**28,7**	**3 778,1**	**27,6**	**47,3**	**25,1**
Citizenship								
Austrian	3 052,6	16,3	54,5	29,2	3 233,4	26,9	48,9	24,2
Non-Austrian	533,8	28,5	45,5	26,0	544,7	32,0	37,5	30,5
EU28	264,0	15,8	49,5	34,7	283,7	16,6	46,0	37,4
EU15	114,6	9,5	43,3	47,3	107,1	11,6	48,8	39,7
Ex-Yugoslavia	109,2	37,3	51,4	11,3	99,8	52,5	33,7	13,8
Turkey	46,6	56,0	38,9	5,1	50,7	74,9	19,6	5,4
Others	113,9	38,2	33,0	28,8	110,5	33,2	27,4	39,4
Country of Birth								
Austrian	2 881,5	15,9	54,9	29,2	3 008,6	26,4	49,4	24,2
Non-Austrian	704,9	27,3	45,7	26,9	769,5	32,6	39,1	28,3
EU28	292,7	13,7	49,3	37,0	361,7	17,6	46,7	35,7
EU15	133,3	10,9	44,4	44,6	141,7	14,5	50,8	34,7
Ex-Yugoslavia	165,6	29,0	56,3	14,7	167,1	46,8	38,6	14,6
Turkey	77,8	60,9	34,5	4,6	75,1	76,8	19,3	3,8
Others	168,7	33,8	34,4	31,8	165,6	30,7	32,0	37,3
Migration background								
No migration	2 796,2	15,0	55,2	29,7	2 919,9	26,1	49,4	24,5
Migration background	790,2	29,2	45,6	25,2	858,2	32,8	40,0	27,2
First generation	659,3	28,3	45,4	26,3	726,0	33,2	38,4	28,4
Second Generation	130,8	33,7	46,9	19,4	132,3	30,7	48,9	20,3

S: Statistics Austria, LFS.

The migrant group with the highest share of unskilled people of working age is from Turkey (56% of men and 74.9% of women), while migrants from the EU 15 exhibit the smallest share (9.5% of men and 11.6% of women). The migrants from the EU15 have, in addition, the highest shares of highly skilled (47.3% of men and 39.7% of women), significantly above the proportions amongst natives (29.2% of men and 24.2% of women). (Table 35)

Employees in non-standard employment

In 2011, in the EU27 18.8% of all employees were working part-time, 8.1% of all men and 31.6% of all women. Until 2017 the situation did not change much with 19.5% of all 15-64-year-olds working part time in the EU27 (8.9% of men and 31.9% of women). In Austria part-time work is very frequent in the case of women and a rare event in case of men. In 2011, 24.3% of all employees were working on a part-time basis, 43.4% of all women and 7.8% of all men. Until 2017 the situation changed somewhat with the part-time share in employment rising to 29.9%: whereby 47.2% of women worked part time and 10.6% of men. Normal working hours for female part-timers tend to be 27 hours a week, while men tend to reduce their normal working hours to a lesser extent, namely to 35 hours per week. In certain industries, e.g. retail trade, part-time work is the norm for female workers rather than being non-standard employment.

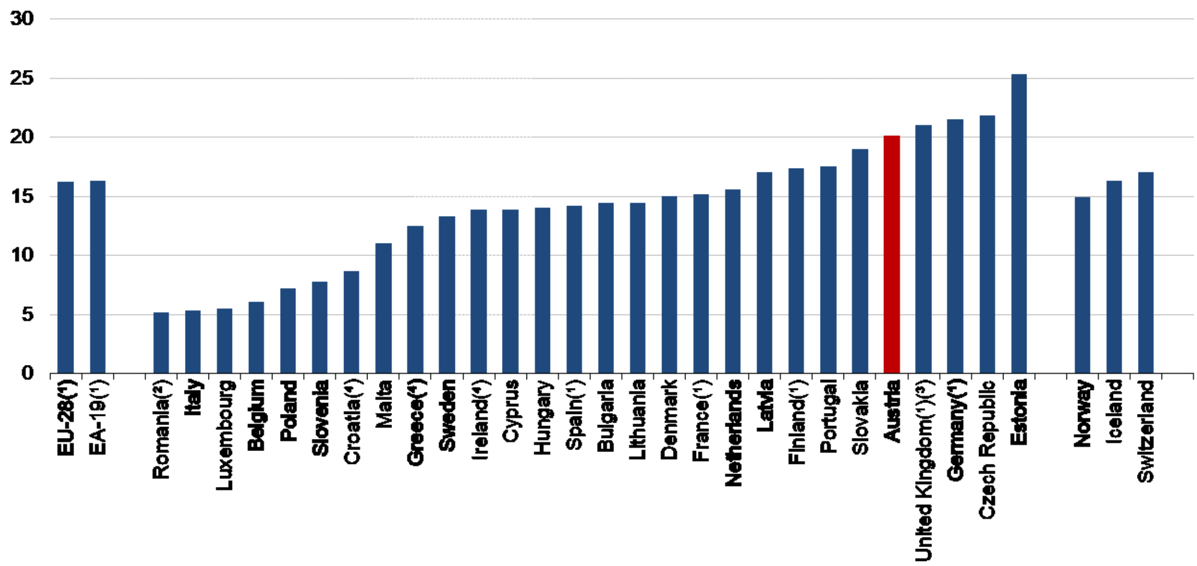
Foreign citizens have a somewhat higher share of part-time work in Austria, namely 25% in 2011 and 29.4% in 2017 (men: 10.4% in 2011 and 14.9% in 2017; women: 42.4% in 2011 and 46.9% in 2017).

In contrast to part-time work, fixed term employment is comparatively rare in Austria, affecting only 9.6% of all employees in 2011 and 9.2% in 2017, compared to 14% in the EU27 on average in 2011 and 14.3% in 2017. Migrants are more often than natives on fixed term contracts – in Austria their share in total employment remained fairly stable between 2011 and 2017 with 11% compared to 20.4% in the EU27.

It may not come as a surprise, given the high proportion of female part-time work and the higher share of women in fixed term employment that the gender gap in the annual net wage and salary income is fairly high, women earning on average only 66% of men in 2010 and 62% in 2016. If one takes only full-time work into account, female wage and salary earners earn on average 16% less than male earners. In 2016, in EU-comparison, the unadjusted gender pay gap in Austria amounted to 20.1% (difference between average gross hourly earnings of male and female employees as % of male gross earnings) and was thus higher than in the EU28 on average (16.2%). (Figure 48)

On a household income basis, however, Austria has one of the most equal income distributions in the EU, as women, also highly skilled ones with good earning potential, tend to fill in household income rather than opting for their personal careers. (Biffl 2008)

Figure 48: The unadjusted gender pay gap, 2016 ((difference between average gross hourly earnings of male and female employees as % of male gross earnings)



Source: Eurostat: Gender Pay Gap Statistics.

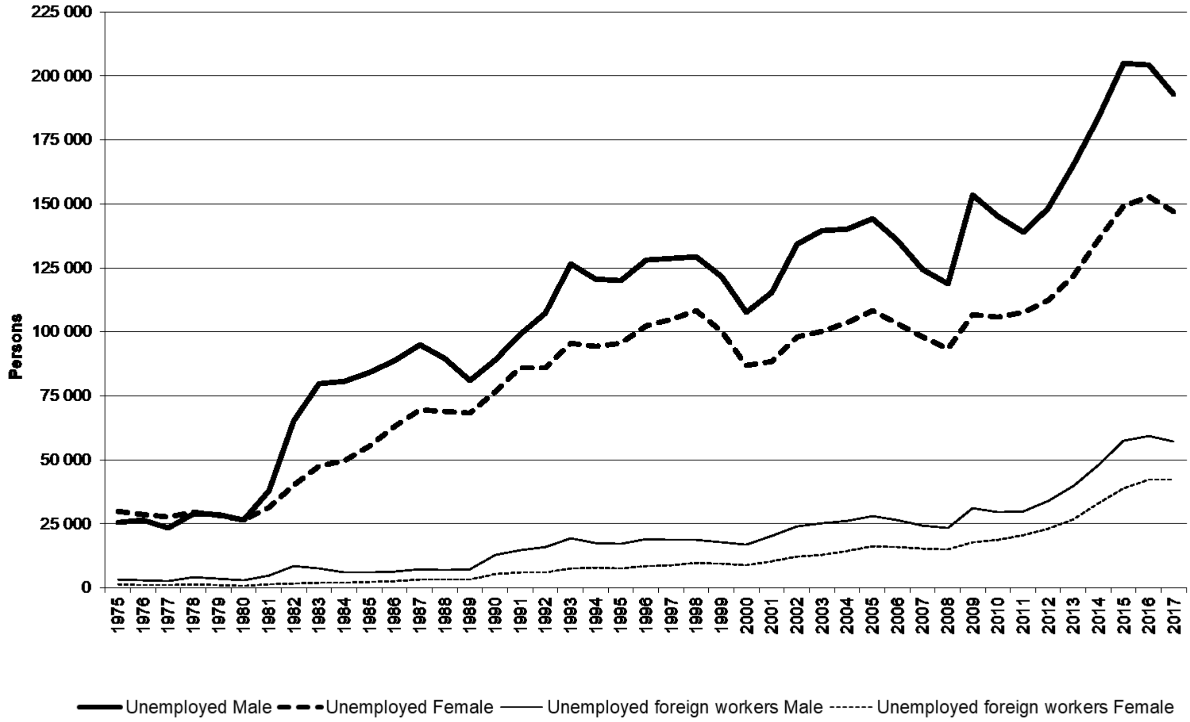
2 Unemployment of foreign workers

Unemployment has followed a long-term rising trend with intermittent cyclical fluctuations. This holds for Austrian as well as foreign workers. The numbers of unemployed men have always surpassed those of women; but men tend to have more pronounced cyclical fluctuations than women.

The year 2000 marks the end of an economic boom which had entailed significant declines in unemployment. In the ensuing slowdown in economic growth, unemployment rose again to reach a peak in 2005. In 2006 unemployment declined again, for the first time in 5 years, and continued to do so until 2008 (212,300), when the more recent economic crisis set in. In 2009, unemployment levels rose to unprecedented heights, reaching 260,300. In 2010 and 2011 unemployment declined again in the wake of economic recovery but did not return to pre-crisis levels. In 2013 unemployment increased again in the wake of the economic slowdown (+26,700, +10.2%) beyond the levels of the year 2008 (+75,000 or 35%) and continued to do so until 2016 as a consequence of larger labour supply rises than demand increases (2016: 357,300; +3,000 or 1% vs 2015; +145,600 or 68% vs 2008). It was only in 2017 that the economic recovery was large enough to allow a decline in unemployment numbers to 340,000 (-17,300, -4.9%). The unemployment situation of foreign workers was even less favourable. In 2016 their unemployment numbers increased by 5,300 or 5.5% versus 2015 to 101,800, surpassing the 2008-level by 63,500 or 166%. In 2017 also their unemployment numbers decreased, albeit to a lesser extent, to 99,400 (-2,400, -2.4%).

The rise in unemployment affected men more than women and migrants more than natives. (Figure 49) In 2017 the number of unemployed men surpassed the unemployment level of 2008 by 74,000 (62%), in the case of male foreign workers by 33,800 or 145%. The unemployment situation of women is on average more stable; the rise versus 2008 amounted to 53,700 (+57.5%); in the case of foreign women the situation was the worst in relative terms with a plus of 27,300 or 183% versus 2008.

Figure 49: Total unemployed and unemployed foreigners 1975-2017
Annual average



Source: Federal Ministry of Economics and Labour; Austrian Labour Market Service.

The share of foreigners in total unemployment has continually increased over time, from 8 percent in the mid-1970s to 29.2 percent in 2017. Foreign men constitute a somewhat larger fraction of total male unemployment, namely 39.7 percent, compared to a share of foreign women in total female unemployment of 28.6 percent. While women made up 43.3 percent of all unemployed in 2017, the proportion of foreign women in foreign unemployment is somewhat lower with 42.4 percent in 2017.

The total unemployment rate has been rising from 2000 till 2005 by 1.5 percentage points to 7.3 percent and declined until 2008 by 1.4 percentage points to 5.9 percent. In 2009, the unemployment rate rose at an unprecedented rate to 7.2% (1.3 percentage points versus 2008) and declined again in the wake of the economic upswing to 6.7% in 2011. With weakening economic growth, the unemployment rate increased again to 9.1% in 2015, where it stabilised in 2016. In 2017 the unemployment rate declined again for the first time in five years to 8.5%, a level comparable to 2014. The cyclical pattern for foreign workers follows the national pattern[63]. (Table 36)

[63] The unemployment rate is biased downwards due to double counting of women on maternity leave who have been working before the birth of their child(ren). As to the extent of underestimation of the unemployment rate see Table 1.

Table 36: Total unemployment rates and unemployment rates of foreigners

	Unemployment rates			Unemployment rates of foreigners				
							Of which:	
	Male	Female	Total	Male	Female	Total	Turks	Ex-Yugoslavian
1998	6,9	7,5	7,2	9,1	8,0	8,7	10,8	8,4
1999	6,5	6,9	6,7	8,5	7,5	8,2	9,9	8,0
2000	5,8	5,9	5,8	7,8	6,9	7,5	9,0	7,4
2001	6,2	5,9	6,1	9,1	7,6	8,5	10,6	8,6
2002	7,2	6,4	6,9	10,5	8,5	9,8	12,1	10,4
2003	7,5	6,5	7,0	10,6	8,6	9,8	12,6	10,8
2004	7,5	6,6	7,1	10,6	9,1	10,0	13,2	11,0
2005	7,7	6,8	7,3	11,1	9,8	10,6	14,1	11,5
2006	7,1	6,4	6,8	10,1	9,2	9,7	12,8	10,6
2007	6,5	6,0	6,2	8,9	8,5	8,8	11,6	9,4
2008	6,1	5,6	5,9	8,2	7,9	8,0	10,9	8,9
2009	8,0	6,4	7,2	10,9	9,1	10,2	13,9	11,3
2010	7,5	6,3	6,9	10,0	9,2	9,6	13,0	10,7
2011	7,1	6,3	6,7	9,4	9,4	9,4	12,7	10,6
2012	7,4	6,5	7,0	9,8	9,7	9,7	13,8	12,7
2013	8,2	7,0	7,6	10,8	10,5	10,7	15,4	13
2014	9,0	7,6	8,4	12,1	12,0	12,1	17,8	13,7
2015	9,8	8,3	9,1	13,7	13,3	13,5	19,8	15
2016	9,7	8,3	9,1	13,4	13,7	13,5	19,9	14,7
2017	9,0	7,9	8,5	12,1	13,0	12,5	18,6	13,7

Source: Federal Ministry of Economics and Labour; Austrian Labour Market Service, since 1994 Social Security Department (employment base). BMWA/AMS = registered unemployment. – [2] The employment base includes persons on parental leave and conscripts.

Due to the employment concentration of migrant workers upon unskilled labour in combination with cyclically sensitive industries, the rise of unemployment rates of foreign workers has been more pronounced in the respective recessions, i.e., by 2.1 percentage points to 10.2 percent in 2009. In the economic upswing of 2010 and 2011 the decline in unemployment was somewhat more pronounced - with the exception of foreign women, where the unemployment rate continued to rise. In 2015 the unemployment rate of foreign workers increased by 1.5 percentage point vs 2014, i.e. somewhat faster than for the national average of 0.8 percentage points, but stabilised in 2016 in the wake of the economic upswing and declined even in 2017 to 12.5%.

The differential in unemployment rates between men and women has a strong cyclical component. In periods of dynamic economic growth, unemployment rates of men decline rapidly while they tend to be more stable for women. As a result, in the late 1990s, the unemployment rate of women surpassed the rate of men. With the onset of the recession in 2001, the unemployment rate of men increased significantly such that it exceeded the female rate. Ever since then the unemployment rate of men surpassed the rate of women, even though the gender gap in the unemployment rate declined to 0.2 percentage points in 2008. With the financial crisis in 2009 the gender gap in the unemployment rate increased again to 1.6 percentage points, declined in the economic upswing of 2010/2011 but increased ever since then again and stood at 1.5 percentage points in 2015, followed by a cyclically induced decline to 1.1 percentage points in 2017.

In contrast, the unemployment rate of foreign men has always been higher than of foreign women – with the exception of one year (1987/88). The gender gap in unemployment of foreign workers was 1.3 percentage points in 2005, declined to 0.4 percentage points in 2008, rose again to 1.7 percentage points in 2009. In the wake of the economic upswing, the unemployment rate of foreign men declined while it continued to rise for foreign women, partly as a result of the unprecedented rise in foreign female labour supply due to facilitation of labour market access for various migrant groups (no labour market testing). As a result, the unemployment rates of foreign men and women converged to 9.4% in 2011. In 2017, in the wake of the economic upswing, the unemployment rate of foreign men declined to a greater extent than for foreign women such that a gender gap of 0.9 percentage points at the detriment of foreign women surfaced again.

Turkish workers have traditionally had the highest unemployment rates of any foreign worker group. Their unemployment rates had risen between 2001 and 2005 to 14.1 percent, but declined thereafter and reached a low of 10.9 percent in 2008. In 2009, however, the unemployment rate of Turkish citizens increased again to an all-time high of 13.9%. The slight improvement of the situation in 2011 was short-lived, raising the unemployment rate of Turkish workers in 2016 to an all-time high of 19.9%. In 2017 the unemployment rate declined again somewhat to 18.6%. (Table 36)

The other traditional foreign worker group originates from former Yugoslavia. If we take the sum of citizens of these regions, excluding Slovenia, we can calculate an unemployment rate and compare the development over a longer time span. In 2001, their unemployment rate conformed to the average of all foreign workers (7.4%). In the ensuing economic decline, their unemployment rate rose somewhat faster than the average of foreign workers, reaching a peak of 11.5% in 2005, 1 percentage point above the average of foreign workers. This gap could not be recovered in the ensuing cyclical fluctuations. In 2015, the unemployment rate of persons from former Yugoslavia, including citizens of Macedonia, Kosovo, Serbia/Montenegro, Croatia and Bosnia, rose even faster than for Turks, particularly for citizens from Serbia and Montenegro, reaching 15%. The situation improved in 2016 and 2017 reducing the unemployment rate of citizens of former Yugoslavia to 13.7% in 2017.

Unemployment by industry

The unemployment rates by industry and citizenship indicate that unemployment is not equally distributed over nationals and foreigners. In some occupations the unemployment rates of natives are higher than of foreigners and vice versa.

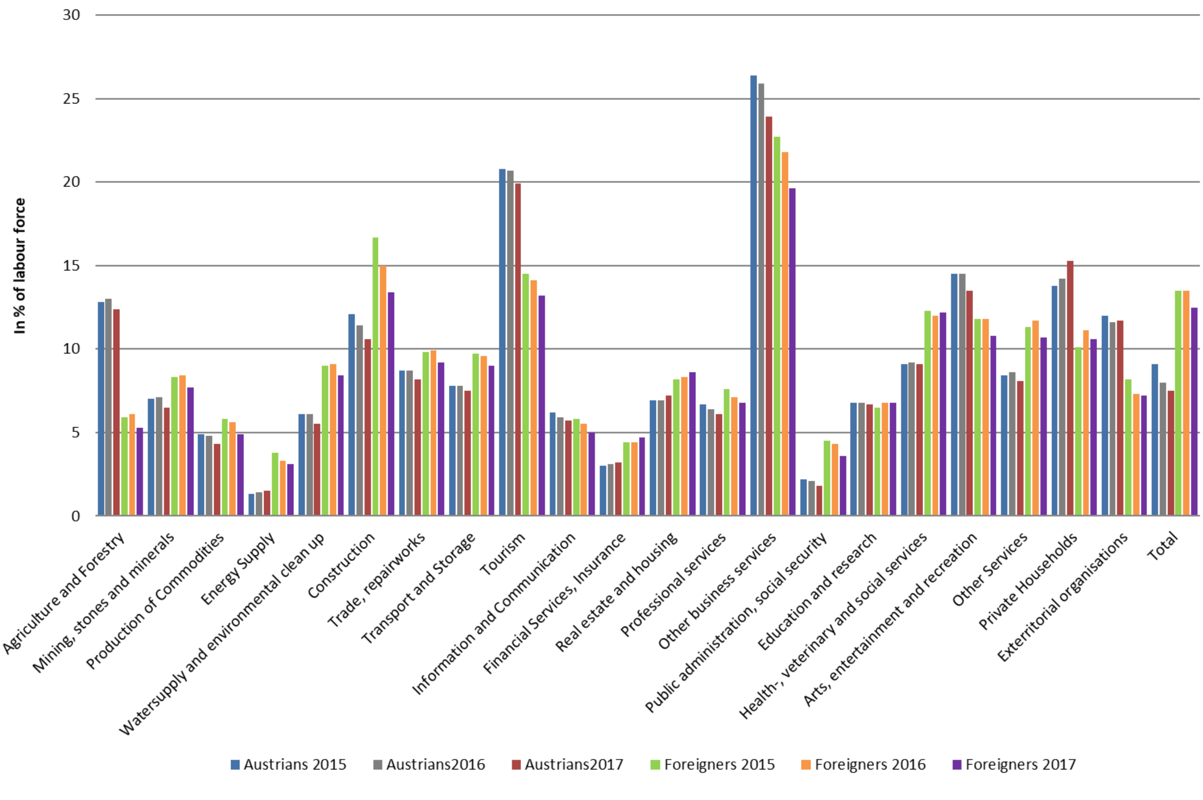
Foreigners used to have higher unemployment rates in most occupations, except in tourist services and in agriculture and forestry, where foreigners tend to be seasonal workers, meaning that they have a contract for a particular period, which does not allow the acquisition of the right to unemployment benefits.

More recently the unemployment rate of foreign workers is falling behind the unemployment rate of nationals in other than seasonal occupations. This has to be seen in the context of an increasing tendency on the part of foreigners to take up Austrian citizenship. Since the migrants tend to remain in their traditional occupations, their unemployment remains linked with job opportunities in those industries and occupations. In consequence, Austrian workers have a higher unemployment rate than foreign workers in the clothing industry and in retail trade, since 2005 also in wood processing.

This picture emerges also if one calculates unemployment rates by industry. Industries which have a strong seasonal employment component tend to have some of the highest unemployment rates of Austrians and foreigners. 'Other' business services, largely cleaning, take, however, the lead with 23.9% for natives and 19.6% for foreign workers in 2017 – a decline vs 2016 by 2 respectively 2.2 percentage points. Second in line is tourism with an unemployment rate of 19.9 percent for Austrians and 13.2% for foreigners in 2017. In contrast, in construction, the unemployment rate of foreigners is higher than for natives (16.7% vs. 12.1 % in 2015; 13.4% vs 10.6% in 2017).

The lowest unemployment rates for natives as well as migrants are in the high skilled occupations of electricity supplies, public sector administration and financial services. (Figure 50)

Figure 50: Unemployment rates by industry of Austrians and foreigners (registered unemployed in % of dependent labour supply) 2017

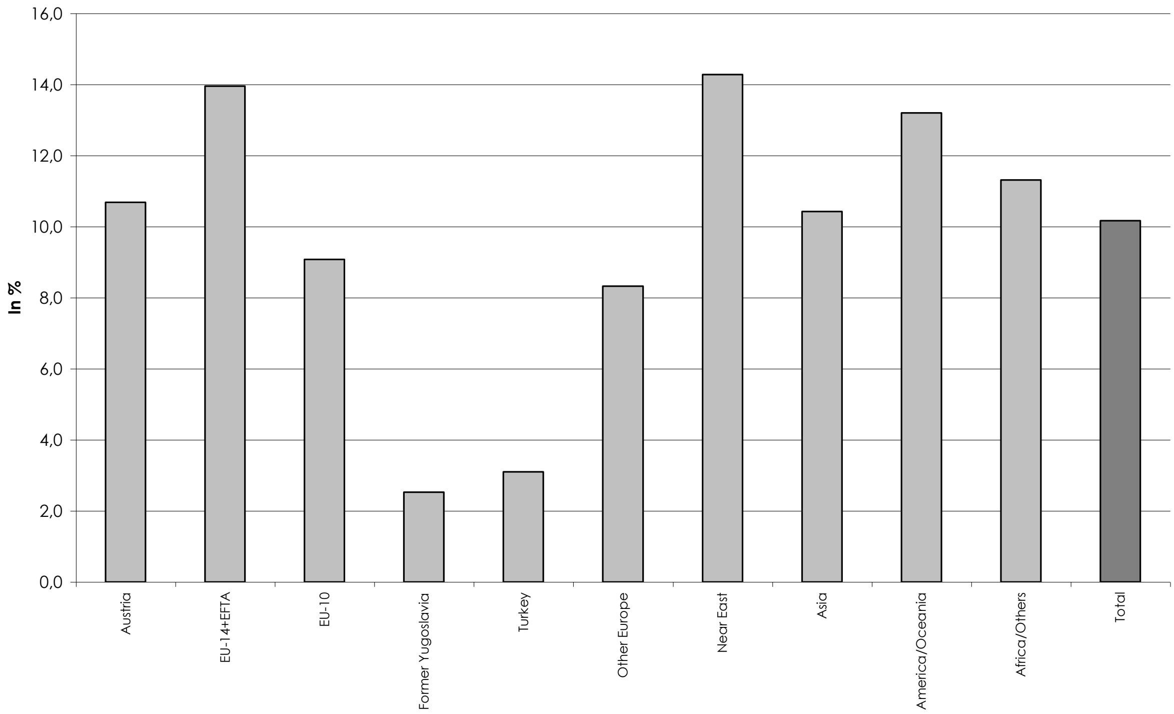


Source: Austrian Labour Market Service, Federation of Austrian Social Security Institutions.

3. Entrepreneurship

While Austria has a long history of migration, going back to the early 1960s, the focus has always been on satisfying immediate labour demand, i.e. of reducing general and specific labour scarcities of domestic enterprises via migration. (Biffl 2011) It was not until the settlement of 'guest workers' and their families that self-employment of foreigners set in. This was a slow process and gained momentum only in the 1990s. Accordingly, there are no comprehensive statistics on ethnic entrepreneurs in Austria until the census of 2001. Then, out of the 516,800 employed migrants (foreign born) 36,100 or 7% were self-employed, largely in the non-agricultural sector, compared to 11% of the host population. As some 3% of the Austrians were self-employed farmers, the share of self-employment of migrants in the non-agricultural sector was about as high as for natives. Research into the reasons for the take-up of self-employment suggests that the deterioration of employment opportunities of migrant workers resident in Austria became a motivating force to start up a business. Accordingly, the composition of self-employed foreigners by skills, educational attainment level and source region conformed to the one of the 'guest workers'. The new self-employed tended to find niches for themselves. (Biffl 2007) They were inclined to set up business in services, in particular cleaning, restaurants, food production and retail trade as well as in manufacturing, above all in clothing, leather ware, shoes and textile production and repairs.

Figure 51: Share of self-employed in total employment in percent by country of birth (2001)



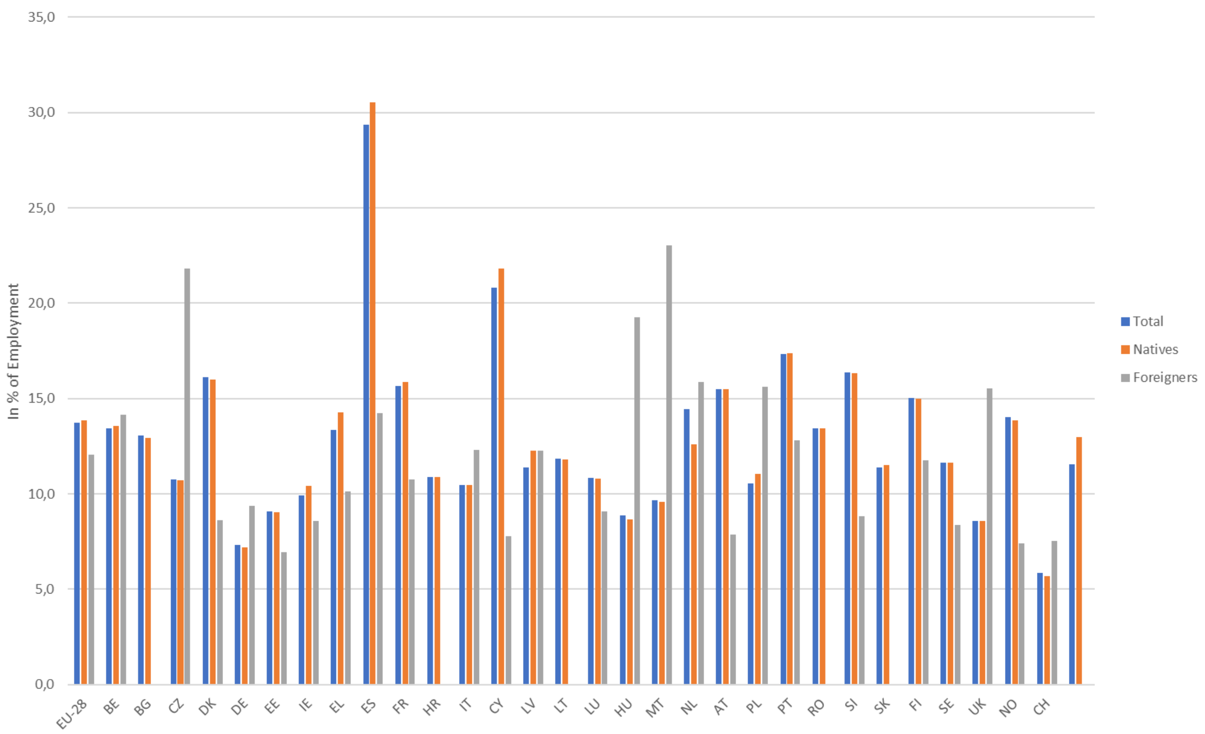
Source: Statistics Austria (Census), own calculations.

Figure 51 indicates that there were significant differences in the propensity to become self-employed by country of birth in 2001. Migrants from the Near East, from other EU-MS, America and Africa were more often self-employed than native Austrians. Asians were about as often self-employed as native Austrians, while persons from the traditional migrant worker source countries, i.e., Turkey and former Yugoslavia, were relatively seldom self-employed.

The development of migrant entrepreneurship is only recently receiving research attention, partly a result of limited (survey) data. Students, often of migrant background, are starting to take up this subject in essays and diploma theses. Also, theoretical underpinnings are becoming a focus of reflection. (Aigner 2012)

Since 2001 the share of self-employment in total employment remained fairly stable in Austria, amounting to 11% in 2009 (15-64-year-olds) and declining to 10.6% in 2017. The proportion was slightly lower for foreign born with 9.5% in 2009, declining to 7.9% in 2017. Accordingly, migrants were increasingly working on their own account. In EU comparison, the share of self-employment in total employment in Austria is somewhat below the EU-27 average (2009:14.3%; 2017:13.7%). But there are large differences in the share of self-employment in total employment across the EU, spanning from a low of 7.3% in Denmark in 2017 to a high of 29.4% in Greece. (Figure 52)

Figure 52: Total self-employment rate compared to self-employment rate of foreign citizens and natives (15-64-year-olds) in the EU: 2017



Source: Eurostat (2017), LFS.

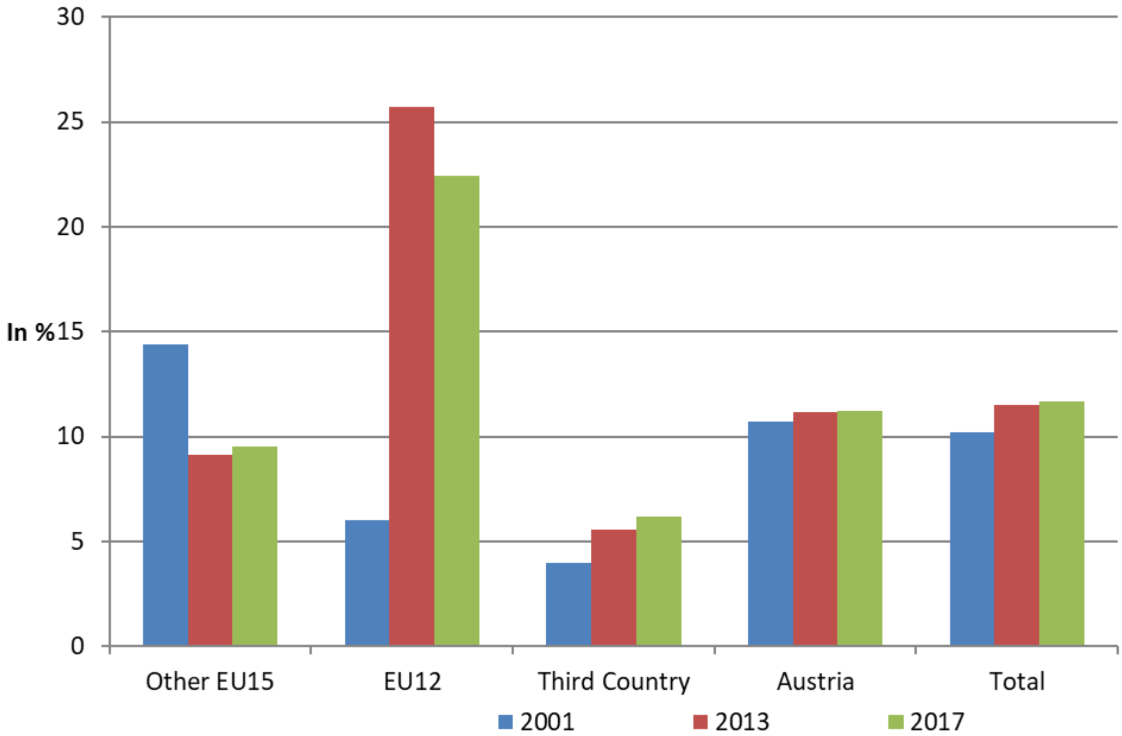
While some EU member states exhibit hardly any differences in the degree of self-employment of natives and migrants, e.g. Belgium and Latvia, others tend to have large discrepancies, in particular Southern European countries and some Central and Eastern European countries as well as the UK, indicating different roles of migrants and natives in the local labour market and the economy at large.

In Austria the composition of self-employment by source country has changed significantly between 2001 and today. While the composition of the migrant entrepreneurs by country of origin conformed more or less to the one of migrant wage and salary workers in 2001, this was no longer the case in 2009 and even less so in 2013 and 2017. With EU enlargement and the imposition of transition regulations for migrants from EU-8 countries (until 2011) and from EU-2 countries (until 2013), access to wage and salary employment was difficult. Only highly skilled workers and persons in designated shortage occupations (Mangelberufe) could enter wage and salary employment. But the option to set up a business in Austria remained, leading to a substantial inflow of self-employed workers from the new EU member states. Between 2004 and 2008, some 18,000 persons from the new EU member states established themselves as independent contractors/self-employed, largely self-employed homecare service providers and to a lesser extent building services and consulting. In addition, posted workers entered to provide services on a temporary basis.

In 2013, 13.3% of the foreign workforce of 642,300, i.e. 85,500, was self-employed, clearly more than in total employment (11.5%). Until 2017 the propensity to become self-employed of foreigners continued to increase. Of the total foreign workforce of 810,500 in 2017, 13.8% were self-employed, compared to 11.7% in total employment.

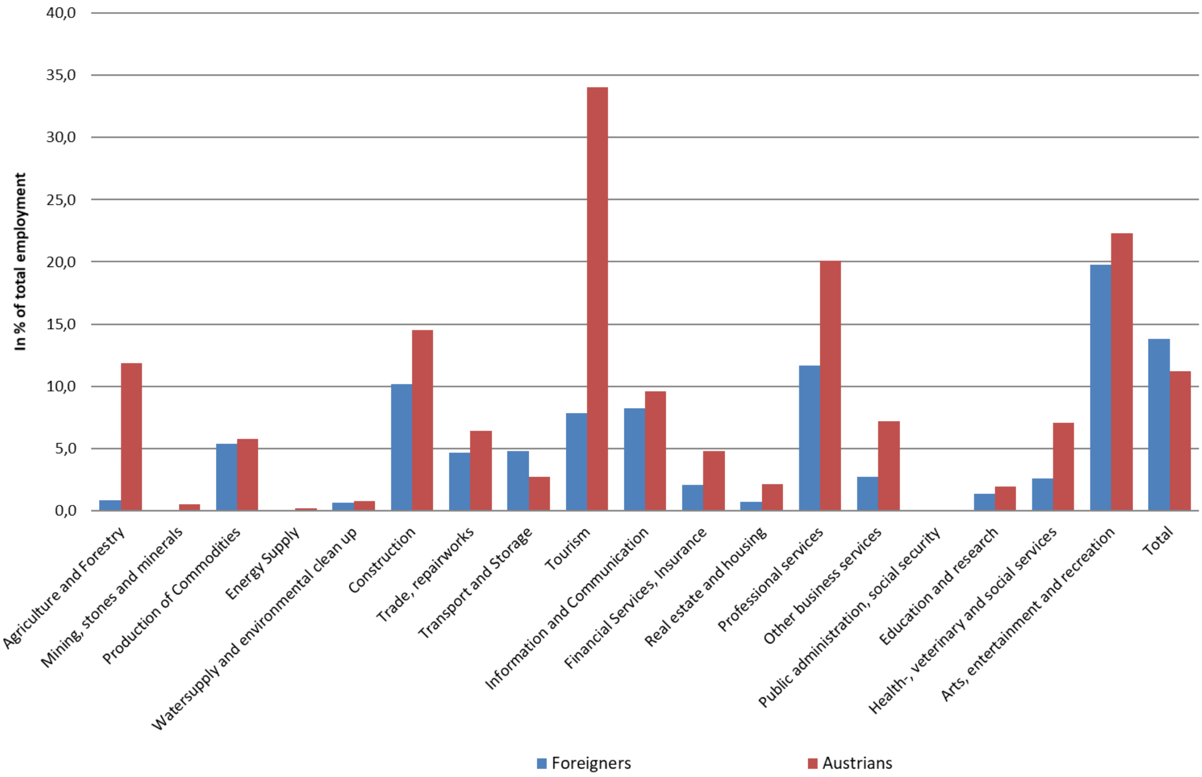
The differences between the various nationalities were pronounced. While the self-employment rate of third country citizens, largely persons from Turkey and former Yugoslavia (excluding Slovenia and Croatia), was fairly low with 6.2% (18,300) in 2017, 35.8% of all workers from the EU-2 were working as self-employed (33,500) in 2017. Also, citizens from the EU-10 member states worked to a large extent as self-employed, namely 40,100 or 17.1% of total EU-10 employment. Much smaller are the numbers of self-employed from Switzerland and EFTA countries, their share in total employment is, however, also quite high with 16% (600 persons). It can be taken from Figure 53 that the role of foreign business people has increased significantly over the last decade, flowing from globalisation but above all from EU enlargement. In consequence, the diversity of their professional skills and occupations has increased (see also Alteneder & Wagner-Pinter 2013).

Figure 53: Self-employment rate by region of origin 2001, 2013 and 2017



Source: Statistics Austria: census 2001, BaliWeb: 2013/17.

Figure 54: Self-employment rate by industry and citizenship (in %) 2017



S: BaliWeb.

The self-employment rate by industry differs between Austrian and foreign citizens. If one takes into account that one third of all Austrian self-employed are farmers, an option not really open to immigrants, migrants are increasingly self-employed in non-agricultural activities; naturalisation opens up more opportunities for establishing one's own business. Accordingly, in 2017 13.8% of the foreign workforce was self-employed compared to some 11.2% of Austrians. As can be taken from Figure 54, in farming Austrians tend to be independent farmers, quite in contrast to foreigners who tend to work as labourers. In contrast, in the entertainment and art sector 19.8% of the foreign workforce is working on their own account, not much less than Austrians (22.3%). Also, in construction foreigners have increasingly set up business in Austria, accounting for 10.2% of the foreign workforce in the construction sector 2017. The situation is not much different in the ICT-sector (share of self-employed in foreign workforce 8.2%, for natives 9.6%. (Biffl - Skrivanek 2014)

4 Foreign direct investment and business migration

Foreign direct investment as a potential driving force of economic and employment growth has only moved up the policy agenda in the 1990s, in recognition of the economic opportunities flowing from increased EU integration. (Mayer – Bellak 2010) Today, the degree of economic interdependence in foreign direct investment in Austria is above average in international comparison. The world stock of FDI, measured in % of global GDP, amounted to some 32% in 2012. In Austria the respective value was 52% of GDP for active FDI (Austrian FDI abroad, i.e. outward FDI) and 41% for passive FDI (FDI in Austria, i.e. inward FDI), respectively. This is less than in the EU on average: the EU average was 61% (active) and 49% (passive) in 2011. The difference to the 1990s is significant such that one can say that the policy change was effective, implying even a change in paradigm: For the 1990s, the Austrian National Bank had calculated 2.8% of GDP (active) and 6.4% of GDP (passive) FDI for Austria, which was well below the EU-average of 10% then. (Austrian National Bank 2002, 2014)

Despite the strong increase in investment flows in Austria over the last 20 years, the regional focus of inward and outward FDI remains on EU member states and on East and South-Eastern European countries. Due to the Parent Subsidiary Directive of the EU, almost all income earned by Austrian foreign affiliates located largely in old and new EU member states is tax exempt in Austria. This implies that income earned abroad is not penalized compared to income earned in Austria and thus it does not influence the location choice abroad – as long as it is within the EU.

The number of non-resident direct investors in Austria amounted to somewhat more than 3,000 by the end of 2000, almost evenly divided up between EU-15 (largely Germany) and EU-12, contributing to the employment of 251,100 workers in Austria. Outward FDI involved a similar number of direct investors or enterprises abroad, again almost evenly divided amongst EU-15 and EU-12 countries, involving some 250,000 jobs abroad. (Austrian National Bank 2002) By the beginning of 2013, the balance in terms of the value of FDI has shifted towards active FDI at the detriment of passive FDI: the number of active Austrian FDI investors abroad amounted to 1,361, representing a value of 158.6 billion euros; in exchange, 3,069 foreigners (passive FDI) invested in Austria, holding shares of more than 100,000 euros in 2,768 Austrian companies, representing a value of 124.6 billion euros. (Austrian National Bank 2014). The number of jobs affected by passive FDI in Austria was unchanged versus 2000 while active FDI affected 784,700 employees abroad. (Austrian National Bank 2014)

The most important foreign investors in Austria are Germany, Switzerland, the United States and Italy. This ranking has not changed since 2008. Those "big four" comprise 63% of foreign participations with 59% of total FDI value and 69% of the related employment. The Netherlands, France, the United Kingdom and recently also Russia are further important countries of origin for FDI in Austria, however at lower levels. (Austrian National Bank 2014)

Bilateral Investment Treaties (BIT)

In recognition of the important role of FDI, including foreign business investors in Austria, the Austrian Government has chosen to create a network of bilateral investment treaties (BITs) to promote FDI. Austria has BITs (Agreements for the Promotion and Protection of Investment) with 62 countries, i.e., Albania, Algeria, Argentina, Armenia, Azerbaijan, Bangladesh, Belarus, Belize, Bolivia, Bosnia-Herzegovina, Bulgaria, Cape Verde, Chile, China, Croatia, Cuba, Egypt, Estonia, Ethiopia, Georgia, Guatemala, Hong Kong, India, Iran, Jordan, Kazakhstan, Kosovo, Kuwait, Latvia, Lebanon, Libya, Lithuania, Macedonia, Malaysia, Malta, Morocco, Mexico, Moldova, Mongolia, Namibia, Oman, Paraguay, Philippines, Poland, Romania, Russia , Saudi Arabia, Slovakia, Slovenia, South Africa, South Korea, Tajikistan, Tunisia, Turkey, Ukraine, Uzbekistan, United Arab Emirates, Vietnam, Yemen and Yugoslavia. The majority of the BITs were signed in the 1990s or later, only four of those in place were signed in the 1980s (with China 1986, Malaysia 1987, Poland 1989, and Hungary 1989). (Federal Ministry of Science, Research and Economy 2014a)

In addition, double taxation treaties (DTTs) have been concluded guaranteeing favourable tax treatment of the profits from FDI. Furthermore, the long-established network of trade delegates (Handelsdelegierte) of the Austrian Chamber of Commerce is increasingly helping Austrian firms to establish activities abroad and facilitate migration to Austria.

Legislative framework: Immigrant investors and business owners

While business migration within the European Economic Area (EEA) is promoted by the 'four freedoms' of the internal market: free movement of capital, labour, goods and services, special regulations apply to third country citizens. In the investment context the focus is on immigrant investors and entrepreneurs / business owners.

As mentioned above, the number of self-employed migrants has risen significantly since the 1990s, largely from other EU member states but also increasingly from third countries. This is not the result of an explicit policy to promote third country business migration but rather the result of the individual motivation of third country migrants to conduct business in Austria. Accordingly, there is no explicit definition of "immigrant investors" in the Austrian legislation. But BITs tend to include regulations promoting business migration, in particular immigrant investment. The definition of investment is as follows:

Every kind of asset in the territory of one Contracting Party, owned or controlled, directly or indirectly, by an investor of the other Contracting Party. Investments are understood to have specific characteristics such as the commitment of capital or other resources, or the expectation of gain or profit, or the assumption of risk, and include enterprises (e.g. a corporation, partnership, joint venture or any other association, as well as a trust, a sole proprietorship, or a branch located in the territory of a Contracting party and carrying out substantive business there), shares, stocks and other forms of equity participation in an enterprise and rights derived there from bonds, debentures, loans and other forms of debt instruments and rights derived there from any right or claim to money or performance whether conferred by law or contract, including turnkey, construction, management or revenue-sharing contracts, and concessions, licences, authorisations or permits to undertake an economic activity; intellectual property rights and intangible assets having an economic value, including industrial property rights, copyright, trademarks, trade dresses; patents, geographical indications, industrial designs and technical processes, trade secrets, trade names, know-how and goodwill; any other tangible or intangible, movable or immovable property, or any related property rights, such as leases, mortgages, liens, pledges or usufructs. (Federal Ministry of Science, Research and Economy 2014b)

Settlement permits may be issued to immigrant investors and business owners, except in the case of business investors who do not apply for residence in Austria but feature only in National Bank figures or as temporary residents. In the Austrian legislation two legal categories of Austrian settlement permits to third country migrants can be subsumed under 'business migration': the settlement permit excluding gainful employment and the Red-White-Red-card (RWR-card) for self-employed key workers. The respective applicants may be granted a settlement permit on the basis of one or the other following criterion:

- In case of settlement excluding gainful employment the applicant has to prove a regular monthly income.
- In case of the RWR-card for self-employed key workers the self-employed occupation carried out in Austria has to bring about macro-economic benefits that go beyond the personal operational benefit. One such criterion for macro-economic benefits is a "sustained transfer of investment capital to Austria".

Accordingly, financially independent individuals and their family members, who can prove a regular monthly income, e.g. Austrian or foreign pensions, profits from enterprises abroad, income from assets, savings or company shares, equalling twice the amount of the standard rates of the General Social Insurance Act (ASVG) may apply for a settlement permit excluding gainful employment. In 2014, the threshold was 1,715.46 euros for singles, 2,572.06 euros for couples, and 264.68 euros extra for each child.

The eligibility criteria for a “RWR-card for self-employed key workers” encompass both, immigrant investors and immigrant business owners. Third country nationals can apply for this category of RWR-card if

- the intended occupation involves a sustained transfer of investment capital to Austria,
- the intended occupation creates new jobs or secures existing jobs in Austria,
- the settlement of the key worker involves the transfer of know-how and the introduction of new technologies, respectively,
- the key worker’s company is of considerable significance for the entire region.

In contrast to the RWR-card categories for salaried employment, there is no point system in place for the so-called self-employed key workers under the RWR-card scheme. The major criterion is that their self-employed activities generate: “overall economic benefit …, especially with regard to the associated transfer of investment capital and/or the creation and securing of jobs” (§ 24 Foreign Worker Law - AuslBG).

The assessment of the macroeconomic benefits is carried out by the Regional Public Employment Service (LMS). There are no additional criteria than those mentioned above (transfer of investment capital, job creation, know-how transfer, regional importance) upon which a RWR-card as self-employed key worker may be issued to a third country citizen. The only documents to be submitted when applying are: “documents which allow an analysis and evaluation of the market and competitive situation and the headquarter location, including a detailed description and the objectives of the intended professional undertaking”. (Federal Ministry of Labour and Social Affairs/Federal Ministry of the Interior 2014b)

It is up to the LMS to establish if the qualifications and competences needed for the proposed self-employed activity are given. The LMS assesses whether the suggested activity is a self-employed activity or not. It is helpful if the applicant can prove experience in running a business or if he/she had a prosperous business in the country of origin. This can be part of the documentation when applying for the RWR-card, together with a business plan, such that the LMS may establish the conformity with legal requirements.

The general practice is that a potential investor turns to the first point of contact, the Austrian Business Agency (ABA), i.e. the national investment promotion company, to enquire about the requirements to obtain the right to establish a business in Austria. The ABA may help to draw up an analysis of the expected macroeconomic benefits of the intended investment/business in Austria. The applicants of an RWR-card for self-employed key workers can enclose this document in their application to the LMS. Evaluations of the outcome of proceedings are not publicly available.

In case of wanting to establish a business which is regulated, evidence of the qualification necessary for the self-employed professional activity has to be verified by the relevant trade authority which grants the licence (Gewerbeberechtigung). In addition, evidence of sufficient capital has to be provided. In the preamble of the amendment to the Foreign

Worker Law a minimum of 100,000 euros is mentioned. (BGBl. I Nr. 126/2002) Practitioners observe that the minimum can differ between the provinces, i.e. the requirements set by the provincial LMS (AMS-Landesgeschäftsstelle). The requirements also depend on the legal form of the business, e.g. the minimum charter capital for a limited liability company (Gesellschaft mit beschränkter Haftung, GmbH) amounts to 35,000 euros. An Austrian bank account is required for the establishment of a business in Austria. Background checks are carried out by banks in case of doubts as to the origins of the money.

With the amendment to the regulations on the establishment of a business (Gewerbeordnung) in 2002, access of third country migrants to self-employment has been changed. The amendment had a positive effect on third country migrants wanting to establish a liberalised trade (Freies Gewerbe). From then on the only requirement has been a valid residence permit which grants the right to establish a business in the category of liberalised trades. This is in contrast to regulated trades where specific skills or competences have to be proven to become eligible to carry out a business. As a consequence, the number of licenses granted to third country citizens in liberalised trades increased substantially. In contrast, access to work in a regulated profession, e.g. as a medical doctor, or in a regulated trade continues to be difficult as the certificate or proof of competence may be difficult to obtain in case of the acquisition of these skills in a third country. (Biffl – Pfeffer – Skrivanek 2012)

According to the Austrian Business Agency (ABA) professional consulting services were given to 228 companies, which located their business operations in Austria in 2013. The total investment volume amounted to 347.8 million euros. Flowing from these investments, 1,479 new jobs were created, according to ABA. Since its establishment in 1982, ABA had concluded projects attracting total investments of 6.9 billion euros, creating more than 47,100 jobs. The numbers reflect total investment, i.e. from EU and non-EU countries, and refer to both business migrant groups, immigrant investors and immigrant business owners.

As far as data are concerned, no data exist on business migration flowing from BIT and the numbers of settlement permits for business migrants as defined above are quite small: In the case of valid settlement permits for third country migrants which do not allow gainful employment 1,349 were registered at the end of 2013. The annual inflow amounted to some 250 persons in 2013. The number of such new permits is capped by a yearly quota; in 2013 it was set at 275. The number of valid settlement permits for highly skilled third country self-employed amounted to 787 persons in 2013; in the course of the year 2013 26 Red-White-Red Cards were issued for self-employed key workers. (Federal Ministry of the Interior 2014b) There is no information available on the basis of which criterion the persons were admitted (sustained transfer of investment capital, creation of new jobs or securing jobs, transfer of know-how/introduction of new technologies, or key worker's company has considerable significance for the region).

The acceptance rate of applications for self-employment is very low, amounting to 13% in 2010 and 11% in 2011. (Biffl/Bock-Schappelwein 2013) Accordingly, an enquiry into the reasons for the low acceptance rate was undertaken. The interviews with persons involved suggested that certain law firms specialise on helping potential business clients with the proceedings, suggesting that business migrants with poor means may face difficulties obtaining a settlement permit to establish a business in Austria.

Table 37 indicates the number of permits issued between 2009 and 2013. There has not been any significant change in numbers since the introduction of the RWR-card for self-employed key workers. In fact, this RWR category is a continuation of the previous model of settlement permits for self-employed key workers and continues to be marginal compared to other permit categories.

Table 37: Number of permits for business migrants per year, 2009-2013

Yearly issued permits by category	2009	2010	2011	2012	2013
Settlement permit – gainful employment excepted[64]	206	188	248	225	250
RWR-card for self-employed key workers	23	26	24[65]	13	23
Residence permits for self-employed workers	8	9	19	14	8
Status change to RWR-card for self-employed key workers	5	2	3[66]	2	3

Source: Fremdenstatistik 2009, 2010, Niederlassungs- und Aufenthaltsstatistik 2011-13, Federal Ministry of the Interior, http://www.bmi.gv.at/cms/BMI_Niederlassung/statistiken/

Management of business migration for settlement

Various political actors and institutions are involved in the promotion and management of business migration, namely: the Federal Ministry for Science, Research and Economy, the Federal Ministry of the Interior, the Federal Ministry of Labour and Social Affairs, the Federal Ministry for Europe, Integration and Foreign Affairs, as well as the Austrian Business Chamber, the Federation of Austrian Industries and the Austrian Business Agency. Furthermore, some Austrian provinces have their own agency, such as the Vienna Business Agency.

The Austrian Business Agency is the national investment promotion agency; it is the first point of contact for foreign companies aiming to establish their own business in Austria. It is owned and operated by the Republic of Austria and reports directly to the Austrian Ministry for Science, Research and Economy. ABA actively promotes business migration via:

- Regular activities in third country markets, specific events for potential business owners/investors with information on Austria as a business location in the framework of, e.g. Economic forums (Wirtschaftsforum), economic missions of Austrian stakeholders (visits of Ministers abroad accompanied by business missions)
- ABA Webpage (www.investinaustria.at), available in German, English, French, Italian, Chinese, Japanese, Russian,
- Cooperation with consultants in third countries that approach potential investors/business persons interested in establishing a company in Austria.
- Cooperation with actors that could spread information about Austria as a business location (tax consultants, lawyers),

[64] This number includes all titles issued, i.e. persons that could prove "adequate means of subsistence".

[65]The Red-White-Red card was implemented 1 July 2011 and replaced the settlement permit for self-employed key workers. In 2011, 10 settlement permits for self-employed key workers (Niederlassungsbewilligung für selbständige Schlüsselkraft) and 14 Red-White-Red cards were issued.

[66] 2 changes to settlement permit for self-employed key workers, 1 change to Red-White-Red card for self-employed key workers.

- Brochures,
- special offices, e.g. ABA office in China.

Once a potential business migrant wants to settle in Austria, procedures are quick and efficient in case of a RWR-card. In principle, processing should not take longer than 8 weeks. This concerns the screening of the application by the local residence authority and the assessment of the macro-economic benefits by the Labour Market Service. If applicants are required to obtain visa, they have to submit their application at the Austrian representation (embassy/consulate) abroad. If the application is complete, it takes a maximum of two weeks until the application reaches the domestic residence authority, i.e. the diplomatic courier leaves every two weeks. If the application is accepted, the Austrian representation informs the applicant accordingly. The applicant then has to apply for a visa in order to pick up the RWR-card at the relevant residence authority in Austria. Applications for a settlement permit without the right to work have to be submitted to the Austrian representation abroad, unless the applicant is entitled to visa-free entry. Hence, the same submission procedures apply as in the case of a RWR-card. The processing of the application differs, however. Processing may take up to 6 months. (Federal Ministry of Labour and Social Affairs/Federal Ministry of the Interior 2014a)

An additional motivation to set up a business in Austria may flow from preferential treatment when applying for Austrian citizenship, as Austrian citizenship may be awarded to individuals for "outstanding achievements that are in the interest of the Republic of Austria" (außerordentliche Leistungen im besonderen Interesse der Republik). In such cases no minimum period of residence in Austria is required. Between 2002 and 2011, between 17 and 39 persons annually were granted citizenships on the basis of „outstanding achievements"(Statistics Austria/Statistics of naturalisations). Due to attempted misuse no naturalisations were granted on that basis in 2012 and 2013. A politician was found guilty of passive corruption. He indicated to a Russian businessman that he had the option of Austrian citizenship in exchange for investment in Carinthia (the citizenship was to be "part of the game"). The politician also claimed that in case of investment "the usual 5 to 10 percent" should go to sponsoring his political party. (Der Standard 2012, Die Presse 2011) In response to a public outcry and legal proceedings, the criteria on the basis of which a fast track to Austrian citizenship can be granted have been redrafted in 2014. In 2014 and 2015 the issue was resumed with 47 and 21 grants of citizenship respectively. In addition to specified criteria, these cases have to be made publicly available. The criteria set up for this "fast track" to Austrian citizenship are the following (Federal Ministry of the Interior 2014a):

- Owner of a company or senior position with substantial influence in the company, board member is not sufficient.
- High economic performance of the company.
- Creation and protection of employment in the Austrian labour market to a relevant degree, especially in economically weaker regions in Austria.
- Substantial investment or projects of the company already implemented, a simple flow of capital is not sufficient.
- Reputation of the company abroad.
- Promotion of Austria's bi- or multilateral external relations in this economic sector.

The legal framework of migration and the gist of migration policy are not conducive to business migration. While the focus of migration policy is on persons and their residence status, investment and trade policy focus on monetary flows with no recognition of a potential need of regulation of periods of residence in Austria. In the case of business migration we are at the interface of two different regulatory mechanisms, labour market regulation versus trade regulation. The linkage of business migration with investment and trade is indicative of different institutional prerogatives not easily captured in residence and labour market data, in particular if temporary stays as opposed to settlement are at stake. Accordingly, little is known about the numbers of third country business migrants. Thus, the contribution of this type of migration to economic growth is difficult to capture.

The introduction of the point system may help pave the way for more transparency also in the specific case of business migration. We therefore provide a quick overview of migration policy and paradigmatic changes followed by specific cases of temporary business migrants who may work either under a migration regime (intracompany transfers) or under a trade regime (posted work).

Business migration, temporary residence

There is no explicit category of business visitors for establishment purposes (BVEP) in the Austrian migration policy set up. BVEP could be admitted as:

- Seconded employees: Foreign nationals employed in Austria by a foreign employer who has no registered office in Austria and whose employees are working in Austria exclusively in connection with short-term work, for which, due to its nature, domestic labour is not used, such as business negotiations, visits to fairs, conferences and the like (§ 18 Foreign worker law – AuslBG).
- Special senior executives "foreign nationals who occupy executive positions at board or management levels in internationally active groups or companies, or who are internationally recognised researchers, and whose employment serves to open up or improve sustainable economic relations or to create or secure qualified jobs in the federal territory, and who receive a monthly gross pay of generally at least 120 per cent of the maximum assessment basis pursuant to §108 (3) of the General Social Insurance Act (ASVG) plus special bonus payments." (§ 2 (5a) AuslBG). They are not subject to the AuslBG (§ 1 (2) f).
- If the foreign company has already a subsidiary in Austria and a further branch should be established the BVEP could be admitted as a "rotational worker" (Rotationsarbeitskraft).

Temporary business migrants may also be intra-corporate transferees. They are referred to in the Austrian legislation as "rotational workers" (§ 2 (10) AuslBG). They are a strictly defined group of highly skilled workers from third countries whose work contract with their internationally operating employer designates them either

- as senior executives having been assigned to leading management functions with own terms of reference and responsibility, or
- as qualified employees assigned to corporate management and obliged to enter in-house training or further training (junior executives), or
- as representatives of foreign bodies representing stakeholder interests

and who are transferred ("Rotation") within the enterprise to a specific place of assignment.

The admission process for rotational workers is rather complex. In a first step the employer has to apply for a "conditional assurance" (Sicherungsbescheinigung) at the local LMS. There the application is checked. If the requirements are met, the LMS issues a conditional assurance. Then the employer forwards it to the prospective rotational worker. For rotations that last more than six months, the prospective worker has to apply for a residence permit via the Austrian representation abroad. This has to be done within the validity period of the conditional assurance, which usually is 26 weeks (maximum 36 weeks).

The Austrian representation forwards the application for a residence to the respective residence authority in Austria. The latter checks whether the requirements for the issuance of a residence permit are met. If yes, it informs the Austrian representation, which then issues a visa to the applicant such that he or she can pick up the residence permit at the respective residence authority in Austria. Then the worker has to forward the residence permit to the employer who submits it to the local LMS together with the application for an employment permit. After the LMS has issued the employment permit, the rotational worker can take up employment in Austria. In practice, the rotational worker tends to reside in Austria after having picked up the residence permit at the domestic residence authority, i.e. there are "costs" for the business migrant while waiting for the LMS to issue the employment permit. It may not come as a surprise that the annual inflow and the extension of intercompany transfers is quite small with 379 permits issued in the course of 2013. If one includes the family members accompanying the ICT (438), their numbers rise to 817. In addition, 181 temporary residence permits were issued to third country migrants working as posted workers (Mode 4 services mobility). This is by no means a full account of the extent of temporary business migration as only stays beyond 6 months are captured in the alien register. (Table 12)

V Irregular migration

The discussion about irregular migrants cannot be disengaged from the wider theme of migration and access rights to the labour market. One has to focus on the lure of employment opportunities while at the same time acknowledging that Austria, as many other EU-MS, is trying to control and regulate inflows. In the labour market context one has to take into consideration that formal and informal sector employment are interwoven just as regular and irregular migration. Accordingly, the numbers of irregular migrants are in a constant state of flux, depending on push factors emanating from where the migrants come from and pull factors flowing from labour demand in the formal and informal sectors of the economy and from legislative changes and regularisation programmes (Biffl 2012).

According to estimates by Kovacheva—Vogel (2009) the number of irregular migrants in Austria, i.e. of irregular residents, amounted to 18,000-54,000 in 2008. This means that 0.2% to 0.6% of total population were irregular migrants, and thus between 2.1 and 6.2% of all foreign citizens in Austria([67]). The countries of origin of irregular migrants tend to be the same as those of regular migrants; they also tend to follow the same routes, using transnational community networks. In addition, geographic vicinity tends to favour cross-border movement of irregular migrants in response to economic opportunities. In Austria a large number of irregular workers come from accession countries. Their residence status has been regularized through the enlargement of the EU, but access to the formal labour market may still be inhibited by transition regulations. Citizens from the New EU-MS, mostly from Romania, tend to fill the ranks of irregular migrant workers in Austria.

Further, the changing origins of asylum seekers add to the pattern of irregular migrants. The latter may discontinue registering while remaining in the country as 'absconded asylum seekers', or they may stay on, in breach of the conditions of temporary humanitarian stay, following the rejection of their application for asylum. Consequently, the ethnic and cultural mix of irregular migrants tends to conform to that of the migrant population in Austria.

[67] Database on Irregular Migration, HWWI - Hamburg Institute of International Economics, http://irregular-migration.net/

Table 38: Estimates of irregular migration in the EU-MS (2008)

Estimates of Irregular Foreign Migrants in Europe in 2008

Country/Region	Irregular foreign migrants		In % of population		In% of foreign populat		Total	Foreign
	minimum	maximum	minimum	maximum	minimum	maximum	Population	Population
EU 27	1.900.000	3.800.000	0,4	0,8	6,6	13,9	497.686.132	28.931.683
EU15	1.800.000	3.300.000	0,5	0,8	6,6	12,0	394.160.807	21.109.000
Sweden	8.000	12.000	0,1	0,1	1,4	2,2	9.182.927	555.400
Norway	10.500	32.000	0,2	0,7	3,5	10,6	4.737.171	303.000
Denmark	1.000	5.000	0,0	0,1	0,3	1,6	5.475.791	320.200
Finland	8.000	12.000	0,2	0,2	5,6	8,4	5.300.484	143.300
Austria	**18.000**	**54.000**	**0,2**	**0,6**	**2,1**	**6,2**	**8.318.592**	**867.800**
Germany	196.000	457.000	0,2	0,6	2,9	6,8	82.217.837	6.727.600
Switzerland(2005)	80.000	100.000	1,1	1,3	5,3	6,6	7.415.102	1.511.900
France	178.000	354.000	0,3	0,6	4,8	9,6	64.007.193	3.696.900
Ireland	30.000	62.000	0,7	1,4	7,3	15,0	4.401.335	413.200
United Kingdom	417.000	863.000	0,7	1,4	10,0	20,6	61.191.951	4.186.000
Netherlands	62.000	131.000	0,4	0,8	8,6	18,2	16.405.399	719.500
Belgium	88.000	132.000	0,8	1,2	8,7	13,0	10.666.866	1.013.300
Luxembourg	2.000	4.000	0,4	0,8	0,9	1,9	483.799	215.500
Portugal	80.000	100.000	0,8	0,9	18,1	22,6	10.617.575	443.100
Spain	280.000	354.000	0,6	0,8	5,0	6,3	45.283.259	5.648.700
Italy	279.000	461.000	0,5	0,8	7,2	11,8	59.619.290	3.891.300
Greece	172.000	209.000	1,5	1,9	23,4	28,5	11.213.785	733.600
Czech Republic	17.000	100.000	0,2	1,0	3,9	22,9	10.381.130	437.600
Slovak Republic	15.000	20.000	0,3	0,4	28,6	38,1	5.400.998	52.500
Hungary	10.000	50.000	0,1	0,5	5,4	27,1	10.045.401	184.400
Poland	50.000	300.000	0,1	0,8	82,8	496,7	38.115.641	60.400
Estonia	5.000	10.000	0,4	0,7	2,2	4,5	1.340.935	223.600
Latvia	2.000	11.000	0,1	0,5	0,5	2,8	2.270.894	392.150
Lithuania	3.000	17.000	0,1	0,5	8,1	45,9	3.366.357	37.001
Slovenia	2.000	10.000	0,1	0,5	2,4	12,2	2.010.269	82.176
Romania	7.000	11.000	0,0	0,1	22,3	35,1	21.528.627	31.354
Bulgaria	3.000	4.000	0,0	0,1	12,6	16,8	7.640.238	23.838

S: EUROSTAT, OECD, HWWI, Statistics Norway, Bilger—Hollomey (2011).
Foreign population: France 2007, Ireland 2006, Bulgaria 2009, Latvia, Lithuania & Slovenia 2010, Romania 2009.
Table taken from Biffl 2012: p59.

The majority of irregular migrants enters legally and subsequently moves into an irregular status by overstaying and ignoring conditions of work restrictions. The driving forces of irregular migration are the same as those for migration generally, namely to improve one's quality of life via decent jobs, adequate health provisions and education, in addition to the desire for family re-unification.

Various data sources provide a fragmented picture of the numbers and characteristics of persons residing illegally in Austria, e.g., apprehensions of persons entering or residing without proper papers, recorded by the Criminal Intelligence Services (Ministry of the Interior) or client data of NGOs and welfare institutions working in the field of migration and asylum (NCP 2005). These data can only serve as an indicator without, however, providing a clear picture of the actual numbers. Of the few estimates that exist, each refers to a particular group of migrants and status (irregular residence, irregular employment but regular residence, overstayers, change in purpose of entry, etc.) but does not encompass information on all aspects of this complex phenomenon. To give an example, *Biffl* (2002) estimates that among 6 to 15-year-olds about 5,000 to 7,000 children and adolescents are residing in Austria without the adequate papers, by identifying differences in school enrolment data and the population register by citizenship. Other studies concentrate on the number of persons unlawfully residing and working in Austria (*BMI,* 2005), while others look at the number of persons in an informal employment status, while residence is legal, or still irregular residence due to human smuggling and trafficking (*BMI,* 2007/2008/2009/2010/2011/2012 etc.).

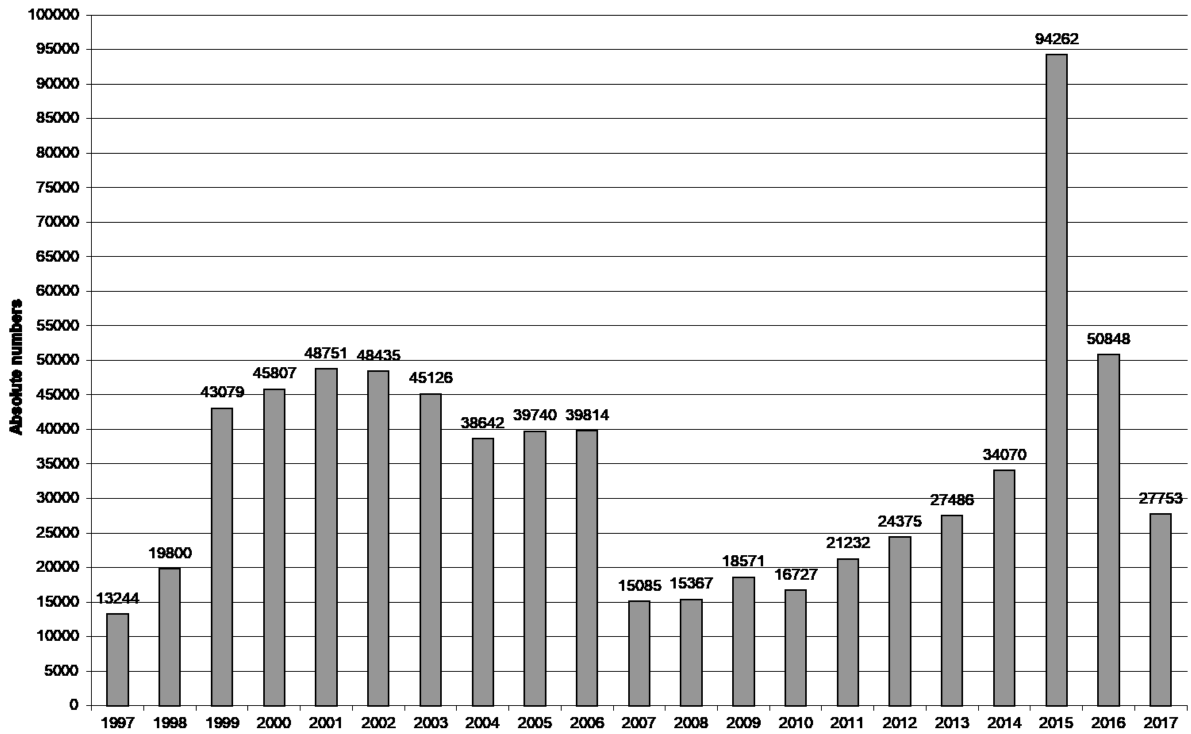
Unlawful entry and residence in Austria

The 'irregular migration' report of the Ministry of the Interior provides information on the numbers of persons unlawfully residing in Austria or crossing the Austrian border, based on the number of apprehensions at the border and/or inland between 1997 and 2014. These numbers have risen between 1997 and 2001/2002, were they reached a peak with 48,800. The numbers declined thereafter somewhat to 39,800 in 2006. In 2007 the number of apprehensions took a deep dip to 15,100, where it remained until 2008 (*BMI,* 2005/06/07/08/09/10/11/12). Since then the numbers stared to increase slowly to 26,000 in 2013, whereupon the inflow of irregular migrants just passing through Austria has increased, reaching a peak in 2015 and declining thereafter to 49,800 in 2016.

According to the annual report on organised smuggling of the Ministry of Interior (Organisierte Schlepperkriminalität), the numbers of apprehended persons (smuggled persons, unlawfully entering and/or residing persons) halved in 2007 versus 2006 and remained more or less at that level until 2010. In 2011, the number of apprehensions increased sharply by 27% to 21,200 and further to 24,400 in 2012 (+14.8%). This increase was largely due to the North-African (Arab) spring and the civil war in Syria which brought about large increases in migration and refugee flows. In 2013 and 2014 the number of apprehensions increased even more such that by the end of 2014 34,070 persons were apprehended in Austria (+6,600 or 24% vs 2013). The boost in apprehensions was seen by the police as a result of the withdrawal of the International Security Assistance Force (ISAF) from Afghanistan[68] which resulted in a sudden increase of refugee flows from that area. As migration pressure built up in the Middle East, Austria experienced the spillover. **This made the year 2015 a special case. (**Figure 55**) In the course of 2015 a total of 94,300 were intercepted (+177% vs 2014).** With the help of NGOs, private voluntary helpers and public administration the refugees were allowed to transit through Austrian territory from neighbouring countries in the East and Southeast to Germany, many of them without any registration or control of identity. In 2016, the situation calmed down, the number of apprehensions declined by 46% vs 2016 to 50,800. In 2017 apprehensions declined further by 23,100 (45%) to 27,800. This was a figure as low as in 2013.

[68] ISAF was one of the largest coalitions of countries and NATO's most challenging mission, lasting from 2003 to 2014. At its height, the force was more than 130,000 strong, with troops from 51 NATO and partner nations. At the end of 2014 Afghan security forces took over. For more see http://www.nato.int/cps/en/natohq/topics_69366.htm

Figure 55: Sum of apprehensions of persons unlawfully entering or residing in Austria



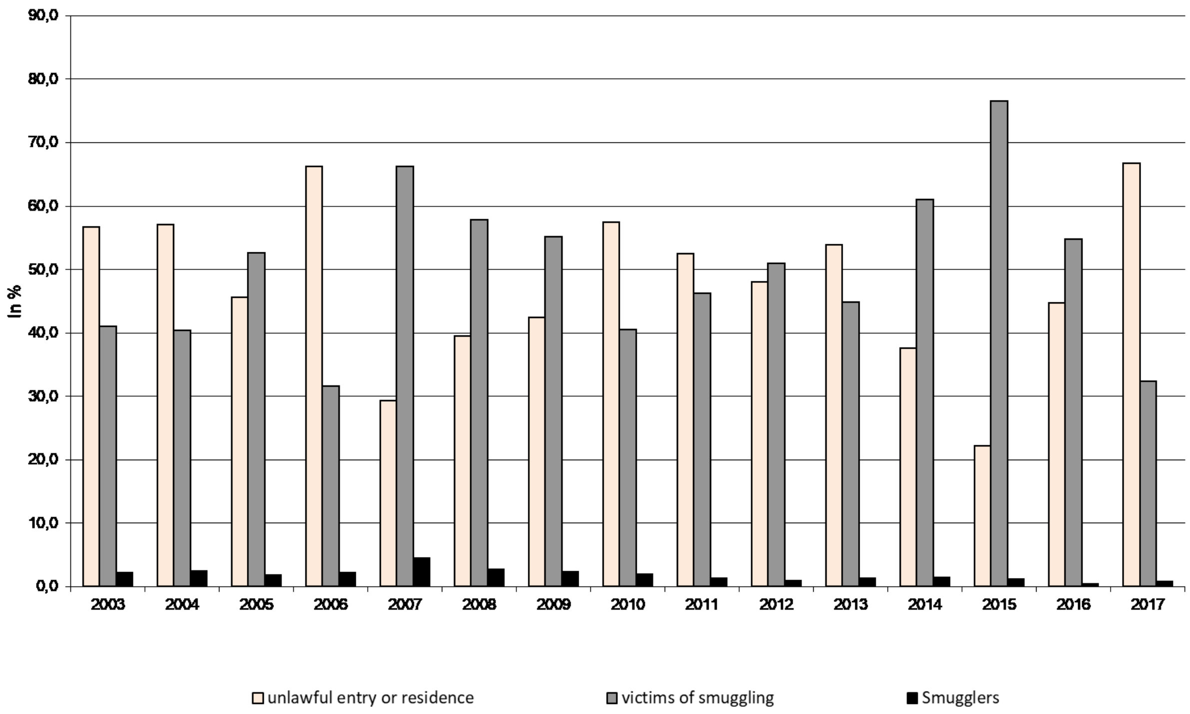
Source: Ministry of the Interior, Illegal Migration Report (Schlepperberichte 2006-2017).

The abrupt decline between 2006 and 2007 had been in the main the result of a decline in the number of apprehended persons from Romania, who - with EU-membership of Romania in January 2007 - had the right to stay legally in Austria. Accordingly, not only the number of apprehensions declined but also the composition changed. It was above all the number of persons unlawfully residing in Austria which declined, reducing the share to 29 percent of all persons apprehended in 2007. After that the number of apprehensions started to rise again and the share of apprehensions of unlawfully residing migrants became unstable, dependent upon the numbers of apprehended smuggled persons; accordingly, in 2014, only 12,800 persons or 37.5% of the apprehended persons were unlawfully residing in Austria, while the numbers of smuggled persons rose to 20,800 or 61% of all apprehended persons. In 2015, the situation got out of hand. The numbers of apprehended smugglers more than doubled vs 2014, reaching 1,108. The smugglers tended to transport the refugees in closed delivery vans, often up to 80 persons in crammed circumstances. One particularly horrendous case made the public media in August 2015, with the suffocation of 71 persons, some of them children, in a lorry which was intercepted in Austria close to the Hungarian border. In 2016 the number of unlawfully residing persons increased slightly vs 2015 (+1,800, +8.5%) to 22,700, while the number of smuggled persons declined (-44,300, -61%) to 27,900. In 2017, the number of unlawfully residing persons declined further to 18,500 (-4,200, -18% vs 2016), just as the number of smuggled persons to 9,000 (-18,900, -67% vs 2016) and the number of apprehended smugglers (2017: 222; -27, -10% vs 2016).

As far as smuggled migrants are concerned: their numbers have been fluctuating over time, from 12,600 in 2006 to 6,800 in 2010; they rose thereafter to the levels of 2006 in 2012 and beyond in 2013, 2014 and of course 2015. Accordingly, the proportion of apprehensions of smuggled persons has been quite volatile. In 2015 it amounted to 76.6%, after 61% in 2014 and

32% in 2006; in 2017 it declined to 32.4% of all apprehensions. The number of smugglers of human beings is smaller and has been declining from 2006 (864) to 2012 (to 235). Their numbers rose again, at first slowly and in 2015 abruptly to 1,108, making up 1.2 percent of all apprehensions in 2015. In 2016, the number of smugglers declined further to 249, reducing their share in apprehensions to 0.5%, and even further in 2017 to 222, i.e., 0.8% of all apprehensions. (Figure 56)

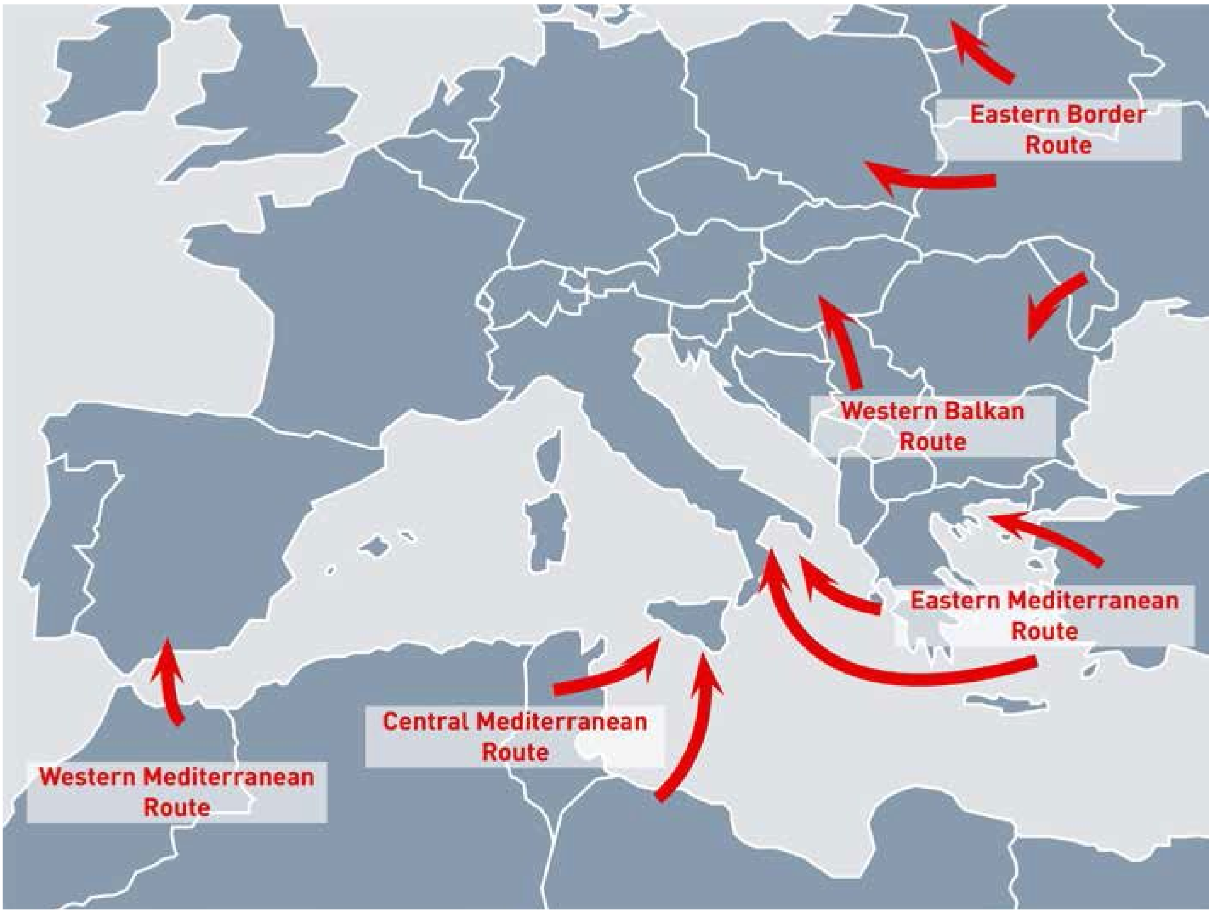
Figure 56: Composition of apprehensions of unlawfully residing migrants and smugglers in Austria (in %)



Source: Ministry of the Interior, Illegal Migration Report (Schlepperberichte 2006-2016).

In 2017, the main routes of unlawful entry into Austria were from Italy (43.8%), followed by Germany (22.1% of all apprehensions) and Hungary (19.9%). This means that in the case of Austria, the Eastern Mediterranean Route/Western Balkan Route as well as the Central Mediterranean Route. The first one is largely used to smuggle persons from Syria, Afghanistan and Pakistan to Austria. The second route is largely chosen by irregular migrants from Nigeria. Morocco, Gambia, Algeria and Somalia to Austria. (Figure 57) Preferred transportation of irregular entrants were the truck and car, followed by the train and airplanes. The preferred means of transport have not changed much over the years.

Figure 57: Main routes of smugglers



While apprehensions of persons from the Russian Federation (-10.8%), Afghanistan (-75.5%), Syria (-65%), Iraq (-61.7%), Morocco (-53%), and Pakistan (-31%) declined, the numbers of irregular migrants from Albania (+51%), Bosnia-Herzegovina (+38%), Macedonia (+34%), Serbia (+27%), Sierra Leone (+17%), and Ukraine (+7%) increased.

The largest ethnic groups unlawfully residing in Austria were Nigerians (3,100), followed by persons from Pakistan (1,500), Afghanistan (1,300), Morocco (1,000) and Serbs (800). The major nationalities of smuggled persons were Afghanis (1,700), Pakistanis (1,300), Syrians (800), Nigerians (700), from the Russian Federation (600), Iraqis (600), Iranians (400), Indians (300), Algerians (200), and Turks (200). The majority of the smuggled migrants were men (76%), largely young or middle aged: 41% were 19-30 years old and 17% were 15-18 years old and another 17% were 31-40 years old. (Figure 58)

Figure 58: Major nationalities of smuggled persons 2010/15/16/17

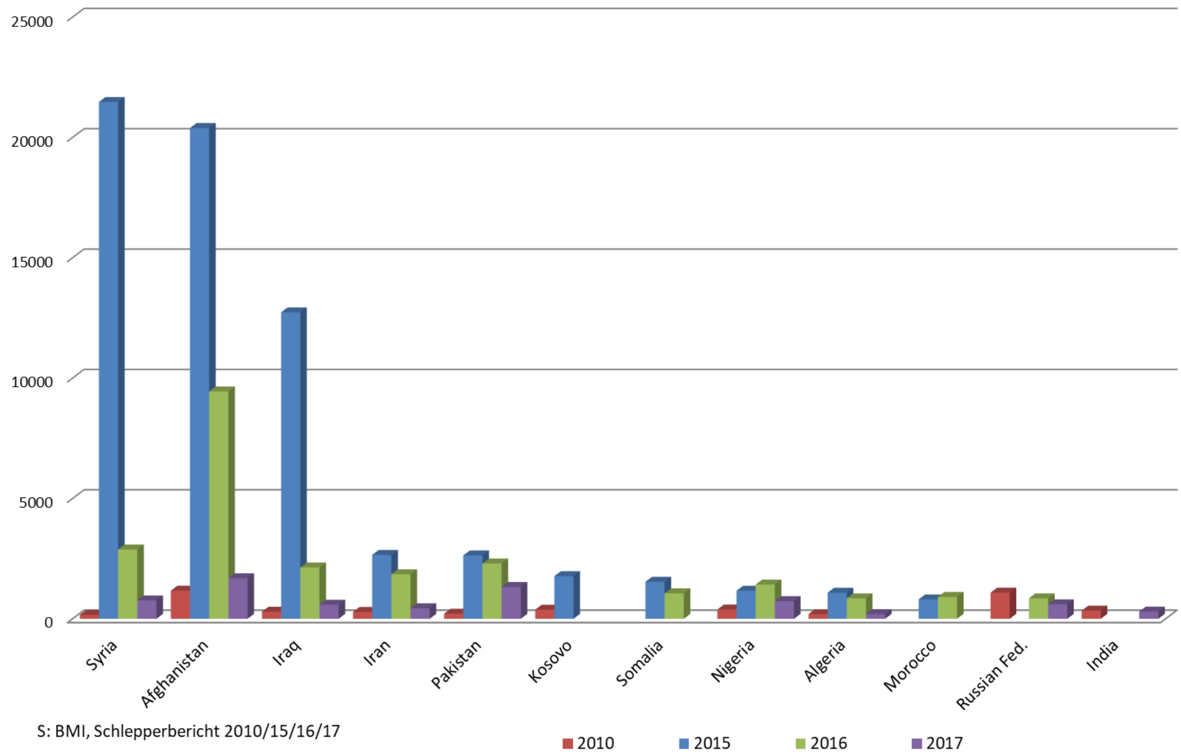
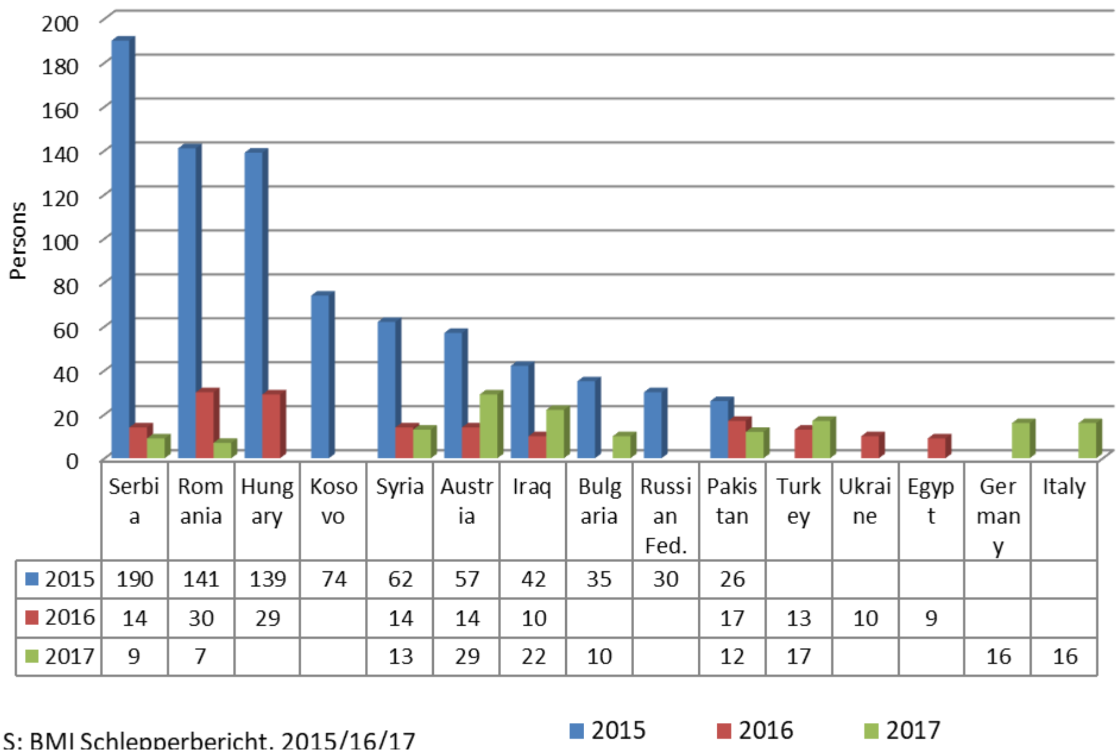


Figure 59: Major nationalities of smugglers 2015/16/17



	Serbia	Romania	Hungary	Kosovo	Syria	Austria	Iraq	Bulgaria	Russian Fed.	Pakistan	Turkey	Ukraine	Egypt	Germany	Italy
2015	190	141	139	74	62	57	42	35	30	26					
2016	14	30	29		14	14	10			17	13	10	9		
2017	9	7			13	29	22	10		12	17			16	16

In 2017, the major nationalities of smugglers were Austrians (29), Iraqis (22), Turks (17), Germans (16), Italians (16), Syrians (13), Pakistani (12), Bulgarians (10), Serbs (9), Romanians (7). They were largely male (85%) and well represented in all age groups. As human smuggling is a well organised crime, administrative cooperation between old and new EU-MS on the one hand and source countries/countries of transit on the other is increasing. The outward movement of the Schengen-border at the end of 2007 had important consequences for the system of security controls both within Austria and across the enlarged region. (Figure 59)

In 2015, the bilateral cooperation with Czech, Slovak and Hungarian investigation authorities as to information exchange and analyses was intensified. The Austrian Central Service for Combating Human Smuggling and Human Trafficking was restructured in 2015 and staff numbers were raised. There are now three operational units and one unit responsible for information exchange and analyses. Austria continues to play a leading part in the projects coordinated by EUROPOL – EMPACT (European Multidisciplinary Platform against Criminal Threats).

In 2016 Austria implemented a Joint Operational Office (JOO) as a central hub of information and identification in the area of smuggling business. It is embedded in Europol with a focus on the Balkan and Central Mediterranean Route. The cooperation between police in Vienna, Munich, Berlin, Passau and Bolzano resulted in the identification of a Syrian and Iraqi smuggler-ring, which resulted in the capture of 80 members of the groups. The prices to be paid for a person to be smuggled from Iraq, Syria and Turkey to Austria or Germany amounted to 4,000 to 6,000 Euro per person.

Smuggling of human beings plays an important role in Austria; Austria is considered to be both, a destination country as well as a transit country for irregular migrants on their way to other EU member states. During the last 15 years, external border control, international police cooperation and information exchange have constantly been improved. On the international level, so-called "security partnerships" have been established with Austria's neighbouring countries in 2000, and a number of joint projects have been implemented concerning countermeasures against human smuggling and trafficking in the countries of origin. One example of such a project was the operation sunflower, where Austrian and Bulgarian police captured smugglers who were smuggling Syrians in trucks loaded with sunflower seeds from Bulgaria, across Romania and Hungary to Austria. The destination countries were Germany and Sweden. The fee per person was 10,000 euro. The group of smugglers was successful in at least 21 tours carrying at least 500 Syrian refugees. In 2015, the most spectacular operation was Mahmoud, where Austrian police cooperated with Greece, Hungary, Serbia and Germany, under the coordination of Europol; in consequence, all in all 23 persons could be arrested who were involved in the criminal organisation Jamal, involving persons amongst others from Palestine, Algeria and Syria.

Austria has concluded several readmission agreements on a bilateral level with countries of origin and transit of irregular immigration (*NCP,* 2006). A report by the Austrian National Contact point on return migration (forced or voluntary) highlights the system in place in Austria (*EMN,* 2007, 2015). The continuous reporting system of the Ministry of Interior is providing increasingly differentiated data on the various forms of irregular migration and the changing dynamics over time.

In the light of the developments in 2015, Austria contributed to the 'closure' of the Balkan route to Europe. This meant that smuggler organisations changed their Modus Operandi; they switched to freight trains, containers and trucks. For Austria two main routes continue to be important: the Eastern Mediterranean and Western Balkan route – largely for Syrians, Afghans and Pakistani; and the Central Mediterranean route – largely for persons from Nigeria, Morocco, Algeria, Somalia and Gambia.

Clandestine work

As far as the number of persons who may reside in Austria legally but not access the labour market (except after an employment test) appears to be high. While the actual size is not really known, certain aspects have surfaced in 2006 when court cases brought to the light that care work in the household sector is to a large extent undertaken by persons from the new EU-MS, without the legally required steps of social security backed employment contracts; thus, the employing households do not only pay significantly lower wages than the legal minimum wages, but in addition avoid paying social security contributions for the carers. The numbers cited are **40,000 illegal care workers in Austria**, the majority from Slovakia. The organisation of care work in the household sector has become such a hot topic of debate in Austria that reform legislation has been enacted in 2007 allowing the **legalisation of the status of the current care workers** from new EU-MS. This has materialised to a large extent in 2008, raising the employment of foreigners (salaried as well as self-employed) by some 20,000, thereby contributing to the slow-down in measured productivity growth, which was as a result of legalisation not real but rather an artefact.

The few data collected on irregular foreign employment reveal that, apart from care work, the industries most affected are construction, catering, agriculture and small-scale industry. Until 2002 (*Biffl et al.,* 2002), the majority of irregular migrant workers came from Poland or Slovakia on the one hand and the successor states of Former Yugoslavia on the other. Jandl, et al. estimate that illegal employment is most pronounced in construction and catering/tourism (with some 15% of total employment) as well as in agriculture (13%) (ibid).

Ever since then, no comprehensive information has been made available on clandestine work by nationality. But some of the complex administrative procedures regarding access to the labour market of migrants from third countries (and for citizens of new EU-MS for as long as the transition regulations apply) have to be understood as instruments to combat clandestine work, in particular seasonal work in tourism and harvesting. The actual numbers of permits granted annually are in the order of 60.000 to 70,000 – for a limited time period, obviously. On an annual average the numbers are quite small in comparison though (5,600 in 2012 and 8,200 in 2011), taking into account that some may only work a few weeks and have a tradition of coming to the same employer over years. While this system is efficiently **combating clandestine work, it also** makes sure that every **seasonal worker** has social security coverage during the period of work in Austria.

Another group of persons has been taken out from the pool of clandestine workers, i.e., third country students. The amendment of the Alien Law of July 2002 allowed **students** to take up employment but not as fulltime workers but only as part-timers, to help cover their living expenses. This **amendment** was not expected to and did not raise labour supply of migrant students but tended to **legalise their work**. No exact numbers have come forward yet, as most of them are 'casual workers', who do not get full social security coverage.

Also, a variety of NGOs, welfare institutions, produce data on profiles of irregular migrants. Although not representative, these sources shed light on the structure of irregular migration and unlawful residence, e.g., data on women and children affected by trafficking, refused asylum seekers, immigrants without health insurance and informally working domestic helpers.

Austria implements different policies in order to prevent or control for irregular migration. The most obvious and most frequently applied approach is prevention and exertion of domestic control, followed by a policy of expulsion and deportation.

In Austria, several institutions are involved in the identification and prosecution of clandestine work; cooperation and collaboration between the relevant institutions (Ministry of Labour - Labour inspectorates, Ministry of Finance - Finance police, unions) has a focus on the improvement of information flows, e.g. via interfaces. Under the law of combating social security fraud (Sozialbetrugsbekämpfungsgesetz – SBBG; coming into effect 2016) cooperation is intensified, e.g. via the establishment of a 'social fraud database' for the purpose of detection of fraud cases under §§ 153ff of the Criminal Code. Collaboration between the finance administration and the social security institutions has been established in 2003 via a joint audit of all wage-dependent levies. Other forms of cooperation encompass the establishment of a construction-site database to facilitate targeted inspection activities. In support of un(der)documented workers the counselling centre "undok" was established in 2014 by several trade unions, the Chamber of Labour and several NGOs (www.undok.at). As cooperation between EU-MS in combating clandestine work is to be enhanced, the Austrian parliament considered a proposal of the government (Ministry of Labour and Social Affairs, cf. 189/ME XXV. GP – Government Proposal) in 2016, which amongst others things will implement the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services and amending Regulation (Enforcement Directive 2014/67/EU). The aim is the improvement in administrative cooperation and enforcement of penalty decisions by using the Internal Market Information system (IMI).[69]

Alien police measures and forced return migration

Alien police measures entail a number of measures which may impact on migrants. The measures include expulsions, rejections at the border, refoulement cases, denial of residence etc. With EU enlargement the number of police measures halved, as citizens of the new EU-MS could settle in Austria. This explains why the decline was basically the result of a massive reduction of rejections at the border. They used to constitute half of the police actions. They could be reduced from 31,200 in 2006 to 7,600 in 2007 and further to 263 in 2012. They started to rise again slightly thereafter and reached 2,242 cases in 2017. In addition, 6,798 irregular migrants were returned, largely because of illegal entry (5,900 cases) in 2015. The numbers declined in 2016 and 2017 to 1,201 – the majority due to illegal entry (1,086).

In addition, police may issue visa at airports or other borders. This entailed 358 visa in total in 2015 and 154 in 2016.[70] In 2015, in 15 cases the issue of visa for Austria was denied, in 2016 in 3 cases.

[69] For more see EC (2017) European Platform tackling undeclared work. Member State Factsheets and Synthesis Report. Directorate-General for Employment, Social Affairs and Inclusion.

[70] For more see Ministry of the Interior: Fremdenpolizei, Visawesen 2015.

VI. Remittances of foreign workers

The major foreign worker groups in Austria are traditionally from the former region of Yugoslavia and from Turkey. With free mobility of labour within the EU the situation changed as increasingly Germans – particularly after the implementation of Hartz 4 regulations in 2006 – and workers from the new EU-MS in Central and Eastern Europe (CEEC) moved in. Accordingly, there is a shift of remittances over time, away from the traditional guest worker regions to the source regions of EU-migrants.

Remittances to the region of former Yugoslavia have been high and rising in the early 1970s as the employment of Yugoslavs was growing rapidly in Austria. With the onset of restrictions in the recruitment of foreign workers and the settlement tendencies of Yugoslavs in Austria the amount of money transferred to Yugoslavia decreased and came almost to a standstill after 1990 as political unrest and eventual war developed in the region of former Yugoslavia. In 1993 the transfers started to rise again until 1995 (245 million ATS or 17.8 million €). In the course of 1996, a slight decline to 17.5 million € (241 million ATS) set in again. (Figure 60)

The development of remittances to Turkey follows a very different pattern over time. The pattern is anti-cyclical; the remittances increased in periods of economic slack and growing unemployment in Austria. Ever since 1987, when a very low level of money transfers to Turkey was reached, the remittances started to rise on a continuous basis until 1995. Then 119.8 million € (1,649 million ATS) were transferred to Turkey, the highest amount ever since the beginning of the series in 1966. In 1996 the sum declined again somewhat to 111.1 million € (1,529 million ATS).

Regulatory changes by the Austrian National Bank pertaining to the registration of money transfers abroad caused a break in the series. The amount of money, which an individual wants to transfer abroad, must be registered, if it surpasses € 5,087 (ATS 70,000). This is a rather high amount of money, which means that a large number of small individual transfers go unregistered, while playing an important role for the individual and family welfare in the recipient countries.

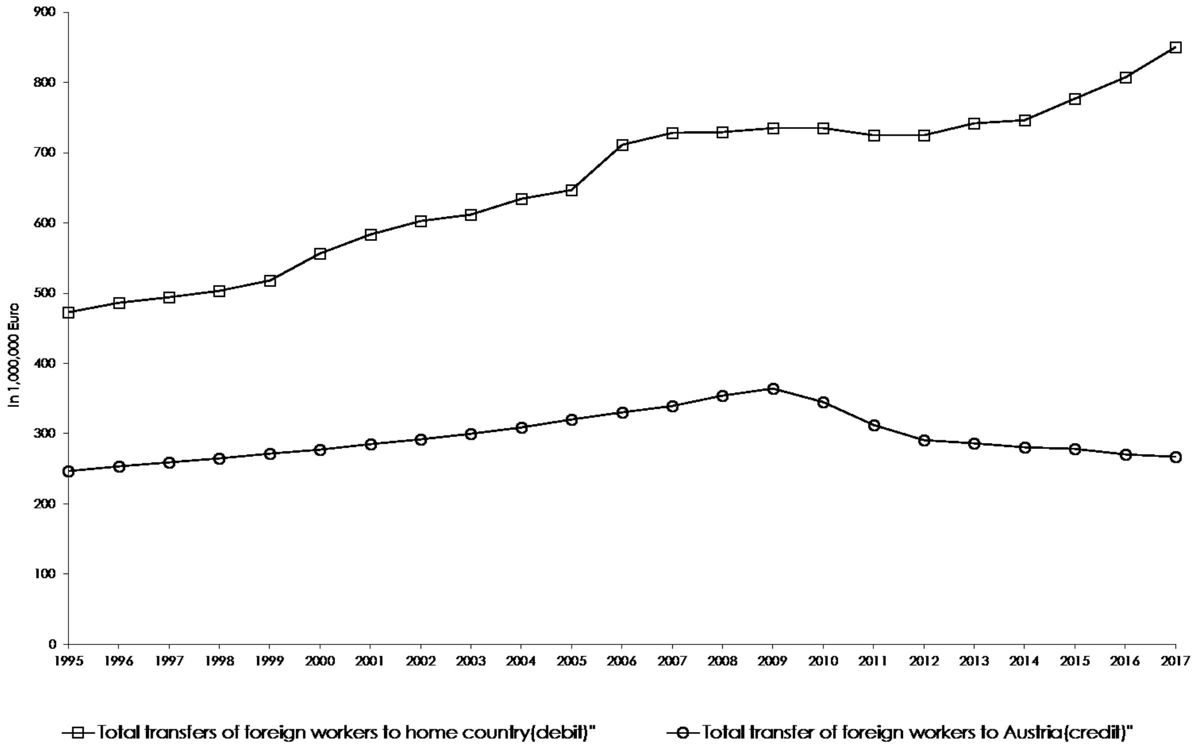
Figure 60: Remittances of foreign workers to their home countries 1966-2006

Source: Austrian National Bank (OeNB).

In the light of the relatively small amount of money which is being transferred home annually by foreign workers via registration by the Austrian National Bank, often no differentiation by country of destination or nationality is possible. One may, however, differentiate between large destination regions of remittances. The Austrian National Bank has completely revised the data base and provides a differentiated time series (by country) for the period 1995 to 2010. Global flow data are publicly available, more differentiated data is provided by the National Bank upon request.

According to the publicly available data set, Austria has seen a total net outflow of money as a result of remittances of migrants over the whole period, amounting to 226 million € in 1995 and rising to 390 million € in 2010 and further to 583 million € in 2017. The net flow results from 267 million € inflows (credit) and 850 million € outflows from Austria (debit) in 2017. In 2007, as can be seen in the figure below, the net financial outflows have increased drastically – an indication of the onset of the financial crisis and the increase in remittances to the regions of origin of the migrants who tended to be harder hit than Austria. The net outflow of remittances to the outside world (total) rose from 388 mill euro in 2007 to 583 mill euro in 2017, i.e. by 195 mill euro or 50%. (Figure 61)

Figure 61: Total gross flow of remittances between Austria and the rest of the world: 1995-2017 (in million euros)

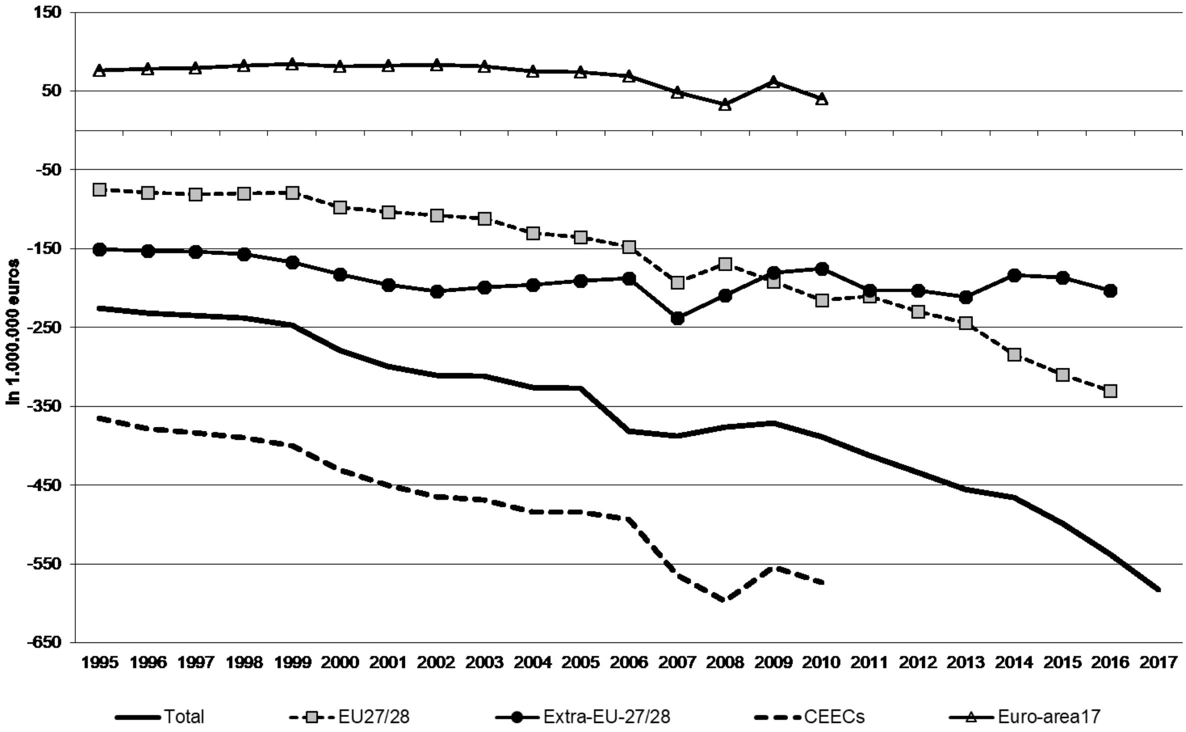


Source: Austrian National Bank (OeNB).

Remittances between countries of the Euro-17 area and Austria result in a net inflow of money into Austria. Since 1995 the amount is declining, however, from 76 million Euro in 1995 to 40 million € in 2010. In contrast, significant net outflows of remittances go into Central and Eastern European Countries (CEECs), indicating that labour migrants of these regions save as much money as they can to send it back home to their families. In 2010 the net outflows to CEECs amounted to 573 million Euros.

The flow of remittances between Austria and the EU27/28 is also linked with a rising outflow of money from Austria, reaching 215 million € in 2010, after 75 million in 1995. Until 2016 the net outflow of remittances to other countries of the European Union increased further, reaching 330 million € in 2016. Somewhat less pronounced is the net outflow of remittances of migrant workers in Austria to countries outside the European Union, i.e., to third countries. It can be taken from Figure 62 that – in 2016 -the net outflow amounted to 203 mill euro, somewhat less than in 2007 (238 mill€) but exhibiting by and large a rather stable picture over time.

Figure 62: Net remittances of migrants in Austria to their source regions in million €: 1995-2017

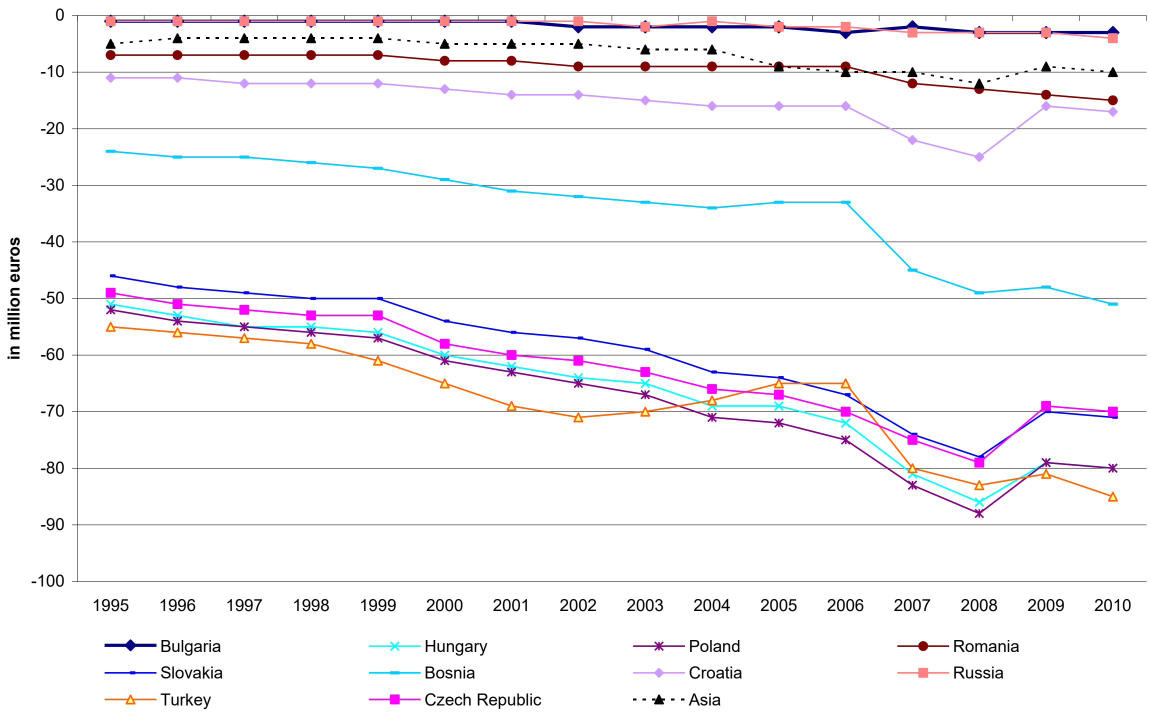


Source: Austrian National Bank (OeNB).

The impact of the financial squeeze migrants experienced as a consequence of the economic downturn in 2008 becomes even more obvious if looked at the various major recipient countries of money transfers from migrants in Austria. Significantly more money has been transferred to the source countries of migrants, in particular Russia, Bosnia-Herzegovina, Romania and Poland as well as Asia. The money transfers often constitute a major source of income for the families back home. (Figure 63)

It can be taken from Figure 64 that migrants from the traditional foreign worker source regions, who by now tend to be well established and to have accumulated some wealth in Austria, are the ones that send more money 'back home' than the more recent migrants from CEECs, Russia and Asia. Turkey is an interesting case; the volatility of economic growth in Turkey and the onset of the recession in 2000 triggered off increasing outflows of remittances from Austria to Turkey. Net remittances increased from 55 million in 1995 to 72 million € in 2002. In the wake of economic recovery in Turkey outflows remained stable for a while but started to increase again in the wake of the international financial crisis in 2007/08, reaching a peak of 79 million € in 2008; as the financial crisis hit Austria as well, and Turkish migrants in Austria in particular, the outflow of remittances declined to a low of 63 million € in 2010.

Figure 63: Net financial flows of migrants in Austria to their home countries in million Euros 1995-2010



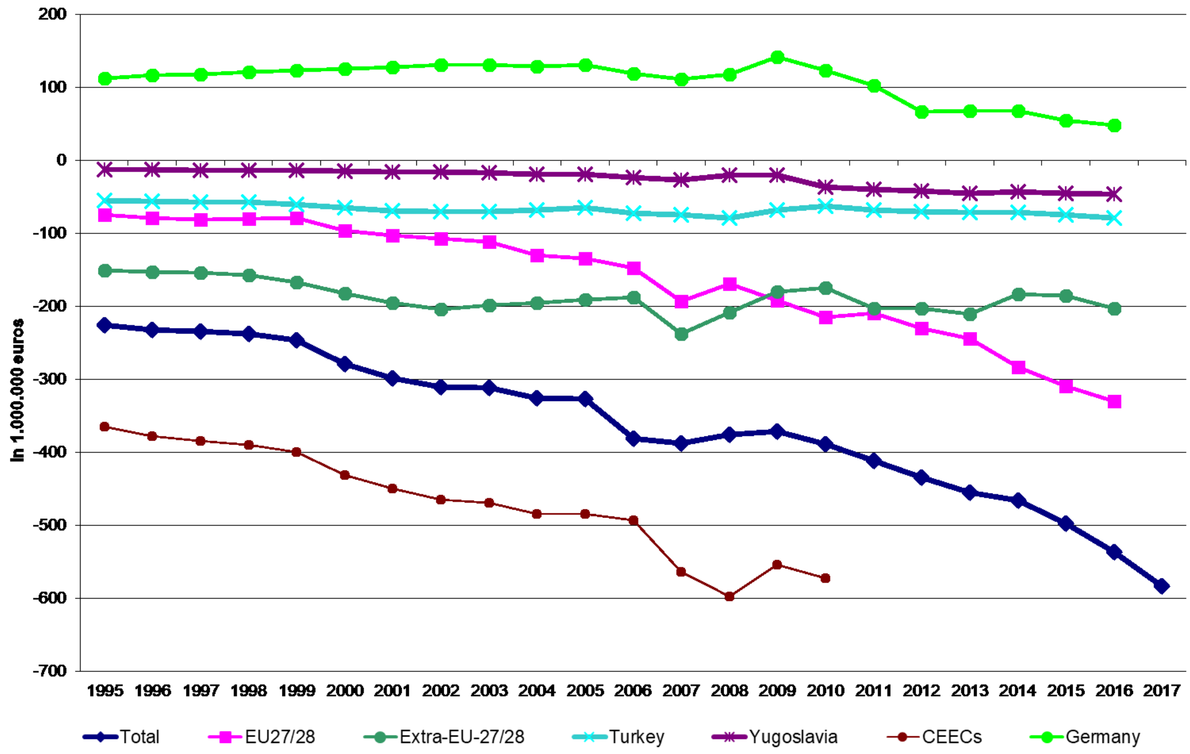
Source: Austrian National Bank (OeNB).

In the wake of the economic recovery in Austria, the net outflows of remittances to Turkey picked up again and reached 79 million € in 2016. By sending remittances to Turkey, the Turkish migrants in Austria contribute to investment and consumption in Turkey, thereby promoting Turkish economic growth. This point is examined in more detail by Akkoyunlu—Kholodilin (2006). The authors conclude that remittances buffer above all the negative consequences of economic volatility for poor households, thereby stabilising consumer demand in Turkey.

It can be taken from Figure 64 that remittance flows between Austria and Germany tend to be positive, i.e., more migrant money transfers go from Germany to Austria than the other way around. This is a fairly long-term trend, but the net inflows from Germany decline over time, in particular since 2009. Then the net inflow to Austria amounted to 141 million €; until 2016 the net inflow declined to 48 million € in 2016.

In contrast, the net outflow of remittances to Yugoslavia has lost its former dynamics. Partly because some of the former Yugoslav countries have become members of the European Union, partly because many former Yugoslavs have settled and start investing in Austria. Nonetheless there is still some net outflow of remittances to Yugoslavia, amounting to 47.5 million € in 2016.

Figure 64: Net flow of remittances from and to Austria: 1995-2017



Source: Austrian National Bank (OeNB).

VII. Integration of migrants

Austria is a country with a long tradition of immigration, but a short history of structured and comprehensive integration.

Integration policy

It was not until 1996 that the Federal Minister of the Interior (Caspar Einem) made the first steps towards the coordination of migration and integration policies. This policy initiative is frozen in law (Fremdengesetz 1997), attempting to promote labour market integration of migrants, who had resided in Austria for a longer period of time. It was meant to facilitate access to the labour market of family members, who had arrived in Austria before 1992.

As a coordinating step on the part of the Ministry of Labour, enterprises were increasingly controlled to ensure abidance by the law, namely the execution of labour market testing in case of first issues of work permits. As a result, the 'habit' of some firms to employ a third country foreigner (who had a residence permit but no right to access work or only under the condition of labour market testing) without applying for a work permit by the LMS, had to be discontinued. The rules had to be applied, i.e., a firm got a first work permit for a foreigner granted only after four unemployed, who could in principle fill the post (unemployment benefit recipients), got the job offered but rejected it. Labour market testing is an effective labour market entry barrier of unskilled and semi-skilled third country migrants. Thus, the 'coordination' of policy resulted in the application of the law which in effect reduced the employment opportunities of certain groups of third country migrants.

The enforcement of labour market testing went hand in hand with an increase in the quota of seasonal workers from abroad. It is in the discretionary power of the Minister of Labour to decide upon an annual inflow of seasonal workers in tourism and in the agricultural/forestry sector, on the basis of regional and social partnership decisions. Both instruments contributed to a decline in clandestine work, but they reduced the chances of labour market integration of un- and semiskilled migrants already residing in the country.

The second and more effective legal reform step took place in 2003, with the introduction of the 'green card'. The option of long-term foreign residents to apply for a green card, which allows entry into the labour market without the firm having to apply for a work permit, i.e., the abandonment of the requirement of labour market testing, has significantly improved the employment opportunities of unskilled third country migrants. One year after the introduction of the green card system the quota for seasonal workers from abroad had to be reduced as a result of large labour supply increases. As a result, unemployment numbers rose in the low skill segment in the wake of the substantial supply increases, as seasonal work represents also an employment option for resident migrants. One has to acknowledge, however, that easy access to seasonal workers from abroad within a large quota contributes to reducing clandestine work, particularly if the season is short (harvesting) and if traditional personal connections are the basis for recruitment. One way to reduce the labour supply of unskilled migrants was via the introduction of a minimum income requirement for family reunification (family sponsoring in the new residence and settlement law (NAG 2005). This amendment was in line with regulations in other immigration countries overseas and with the EU guidelines for migration policy. It reduced the inflow of migrants with low earning capacities who want to join a partner in Austria who himself/herself is living off welfare benefits (requiring income testing such as long-term unemployment benefit (Notstandshilfe) and social assistance). In addition, forced and/or arranged marriages became increasingly a target of control.

Thus, the coordination of migration policy with labour market policy, which started in the mid to late 1990s, introduced a better understanding of the impact of immigration on labour supply and labour market mechanisms in the respective administrative disciplines. Another aspect which became increasingly an issue and resulted in amendments to migration law (NAG 2005) was the age cut-off for family reunification of children. Raising the age from originally 14 (until 2000) to 18 (2005) meant a significant improvement of the education and earnings opportunities of third country youth in Austria. While second generation migrants who arrive in Austria at a relatively young age, tend to be quite successful in school and later on the labour market, this is not the case for youth arriving at an older age. Some of the greatest difficulties migrant youth are faced with on the labour market today are the result of protracted entry, often after the age for compulsory schooling in Austria (15), and the concomitant lack of school leaving certificates or acknowledgement of credentials obtained abroad.

Accreditation of skills and competences

Another instrument to reduce labour supply in the low-skilled segment was to promote the accreditation resp. validation of skills acquired abroad thereby reducing overqualification for jobs migrants took up. This meant that the Ministry of Labour and Social Affairs cooperated with the Secretary of State of Integration to provide information and guidance to migrants in their quest to get credentials, which have been obtained abroad, accredited and validated. As a first step a website was implemented early 2012 (www.berufsanerkennung.at). It was the outcome of a policy debate in 2010 and 2011 which focused on ways and means to reduce the degree of overqualification of migrant employment or inadequate matching of migrant skills and jobs. This debate fuelled cooperation between the social partners, various ministries, the Labour Market Service, regional governments and education institutions, largely institutions of further education of adults with the aim to implement a lifelong learning strategy. The website was the beginning of a road map towards the accreditation and validation of skills and competences acquired formally and informally in Austria as well as abroad. In 2015 a law granting the right to accreditation/validation of one's skills and qualifications went into the houses of parliament for consultation. It came into effect in 2016.

Access to work in regulated professions, i.e., those which have a particular responsibility towards human beings and their safety, remains difficult for migrants as special regulations apply which go beyond obtaining the necessary educational skills or getting them accredited.

Focus on early school leavers

Another policy issue in the years of 2000 addressed early school leavers - to raise the skill level was part of the government programme of 2010. One outcome has been the implementation of a system of co-funding by the regions and the federal government (§15a agreement) to fund education of early school leavers, natives as well as migrants such that they obtain school leaving certificates at no cost to them, and may access further education (Initiative Erwachsenenbildung: Pflichtschulabschluss und Basisbildung). The funding model follows the ESF scheme of co-funding. It came into effect January 2012.[71] This initiative has been implemented for a 5 year-period and extended for another 5-year-period with equal funding in 2017. This scheme has been very successful in addressing distant learners, in particular also migrants. The largest uptake was in the lowest skill segment, which will allow this group to enter a lifelong learning path and raise their employability. An evaluation of this scheme is part and parcel of the whole complex institutional setting and the planning of the database flowing from the education activities. (Stoppacher et al 2014)

In addition, in 2013, the Ministry of Europe, Integration and Foreign Affairs proposed - upon the advice of the expert council on integration (bmeia 2013) - to raise the minimum age for the achievement of the compulsory school leaving certificate to 18 years. **The proposal led to the amendment of the Law on Education and Training (Ausbildungspflichtgesetz - APflG), which came into effect in August 2016 (BgBl 62/2016).** The objective of this amendment is to reduce the number of youth without a school leaving certificate, and to promote their propensity to engage in further education and training. The first cohort affected by the law is the school-leaving cohort of 2016. Parents are from now on obliged to ensure further education and/or training of their children beyond the compulsory school-leaving age of 15, if the children have not obtained the competences required (early school leavers without school leaving certificate). Further education may take place in any of the further education streams as well as in special schools (Produktionsschule) and training courses offered by the Ministry of Labour and social Affairs including intensified youth-coaching.

Mandatory and free of charge kindergarten before compulsory school entry

In 2009 a mandatory kindergarten attendance for five-year-olds at no cost to the parents was established on the basis of the intervention of the Secretary of State for Integration, Sebastian Kurz, in order to tackle German language problems of migrant children when entering compulsory education. Increasing involvement of migrant parents, particularly mothers, in early language learning has also been a focus in 2010 and 2011, promoting HIPPY (Home instruction for parents of pre-school youngsters), often in combination with civic education. The aim was to raise awareness of the role of education for integration and to promote the employment of migrant women. In 2017, the coalition government (ÖVP-FPÖ) decided upon the establishment of a second mandatory year of kindergarten with a focus of on the promotion of values/behaviour patterns (PH-Noe 2018) and on German language training for children in need.

As many nursery schools are privately run and as the qualification criteria of nursery teachers are not regularly controlled, the Minister of Integration, Mr Kurz, had some of the Muslim Kindergarten examined in 2015 (Aslan 2016).[72] The investigation into the quality of education and training indicated that some of the Nursing schools were run by Salafist organisations, indoctrinating children from an early age onwards, thereby enticing radicalisation. While the city of Vienna had not allowed access to all nursery schools in Vienna, they committed themselves to do so from now on. The analysis of the Islamic nurseries in Vienna was very controversial (Aslan, 2017), indicating that some schools were not contributing to integration

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[71] For more see: https://www.initiative-erwachsenenbildung.at/initiative-erwachsenenbildung/was-ist-das/

[72] For more see ORF-reports http://wien.orf.at/news/stories/2759923/

in Austria but rather promoting self-exclusion. In 2016, the examination of nursing schools was supposed to be extended to all provinces in Austria.[73]

The increasing focus on implementing structured integration measures is complemented by the reform of migration policy towards a point-based system of immigration. All these reforms are geared towards coordination of migration and integration management. Also, information and media policy are slowly changing, moving away from a focus on problems and turning towards opportunities emanating from a greater diversity of people. This tendency is, however, slowly eroded in the wake of the 'unexpected' large inflow of refugees in 2015 and challenges of social cohesion emanating from it.

Institutional and Policy Framework for Integration

The institutional setting for integration is rapidly changing. Not only have almost all federal states developed 'Integration guidelines' (Integrationsleitbild) by 2010 but they are also well on their way in implementing integration measures in the various fields, be they relative to the preschool and school environment, the labour market and coordination of institutions and associations which promote employment and further education (Biffl et al 2010), as well as housing and regional integration (Regionalmanagement).

A major driving force between 2009 and 2011 has been the Federal policy on integration, featuring in the NAP.I (National Action Plan of Integration), the establishment of an expert council on integration, advising the Ministry of the Interior – since 2013 the Minister of Europe, Integration and Foreign Affairs - on matters of integration (Expertenrat), and the establishment of an integration council (Integrationsbeirat), encompassing all government and non-government institutions on federal and state level and social partners involved in integration matters – to facilitate coordination of integration policy and measures; all these institutional changes have led to the development of a road map towards mainstreaming integration. The latest and most symbolic elements in the changing institutional ramifications have been the implementation of a Secretary of State for Integration in the Ministry of the Interior early 2011 - followed by the Minister of Integration in 2013; he is the hub for the coordination of integration policies in the various ministries. In addition, the Ministry – now Europe, Integration and Foreign Affairs - is providing funds under the condition that the Bundesländer add the same amount.[74] Accordingly, the actual integration budget is double the amount of money budgeted for 'integration' in the various Federal Ministries, largely the Ministry of the Interior (bmi), of Europe, Integration and Foreign Affairs (bmeia) and education (bmb). Apart from the basic budget, every Ministry and Bundesland is requested to develop affirmative action programmes for migrants, which are in line with the 7 themes of the National Action Plan. The central institution servicing integration policy and its implementation is the Austrian Integration Fund (ÖIF). The ÖIF has seven regional offices and 18 mobile welcome desks.

[73] The research has been undertaken by Prof. Aslan (University of Vienna, Islam Studies, together with Susanne Heine (University Vienna, Theology Fakulty), Maria Fürstaller (Univ. Vienna), Elisabeth Raab-Steiner (FH Campus Wien), Prof. Wolfgang Mazal (University Vienna) and Kenan Güngör. http://iis.univie.ac.at/fileadmin/user_upload/p_iis/Abschlussbericht__Vorstudie_Islamische_Kindergarten_Wien_final.pdf

[74] For budget details see the various Budget Reports of the Ministry of Finance to the parliament.

In 2015 the implementation of a **structured welcome culture** has had a good start. Some provinces in Austria have developed a 'welcome check' for all local institutional actors, in particular the municipalities, the LMS, the education and training institutions, the various associations in the recreation field, the employers and their representatives as well as migrant associations. The objective is to promote the wellbeing of the whole communities and their actors, thereby hoping to attract skilled workers and entice them to settle. (Biffl et al. 2015, bmeia 2012)

In addition, an initiative of the Ministry of the Interior to welcome immigrants already in the source country has come into effect in cooperation with Turkey in 2014. Turkish citizens with the right to settle in Austria (Family migration) receive reception information and advice in the Austrian embassy in Ankara thereby facilitating integration in Austria. The initiative runs under the slogan 'Integration von Anfang an' (Integration from the very beginning). As this integration service abroad is successful, it has been implemented also in Serbia (Belgrade) by the Ministry of Integration, European and Foreign Affairs. **With the new coalition government coming into power in 2017, these initiatives came to a halt, however.** There is no more talk about integration from the very beginning, and German language courses on a higher level (from B1 upwards), which until 2018 were funded by the Labour Market Service, had to be abandoned in 2019 as the budget for these courses has been cut by the government (150,000 €).

Perhaps one of the most important policy initiatives to promote integration was the adaptation of the **Islam-Law in Austria**. It has taken some three years of public debate before the law, which dated back to the multicultural and multireligious Austro-Hungarian Empire, could be adapted. It came into effect in March 2015, ensuring the right to practice one's religion and specifying the rights and duties of the various Muslim denominations. The law was drawn up in close cooperation with the Muslim associations in Austria and accepted by them.

In 2017, a variety of new legislation on integration has come into effect, in particular the **Integration Act** (BgBl 2017/68) which was complemented by the **Integration-Year-Act** for refugees. The Integration Act sets out the central ramifications for the integration of migrants, who have the intention to settle in Austria. The leading principle is activation and participation, meaning that the state is obliged to offer opportunities for migrants and to request cooperation and participation of the migrants in various activities. Some of the obligations refer to the participation in German Language courses and value-seminars. The law requests also the implementation of a monitoring system on integration, more transparency and data-provision/exchange to facilitate planning of integration measures by the various institutions. The Integration-Year-Law focusses on refugees and asylum seekers with a high probability of getting asylum granted to participate in charitable and non-profit community work. In so doing they are expected to learn about work practices, the system of social organisation and to communicate with the host society. The skills and competences obtained in the course of the year are to raise their employability and facilitate long-term integration. **In 2018, the budget for funding an "integration year" has been cut, indicating that integration is increasingly seen as an obligation of refugees and not of the Austrian host society as well.**

The role of citizenship for labour market integration

Austria is among the countries with high barriers to the acquisition of citizenship (Bauböck et al 2006), at least since the reforms of the citizenship laws in 2005-2008. Does this hamper labour market integration? If we compare labour market outcomes of Austria with France, which grants citizenship on the basis of territory (ius soli), we see many similarities in labour market outcomes. The latter may flow from the welfare model rather than the civic territorial model. Brubaker (1992) argues that citizenship may promote a feeling of belonging, but it is the welfare model which structures labour market outcomes.

Changing union policy

There are increasing signs of a changing union policy towards immigrants. In the year 2006 foreigners have been given the right to join unions and to become members of employer councils. It has to be mentioned, however, that the latter right was not granted freely by the Trade Union Congress but only after the intervention by the European Court of Justice. The latter acted upon the appeal of the Austrian union of white-collar workers (GPA) together with a migrant association (migrare). This incidence shows that there is increasing debate on the role of migrants in the trade union movement and the implications of free mobility within the EU for trade union policy. Groups within the trade unions are increasingly giving voice to migrants (e.g. work@migration in the GPA), standing up for rights as diverse as citizenship to children born in Austria to foreign citizens and the right to access work for all migrants, independent of their legal status. (Biffl 2010)

Labour market outcomes of integration of migrants

Integration of migrants facilitated by work-based welfare model

The integration of migrants is facilitated by a labour market governance system which is based on the social partnership concept and which is complemented by a complex system of regional institutions and integration policies on communal level. Such a system, while ensuring continuity and stability, can accommodate the needs of regions and different ethnic groups and adapt to new challenges. As the pattern of migration evolves, so will the needs of the migrants and the host communities in their quest for integration and participation. Newcomers have different needs than second and possibly third generation migrants, and the needs may differ by migrant groups and status (migrant workers, family members, and refugees), age and gender. Mainstream integration has to cater for all needs in order to ensure that social cohesion is not jeopardised.

The major bulk of action in the area of integration policy takes place in the regions (Bundesländer). Federal laws tend to provide a general framework only, leaving it up to the federal states to draw up integration measures suitable for the special circumstances of the region. Also the law regulating the residence and settlement of foreigners (Niederlassungs- und Aufenthaltsgesetz - NAG 2005), leaves it up to the states to devise an institutional and budgetary framework to organise the integration of migrants. Due to the strong regional focus of policy formulation and implementation and the horizontal character of integration, comprising areas as diverse as education, employment, housing, health, social services, cultural activities and the like, little is known on a federal level about the amount of money spent on integration in the various regions, the instruments and measures implemented and their respective effectiveness[75].

Integration has been quite effectively pursued both at state and local level, as some of the good practice examples indicate, which every major federal state can boast, e.g., on the websites of regional integration platforms and as part of the policies of territorial employment pacts[76]. Austria has fairly diverse regional systems of integration, which take into account the different needs of migrants as well as host communities. The various integration systems may differ by the speed, depth and scope of integration, which may be guided by different objectives of the regions as to the role of migration in their socio-economic development (Concept of Integration - Integrationsleitbild).

Migrant women and youth: the challenge of labour market integration

The integration of migrant women and youth into the labour market depends upon institutional ramifications - in particular the immigration regime, the welfare model and the education system -, on supply factors - in particular the educational attainment level and occupational skills, language competence, ethnic origin and the proximity to the ethnic cultural identity of the host country -, and demand factors - in particular the composition by economic sectors, the division of work between the household, the informal and the market sector and the economic and technological development level.

The integration of first and increasingly second-generation migrants, particularly of women, has become a challenge in view of changing demands on migrant skills and a failure to promote the education of migrant children adequately. Research indicates that it is the combination of different immigration and welfare regimes which account for different employment opportunities of migrant women in the various EU-MS (Baldwin-Edwards 2002, Adsera & Chiswick 2004, Freeman 2004). Educational attainment and employment opportunity of migrant youth in contrast are largely determined by the education system and the role of social status of the parents for the educational outcome of their children, in addition to the capacity to speak the host language (OECD 2006A/B).

The employment opportunities of migrants depend to a large extent on their immigrant status, which tends to define the access rights to the labour market. For example, asylum seekers may or may not access work (depending on national immigration regime) while waiting for their case to be decided. In contrast, target workers (employer nomination scheme, intercompany transferees, seasonal workers etc.) are almost by definition employed. Settlers who are joining their partners (family formation or reunification) may adapt their employment behaviour to that of the host country, e.g. work in the formal or informal sector. The employment opportunities of migrant women differ between EU-MS as the employment opportunities of women in general differ as a result of various welfare models and economic development levels. In addition, the educational attainment level and occupational structure of migrant women may differ which has an impact on the employment opportunities of women.

[75] For a first attempt to collect information about integration measures in the various regions see *IOM – BMI* (2005).

[76] For more about the territorial Employment Pacts in Austria, in particular on integration of migrants see: http://www.pakte.at/projekte/2932/3618.html?_lang=en.

The gender composition of the various entry channels of migration differs and may change over time. A significant part of immigration continues to be labour migration, particularly as a consequence of free mobility of labour within the EEA. But family formation and reunification as well as immigration on humanitarian grounds have taken over as the most important driving forces for immigration in Austria and some other EU-MS in recent decades. The gender mix of migrants is partly the result of the migration regime (Freedman 2007, Dumont et al 2007), and partly due to different roles of migrants in the economic development (temporary work, settlement, asylum, students, illegal migrants). Family migration for settlement has become the most important entry category of permanent type immigrants (settlers) in countries as diverse as Austria, Germany, Belgium, France and Sweden. But temporary work also continues to be an important source of migrants, e.g. as domestic helpers, care workers and seasonal workers. Further, in addition to family and labour migration and immigration on humanitarian grounds, increasing mobility of students is also a source of work. Austria together with the United Kingdom, France and the Netherlands (OECD 2006A: C3) have experienced large increases in their international student population. Austria has one of the highest shares of foreign students in the EU with 19% in 2006 (2004: 14%).

Different models of social organisation, which are historically grown and which constitute "incorporation regimes" have an impact on employment and earnings opportunities of migrants. According to Soysal (1994), each host country has a complex set of institutions which organise and structure socio-economic behaviour of the host population; these basic models of social organisation also structure labour market behaviour of migrants. In that context it is above all the welfare model which plays a dominant role in the integration of migrant women into the labour market. Countries like Austria which relegate a large portion of work, in particular social services, to the household sector by tax incentives or transfer payments have a lower employment rate of women than countries in which the state (Nordic countries) or the private sector (Anglo-Saxon countries) are the major suppliers of these goods and services. Thus, the role of migrant women is on the one hand determined by the labour market access rights stemming from the immigration model, and the welfare model on the other (Esping-Andersen et. al. 2001).

While the immigration model determines who may settle and have access to the labour market and under what conditions, the welfare model structures the division of work between market and household work of the host society. An important consequence of the different division of labour between the household and market sector, through a complex system of taxes and benefits, are not only differing degrees of integration of women into the labour market but also differing degrees of poverty and income inequality.

The Scandinavian and Anglo-Saxon welfare models and the social security systems of the Continental European countries have a system of social protection, which is employment centred. Work is not only the source of income but also the means through which the social dividend is distributed. Thus, integration into the labour market is vital for the wellbeing of the individuals. Work related income and services are complemented by public sector services, like health care, which can be accessed by every resident.

Labour market outcomes differ significantly between men and women in the various welfare models; the gender differences are more important than the differences between immigrants and natives, particularly after a certain period of residence (with the length of stay resulting in convergence to behaviour of natives). Given gender and immigrant status, important predictors of labour market outcomes are age, educational attainment level, marital status and length of stay in the host country.

Earnings differences

Adsera & Chiswick (2004) point out that earnings of immigrants are lower upon arrival than those of natives, particularly for foreigners born outside of the EU. The countries with the lowest differences between earnings of natives and migrants are found in Germany and Austria and the highest in Sweden (period of analysis 1994-2000, data from the European Community Household Panel - ECHP). In Austria, centralised collective bargaining agreements (Kollektivverträge) ensure equal treatment in employment by industry and skills, thereby linking wages with skills acquired in the various elements of postsecondary and tertiary education. Almost every job is regulated by collective bargaining agreements (98% bargaining coverage rate[77]), encompassing regulations as diverse as wages, working hours and general working conditions. The bargaining system ensures that wages are in line with productivity developments, thereby stabilising inflation and ensuring economic stability (Fuess—Millea 2001, Aidt—Tzannatos 2001). As a result of the regulative density, wages in the formal sector in Austria do not differ much by nationality, as there is little room for different treatment of immigrants.

Women born outside of the EU face large wage gaps relative to native women; it is above all the Nordic countries, Southern European countries but also the UK with above average earnings gaps. In contrast, in Austria non-EU women tend to have on average higher earnings than native women. This is due to the low activity rate of third country women with a low educational attainment level and a high activity rate of highly skilled and career minded third country women. It corroborates other research results according to which Austrian women, also highly skilled ones, are facing a pronounced glass ceiling. Accordingly, the gender pay gap in Austria is amongst the highest in the EU and rising, quite in contrast to the trend in other EU-MS.

The low wage differences between migrant and Austrian women is the result of a low labour force participation of women with a low educational attainment level of Austrian as well as migrant women as care work tends to remain in the household sector, promoted by the Austrian tax and cash transfer system[78]. (BKA2010) But also foreign worker policy tends to hinder labour force participation of unskilled migrants, as access to the labour market requires labour market testing; only after 4 years of legal residence in Austria can third country citizens get the 'green card' which allows the uptake of employment without labour market testing. This feature of the law bars entry to the labour market of third country low skilled migrants who tend to immigrate on the basis of the family reunification programme. There has been no legislative change which would amend that. With the introduction of the red-white red card in 2011, however, family members of that card (Rot-Weiß-Rot — Karte plus) will face no restrictions to enter the labour market. This fact together with the fall of transition regulations for EU-8 member states will raise competition for jobs, particularly for the unskilled.

[77] The bargaining coverage is lower in most other EU-MS, ranging from 47% in the UK, 50% in Switzerland, 69% in Denmark to 89% in Sweden. (Aidt—Tzannatos 2001)

[78] Single earner tax breaks as well as cash benefits for child-care and domestic care for the sick and elderly contribute to the limited outsourcing of care work from households to the market. (BKA 2010)

This may result in a rise in unemployment and/or may exercise a certain downward pressure on wages for the unskilled.

Earnings differences between native women and immigrant women decline with cultural and language proximity. Chiswick & Miller (1995) find that this is also true in other immigration countries. Earnings of migrants tend to converge after around 18 years of residence.

Public opinion and discrimination

In order to provide a factual background for integration measures Austria has developed integration indicators and published them since 2009, the year of the drafting of the NAP.I, the National Action Plan for Integration. (Statistics Austria 2011/2012/2014/2015/2016/2017/2018)[79] The set of indicators includes also an 'integration barometer', i.e. subjective feelings about the integration process on the basis of a sample survey of natives and migrants. The results of the opinion polls are showing signs of improvement between 2010 and 2014. With the abrupt increase of refugee inflows, the pessimism in relation to integration gained weight. Accordingly, in 2015 12.6% of the Austrians meant that integration was not working at all (compared to 12.5% 2014); in 2016, 16% of the representatives of the host society meant that integration did not work at all and a further 47.5% thought that it worked rather unsatisfactorily. In 2018, the situation improved: accordingly, only 13% were of the opinion that integration did not work at all, and 41% felt that it was unsatisfactory. While there is a clear improvement in sentiment vis-á-vis migrants, in particular refugees, the atmosphere is still not reassuring, even though it is much better than in 2010, when 17.9% believed that integration did not work at all. But still, integration pessimism of the host society is more pronounced than optimism -only 45.5% believe that integration works rather well or very well in 2018.

The pessimistic views about the integration process were not spread evenly across socio-economic groups and regions. Men were more often than women inclined to judge integration as not working well. Older persons, persons with high as well as low educational attainment level are more pessimistic than persons with medium skills. It is smaller communities that view integration more optimistically than larger conurbations. The views are independent of the extent of contact with migrants, contrary to an often-held hypothesis. The survey did not ask for the reasons for the views given, be it the political discourse, which is increasingly anti-immigrant, or because of actual experiences and conflicts.

The opinions voiced by migrants are in stark contrast to those of natives: the overwhelming majority of migrants say that they feel at home and welcome in Austria, namely 91.6% in 2017. Only 1.9% of migrants do not feel at home at all in Austria, and some 6.5% feel rather less at home. The optimism of migrants relative to integration has increased over time and duration of stay. Women tend to have a feeling of belonging more often than men and youth more often than adults, with the exception of over 60year old migrants – they are the group which feels most at home in Austria. They tend to have arrived as guest workers and decided to make this their home. This goes to show that the feeling of belonging correlates with the duration of stay in Austria, but also with the socio-economic status. Migrants with higher

[79] Migration&integration: zahlen.daten.indikatoren 2018, Statistik Austria/öif/bmi,gfk, Vienna. https://www.bmeia.gv.at/fileadmin/user_upload/Zentrale/Integration/Integrationsbericht_2018/Statistisches_Jahrbuch_migration__und_integration_2018.pdf

educational attainment level and a high degree of integration into the labour market feel more at home in Austria than unskilled persons and migrants who are at the margin of the labour market. Also, the country of origin counts: 93.3% of persons from former Yugoslavia feel at home in Austria but ‘only’ 83.7% of Turkish migrants. Accordingly, the difference between Yugoslavs and Turks is starting to decline in 2018. This high degree of identification of migrants with Austria must not come as a surprise, as the sample of migrants is biased towards settlers from regions of former Yugoslavia and from Turkey, while EU-migrants and more recent inflows from Afghanistan, Syria and Iraq are not included.

The optimistic view of migrants relative to integration is highly correlated with their improvement of their personal living conditions in Austria. The proportion of migrants who state that their living conditions have improved between 2018 and 2010 remained fairly stable at close to 30% (2018: 33.2%), but the proportion of those who experienced a deterioration declined (from 28.9% in 2010 to 19.9% in 2018). The majority (46.9% in 2018) meant that their situation remained fairly stable over the last 5 years.

The proportion of natives who think that migrants are disadvantaged or discriminated is higher than the proportion of migrants who believe that they are always disadvantaged (22.9% versus 9.1% in 2017). There is a declining tendency of discrimination or feeling of being discriminated. The proportion of migrants who feel that they are discriminated is highest for unskilled and poor persons and above all of Turkish migrants. In 2018, 17.8% of Turkish migrants said that they felt disadvantaged (after 18.6% 2015) versus 5% of migrants from former Yugoslavia (after 7.2% 2015).

Finally, questions relative to xenophobia indicate that there is increasing recognition that immigration is meant to stay and that integration is a process everybody has to participate in. As a result, racist items and statements are increasingly rejected by Austrians; only 3% in 2018 found it acceptable, after 5.7% in 2015. Unquestioning voices in favour of migration have increased from 13.5% in 2015 to 17% in 2018.

In order to promote equal treatment, the Ministry of Integration, European and Foreign Affairs has implemented a Hotline against discrimination, thereby hoping to empower migrants and non-migrants to inform about observed cases and helping them (https://www.bmeia.gv.at/integration/hotline-gegen-diskriminierung/)

VIII. Fiscal aspects of migration

This topic was not an issue in the early years of immigration, when unemployment was low and when migrant workers were in the main target workers without family members. It was obvious that they were paying more into the welfare system than they took out, as they were in the main prime age workers. In the 1980s, however, as domestic labour supply growth picked up — a consequence of the baby-boom generation entering the labour market — and as immigration continued, increasingly as a result of family reunion and refugee intake, questions about the effect on welfare budgets surfaced. They became an issue of public debate, and in consequence of research, during the 1990s. The research has to be understood in the context of substantial inflows of migrants, workers as well as refugees in the wake of the fall of the iron curtain and, thereafter, the war in Yugoslavia. (*Biffl 2002, Biffl et al 1998*) Not only the large numbers but above all the composition of the inflows became a matter of concern. Immigration to Austria had changed its character from a guest worker programme to one of immigration proper, not dissimilar to traditional immigration countries with a large humanitarian intake. (*Fernandez de la Hoz — Pflegerl 1999*) This had implications for the welfare system.

Research indicates that, on average, payments of migrants into the social security system and receipts from the system were more or less balanced in the 1990s. The analyses differentiate between the various elements of social protection, e.g., unemployment insurance, public housing contributions, child benefits, retirement benefits, health care services etc. The contributions of migrants to the public household are primarily social security contributions, wage and value added tax.

Migrants have on average a lower annual income than natives — in the 1990s it was some 85% of the national mean. This is due to the combination of various factors: their on average lower skills, their concentration on low wage industries, the high proportion of seasonal work, and their limited opportunities to join the core work force of enterprises (Insider-Outsider problem). Given the progressive tax system, their social security contributions and wage taxes were 24% below the national average.

Contributions to unemployment insurance constitute part of social security payments. As migrants are in the main in low wage industries and occupations, their contributions to the unemployment benefit system are below average — 16.3% below the national average in the period 1989-1999. The returns in terms of unemployment benefits (active and passive labour market policy measures) are somewhat higher than for nationals. This is in the main the result of the above average incidence of unemployment of migrants, which results not only from the types of jobs they occupy but also from the employment protection of indigenous workers. This is a longstanding feature of Austrian labour law and dates back to the thirties. Accordingly, a foreign worker is the first to be laid off if the enterprise reduces its work force. It was not until 2011 that this element of the foreign worker law was eliminated (AuslBG). However, the average duration of unemployment benefit receipt is shorter in the case of migrants as they are not generally able to access long-term benefits — only permanent permit holders are treated equally with Austrians—, thus keeping the positive differential in total benefit receipts of migrants minimal.

In contrast, foreign workers pay into a public housing fund without very often being able to draw benefits from it as long as they are aliens. The legislation on these matters is regional and no comprehensive statistical information is available on a national basis. (*Csasny—Hartig— Schöffmann 2000, Deutsch — Spielauer in Biffl et al. 1997, Biffl et al. 2002*)

Contributions to the public pension system do not differ between natives and foreign workers at any particular point in time and there is no distinction between the pay out of pensions to migrants and natives. If pensions are transferred abroad, it may be a pension to an Austrian or a former migrant worker. As migrants, particularly foreign workers from the traditional source countries, tend to settle in Austria, retirement pay is increasingly spent in Austria. As contributions to the public pension system are on a pay-as-you-go basis, pay- outs follow after a considerable time lag. It was not until the mid-1990s that a larger number of migrant workers, namely those who came to Austria in the first wave of the 1960s, began to enter the retirement system.

The composition of migrants at a particular time informs us only about the balance of the social transfer system at that time. In order to know more about the longer term relationship, these partial analyses need to be complemented by dynamic process analyses. This calls for longitudinal data of migrants and natives over the life cycle. In such a generations model, it becomes necessary to take into account the number of children, their use of educational resources, the income of immigrants, their health status and their life expectancy. If, for example, an immigrant has no or only one child over the life cycle and earns an above average income, then he/she is a net contributor to the social budget during the working life. When entering retirement, the situation changes, particularly if the period of retirement is long. Simulations of various phases in life would need to be made for the various categories of immigrants, low income earners with many children, rich ones with few children, retirees staying or returning to their country of origin, etc., and compared with natives. [80]

As the composition of immigrants and natives is changing over time, so is their impact on social budgets. The balance in the transfer budget is reached when child benefits and retirement benefits are compensated by the contributions paid into the social policy budget over the life cycle. A comprehensive cost-benefit analysis of migrants in the context of social transfers has to take the generational transfers into account as well as the impact of migrants on educational, health and care infrastructure, and not only direct transfer payments like child benefits and retirement pay. If we do this, migrants tend to contribute more to social budgets than they take out. This may not come as a surprise as the Austrian welfare system is contribution based and has a relatively small redistributive capacity.

Migrants have on average a higher fertility rate than natives, but the educational resources spent on migrant children are below average. (*Biffl—Schappelwein in Fassmann—Stacher (eds) 2003*) As to the health status of migrants — they are healthier when young and upon arrival but become a vulnerable group of people when getting older. The lower than average educational attainment level of migrants and the associated above-average physical and often also mental and psychological strain in the workplace, are the main explanatory factors for the weaker health of older migrants.

[80] Simulations of that kind (overlapping generations models) are starting to be undertaken in Austria see *Karin Mayr (2004)*.

This insight should trigger off more focused medical attention on occupational diseases and their impact on health conditions over the life cycle. It may well be that a different organisation of work in enterprises, i.e., job rotation, flexible work arrangements, reduction of shift work with age and the like, can help reduce health problems of older workers. Given the large proportion of migrants in unskilled and semi-skilled occupations, this may be rather difficult. (*Biffl 2003*)

The bad health record of older migrants adds yet another dimension to the already daunting task of providing adequate care for an aging Austrian population. This implies that health care institutions will be faced with caring for people with special needs due to often chronic and multi-morbid health problems as well as different language and cultural background. This may imply institutional adjustments, e.g. intercultural training for care personnel and medication and equipment. (*Pochobradsky et al. 2002; Dogan— Reinprecht —Tietze 1999*)

IX. Statistical commentary

Due to the reform of labour market institutions by mid-1994 the data on unemployment is now being processed in the newly established Labour Market Service (AMS); administrative data on the employment of foreign workers of third country origin is being made available by the Federal Ministry of Labour, Social Affairs and Consumer Protection (BMASK). Data on wage- and salary earners is from the Main Association of Austrian Social Insurance Institutions (HSV). The employment and unemployment data are easily accessible on a common data-platform (http://www.dnet.at/bali/), also time series. Data pertaining to the residence status of foreigners of third country origin are produced by the Federal Ministry of the Interior (BMI, FIS = Alien Register), similarly data on asylum seekers and refugees. Demographic data is provided by Statistics Austria.

The Ministry of Economic Affairs and Labour together with the Labour Market Service have invested in the establishment of a matched database, longitudinal data of wage and salary earners and registered unemployed from 2000 onwards. This databank is an invaluable resource for researchers (*https://arbeitsmarktdatenbank.at/)*. **In 2017, an integration monitor was implemented by the Ministry of Europe, Integration and Foreign Affairs, flowing from the Integration Act of 2017. As a result, the Integration Report 2018 provided data which had not been publicly available until 2018. (bmeia 2018) Among the new data are information on the number and composition of extra-curricular pupils (außerordentliche Schüler/innen), largely migrant children, as well as numbers on recipients of the needs-based minimum income support (bedarfsorientierte Mindestsicherung).**

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