**Danube University Krems**
Department for Migration and Globalisation

# Migration and Labour Integration in Austria

## SOPEMI Report on Labour Migration Austria 2018-19

Gudrun Biffl

January 2020

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

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This study was commissioned by the OECD and prepared by Gudrun Biffl, 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 2018, a total of 131,700 foreign nationals registered their residence (of more than 90 days) in Austria, a decline by 7,600 (-5.5%) vs 2017. At the same time 91,700 foreign nationals left Austria, i.e. somewhat more than in 2017 (+2,200, +2.4%). Accordingly, net immigration amounted to 40,000, a decline of9,800 (-19.6%) versus 2017. Factoring in the net outflow of 4,700 Austrian nationals in 2018 reduces net immigration to 35,300, i.e. -9,300 (20.9%) versus 2017. By January 2019, the stock of foreign nationals amounted to 1.439 million (16.2% of the total population), constituting an increase of 43,000 persons (+3%) compared to January of the previous year. The largest groups were German (192,400), Serbian (121,300), Turkish (117,200), Romanian (112,700) and nationals of Bosnia-Herzegovina (95,800).

Of the 131,700 newly arrived foreign nationals in 2018, 87,700 (66.6%) came from the EEA and Switzerland. That figure includes 32,500 from EU15 countries, mainly Germany (18,400) and Italy (4,600) – and 53,900 (40.9%) from EU13 countries, mostly Romania (18,400), Hungary (11,700), Slovakia (4,700) and Poland (4,700). An additional 44,000 (33.4%) came from non-EU countries, the largest group (21,700) coming from other European countries (including Turkey). This inflow has been halved between 2015 and 2018, whereby the decline was most pronounced in 2018 (-1,200, -18.2%). But the most pronounced decline pertained to inflows from Asia; they declined to 1,200 (-6,400, -84%) vs 2017, largely resulting from the decline in refugee inflows from Afghanistan, Syria, Iraq and Iran. As a matter of fact, Afghanistan, Iraq and Pakistan saw net outflows from Austria to the source countries, partly as a consequence of substantial increases of return migration.

In 2018, a total of 23,600 new residence permits were issued to third country nationals, about the same number as in the previous year. Of these, 17,700 were permanent (settlement permits), a slight rise vs 2017 (+6.3%), and 5,900 temporary residence permits, a pronounced decline vs 2017 (-18%). Around 19.8% (3,500) of first settler permits were issued to third country citizens on the basis of a quota; the remaining 80.2% (14,200) were issued outside a quota to family members of Austrian or EEA-citizens (r-w-r card plus), holders of Red-White-Red cards (i.e., labour migrants), graduates of Austrian universities and humanitarian migrants. Roughly 5,900 temporary permits were issued; the largest share went to students and their family members (67.7%), followed by special cases of temporary salaried employees and their family members (16.9%). Extensions of temporary permits were granted mostly to students (11,300, 79% 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 13,700 in 2018. The decline continued well into 2019 reaching 11,300 by the end of November, i.e., -11.8% vs 2018. The major source countries continued to be form Asia (62.3%), in particular Syria (3,300), Afghanistan (2,100), and Iran (1,100). According to national authorities (Ministry of the Interior) Austria granted asylum

(Geneva Convention) to 14,700 asylum seekers (48% of all decisions of 2018), in addition subsidiary protection to 4,200, and humanitarian residence to 1,900 in the course of 2018.

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 21,200 in 2018. 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 thereafter to 223 in 2018; 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 2018, asylum legislation was tightened again, 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. Also it is possible from September 2018 onwards to detain asylum seekers pending removal whose stay represents a potential danger for public order or safety when there is a risk of absconding and detention is a proportionate measure. In addition, the possibility for young asylum seekers (up to the age of 25) to receive vocational training was abolished.

In 2018, an amendment of the Foreign Employment Act, Settlement and Residence Act, as well as Vocational Education Act came into effect, allowing third country youth to enter vocational education (apprenticeships). In addition, regulations pertaining to intercompany transfers and posted workers came into effect. Also reforms of 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, amending the points for skilled migration in the scarce skills category, widening the list of scarce skills and introducing in addition to the federal list regional lists, as well as reducing the minimum income requirement for RWR-card holders raised the number of RWR-card holders in 2018 to the unprecedented level of 5,876. As a consequence of these regulatory changes the target initially expected with the introduction of the point system in 2011 could be realised.

A legislative change of the family benefit system, which was decided upon in 2018 and came into effect January 2019, according to which family benefits are indexed to the cost of living of the source country of foreign migrant workers in Austria who left their children in the source country. The prospect of a reduction of the family benefit has triggered a re-evaluation of earning opportunities in the source country relative to the new situation in Austria, and contributed to a reduction of workers from the EU13 countries, largely women in home-care services. The legal change is currently under review by the European Court of Justice for compatibility with EU-regulations.

## Introduction: The economy and the labour market 2018/2019

From Mid-2018 onwards, Austrian economic growth slowed down, attaining 2.4% on an annual average vs 2017, after a real growth rate of 2.5% in 2017. In international comparison, the economic situation remained relatively stable due to favourable finance conditions, fiscal incentives to promote investments in the construction sector, and a resilient domestic consumer demand. In 2019, economic growth continued to lose momentum in the wake of weakening international trade, impacting negatively on export growth and industrial output. A decline to an economic growth rate of 1.6% annually vs 2018 is forecast by the Austrian National Bank as of December 2019, slightly below the 1.7% forecast of the Austrian Institute of Economic Research of December 2019.

Global economic growth was less dynamic in 2018 vs a year ago at +3.6%, with large international disparities. While economic growth accelerated in USA and Russia, it slowed down in China, Japan and India. Also, the EU experienced economic growth setbacks on average (from 2.6% in 2017 to 2% 2018); in particular Germany (1.5% after 2.5% in 2017), France (1.7% after 2.3% 2017), Italy (0.8% after 1.7% 2017), Finland (1.7% after 3.1% 2017) and the UK (1.4% after 1.9% 2017) were strongly affected. However, some EU-MS exhibited dynamic economic growth, in particular Greece, Ireland, Slovakia, Hungary and Poland.

The trade war between USA and China, which peaked in autumn 2018, contributed not only to the economic slow-down in China but also in neighbouring countries, as China's exports tend to have large import components from Japan, Korea, Taiwan and Thailand.

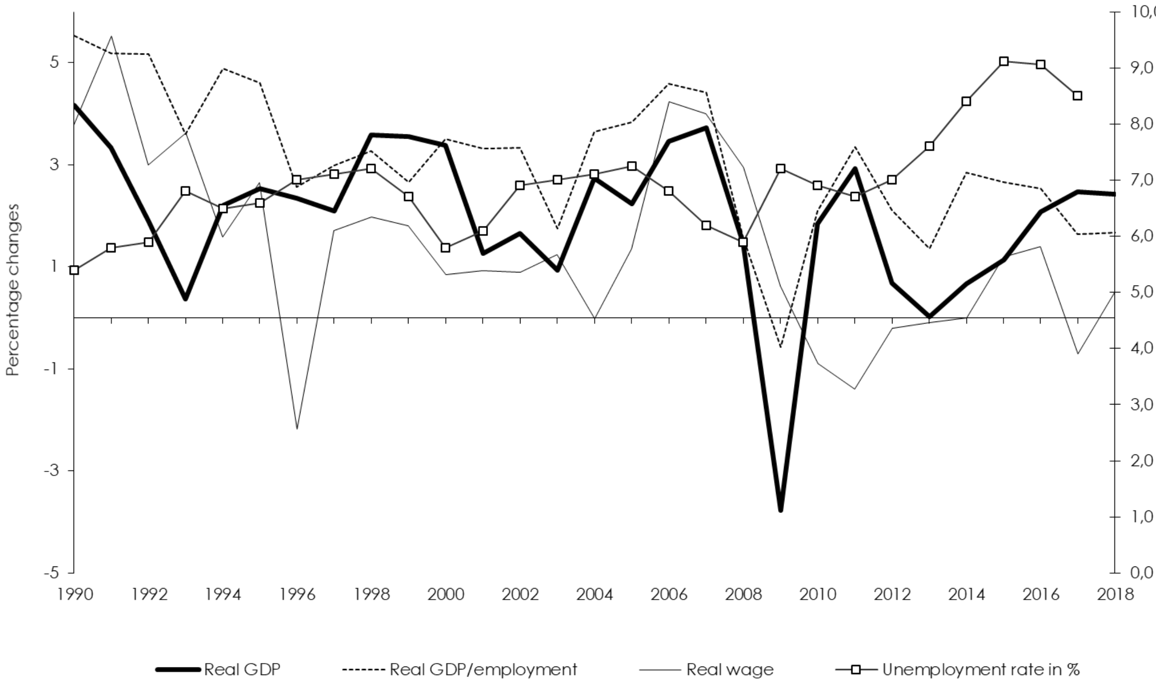
Austria had a positive export performance of goods (+5.7% vs 2017) largely due to rising demands from USA, China, Japan, and many newly industrialised countries as well as CEECs. But imports of goods were also dynamic (+5.5%) such that a negative trade balance of goods persisted (-5.9 billion €), largely a result of rising energy import prices (gas and crude oil). In contrast, export services, above all tourism, gained momentum in 2018, contributing - together with other Services - to a positive current account balance of 8.99 billion €, i.e. 2.3% of GDP – after 7.22 billion € in 2017 (2% of GDP). Expectations for 2019 are less optimistic but still positive.

In 2018, private household consumption remained high with a growth rate of 1.6%, after +1.4% in 2017, largely a result of the positive employment development and real wage increases (+2.6%). As a result, disposable household income rose substantially at +2.3% in 2018, after only +0.5% in 2017. Also, capital income and income from self-employment increased, allowing a rise in the savings rate of households. The situation is expected to continue to be dynamic in 2019, not least due to a good employment performance. Public sector expenditure remained high with 2.4% in real terms in 2018. With declining economic growth in 2019, the growth of exports and imports is going to slow down to some 3%, consumer demand is expected to remain more or less as dynamic as in 2018, while public sector demand is expected to stagnate.

In 2018, investment demand remained dynamic at +3.9% vs 2017 in real terms, after +4% in 2017. Investment in equipment to expand production capacities was in the forefront. The construction sector started to grow again in 2017 - after a drawn-out sluggish development, and peaked in 2018, in housing as well as non-housing, boosting investment growth by +3.7% vs 2017 in real terms, after 3.3% in 2017. In 2019, investment demand is expected to decline to 3.1% vs 2018.

Industrial production remained very dynamic in 2018, with a real growth rate of +4.7% vs 2017, after 4.8% in 2017. It was above all vehicle production, as well as the production of machines, electronic instruments and metal-ware that thrived while industries with structural challenges continued to stagnate or decline. Amongst them were consumer goods like textiles, clothing and leather ware as well as repair business. For the year 2019, the employer outlook (index) is deteriorating.

*Figure 1: Macro-economic indicators*
*1990-2018*




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

The inflation rate is highly pro-cyclical – accordingly, the dynamic economic performance went hand in hand with rising prices. With an inflation rate of 2.1% (harmonised consumer price index), after 2.2% in 2017, the 20-year average remained more or less unchanged. Austria continued to have a higher rate than the Euro-area (1.8%) but the difference is diminishing. In Austria, the price-rise was largely due to an increase in the expenditure group of durable consumer goods. Also, a large positive impact on price levels came from restaurants and hotels, alcoholic beverages and tobacco products. As import prices rose more than export prices, the terms-of-trade deteriorated vs 2017 by -0.7%. It is expected that the inflation rate will deteriorate in 2019 to 1.5%.

The public sector budget deficit which had declined from -1.5% of GDP in 2016 to -0.7% of GDP in 2017, could be further reduced in 2018 and even turned into a surplus of 0.2% of GDP. The positive business cycle development in 2018 raised public revenues by 5.2% vs 2017. Public expenditures remained fairly high, but could be reduced by 3.2% vs 2017. The public sector debt declined to 74% of GDP (284.8 billion €, i.e. -4.5 billion € vs 2017), after 78.3% of GDP by the end of 2017. The public sector debt is expected to decline further in 2019 to 70.4% of GDP.

The positive economic development of 2018 gave a further boost to employment growth. Total labour demand (including self-employed) rose by 89,700 or 2.2%, a growth rate not seen since 2012. As a result of this substantial employment growth, unemployment declined the second year in a row; the decline was substantial, amounting to -27,900 or -8.2%; thereby reaching a level of registered unemployed (excluding unemployed on education and training measures) of 312,100. But, this number continues to surpass the level of 2013 by 24,900 or 8.7%. (Table 1)

In 2018, total labour supply grew substantially, reaching a plus of 61,800 or 1.4%. 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 2018, on an annual average 31,800 refugees (of whom 5,400 with subsidiary protection status) were registered as unemployed (+2,600 or +9% vs 2017). 45% of them received further education and training measures in order to raise their employability, building on their competencies to foster sustainable and satisfactory employment. (bmeia 2019)

The major bulk of the employed are wage and salary earners; their numbers rose by 86,200 or 2.4% (after 68,400 or +1.9 percent in 2017) to 3.74 million in 2018 (including persons on parental leave and conscripts). In the year of 2019, the numbers of wage and salary earners continued to rise, and are expected to reach a plus of 55,500 (+1.5%) vs 2018. (Table 1)

In 2018, nominal gross monthly wages (including supplementary payments) of wage and salary earners rose by 2.5%, and thus higher than 2017 (+1.4%). In real terms, i.e. taking the inflation rate (consumer price index) into account, this implied a slight real wage growth per capita of 0.5%. The monthly nominal gross income of wage and salary earners (full-time equivalent) amounted to 3.764 € per capita on average in the economy (+2.5% vs 2017). In 2019, net real wages are expected to stagnate.

Labour productivity (GDP/employment) has been positive but with a declining growth rate since 2014. Real productivity growth per employee has risen by 1.7% in 2018, about the same as in 2017. No major change is to be expected in 2019. (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 second year in a row to 7.7% 2018, after 8.5% in 2017. 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 4.9% 2018, after 5.5% in 2017. Thus, Austria can again boast one of the lowest unemployment rates in the EU; in 2018, the EU28-average amounted to 6.9%; countries with lower unemployment rates than Austria were: the Czech Republic (2.2%), Germany (3.4%), Hungary and Malta ex aequo (3.7%), the Netherlands (3.8%), Poland (3.9%) and the UK (4.0%).

Total employment (including self-employed and family helpers) amounted to 4.229 million in 2018 (+89,700 or 2.2% vs 2017), of whom 867,600 (20.5%) 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 752,900 in 2018 (+54,400, +7.8% vs 2017). The number of Austrian wage and salary earners has been less dynamic, with transitory employment declines in 2002, 2003, 2009, 2013 and 2014. In 2018, their employment increased by 31,800 (+1.1%) to 2.989 million. Consequently, the share of foreign citizens in wage employment rose to 20.1% in 2018. 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 2018, namely from 43,800 to 114,700 (+70,900, +162%), the number of self-employed Austrians remained over that time span at about the same level of 372,300. Accordingly, the share of foreign self-employed in total self-employed doubled over the last 9 years, reaching 23.5% in 2018.

The rise in total self-employment by 3,500 or 0.7% vs a year ago to 487,000 in 2018 is largely due to rising numbers of foreigners (+2,700, +2.4%), the majority being migrant women from the EU-2 countries, i.e. Bulgaria and Romania (+1,700, +5%s). They tend to work in the personal service sector, largely as domestic helpers and domestic care workers for the elderly. Their growth rate has halved in 2018 vs 2017, however, which could be a consequence of the prospect of reduced family benefits in case they keep their children in the source country. The prospect of a reduction, a result of legislative change (Indexation of family benefits to the cost of living in the source country) of the last coalition government (Conservatives and the nationalist freedom party), may have triggered a re-evaluation of earning opportunities in the source country relative to the new situation in Austria. The new legislation came into effect in

January 2019 (BGBL_2018_I_83 - Änderung des Familienlastenausgleichsgesetzes 1967). The legal change is currently under review by the European Court of Justice for compatibility with EU-regulations.

*Figure 2: National and foreign labour[1]*
*1990-2018*


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.

Labour migration of EU-citizens to Austria gained momentum with the end of every transition regulation. The first boost set in with the EU-8 enlargement countries in spring 2011 (Malta and Cyprus never had transition regulations imposed upon), when 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 2018, the employment of citizens from EU-10 MS more than doubled (+142,400, +206%) reaching an all-time-high of 211,400 in 2018.

The same happened with EU2-MS (Bulgaria and Romania) when the transition regulations fell in July 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 rise substantially, raising employment of citizens of the EU2-MS to 68,600 in 2018. 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 2018 (+42,300, +160.6%).

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 (2018: 31,400; +3,400 or 12% vs 2017). (Table 2)

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

| | Annual average | | Change 2016/2017 | | Change 2017/2018 | |
|---|---|---|---|---|---|---|
| | 2017 | 2018 | Absolute | Percent | Absolute | Percent |
| | | | | | | |
| Total labour force | 4 478 803 | 4 540 631 | 57 009 | 1,3 | 61 828 | 1,4 |
| Austrian labour force | 3 568 960 | 3 577 187 | 6 510 | 0,2 | 8 227 | 0,2 |
| Foreign labour force | 909 843 | 963 444 | 50 499 | 5,9 | 53 601 | 5,9 |
| | | | | | | |
| Total employment[1] | 4 138 828 | 4 228 524 | 74 347 | 1,8 | 89 696 | 2,2 |
| Austrian wage&salary | 2 956 785 | 2 988 592 | 21 603 | 0,7 | 31 807 | 1,1 |
| Foreign wage & salary | 698 512 | 752 892 | 46 822 | 7,2 | 54 380 | 7,8 |
| Austrian selfemployed | 371 551 | 372 347 | -196 | -0,1 | 796 | 0,2 |
| Foreign selfemployed | 111 980 | 114 693 | 6 118 | 5,8 | 2 713 | 2,4 |
| | | | | | | |
| Total unemployment | 339 975 | 312 107 | -17 338 | -4,9 | -27 868 | -8,2 |
| National unemployment | 240 624 | 216 248 | -14 897 | -5,8 | -24 376 | -10,1 |
| Foreign unemployment | 99 351 | 95 859 | -2 441 | -2,4 | -3 492 | -3,5 |
| | | | | | | |
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Total unemployment rate | 7,8 | 8,6 | 9,1 | 9,1 | 8,5 | 7,7 |
| National unemployment rate | 7,2 | 7,8 | 8,1 | 8,0 | 7,5 | 6,7 |
| Foreign unemployment rate | 10,7 | 12,1 | 13,5 | 13,5 | 12,5 | 11,3 |
| | | | | | | |

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 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 142,200 (+7,500, +5.5%) in 2018. In contrast, the number of workers from the EFTA countries has remained fairly stable for the last 10 years, their numbers amounted to some 3,400 persons all in all in 2018, the majority being from Switzerland (2,900). Accordingly, the number of employees from the EU15/EEA amounted to 145,600 in 2018 (+7,600 or 5.5% vs 2017).

The employment growth of third country citizens gained momentum from 2016 onwards, 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 18.200 or 6.6% in 2018 vs 2017, reaching a level of 295,900 in 2018. 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 39.3% in 2018. Also, the share of EU15/EEA/CH citizens is slipping, from 23% in 2010 to 19.3% in 2018 – while the share of citizens from EU-enlargement countries (East and South-East of Austria) is rising, from 23.4% in 2010 to 41.4% in 2018. (Table 2)

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

| | Foreign workers Total | EU15/EEA +CH | EU-12 | Croatia | Third Country Citizens | EU15/EE A+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 |
| 2018 | 752 892 | 145 561 | 280 014 | 31 404 | 295 913 | 19,3 | 37,2 | 4,2 | 39,3 | 20,1 |

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

As economic growth is expected to decline somewhat in 2019 vs 2018, i.e. to 1.7% on an annual average (after 2.4% in 2018), employment growth of wage & salary earners is expected to slow down to 55,800, i.e., 1.5% - after 86,200 or 2.4% 2018. The slowdown will be less pronounced for foreigners, given the unbroken labour supply increase of foreign workers and continued efforts to raise the employability of refugees.

In 2019 foreign employment lost momentum but remained dynamic with a rise of 42,200 or 5.6% vs a year ago by the end of December. The most dynamic inflows were from citizens of the new EU-MS (EU-2, Croatia and EU-10) constituting half the increase in foreign employment. Employment inflows from third countries lost momentum as refugee inflows subsided (+14,000, +1.2%) reaching a level of 307,200 at the end of December. The numbers of EEA-citizens working in Austria increased only little to 161,400 by December 2019.

In 2018, unemployment numbers declined in view of significant employment growth. The number of unemployed foreign workers declined by 3,500 or 3.5% to 95,900, while the number of registered Austrian citizens decreased by 24,400 or 10% to 216,200. The subdued decline of unemployment of foreigners relative to natives was in the main the result of the large numbers of refugees flowing into unemployment. In 2019, unemployment continued to decline to 349,800 by the end of December (-5,800, -1.6%); this decline pertained only to Austrian citizens (-6,500, -2.7%) while the number of foreign unemployed increased slightly (+700, +0.6%).

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 7.7% in 2018, a decline by 0.8 percentage points vs a year ago. The unemployment rate declined for natives less than for foreign workers in relative terms, reaching a level of 6.7% for natives and 11.3% for foreigners, thereby reducing the gap between them to 4.5 percentage points, after 5percentage points 2017. In 2019, on an annual average, the unemployment rate of wage and salary earners is expected to continue to decline, albeit at a reduced rate, to 7.4%.

The labour supply of foreign wage and salary earners increased during 2019 significantly to 913,100 by the end of December (+42,900 or 4.9% vs a year ago). The unemployment rate declined for foreign workers to 12.9 percent (-0.6 percentage points vs December 2018) and for Austrian citizens to 7.2% (-0.2 percentage points). All values are not seasonally adjusted.

## 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 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

[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).

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 was opened in 2018; it is being managed by the University for Teachers' Education of Lower Austria and meant to be a meeting point for people interested in migration in general and school classes in particular.[3] In addition, a migration museum has been established in Vienna in November 2019 (MOMA, Museum of Migration Austria).

The inflow of economic (labour) migrants of third country origin has been regulated by quotas until July 2011 whereupon it was substituted by **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)

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

[3] For more see: https://www.ph-noe.ac.at/de/forschung/forschung/migration/aktuelles.html

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[4]. 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.

**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[5]), 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 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/NLV2019):

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[4] 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.

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

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 reached 153 in 2018, where it remained in 2019.
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 and reduced again slightly to 5,135 in 2019. 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.
3. Transfer of residence title – Status changes (Zweckänderung)[6]: 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[7] 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 and stabilising at this level in 2019.
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, where it remained in 2019.
5. Highly skilled workers (**until mid-2011** §§2/5 and 12/8 AuslBG and § 41 NAG), their partners and dependent children (§46/3 NAG)[8]; 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

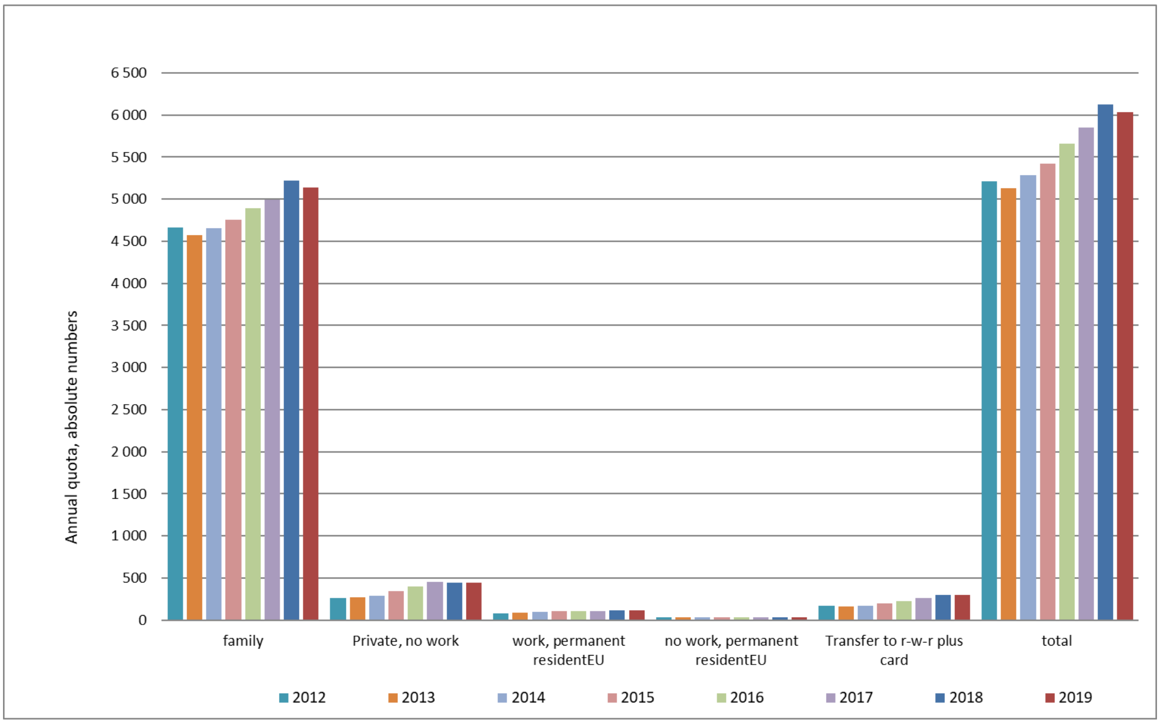
[6] More about status changes of immigrants in Buschek-Chauvel and Chahrokh (2015).

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

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

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.

*Figure 3: Quota system and annual cap by category, 2012-2019*




Source: Ministry of the Interior, Settlement Order 2019, NLV-2019.

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, and declining slightly in 2019 to 6,035. 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 and their family members via the red-white-red plus card.

### *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. In 2019, the parliament agreed on the amendment of the alien employment act and the residence act, introducing a new category, namely third country youth as apprentices in Austria.

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 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.[9]

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 Beschäftigung[10]). 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 by 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[11], 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

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[9] Art. 4b Foreign Employment Act

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

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

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 of 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,
- 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 third country 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.

The outcome of these legislative reforms was an unprecedented rise in the inflow of r-w-r-card holders from 1,087 in 2016 to 1,209 in 2017 and eventually 1,669 in 2018 (+582, +53% vs 2016). The number of prolongations augmented even more from 69 in 2016 to 214 in 2017 and 1,050 in 2018, i.e. +981 or +1,422%. In addition, a significantly larger number of transformation of titles to a r-w-r-card took place, amounting to 3,157 in 2018, after 595 in 2017 (+ 2,562, +431% vs 2017). Accordingly, in 2018 a total number of 5,876 r-w-r-cards were issued, thereby reaching the target initially hoped for.

The inflow of blue card holders gained momentum in 2018 as well, raising the numbers to 246 in 2018 (+90, +58% vs 2017). Hardly any prolongations of the blue card occurred (18 in 2018, after 3 in 2017), however.

### *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[12], which is issued by the embassies).[13]

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

[13] Art. 18 Foreign Employment Act

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).[14]

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.

**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 until 2020 (they receive preferential

[14] Art. 67 Settlement and Residence Act

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.[15] 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)

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'[16]. 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.[17] The quota remained unchanged in 2019.

15 Art. 2 Settlement Regulation

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

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

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 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)[18]. 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)

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

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)[19] when first applying for the card.[20]

### *Accreditation and validation of skills acquired abroad*

In order to promote the employment of migrants commensurate with their acquired skills[21], 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.[22] 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 Bewertungsgesetz, AuBG[23]). 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.**

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

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

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

[22] 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

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

*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.[24] 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. A special website has been set up to raise awareness and act as an information platform (https://ausbildungbis18.at/)

*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 summer 2013[25].** The Austrian government initiated a Humanitarian Admission Programme (HAP I) by resettling 500 Syrian refugees to Austria. In

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[24] 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/

[25] 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.

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 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. All in all, 760 third country nationals were resettled in Austria in 2015, the numbers declined to 200 in 2016 and rose again to 380 in 2017. Resettlement was discontinued in 2018.

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 the European Union Emergency Trust Fund for Africa. The aim of this fund is to "…address root causes of irregular migration and displaced persons in Africa"[26]

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[26] For more see: https://ec.europa.eu/trustfundforafrica/index_en

In addition, in 2015, the European Commission drew up a European Agenda on Migration, aiming at reducing irregular migration in the EU.[27] **One outcome was an action plan on the return of irregular migrants.[28] 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**.

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.[29] Accordingly, the period of protection/residence of recognized refugees (according to the Geneva Convention) is from 2016 onwards 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.

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[27]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

[28]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

[29] 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)

*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 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, 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. A legal change became effective in September 2018 to make it possible to detain asylum seekers pending removal whose stay represents a potential danger for public order or safety when there is a risk of absconding and detention is a proportionate measure. The change resulted from a ruling by the Supreme Administrative Court that found that the previous legal situation did not conform to the requirements for detaining individuals during international protection procedures as set out in Union law.

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) in case migrants were not sufficiently participating in integration measures.

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);[30] 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 on 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, which was augmented by unprecedented refugee inflows from the Middle East. The peak was reached in 2015, as a result of continued inflows from EU-MS and the massive refugee inflows from the Middle East

[30] 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

and Afghanistan. Accordingly, net inflows amounted to 113,100 in 2015. While the second wave of inflows had been largely due to the 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.

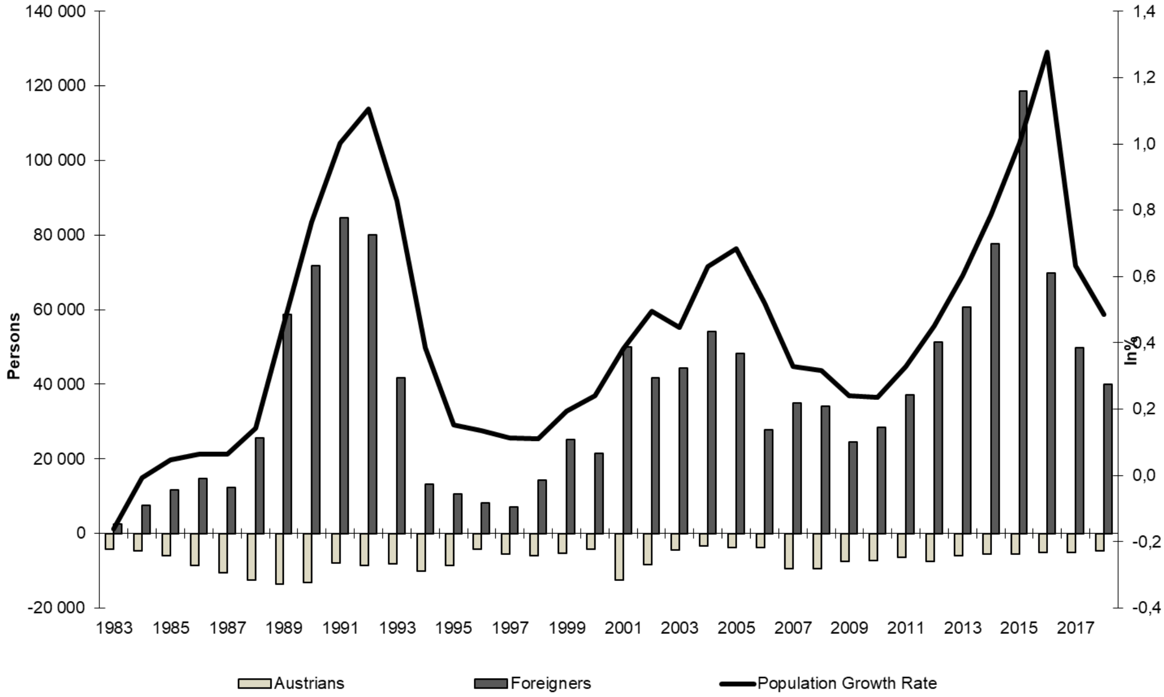
The large inflow of third country nationals in the late 1990s and early years of 2000 fuelled another legislative reform (Alien Law 2005, see chapter on legal ramifications above). Thus, also Austrian citizens face barriers to family reunification/formation with third country citizens if they have no 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. As the restrictive asylum policy continued well into 2018, net population inflows declined further to 35,300 in 2018 (-9,300 or 20% vs 2017).

The change in paradigm of immigration policy in 1992, which meant a shift from labour migration to family migration 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, more recently, of refugee inflows from less developed regions – historically speaking, Austria tended to receive refugees largely from European (often neighbouring) countries.

Net immigration flows are the result of significant net-immigration of foreigners; Austrians, in contrast, are on balance emigrating. In 2018, the total net immigration of 35,300 was a result of a net inflow of foreigners of 40,000 and a net outflow of Austrians of 4,700. (Figure 4)

It can be taken from Figure 5 that the country composition of inflows changed over time somewhat, but on average the most important countries of origin of migrants between 2008 and 2018 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) were increasingly entering Austria – except for 2018, when a slowdown in inflows set in.

*Figure 4: Net migration of Austrians and Foreigners*
*1983-2018*

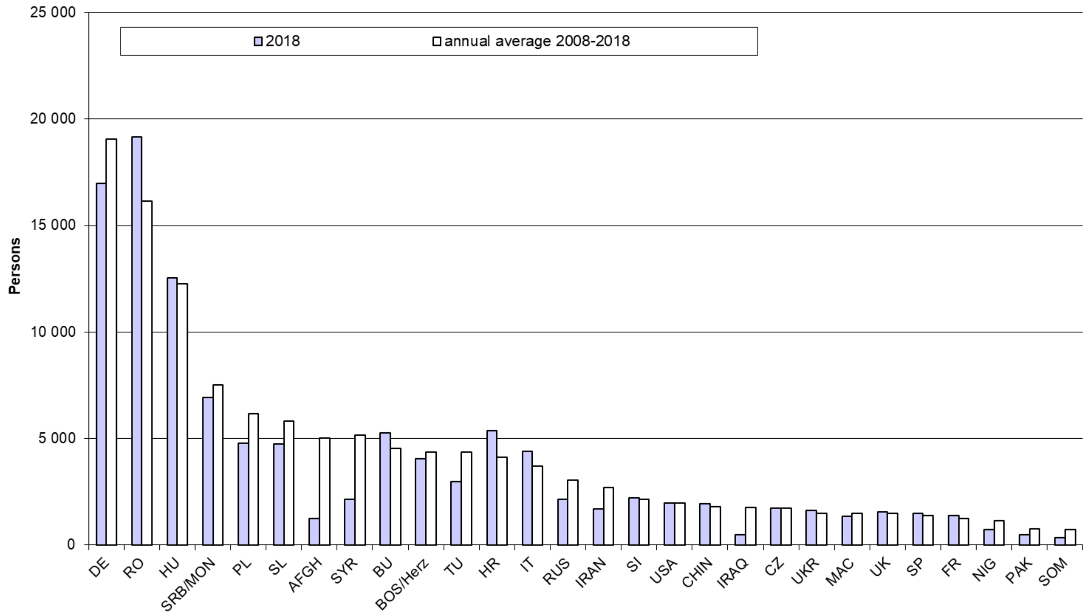



Source: Statistics Austria.

The net flow figures can be disaggregated into gross flows by gender and citizenship. In 2018, gross inflows amounted to 146,900 (of whom 131,700 foreigners) and outflows to 111,600 (of whom 91,700 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 4 in 2018. 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; from 2016 to 2018, with the decline of refugee inflows, the net migration rates of men eventually fell 3.6 2018 and for women to 4.3.

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, declining to 28.3 in 2018 (after 36.4 in 2017), it is negative in the case of Austrians but insignificant relative to the population size (-0.6) in 2018. (Table 4)

*Figure 5: Inflows of top 28 nationalities into Austria 2018 and on average 2008-2018*




Source: Statistics Austria.

**Source countries of migrants**

Of the 146,900 population inflows from abroad in 2018 (7,900 or 5% less than in 2017), more than half of them (62%, 91,700) came from the EU plus EEA/CH. The inflow of citizens from the EU/EEA/CH increased slightly vs a year ago to 91,700 (+1,200, +1.4% vs 2017) and conformed thus to the rate of 2015 (92,000). The inflow of third country citizens declined substantially in 2018 vs a year ago, i.e. from 64.300 to 55,200, 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 20,300 in 2017 and further to 14,400 in 2018. The inflow of third country citizens from Europe declined as well, albeit to a lesser extent (decline from 24,300 to 22,700), while the inflows from the Americas and from Oceania remained more or less stable. In contrast, the inflow of third country citizens from Africa decreased significantly (from 5,300 2017 to 3,800 in 2018).

In 2018, 24 percent of foreign inflows originated from an EU-14-MS (before 2004: 31,300), in the main Germany (18,400), followed by Italy (4,600); 41% came from the EU-13-MS (since 2004: 53,900). The largest numbers came from Romania (18,400), followed by Hungary (11,700), Bulgaria (5,000), Croatia (4,900), and Slovakia and Poland (ex aequo 4,700). In contrast, 33.4% or 44,000 inflows came from third countries, after 54% or 106,700 in 2015. The largest numbers originated from Asia (13,600), in the main from the Middle East, followed by China and India. The inflows from Afghanistan lost momentum relative to the last couple of years.

The inflows from European third countries hardly subside, with 21,700 or 16% of all foreign inflows. The major source countries continue to be Serbia (7,300), Bosnia-Herzegovina (4,300) and Turkey (3,000).

ever since. The inflows from the Balkan countries remain steady, particularly from 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 (2,600 and 2,200 respectively in 2018, in toto 3.6% 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 13,600 in 2018. The main source region is Syria with an inflow of 2,000 in 2018; even more pronounced was the decline in case of Afghanistan (from 11,600 in 2016 to 1,200 in 2018); but inflows from China and India follow a steady slightly rising path. Inflows from Africa are beginning to decline, in particular from Nigeria, reducing their share in inflows of foreign citizens to 2.5%. The inflows from Oceania are small but stable (0.3% in 2018).

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 in 2011, losing momentum again

Of all the 91,700 outflows of foreigners in 2018, 62% or 57,000 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 of foreigners between the EU/EEA/CH countries and Austria results in net immigration to Austria of 30,700, representing more than two thirds of the net foreign population inflows of 2018**.

The largest proportion of outflows into the EU/EEA/CH regions goes to the new EU-13-MS, namely 33,200, while only 22,600 are directed towards the EU-14-MS. The balance between inflows and outflows is in both cases positive (20,700 respectively 9,900 net migration to Austria).

The German population in Austria is largely a floating population with a high proportion flowing in and out, the net effect being 6,400 or 16% of all net inflows of foreigners in 2018; the situation is similar in the case of Italy with a net inflow of 1,500. **The largest net inflows from the EU13-MS in 2018 originated from Romania with 8,200 or 20.6% of all net foreign migration to Austria. Second in line was Hungary with net migration to Austria of 4,000 or 10% of all foreign net migration, followed by Croatia, Bulgaria, Slovakia, and Slovenia**. (Table 5) This is an indication for settlement tendencies in Austria rather than high cross-country mobility.

*Table 4: Migration flows in Austria: 2007-2018*

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| *Total* | | | | | | | | | | | |
| Inflows | 109 713 | 107 523 | 112 691 | 124 619 | 140 358 | 151 280 | 170 115 | 214 410 | 174 310 | 154 749 | 146 856 |
| Outflows | 85 063 | 90 470 | 91 375 | 93 914 | 96 561 | 96 552 | 97 791 | 101 343 | 109 634 | 110 119 | 111 555 |
| Net migration | 24 650 | 17 053 | 21 316 | 30 705 | 43 797 | 54 728 | 72 324 | 113 067 | 64 676 | 44630 | 35301 |
| *Men* | | | | | | | | | | | |
| Inflows | 59 149 | 58 933 | 61 536 | 69 379 | 78 212 | 83 480 | 96 014 | 126 712 | 97 876 | 84 412 | 80 804 |
| Outflows | 49 415 | 52 476 | 52 930 | 54 297 | 56 377 | 55 385 | 56 434 | 58 897 | 64 369 | 63 798 | 64978 |
| Net migration | 9 734 | 6 457 | 8 606 | 15 082 | 21 835 | 28 095 | 39 580 | 67 815 | 33 507 | 20 614 | 15 826 |
| *Women* | | | | | | | | | | | |
| Inflows | 50 564 | 48 590 | 51 155 | 55 240 | 62 146 | 67 800 | 74 101 | 87 698 | 76 434 | 70 337 | 66052 |
| Outflows | 35 648 | 37 994 | 38 445 | 39 617 | 40 184 | 41 167 | 41 357 | 42 446 | 45 265 | 46 321 | 46 577 |
| Net migration | 14 916 | 10 596 | 12 710 | 15 623 | 21 962 | 26 633 | 32 744 | 45 252 | 31 169 | 24 016 | 19 475 |
| | | | | | | | | | | | |
| *Net migration* | | | | | | | | | | | |
| Total | *3,0* | *2,0* | *2,5* | *3,7* | *5,2* | *6,5* | *8,5* | *13,1* | *7,4* | *5,1* | *4,0* |
| Men | *2,4* | *1,6* | *2,1* | *3,7* | *5,3* | *6,8* | *9,5* | *16,0* | *7,8* | *4,8* | *3,6* |
| Women | *3,5* | *2,5* | *3,0* | *3,6* | *5,1* | *6,1* | *7,5* | *10,3* | *7,0* | *5,4* | *4,3* |
| **Foreigners** | | | | | | | | | | | |
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| *Total* | | | | | | | | | | | |
| Inflows | 94 368 | 91 660 | 96 896 | 109 921 | 125 605 | 135 228 | 154 260 | 198 658 | 158 746 | 139 329 | 131 724 |
| Outflows | 60 226 | 67 219 | 68 398 | 72 812 | 74 394 | 74 508 | 76 517 | 80 141 | 89 026 | 89 556 | 91 707 |
| Net migration | 34 142 | 24 441 | 28 498 | 37 109 | 51 211 | 60 720 | 77 743 | 118 517 | 69 720 | 49 773 | 40 017 |
| *Men* | | | | | | | | | | | |
| Inflows | 49 332 | 48 810 | 52 107 | 62 324 | 68 633 | 73 234 | 85 952 | 116 748 | 88 167 | 74 894 | 71 491 |
| Outflows | 32 111 | 37 962 | 37 358 | 41 547 | 43 067 | 42 098 | 43 725 | 46 380 | 52 322 | 51 998 | 53 551 |
| Net migration | 17 221 | 10 848 | 14 749 | 20 777 | 25 566 | 31 136 | 42 227 | 70 368 | 35 845 | 22 896 | 17 940 |
| *Women* | | | | | | | | | | | |
| Inflows | 45 429 | 43 008 | 46 155 | 52 612 | 56 972 | 61 994 | 68 308 | 81 910 | 70 579 | 64 435 | 60 233 |
| Outflows | 23 238 | 28 160 | 29 046 | 32 026 | 31 327 | 32 410 | 32 792 | 33 761 | 36 704 | 37 558 | 38 156 |
| Net migration | 22 191 | 14 848 | 17 109 | 20 586 | 25 645 | 29 584 | 35 516 | 48 149 | 33 875 | 26877 | 22 077 |
| | | | | | | | | | | | |
| *Net migration* | | | | | | | | | | | |
| Total | *40,4* | *28,1* | *31,8* | *39,9* | *52,5* | *58,7* | *70,4* | *99,2* | *53,3* | *36,4* | *28,3* |
| Men | *40,0* | *24,6* | *32,6* | *44,4* | *52,1* | *59,8* | *75,8* | *115,4* | *53,1* | *32,6* | *24,7* |
| Women | *53,6* | *34,6* | *38,5* | *44,6* | *52,9* | *57,6* | *65,0* | *82,2* | *53,5* | *40,4* | *32,0* |
| **Austrians** | | | | | | | | | | | |
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| *Total* | | | | | | | | | | | |
| Inflows | 15 345 | 15 863 | 15 795 | 14 698 | 14 753 | 16 052 | 15 855 | 15 752 | 15 564 | 15 420 | 15 132 |
| Outflows | 24 837 | 23 251 | 22 977 | 21 102 | 22 167 | 22 044 | 21 274 | 21 202 | 20 608 | 20 563 | 19 848 |
| Net migration | -9 492 | -7 388 | -7 182 | -6 404 | -7 414 | -5 992 | -5 419 | -5 450 | -5 044 | -5 143 | -4 716 |
| *Men* | | | | | | | | | | | |
| Inflows | 10 123 | 10 326 | 10 412 | 9 971 | 9 579 | 10 246 | 10 062 | 9 964 | 9 709 | 9 518 | 9 313 |
| Outflows | 12 573 | 12 511 | 12 314 | 12 496 | 13 310 | 13 287 | 12 709 | 12 517 | 12 047 | 11 800 | 11 427 |
| Net migration | -2 450 | -2 185 | -1 902 | -2 525 | -3 731 | -3 041 | -2 647 | -2 553 | -2 338 | -2 282 | -2 114 |
| *Women* | | | | | | | | | | | |
| Inflows | 5 190 | 5 641 | 5 724 | 5 301 | 5 174 | 5 806 | 5 793 | 5 788 | 5 855 | 5 902 | 5 819 |
| Outflows | 7 716 | 8 556 | 7 985 | 8 535 | 8 857 | 8 757 | 8 565 | 8 685 | 8 561 | 8 763 | 8 421 |
| Net migration | -2 526 | -2 915 | -2 261 | -3 234 | -3 683 | -2 951 | -2 772 | -2 897 | -2 706 | -2 861 | -2 602 |
| | | | | | | | | | | | |
| Total | *-1,3* | *-1,0* | *-1,0* | *-0,9* | *-1,0* | *-0,8* | *-0,7* | *-0,7* | *-0,7* | *-0,7* | *-0,6* |
| Men | *-0,7* | *-0,6* | *-0,5* | *-0,7* | *-1,0* | *-0,8* | *-0,7* | *-0,7* | *-0,6* | *-0,6* | *-0,6* |
| Women | *-0,7* | *-0,8* | *-0,6* | *-0,8* | *-1,0* | *-0,8* | *-0,7* | *-0,8* | *-0,7* | *-0,8* | *-0,7* |

S: Statistics Austria.

If we compare the migration inflows of third country citizens based on the population register (44,000) with the number of settler resident permits granted to third country citizens in the course of 2018, it can be established that a 39% of the gross inflows of third country citizens received a settler permit by the Ministry of Interior (17,700). (Table 5 and Table 11)

*Table 5: Inflows and outflows by source and destination countries 2018*

| 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** | **146 856** | **111 555** | **35 301** | **15 132** | **19 848** | **-4 716** | **131 724** | **91 707** | **40 017** |
| **EU-, EFTA** | **91 659** | **64 404** | **27 255** | **3 922** | **7 379** | **-3 457** | **87 737** | **57 025** | **30 712** |
| **EU-MS (27)** | **89 754** | **61 633** | **28 121** | **3 283** | **5 822** | **-2 539** | **86 471** | **55 811** | **30 660** |
| **EU-MS before 2004 (14)** | **35 391** | **27 607** | **7 784** | **2 842** | **4 997** | **-2 155** | **32 549** | **22 610** | **9 939** |
| Germany | 20 301 | 15 351 | 4 950 | 1908 | 3 374 | -1466 | 18 393 | 11 977 | 6 416 |
| France | 1495 | 1392 | 103 | 105 | 147 | -42 | 1390 | 1245 | 145 |
| Greece | 1214 | 793 | 421 | 62 | 51 | 11 | 1152 | 742 | 410 |
| Italy | 4 693 | 3 280 | 1413 | 130 | 241 | -111 | 4 563 | 3 039 | 1524 |
| Netherlands | 1134 | 977 | 157 | 53 | 152 | -99 | 1081 | 825 | 256 |
| Spain | 1739 | 1521 | 218 | 131 | 209 | -78 | 1608 | 1312 | 296 |
| United Kingdom | 2 054 | 1788 | 266 | 268 | 455 | -187 | 1786 | 1333 | 453 |
| **EU-MS since 2004 (13)** | **54 363** | **34 026** | **20 337** | **441** | **825** | **-384** | **53 922** | **33 201** | **20 721** |
| Bulgaria | 5 033 | 2 974 | 2 059 | 24 | 42 | -18 | 5 009 | 2 932 | 2 077 |
| Croatia | 4 816 | 2 313 | 2 503 | 48 | 67 | -19 | 4 768 | 2 246 | 2 522 |
| Poland | 4 745 | 4 004 | 741 | 54 | 86 | -32 | 4 691 | 3 918 | 773 |
| Romania | 18 455 | 10 282 | 8 173 | 86 | 152 | -66 | 18 369 | 10 130 | 8 239 |
| Slovakia | 4 756 | 3 414 | 1342 | 33 | 66 | -33 | 4 723 | 3 348 | 1375 |
| Slovenia | 2 265 | 1231 | 1034 | 14 | 43 | -29 | 2 251 | 1188 | 1063 |
| Czech Republic | 1830 | 1373 | 457 | 68 | 98 | -30 | 1762 | 1275 | 487 |
| Hungary | 11 788 | 7 873 | 3 915 | 97 | 190 | -93 | 11 691 | 7 683 | 4 008 |
| **EFTA, assoc.States** | **1905** | **2 771** | **-866** | **639** | **1557** | **-918** | **1266** | **1214** | **52** |
| Switzerland | 1654 | 2 446 | -792 | 605 | 1447 | -842 | 1049 | 999 | 50 |
| **Third Countries** | **55 197** | **47 151** | **8 046** | **11 210** | **12 469** | **-1 259** | **43 987** | **34 682** | **9 305** |
| **Europe (incl. Turkey)** | **22 715** | **16 539** | **6 176** | **998** | **1503** | **-505** | **21 717** | **15 036** | **6 681** |
| Bosnia-Herzegovina | 4 373 | 2 594 | 1779 | 112 | 150 | -38 | 4 261 | 2 444 | 1817 |
| Kosovo | 1103 | 582 | 521 | 48 | 65 | -17 | 1055 | 517 | 538 |
| Northmacedonia | 1404 | 822 | 582 | 22 | 36 | -14 | 1382 | 786 | 596 |
| Russian Federation | 2 094 | 1952 | 142 | 52 | 46 | 6 | 2 042 | 1906 | 136 |
| Serbia | 7 500 | 5 212 | 2 288 | 161 | 213 | -52 | 7 339 | 4 999 | 2 340 |
| Turkey | 3 549 | 3 825 | -276 | 554 | 944 | -390 | 2 995 | 2 881 | 114 |
| Ukraine | 1607 | 957 | 650 | 26 | 28 | -2 | 1581 | 929 | 652 |
| **Africa** | **3 805** | **3 734** | **71** | **551** | **493** | **58** | **3 254** | **3 241** | **13** |
| Egypt | 789 | 537 | 252 | 228 | 169 | 59 | 561 | 368 | 193 |
| Nigeria | 685 | 1030 | -345 | 39 | 75 | -36 | 646 | 955 | -309 |
| Somalia | 339 | 215 | 124 | 1 | 8 | -7 | 338 | 207 | 131 |
| **America** | **5 420** | **4 501** | **919** | **698** | **904** | **-206** | **4 722** | **3 597** | **1125** |
| **Northamerica** | **2 928** | **2 895** | **33** | **371** | **617** | **-246** | **2 557** | **2 278** | **279** |
| USA | 2 392 | 2 294 | 98 | 317 | 484 | -167 | 2 075 | 1810 | 265 |
| **Latinamerica** | **2 492** | **1606** | **886** | **327** | **287** | **40** | **2 165** | **1319** | **846** |
| **Asia** | **14 388** | **13 218** | **1170** | **770** | **920** | **-150** | **13 618** | **12 298** | **1320** |
| Afghanistan | 1186 | 2 474 | -1288 | 14 | 19 | -5 | 1172 | 2 455 | -1283 |
| China | 1813 | 1502 | 311 | 104 | 101 | 3 | 1709 | 1401 | 308 |
| India | 1402 | 977 | 425 | 54 | 58 | -4 | 1348 | 919 | 429 |
| Iraq | 469 | 1239 | -770 | 45 | 37 | 8 | 424 | 1202 | -778 |
| Iran | 1730 | 992 | 738 | 74 | 78 | -4 | 1656 | 914 | 742 |
| Syria | 2 042 | 795 | 1247 | 14 | 12 | 2 | 2 028 | 783 | 1245 |
| **Oceania** | **556** | **525** | **31** | **119** | **193** | **-74** | **437** | **332** | **105** |
| **Unknown** | **8 313** | **8 634** | **-321** | **8 074** | **8 456** | **-382** | **239** | **178** | **61** |

S: STATISTICS AUSTRIA.

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 and in 2018 to 114. 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.[31]

While net inflows from North America and Latin America tend to be fairly small and stable over time (2018: 1,100), 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, further to 7,600 in 2017 and 1,300 2018. This was a decline to 3.3% of all net foreign inflows, after 15% in 2017. The only remaining country with a significant net inflow is Syria (1,200 in 2018).** (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[32] which is also responsible for certain alien police proceedings (Act on the Restructuring of the Alien Authorities)[33]; 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[34].

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 -

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

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

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

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

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.**

**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[35]. 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[36]. 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.[37] 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

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

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

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

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 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: 1953-2018*

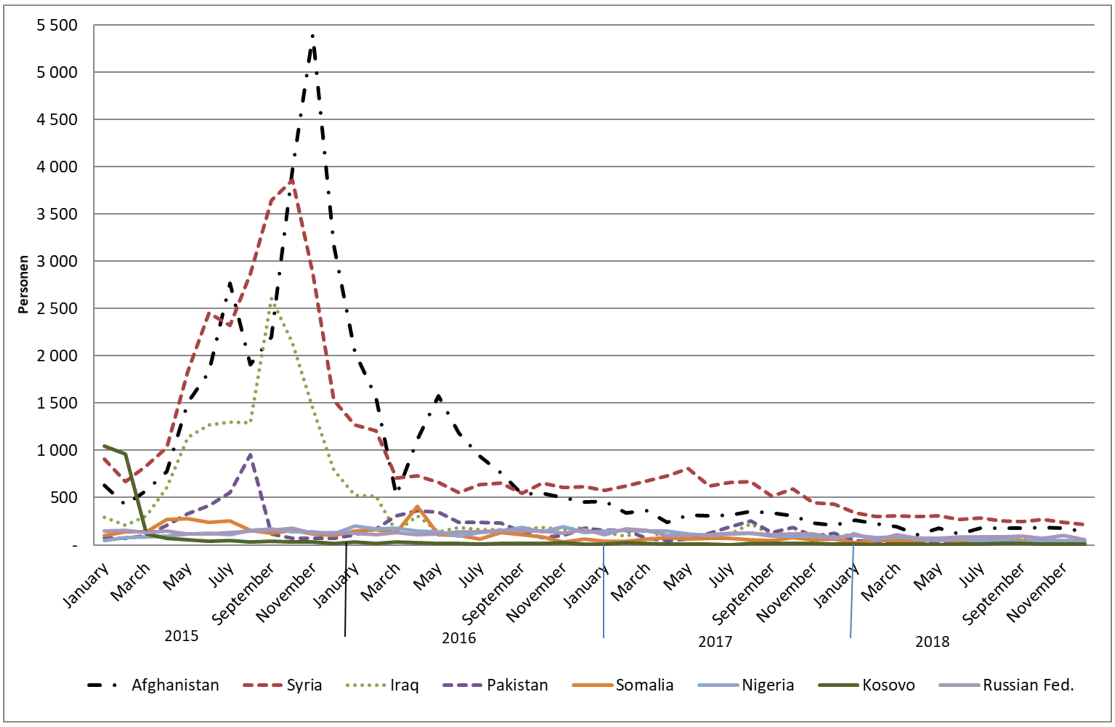
| | | | |
|---|---|---|---|
| 1953 | 1,723 | 1986 | 8,639 |
| 1954 | 2,283 | 1987 | 11,406 |
| 1955 | 1,941 | 1988 | 15,790 |
| 1956 | 169,941 | 1989 | 21,882 |
| 1957 | 58,585 | 1990 | 22,789 |
| 1958 | 3,599 | 1991 | 27,306 |
| 1959 | 3,439 | 1992 | 16,238 |
| 1960 | 5,178 | 1993 | 4,744 |
| 1961 | 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 | 13,746 |

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 influx would have turned into a veritable humanitarian crisis in Austria, just as in many countries of the Balkans where the refugees had passed through.

*Figure 6: Monthly asylum applications from 2015 to 2018 by major source countries*




Source: Statistics Austria.

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.

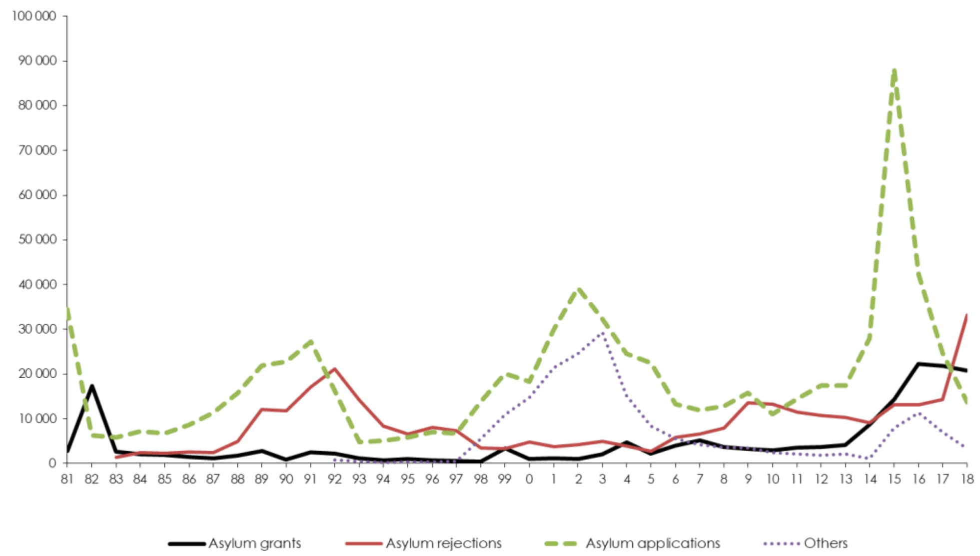
The concerted actions to contain refugee inflows resulted in a substantial decline of asylum seekers by the end of 2016, namely to 42,285. This was a reduction by 46,100 or 52%. The strict border controls as well as less tolerance of residence of irregular migrants, largely rejected asylum cases, and 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 13,700 by the end of 2018 (-11,000; -44% 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 2018 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). In 2018, the rank order changed slightly and the numbers declined with the exception of Iran. Syria took the lead with 3,300, followed by Afghanistan with 2,100, and then Iran with 1,100. All other source countries remained below the benchmark of 1,000 asylum seekers. But all in all the inflow of asylum seekers continued to slow down, reaching a low of 13,700 by the end of December.

**In 2018, 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, 57,300 asylum decisions have been taken in 2018, after 43,100 in 2017. Of all decisions in 2018, 20,800 were positive (after 21,800 in 2017), i.e. 36% of all decisions over the year, and 33,200 were rejections (58% of all decisions). Of the positive decisions, 14,700 received refugee status, a further 4,200 got subsidiary protection status granted, and 1,900 could stay on humanitarian grounds. In addition, some 3,300 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.

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




Source: Statistics Austria.

*Table 7: Asylum seekers by gender and country/region of origin by 31 December: 2010-2018*

| | | | | | | | | | | In % of asylum seekers | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *Asylum seekers* | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Total | 11 012 | 14 416 | 17 413 | 17 503 | 28 027 | 88 340 | 42 285 | 24 735 | 13 746 | 100 | 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 | 8 297 | 70,5 | 74,0 | 73,8 | 71,6 | 75,8 | 72,2 | 66,7 | 60,7 | 60,4 |
| Women | 3 244 | 3 755 | 4 567 | 4 975 | 6 769 | 24 576 | 14 078 | 9 711 | 5 449 | 29,5 | 26,0 | 26,2 | 28,4 | 24,2 | 27,8 | 33,3 | 39,3 | 39,6 |
| **from Europe** | 4 604 | 3 876 | 5 138 | 5 218 | 5 968 | 5 504 | 3 649 | 3 423 | 2 350 | 41,8 | 26,9 | 29,5 | 29,8 | 21,3 | 6,2 | 8,6 | 13,8 | 17,1 |
| of which: | | | | | | | | | | | | | | | | | | |
| Serbia, Monten.,Kosovo | 1 047 | 547 | 622 | 1 156 | 2 283 | 2 804 | 419 | 304 | 228 | 9,5 | 3,8 | 3,6 | 6,6 | 8,1 | 3,2 | 1,0 | 1,2 | 1,7 |
| North-Macedonia | 194 | 81 | 122 | 170 | 160 | 297 | 116 | 118 | 47 | 1,8 | 0,6 | 0,7 | 1,0 | 0,6 | 0,3 | 0,3 | 0,5 | 0,3 |
| Russian Fed. | 2 322 | 2 314 | 3 091 | 2 841 | 1 996 | 1 680 | 1 633 | 1 396 | 969 | 21,1 | 16,1 | 17,8 | 16,2 | 7,1 | 1,9 | 3,9 | 5,6 | 7,0 |
| Moldova | 127 | 79 | 54 | 35 | 32 | 25 | 13 | 29 | 42 | 1,2 | 0,5 | 0,3 | 0,2 | 0,1 | 0,0 | 0,0 | 0,1 | 0,3 |
| Georgia | 370 | 261 | 300 | 257 | 417 | 406 | 350 | 454 | 457 | 3,4 | 1,8 | 1,7 | 1,5 | 1,5 | 0,5 | 0,8 | 1,8 | 3,3 |
| Turkey | 369 | 414 | 273 | 302 | 203 | 221 | 346 | 299 | 201 | 3,4 | 2,9 | 1,6 | 1,7 | 0,7 | 0,3 | 0,8 | 1,2 | 1,5 |
| **from Asia** | 4 175 | 7 633 | 9 015 | 7 935 | 16 323 | 72 966 | 30 575 | 16 313 | 8 559 | 37,9 | 52,9 | 51,8 | 45,3 | 58,2 | 82,6 | 72,3 | 66,0 | 62,3 |
| of which: | | | | | | | | | | | | | | | | | | |
| Afghanistan | 1 582 | 3 609 | 4 005 | 2 589 | 5 076 | 25 563 | 11 794 | 3781 | 2120 | 14,4 | 25,0 | 23,0 | 14,8 | 18,1 | 28,9 | 27,9 | 15,3 | 15,4 |
| Bangladesh | 116 | 87 | 212 | 278 | 119 | 718 | 305 | 144 | 129 | 1,1 | 0,6 | 1,2 | 1,6 | 0,4 | 0,8 | 0,7 | 0,6 | 0,9 |
| China | 217 | 238 | 241 | 237 | 243 | 309 | 267 | 218 | 193 | 2,0 | 1,7 | 1,4 | 1,4 | 0,9 | 0,3 | 0,6 | 0,9 | 1,4 |
| India | 433 | 476 | 401 | 339 | 396 | 448 | 515 | 415 | 272 | 3,9 | 3,3 | 2,3 | 1,9 | 1,4 | 0,5 | 1,2 | 1,7 | 2,0 |
| Iraq | 336 | 484 | 491 | 468 | 1 105 | 13 633 | 2 862 | 1 403 | 762 | 3,1 | 3,4 | 2,8 | 2,7 | 3,9 | 15,4 | 6,8 | 5,7 | 5,5 |
| Iran | 387 | 457 | 761 | 595 | 743 | 3 426 | 2 460 | 994 | 1 107 | 3,5 | 3,2 | 4,4 | 3,4 | 2,7 | 3,9 | 5,8 | 4,0 | 8,1 |
| Pakistan | 276 | 949 | 1823 | 1037 | 596 | 3021 | 2496 | 1574 | 264 | 2,5 | 6,6 | 10,5 | 5,9 | 2,1 | 3,4 | 5,9 | 6,4 | 1,9 |
| Syria | 194 | 422 | 915 | 1 991 | 7 730 | 24 547 | 8 773 | 7 356 | 3 329 | 1,8 | 2,9 | 5,3 | 11,4 | 27,6 | 27,8 | 20,7 | 29,7 | 24,2 |
| **from Africa** | 796 | 2 700 | 1 933 | 3 789 | 3 943 | 5 814 | 7 071 | 3 731 | 2 228 | 7,2 | 18,7 | 11,1 | 21,6 | 14,1 | 6,6 | 16,7 | 15,1 | 16,2 |
| of which: | | | | | | | | | | | | | | | | | | |
| Nigeria | 573 | 414 | 400 | 691 | 673 | 1 385 | 1 855 | 1 405 | 679 | 5,2 | 2,9 | 2,3 | 3,9 | 2,4 | 1,6 | 4,4 | 5,7 | 4,9 |
| Somalia | 190 | 610 | 481 | 433 | 1 162 | 2 073 | 1 537 | 697 | 523 | 1,7 | 4,2 | 2,8 | 2,5 | 4,1 | 2,3 | 3,6 | 2,8 | 3,8 |
| Algeria | 304 | 447 | 575 | 949 | 563 | 945 | 1 032 | 369 | 170 | 2,8 | 3,1 | 3,3 | 5,4 | 2,0 | 1,1 | 2,4 | 1,5 | 1,2 |
| Morocco | 137 | 313 | 354 | 516 | 296 | 731 | 1 052 | 352 | 193 | 1,2 | 2,2 | 2,0 | 2,9 | 1,1 | 0,8 | 2,5 | 1,4 | 1,4 |
| S: BMI; Statistics Austria. | | | | | | | | | | | | | | | | | | |

Of all 20,800 positive decisions on asylum in 2018, the largest numbers went to persons from Syria and Afghanistan (ex aequo 5,000; 24%), followed by persons from Iran (1,400; 6.6%), from Somalia (800; 3.7%), and from Iraq and persons with unknown citizenship ( ex aequo 700; 3.5%). 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 60.4% in 2018. (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 2018 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 2018 the total number reached a low of 2,400 or 17.1% of all asylum registrations. The largest single country of origin of asylum seekers from Europe in 2018 was the Russian Federation (969), but also in this case the lowest level for many years has been reached. 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, further to 16,300 in 2017 and 8,600 in 2018. In 2018, the single most important source region from Asia was Syria (3,300 after 7,400 in 2017), followed by Afghanistan (2,100 after 3,800 in 2017), and Iran (1,100).

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) and further to 2,200 in 2018; 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 2018 was Nigeria (679 after 1,400 in 2017), followed by Somalia (523 after 700 in 2017), Algeria and Morocco (each somewhat less than 200).

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%). The numbers of unaccompanied minors declined further in 2018 to 390, i.e. 2.8% of all asylum seekers of 2018. The majority continued to be in the age group 14-18 (341 or 87%); the largest numbers continued to be from Afghanistan (163), followed by Nigeria (43), Syria (38) and Iraq (20).

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[38]. 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).[39] 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.

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[38] *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.

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

Over the whole period of 1981 till 2018, a total of 726,800 asylum applications were registered, of which a total of 178,700 were accepted as refugees according to the Geneva Convention, i.e., 25 percent; and 317,200 got their case rejected, i.e., 44 percent. The category 'others' (188,900 or 26 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[40] 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 additonal employment opportunities, as mentioned in the chapter on the legal framework. But access to apprenticeship education has been denied again 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.[41] By 2018 special job centres for migrants have been abandoned, also in Vienna.

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

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

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

(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 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.

*Table 8: Outflow of refugees[1] via Austria 1972-2018*

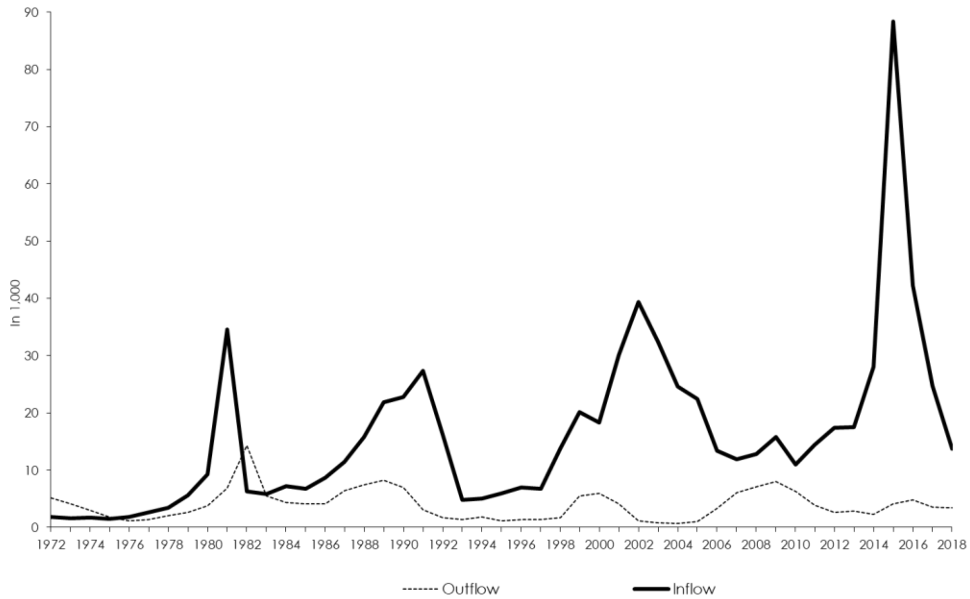
| | | | |
|---|---|---|---|
| 1972 | 5,140 | 1995 | 1,158 |
| 1973 | 4,105 | 1996 | 1,318 |
| 1974 | 3,012 | 1997 | 1,333 |
| 1975 | 1,787 | 1998 | 1,655 |
| 1976 | 1,186 | 1999 | 5,003 |
| 1977 | 1,335 | 2000 | 5,926 |
| 1978 | 2,071 | 2001 | 4,122 |
| 1979 | 2,597 | 2002 | 1,117 |
| 1980 | 3,818 | 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 |
| | | 2018 | 3,469 |

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).

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)

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 1972-2018*

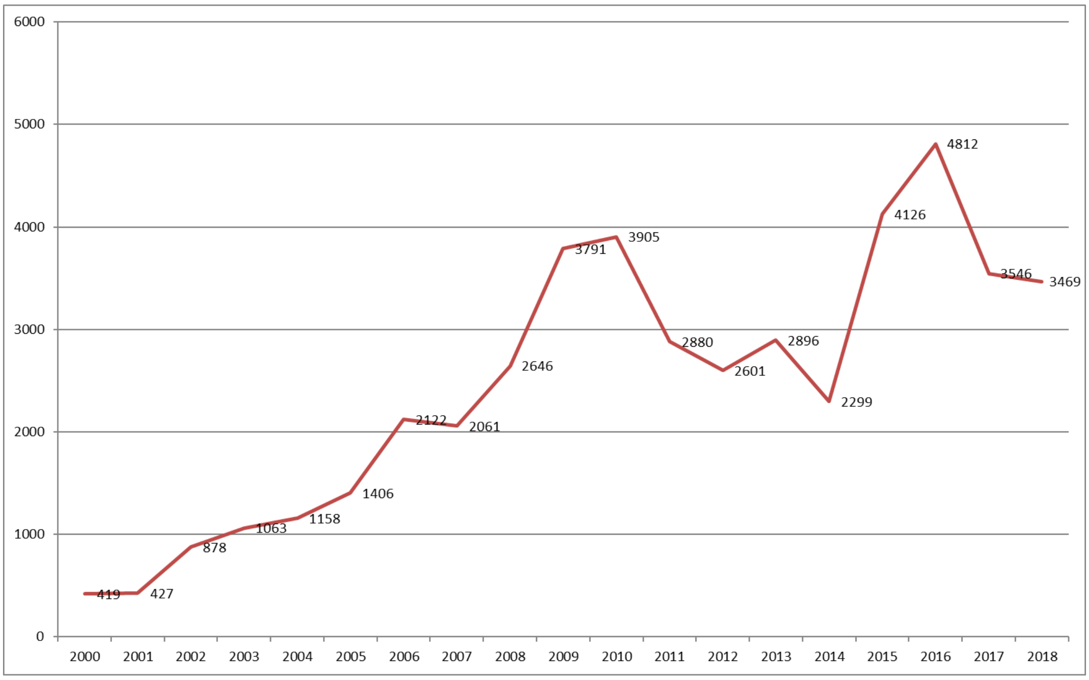



Source: Statistics Austria, IOM (from 2000 only voluntary assisted returns).

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. Over that time span, a total of 500 persons were assisted by IOM, of them 349 project beneficiaries of Afghanistan (of whom 6 female) and 151 to Iran (of whom 27 females). The project offered reintegration assistance of EUR 500 in cash to address the most immediate needs after arrival to the country of origin as well as EUR 2.800 in-kind. In most cases, the in-kind assistance was used for starting or joining a business (e.g. purchase of equipment, goods) to generate income. Of the 2,800€ in kind, 300 were reserved for education and training measures: nobody took advantage of this learning opportunity.[42]

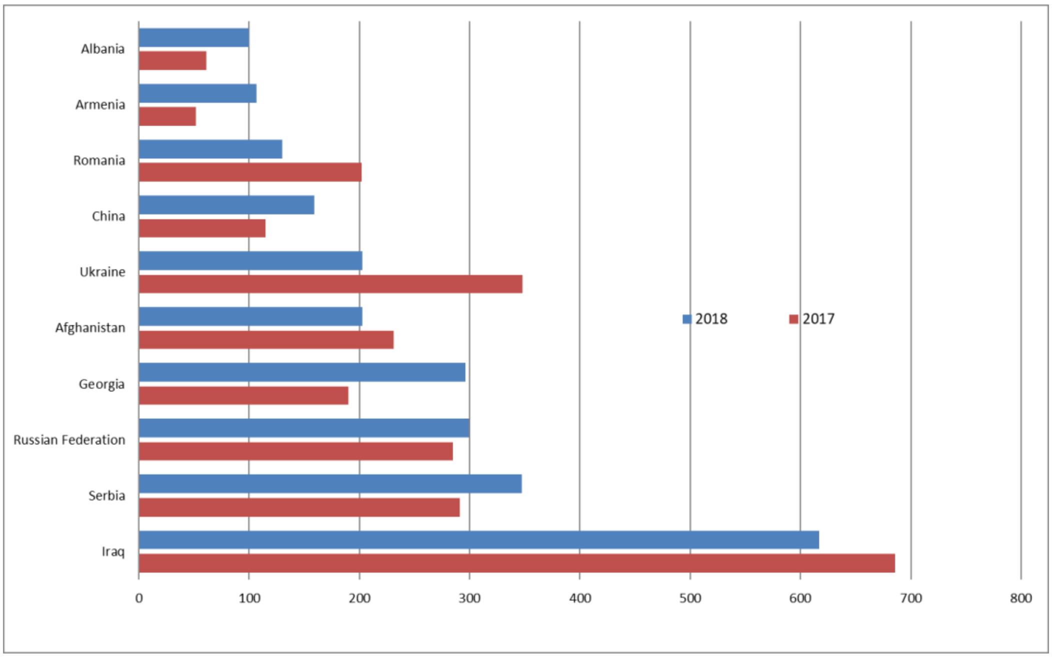
[42] For more see IOM newsletter 35. https://austria.iom.int/sites/default/files/IOMAustriaNewsletter35.pdf

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




Source: IOM Austria.

*Figure 10: Top ten countries of assisted returns by IOM via the GHRP 2018*




S: IOM, General Humanitarian Return Programme.

**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.

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.

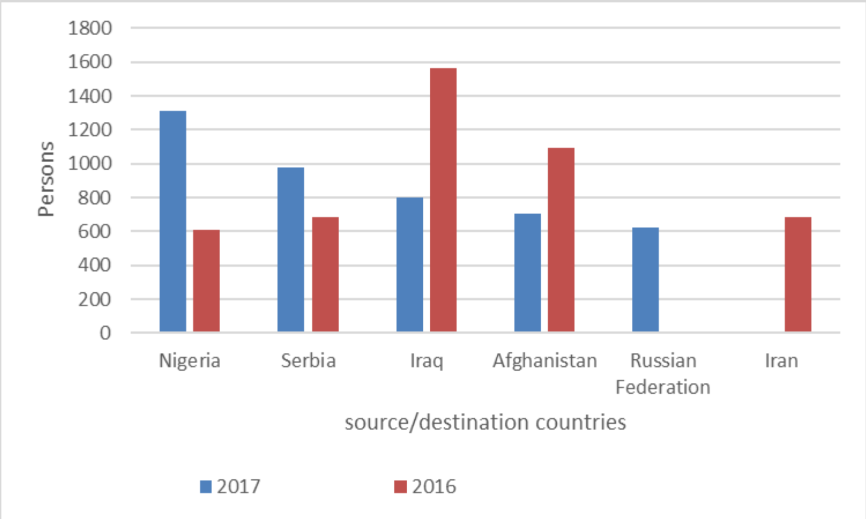
Since January 2017, Austria offers also two other re-integration programmes: RESTART II (organised via IOM) – see above, and IRMA plus (organised by Caritas Austria). The project is co-financed by the Asylum, Migration and Integration Fund (AMIF) of the European Union and the Austrian Federal Ministry 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.[43] 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

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

of each participant. The maximum amount of support per person is 3,000 euro (including in kind support)

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




Source: BFA.

**In toto in 2018, 12,611 irregular migrants were brought out of Austria by the Federal Office for Alien Affairs and Asylum (BFA), 637 or 5% more than in 2017. 5,665 (45% of all returns) returned voluntarily, - compared to 5,100 in 2017, 6,946 (55%) forcefully (compared to 6,900 2017, of which 2,285 Dublin cases.** Never before have so many 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.[44] In 2018, the share of voluntary returns increased slightly vs 2017 (+9%). **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.[45]

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.

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[44] For more see https://www.bfa.gv.at/files/Statistiken/BFA_Bilanz_2017.pdf and https://www.bfa.gv.at/files/Statistiken/BFA_Jahresbilanz_2018.pdf

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

*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.

*Table 9: Structure of valid residence permits in Austria (2006-2019, midyear count)*

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| AB (temporary) | 19008 | 18765 | 19290 | 20381 | 20275 | 21458 | 22698 | 24449 | 26165 | 28119 | 25457 | 21099 | 20005 |
| NB(settler) | 85617 | 84764 | 84590 | 82376 | 90279 | 90302 | 96827 | 107921 | 114801 | 8725 | 6588 | 8066 | 9084 |
| Family Member | 17882 | 38167 | 42416 | 42936 | 40036 | 37126 | 36636 | 36799 | 37773 | 38109 | 38756 | 39022 | 40458 |
| Perm. Residents | 354346 | 311730 | 307664 | 308566 | 306007 | 320483 | 324393 | 322810 | 251849 | 373027 | 385522 | 293993 | 300711 |
| R-W-R Card | | | | | | | | | | | | 2918 | 4778 |
| R-W-R Plus | | | | | | | | | | | | 97369 | 102038 |
| Total | 476853 | 453426 | 453960 | 454259 | 456597 | 469369 | 480554 | 491979 | 430588 | 447980 | 456323 | 462467 | 477074 |

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

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

(–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 477,100 by mid-2019.

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)[46] 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 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

[46] 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.

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-2019 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 411,800. The number of settlement-permits which are granted for two years (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 2018 a sum total of 23,600 residence permits was issued to newcomers from third countries, hardly any change vs 2017.** The stability hides the fact that the issue of settler permits increased almost to the same extent as the issues of temporary residence-permits declined. **Of all inflows of third country migrants 17,700 (-1,000 or - 6.3% vs 2017) or 75 percent were settlers. The number of temporary resident permits granted to third country citizens amounted to 5,900 permits (-1,300, -18% vs 2017). This decline is the third year in a row.**

Of the 17,700 new settler permits in 2018, 20% of the permits (3,500) 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, 80 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 2018, 14,700 uncapped transfers of title were issued and 437 settler permits within a capped permit group. Of the uncapped group 52% went to men, of the capped 44%.

As to the first issues of temporary resident permits: of the total of 5,900 issued to third country citizens in 2018, the majority are students and their family members (4,000 or 68%), followed by persons working in Austria temporarily (and their family members).

*Table 10: Annual inflows of settlers and temporary residents of third countries 2005-2018. Annual sum by end of December*

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 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 | 17 724 |
| 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 | 5 918 |
| | 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 | 23 642 |
| *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** | **8 814** |
| 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 | 1 314 |
| 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 | 7500 |
| **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** | **52 293** |
| **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** | **7567** |
| **Transfer of title to settler (quota)** | | **144** | **280** | **279** | **286** | **250** | **901** | **157** | **116** | **150** | **157** | **175** | **209** | **192** |
| **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** | **2 611** |
| **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** | **6 468** |
| **Transfer of title to temp.res.** | | | 0 | | 188 | **229** | **246** | **259** | **295** | **278** | **303** | **368** | **371** | **250** |
| **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** | **78 195** |
| *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** | **8 910** |
| 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 | 2 192 |
| 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 | 6718 |
| **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** | **56 223** |
| **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** | **7 102** |
| **Transfer of title to settler (quota)** | | **229** | **292** | **289** | **251** | **261** | **927** | **184** | **166** | **215** | **223** | **267** | **266** | **245** |
| **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** | **3 307** |
| **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** | **7 816** |
| **Transfer of other resident title** | | | 0 | | 402 | **479** | **511** | **536** | **537** | **528** | **525** | **584** | **520** | **428** |
| **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** | **84 031** |
| *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** | **17 724** |
| 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 | 3 506 |
| 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 | 14 218 |
| **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** | **108 516** |
| **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** | **14 669** |
| **Transfer of title to settler (quota)** | | **373** | **572** | **568** | **537** | **511** | 1 828 | **341** | **282** | **365** | **380** | **442** | **475** | **437** |
| **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** | **5 918** |
| **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** | **14 284** |
| **Transfer of title** | | | | | 590 | 708 | 757 | **795** | **832** | **806** | **828** | **952** | **891** | **678** |
| **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** | **162 226** |
| Source: Ministry of the Interior. | | | | | | | | | | | | | | |

**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 these jobs.

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 2018 seasonal work permits issued to foreign workers on the basis of a quota (Saisonkontingente) amounted to 8,500 (7,500 in agriculture & forestry including harvesting, 1,000 in tourism). In addition, a sum of 3,400 core-seasonal workers (Stammsaisonniers) was employed over the year (1,300 in agriculture & forestry and 2,100 in tourism). They tend to come regularly every year. In 2018 they represented 40% 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, all in all 11,800 seasonal work permits were issued. This number is 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 more than double the number of first issues, namely 14,300 in 2018, 2,700 or 16% less than a year ago. (Table 10)

The capped categories of first settlers constitute in sum 3,500 cases in 2018, almost unchanged vs 2017, 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, and remained more or less at that low level.

Settlement permits entitle third country citizens to settle in Austria, but not everybody intends to settle. But some want to transform their settlement category into another title with more rights, e.g. free access to the labour market. In 2018, some 15,100 residence titles were transferred into a settlement title with free access to work, significantly less than in 2017 (-10,000, -40%). 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 162,200 permits in 2018, 11,600 or 7.7% more than in 2017. (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) 2015-2018*

*1 January to end of December*

| | 2015 | | | 2016 | | | 2017 | | | 2018 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Men** | **Women** | **Total** | **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** | **1 314** | **2 192** | **3 506** |
| *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* | 1 128 | 1967 | 3095 |
| *First settler permit:* | *165* | *171* | *336* | *153* | *205* | *358* | *179* | *190* | *369* | 186 | 225 | 411 |
| No access to work | 135 | 153 | 288 | 135 | 194 | 329 | 154 | 174 | 328 | 158 | 178 | 336 |
| access to work | 10 | 15 | 25 | 3 | 8 | 11 | 9 | 16 | 25 | 23 | 47 | 70 |
| Access to work (European agreement) | 20 | 3 | 23 | 15 | 3 | 18 | 16 | | 16 | 5 | | 5 |
| | | | | | | | | | | | | |
| ***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** | **7 500** | **6 718** | **14 218** |
| *Humanitarian* | *145* | *72* | *217* | *130* | *71* | *201* | *304* | *122* | *426* | 376 | 122 | 498 |
| *Family member outside core family* | *281* | *482* | *763* | 240 | 382 | 622 | *211* | 322 | 533 | 665 | 660 | 1325 |
| No access to work | 22 | 21 | 43 | 16 | 12 | 28 | 32 | 21 | 53 | 20 | 20 | 40 |
| access to work | 259 | 461 | 720 | 224 | 370 | 594 | 179 | 301 | 480 | 645 | 640 | 1285 |
| *Other-skilled* | | | | | | | *117* | *48* | *165* | | | |
| *Blue card EU* | *82* | *40* | *122* | 93 | *47* | *140* | *113* | 43 | *156* | 187 | 59 | 246 |
| *r-w-r-card (§41/1) highly skilled* | *45* | *12* | *57* | 66 | 15 | 81 | *51* | *16* | *67* | 64 | 14 | 78 |
| *r-w-r-card (§41/2/1) shortage list, skilled* | *170* | *12* | *182* | 73 | 10 | 83 | *135* | *29* | *164* | 336 | 32 | 368 |
| *r-w-r-card (§41/2/2) shortage list, other skilled* | *653* | *225* | *878* | 654 | 204 | 858 | *693* | *219* | *912* | 892 | 260 | 1152 |
| *r-w-r-card (§41/2/3) university graduate* | *18* | *18* | *36* | 19 | 18 | 37 | *20* | *16* | *36* | 21 | 19 | 40 |
| *r-w-r-card (§41/2/4) self-employed skilled* | *21* | *7* | *28* | 20 | 8 | 28 | *20* | *10* | *30* | 25 | 6 | 31 |
| *r-w-r-card plus* | *2 037* | *1 949* | *3 986* | *1 949* | *1 926* | *3 875* | *1878* | *1763* | *3641* | 1898 | 1772 | 3670 |
| *r-w-r-card plus (§41a/1-10)* | *715* | *474* | *1 189* | *978* | *557* | *1 535* | *595* | *346* | *941* | 582 | 363 | 945 |
| *r-w-r-card plus, family §46/1-3* | *787* | *1 140* | *1 927* | *811* | *1 053* | *1 864* | *759* | *1199* | *1958* | 1010 | 1452 | 2462 |
| *Family member/relative* | *1 999* | *2 430* | *4 429* | *1 839* | *2 230* | *4 069* | *1730* | *2215* | *3945* | 1444 | 1959 | 3403 |
| | | | | | | | | | | | | |
| ***Sum of prolongations of settlement permits (NB)*** | ***1 353*** | ***2 249*** | ***3 602*** | ***1 243*** | ***1 987*** | ***3 230*** | **1341** | **2211** | **3552** | **2005** | **2558** | **4563** |
| ***Sum of prolongation of other settlement permits*** | ***43 405*** | ***47 811*** | ***91 216*** | ***37 983*** | ***42 313*** | ***80 296*** | **39844** | **43748** | **83592** | **52293** | **56223** | **108516** |
| Blue Card EU | 12 | 7 | *19* | 5 | 2 | *7* | 2 | 1 | 3 | 11 | 7 | 18 |
| Permanent resident EC | 14 014 | 13 821 | *27 835* | *10 504* | *10 304* | *20 808* | 10878 | 10625 | 21503 | 21108 | 20379 | 41487 |
| Permanent resident Family | 7 | 8 | *15* | 2 | 5 | *7* | 3 | 3 | 6 | 81 | 35 | 116 |
| Family member | 8 201 | 11 242 | *19 443* | *7 314* | *10 205* | *17 519* | 7345 | 10 135 | 17480 | 8 177 | 11304 | 19 481 |
| r-w-r card (§41/1) highly skilled | 5 | 2 | *7* | 1 | 2 | 3 | 11 | 7 | 18 | 48 | 15 | 63 |
| r-w-r card (§41/2/1-2) other skilled | 60 | 15 | *75* | 35 | 16 | 51 | 121 | 56 | 177 | 606 | 248 | 854 |
| r-w-r-card (§41/2/3) university graduate | 6 | 2 | *8* | 1 | 11 | 12 | 7 | 7 | 14 | 48 | 65 | 113 |
| r-w-r-card (§41/2/4) self-employed skilled | 8 | | *8* | 3 | | 3 | 4 | 1 | 5 | 13 | 7 | 20 |
| r-w-r-card plus | 12 187 | 12 359 | *24 546* | *10 969* | *11 034* | *22 003* | 12096 | 11 733 | 23829 | 12681 | 12275 | 24956 |
| 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 | 9520 | 11888 | 21408 |
| | | | | | | | | | | | | |
| **Sum of all prolongations of settlement permits** | **44 758** | **50 060** | **94 818** | **39 226** | **44 300** | **83 526** | **41185** | **45959** | **87144** | **54298** | **58781** | **113079** |
| **Transformation of title to settler, no quota** | **19 426** | **18 831** | **38 257** | **13 171** | **13 018** | **26 189** | **12491** | **12214** | **24705** | **7567** | **7102** | **14669** |
| of which R-W-R card | | | | 342 | 274 | 616 | 352 | 243 | 595 | 1842 | 1315 | 3157 |
| **Transformation of title to settler, quota** | **157** | **223** | **380** | **175** | **267** | **442** | **209** | **266** | **475** | **192** | **245** | **437** |
| | | | | | | | | | | 181 | 182 | 363 |
| **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** | **70 871** | **75 038** | **145 909** |
| 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 2018, all in all 5,900 temporary residence permits were issued for the first time, – 18% less than in 2017.

The largest number of first temporary residence permits goes to students of higher education, namely 3,800 or 63 percent of all first temporary residence permits in 2018. Their numbers had been on a rise between 2013 and 2015 but declined again from 2016 onwards, falling slightly below the low levels of 2011 (3,900). Students are the largest group to get their temporary stay extended, namely 11,300 – again a significant decline (to the low level of 2013: 11,200) - or 79% of all extensions. (Table 12) Temporary residence status does not allow to access welfare payments, in particular unemployment benefits. This is no deterrent for family members to join, in 2018 some 700 or 5% of all extensions of temporary residence permits went to family members.

*Table 12: Sum of temporary residence permits granted to citizens of third countries (Non-EU) by residence status and gender 2015-2018*
*1 January to end of December*

| | 2015 | | | 2016 | | | 2017 | | | 2018 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | 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** | **2611** | **3307** | **5918** |
| Employed persons on basis of GATS (mode 4) | 214 | 8 | 222 | 87 | 7 | 94 | 52 | 7 | 59 | 36 | 5 | 41 |
| Special protection/humanitarian | 1 | 1 | 2 | 1 | | 1 | | | | | | 0 |
| Family member of researcher | 42 | 76 | 118 | 36 | 87 | 123 | 32 | 68 | 100 | | | 0 |
| Family member of intercompany transfers | 47 | 92 | 139 | 49 | 59 | 108 | 40 | 64 | 104 | 27 | 45 | 72 |
| Family member of special employment | 88 | 173 | 261 | 65 | 117 | 182 | 74 | 131 | 205 | 7 | 19 | 26 |
| Family member of students | 263 | 240 | 503 | 226 | 241 | 467 | 179 | 198 | 377 | 116 | 139 | 255 |
| 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 | 78 | 23 | 101 |
| Pupil | 477 | 554 | 1031 | 379 | 469 | 848 | 345 | 422 | 767 | 313 | 363 | 676 |
| Self-employed | 7 | 6 | 13 | 10 | 4 | 14 | 5 | 3 | 8 | 6 | 5 | 11 |
| Special cases of salaried employees | 580 | 999 | 1579 | 480 | 932 | 1412 | 396 | 805 | 1201 | 230 | 742 | 972 |
| Social worker | 2 | 5 | 7 | | 6 | 6 | | 4 | 4 | 2 | 11 | 13 |
| Students of higher education | 2 963 | 2 942 | 5905 | 2281 | 2268 | 4549 | 1990 | 2061 | 4051 | 1796 | 1955 | 3751 |
| **Extensions of temporary residence permits** | **9 561** | **9 959** | **19 520** | **9 355** | **10 004** | **19 359** | **8094** | **8934** | **17028** | **6468** | **7816** | **14284** |
| Employed persons on basis of GATS (mode 4) | 43 | 6 | 49 | 49 | 6 | 55 | 42 | 2 | 44 | 41 | 2 | 43 |
| 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 | 3 | 8 | 11 |
| Family member of special employment | 246 | 391 | 637 | 221 | 341 | 562 | 137 | 201 | 338 | 25 | 47 | 72 |
| Family member of students | 319 | 412 | 731 | 340 | 374 | 714 | 341 | 374 | 715 | 308 | 351 | 659 |
| Family member of scientist/artist | 47 | 88 | 135 | 41 | 89 | 130 | 32 | 68 | 100 | | | 0 |
| Researcher | 86 | 62 | 148 | 97 | 71 | 168 | 93 | 54 | 147 | | | 0 |
| Artist (on the basis of work contract) | 84 | 71 | 155 | 85 | 64 | 149 | 67 | 44 | 111 | | | 0 |
| Artist (self-employed) | 148 | 102 | 250 | 138 | 91 | 229 | 77 | 52 | 129 | | | 0 |
| Intercompany transfers | 147 | 65 | 212 | 152 | 57 | 209 | 108 | 25 | 133 | 6 | 7 | 13 |
| Pupil | 754 | 1 126 | 1 880 | 798 | 1071 | 1869 | 736 | 950 | 1686 | 698 | 865 | 1563 |
| Self-employed | 15 | 8 | 23 | 14 | 10 | 24 | 15 | 13 | 28 | 15 | 8 | 23 |
| Special cases of salaried employees | 1 019 | 554 | 1 573 | 955 | 513 | 1468 | 707 | 375 | 1082 | 250 | 144 | 394 |
| Students of higher education | 6 560 | 6 875 | 13 435 | 6360 | 7112 | 13472 | 5668 | 6644 | 12312 | 5044 | 6271 | 11315 |
| Student on Job Search | | | | | | | | | | 78 | 113 | 191 |
| **Transfer of Title to temporayr residence** | **303** | **525** | **828** | **368** | **584** | **952** | **371** | **520** | **891** | **250** | **428** | **678** |
| of which student | 91 | 218 | 309 | 109 | 248 | 357 | 111 | 205 | 316 | 96 | 192 | 288 |
| family member of student | 17 | 20 | 37 | 38 | 36 | 74 | 35 | 46 | 81 | 26 | 37 | 63 |
| **Sum of all temporary residence permits** | **14 883** | **15 784** | **30 667** | **13 657** | **14 949** | **28 606** | **11800** | **13338** | **25138** | **9329** | **11551** | **20880** |

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

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); their numbers declined in 2017 to 186 and further to 173 in 2018.

*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 ($\varepsilon_{i,t+1}$).

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

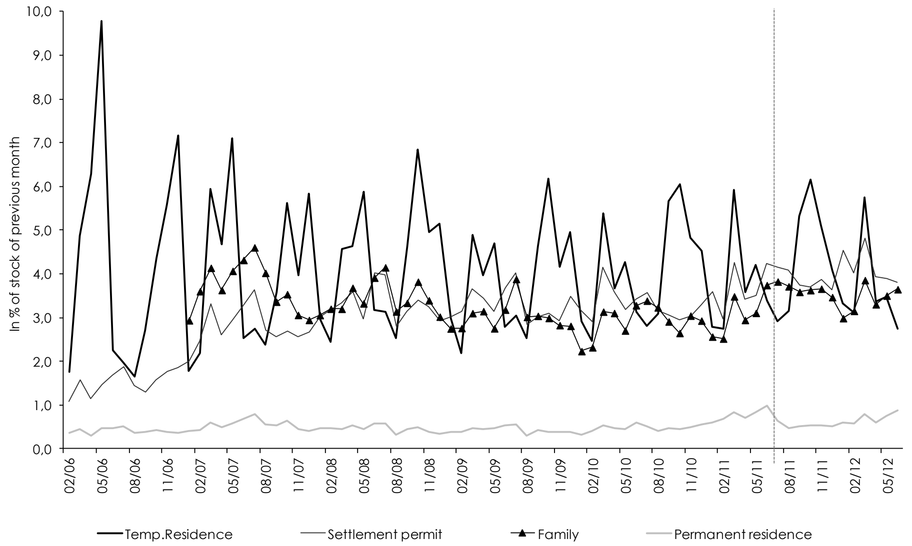
$$B_{t+1} = \sum_{i=1}^{n} B_{i,t+1}$$ Whereby i = 1,…n categories of residence status

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.

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.

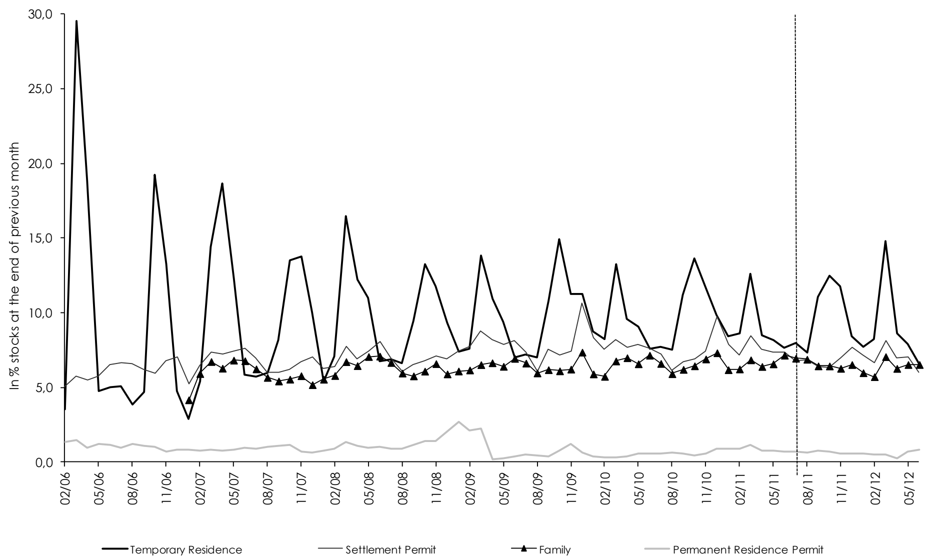
While temporary residents tend to flow in in larger numbers in the second half of the year, largely due to the important role of university students, who tend to enter before the start of winter semester, the contrary is the case for settlers. The annual average in terms of numbers is quite stable in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

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




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

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




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

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.

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.

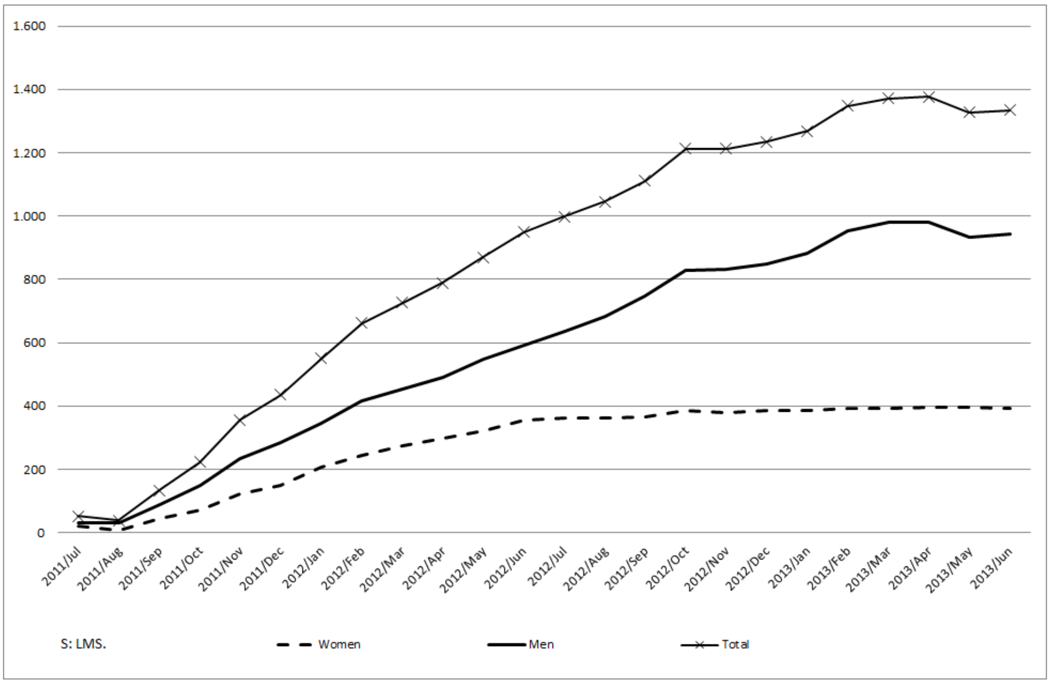
As mentioned earlier, before the reform of the r-w-r-card legislation in April 2013, the r-w-r-card had to be applied from abroad (with the exception of university graduates), while the r-w-r-plus card could always be obtained in Austria. **Until 2017, the r-w-r card was issued for one year – since the 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[47] – 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.

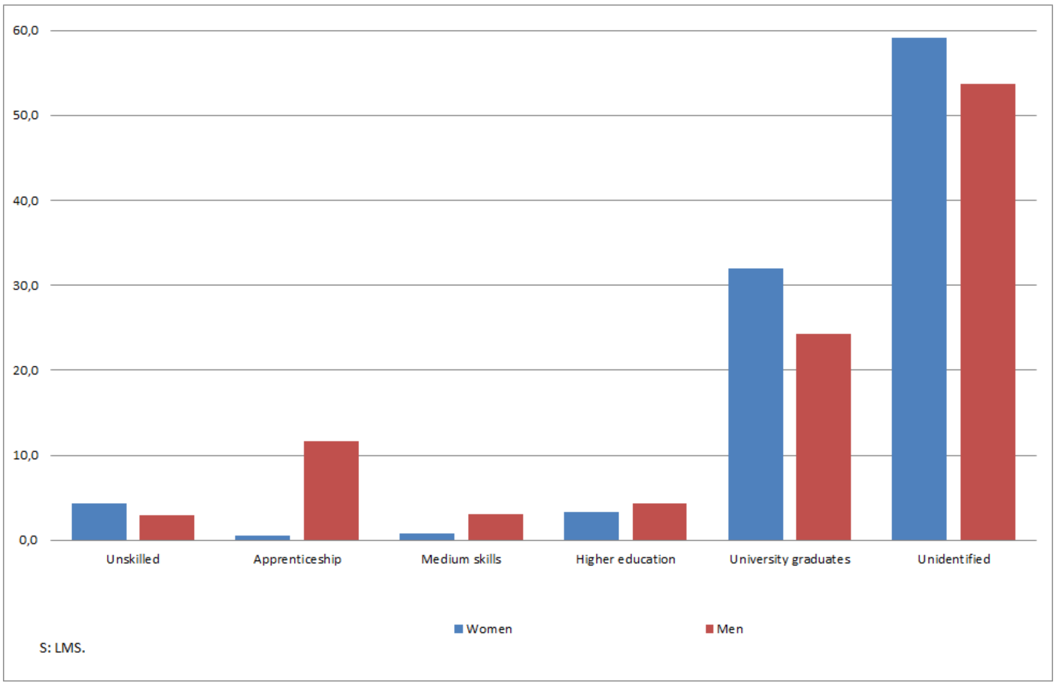
Of the 1,536 valid r-w-r cards registered with the Ministry of the Interior at the end of July 2013, 942 or 61% were skilled workers (949) and 92 or 6% were highly skilled wage and salary earners, a composition not much different from July 2012. Further, 173 or 11% of all r-w-r cards issued went to third 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 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*




[47] 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.

*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.

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.

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

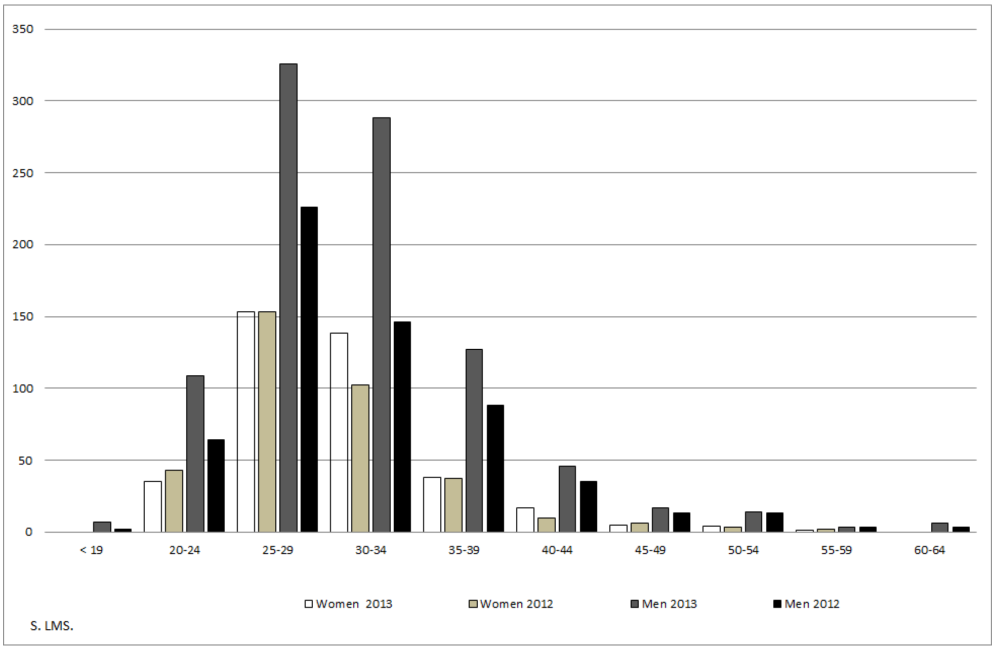
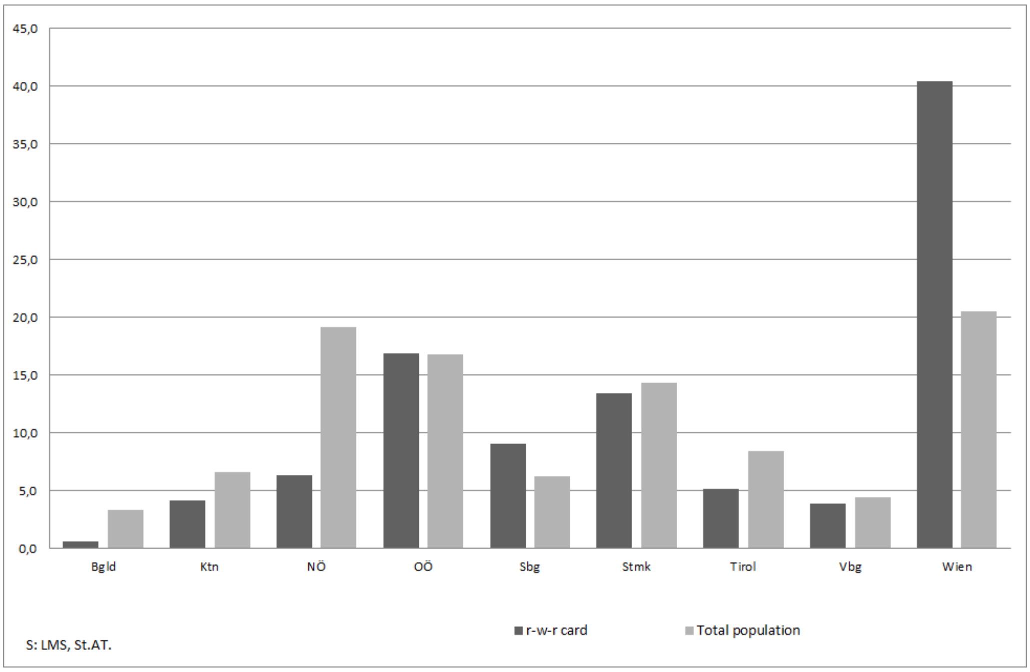



*Figure 17: Distribution of r-w-r card holders and foreign worker in Austria by province (Bundesland), end of June 2013*




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).

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.

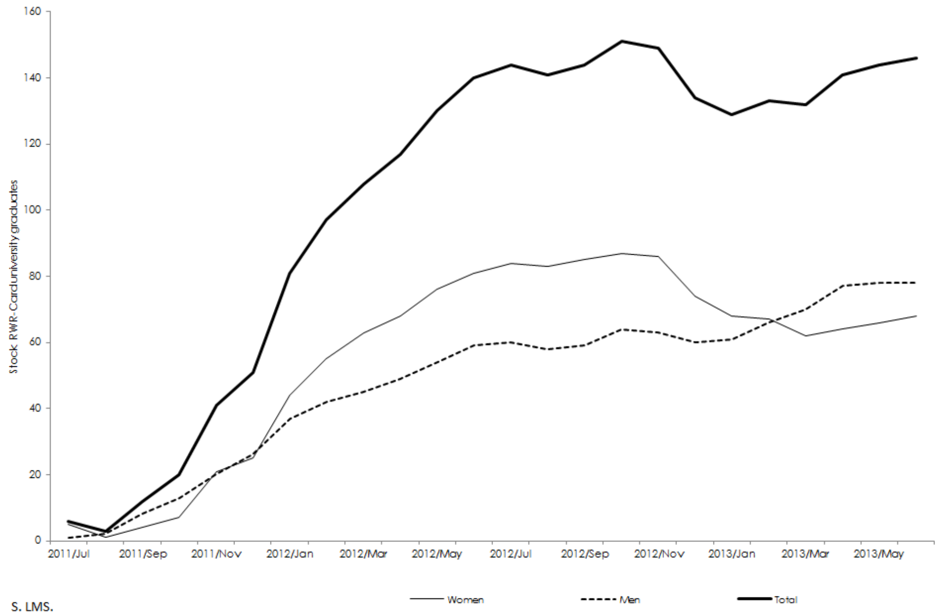
The occupational composition of university graduates with an r-w-r card differs by region. While Vienna has the focus on top management positions and administrative occupations in a supervisory capacity (36% versus 20% on average in Austria), the share of engineers is particularly high in Carinthia (50% 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.

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.

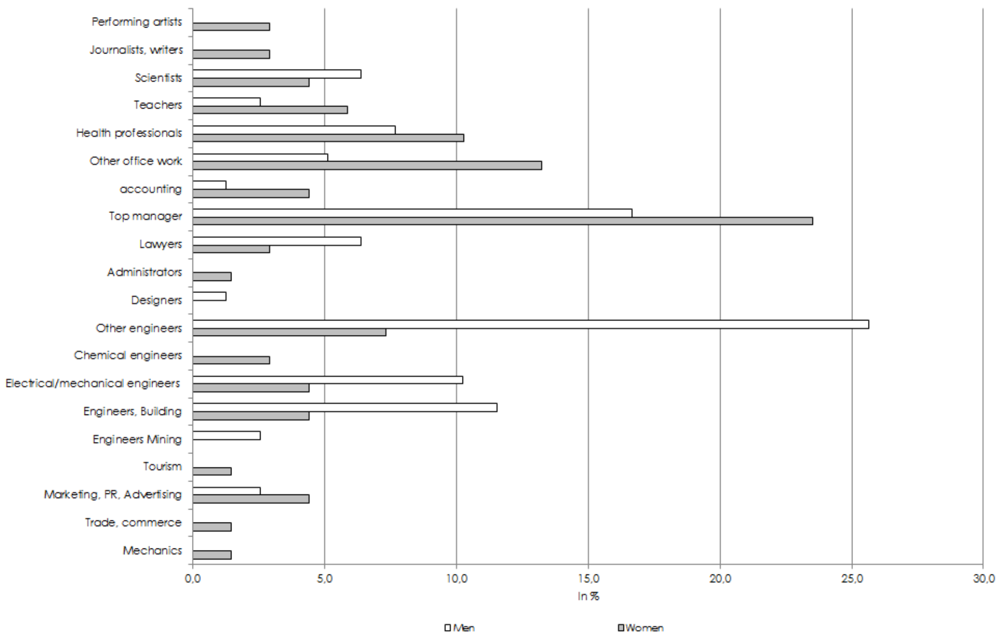
The major change versus mid-2012 is the increasing diversity of source countries - then 61% of all cards went to the origin countries Bosnia-Herzegovina, India, Russia, Turkey and China.

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




S. LMS.

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

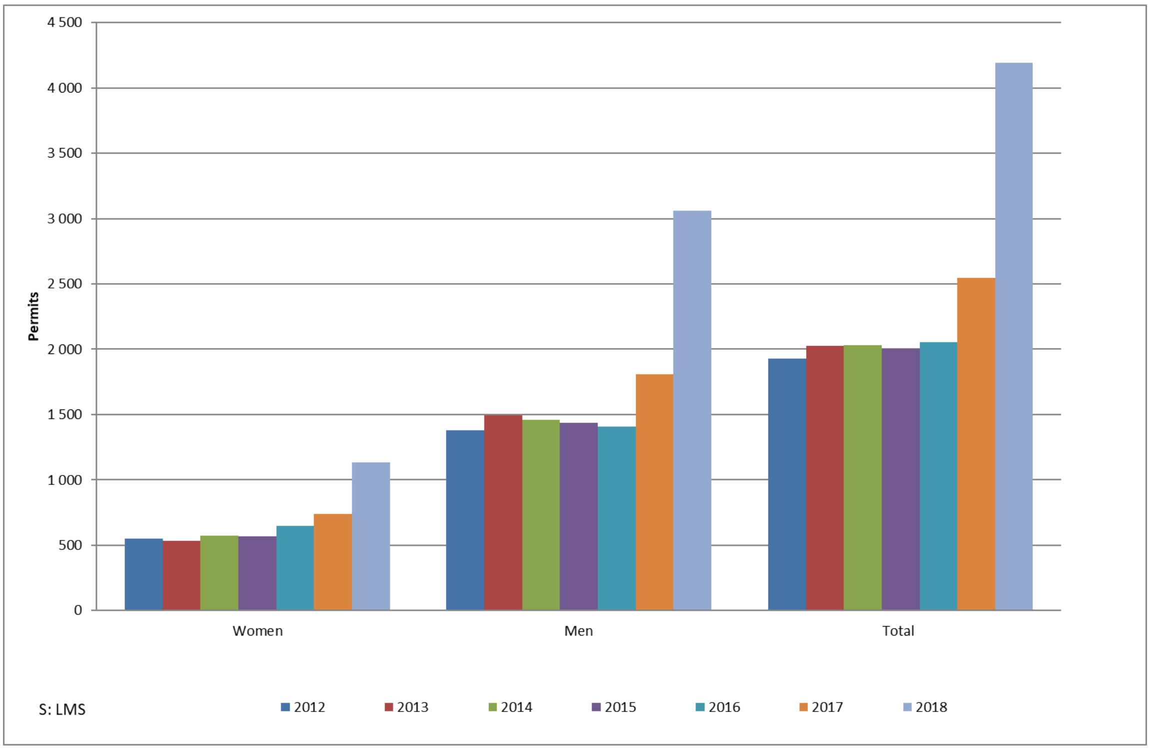



Source: LMS

*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 Job Search Visa holders issued to third country migrants by the Labour Market Service: 2012-2018*




*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 in 2017 and 2018 to finally obtain the results originally envisaged. (see legislative reforms above)

The number of occupations on the shortage list was reduced between 2014 and 2016 as labour supply from the EU-MS, largely EU13-MS, was increasing beyond expectations. As a consequence, the composition of r-w-r-card holders shifted away from skilled migrants under the shortage list to 'other skilled migrants' – from 19% of all RWR-Cards in 2014 to 7.6% in 2016; the share of other skills increased from 63% in 2014 to 72% of all RWR-Cards in 2016. As skill shortages surfaced in 2017, the shortage list was increased again, reaching 27 in 2018, with regional differentiation depending on local scarcities. In 2019, the shortage list of skills was extended to 45. For 2020 a further extension has been decided upon on a federal level to 56, and in addition some on regional level to address local skill shortages in view of limited regional labour mobility of Austrians and migrants.[48] The expansion of the shortage list resulted in a rise of the skilled RWR-Card share to 30% in 2019.

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 1,300 in 2019. 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 26), albeit from a very low level. (Table 13)

*Table 13: Expertise of Red-White-Red Cards and validation of R-W-R-Plus Cards by the Labour Market Service during 2014-2019*

| Wage & Salary earners | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2014 | | | 2015 | | | 2016 | | | 2017 | | | 2018 | | | 2019 | | |
| | Women | Men | Total | Women | Men | Total | Women | Men | Total | Women | Men | Total | Women | Men | Total | Women | Men | Total |
| **JobSearchVisa** | *5* | *31* | *36* | *4* | *21* | *25* | *6* | *20* | *26* | *6* | *24* | **30** | *6* | *38* | **44** | *25* | *117* | **142** |
| **R-W-R-Card** | *522* | *1325* | *1847* | *514* | *1303* | *1817* | *579* | *1268* | *1847* | *677* | *1632* | **2309** | *1044* | *2767* | **3811** | *983* | *2312* | **3295** |
| Highly skilled | 26 | 79 | 105 | 29 | 76 | 105 | 44 | 106 | 150 | 40 | 106 | 146 | 43 | 169 | 212 | 74 | 185 | 259 |
| skilled, shortage list | 47 | 304 | 351 | 51 | 209 | 260 | 48 | 92 | 140 | 78 | 237 | 315 | 111 | 557 | 668 | 163 | 816 | 979 |
| Other key skills | 340 | 830 | 1170 | 337 | 918 | 1255 | 363 | 958 | 1321 | 420 | 1161 | 1581 | 605 | 1767 | 2372 | 478 | 1074 | 1552 |
| University graduates | 109 | 112 | 221 | 97 | 100 | 197 | 124 | 112 | 236 | 139 | 128 | 267 | 285 | 274 | 559 | 268 | 237 | 505 |
| **Blue Card EU** | *45* | *106* | *151* | *47* | *112* | *159* | *62* | *118* | *180* | *55* | *153* | **208** | *81* | *256* | **337** | *109* | *275* | **384** |
| **Artists** | *94* | *114* | *208* | *97* | *100* | *197* | *64* | *87* | *151* | *54* | *76* | **130** | *79* | *103* | **182** | *78* | *100* | **178** |
| **ICT** | | | | | | | | | | **6** | **15** | **21** | **45** | **137** | **182** | **66** | **179** | **245** |
| **Total - expertise** | **666** | **1576** | **2242** | **662** | **1536** | **2198** | **711** | **1493** | **2204** | **798** | **1900** | **2698** | **1255** | **3301** | **4556** | **1261** | **2983** | **4244** |
| **Selfemployed-expertise** | **6** | **28** | **34** | **5** | **20** | **25** | **6** | **12** | **18** | **9** | **14** | **23** | **6** | **26** | **32** | **4** | **22** | **26** |
| **validation RWR-Plus §20e AuslBG for** | *855* | *1725* | *2580* | *757* | *1345* | *2102* | *580* | *1064* | *1644* | **480** | **901** | **1381** | **226** | **277** | **503** | **415** | **915** | **1330** |
| Transfer from RW Rcard | 332 | 875 | 1207 | 371 | 821 | 1192 | 373 | 830 | 1203 | 340 | 696 | 1036 | 41 | 75 | 116 | 289 | 706 | 995 |
| Transfer from Blue Card | 24 | 47 | 71 | 25 | 42 | 67 | 28 | 46 | 74 | 22 | 53 | 75 | 42 | 64 | 106 | 37 | 94 | 131 |
| Transfer from 2 years§15/1 | 285 | 454 | 739 | 246 | 295 | 541 | 146 | 147 | 293 | 112 | 139 | 251 | 128 | 134 | 262 | 84 | 108 | 192 |
| Transfer of §15/2 AE/BS | 143 | 306 | 449 | 98 | 178 | 276 | 26 | 37 | 63 | 2 | 9 | 11 | 4 | 3 | 7 | 2 | 5 | 7 |
| Transfer from Family member §15/3 | 71 | 43 | 114 | 17 | 9 | 26 | 7 | 4 | 11 | 4 | 4 | 8 | 11 | 1 | 12 | 3 | 2 | 5 |
| **Validation §17/2 AuslBG** | | | | | | | | | | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **validation §60/1 NAG** | *5* | *0* | *5* | *0* | *0* | | *1* | *2* | *3* | **1** | **1** | **2** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Total** | **1532** | **3329** | **4861** | **1424** | **2901** | **4325** | **1298** | **2571** | **3869** | **1288** | **2816** | **4104** | **1487** | **3604** | **5091** | **1680** | **3920** | **5600** |
| S: LMS,ambweb. | | | | | | | | | | | | | | | | | | |

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, which came into effect October 2017, allowed bachelors to access the RWR-Card. This legislative change raised the numbers of graduates in the RWR-Card-category to 505 in 2019. The gender

[48] For the list see: https://www.migration.gv.at/de/formen-der-zuwanderung/dauerhafte-zuwanderung/fachkraefte-in-mangelberufen/

proportions of university graduates receiving a R–W-R card is fairly balanced (268 women and 237 men in 2019).

The data provided by the LMS are somewhat lower than the data provided by the Ministry of the Interior. According to the latter a total of 5,900 RWR cards were issued, prolonged or transferred by the Ministry in 2018. (Table 11)

It can be taken from Table 11 that some 53,400 R-W-R Plus cards were issued or prolonged in the course of 2018, after 50,900 in 2017. The stock of valid R-W-R Plus Card holders in mid-2018 amounted to 97,400, compared to only 2,900 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 2019, the number of valid R-W-R card holders was significantly higher at 4,800, and the number of valid R-W-R Plus cards rose to 102,000. 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 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 found 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.[49] Austria is also not engaging employers to the same extent as Germany in the recruitment efforts of skilled international migrants.[50] 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 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.

[49] 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.

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

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[51])

- 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).

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.

51) 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.

In the course of the year 2018 74,600 EEA/CH citizens and their family members entered Austria and registered as 'settlers', i.e. 1,300 or 1.7% less than a year ago. There is hardly any difference in male and female numbers (women: 37,100; men: 37,500).

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 3,400 or 4.6% went to third country family members of EEA/CH citizens for more than 3 months residence (Residence Card /Aufenthaltskarte). In addition, 3,700 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*

| | 2015 | | | 2016 | | | 2017 | | | 2018 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Men | Women | Total | Men | Women | Total | Men | Women | Total | Men | Women | Total |
| **Documentation of registry (EU citizen)** | **40 776** | **41 107** | **81 883** | **34 445** | **35 115** | **69 560** | **33856** | **33762** | **67618** | **33721** | **32585** | **66306** |
| Employee | 25 298 | 20 541 | 45 839 | 20 458 | 16 685 | 37 143 | 20568 | 16093 | 36661 | 20443 | 14997 | 35440 |
| Education | 3 105 | 4 514 | 7 619 | 2 746 | 3 659 | 6 405 | 2 485 | 3 642 | 6127 | 2 546 | 3 562 | 6108 |
| Family member | 9 309 | 12 268 | 21 577 | 8 467 | 11 294 | 19 761 | 8 176 | 10 620 | 18796 | 8 325 | 10 911 | 19236 |
| Self-employed | 1 346 | 1 394 | 2 740 | 960 | 1 132 | 2 092 | 865 | 1 026 | 1891 | 665 | 853 | 1518 |
| Other family member/relative | 187 | 558 | 745 | 142 | 487 | 629 | 139 | 441 | 580 | 161 | 443 | 604 |
| Others | 1 531 | 1 832 | 3 363 | 1 672 | 1 858 | 3 530 | 1 623 | 1 940 | 3563 | 1 581 | 1 819 | 3400 |
| **Residence Card (Third country)** | **1 760** | **1 616** | **3 376** | **1 753** | **1 668** | **3 421** | **1 822** | **1 842** | **3664** | **1 580** | **1 841** | **3421** |
| **Documentation of perm. Residence (EU** | **1 720** | **2 001** | **3 721** | **1 470** | **1 837** | **3 307** | **1 515** | **1 950** | **3465** | **1 654** | **2 018** | **3672** |
| **Permanent resident card (Third country** | **450** | **423** | **873** | **571** | **644** | **1 215** | **558** | **635** | **1193** | **560** | **668** | **1228** |
| **Total** | **44 706** | **45 147** | **89 853** | **38 239** | **39 264** | **77 503** | **37 751** | **38 189** | **75 940** | **37 515** | **37 112** | **74 627** |

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

The great majority of EEA/CH citizens registered (Documentation of Registry) entered for work (35,400, 48%), some 8% (6,100) for study purposes, and 19,200 (25%) as family members. (Table 15) The three most important source countries of documentations of registry in 2018 were from

Romania (13,000), Germany (12,400) and Hungary (10,700), followed by Croatians (4,600), Slovaks (4,500), Polish citizens (3,800), Italians (3,800), Bulgarians (3,400), and Slovenes (1,900). The citizenship of the 3,400 residence card holders (third country family members of EEA citizens) is particularly diverse, with the largest numbers being from Serbia (1,000), Bosnia-Herzegovina (500), Macedonia (300), Turkey (178) and Russian Federation (116). Of the 3,700 persons with a documentation of permanent residence, citizens from Croatia constitute the largest group, i.e. 1,100 or 31%. 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 2019.

In July 2019, the stock of valid third country residence permits amounted to 477,100, with a more or less equal balance of men and women (235,200 men and 241,900 women).

In the first half of 2019, the stock of third country permit holders increased vs 2018 by 14,600 (+3.2%); this represents a continuation of the long-term rising trend, which exhibits small interruptions as a consequence of the enlargement of the EU, according to which former third countries became EU-MS, 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 17.8% in 2019, 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 2019, they made up 14.3% 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.

*Table 16: Stock of valid residence permits of non-EU/EEA citizens by age*
*Count by 1 July*

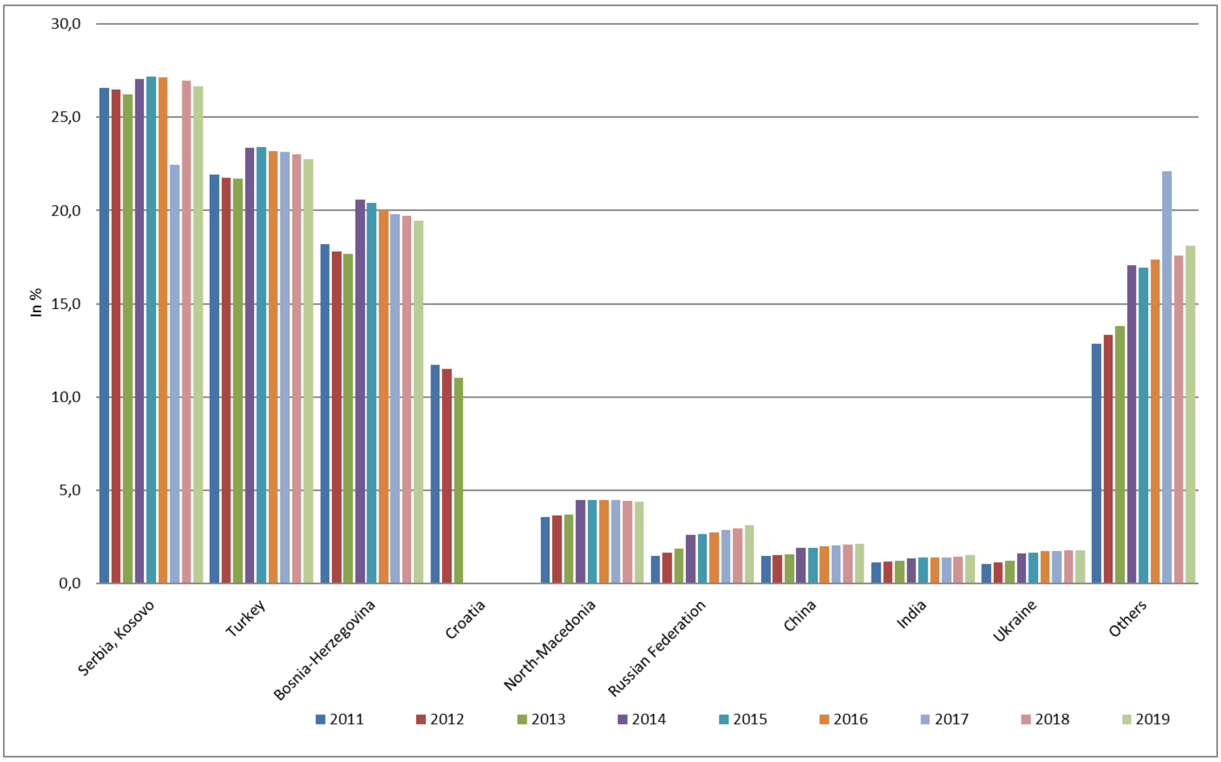
| | Midyear, number of permits | | | | | | | | In % | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2013 | 2014* | 2015 | 2016 | 2017 | 2018 | 2019 | | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| 0-14 | 72 253 | 64 268 | 64 465 | 65 071 | 65 333 | 65 068 | 66 642 | | 14,7 | 15,3 | 15,0 | 14,5 | 14,3 | 14,1 | 14,0 |
| 15-18 | 23 939 | 18 823 | 18 799 | 18 925 | 18 667 | 18 688 | 18 391 | | 4,9 | 4,5 | 4,4 | 4,2 | 4,1 | 4,0 | 3,9 |
| 19-24 | 44 411 | 39 158 | 39 185 | 40 521 | 39 872 | 38 894 | 39 082 | | 9,0 | 9,3 | 9,1 | 9,0 | 8,7 | 8,4 | 8,2 |
| 25-29 | 49 959 | 45 175 | 45 315 | 46 036 | 45 247 | 44 236 | 44 759 | | 10,2 | 10,7 | 10,5 | 10,3 | 9,9 | 9,6 | 9,4 |
| 30-34 | 53 380 | 50 277 | 50 932 | 52 109 | 51 706 | 50 925 | 51 850 | | 10,9 | 12,0 | 11,8 | 11,6 | 11,3 | 11,0 | 10,9 |
| 35-39 | 46 366 | 42 834 | 44 522 | 47 189 | 48 903 | 50 189 | 51 902 | | 9,4 | 10,2 | 10,3 | 10,5 | 10,7 | 10,9 | 10,9 |
| 40-44 | 42 219 | 36 135 | 37 428 | 39 274 | 40 641 | 41 826 | 43 600 | | 8,6 | 8,6 | 8,7 | 8,8 | 8,9 | 9,0 | 9,1 |
| 45-49 | 37 282 | 30 052 | 30 931 | 32 402 | 33 985 | 35 267 | 37 067 | | 7,6 | 7,2 | 7,2 | 7,2 | 7,4 | 7,6 | 7,8 |
| 50-54 | 30 160 | 24 446 | 25 631 | 27 431 | 28 503 | 29 503 | 30 729 | | 6,1 | 5,8 | 6,0 | 6,1 | 6,2 | 6,4 | 6,4 |
| 55-59 | 27 141 | 20 268 | 20 974 | 21 556 | 22 742 | 23 734 | 25 051 | | 5,5 | 4,8 | 4,9 | 4,8 | 5,0 | 5,1 | 5,3 |
| 60-64 | 27 804 | 21 261 | 21 762 | 22 223 | 21 568 | 21 021 | 21 031 | | 5,7 | 5,1 | 5,1 | 5,0 | 4,7 | 4,5 | 4,4 |
| 65+ | 37 065 | 27 577 | 30 644 | 35 243 | 39 156 | 43 116 | 46 970 | | 7,5 | 6,6 | 7,1 | 7,9 | 8,6 | 9,3 | 9,8 |
| | 491 979 | 420 300 | 430 588 | 447 980 | 456 323 | 462 467 | 477 074 | | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

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

The age composition of third country migrants registered by the Ministry of Interior by mid-2019 differs from the age structure of the third country population in the population register by the beginning of the year 2019 – the share of children and youth is lower (under 24-year olds 14% vs 18.3% in the population register) and the share of older persons higher (15-64 year olds 16.1% vs 13.5% in the population register). The share of older persons (65+) is also higher (9.8% vs 6.8%) but remains significantly lower than in the total population (18.8%).

By mid-2019, the largest single group of third country residence permit holders were citizens from Serbia/Kosovo (127,200 permits), followed by citizens of Turkey (108,600 permits): the two together account for 49.4% of all permits. Third in line are citizens from Bosnia-Herzegovina (92,700 or 19.4%), North-Macedonia (21,000 or 4.4%) and increasingly persons from the Russian Federation (15,000, 3.1%). (Figure 21)

*Figure 21: Structure of valid residence permits by major countries of origin in% 2011 to 2019 (mid-year count)*




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 skilled 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.

*Table 17: Valid residence permits by category 2014/19 (mid-year stock)*

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|
| **Temporary residents** | | | | | | |
| Pupil | 2 630 | 2 550 | 2 770 | 2 573 | 2 442 | 2371 |
| Student of higher education | 16 586 | 16 929 | 18 639 | 16 735 | 15 391 | 15265 |
| Temporary residence §69aNAG | 16 | 8 | 3 | 1 | 1 | 1 |
| Family | 2 361 | 2 484 | 2 598 | 5 174 | 1 292 | 989 |
| Intercompany transferees | 321 | 295 | 282 | 258 | 129 | 149 |
| Employed persons on basis of GATS (mode 4) | 239 | 205 | 133 | 110 | 100 | 86 |
| Self-employment | 30 | 36 | 41 | 36 | 38 | 35 |
| Social worker | 5 | 8 | 6 | 4 | 6 | 11 |
| Special cases of highly skilled employees(Researche | 2 785 | 2 597 | 2 533 | 2 256 | 1 335 | 1061 |
| Artist | 498 | 503 | 489 | 440 | 53 | 11 |
| Researcher | 585 | 550 | 625 | 701 | 312 | 26 |
| ***Sum of temporary residents*** | **26 056** | **26 165** | **28 119** | **25 457** | **21 099** | **20005** |
| | | | | | | |
| **Settler pemits** | | | | | | |
| Family member | 38 082 | 37 773 | 38 109 | 38 756 | 39022 | 40458 |
| No access to work | 1 489 | 1 617 | 1 807 | 2 001 | 2130 | 2317 |
| Relative | 3 012 | 2 970 | 3 049 | 2 826 | 2466 | |
| unlimited access | 4 033 | 2 784 | 0 | 1 995 | 3 427 | 8831 |
| Blue Card | 239 | 258 | 259 | 315 | 396 | 552 |
| R-W-R Card | 1 640 | 1 634 | 1 576 | 1 623 | 2918 | 4 778 |
| R-W-R Plus | 84 382 | 86 749 | 93 379 | 96221 | 97369 | 102 038 |
| Permanent resident- EU free mobility | 200 992 | 225 661 | 245 845 | 264476 | 278 652 | 288212 |
| Family member-Permanent resident- EU free mobility | 30 269 | 26 178 | 18 960 | 13270 | 5631 | 3116 |
| Settlement permit - Formerly settlement certificate | 30 022 | 18 799 | 16 826 | 9617 | 9314 | 6724 |
| Mobility -unlimited access to work | 58 | 57 | 51 | 81 | 43 | 43 |
| | | | | | | |
| **Sum of all Settlers** | **394 218** | **404 480** | **419 861** | **430 866** | **441 368** | **457 069** |
| | | | | | | |
| **Sum of all valid resident permits of third country citizer** | **420 274** | **430 600** | **447 980** | **456 323** | **462 467** | **477 074** |

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

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.

Of the r-w-r- card holders (in July 2019 4,778 valid permits) the top 10 source countries are Bosnia-Herzegovina (949), Serbia (478), India (436), Russian Federation (348), Ukraine (274), China (244) and USA (205). These 7 source countries constitute 61.4% of the valid r-w-r cards at the end of June/beginning of July 2019.

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.

**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[52]. By July 2019 214 or 2.3% of all 9,084 r-w-r cards issued or extended in the first half of the year went to university graduates. 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 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

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[52] 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.

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**

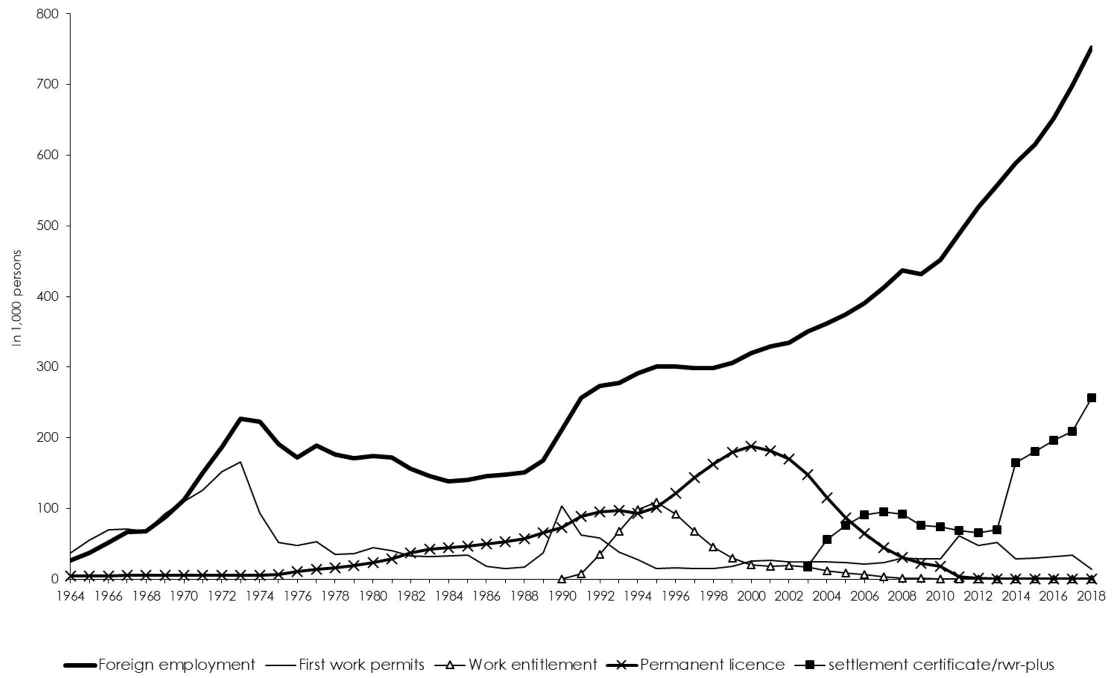
Over time, i.e., since the 1960s, a highly differentiated system of work permits for different purposes and the changing status of foreigners evolved, as prolonged duration of work and stay widened the scope of labour and social rights of migrants in Austria.

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 could 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.

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.

*Figure 22: First work permits and total foreign employment*
*1964-2018*




Source: Austrian Labour Market Service.

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.

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.

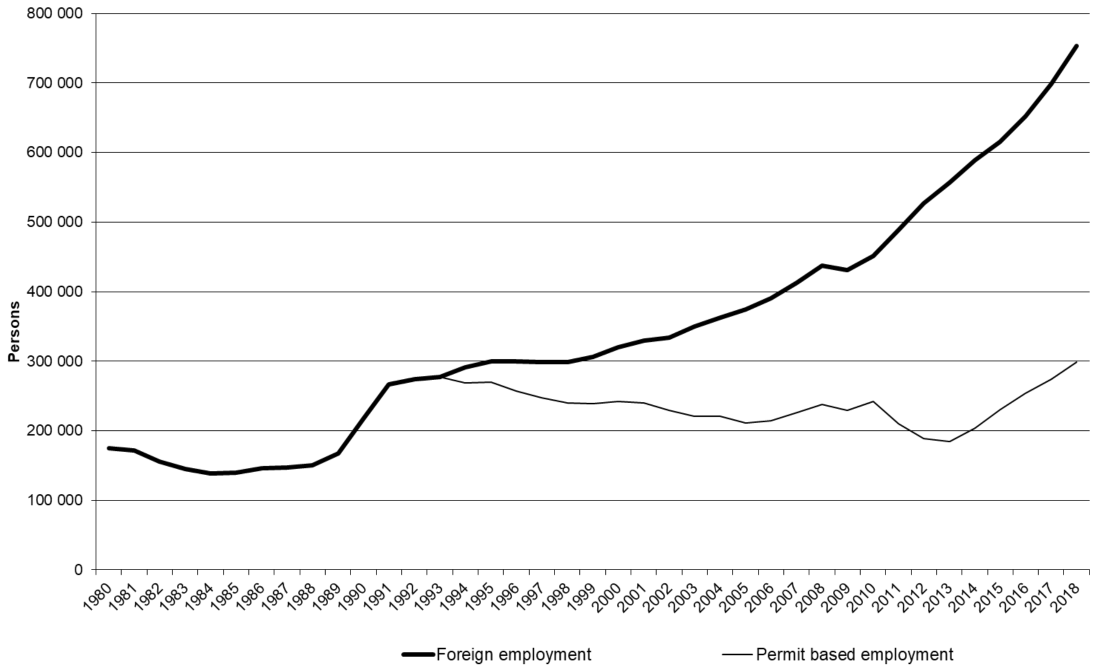
*Table 18: Various types of work permits for third country citizens 2006-2018*
*Stocks, Annual average*

| Permit Type | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Temp.work permit (BB) | 21401 | 23636 | 29313 | 28166 | 28385 | 20283 | 14450 | 9000 | 9378 | 9562 | 10066 | 10886 | 13673 |
| Work entitlement (AE) | 6067 | 3417 | 1495 | 879 | 590 | 404 | 310 | 351 | 179 | 30 | 0 | 0 | 0 |
| Permanent license (BS) incl.§4c | 68481 | 47819 | 33108 | 24398 | 19620 | 14943 | 5541 | 2200 | 1978 | 922 | 294 | 102 | 33 |
| Provisional permit | 10 | 10 | 14 | 25 | 23 | 219 | 50 | 0 | 0 | 0 | 0 | 0 | 0 |
| Cross-border Service (GATS) | 466 | 391 | 361 | 207 | 1784 | 345 | 1473 | 1176 | 677 | 537 | 620 | 525 | 456 |
| Bilateral agreement | 774 | 916 | 1011 | 858 | 1077 | 404 | | | | | | | |
| free mobility new EU-MS | 17808 | 27058 | 34839 | 40645 | 47597 | 18182 | 4842 | 14303 | 8168 | 7535 | 20397 | 24697 | 28868 |
| Highly skilled permits | 581 | 880 | 1181 | 1908 | 649 | 1495 | 1926 | 2026 | 2242 | 2198 | 2053 | 1772 | 2949 |
| Sertlement Certificate (NN) | 91228 | 95147 | 91783 | 76497 | 73685 | 83104 | | | | | | | |
| Permanent Residence/RWRplus | 1507 | 6170 | 12354 | 15696 | 16915 | 7870 | | 13918 | 20925 | 30970 | 37915 | 43483 | 48596 |
| Settlement EEA | 6071 | 20355 | 31444 | 40579 | 52113 | 65068 | 77085 | 140000 | 143593 | 150068 | 158313 | 165635 | 174906 |
| RWR-Card | | | | | | 1500 | 1926 | 2026 | 1659 | 1842 | 1674 | | |
| Total Employed based on permit | 214908 | 226526 | 237825 | 225904 | 242595 | 199526 | 189184 | 185000 | 203586 | 230925 | 254007 | 274153 | 299266 |

Source: Austrian 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 456 in 2018.

*Figure 23: Foreign employment and permit based foreign employment (annual average) 1980-2018*




Source: Austrian Labour Market Service.

In 2018, 299,300 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 again thereafter reaching 13,700 in 2018. 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 2018, 174,900 or 58% of all permit-based employment of foreigners had settlement rights in the EEA. A further 16% (48,600) 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 456 permit based foreign employment.

In 2018, almost 40% of the 752,900 foreign employees were working on the basis of a permit issued by the Labour Market Service or the Ministry of Interior (299,300). It can be taken from Figure 23 that the gap between foreign employees needing a residence or work permit to access the labour market declined 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 30% were in the labour force by 2018. Of those registered with the labour market service, more than 50% found employment by 2018. (Table 19)

*Table 19: Labour force participation and employment rate of the major source countries of recent refugee inflows 2018*

| | Population | Labour supply | Employed | Labour force participation rate | Employment rate |
|---|---|---|---|---|---|
| Somalia | 6411 | 1943 | 1229 | 30,3 | 63,3 |
| Afghanistan | 44420 | 11929 | 8394 | 26,9 | 70,4 |
| Iraq | 13753 | 3188 | 1938 | 23,2 | 60,8 |
| Iran | 14469 | 5265 | 3881 | 36,4 | 73,7 |
| Syria | 49813 | 13586 | 6677 | 27,3 | 49,1 |
| Russian Fed. | 32576 | 10850 | 7600 | 33,3 | 70,0 |
| S: BaliWeb | | | | | |

## 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[53]; 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), 56% of GDP derive from the production of goods and services for exports. At the same time, some 20% of the workforce are foreign workers and some 23 percent are foreign born migrants. This puts Austria amongst the leading European countries in terms of dependence on international trade and migrant labour.

## 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

[53] 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.

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 foreign 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).

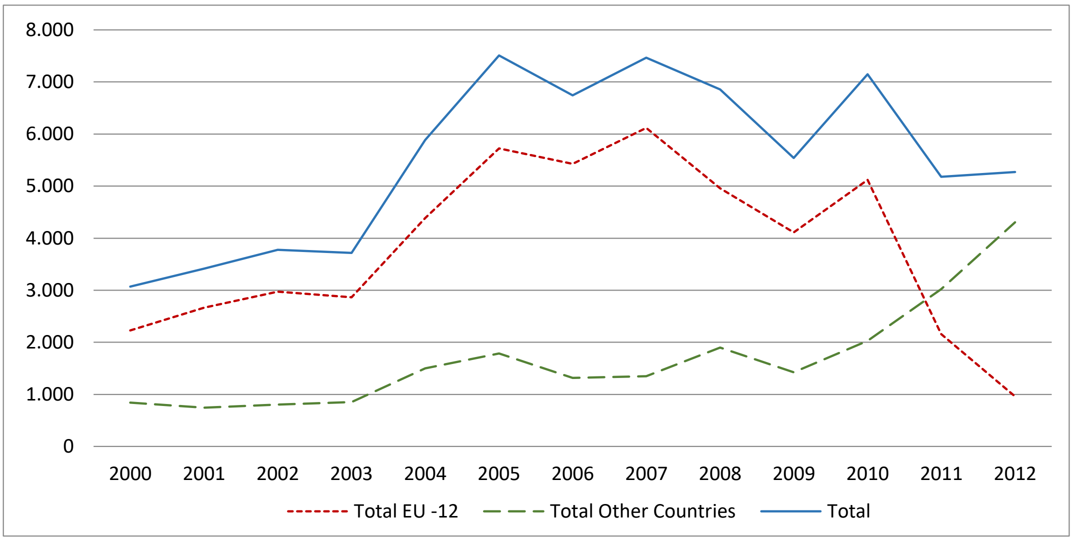
The services sheltered from competition from cross-border service providers are gardening, certain services in the stone, metal and construction industry, security and cleaning services, home care services and social work.

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 was found in the construction sector, followed by manufacturing and the entertainment sector.

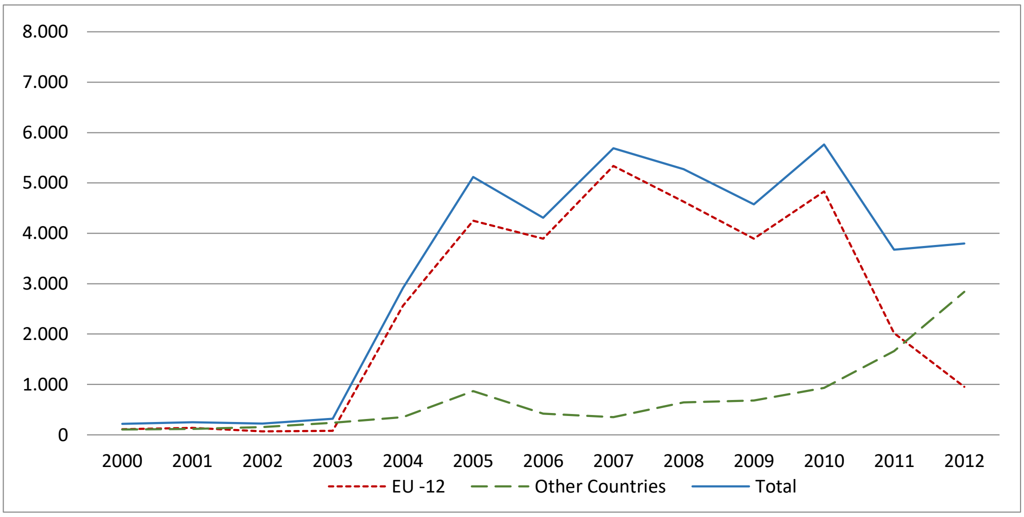
*Figure 24: Total number of posted workers by source region*




Source: LMS

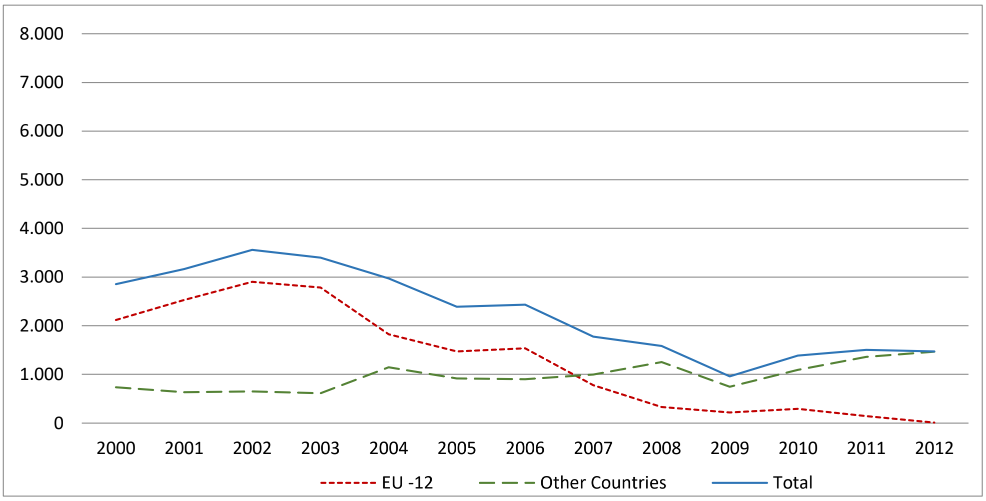
The number of service providers in the protected occupations increased from 2,900 in the year 2000 to a peak of 3,600 in 2002, largely affecting EU-12 countries, and declined thereafter. With the end of transition regulations and the lifting of barriers to services mobility of EU-12 citizens the total 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

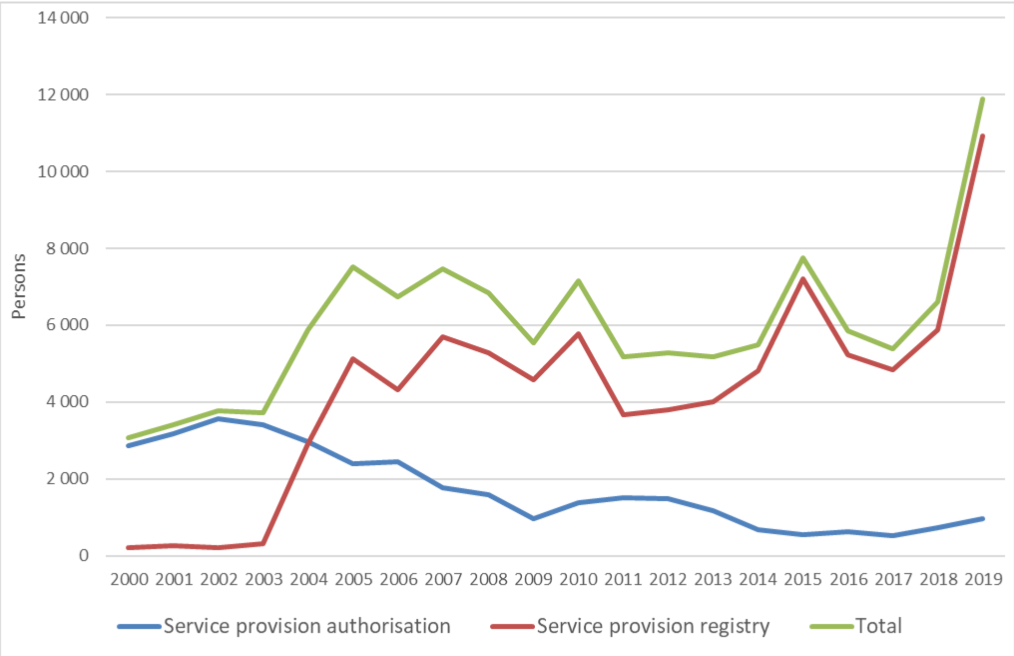
*Figure 26: Number of posted workers in services protected from competition from third countries and EU-MS for which transition regulations apply*




Source: LMS

With the end of transition regulations not only immigration to Austria from the EU-12 gained momentum but also services mobility. It can be taken from Figure 27 that the number of posted workers increased to 11,900 in 2019, the highest level since data collection.

*Figure 27: Number of posted workers in liberalized and sheltered services: 2000-2019*



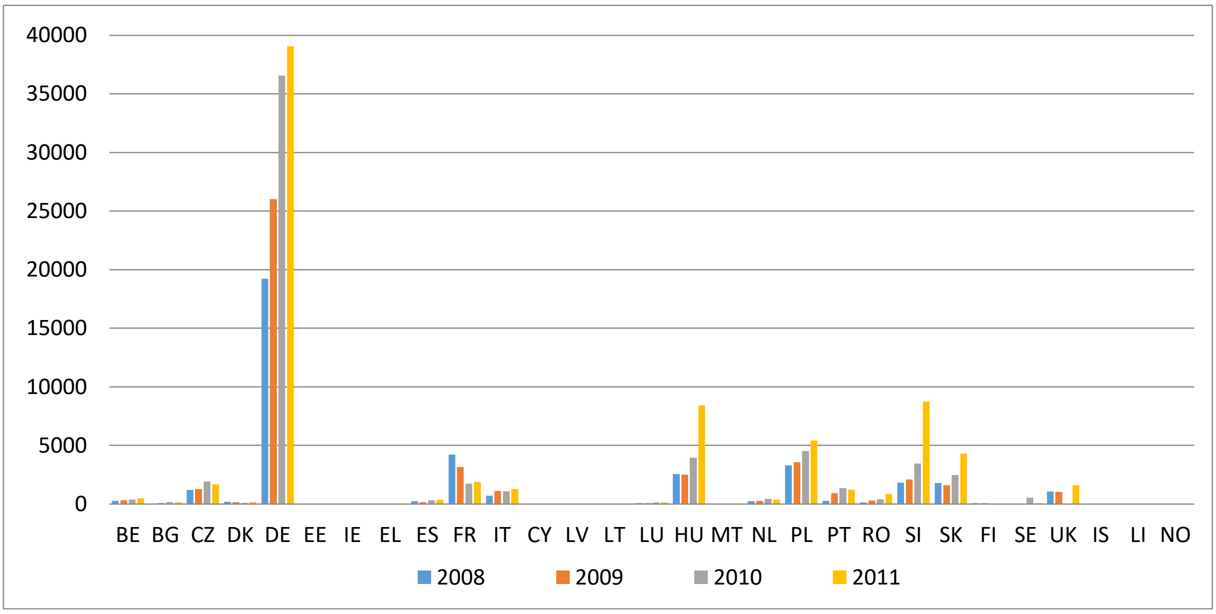

Source: LMS

With uninhibited mobility of services, the number of postings in liberalized services increased, reaching 10,916 in 2019, while authorizations for sheltered services declined to 971 in 2019. The sum of posted workers made up 1.5% of all foreign workers in 2019 and constituted no more than 0.3% of total wage & salary earners.

## 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.[54] 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.

*Figure 28: Source countries of posted workers from the EU/EEA in Austria (per number of workers)*

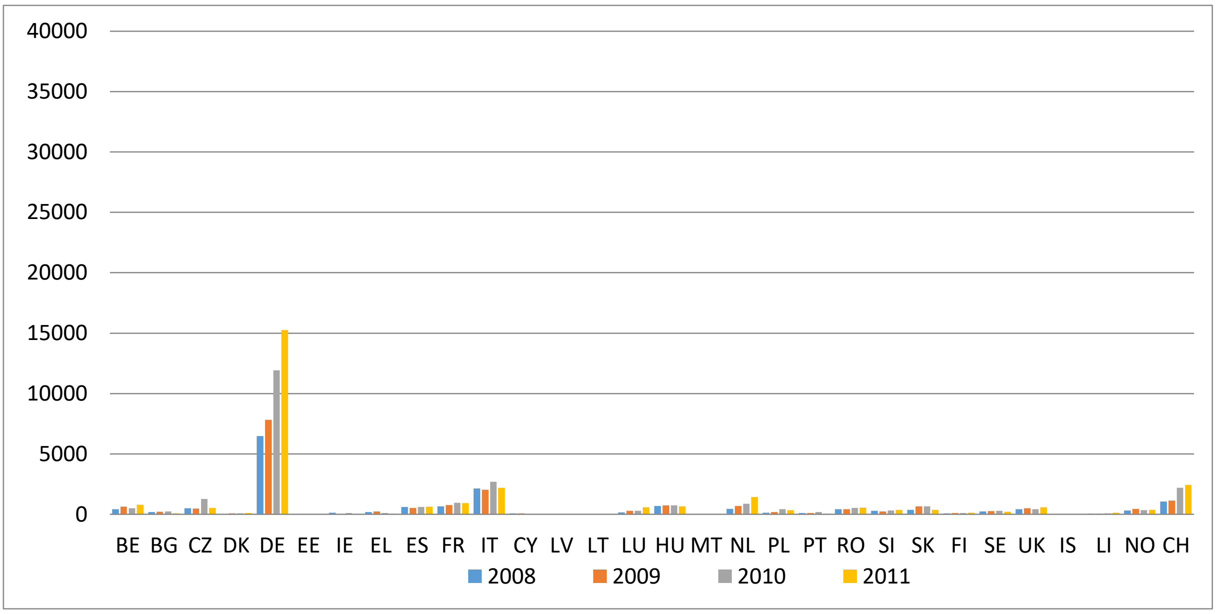



Source: OECD/Eurostat

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

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 number of posted workers to Austria increased further to 120,150 in 2016, i.e. it augmented further by 43,800 (+57.4%) within a time span of 5 years. The proportion of posted workers relative to the total salaried Austrian workforce amounted to 1.4% in 2011; the share has risen to 3.6% in 2016.[55] 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 in 2011 were: Germany, providing 51% of all posted workers, followed by Slovenia, Hungary, Poland and Slovakia. In 2016 the rank order changed somewhat putting Slovenia ahead (37.6%), followed by Germany (25.1%), Slovakia (10.2%), Hungary, Poland and Italy. This data goes to show that the major source countries of posted workers to Austria are from neighboring countries. The main employment sectors of posted workers in Austria are construction (55.9%), followed by education services (18.1%), and manufacturing (16.9%).

*Figure 29: Destination countries of Austrian posted workers in the EU/EEA (per number of workers)*




Source: OECD/Eurostat

[55] For more see country fact sheet: posted workers in Austria 2016 (2018): https://ec.europa.eu/social/main.jsp?pager.offset=5&advSearchKey=posted+worker&mode=advancedSubmit&catId=1307&policyArea=0&policyAreaSub=0&country=0&year=0

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 and further to 75,132 in 2016 (+49,200 or 189% vs 2011). In EU-comparison Austria is on 10th position in terms of sending posted workers. The major destination countries are the major trading partners of Austria, namely Germany (56.2% in 2016), Switzerland (9.5%), Italy (5.5%) and France (5.2%). 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. In 2016, the proportion increased to 63%. The main employment sectors of workers posted from Austria in 2016 were: construction (48.7%), manufacturing (23.9%, education (9.2%), and Commerce (7.7%).

## 3 Prospects for posting workers

Given the increasing role of services in employment creation, the numbers of posted workers relative to migrant workers may continue to increase. 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 in certain tasks 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

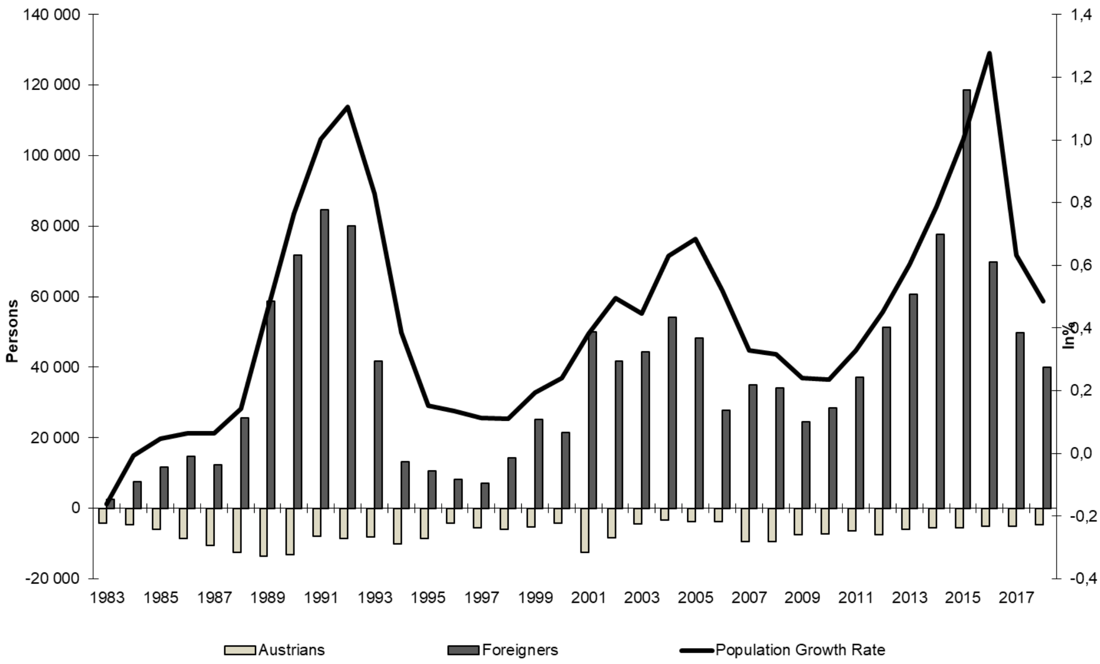
Over the last 30 years the demographic development has been largely determined by migration. Migration is driven by labour and family migration, free mobility of EEA/CH citizens and refugee flows. Natural population growth flowing from fertility and life expectancy (births over deaths) has had little 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 20)

In 2018, 8,837,700 inhabitants were registered in Austria, 293,800 or 3.4 percent more than in 2014[56]. 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

[56] 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

refugee inflows on top of continuously dynamic inflows of EU-citizens, largely from the new EU-MS (end of transition regulations of EU-10 in 2011 and of EU-2 in 2013, membership of Croatia in 2013).

*Figure 30: Net-migration of Austrians and foreigners and total population growth rate 1996-2018*

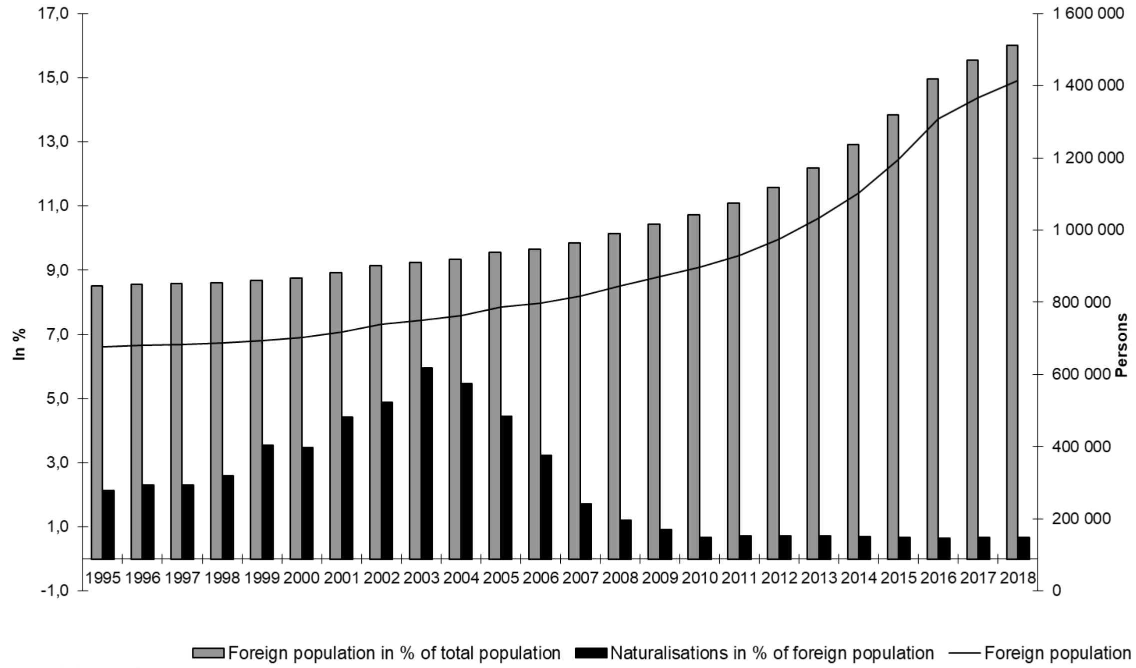



Source: Statistics Austria. Own calculations.

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 2018 of only 19,600 relative to a net migration balance over that time span of 498,000. 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 further to 35,300 in 2018 - 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.

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.

*Figure 31: Foreign population and naturalisations in % of foreign population 1995-2017*




S: Statistics Austria

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 and stagnating at that level in 2018, it has been negative for Austrian citizens for more than 20 years.

*Table 20: Foreign residents in Austria*

| | Population | | opulation change between beginning and end of yea | | | | |
|---|---|---|---|---|---|---|---|
| | Yearly average | Changes absolute | Total change | Birth-death | Migration | Naturalisatior | Stat. Correction |
| | | | | | | | |
| | | | | Total | | | |
| 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 |
| 2018 | 8 837 707 | 42 634 | 36 508 | 1 560 | 35 301 | | -353 |
| | | | | Austrians | | | |
| 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 |
| 2018 | 7 422 263 | -4 971 | -6 535 | -11 595 | -4 716 | 9 355 | 421 |
| | | | | Foreigners | | | |
| 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 |
| 2018 | 1 415 444 | 47 605 | 43 043 | 13 155 | 40 017 | -9 355 | -774 |

elimination of inconsistences of balace of birth according to natural population develepment in the central population register (POPREG) and stock-flow

## 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 2018, 9,450 foreigners adopted the Austrian citizenship, almost the same as in 2009. 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 nine 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 (45% in 2018) are from non-EU- European third-countries, including Turkey, followed by persons from Asia (20.7% in 2018).

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[57], focusing on values rather than factual historic knowledge, and the implementation of a website on citizenship[58]. **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

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

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

or as an official of an interest group. In order to facilitate the understanding of the Austrian 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.[59] **The reform of Alien Legislation in 2018 (FRÄG 2018) raised the waiting period for eligibility for Geneva Convention-refugees 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 2018: +42,600, +0.5%). 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 2018, when the number of Austrians fell to 7,422,300 (-5,000 vs 2017). In contrast, the number of foreigners continues to rise. In 2018, the foreign population increased by 47,600 or 3.5% to 1,415,400. The proportion of foreigners in the total population has as a consequence risen to 16 % in 2018, after 15.6 percent a year ago. (Figure 31)

### *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.

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 21)

During 2018 9,450 persons adopted the Austria citizenship of whom 95 who lived abroad. All in all, some 125 nationalities adopted the Austrian citizenship. In 2018, 62% of all naturalisations went to four source regions: Turkey (828), former Yugoslavia excluding (3,000) and Central and Eastern European countries (2,000).

In 2018, 60% of all naturalisations were given on the basis of a legal entitlement. As to the age composition of the naturalised persons: 34% were under the age of 18, 65% in the main working age (18-59) and a small number was over 60 (1.6%). The law regulating naturalisation specifies that foreigners may apply for citizenship after 10 years of legal residence.

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

*Table 21: Naturalisations in Austria*

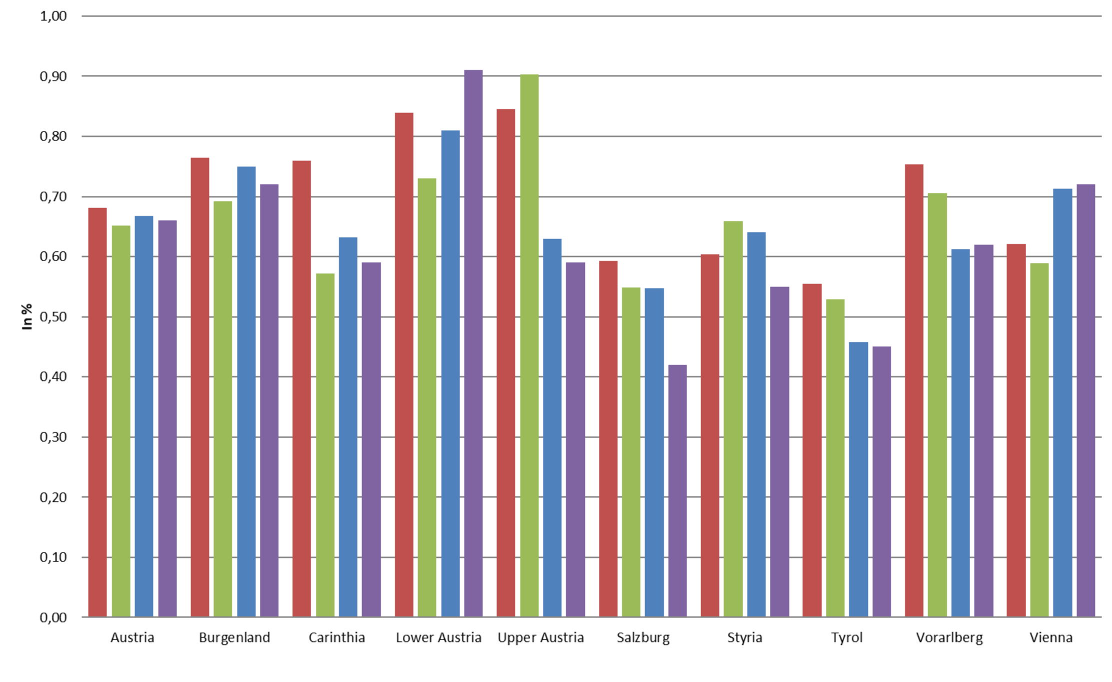
| | Former nationality | | | | | |
|---|---|---|---|---|---|---|
| | Former Yugoslavia | Central and Eastern European Countries | FRG | Turkey | Total | Women |
| 1972 | 0,941 | 1,087 | 2,114 | . | 6,017 | 4,049 |
| 1973 | 0,952 | 1,496 | 1,876 | . | 6,183 | 4,025 |
| 1974 | 0,967 | 1,423 | 2,215 | . | 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 |
| 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 |
| 2018 | 3,011 | 2,021 | 0,274 | 0,828 | 9,450 | 5,075 |

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

The legislative reform of 2013 reduced the average period for naturalisations, which may have contributed to the increase in the last five 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 2018, 44% 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 2018. Upper and Lower Austria are second in line with 16.2 respectively 11.7% of all naturalisation in 2018. 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 province (Bundesland). It can be taken from Figure 32 that Salzburg, Tyrol, Carinthia and Styria have below average naturalisation rates while Lower Austria, Burgenland and Vienna have above average naturalisation rates. The development over time differs between the regions: while the national average is relatively stable over time, 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. Refugees (Geneva Convention) are increasingly taking up Austrian citizenship: in 2018 1,100 or 11.6% of all naturalisations.

*Figure 32: Naturalisation rate (naturalisations in % of foreign population) by province (Bundesländer)*




S: Statistics Austria, own calculations.

In 2018, of the 9,355 naturalised citizens residing in Austria more than half (54%) 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.[60] In no way can it be 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.

Between 1991 and 2018 490,300 foreigners took up Austrian citizenship, about two third from the traditional recruitment areas of migrant workers, the region of former Yugoslavia (184,300, 38 percent) and Turkey (128,700, 26 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.

## 2 Live births of Austrian and foreign women

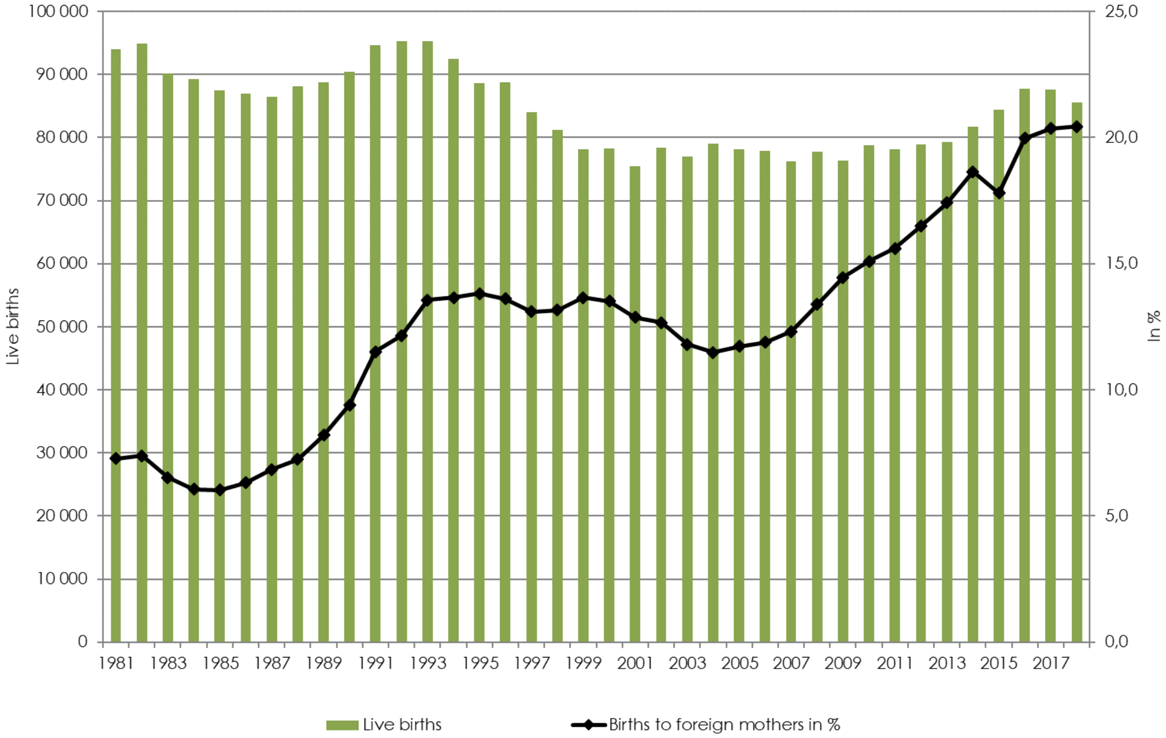
The number of births in Austria has been declining more or less continuously between 1992 and 2001, when a turning point was reached and births started to rise again - until 2004. After that the numbers of live births to Austrian women resumed the declining trend which lasted until 2014. Since then numbers 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 2018. (Figure 33)

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). From then onwards the number of live births declined again to 85,500 in 2018 (-2,100, -2.4% vs 2016).

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 68,100 in 2018 compared to 17,500 live births to foreign women.

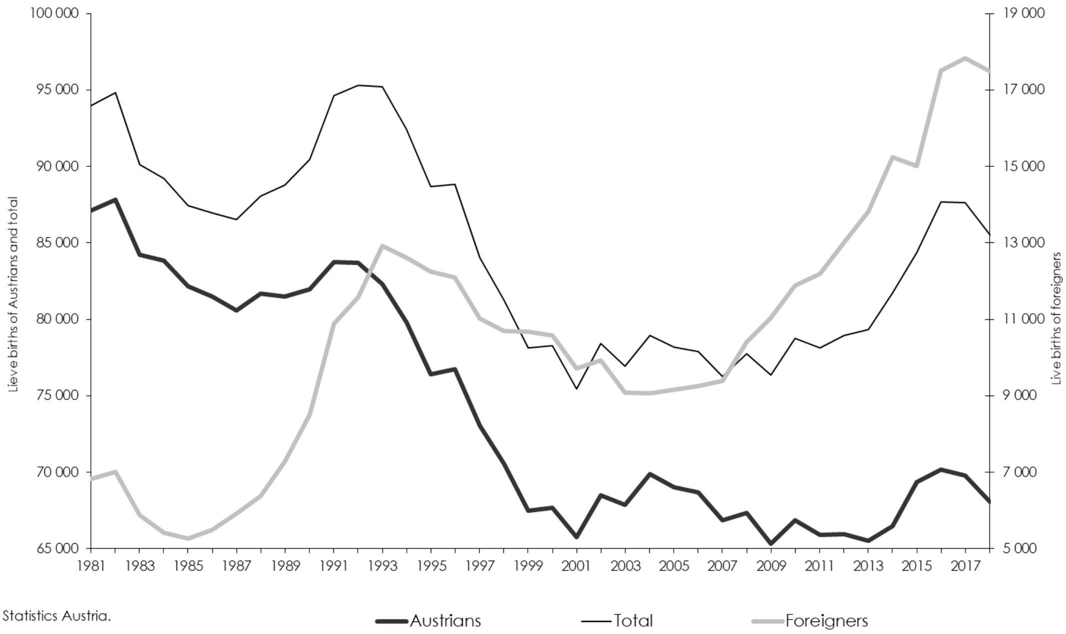
[60] For more see http://www.bmi.gv.at/406/verleihung.aspx

*Figure 33: Live births of native and foreign women 1981-2018*




Source: Statistics Austria.

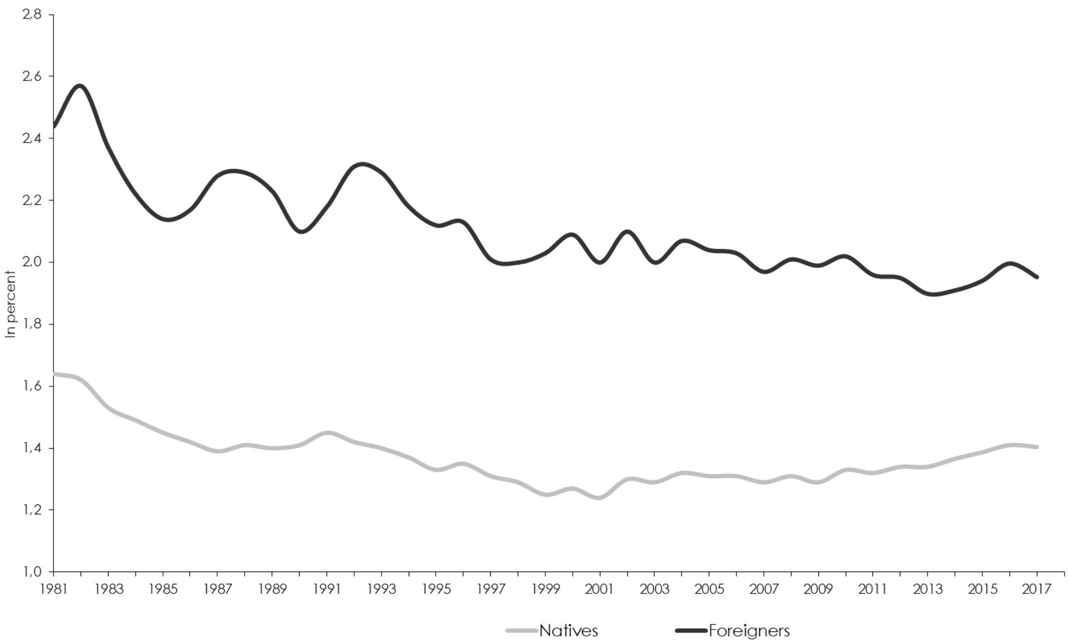
*Figure 34: Live births to native and foreign women 1981-2018*




S.: 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 34). 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. In 2018, the total fertility rate declined again to 1.48, a level comparable to 2015.

*Figure 35: Total fertility rate of native and foreign women (average number of children per woman) 1981-2018*



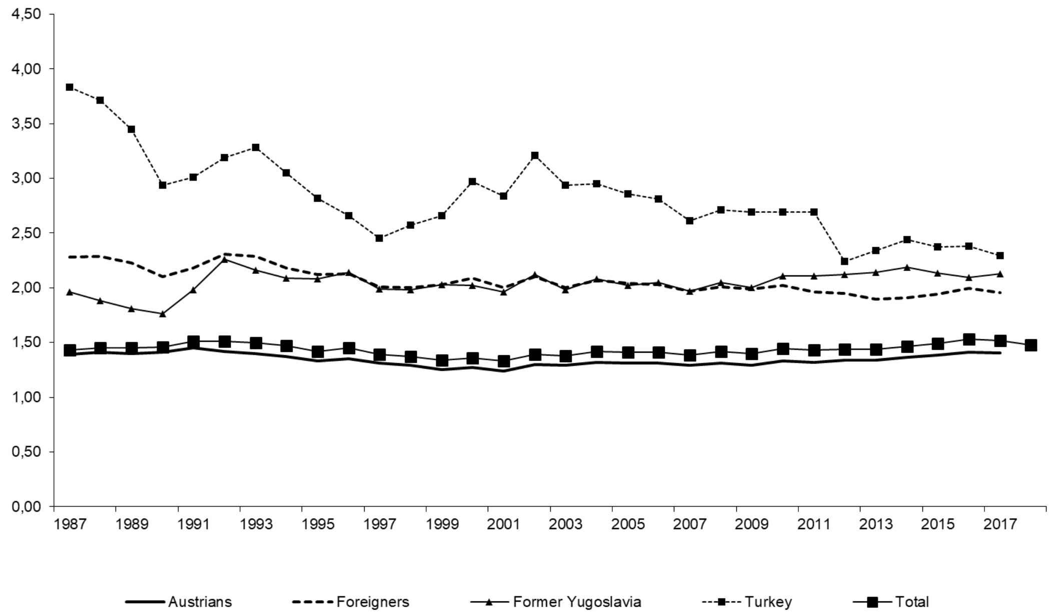

S. Statistics Austria.

Figure 36 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 with rising tendency (from 2.26

in 2014 to 2.53 in 2017). In contrast, women from the EEA/CH tend to take an intermediate position and are 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 36: Total fertility rate of Austrian and foreign women by major source region*
*Average number of children per woman (1987-2018)*




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 2019, 19.5 percent of the Austrian population were first generation migrants (1,728.6 million of a total of 8.86 million inhabitants), compared to 14.7% in 2007 and 12.5% in 2001. (Table 22)

*Table 22: Foreign born at the beginning of the year: 2007 - 2019*

| **Foreign born at the beginning of the year** | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Country of birth | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| **Total** | **8 351643** | **8 375 164** | **8 408 121** | **8 451860** | **8 507 786** | **8 584 926** | **8 700 471** | **8 772 865** | **8 822 267** | **8 858 775** |
| Austria | 7 076 156 | 7 080 458 | 7 085 038 | 7 087 089 | 7 093 162 | 7 100 331 | 7 105 748 | 7116599 | 7125144 | 7130221 |
| Foreign | 1275 487 | 1294 706 | 1323 083 | 1364 771 | 1414 624 | 1484 595 | 1594 723 | 1656266 | 1697123 | 1728554 |
| Foreign born in % | 15,3 | 15,5 | 15,7 | 16,1 | 16,6 | 17,3 | 18,3 | 18,9 | 19,2 | 19,5 |
| **of Whom** | | | | | | | | | | |
| **EU/EEA** | **571175** | **585 276** | **604 075** | **628 256** | **658 292** | **697 257** | **730 025** | **755 824** | **778 487** | **801945** |
| (EU-14) | 257 355 | 264 251 | 270 324 | 278 045 | 286 996 | 295 149 | 304 626 | 311866 | 317989 | 325230 |
| Germany | 191207 | 196885 | 201366 | 205868 | 210735 | 214998 | 219943 | 223953 | 227790 | 232236 |
| MS since 2004 (EU-13) | 299023 | 305980 | 318559 | 334867 | 355817 | 386395 | 409402 | 427713 | 443963 | 459896 |
| EEA/CH, Ass.States | 14797 | 15045 | 15192 | 15344 | 15479 | 15713 | 15997 | 16245 | 16535 | 16819 |
| **Non-EU-MS** | **704 312** | **709 430** | **719 008** | **736 515** | **756 332** | **787 338** | **864 698** | **900 442** | **918 636** | **926 609** |
| **By continents** | | | | | | | | | | |
| **Other Europe** | **525 982** | **528 856** | **531484** | **537 760** | **547 128** | **558 673** | **569429** | **577595** | **586229** | **591338** |
| Former Yugoslavia | 329 128 | 330 373 | 331096 | 334 004 | 340 815 | 348 915 | 356318 | 362181 | 368961 | 373169 |
| Turkey | 157 847 | 158 535 | 158 683 | 159 185 | 159 958 | 160 039 | 160184 | 160371 | 160313 | 159682 |
| Others | 39 007 | 39 948 | 41705 | 44 571 | 46 355 | 49 719 | 52927 | 55043 | 56955 | 58487 |
| **Africa** | **40092** | **40090** | **41058,0** | **42352** | **43784** | **46 597,0** | **50739** | **53961** | **54932** | **55095** |
| **America** | **29232** | **29783** | **30490** | **31475** | **32606** | **33731** | **35146** | **36233** | **37577** | **38942** |
| **Asia** | **105916** | **107684** | **112 927,0** | **121473** | **129581** | **143 981,0** | **199859** | **222297** | **230257** | **232325** |
| **Oceania** | **2504** | **2535** | **2622** | **2687** | **2824** | **2884** | **3011** | **3098** | **3137** | **3188** |
| Unknown | 586 | 482 | 427 | 768 | 409 | 1472 | 6514 | 7258 | 6504 | 5721 |

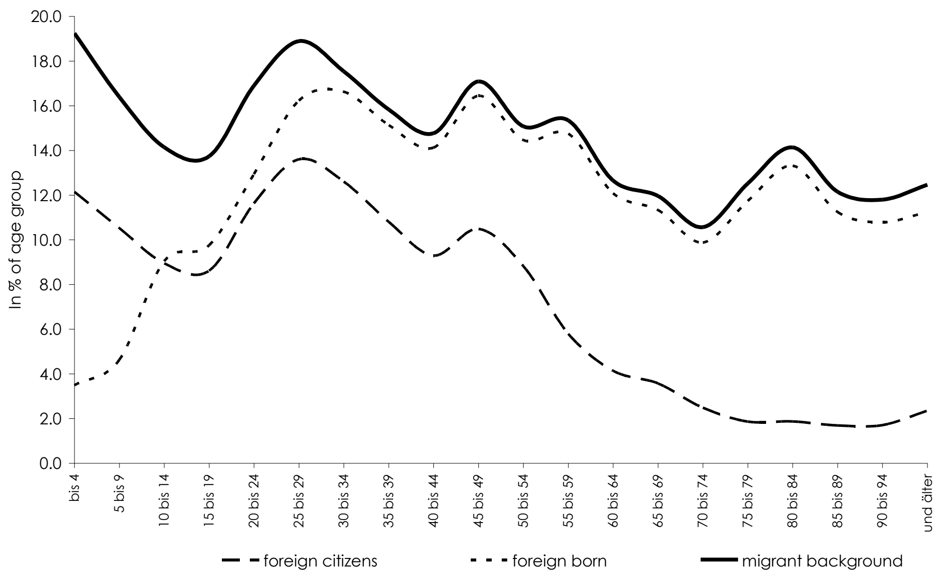
S:STATISTIC AUSTRIA.
Former Yugoslavia except Slovenia, from 2014 except Croatia

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 2019, 926,600 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 373,200 or 40% of third country foreign born, followed by Turkish migrants (159,700 or 17.2% of foreign born third country migrants). Of the 801,900 foreign born from the EEA (46% of all foreign born in January 2019) the largest group is from the new EU-MS, the EU-13, namely 459,900 or 57%, followed by the 'old' EU-MS, the EU-14 states, with 325,200 or 41%. A fairly small number originates from the small associated states of the EEA, namely 16,800 or 2.1%. The most important source countries of foreign born from the EU-13 are Romania (121,100), followed by Poland (75,600) and Hungary (79,000). The largest country of origin of EU-14 foreign born is from Germany with 232,200 or 71% 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 217,600 or 15.1 percent of the total foreign resident population in January 2019. Accordingly, the proportion of first-generation migrants plus second-generation migrants born in Austria with foreign citizenship amounted to 22.4 percent of the total population (1.9 million) in January 2019.

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




Source: Statistics Austria, Own calculations.

Figure 37 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[61].

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)

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

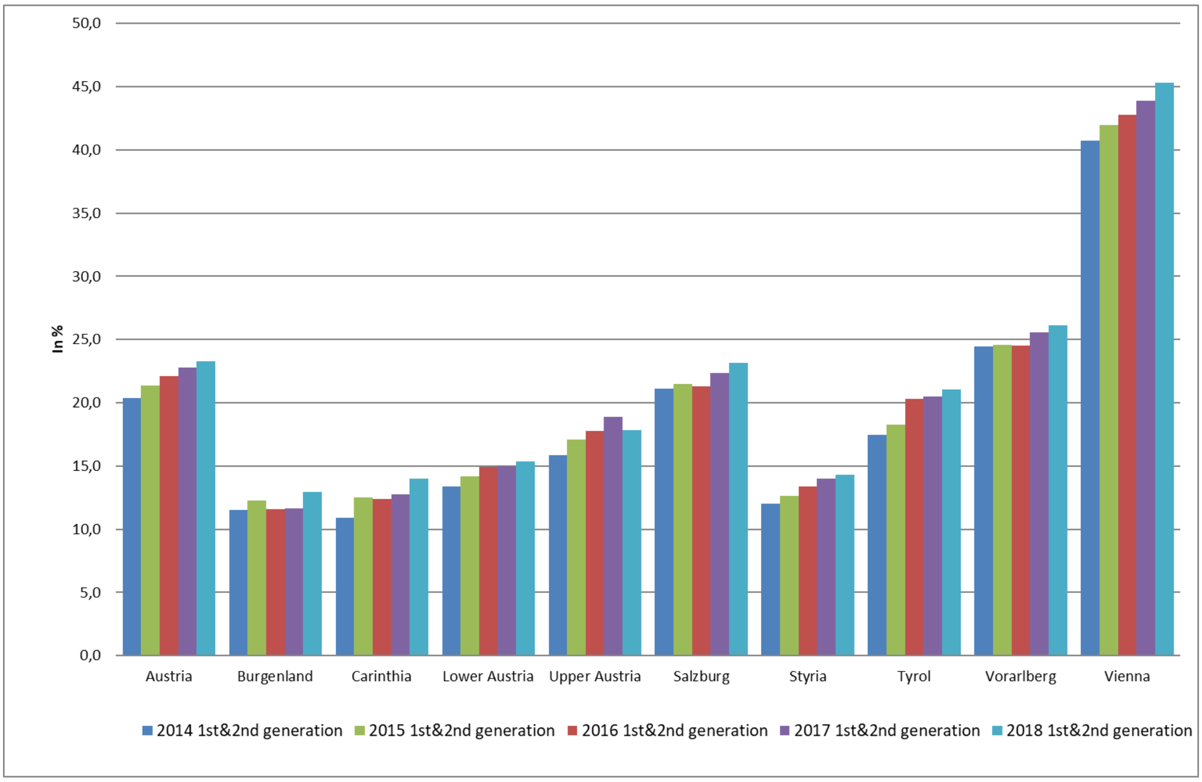
*Table 23: Population by citizenship and country of birth: 2001-2019*

| 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 | 1003 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 951007 | 116 282 | 85,3 | 83,9 | 1,4 |
| Abroad | 1215 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 951625 | 120 686 | 85,1 | 83,7 | 1,5 |
| Abroad | 1235 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 | 1260 277 | 525 577 | 734 700 | 15,1 | 6,3 | 8,8 |
| | | | **01.01.2010** | | | |
| Total | 8 351643 | 7 468 064 | 883 579 | 100,0 | 89,4 | 10,6 |
| Austria | 7 076 156 | 6 945 083 | 131073 | 84,7 | 83,2 | 1,6 |
| Abroad | 1275 487 | 522 981 | 752 506 | 15,3 | 6,3 | 9,0 |
| | | | **01.01.2011** | | | |
| Total | 8 375 164 | 7 461961 | 913 203 | 100,0 | 89,1 | 10,9 |
| Austria | 7 080 458 | 6 942 405 | 138 053 | 84,5 | 82,9 | 1,6 |
| Abroad | 1294 706 | 519 556 | 775 150 | 15,5 | 6,2 | 9,3 |
| | | | **01.01.2012** | | | |
| Total | 8 408 121 | 7 456 692 | 951429 | 100,0 | 88,7 | 11,3 |
| Austria | 7 085 038 | 6 939 893 | 145 145 | 84,3 | 82,5 | 1,7 |
| Abroad | 1323 083 | 516 799 | 806 284 | 15,7 | 6,1 | 9,6 |
| | | | **01.01.2013** | | | |
| Total | 8 451860 | 7 447 592 | 1004 268 | 100,0 | 88,1 | 11,9 |
| Austria | 7 087 089 | 6 933 596 | 153 493 | 83,9 | 82,0 | 1,8 |
| Abroad | 1364 771 | 513 996 | 850 775 | 16,1 | 6,1 | 10,1 |
| | | | **01.01.2014** | | | |
| Total | 8 507 786 | 7 441672 | 1066 114 | 100,0 | 87,5 | 12,5 |
| Austria | 7 093 162 | 6 929 526 | 163 636 | 83,4 | 81,4 | 1,9 |
| Abroad | 1414 624 | 512 146 | 902 478 | 16,6 | 6,0 | 10,6 |
| | | | **01.01.2015** | | | |
| Total | 8 584 926 | 7 438 848 | 1146 078 | 100,0 | 86,7 | 13,3 |
| Austria | 7 100 331 | 6 928 366 | 171965 | 82,7 | 80,7 | 2,0 |
| Abroad | 1484 595 | 510 482 | 974 113 | 17,3 | 5,9 | 11,3 |
| | | | **01.01.2016** | | | |
| Total | 8 700 471 | 7 432 797 | 1267 674 | 100,0 | 85,4 | 14,6 |
| Austria | 7 105 748 | 6 923 921 | 181827 | 81,7 | 79,6 | 2,1 |
| Abroad | 1594 723 | 508 876 | 1085 847 | 18,3 | 5,8 | 12,5 |
| | | | **01.01.2017** | | | |
| Total | 8 772 865 | 7 430 935 | 1341930 | 100,0 | 84,7 | 15,3 |
| Austria | 7 116 599 | 6 922 702 | 193 897 | 81,1 | 78,9 | 2,2 |
| Abroad | 1656 266 | 508 233 | 1148 033 | 18,9 | 5,8 | 13,1 |
| | | | **01.01.2018** | | | |
| Total | 8 822 267 | 7 426 387 | 1395 880 | 100,0 | 84,2 | 15,8 |
| Austria | 7 125 144 | 6 918 831 | 206 313 | 80,8 | 78,4 | 2,3 |
| Abroad | 1697 123 | 507 556 | 1189 567 | 19,2 | 5,8 | 13,5 |
| | | | **01.01.2019** | | | |
| Total | 8 858 775 | 7 419 852 | 1438 923 | 100,0 | 83,8 | 16,2 |
| Austria | 7 130 221 | 6 912 636 | 217 585 | 80,5 | 78,0 | 2,5 |
| Abroad | 1728 554 | 507 216 | 1221338 | 19,5 | 5,7 | 13,8 |

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

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 2018 (annual average), the share of foreign born according to the LFS amounted to 17.2% (compared to 19.5% of the population register by 1.01.2019). The numbers amounted to 1.493 million (rather than 1.729 million in the population register of January 2019). The number of second-generation migrants (both parents born abroad) amounted to 529,700 or 26.2% of the migrant population. Thus, according to the LFS, the proportion of first and second generation migrants taken together amounted to 23.3% of the Austrian population in 2018. (Figure 38)

*Figure 38: First and second generation migrants as a proportion of total population by province in Austria in %: 2014/15/16/17/18*

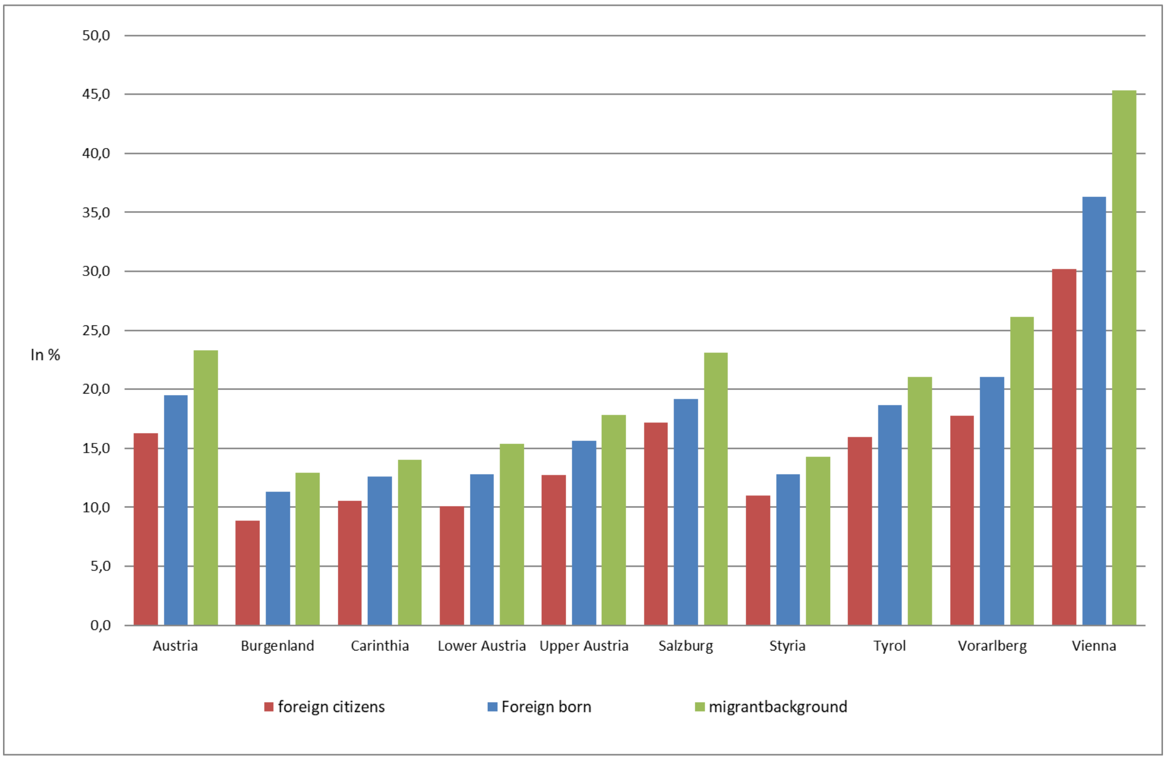



Source: Statistics Austria, LFS. Own calculations.

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 39)

In Austria, the city of Vienna has a long tradition of immigration with on average 45.3% 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.

*Figure 39: Foreign born, foreign citizens and persons with migrant background (first and second generation migrants) in % of total population by province (2018)*




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

## *Composition of migrants by source region, age, sex and timing of immigration*

According to the LFS of 2018, 42% of the foreign-born migrants are from another EU-MS and 57% 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.

The single largest third country group is born in former Yugoslavia, namely 370,900, followed by Turkey (155,400). As Table 24 indicates, only a fairly small proportion of the foreign born has come to Austria before 1980 – mainly as guest workers, namely 153,600 or 10.3%. The majority of the foreign born have come after 1989, and again particularly after 2000. While the first boost resulted from the demise of former Yugoslavia and the fall of the Iron Curtain, the second one resulted from EU enlargement and refugee inflows from the Middle East. 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 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.

*Table 24: First and second generation migrants in Austria (LFS): 2018 (annual average)*

| Characteristics | Population in private households | Migration background | | |
|---|---|---|---|---|
| | | Total | First generation | Second Generation |
| | in 1000 | | | |
| **Total** | **8 678,6** | **2 022,2** | **1 492,5** | **529,7** |
| | Country of birth of parents [1]) | | | |
| Austria | 6 656,3 | - | - | - |
| EU-MS (except Austria) | 786,4 | 786,4 | 628,6 | 157,7 |
| Non EU-MS | 1235,9 | 1235,9 | 863,9 | 372,0 |
| of which: Ex-Yugoslavia | 532,4 | 532,4 | 370,9 | 161,4 |
| Turkey | 269,8 | 269,8 | 155,4 | 114,4 |
| Others | 433,7 | 433,7 | 337,6 | 96,2 |
| | Citizenship | | | |
| Austria | 7 339,1 | 743,0 | 406,5 | 336,5 |
| EU-MS (except Austria) | 690,9 | 655,7 | 575,3 | 80,3 |
| Non EU-MS | 648,6 | 623,6 | 510,7 | 112,9 |
| of which: Ex-Yugoslavia | 259,9 | 249,6 | 201,3 | 48,3 |
| Turkey | 117,0 | 111,6 | 85,6 | 26,0 |
| Others | 271,7 | 262,4 | 223,9 | 38,5 |
| | Country of birth | | | |
| Austria | 7 078,2 | 529,7 | - | 529,7 |
| EU-MS (except Austria) | 725,2 | 648,7 | 648,7 | - |
| Non EU-MS | 875,2 | 843,8 | 843,8 | - |
| of which: Ex-Yugoslavia | 362,2 | 358,2 | 358,2 | - |
| Turkey | 154,7 | 153,6 | 153,6 | - |
| Others | 358,3 | 332,1 | 332,1 | - |
| | Year of immigration | | | |
| Born in Austria | 7 078,2 | 529,7 | - | 529,7 |
| before 1980 | 196,9 | 153,6 | 153,6 | - |
| 1980 - 1989 | 144,5 | 135,7 | 135,7 | - |
| 1990 - 1999 | 342,0 | 326,5 | 326,5 | - |
| 2000 - 2009 | 368,1 | 349,5 | 349,5 | - |
| after 2010 | 548,9 | 527,2 | 527,2 | - |
| | Age, Sex | | | |
| **Men** | **4 268,8** | **976,5** | **708,1** | **268,4** |
| less than 15 | 649,4 | 163,7 | 37,2 | 126,5 |
| 15 - 29 | 788,9 | 212,9 | 131,8 | 81,1 |
| 30 - 44 | 873,7 | 265,4 | 233,9 | 31,5 |
| 45 - 59 | 1003,1 | 203,4 | 191,4 | 12,0 |
| 60 and older | 953,8 | 131,2 | 113,9 | 17,3 |
| **Women** | **4 409,7** | **1 045,7** | **784,4** | **261,3** |
| less than 15 | 614,2 | 159,1 | 40,4 | 118,7 |
| 15 - 29 | 756,7 | 214,2 | 131,4 | 82,8 |
| 30 - 44 | 869,4 | 293,2 | 263,4 | 29,8 |
| 45 - 59 | 1008,8 | 218,1 | 205,6 | 12,6 |
| 60 and older | 1160,7 | 161,2 | 143,6 | 17,6 |

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 gender distribution is somewhat tipped in favour of female migrants. In 2018, 976,500 male migrants (first and second generation) were registered, 22.9% of the total male population, compared to 1,045,700 female migrants, 23.7% 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 15-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 40 and Table 25). 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 40: Total marriages and marriages of nationals*
*1971-2018*

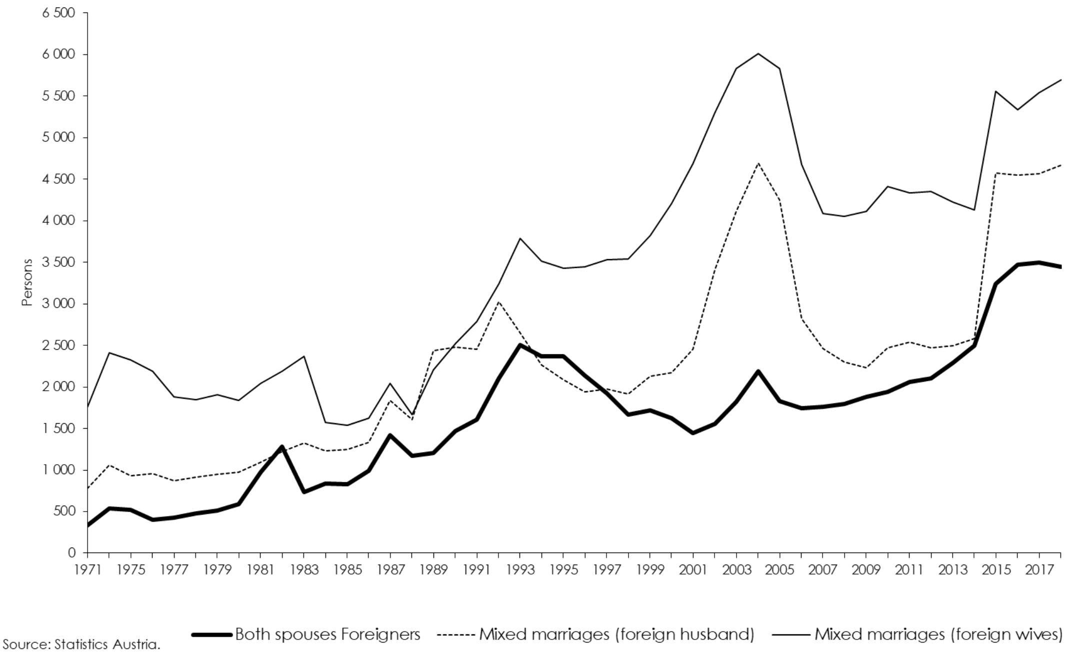

Source: Statistics Austria.

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 46,500 in 2018. The number of Austrians (both spouses) marrying rose to 32,700 and the number of foreigners (both spouses) rose from 1,900 in 2010 to 3,400 in 2018. The number of mixed marriages declined continuously from 2004 till 2009 to 6,300. In 2010 their numbers increased 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 thereafter.

*Table 25: Marriages of Nationals and Foreigners 1971-2018*

| | 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 |
| 2018 | 46 468 | 32 652 | 3 449 | 4 668 | 5 699 |
| Source: Statistics Austria. | | | | | |

*Figure 41: Mixed marriages and marriages of foreigners*
*1971-2018*




Source: Statistics Austria.

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 (–308 or 5 percent between 2004 and 2018). In contrast, the number of Austrian men marrying a foreign spouse remained fairly stable over that time span (–24 or 0.5 percent).

The proportion of marriages with both spouses nationals has declined significantly over the last 47 years. In 1971 94 percent of all marriages were between nationals. In 2004, their share had come down to 67.8%, but rose slightly again to 70.3% in 2018. The share of foreign marriages (with both spouses foreigners) increased from 0.7 percent 1971 to 7.4% 2018. 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 22.3% in 2018.

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 2018. 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 percent in 2018.

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 752,900 foreign wage and salary earners in 2018, i.e., 54,400 or 7.8 percent more than a year ago, while the employment of Austrians grew only by 31,800 or 1.1% versus 2017. This meant that - in 2018 – two third of total employment growth accrued to foreign citizens. Accordingly, the foreign worker share in total employment rose to 20.1%, after 19.1 percent in 2017. In 2019, foreign employment growth continued to be more dynamic than the native growth, with +46,600 (+6.2%) compared to 9,200 (+0.3%); as a consequence, the foreign worker share rose to 21.1% in 2019. (Table 27)

Of the total number of foreign employees 457,000 were citizens from the EEA/CH/EU-28 in 2019, of whom 145,600 from the old member states (EU 14/EEA/CH) and 311,400 from the new MS (EU 13). Thus, in 2018, 60.7% of foreign workers were EU-28/EEA citizens and 39.3% of third country origin (295,900) (Table 26 and Table 27).

The share of EU citizens amongst foreign wage and salary earners in Austria is rising for every single EU-MS: In 2000, only 10.5% of foreign wage and salary earners had been EU-14/EEA/CH citizens compared to 19.1% 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 37.5% in 2018. In addition, the membership of Croatia in 2013 raised the number of foreign workers by 31,400 in 2018, accounting for 4.2% of foreign employment.

*Table 26: Foreign employment by major source regions*

| | Foreign workers | EU15/EEA/CH | EU12 | Croatia | Third Country citizens | EU15/EEA/CH | EU12 | Croatia | Third Country | Foreign worker share |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | In % of total | | | | |
| 1994 | 291 018 | 19954 | 44681 | | 226384 | 6,9 | 15,4 | | 77,8 | 9,5 |
| 1995 | 300 303 | 22472 | 44834 | | 232998 | 7,5 | 14,9 | | 77,6 | 9,8 |
| 1996 | 300 353 | 24455 | 44001 | | 231898 | 8,1 | 14,6 | | 77,2 | 9,9 |
| 1997 | 298 775 | 26094 | 43325 | | 229357 | 8,7 | 14,5 | | 76,8 | 9,8 |
| 1998 | 298 582 | 28078 | 43170 | | 227334 | 9,4 | 14,5 | | 76,1 | 9,7 |
| 1999 | 306 401 | 30902 | 44431 | | 231068 | 10,1 | 14,5 | | 75,4 | 9,9 |
| 2000 | 319 850 | 33694 | 46327 | | 239829 | 10,5 | 14,5 | | 75,0 | 10,2 |
| 2001 | 329 314 | 37022 | 48221 | | 244071 | 11,2 | 14,6 | | 74,1 | 10,5 |
| 2002 | 334 432 | 40830 | 49985 | | 243617 | 12,2 | 14,9 | | 72,8 | 10,6 |
| 2003 | 350 361 | 44856 | 52275 | | 253231 | 12,8 | 14,9 | | 72,3 | 11,0 |
| 2004 | 362 299 | 54934 | 55533 | | 251832 | 15,2 | 15,3 | | 69,5 | 11,3 |
| 2005 | 374 187 | 63829 | 59339 | | 251018 | 17,1 | 15,9 | | 67,1 | 11,6 |
| 2006 | 390 695 | 73282 | 63016 | | 254397 | 18,8 | 16,1 | | 65,1 | 11,9 |
| 2007 | 412 577 | 82962 | 69877 | | 259740 | 20,1 | 16,9 | | 63,0 | 12,3 |
| 2008 | 437 055 | 94150 | 78864 | | 264041 | 21,5 | 18,0 | | 60,4 | 12,9 |
| 2009 | 431 552 | 96851 | 81847 | 15193 | 237656 | 22,4 | 19,0 | 3,5 | 55,1 | 12,9 |
| 2010 | 451 276 | 103743 | 89477 | 16053 | 241994 | 23,0 | 19,8 | 3,6 | 53,6 | 13,4 |
| 2011 | 488 934 | 110540 | 112129 | 17001 | 249327 | 22,6 | 22,9 | 3,5 | 51,0 | 14,3 |
| 2012 | 527 062 | 115119 | 142642 | 17750 | 251554 | 21,8 | 27,1 | 3,4 | 47,7 | 15,2 |
| 2013 | 556 752 | 119666 | 165139 | 18607 | 253341 | 21,5 | 29,7 | 3,3 | 45,5 | 16,0 |
| 2014 | 588 722 | 122894 | 191327 | 20479 | 254022 | 20,9 | 32,5 | 3,5 | 43,1 | 16,8 |
| 2015 | 615 681 | 126343 | 211148 | 22573 | 255618 | 20,5 | 34,3 | 3,7 | 41,5 | 17,4 |
| 2016 | 651 690 | 131408 | 231266 | 25044 | 263971 | 20,2 | 35,5 | 3,8 | 40,5 | 18,2 |
| 2017 | 698 511 | 137946 | 254814 | 28054 | 277698 | 19,7 | 36,5 | 4,0 | 39,8 | 19,1 |
| 2018 | 752 893 | 145561 | 280014 | 31404 | 295913 | 19,3 | 37,2 | 4,2 | 39,3 | 20,1 |
| 2019 | 799 484 | 152665 | 299847 | 34589 | 312383 | 19,1 | 37,5 | 4,3 | 39,1 | 21,1 |

Source:BaliWeb.

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 2018 they made up 39.3% of the foreign workforce compared to 70% in 2004; their numbers rose from 251,800 to 295,900 over that time span (+44,100, +17.5%). To be fair, however, many of the third country citizens then have joined the European Union by now.

*Table 27: Foreign wage and salary earners in Austria from 1975-2018*
*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 |
| 2018 | 752,893 | 54,382 | 7,8 | 20,1 |

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*

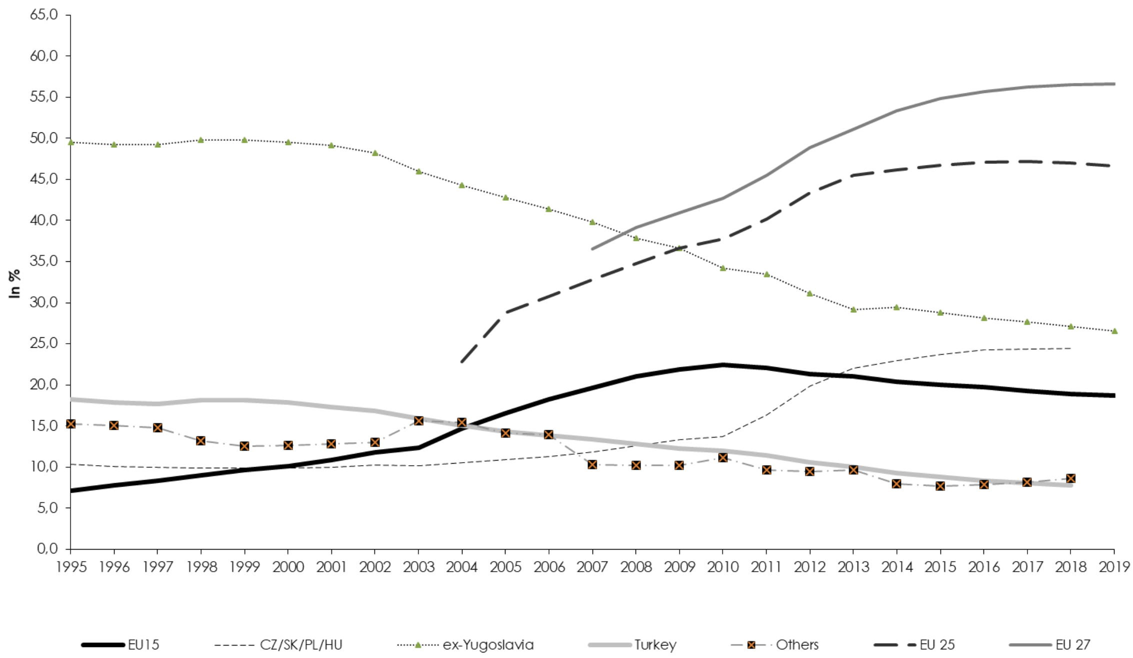
The composition of foreign labour by nationality is changing. The most pronounced development of the past few years is the rising share of EU citizens in the foreign workforce. In the wake of EU-enlargement it rose to almost 35% in 2004 and after the following EU-enlargement of 2007 to almost 39%. In 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 42)

The data indicate that the absolute number of workers from EU 27 countries follows a clear and steeply rising trend (+301,800, +200.1% between 2007 and 2019). While the absolute number of workers from the region of pre-war Yugoslavia rose slowly between 2007 and 2019 (47,500, +28.9%), 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 (except AT) citizens has been rising from 7.1% of the foreign workforce in 1995 to 18.7 percent in 2019. The major influx is from Germany - Germans account for 71% of all EU-15 citizens in the Austrian workforce. But increasingly also Italians, French, Dutch, and British citizens take up work in Austria. Due to Brexit the number of British wage and salary earners may be of particular interest: their numbers increased from 3,400 in 2014 to 4,300 in 2019, constituting 2.9% of the EU-15 workforce in 2019.

In contrast, the share of persons from the region of pre-war Yugoslavia has been declining from 49 percent in 1995 to 26.5 percent 2019. Within that group, the share of persons from Croatia is rather small (4.3 percent of all foreign workers in 2019). 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 2019, they accounted for 6.1 percent of all foreign workers. The Slovenes, now an EU-MS, account for 3.2 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 (56,300, 55% in 2018). This indicates that they are immigrants who have been in Austria for a long time. The foreign workers from current Yugoslavia (including Serbia, Montenegro, North-Macedonia, Bosnia-Herzegovina and Kosovo) accounted for 12.9% of all foreign workers in 2019 (a subgroup of the 27.6% that include all the immigrants from the region of pre-war Yugoslavia).

*Figure 42: Composition of foreign labour by region/country of origin: 1995-2019*



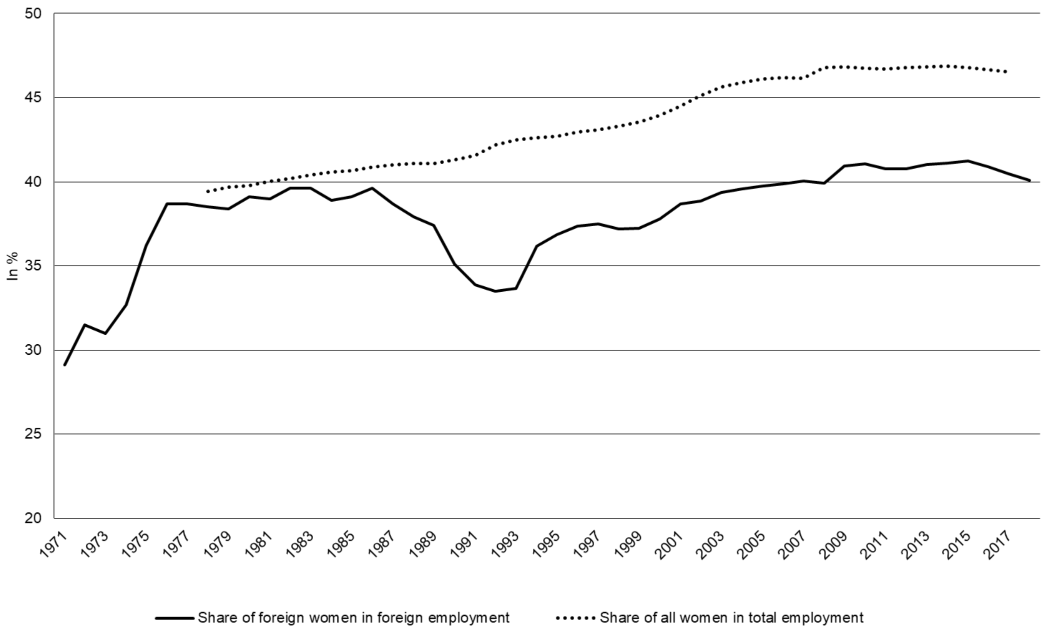

Source: BALIweb. Federation of Austrian Social Security Institutions.

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 7.7 percent in 2018; 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 40.1 percent in 2018. Over that time span the proportion of women in foreign employment remained clearly below the Austrian average (2018: 46.5 percent). (Figure 43)

*Figure 43: Female employment share in total salaried employment 1971-2018*




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 (2018: 45.1%) as well as Croatia (2018: 43.5%) tend to have the highest shares of foreign employment, and continue to do so in 2018. Next in line are Bosnian women with a share in total Bosnian employment of 41.5 percent. The lowest proportion of women in total employment of former Yugoslav regions is amongst Macedonians (35.6 percent) with rising tendency. The lowest share of female employment has traditionally been among Turkish workers, but also with an increasing tendency, arriving at 34.1 percent in 2018.

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 40.1 percent in 2018, after 28.9 percent in 2001.

*Table 28: Foreign workers by nationality 1971-2019[1]*

*Annual average*

| | Foreign workers Total | EU-15 | of which: Germany | EFTA | EU-10 | EU-2 | Yugoslavia (1) | Yugoslavia (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 | 0,3 | | | 43,1 | 49,2 | 1,6 | 3,6 | 18,2 | 25,3 |
| 1996 | 300 400 | 7,8 | 4,9 | 0,4 | | | 42,0 | 49,3 | 1,8 | 4,5 | 17,8 | 24,8 |
| 1997 | 298 800 | 8,3 | 5,2 | 0,4 | | | 41,3 | 49,3 | 1,9 | 5,0 | 17,7 | 24,3 |
| 1998 | 298 600 | 9,0 | 5,7 | 0,4 | | | 41,0 | 49,8 | 2,1 | 5,5 | 18,2 | 22,6 |
| 1999 | 306 400 | 9,7 | 6,1 | 0,4 | | | 40,1 | 49,8 | 2,3 | 6,0 | 18,2 | 22,0 |
| 2000 | 319 900 | 10,1 | 6,5 | 0,4 | | | 38,8 | 49,5 | 2,6 | 6,6 | 17,9 | 22,1 |
| 2001 | 329 300 | 10,8 | 7,1 | 0,4 | | | 37,3 | 49,1 | 3,0 | 7,3 | 17,3 | 22,4 |
| 2002 | 334 400 | 11,8 | 7,9 | 0,4 | | | 35,8 | 48,2 | 3,2 | 7,6 | 16,8 | 22,7 |
| 2003 | 350 400 | 12,4 | 9,0 | 0,4 | | | 33,4 | 46,0 | 3,2 | 7,6 | 15,9 | 25,3 |
| 2004 | 362 300 | 14,7 | 10,8 | 0,5 | 11,8 | 3,6 | 31,3 | 44,3 | 3,3 | 7,6 | 15,1 | 12,2 |
| 2005 | 374 200 | 16,6 | 12,6 | 0,5 | 12,3 | 3,6 | 29,1 | 42,8 | 3,4 | 7,6 | 14,3 | 10,4 |
| 2006 | 390 700 | 18,3 | 14,2 | 0,5 | 12,6 | 3,5 | 26,9 | 41,4 | 3,5 | 7,5 | 13,8 | 10,2 |
| 2007 | 412 578 | 19,6 | 15,5 | 0,5 | 13,2 | 3,7 | 24,8 | 39,9 | 3,3 | 7,1 | 13,4 | 10,2 |
| 2008 | 437 055 | 21,0 | 16,5 | 0,5 | 14,0 | 4,1 | 22,5 | 37,8 | 3,3 | 7,0 | 12,8 | 10,2 |
| 2009 | 431 552 | 21,9 | 17,2 | 0,5 | 14,7 | 4,3 | 21,0 | 36,6 | 3,5 | 7,4 | 12,2 | 10,2 |
| 2010 | 451 276 | 22,4 | 17,4 | 0,6 | 15,3 | 4,5 | 19,1 | 34,2 | 3,4 | 6,9 | 12,0 | 11,5 |
| 2011 | 488 934 | 22,1 | 17,4 | 0,5 | 18,1 | 4,8 | 17,1 | 33,4 | 3,3 | 6,6 | 11,5 | 10,0 |
| 2012 | 527 062 | 21,3 | 16,5 | 0,5 | 22,1 | 5,0 | 15,1 | 31,2 | 3,2 | 6,4 | 10,6 | 9,8 |
| 2013 | 556 752 | 21,0 | 15,9 | 0,5 | 24,5 | 5,2 | 17,0 | 28,2 | 3,3 | 6,5 | 10,0 | 10,1 |
| 2014 | 588 722 | 20,4 | 15,2 | 0,5 | 25,8 | 6,7 | 17,0 | 29,4 | 3,5 | 6,4 | 9,3 | 8,3 |
| 2015 | 615 681 | 20,0 | 14,8 | 0,5 | 26,7 | 7,6 | 16,0 | 28,8 | 3,7 | 6,3 | 8,7 | 8,1 |
| 2016 | 651 690 | 19,7 | 14,3 | 0,5 | 27,4 | 8,1 | 15,1 | 28,2 | 3,8 | 6,3 | 8,3 | 8,2 |
| 2017 | 698 512 | 19,3 | 13,9 | 0,5 | 27,9 | 8,6 | 14,3 | 27,6 | 4,0 | 6,3 | 8,0 | 8,5 |
| 2018 | 752 892 | 18,9 | 13,5 | 0,4 | 28,1 | 9,1 | 13,6 | 27,1 | 4,2 | 6,2 | 7,7 | 8,6 |
| 2019 | 799 484 | 18,7 | 13,2 | 0,4 | 28,0 | 9,5 | 12,9 | 26,5 | 4,3 | 6,1 | | |

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 29: Foreign workers of third countries by gender and selected nationalities*
*Annual average*

| | 2016 | | | | 2017 | | | | 2018 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Female | Male | Female | Total | Female | Male | Female | Total | Female |
| Nationalities | | | | In % | | | | In % | | | | In % |
| Serbia&Montenegro | 14 171 | 11 266 | 25 437 | 44,3 | 15733 | 12 742 | 28 475 | 44,7 | 17482 | 14360 | 31842 | 45,1 |
| Croatia | 14 103 | 10 940 | 25 043 | 43,7 | 15830 | 12 224 | 28 054 | 43,6 | 17749 | 13656 | 31405 | 43,5 |
| Bosnia | 23 978 | 17 252 | 41 230 | 41,8 | 25447 | 18250 | 43 697 | 41,8 | 27233 | 19343 | 46576 | 41,5 |
| Macedonia | 4 339 | 2 259 | 6 598 | 34,2 | 4761 | 2540 | 7 301 | 34,8 | 5116 | 2833 | 7949 | 35,6 |
| Turkey | 36 141 | 18 205 | 54 346 | 33,5 | 37197 | 18854 | 56 051 | 33,6 | 38412 | 19857 | 58269 | 34,1 |
| Others | 292 387 | 206 649 | 499 036 | 41,4 | 316902 | 218 032 | 534 934 | 40,8 | 345094 | 231758 | 576852 | 40,2 |
| Of whom | | | | | | | | | | | | |
| EU12 | 139 046 | 92 220 | 231 266 | 39,9 | 154721 | 100 093 | 254 814 | 39,3 | 171236 | 108778 | 280014 | 38,8 |
| Total | 385 119 | 266 571 | 651 690 | 40,9 | 415870 | 282 642 | 698 512 | 40,5 | 451086 | 301807 | 752893 | 40,1 |

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

In particular, the share of women in employment of workers from the EU-12-MS is rising, reaching 39.9% in 2016, and declining somewhat until 2018 to 38.8%. (Table 29)

### *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 2016 and 2018 (ÖNACE 2008).

The employment development followed a rising trend between 2012 and 2018, i.e. dependent employment (excluding conscripts and persons on maternity leave) rose between 2012 and 2018 by 290,600 or 8.6% to 3,661,100 in 2018. Over the same time span the employment of foreign workers increased more than proportionately, namely by 225,800 or 42.8% to 752,900 in 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 15.6% in 2012 to 20.6% in 2018.

In spite of the dynamic employment situation over the last 6 years, employment in **manufacturing industries** only started to recover in 2016, but not yet attaining the employment level of 2012 (-1,700, - 0.3%). The industrial sector recovered in 2017 and reached a peak in 2018 with an employment increase vs 2017 of 18,600 (3.1%). The employment level in manufacturing (except construction) surpassed the level of 2012 only slightly, i.e. by 35.900 or 6.1%. The weak employment growth is somewhat exaggerated, as manufacturing output increased substantially beyond the output level of 2012, which was not entirely the result of productivity increases flowing from digitalisation but also 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 2018 surpassed the level of 2012 by 22.5% or 41,500.

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 30: Employment of wage and salary earners by industry*
*Annual average*

| | Total employment | | | Change versus a year ago 2017/18 | | | | | Change versus a year ago 2017/18 | | Foreigners in % of total 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Industries(ÖNACE 2008)** | **2016** | **2017** | **2018** | **Numbers** | **In %** | **2016** | **2017** | **2018** | **Numbers** | **In %** | **In %** |
| Agriculture and Forestry | 23 212 | 23 607 | 24 609 | 1 002 | 4,2 | 11 740 | 12 316 | 13 081 | 765 | 6,2 | 53,2 |
| Mining, stones and minerals | 5 592 | 5 841 | 5 966 | 125 | 2,1 | 565 | 614 | 647 | 33 | 5,4 | 10,8 |
| Production of Commodities | 581 633 | 600 513 | 619 145 | 18 632 | 3,1 | 98 047 | 106 569 | 116 142 | 9 573 | 9,0 | 18,8 |
| Energy Supply | 26 800 | 25 781 | 25 595 | -186 | -0,7 | 1 030 | 1 007 | 1 084 | 77 | 7,6 | 4,2 |
| Watersupply and environmental clean up | 15 603 | 16 293 | 16 833 | 540 | 3,3 | 2 803 | 2 984 | 3 176 | 192 | 6,4 | 18,9 |
| Construction | 248 584 | 252 906 | 261 418 | 8 512 | 3,4 | 63 241 | 68 191 | 74 434 | 6 243 | 9,2 | 28,5 |
| Trade, repairworks | 538 297 | 540 267 | 548 412 | 8 145 | 1,5 | 91 573 | 96 265 | 102 715 | 6 450 | 6,7 | 18,7 |
| Transport and Storage | 188 806 | 193 590 | 199 571 | 5 981 | 3,1 | 40 514 | 44 525 | 49 106 | 4 581 | 10,3 | 24,6 |
| Tourism | 208 144 | 210 263 | 216 406 | 6 143 | 2,9 | 99 173 | 102 970 | 109 322 | 6 352 | 6,2 | 50,5 |
| Information and Communication | 88 861 | 92 347 | 96 721 | 4 374 | 4,7 | 11 597 | 13 188 | 14 855 | 1 667 | 12,6 | 15,4 |
| Financial Services, Insurance | 115 779 | 113 364 | 113 464 | 100 | 0,1 | 9 290 | 9 707 | 10 311 | 604 | 6,2 | 9,1 |
| Real estate and housing | 41 001 | 41 356 | 41 762 | 406 | 1,0 | 8 265 | 8 109 | 8 401 | 292 | 3,6 | 20,1 |
| Services of Professionals | 167 169 | 171 391 | 178 587 | 7 196 | 4,2 | 25 791 | 27 251 | 29 878 | 2 627 | 9,6 | 16,7 |
| Other business services | 198 471 | 215 668 | 226 236 | 10 568 | 4,9 | 77 929 | 89 270 | 98 595 | 9 325 | 10,4 | 43,6 |
| Public administration, social security | 558 636 | 567 608 | 578 251 | 10 643 | 1,9 | 24 270 | 25 773 | 27 546 | 1 773 | 6,9 | 4,8 |
| Education and research | 104 277 | 107 601 | 107 272 | -329 | -0,3 | 21 604 | 23 022 | 24 010 | 988 | 4,3 | 22,4 |
| Health-, veterinary and social services | 256 851 | 264 156 | 269 894 | 5 738 | 2,2 | 37 159 | 39 557 | 41 313 | 1 756 | 4,4 | 15,3 |
| Arts, entertainment and recreation | 36 544 | 37 319 | 38 412 | 1 093 | 2,9 | 9 137 | 9 497 | 10 018 | 521 | 5,5 | 26,1 |
| Other Services | 92 908 | 88 542 | 88 005 | -537 | -0,6 | 15 937 | 15 858 | 16 436 | 578 | 3,6 | 18,7 |
| Private Households | 3 391 | 2 883 | 2 767 | -116 | -4,0 | 1 348 | 1 144 | 1 120 | -24 | -2,1 | 40,5 |
| Exterritorial organisations | 769 | 759 | 764 | 5 | 0,7 | 356 | 373 | 383 | 10 | 2,7 | 50,1 |
| Unknown | 1 103 | 1 033 | 1 039 | 6 | 0,6 | 324 | 322 | 322 | 0 | 0,0 | 31,0 |
| Sum of all industries | 3 502 431 | 3 573 088 | 3 661 129 | 88 041 | 2,5 | 651 693 | 698 512 | 752 895 | 54 383 | 7,8 | 20,6 |
| Maternity leave, conscripts, | 84 440 | 82 208 | 80 356 | -1 852 | -2,3 | | | | | | |
| Sum | 3 586 871 | 3 655 296 | 3 741 485 | 86 189 | 2,4 | 18,6 | 19,5 | 20,6 | | | |

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 2018, the number of wage and salary earners only slightly surpassed the values of 2012 (+13,400, +5.4%). Dynamic economic growth in 2018 boosted employment growth in the construction sector (+8,500, +3.4%). The share of foreign workers is higher than in manufacturing with 28.5% on average in 2018. The employment decline of foreign workers in construction in the crisis year of 2009 was fairly proportional to native workers, 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 of 2018 clearly surpassed those of 2012 (+18,700, +33.5% such that the foreign worker share increased from 22.5% in 2012 to 28.5% in 2018).

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, on average in 2018, total employment in the services sector (excluding self-employed) exceeded the Level of 2012 by 235,900 or 9.5%. The share of the services sector in total dependent employment rose from 73.3% in 2012 to 73.9% in 2018. The share of foreign workers in the services sector is lower than in construction but somewhat higher than in manufacturing industries with 20.1% in 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 50.5% foreign workers in 2018, followed by other business services (43.6%), in particular cleaning, and domestic services (40.5%). The lowest share of foreign workers has public administration with 4.8%, the highest share of any industry has agriculture and forestry with 53.2% in 2018. (Table 30)

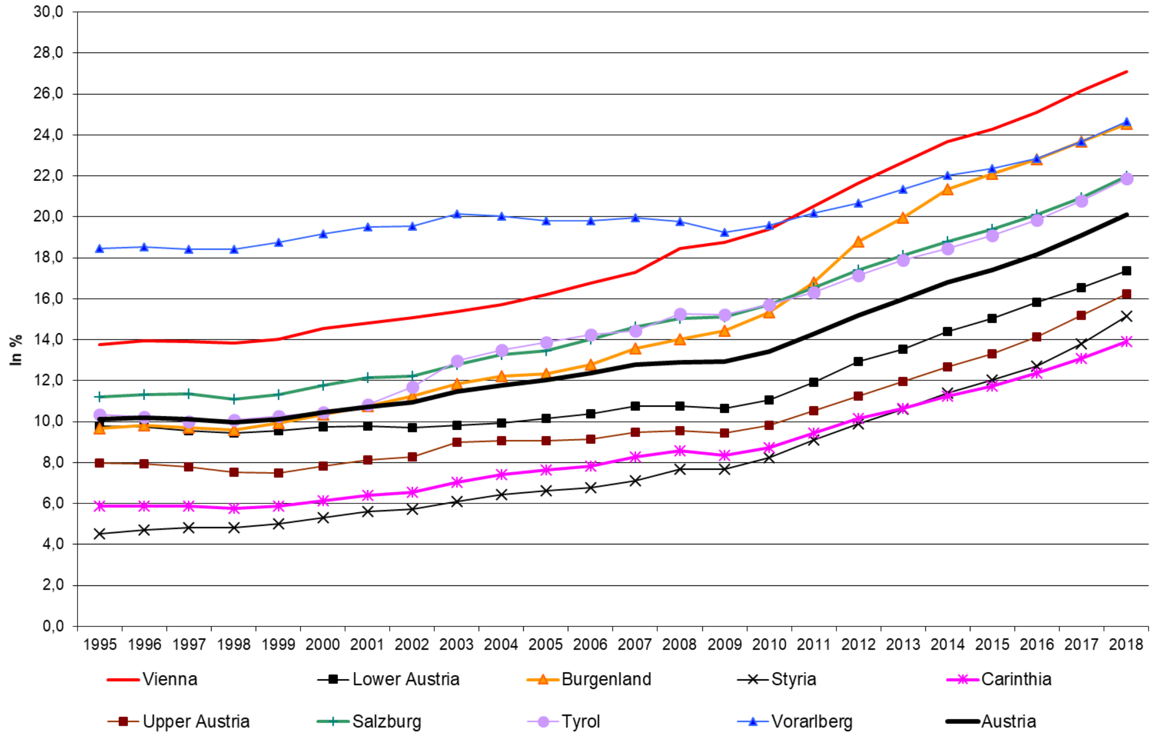
### *Regional distribution of foreign employment*

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 (2018: 27.1% foreign worker share), followed ex aequo by Vorarlberg and Burgenland (2018: 24.6%), the westernmost and the easternmost province. The range between the highest and the lowest foreign worker share has declined somewhat between 1995 and 2018 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 2018, i.e. 15.2% versus 13.9%, while in 1995 Styria had the lowest share with 4.5% versus Carinthia with 5.9%. (Figure 44)

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 2018 (compared to 35% in 2000), a further 14.4% are employed in Upper Austria and 14.3% in Lower Austria. 59.2% of all foreign workers in Austria were working in these 3 regions in 2018. (Figure 45 and Table 31)

*Figure 44: Foreign worker share by region/Bundesland in Austria (foreigners in percent of total dependent employment): 1995-2018*




Source: Federation of Austrian Social Security Institutions.

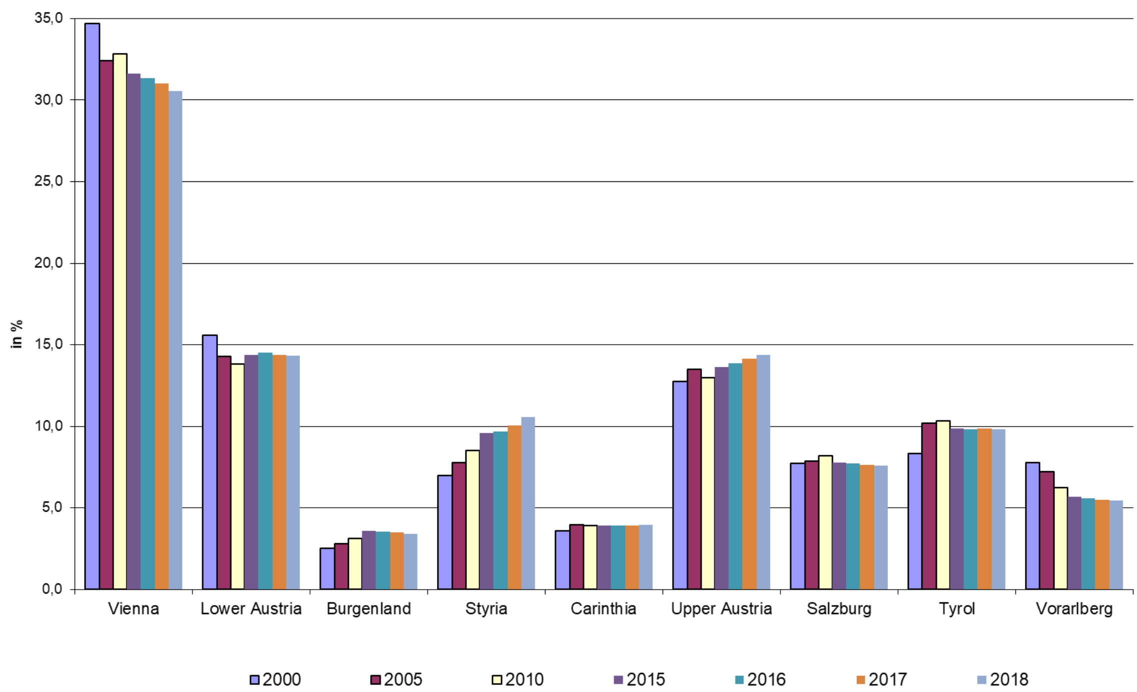
*Table 31: Foreign worker share by provinces: 2000-2018*

| Province | Foreigners | | | | | Foreigners in % of total employment | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2000 | 2005 | 2010 | 2015 | 2018 | 2000 | 2005 | 2010 | 2015 | 2018 |
| Vienna | 110 117 | 118 629 | 148 243 | 194 639 | 230 052 | 14,6 | 16,2 | 19,8 | 24,3 | 27,1 |
| Lower Austria | 49 513 | 52 229 | 62 383 | 88 524 | 107 767 | 9,8 | 10,1 | 11,5 | 15,1 | 17,4 |
| Burgenland | 8 074 | 10 194 | 14 153 | 22 047 | 25 688 | 10,3 | 12,4 | 15,9 | 22,1 | 24,6 |
| Styria | 22 245 | 28 506 | 38 361 | 58 949 | 79 435 | 5,3 | 6,6 | 8,5 | 12,0 | 15,2 |
| Carinthia | 11 464 | 14 568 | 17 719 | 24 086 | 29 777 | 6,1 | 7,6 | 9,0 | 11,7 | 13,9 |
| Upper Austria | 40 427 | 49 325 | 58 535 | 83 860 | 108 075 | 7,8 | 9,1 | 10,2 | 13,3 | 16,2 |
| Salzburg | 24 483 | 28 823 | 36 956 | 47 900 | 57 033 | 11,8 | 13,5 | 16,2 | 19,4 | 22,0 |
| Tyrol | 26 526 | 37 357 | 46 663 | 60 665 | 74 093 | 10,5 | 13,9 | 16,2 | 19,1 | 21,9 |
| Vorarlberg | 24 710 | 26 337 | 28 264 | 35 011 | 40 971 | 19,2 | 19,8 | 20,2 | 22,4 | 24,6 |
| Austria | 317 559 | 365 968 | 451 277 | 615 681 | 752 891 | 10,4 | 11,8 | 13,8 | 17,4 | 20,1 |

Source: Federation of Austrian Social Security Institutions.

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 45: Regional distribution of foreign labour in Austria (total foreign employment = 100): 2000-2018*




Source: Federation of Austrian Social Security Institutions.

*Employment of migrants by major occupational groups in 2009*[62]

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

[62] 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).

elementary occupations. The overall skills composition so defined did not change much between 2004 and 2009. Table 32 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%).

*Table 32**:** 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 33: 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**[63] 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 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[64]. (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

[63] 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.

[64] 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.

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.

*Table 34: The top 4 migrant worker groups by skill level, 2009*

| | Total | A. Highly skilled | | B. Skilled | | C. Low skilled | |
|---|---|---|---|---|---|---|---|
| | | | In % | | In % | | 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.

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 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.

**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.

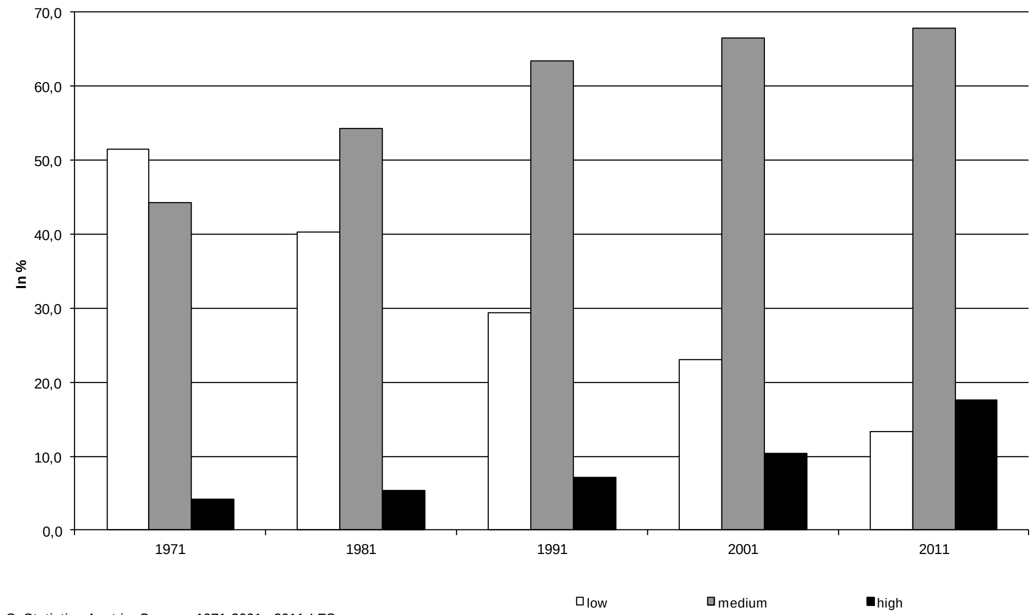
The highest proportion of migrants is working as a labourer in manufacturing, construction, transport and mining (ISCO 93) with 22%, mainly persons from third countries (19%). In contrast, highly skilled professionals in engineering and related professions are mainly from another EU-15 country (6% of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

### *Migrant workers 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 46: 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 46 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[65], 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[66]. 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%).

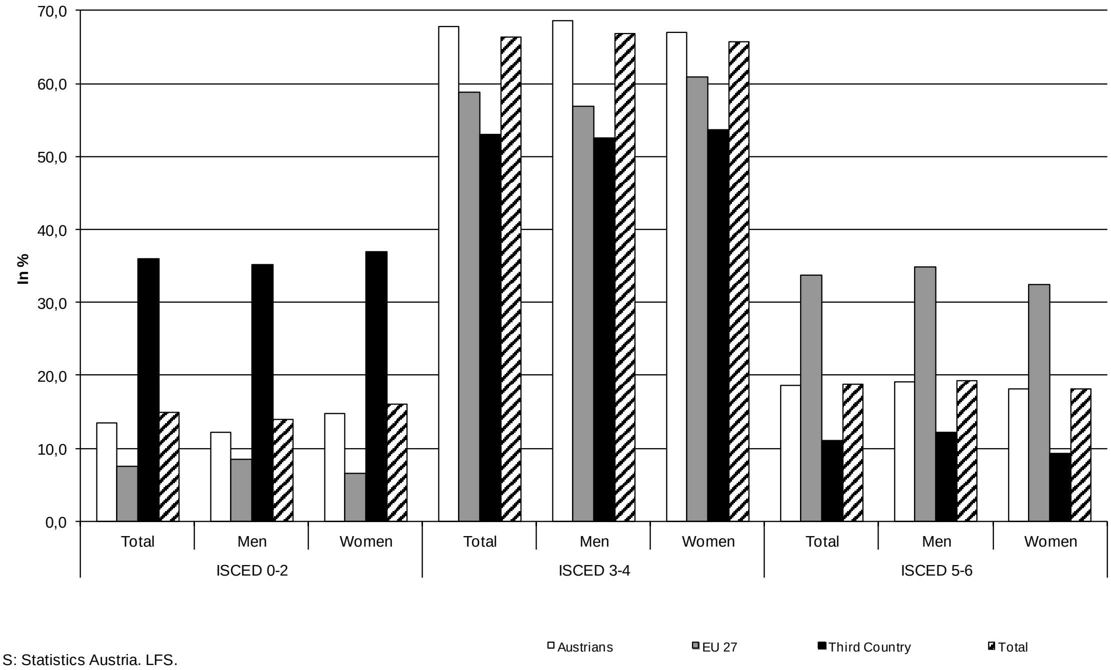
It can be taken from Table 35 that the skill composition of third country migrants has been improving since 2004. Then the share of unskilled labourers amongst all third country citizens amounted to 42% compared to 35.9% in 2011, while the share of university graduates rose from 10.7% to 11%. This is 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).

[65] 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.

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

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 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 47: 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 35: 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)): 18.9% as compared to 25.5% and 27.6% respectively, and even a smaller share than Germany (19.6%) and Sweden (20.9%). 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 (28.9% as compared to some 38% for the EU27 and 15 and considerably lower than in Germany and Sweden). The forte of Austria is the medium skill group. In Austria in 2018 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 (EU15: 29.9%, Austria: 30.1%). It is Sweden with the highest proportion of highly skilled at 37.1%.

*Figure 48: Educational attainment level of the population of working age (15-64) in Austria by citizenship in %: 2018*

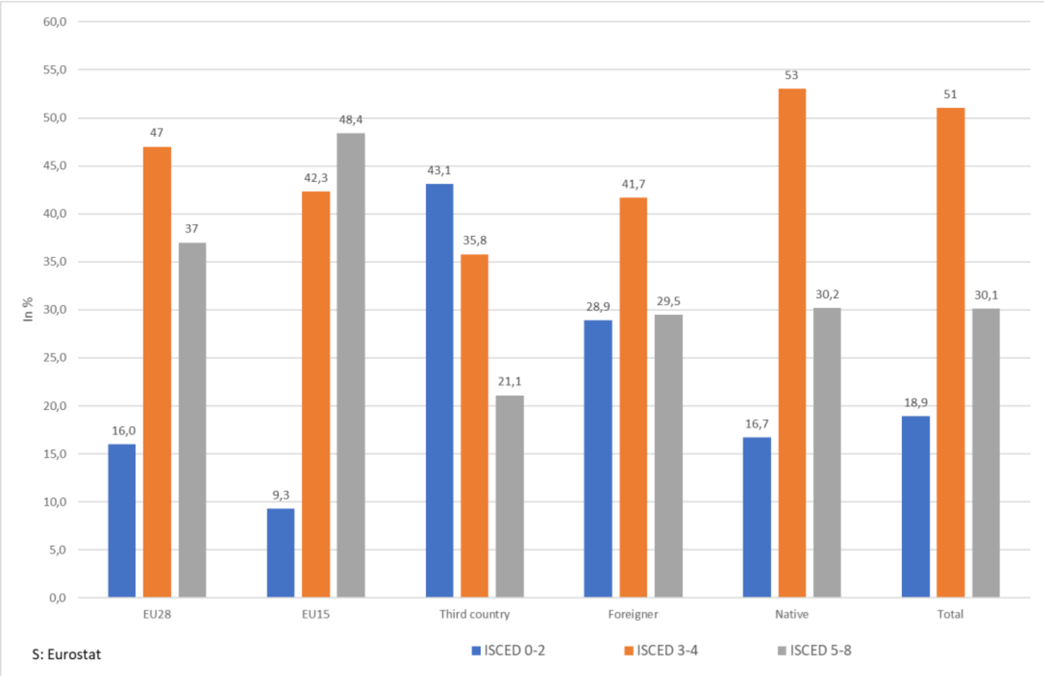
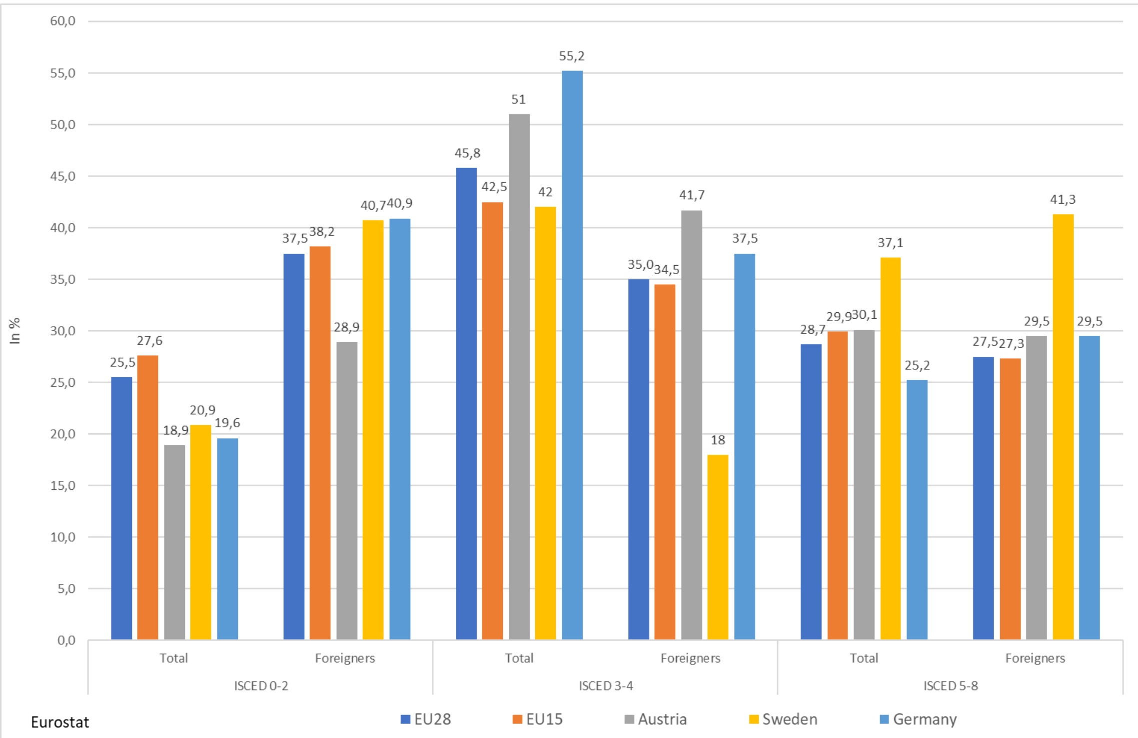



*Figure 49: Composition of the population of working age (15-64) by citizenship in the EU 2018 (in %)*



It is obvious 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 41.3% of all foreigners in this skill segment. (OECD 2015; Baller et al 2016). (Figure 49)

A closer look at Austria shows that migrants from the EU28 are to a large extent skilled (47%) or highly skilled (37%), whereby it is migrants from the EU15 with the highest share of university graduates (48.4%), while migrants from the EU12-MS tend to have largely medium skills. Third country citizens had, in contrast, the highest concentrations of low skilled (43.1% of all third country citizens of working age), and the lowest share of highly skilled persons (21.1%) in 2018. (Figure 48)

*Table 36: Population 15 years and over by educational attainment (ISCED 2011), nationality, country of birth and migration background: 2017*

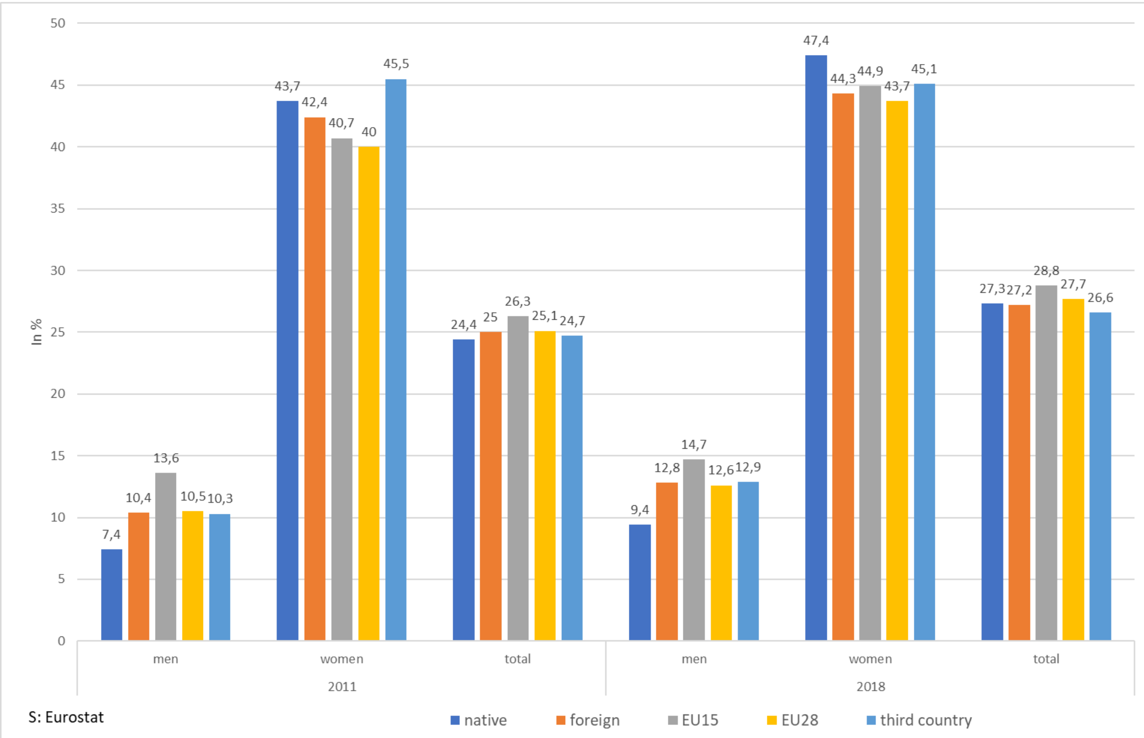
| | Men | | | | Women | | | |
|---|---|---|---|---|---|---|---|---|
| | Total | Highest educational level attained | | | Total | Highest educational level attained | | |
| | | ISCED 0-2 | ISCED 3-4 | ISCED 5-8 | | ISCED 0-2 | ISCED 3-4 | ISCED 5-8 |
| | **Population 15+** | in% | | | **Population 15+** | 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 by citizenship, 60.9% respectively 76.8% by country of birth); migrants from the EU 15 exhibit the smallest share of low-skilled (9.5% of men and 11.6% of women by citizenship and 10.9% resp. 14.5% by country of birth). The migrants from the EU15 have, in addition, the highest shares of highly skilled (47.3% of men and 39.7% of women, resp. 44.8% and 34.7%), significantly above the proportions amongst natives (29.2% of men and 24.2% of women). (Table 36)

*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 2018 the situation did not change much with 19.2% of all 15-64-year-olds working part time in the EU28 (8.7% of men and 31.3% 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, 24.5% of all employees were working on a part-time basis, 43.5% of all women and 7.8% of all men. Until 2018 the situation changed somewhat with the part-time share in employment rising to 27.3%: whereby 46.9% of women worked part time and 10% 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.

*Figure 50: Part-time work in % of total employment (15-64 year old) by sex and citizenship in Austria: 2011 and 2018*



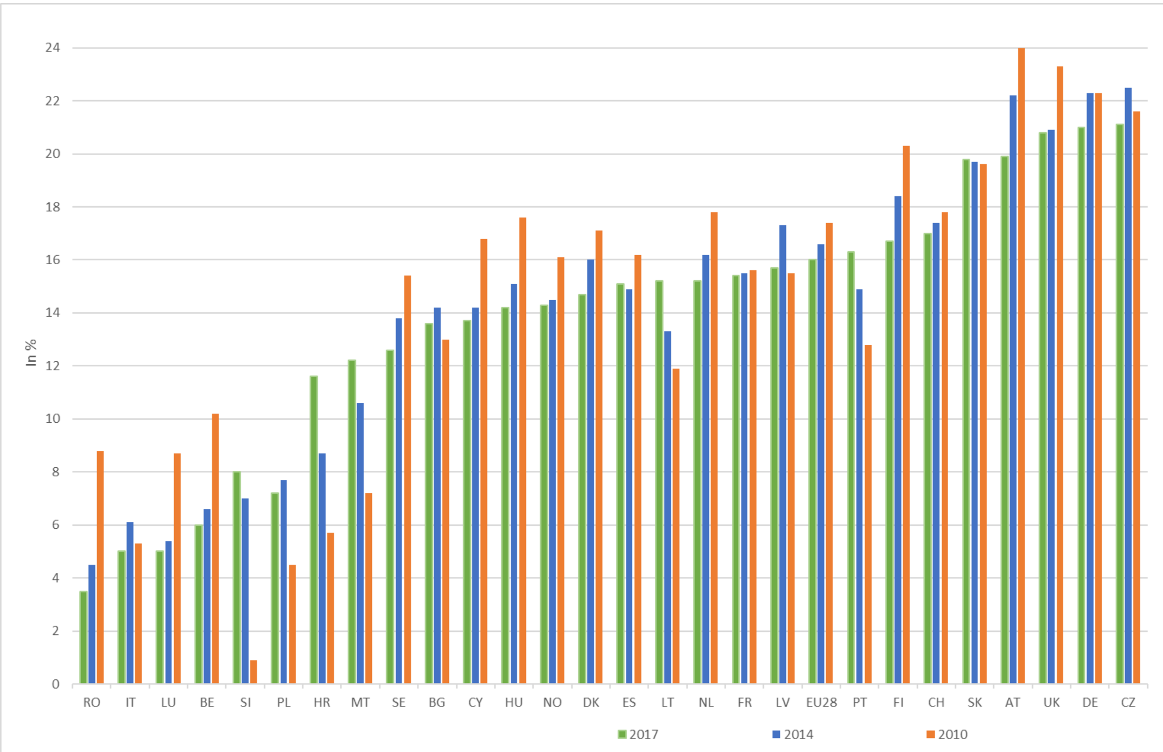

Foreign citizens have a somewhat higher share of part-time work in Austria, namely 25% in 2011 and 27.2% in 2018 (men: 10.4% in 2011 and 12.8% in 2018; women: 42.4% in 2011 and 44.3% in 2018). The share of part-time work in total employment differs somewhat by citizenship. It is highest among native women at 47.4% in 2018 and rising over time (43.7% 2011), closely followed by third country origin women (45.1% 2018), but very stable over time. The lowest share of part-time work have women from EU-12 countries. (Figure 50)

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 76% of men in 2010 and 80% in 2017. If one takes only full-time work into account, female wage and salary earners earn on average 16% less than male earners. In 2017, in EU-comparison, the unadjusted gender pay gap in Austria amounted to 19.9% (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%). (Figure 51)

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 51: The unadjusted gender pay gap (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 continued economic upswing facilitated a further decline to 301,300 in 2019. The unemployment numbers remained, however, significantly above the pre-crisis level of 2008 (+89,100, +42%).

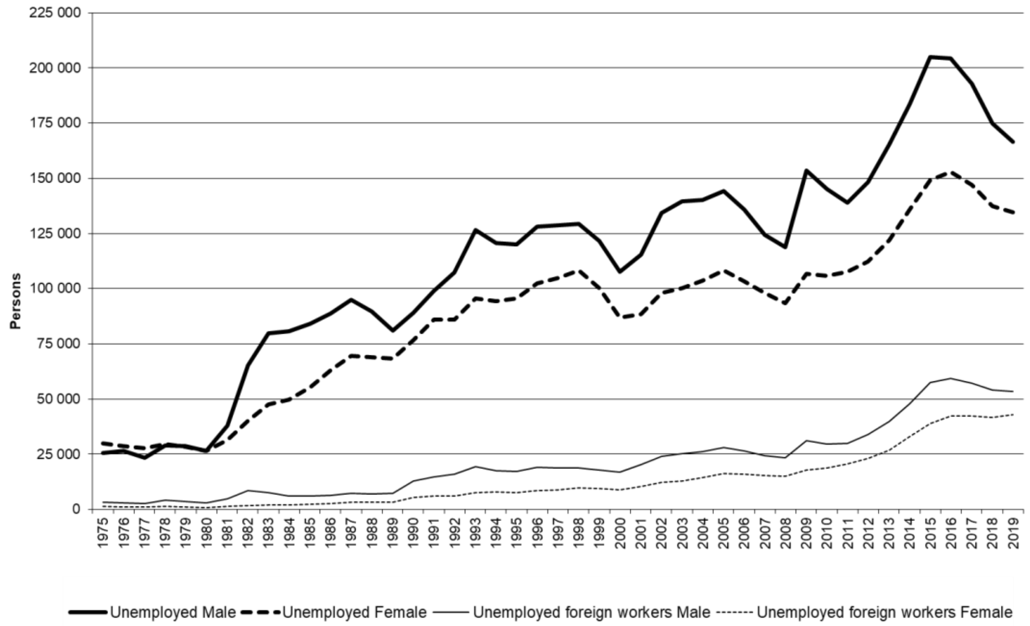
The unemployment situation of foreign workers was less favourable than for natives. Their numbers of unemployed increased from the low level of 2008 (38,300) continuously till 2016, reaching 101,800 (+63,500, +166%). The good economic conditions allowed a decline in unemployment both in 2017 and 2018, to 95,900 (-5,900, -5.8% vs 2016). In 2019, their unemployment numbers increased again as a consequence of a slowdown in economic growth combined with unabated labour supply increases, to 96,400 (+500, +0.5%).

The rise in unemployment affected men more than women and migrants more than natives. (Figure 52) In 2019, the number of unemployed men surpassed the unemployment level of 2008 by 47,800 (+40.3%), in the case of male foreign workers by 30,100 or 128.6%. The unemployment situation of women is on average more stable; the rise in 2019 versus 2008 amounted to 41,300 (+44.1%); in the case of foreign women the situation was the worst in relative terms with a plus of 28,000 or 188.5% versus 2008.

The share of foreigners in total unemployment has continually increased over time, from 8 percent in the mid-1970s to 32 percent in 2019. Foreign men tend to constitute a somewhat larger fraction of total male unemployment as compared to the share of female unemployment, except for 2019 when the shares became relatively even (men: 32.1 percent, women: 31.8 percent). Women in general made up 44.7 percent of all unemployed in 2019, and the proportion of foreign women in foreign unemployment is quite similar 44.5 percent in 2019.

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 decline continued well into 2019, reaching 7.4% in 2019. The cyclical pattern for foreign workers follows the national pattern[67]. (Table 37)

*Figure 52: Total unemployed and unemployed foreigners 1975-2019*
*Annual average*




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

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

[67] 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.

average of 0.8 percentage points, but stabilised in 2016 in the wake of the economic upswing and declined thereafter to 10.8% in 2019. This is the lowest rate since 2013.

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 1.6 percentage points in 2015, followed by a cyclically induced decline to 0.5 percentage points in 2019.

*Table 37: 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 | 8,8 |
| 2009 | 8,0 | 6,4 | 7,2 | 10,9 | 9,1 | 10,2 | 13,9 | 11,1 |
| 2010 | 7,5 | 6,3 | 6,9 | 10,0 | 9,2 | 9,6 | 13,0 | 10,4 |
| 2011 | 7,1 | 6,3 | 6,7 | 9,4 | 9,4 | 9,4 | 12,7 | 10,2 |
| 2012 | 7,4 | 6,5 | 7,0 | 9,8 | 9,7 | 9,7 | 13,8 | 10,6 |
| 2013 | 8,2 | 7,0 | 7,6 | 10,8 | 10,5 | 10,7 | 15,4 | 11,4 |
| 2014 | 9,0 | 7,6 | 8,4 | 12,1 | 12,0 | 12,1 | 17,8 | 12,6 |
| 2015 | 9,8 | 8,3 | 9,1 | 13,7 | 13,3 | 13,5 | 19,8 | 13,8 |
| 2016 | 9,7 | 8,3 | 9,1 | 13,4 | 13,7 | 13,5 | 19,9 | 13,4 |
| 2017 | 9,0 | 7,9 | 8,5 | 12,1 | 13,0 | 12,5 | 18,6 | 12,4 |
| 2018 | 8,0 | 7,3 | 7,7 | 10,7 | 12,1 | 11,3 | 16,8 | 11,0 |
| 2019 | 7,6 | 7,1 | 7,4 | 10,0 | 11,8 | 10,8 | 16,2 | 10,4 |

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.

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. Thereafter the unemployment rate of foreign men increased faster than for women, reaching a surplus of 0.5 percentage points in 2015. In the following phase of economic recovery, the unemployment rate of foreign men declined to a greater extent than for foreign women resulting in a gender gap of 1.8 percentage points at the detriment of foreign men.

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 even higher level of 19.9%. In the following economic upswing, Turkish foreign workers saw a reduction in the unemployment rate to 16.2% in 2019. This was the lowest rate since 2013. (Table 37)

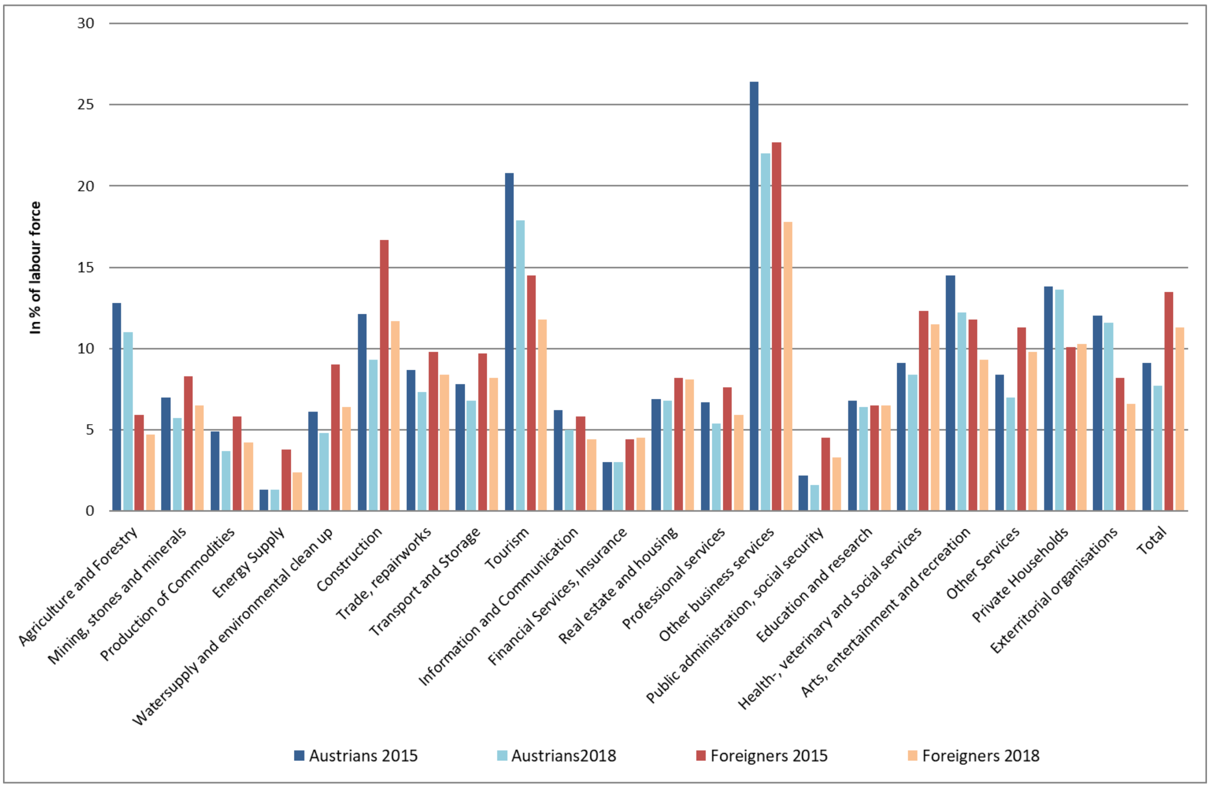
The other traditional foreign worker group originates from former Yugoslavia. If we take the sum of citizens of these regions, we can calculate an unemployment rate and compare the development over a longer time span. In 2001, their unemployment rate conformed to the average of all foreign workers (8.5%). 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 remained more or less the same until 2012, whereupon it stared to decline to 0.2 percentage points in 2015. The unemployment rate of persons from former Yugoslavia, including citizens of Macedonia, Serbia/Montenegro, Croatia and Bosnia, declined thereafter faster than for foreign workers on average, thus falling behind the average foreign worker unemployment rate by 0.4 percentage points in 2019, arriving at a rate of 10.4%.

### *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.

*Figure 53: 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.

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 22% for natives and 17.8% for foreign workers in 2018 – a decline vs 2015 by 4.4 respectively 4.9 percentage points. Second in line is tourism with an unemployment rate of 17.9 percent for Austrians and 11.8% for foreigners in 2018. In contrast, in construction, the unemployment rate of foreigners is higher than for natives (16.7% vs. 12.1 % in 2015; 11.7% vs 9.3% in 2018).

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 53)

## 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.

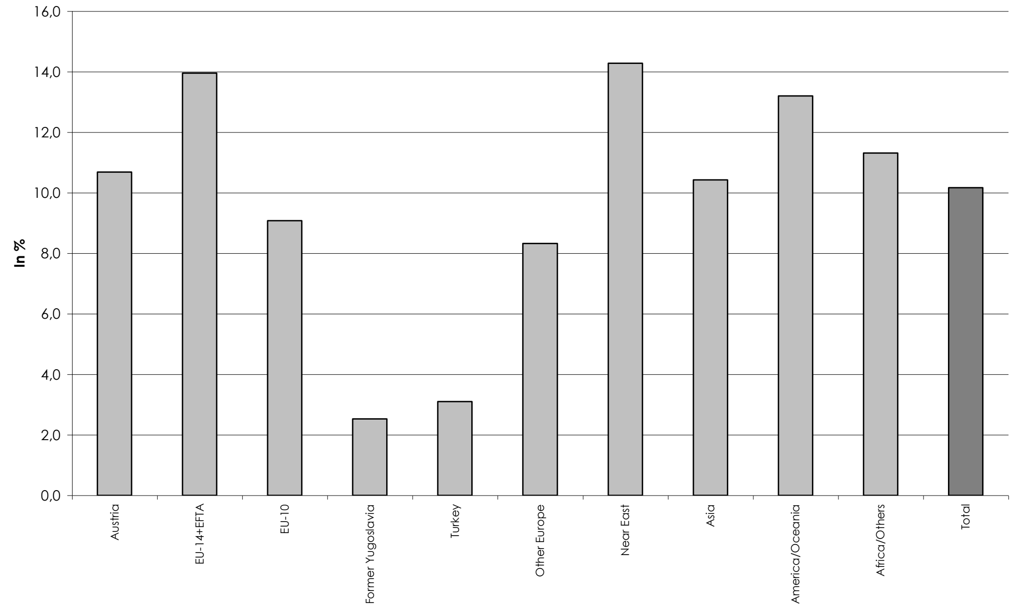
Figure 54 indicates that there were significant differences in the propensity to become self-employed by country of birth in 2001. Migrants from the Near East, from other EU-MS, America and Africa were more often self-employed than native Austrians. Asians were about as often self-employed as native 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. But as migrant entrepreneurship gets increasing attention as an integration policy tool in the EU, more studies come forward. (Biffl 2019) Also students, often of migrant background, are starting to take up this subject in essays and diploma theses. In addition, 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 somewhat to 10.4% in 2018. The proportion was slightly lower for foreign citizens with 9.5% in 2009, declining to 7.5% in 2018. In

EU comparison, the share of self-employment in total employment in Austria is somewhat below the EU-28 average (2009:14.3%; 2018:13.5%). But there are large differences in the share of self-employment in total employment across the EU, spanning from a low of 7.2% in Denmark in 2018 to a high of 29.1% in Greece. (Figure 55)

*Figure 54: Share of self-employed in total employment in percent by country of birth (2001)*

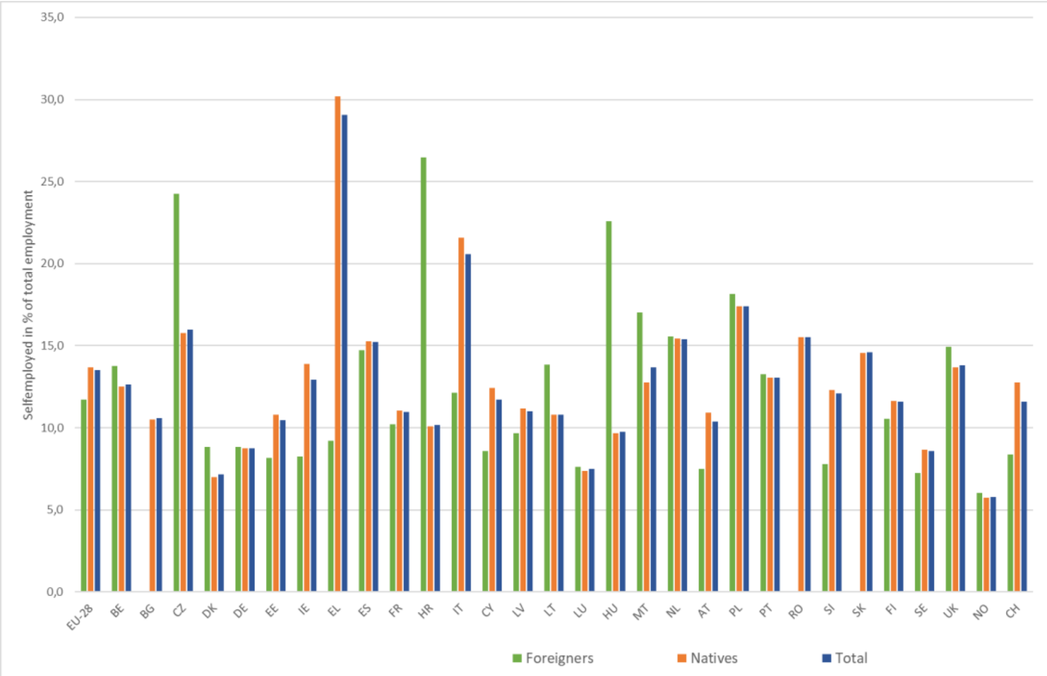



Source: Statistics Austria (Census), own calculations.

While some EU member states exhibit hardly any differences in the degree of self-employment of natives and migrants, e.g. Germany, Luxembourg and Norway, others tend to have large discrepancies, in particular Southern European countries and some Central and Eastern European countries as well as Switzerland, 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 2018. 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.

*Figure 55: Total self-employment rate compared to self-employment rate of foreign citizens and natives (15-64-year-olds) in the EU: 2018*

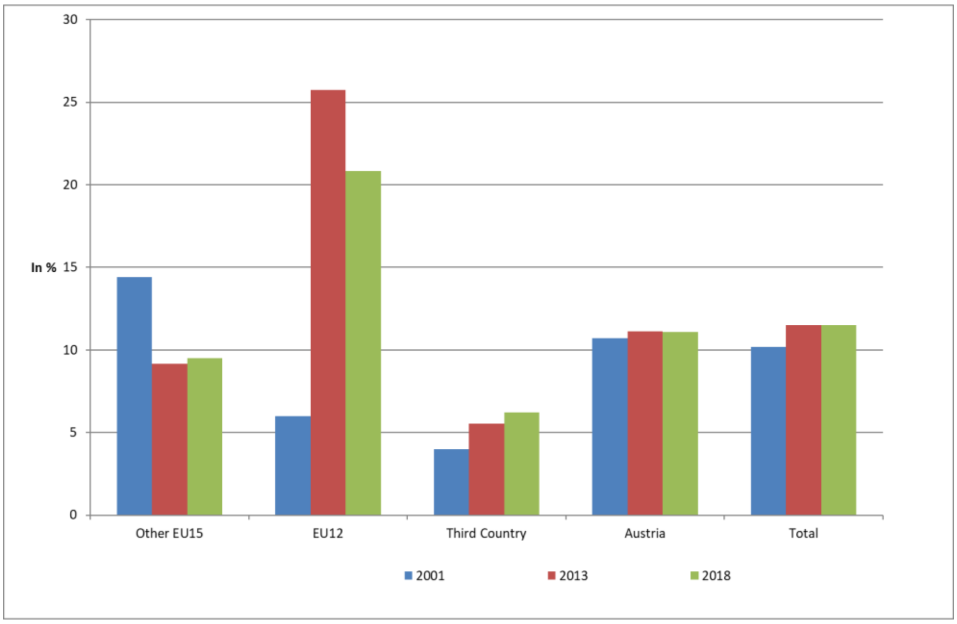



Source: Eurostat (2017), LFS.

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 867,600 in 2018, 13.2% were self-employed, compared to 11.5% in total employment.

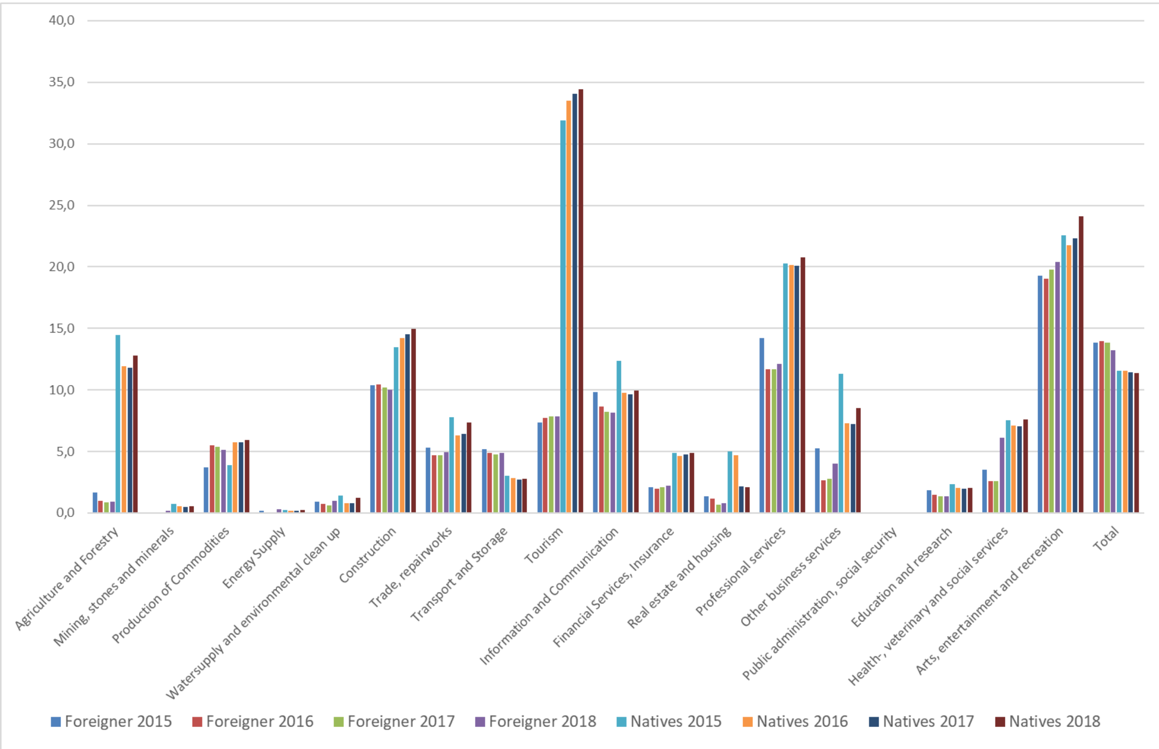
The differences between the various nationalities were pronounced. While the self-employment rate of third country citizens, largely persons from Turkey and former Yugoslavia (excluding Slovenia and Croatia), was fairly low with 6.2% (19,500) in 2018, 33.9% of all workers from the EU-2 were working as self-employed (35,200) in 2018. Also, citizens from the EU-10 member states worked to a large extent as self-employed, namely 38,500 or 15.4% 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 18.2% (102 persons) respectively 15.5% (548 persons) in 2018. It can be taken from Figure 56 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 56: Self-employment rate by region of origin 2001, 2013 and 2018*




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

*Figure 57: Self-employment rate by industry and citizenship (in %) 2015-2018*




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 2018 13.2% of the foreign workforce was self-employed compared to some 11.4% of Austrians. As can be taken from Figure 57, 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 20.4% 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% of the foreign workforce in the construction sector 2018, while natives stand at 14.9% in 2018. The situation is not much different in the ICT-sector with a share of self-employed in the foreign workforce of 8.2%, and for natives 9.9%. (Biffl - Skrivanek 2014) Quite different is the situation in tourist services where natives are to a large extent self-employed while foreigners tend to be employees. Accordingly, the self-employment rate of natives stood at 34%, compared to a self-employment rate of foreigners of 7.8% in 2018.

# 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)

Austria has traditionally attracted significant amount of FDI owing to its geographical location as an intersection of Eastern and Western Europe. However, this strategic attraction seems to be waning as FDI inflow and outflow trends have been unstable and mainly downward since 2013. According to the UNCTAD's World Investment Report 2019, FDI inflows decreased from USD 9.6 billion in 2017 to 7.6 billion in 2018 (-31%). Overall, Austria is no longer a capital exporter: its FDI outflows stopped exceeding its inflows in 2018. In order to encourage foreign investment, Austria provides welcoming conditions for foreign companies that want to invest in capital-intensive industries and in research and development, for which considerable tax breaks are available. The investments are mainly oriented towards professional, technical and scientific activities, finance and insurance, trade, real estate, chemistry and pharmacy, administrative activities and the manufacture of transport equipment.

### *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).

*Table 38: 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**[68] | 206 | 188 | 248 | 225 | 250 |
| **RWR-card for self-employed key workers** | 23 | 26 | 24[69] | 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[70] | 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/

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

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

[69] 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.

[70] 2 changes to settlement permit for self-employed key workers, 1 change to Red-White-Red card for self-employed key workers.

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 38 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.

### *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),
- 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[71]. 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 and came 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. (Table 39)

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.

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

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

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 and age.

*Table 39: Estimates of irregular migration in the EU-MS (2008)*

**Estimates of Irregular Foreign Migrants in Europe in 2008**

| Country/Region | Irregular foreign migrants minimum | maximum | In % of population minimum | maximum | In% of foreign populat minimum | maximum | Total Population | Foreign 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 |

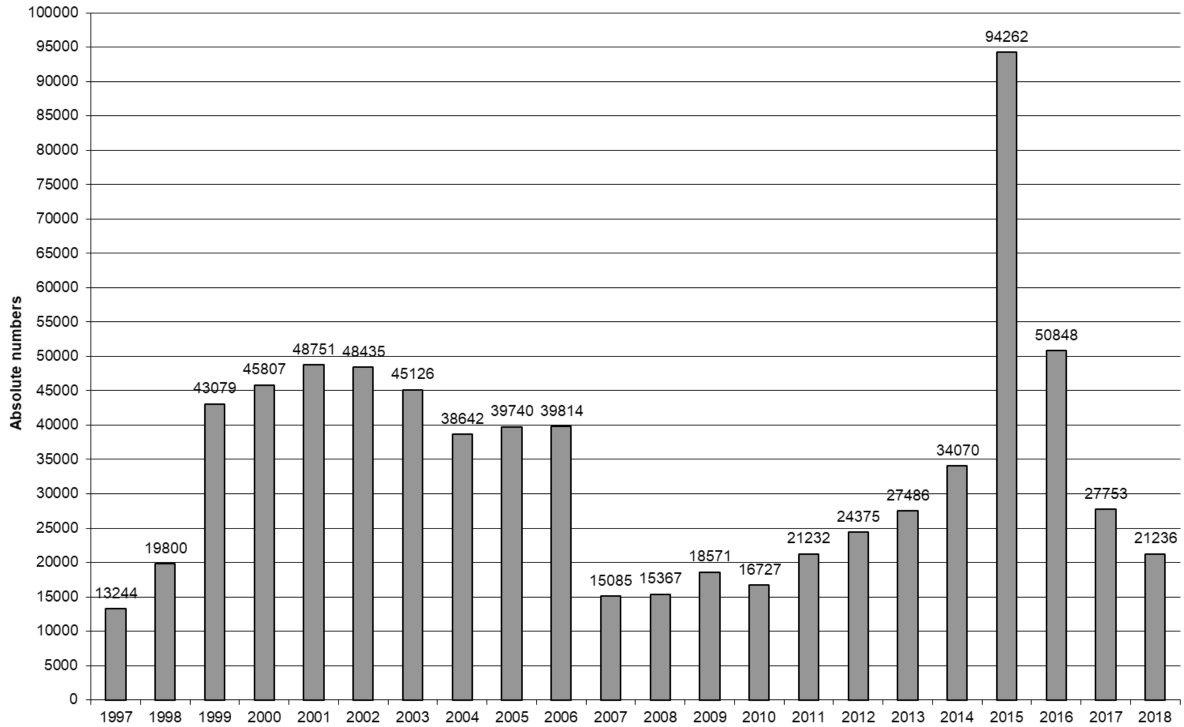
S: EUROSTAT, OECD, HWWI, Statistics Norway, Bilger—Hollomey (2011).
Foreign population: France 2007, Ireland 2006, Bulgaria 2009, Latvia, Lithuania & Slovenia 2010, Romania 2009.
Table taken from Biffl 2012: p59.

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 (Lagebericht Schlepperei) provides information on the number 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 2018. These numbers have risen between 1997 and 2001/2002, where 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 started to increase slowly to 27,500 in 2013, whereupon the inflow of irregular migrants just passing through Austria increased abruptly, reaching a peak in 2015 (94,300) and declining thereafter to 50,800 in 2016, and further in 2017 and 2018 to 21,200.

*Figure 58: Sum of apprehensions of persons unlawfully entering or residing in Austria*




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

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[72] 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 58**) 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 – a level as low as in 2013. In 2018, the number of apprehensions declined further to 21,200, - 6,500, -23.5% vs 2017.

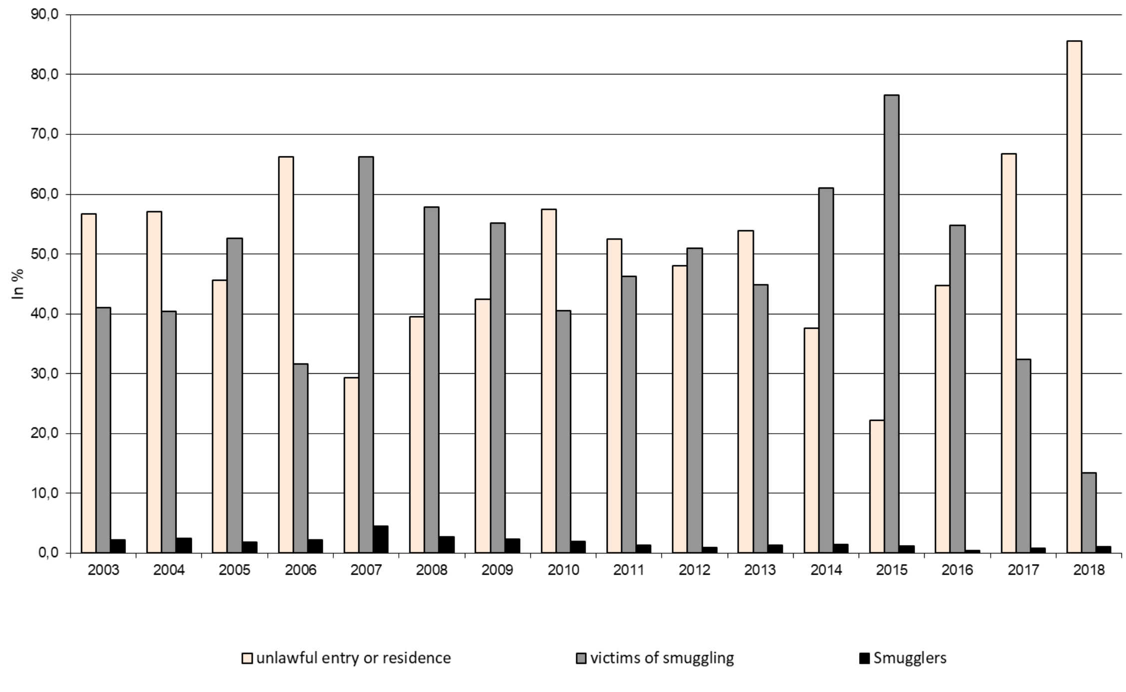
The abrupt decline between 2006 and 2007 had been in the main the result of a decline in the number of apprehended persons from Romania, who - with EU-membership of Romania in January 2007 - had the right to stay legally in Austria. Accordingly, not only the number of apprehensions declined but also 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). In 2018, the number of apprehensions declined further, in the main as a result of reduced numbers of victims of smuggling (-6,200, -68% vs 2017) to 2,800. The decline of irregular migrant inflows in 2018 is seen as the result of a

[72] 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

reduction of open conflicts in Syria and the continued adherence of Turkey to the EU-Turkey migration agreement to keep refugees on Turkish territory and thus as close as possible to the source country. In addition, the restrictive immigration policy of Italy (interior minister Matteo Salvini) hampered the inflow of irregular migrants (boat people) from North Africa to Italy and thus further to Austria.

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, and further to 13.4% of apprehensions in 2018. 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 again to 249, reducing their share in apprehensions to 0.5%, and even further in 2017 to 222, i.e., 0.8% of all apprehensions, and to 223 in 2018, 1.1% of all apprehensions. (Figure 59)

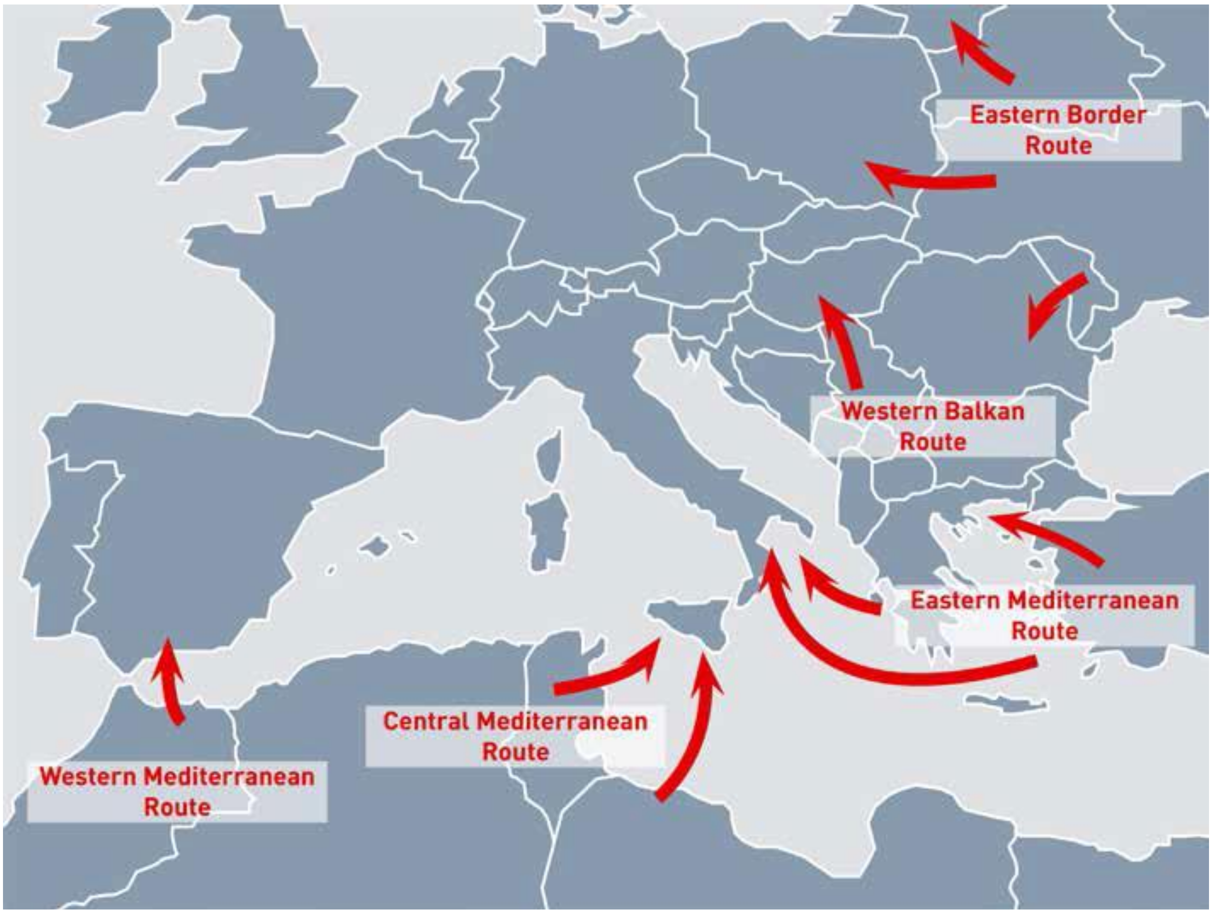
*Figure 59: Composition of apprehensions of unlawfully residing migrants and smugglers in Austria (in %)*




Source: Ministry of the Interior, Illegal Migration Report (Schlepperberichte 2006-2018).

In 2018, the main routes of unlawful entry into Austria were from Italy (5,170, 51.3%), followed by Hungary (1,648, 16.4%), and Germany (1,431, 14.2% of all apprehensions). This means that in the case of Austria, the Eastern Mediterranean Route/Western Balkan Route as well as the Central Mediterranean Route are relevant for unlawful inflows. 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 60) 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.

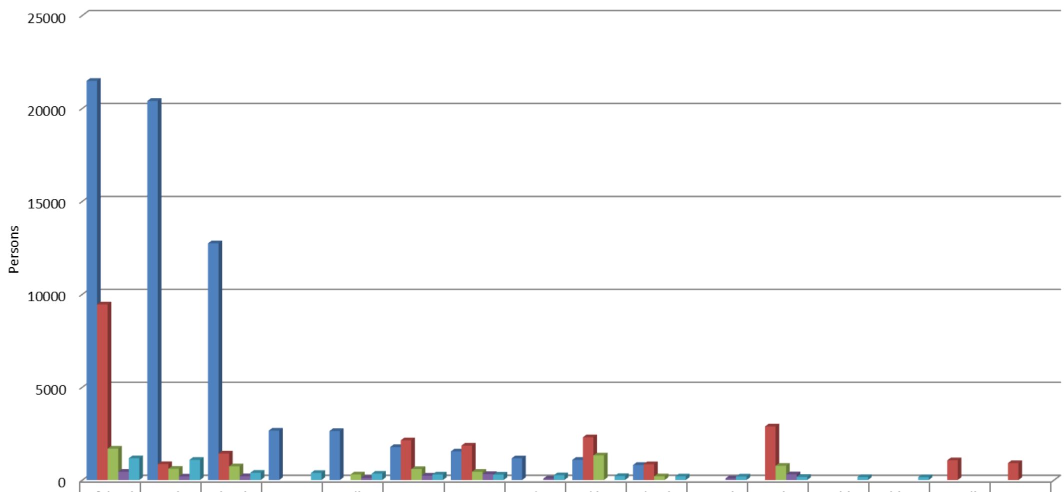
*Figure 60: Main routes of smugglers*




While apprehensions of persons from Pakistan (-1,900, -67%), Nigeria (-1,500, -38%), Afghanistan (-1,400, -47.6%), Syria (-852, 39.4%), Iraq (-433, -36%), and Morocco (-488,--40%) declined, the numbers of irregular migrants from Albania (+222, +55%), Poland (+134, 108%), Macedonia (+93,+46%), Serbia (+426,+49.7%), Romania (+202, +108%), and Iran (+301, +41%) increased.

The largest ethnic groups unlawfully residing in Austria were Nigerians (2,100), followed by Serbs (1,200), persons from Afghanistan (1,100), India (821), and Pakistan (759). The major nationalities of smuggled persons were Afghanis (443), Syrians (303), Iranians (317), Iraqis (236), Nigerians (202), from the Russian Federation (188), Pakistanis (141), Indians (110), Georgians (83), and Turks (73). The majority of the smuggled migrants were men (72%), largely young or middle aged: 42% were 19-30 years old and 12% were 15-18 years old and another 21% were 31-40 years old. (Figure 61)

*Figure 61: Major nationalities of smuggled persons 2010 to 2018*



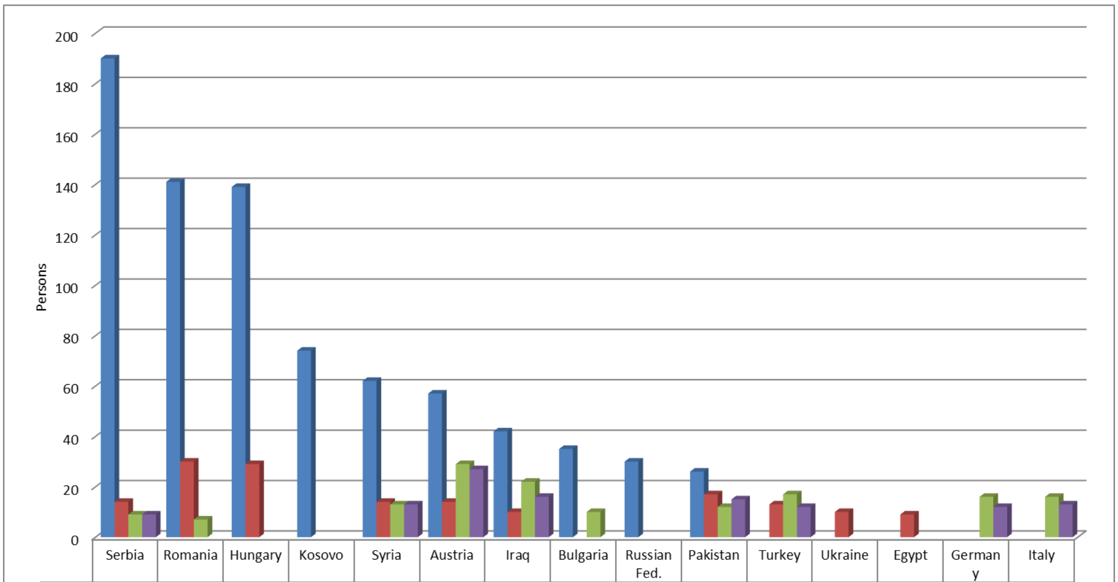

| | Afghanistan | Russian Federation | Nigeria | Kosovo | India | Iraq | Iran | Turkey | Pakistan | Algeria | Georgia | Syria | Serbia | China | Somalia | Morocco |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2015 | 21473 | 20391 | 12732 | 2656 | 2633 | 1772 | 1538 | 1165 | 1084 | 807 | | | | | | |
| 2016 | 9445 | 852 | 1424 | | | 2134 | 1850 | | 2298 | 850 | | 2880 | | | 1058 | 909 |
| 2017 | 1686 | 604 | 734 | | 299 | 587 | 440 | | 1322 | 196 | | 763 | | | | |
| 2018 | 443 | 188 | 202 | | 110 | 236 | 317 | 73 | | | 83 | 303 | | | | |
| 2010 | 1169 | 1086 | 386 | 378 | 340 | 295 | 287 | 256 | 211 | 193 | 184 | 167 | 156 | 151 | | |

S: BMI Schlepperbericht, 2010,2015/16/17/18

In 2018, the major nationalities of smugglers were Austrians (27), Iraqis (16), Pakistani (15), Italians (13), Syrians (13), Turks (12), Germans (12), Serbs (9), Iranians (8), and Nigerians (8). 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 62)

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).

*Figure 62: Major nationalities of smugglers 2015/16/17/18*




| | 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 |
| 2018 | 9 | | | | 13 | 27 | 16 | | | 15 | 12 | | | 12 | 13 |

S: BMI Schlepperbericht, 2015/16/17/18

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. In June 2018 JOO was commissioned to establish a Task force Western Balkan to combat the criminal activity of human smuggling along this route. Members of this task force are: North-Macedonia, Greece, Albania, Bosnia, Croatia, Slovenia, Italy, Germany and Austria together with Frontex and Europol. Mutual support and exchange of equipment and information as well as the establishment of an early warning system were decided upon in this context.

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 20 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.

In 2018 the investigative operation VISA.XIN was successful in identifying a group of Austrian, Chinese and Slovene citizens who forged papers of Russian and Chinese citizens to obtain settlement permits in Austria.  Another investigation project, Ranscho, is focusing on an Iraqi smuggler-ring, which transports irregular migrants from the source country to Austria and Germany at a price of 7,000 to 8,000 Euro per person. In consequence, 19 smugglers and 22 members of the ring could be captured in 2018. But also goods were smuggled, based on the traditional Hawala-system.

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.

### *Clandestine or undeclared 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. Some information is provided by the Federal Ministry of Finance (BMF) in 2015, documented in 'The Austrian tax and customs administration, Annual Report 2015'. (BMF 2016) the Austrian Customs control personnel identified 11,961 illegally employed persons, i.e. 20.6% of all controlled employed by the Finance Ministry.

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. The Law against wage and social dumping (Lohn- und Sozialdumping Bekämpfungsgesetz, LSD-BG) is another such law aiming to ensure equal pay conditions for everyone employed in Austria and to ensure fair competition between Austrian and foreign companies. Penalties to companies are imposed if wages and salaries (as provided for in the collective agreements) fall short.
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 other things implemented 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 was the improvement in administrative cooperation and enforcement of penalty decisions by using the Internal Market Information system (IMI).[73] The Platform of undeclared work (UDW) of the GD Employment, Social Affairs & Inclusion publishes country fact sheets, as EU-MS are affected differently. In the case of Austria,

### *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, and 1,125 in 2018. 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, and further to 592 in 2018 – the majority due to illegal entry (2017: 1,086, 2018: 504).

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

In addition, police may issue visa at airports or other borders. This entailed 358 visa in total in 2015 and 154 in 2016.[74] In 2015, in 15 cases the issue of visa for Austria was denied, in 2016 in 3 cases.

## 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.

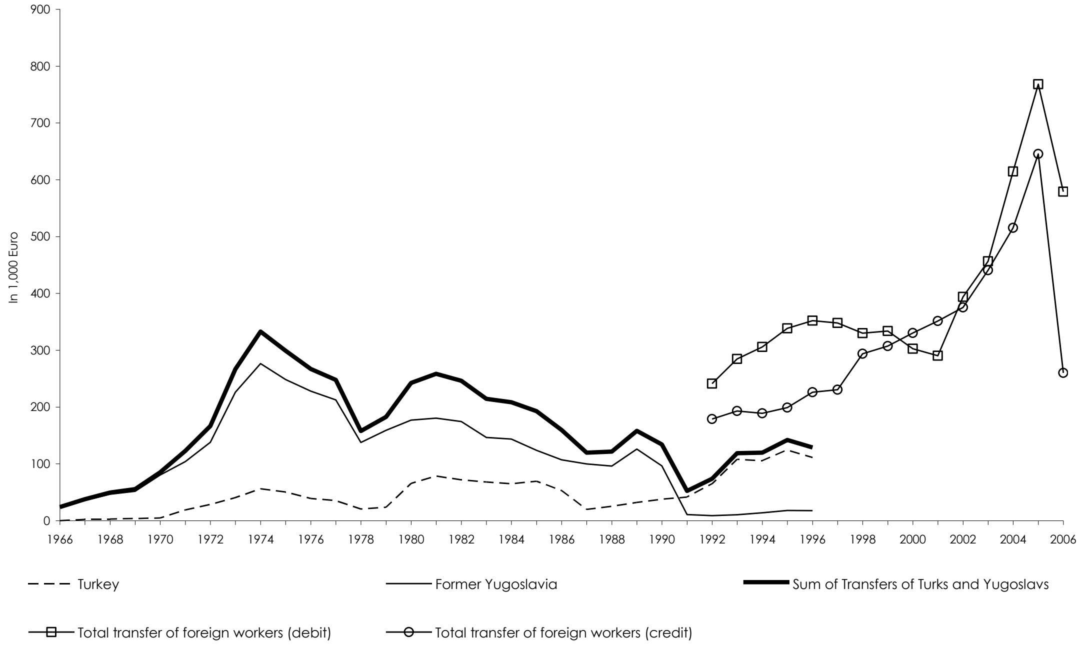
Remittances to the region of former Yugoslavia have been high and rising in the early 1970s as the employment of Yugoslavs was growing rapidly in Austria. With the onset of restrictions in the recruitment of foreign workers and the settlement tendencies of Yugoslavs in Austria the amount of money transferred 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 63)

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.

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

*Figure 63: Remittances of foreign workers to their home countries*
*1966-2006*

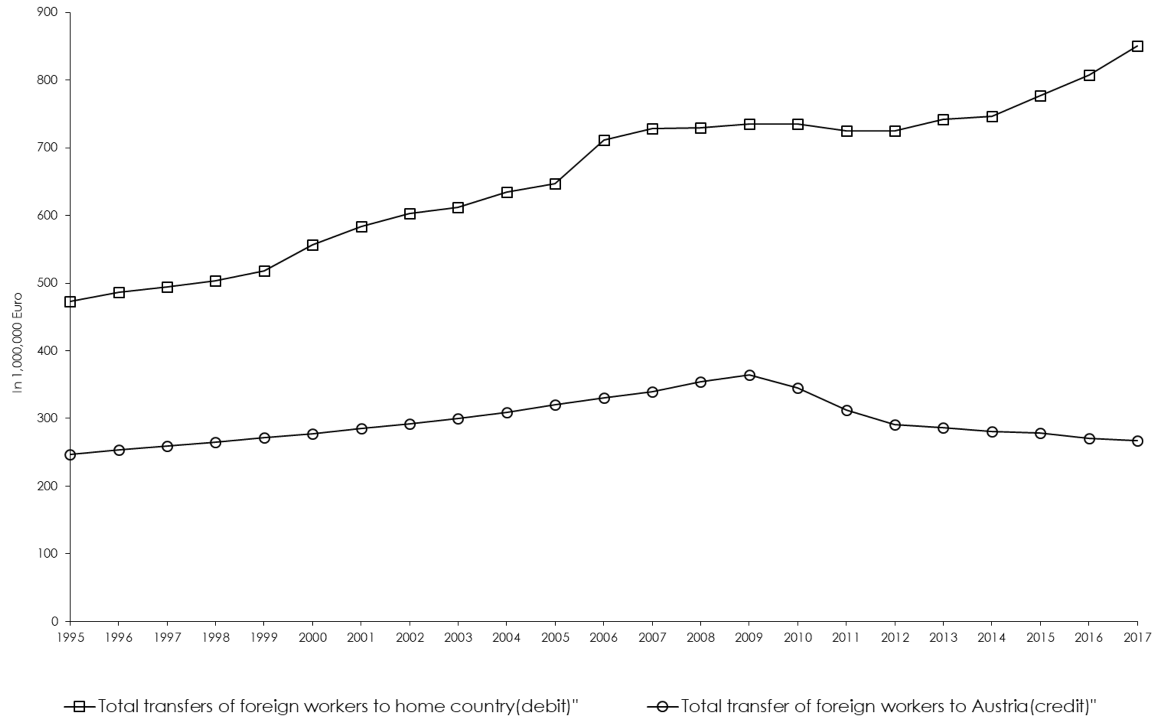



Source: Austrian National Bank (OeNB).

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. Flow data is no longer publicly but may be provided by the National Bank upon request.

Austria has seen a total net outflow of money as a result of remittances of migrants over the whole period 1995-2017, 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 64)

*Figure 64: Total gross flow of remittances between Austria and the rest of the world: 1995-2017 (in million euros)*

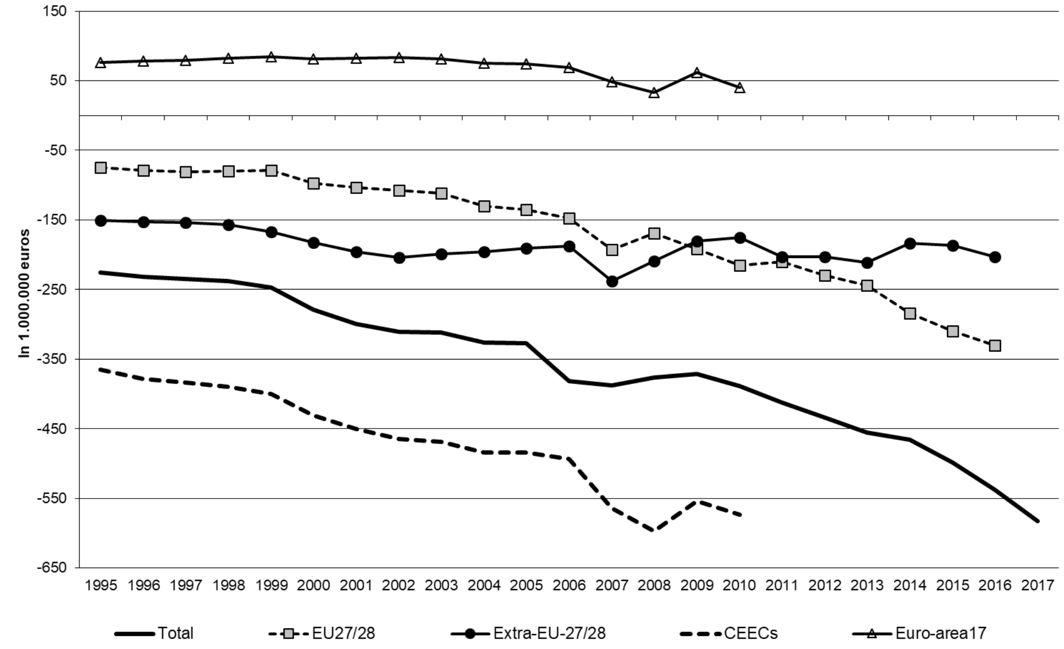



Source: Austrian National Bank (OeNB).

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 65 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 65: Net remittances of migrants in Austria to their source regions in million €: 1995-2017*




Source: Austrian National Bank (OeNB).

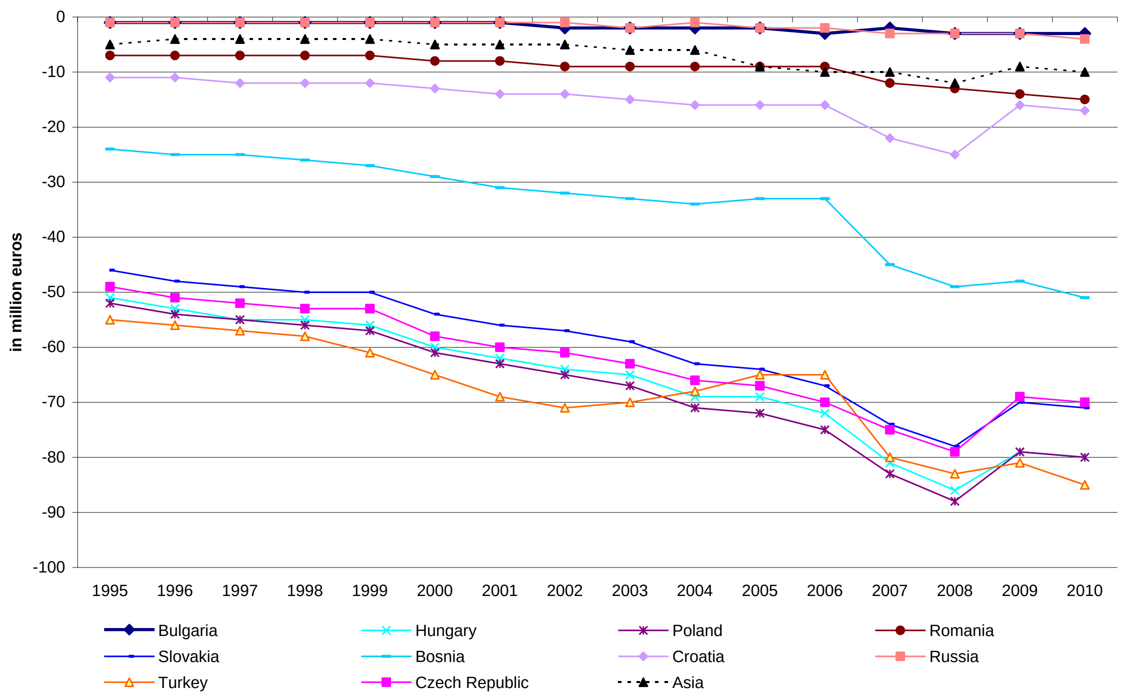
The impact of the financial squeeze migrants experienced as a consequence of the economic downturn in 2008 becomes even more obvious if looked at the various major recipient countries of money transfers from migrants in Austria. Significantly more money has been transferred to the source countries of 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 66)

It can be taken from Figure 67 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.

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.

*Figure 66: Net financial flows of migrants in Austria to their home countries in million Euros 1995-2010*

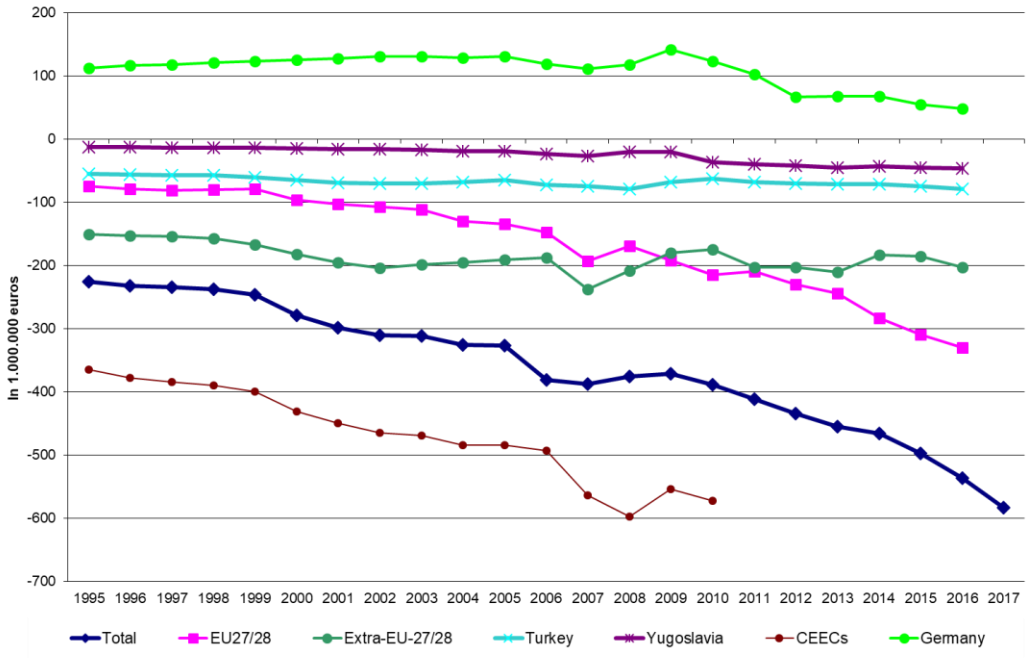



Source: Austrian National Bank (OeNB).

It can be taken from Figure 67 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 67: 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.

Between October 2017 and October 2018, a total of 7,034 persons applied for recognition or validation of a qualification obtained abroad. 98% of all applications were filed by foreigners, the majority from another EU-MS (3,400), followed by persons from Asia (1,138), and 1,164 from another European third country. Half of all cases pertained to university degrees.

**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.[75] This initiative has

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

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).[76] 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

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

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 in Austria but rather promoting self-exclusion. In 2016, the examination of nursing schools was supposed to be extended to all provinces in Austria.[77]

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

[77] 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

Bundesländer add the same amount.[78] 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.

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

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

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[79].

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[80]. 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).

[79] For a first attempt to collect information about integration measures in the various regions see *IOM – BMI* (2005).

[80] 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.

*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.

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[81]), 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[82]. (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-

[81] 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)

[82] 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)

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. 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)[83] 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. In 2019, host country sentiment relative to migrants deteriorated somewhat, with 13.7% believing that integration did not work at all, followed by 43.9% judging it as unsatisfactory.

While there is a clear improvement in sentiment vis-á-vis migrants, also relative to 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, and 42.4% in 2019.

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 medium educational attainment level are more pessimistic than persons with low skills. It is

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83 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

communities with an intermediate size that view integration more pessimistically than small and large 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 and 85.7% in 2019. In 2017, only 1.9% of migrants did not feel at home at all in Austria - compared to 3.4% in 2019, and some 6.5% feel rather less at home – compared to 10.9% in 2019. 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 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 felt at home in Austria in 2017 - compared to 91.2% of Bosnians, 88.3% of Serbs, and 79.8% of Croatians in 2019 -, but 'only' 83.7% of Turkish migrants in 2017 and 80% in 2019. This goes to show that the difference between Yugoslavs and Turks is starting to decline since 2017. 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% and 2019 34.8%), but the proportion of those who experienced a deterioration declined (from 28.9% in 2010 to 19.9% in 2018 and further to19.2% in 2019). The majority (46.9% in 2018, and 46% 2019) meant that their situation remained fairly stable over the last 5 years.

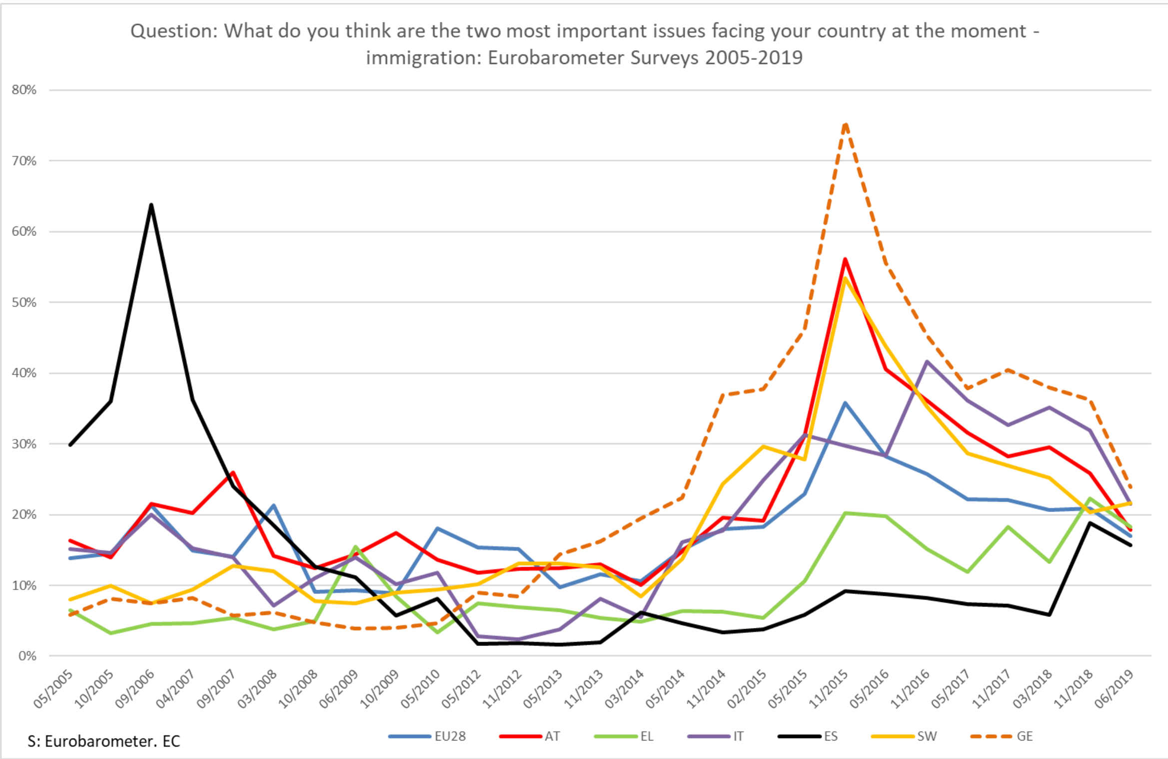
The proportion of natives who think that migrants are disadvantaged or discriminated is higher than the proportion of migrants who believe that they are always disadvantaged (23.8% versus 12.5% in 2019). The declining tendency of discrimination or feeling of being discriminated has come to an end in 2017 and is slightly rising since then. The proportion of migrants who feel that they are discriminated is rising with the educational attainment level and declining with duration of stay in Austria. The experience of discrimination is highest amongst Turkish migrants (16.1% in 2019) and lowest for Croatians with 8.3% in 2019.

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/)

Public opinion on migration is strongly influenced by migration and by political rhetoric, possibly also media reports on migration issues. This can be seen in the rise of concern about immigration in the Eurobarometer surveys of the years most affected by the substantial inflow of refugees between 2014 and 2016.

*Figure 68: Eurobarometer survey on the role of migration as an important political issue*




It can be taken from Figure 68 that the countries with the largest per capita inflows, namely Germany, Austria and Sweden, had the highest rise in public concerns about immigration as important policy issues facing the country. Migration moved centre stage at that time as the most important policy issue, while in the surveys before and afterwards it was unemployment heading the list of main issues faced by the countries. In Austria, immigration topped the agenda between 2015 (EB 11/2015) and 2018 (EB 11/2018). In 2019 (EB 06/2019), environmental issues moved centre stage and topped the national agenda for the first time. This was a Greta Thunberg effect, which also brought the green party into the coalition government of 2019.

## 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. [84]

[84] Simulations of that kind (overlapping generations models) are starting to be undertaken in Austria see *Karin Mayr (2004)*.

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.

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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