

Dynamic Historical Analysis of Longer-term Migratory, Labour Market and Human Capital Processes in Austria

Heinz FASSMANN
University of Vienna

Elisabeth MUSIL
University of Vienna

Kathrin GRUBER
University of Vienna

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Executive Summary

From an emigration country to an immigration country

Having been for decades an emigration country, Austria gradually developed into a country of immigration in the period after the *Second World War*. Since the beginning of the 1950s, the size of the population stock has increased. While part of this growth resulted from birth balance, the major part was ascribed to international migration: in total, the population of Austria increased by approximately 904,000 persons as a result of immigration from 1961 to 2011. As a result, more than one million foreign nationals (1,004,268) were residing in Austria on 1 January 2013, amounting to 12 per cent of the population. Looking at broader indicators, a share of 18 per cent of the population (1,518,234) were of foreign origin, i.e. they had a foreign nationality or had been born abroad, and in total 19 per cent (1,578,917) had a 'foreign background', meaning that their parents were born abroad. As regards inflows, after a decrease in immigration during the second half of the 2000s, immigration flows of the last three years show again an increasing trend. With a net migration of 43,797 persons in 2012, the migration gain was significantly greater than in previous years (+40% compared to 2011). Notable is a change in the composition of immigration; during the past years, an increased share of immigration resulted from intra-European mobility from the enlarged (Eastern) European Union space. As such, since 2006, annual inflows in the context of inner-EU mobility have exceeded the numbers of immigration from third countries. In 2012, about 62 per cent of all migration gain of foreign nationals was composed of EU nationals (31,518 persons), more than two-thirds (67%) of them were composed of immigrants from EU countries that joined the Union in 2004 and 2007. The largest group among them were Hungarian nationals (6,609), whose migration gain increased from 2011 to 2012 by about two-thirds, possibly also in the context of ceding transition regulations, which limited the access to the Austrian labour market for some SEEMIG countries until May 2011. At the same time, the net migration of third-country nationals decreased in contrast to earlier decades. The net migration gain of this group was 19,693 persons, 45 per cent among them from other European countries, including the Russian Federation, Serbia and Bosnia & Herzegovina.

Change of perception and policy

The development into an immigration country occurred involuntarily and foremost unnoticed by the public and political sphere. Until the 1990s, immigration of foreign nationals was essentially conceived as temporary movement of 'guest workers'. Immigration policy was an integral part of labour market policy and immigration was controlled by limiting access to the labour market. The focus was put in this regard on the protection of Austrian nationals, resulting in a relatively exclusive legal framework and the absence of integration measures for immigrants. This political situation has changed. Since the early 2000s, the control and management of international migration into a differentiated legal system has become an important issue. Inflows are conceptually differentiated according to the purpose of stay: while legal provisions and measures against irregular migration are highly restrictive, the introduction of a points-based immigration system for (highly) qualified third-country nationals, the *Red-White-Red-Card*, has proven the acceptance and necessity of labour immigration. In addition, specific institutions and committees have been set up and action plans formulated in the area of migrant integration. Two diverging migration regimes have been put in place: a managed migration scheme for third-country nationals, which is contrasted by an area of free mobility for nationals of other European Union Member States.

Immigrants and the labour market

The inclusion in the labour market and in the educational system are said to be pivotal drivers for societal integration. As concerns immigrants and their descendants, disadvantages as regards access to and inclusion into the labour market can still be perceived. The foreign labour force is more often jeopardised to becoming unemployed and has greater difficulties in (re)integrating into the labour market. This is particularly true for persons with low formal education. However, the shares of persons with foreign backgrounds are significantly higher both at highest and lowest level of

education. Data of the *Labour Force Survey 2012* on persons at working age (15 to 64 years) attests to this polarised structuring: 31.9 per cent of foreign nationals and only 20.6 per cent of Austrian nationals had a low level of educational qualification (ISCED 0-2) and 19.3 per cent of foreign nationals and 16.6 per cent of Austrian nationals had completed higher education. The significant concentration of foreign labour in specific sectors that are more exposed to structural changes and seasonal fluctuations also plays a crucial role in the employability of persons with a foreign background.

At the same time, as in other postindustrial countries, Austrian enterprises are increasingly affected by a shortage of skilled labour and are hence taking part in the worldwide competition for highly-qualified migrants, in other words *Brain Drain*. The *Red-White-Red Card* is currently the most important instrument in place aiming at attracting third-country nationals to fill labour shortages. Due to ongoing population ageing, lacking geographical mobility and skill mismatch, the competitive situation is expected to increase in the future, varying both at the regional and company level. The crucial questions are how to attract highly qualified immigrants, not only from third-countries but also within the European Union area of freedom of movement, how to retain skilled nationals and how to re-attract skilled expatriates. Austria is said to have difficulties in attracting highly skilled migrants and keeping them – problematic issues in this regard include the recognition of skills obtained abroad, the possibility of moving up the career ladder due to seniority rules and a pronounced insider-outsider segmentation of the labour market.

Outlook - migration is likely to remain the main driver for population development

The demographic prospects elaborated by *Statistik Austria* assume that if both immigration and birth rates remain at the current level, the population will grow by 11.6 per cent to more than 9.36 million inhabitants by 2050 (*main forecast scenario*). Assuming that there is no migration surplus, the population would decrease in the same period by 2.2 per cent to 7.48 million. Hence, immigration is likely to constitute the predominant driving force of future population development in Austria. Demographic prospects also show that the demand for labour force will further increase in the future. Some years ago, the demographic salient point was expected to be reached already by 2011, resulting from the retirement of quantitatively stronger cohorts born from 1950 onwards and the simultaneous entering of weaker cohorts born in the mid-1990s. Due to increased immigration during the last years, such gaps could already be substituted before they came into effect. Hence, the expected turning point is being postponed continuously. According to forecasts of *Statistik Austria*, after a peak value of 4.17 million of people at working age, which should be reached in 2017 (2011: 4.12 million), the trend reversal might occur in 2025 if no further intensification of immigration flows emerges. Thus, as a mature immigration country, Austria has relied on foreign labour to fill shortages for decades and this trend is likely to continue.

Infobox: The SEEMIG project and the context of Work Package 3

SEEMIG is a transnational cooperation project that is being implemented in the framework of the programme SOUTH-EAST EUROPE from 2012-2014. In order to facilitate evidence-based policy-making on the national, regional and local levels, and focusing on data availability and data enhancement, the main objective of SEEMIG is to better understand and address the longer-term migratory, human capital and demographic processes of the SEE area as well as their effects on labour markets and national/regional economies.

The SEEMIG WP3 dynamic historical country report at hand provides for an overview of the migratory processes in the context of economic, labour market, political and demographic processes. Focus is put on the origin and interconnectedness of their developments. There are reference periods for the analysis: first, a historical overview from 1950 until the present is given; second, the current situation analysed more in detail by looking at events of the last decade which define the present processes.

1. INTRODUCTION

1.1. Purpose and structure

This country report was carried out within the project SEEMIG¹ (Managing Migration and its Effects in SEE: Transnational Actions Towards Evidence Based Strategies), which is funded by the European Union's (EU) South-East Europe Programme and aims to better understand and address longer-term migratory, human capital and demographic processes of the SEE area, as well as their effects on labour markets and national/regional economies. As such, this report aims to elaborate a dynamic historical analysis of longer-term migratory, labour market and human capital processes in Austria. Particular emphasis is placed on specific national development paths of migratory, labour-market, human capital and demographic processes and patterns. The main focus is on migration in the long-term perspective (back to the 1950s). Together with the other SEEMIG country reports² it will feed into a Synthesis Report, which will be elaborated by UNIVIE in close cooperation with the other contributing partners. The synthesis report will bring together the main findings of all country reports and place them within a larger (South-East European) context.

The main target groups of this country report are stakeholders and researchers concerned with the different policies shaping migratory processes – this comprises policy makers and civil servants dealing with policies on migration, human capital, labour market and demographic change, as well as spatially-oriented policy frameworks (spatial planning, EU regional policy). It should allow strategy building by extrapolation on the national and local level. As a range of entities directly concerned with data production, compilation and delivery are involved in the SEEMIG partnership, the dynamic historical analysis also intends to serve as a basis for supporting data harmonisation efforts in the participating countries. Furthermore, the intended analysis will also provide valuable indications on processes and patterns related to migration for administrative bodies that are in charge of data production or that rely on data when drafting policy frameworks at different territorial level.

As regards the structure of the report, first (chapter 2), an overview of the developments that are deemed to be most relevant for understanding developments regarding international migration in Austria for the last sixty years is given: as such, principal political and socio-economic developments are analysed and put in the socio-demographic context. Further, main developments regarding migration and migration policy in Austria are illustrated.³ In chapter 3, current national policies and perspectives regarding migration in Austria are analysed. Chapter 4 refers to the more recent time period of the last decade and gives insight into current developments regarding migration as well as its effects on demography, human capital and the labour market. An outlook on future developments and conclusions drawn from the analysis are given in chapter 5.

1.2. Methodology

This report has been developed according to common specifications prepared by the SEEMIG consortium. The main scope of the long-term perspective (back to the 1950s) is on the national level. Patterns and trajectories have been explained and underpinned with statistical data wherever relevant (chapter 2). For the younger period of development (starting with 2001) an analysis was carried out for the regional and local level as well (chapter 4). The analysis necessitated the reprocessing of available data and was supported by complementary literature research as well as

¹ For further information see www.seemig.eu.

² Reports have been elaborated as well for BG, IT, HU, RO, RS, SI and SK. They are all available at the SEEMIG website www.seemig.eu.

³ As it is beyond the scope of this report to go into detail on specific events and processes, the reader is referred to the vast literature which has been published on the topic of migration in Austria in recent years. A full list of references is given in the annex of this report.

internet sources, project reports, press and other media documents. As a primary rule, national data was used for the analysis of the report. The main data sources as such are mostly of administrative nature and include statistics published or provided by *Statistik Austria* (population, migration and labour market data), the *Federal Ministry of the Interior* (international protection statistics), the *Austrian National Bank* (remittances data, financial direct investments data) and the *Federal Ministry for European and International Affairs* (estimates on emigrant stock). For the comparison with other countries, the reader is referred to international comparative data sources, such as *Eurostat*, the *United Nations* and the *Maddison Database*.

In line with recommendations of the SEEMIG Conceptual Paper⁴ the conceptualisation of migration is mainly based on a revisited version of the *Push and Pull Model* elaborated by Lee (1966), which assumes that all people are potential migrants who evaluate the attractiveness of their place of living and working and compare it to another possible and potential place of living and working. The *Model of Migration Transition* (Fassmann 2009) is used as a blueprint for long-term developments of countries. It describes the empirical observation that countries change, for example, from an emigration to an immigration country if demographic reproduction is not guaranteed. Countries and societies are 'learning' to manage immigration, which is historically a new situation after a long time of emigration (Fassmann and Reeger 2012: 67). The analysis of this report is guided by these conceptual frameworks and approaches the specific long-term migration development of Austria from these perspectives.

In order to foster comparability among SEEMIG country reports, as much use as possible is made of the terms and definitions given in the SEEMIG Glossary annexed to this report (Annex 4). If national definitions (or definitions related to the data) are not in line with these, the definitions employed are described in the respective chapter. Information on the geographical overview and regional classifications are given in Annex 1. Metadata information allows for a better understanding and interpretation of the statistics. For this purpose, main metadata information is briefly summarised in Annex 2. For further information, the reader is referred to the SEEMIG Country Report "Analysis of existing data production systems and major data sources in Austria"⁵.

1.3. Acknowledgments

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⁴ The paper is available at <http://www.seemig.eu/index.php/project-outputs> (consulted on 2 June 2013).

⁵ The report is available at <http://raumforschung.univie.ac.at/forschungsprojekte/seemig/> (consulted on 2 September 2013)

2. HISTORIC-DYNAMIC ANALYSIS OF LABOUR MARKET, HUMAN CAPITAL AND MIGRATION DEVELOPMENTS

In this following chapter, most relevant processes regarding patterns and trajectories of migration and inter-linkages to the labour market and human capital in Austria during the last sixty years are illustrated by referring to major statistical trends and the evolution of policy and legal frameworks. These developments were embedded in a larger socio-economic and political background marked by political changes such as the installation and fall of the Iron Curtain, accession to the larger European Economic Area, processes of modernisation and transformation as well as a succession of contrasting economic cycles and changes in public acceptance and policy-awareness. While it is beyond the scope of this report to elaborate on all these inter-related processes in detail, the chapter seeks to give some insight into the most pertinent processes.

2.1. Political and economic context

During the last sixty years, Austria has experienced prosperous economic development marked by profound socio-economic changes in a changing international context. As Stiefel (2010: 97) emphasises, “politics mattered” for the development of the Austrian economy, a development which was mainly marked by processes of disintegration and integration throughout the 20th century in general, but particularly during the post-war period. Following the miseries of the *Second World War*, the independent Republic of Austria was set up in 1945 with the help of the Allies and, after being administered by the latter for the following decade, was re-established as a sovereign state in 1955 that soon joined a number of international and European organisations.⁶ While remaining on the borderline between ‘East’ and ‘West’, the economic division of Europe into two blocks and the Marshall Plan led to a drastic reduction of economic relations with the Eastern European countries, and Austria subsequently moved towards Western Europe. While the successor states of the Austrian-Hungarian Monarchy once comprised half of Austria’s trade, Austria’s economy since 1945 has been orientated towards the West, especially to Germany as the by far most important trade partner (Stiefel 2006:74). It was particularly the end of the Cold War in 1989 which made it possible for Austria to move from its peripheral position closer to the centre of a larger Europe. Because of its geographical proximity and close historical ties (Stiefel 2009:99), Austria has re-acquired its traditional role as gateway to the Eastern European region. As such, the country has been among the top investors in Eastern European countries for many years.⁷

The development of Austria’s economy to an advanced (post-) industrial and service economy⁸ during the last decades is depicted in literature as a ‘story of success’ (Kausel 2002): while Austria

⁶ Austria became a member of the *United Nations* in the same year. In 1960, Austria acceded to the *European Free Trade Association (EFTA)* and joined the *Council of Europe* in 1965. Austria has participated in the *European Economic Area (EEA)* since 1994 and joined the *European Union (EU)* in 1995.

⁷ According to statistics of the Austrian National Bank, Austrian foreign direct investments (FDI) to the region have increased with an accelerated pace: compared to EUR 0.4 billion in 1990, FDI have risen to an impressive EUR 64.2 billion in 2011, which corresponds to around 41.7% of total Austrian FDI. Although annual FDI have suffered from the financial and economic crisis, they have recovered again, with FDI to the Central Eastern European region rising to EUR 3.4 billion in 2011.

⁸ While in 1954 the agricultural sector contributed 16 per cent, the industrial sector 46 per cent and the service sector 38 per cent to the gross domestic product (GDP); today, the structure of Austria’s economy is sectorial-balanced, with services and a high developed industry that dominate the economic landscape. In 2011, the GDP was composed by only 1 per cent by agriculture, 30 per cent industry and 69 per cent was attributed to the service sector (see *Annex Figure 1*). This latter sector is diversified; it is composed of personal and social services such as in health, tourism, and public and social welfare administration, transportation and communication, and professional as well as business and economic services as in banking, financing, insurance and business administration, marketing and advertising. The share of tourism is 15 per cent of GDP, making Austria one of the Top 10 tourist destinations. Industry, with 29 per cent of the GDP contribution, continues to be an important sector of the economy, and contributes to the prosperity of the country. The most relevant industrial branches are metal production and processing, engineering, chemical industry as well as the motor vehicle sector. In the context of electronic technologies, Austria is especially known for tailor-made electronic products.

showed the worst records among OECD countries in 1950 following the aftermath of the *Second World War*, it has since been able to increasingly catch up and is today one of the wealthiest countries in Europe and the world.⁹ Cyclical and structural obstacles and challenges resulting from the underlying international and national framework have marked this development. Hence, several economic phases are distinguished in the literature (Stiefel 2006, Fassmann 2000) for the reference period, which are briefly illustrated hereafter. The *phase of reconstruction*¹⁰ (1945-1955), marked by a struggle to restore the foundations for production and major government intervention in the economy, was followed by the phase of the ‘*economic miracle*’ (*Wirtschaftswunder*) of the 1950s: between 1950 and 1961, the gross national product increased by 85 per cent, big companies were nationalised and reorganised; the infrastructure improved, real wages rose and full employment prevailed.

The 1960s also represented the ‘take-off phase of *Austro-Keynesianism*’, which was characterised by a strong partnership between employers’ and employees’ representatives. The main goal was to improve Austria’s international market share; price stability, balance of payments and exports were regarded as key instruments. While basic industries faced major structural problems and had to let workers go and close mines, the quaternary sector was strengthened and Austria joined the ranks of consumer societies. It was also at this time that the Austrian social welfare state was built. As in other developed countries, the phase of unprecedented growth and full employment came to an end around 1970, with the *oil crisis of 1973/74* leading to the first major post-war crisis with a worldwide drop of production and increase of unemployment. While it was possible to uphold economic growth until 1975 by the means of economic measures according to the principle of *Austro-Keynesianism* (Fassmann 2000), by the end of the 1970s, also Austria was confronted with stagnation.

The Austrian ‘special way’ of deficit spending in conjunction with a nationalised heavy industry was abandoned in 1983 (Fassmann 2000:345); however, was not until its accession to the *European Union* that Austria started to seriously tackle its budget problem. While EU effects cannot be separated from effects of internationalisation in general, Austria’s accession to the European Union was one of the dominant economic factors of the 1990s. EU Membership and pressures of globalisation, extensive liberalisation brought an overall change of regime (Lichtenberger 2000:423), making it necessary to modernise Austria’s economy and industry, resulting in the closure of several big enterprises. Austria also entered the third stage of the *Economic and Monetary Union* in 1999. With this undertaking, while ceding to pursue an independent national monetary policy, Austria joined the second-largest economic area of the world. Today, Austria ranks high regarding the convergence criteria of the Union. The typical internationally comparable wealth indicator of GDP per capita as a measurement of the standard of living ranks Austria (despite the current debt crisis in Europe) third in the European Union and 11th place in the world in 2012.¹¹

Table 1: Population and employed persons by sector distribution, 1951-2012

Year	Total	Agriculture		Industry		Services		unknown	
		Total	%	Total	%	Total	%	Total	%
1951	3,347,115	1,079,647	32%	1,242,048	37%	985,871	29%	39,549	1%
1961	3,369,815	767,604	23%	1,378,295	41%	1,185,684	35%	38,232	1%
1971	3,097,986	426,478	14%	1,297,034	42%	1,313,673	42%	60,801	2%
1981	3,147,500	316,100	10%	1,276,600	41%	1,553,200	49%	1,600	0%
1991	3,444,900	256,400	7%	1,270,200	37%	1,899,500	55%	18,800	1%
2001	3,711,100	213,100	6%	1,103,500	30%	2,394,500	65%	-	-
2011	4,143,900	219,300	5%	1,077,400	26%	2,847,200	69%	-	-
2012	4,183,800	204,600	5%	1,094,600	26%	2,884,600	69%	-	-

Source: Statistik Austria.

⁹ For the annual growth rates in real GDP see Annex 1.

¹⁰ During this period, Austria received USD 1,585.1 million of foreign aid in the framework the American *Marshall Plan (ERP – European Recovery Programme)* and others.

¹¹ Eurostat and IMF data.

The Austrian labour market exhibits the typical development to an advanced (post-) industrial and service economy. As shown in *Table 1*, in 1951, one-third of the working population was still employed in agriculture, a share of 37 per cent in industry and 30 per cent in services. Industrial development reached its peak in the early 1960s with over 40 per cent and had slowly dropped to 26 per cent of the labour force in 2012. The share of persons in agriculture has decreased to 5 per cent in 2012. Austria became a service-orientated economy quite early, particularly in the context of a growing tourist industry in its Alpine regions and Vienna.¹² Since the 1970s, the expanding employment in the tertiary sector of the economy in Austria has offset and even surpassed the decrease of employment in manufacturing, agriculture and mining: in 2012, almost 70 per cent of the workforce was employed in this sector.

With periods of interruption, the Austrian labour market has shown favourable conditions for employment figures during the reference period. Unemployment was relatively low in the years of reconstruction until the beginning of the 1950s and increased to its preliminary peak in 1953 to 8.6 per cent. Unemployment rates decreased continuously and the 1960s and 1970s were characterised by full employment, that is, unemployment rates of about 1.2 to 2.8 per cent (Stiefel 2006:77). However, starting at the beginning of the 1980s, unemployment rates increased and were at a level of about 7 per cent in the 1990s. In the OECD context, these unemployment rates still put Austria beyond the level of other industrialised states. Unemployment rates climbed in Austrian terms to higher levels in the 2000s, particularly following the economic and financial crisis of 2008, although in the international comparison they remained low: According to the most recent monthly Eurostat data (September 2013), the total unemployment rate constituted the lowest European value and amounted to 4.9 per cent, (EU-27: 11 %).

2.2. Demographic and social development

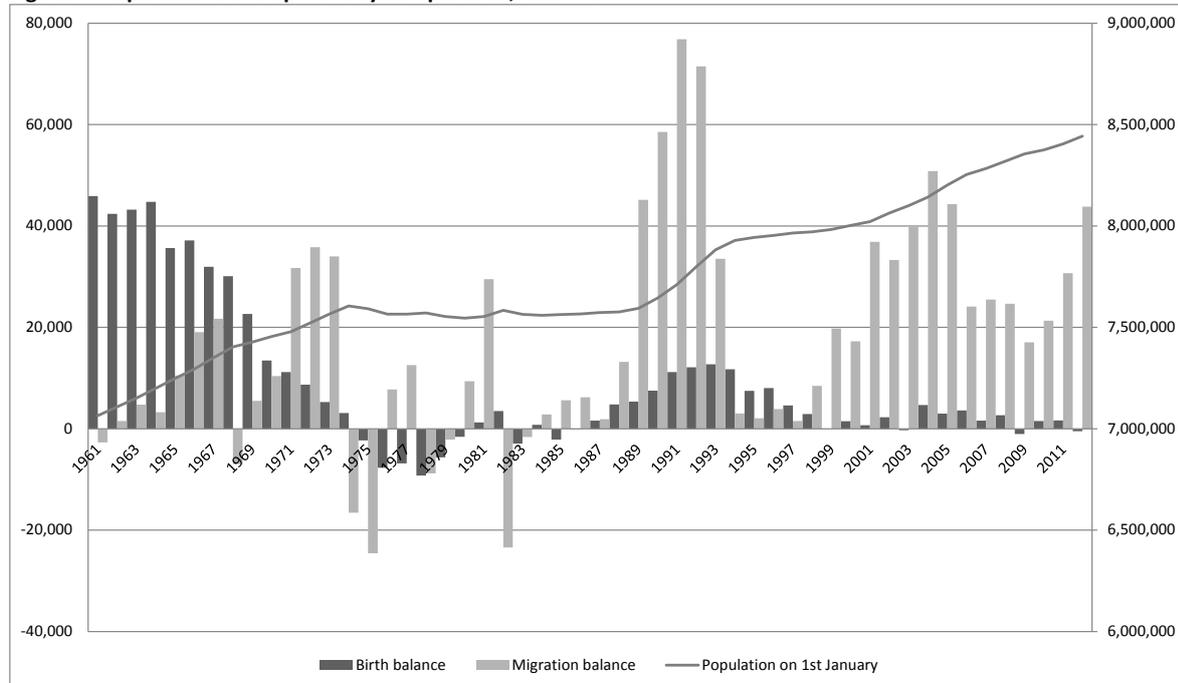
The population development in the reference period has been strongly formed by the socio-demographic changes shaped by the underlying political and socio-economic context. The population size of Austria grown from 6.9 million persons in 1952 to 8.4 million in 2013 (see *Figure 1*). Until 1973, high birth rates and immigration contributed to the population growth. A *baby boom*, which started in the middle of the 1950s and had its peak in in the early 1960s, was responsible for high fertility as well as high birth rates. This so-called 'Golden Age of marrying and childbearing' (Hanisch 1994:426) of the 1950s and 1960s made up for the 'lost years' of the Second World War and post-war period. Starting in the middle of the 1960s, the inflow of foreign workers and family reunification of these workers additionally contributed to population growth. Following these developments, the 1960s witnessed Austria's fastest population growth since the *First World War*. Austria's population grew by 420,000 persons, bringing the population stock at the beginning of the year 1974 to 7.6 million inhabitants (*Annex Figure 1*).

It is in this year that the period of growth ended rapidly. A period of 15 years of stagnation followed, during which some years even witnessed a population loss. The reasons for this trend were a birth deficit of about -28,000 persons between the years 1974-1988 as well as the emigration of foreign workers in the aftermath of the *oil price shock* in 1973. Only in 1989 was the population number of 1974 met again. In the context of changing attitudes and values regarding family, children, increasing employment of women as well as reconsidered costs of upbringing, fertility has declined to a large extent: while in 1963, the peak of the *baby boom*, the total fertility rate (TFR) was 2.82 children per women, it was 1.69 in 1976. Furthermore, large cohorts reached their end of their life expectancy (Preston/Heuveline/Guillot 2001). After 1988, the population numbers greatly increased again. While in the beginning of 1988 a total of 7.58 million persons lived in Austria, it was 7.93 million at the end of 1993, resulting mostly from net migration gain from abroad. As will be outlined in chapter 3, the

¹² With some 36.2 million tourists in 2012, tourism is an important pillar of Austria's economy. While in 1955 its share of the GDP was 1.5 per cent, in 2012 it amounted to 5.5 per cent.

new more restrictive regulations towards immigration put in force in 1993 marked the end high numbers of annual migration inflows (Fassmann 2006:54). Population numbers continued to increase, but at a reduced speed. In 1999, Austria reached 8 million inhabitants, and amounted on 1 January 2013 to 8.45 million. Despite restrictive immigration policies, the majority of this growth relies on gains through net migration.

Figure 1: Population development by components, 1961-2012



Source: Statistik Austria, own illustration.

As has been shown above, the demographic and social development of Austria during the reference period was characterised by several processes of demographic and socio-economic change that were interrelated to each other. With the sectorial structural change resulting in a shifting of jobs from the agricultural and industrial sector to the service sector, changes in the spectrum of demanded qualifications occurred, because many services require a high level of formal education. As such, the extension of schools and universities and the higher education of the population are seen as one of the most significant and positive changes of the last sixty years (Fassmann 2006:62). The number of regularly enrolled students at universities increased between 1960 and 2000 six fold. Women have particularly profited from this development: while the number of male university students increased by a factor of four between 1960 and 2012, those of women increased by a factor of ten. As Fassmann (ibid) emphasises, the main consequences for decreased fertility are socio-economic change in general, the increased education of women and the related increased employment of women as well as men's continual traditional role behaviour. However further consequences include an increasing older age of marriage, fewer marriages and a higher number of divorces.

Further recent demographic trends not only include an increase of various forms of cohabitation and solitary living, contributing to smaller household sizes, but also an increase in longevity: the overall improvement of quality of life, including better homes and health services available to everyone have caused a constant increase of life expectancy of 83.3 years for women and 78.3 for men (2012) and a drastic decline of mortality. In the context of a very low fertility rate of 1.43 (2012) below the replacement level coupled with increased overall longevity, Austria follows the European demographic trend of population ageing, meaning the increase of the mean age of the population and the increase of the relative weight of elderly people in the population. Population ageing in

Austria is a relatively slow, but long-term and irreversible process, which has been noticeable since the beginning of the 20th century. While in 1961, as a consequence of great losses through infant mortality¹³ as well as the losses of the *First World War*, only 12.3 per cent of the population was aged 65 years and over, since the 1970s significant indices for demographic ageing as consequence of the decrease in the number of births have become particularly evident. Nevertheless, until the 1980s as well as the 1990s, the demographic situation was from the viewpoint of the social welfare systems still favourable (Fassmann 2006:55). The old-age-dependency ratio¹⁴ had only increased to a small extent, and the young-age-dependency ratio¹⁵ had decreased, bring the total-age-dependency ratio to a low level. Only in a longer-term perspective can the situation be regarded as unfavourable: in 2013, the old-age-dependency ratio stood at 29.8 per cent. In the future, the share of most-elderly (85 years and over) raises particular concerns: it is estimated that their share, which was 2.4 per cent of the total population in 2013, will increase to 3.7 per cent by 2030. This 'fourth' age group depends increasingly on care from others, including nursing homes and hospices. While in general, in a welfare state like Austria, rising costs have become a serious strain on public budgets, the development also creates increased labour demands in the care sector and ensuing requirements for labour migration.

2.3. Development of international migration

As illustrated above, these socio-economic developments are a result of a change in migration patterns of the country: While having been, as other European countries, an emigration country during the majority of modern times (Fassmann/Münz 1995), Austria developed into a country of immigration in the period after the Second World War. Since the beginning of the 1950s, the population size has increased by 1.5 million people (see Table 2). Though part of this growth resulted from a positive birth balance (714,600), the major part resulted from migration¹⁶: from 1961 to 2011, the population of Austria increased by approximately 904,000 persons as a result of immigration (Statistik Austria 2012). More precisely, population gain from immigration resulted only from immigration of foreign nationals: over the last sixty years, nearly 311,474 more Austrian nationals emigrated abroad than returned to Austria. In contrast, the migration gain of foreign nationals over the entire period was positive. The population increase due to immigration of foreign nationals since the 1960s is equivalent to 1.23 million persons.

Table 2: Population change by components, 1961-2011

Year	Population 1 January	Period	Population change	Birth balance	Net migration Austrian nationals	Net migration Foreign nationals
1961	7,064,693	1961-1970	414,337	347,278	-64,998	132,057
1971	7,479,030	1971-1980	74,296	-4,929	-25,834	105,059
1981	7,553,326	1981-1990	157,556	19,589	-80,108	218,075
1991	7,710,882	1991-2000	310,064	72,232	-68,806	306,638
2001	8,020,946	2001-2010	354,218	18,790	-62,225	375,683
2011	8,375,164					

Source: Statistik Austria, population statistics, own calculations.

According to estimates of *Statistik Austria*, numbers of foreign nationals have increased from 101,986 persons (1.4% of population) in 1961 to about one million persons (1,004,268) on 1 January 2013, amounting to 11.9 per cent of the population. As figures of citizenship are blurred by naturalisations, other indicators of the migrant population draw an even clearer picture of Austria's position as an immigration country. On 1 January 2013, a share of 18 per cent of the population

¹³ The infant mortality was 66.1 in 1950 and has halved to 32.7 in 1961. The rate further continuously decreased further to 3.6 in 2011.

¹⁴ This indicator is the ratio between the total number of elderly persons of an age when they are generally economically inactive (aged 65 and over) and the number of persons of working age (from 15 to 64).

¹⁵ Ratio of the number of young people at an age when they are generally economically inactive, (i.e. under 15 years of age), compared to the number of people of working age (i.e. 15-64).

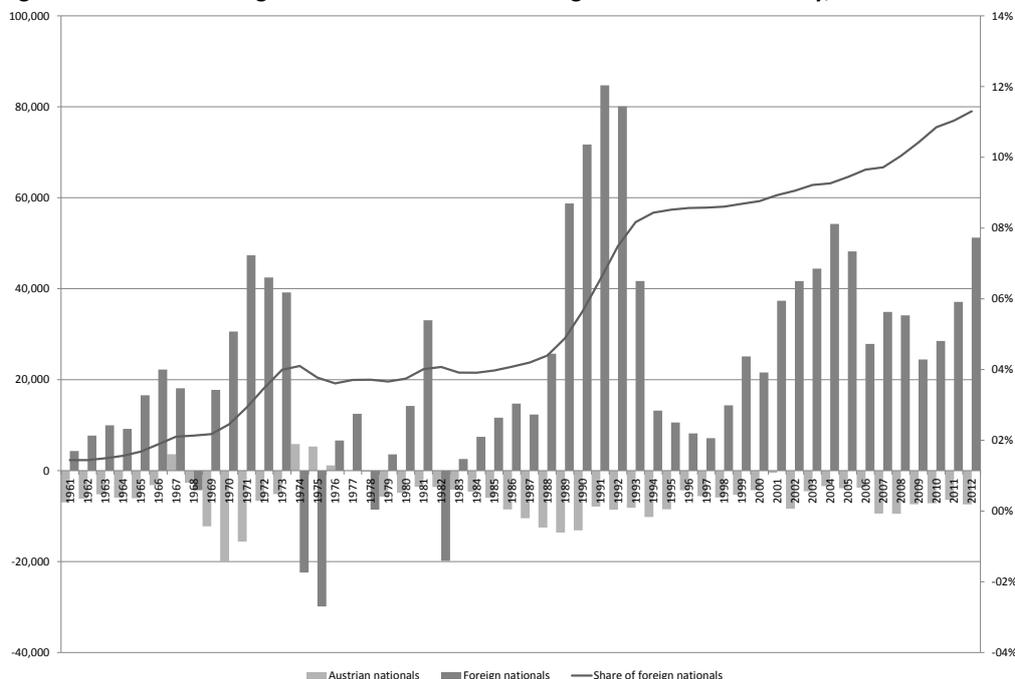
¹⁶ Statistik Austria, Bevölkerungsbilanzen 1869-2011 nach Bundesland und Komponenten, available at: http://www.statistik.at/web_de/static/bevoelkerungsbilanzen_1869-2011_nach_bundesland_und_komponenten_heutiger_g_023289.xlsx (accessed on 17 July 2013)

(1,518,234) was of foreign origin,¹⁷ meaning that they had a foreign nationality or had been born abroad. In total, 18.9 per cent of the population¹⁸ had parents who had been born abroad; as such they were dubbed ‘persons with foreign background’. This development into an immigration country occurred neither voluntary nor self-determinedly but *de facto* (Fassmann 2003:6); it went foremost unnoticed by the public and was not continuous. As will be lined out below, this resulted for a long time in unawareness from the policy side and a lack of policy responses and measures regarding the integration of these immigrants and their children.

2.3.1 Periods of migration development

For the period after 1950, Münz/Zuser/Kytir (2003:20) distinguish four phases of migration that are briefly introduced hereafter: the period called ‘From an Emigration Country to an Immigration Country (1950-1973)’, in which the share of foreign nationals increased largely in the context of targeted temporary labour migration; the phase of ‘Between Return and Settlement (1974-1988)’, in which a consolidation of settlement of migrant workers took place and the share of foreign nationals largely stagnated, ‘The End of Division of Europe (1989-1993)’ characterised again by an increased inflow of migrants, and the phase ‘From unregulated to regulated migration (1994 until today)’, resulting in increased control of immigration from third countries combined with intra-European mobility. This phase was followed by a more recent phase ‘Diversity, migration management and intra-EU mobility’. This current phase emerged during the early 2000s, particularly after 2004 with the increased intra-European mobility from (Eastern) European Union countries to Austria, and is marked by an increasingly diversified resident population, integration measures on the national level and managed third country immigration on national and European Union level.

Figure 2: International migration flows and share of foreign nationals on 1 January, 1961-2012



Source: Statistik Austria, own illustration.

From an Emigration Country to an Immigration Country (1950-1974)

¹⁷ According to register-based data in 2013.

¹⁸ According to LFS data

In the context of miseries, unemployment and slow economic recovery in the post-war and reconstruction period, the decade 1950-1960 was characterised by emigration of Austrian nationals. While in the first half of the 1950s emigration to overseas countries was of special importance, in the middle of the 1950s, the Western European neighbouring countries that attracted migrant workers in order to satisfy their labour demand became the most important destination of Austrian emigrants (Neyer 1996:18pp.; Münz/Zuser/Kytir 2003:20). In the 1960s and early 1970s, the emigration of Austrian workers continued: between 1962 and 1973, the migration loss amounted to 92,400 persons. These emigration flows intensified the already existing lack of male work force resulting from the echo effects of the *Second World War*. Consequently, further enhanced by a decreased labour participation rate of women in the context of the above-mentioned *baby boom*, in the late 1950s, Austria was confronted with labour demand of industrial workers (Münz/Zuser/Kytir 2003:21). The *Federal Economic Chamber* attempted to conclude a *Non-Recruitment Agreement* for Austrian nationals with German and Swiss employers' associations, which remained a feeble attempt to undermine labour emigration (Matuschek 1985:159pp.). In this context and following the examples of other Western neighbouring countries, Austria started targeted recruitment of labour force from several Mediterranean countries. With the *Raab-Olah-Agreement*¹⁹ of 1961, a phase of active recruitment policy of 'guest workers', as foreign workers were called, was launched. Agreements were concluded with Spain (1962), Turkey (1964) and Yugoslavia (1966).²⁰ As such, labour emigration of Austrians and labour immigration of foreign nationals to Austria was equal in numbers until the beginning of the 1970s (Fassmann/Münz 1995:16pp).

Rotation was the overall principle of this labour recruitment scheme; integration and settlement thus were not foreseen. For this purpose, the permanent settlement of foreign workers was hindered by means of restrictive access to the labour market, exclusion from political and social rights as well as denial of permanent residence status. However, direct recruitment and the principle of rotation did not work as envisaged. Inflows were relatively low in the beginning of the 1960s and the set contingents were not used; hence, the demand for employers was not satisfied. For this purpose, at the end of the 1960s, employers sought to encourage foreign workers to be joined by their family members by the means of financial incentives (Matuschek 1985:165pp, cited in Münz/Zuser/Kytir 2003:22). Starting in 1969, the number of foreign labour migrants in Austria increased rapidly through stimulating (formerly not intended) chain migration.

Between Return and Settlement (1974-1988)

Following the *oil crisis in 1973* and worsening labour market conditions, Austria announced a recruitment stop with the aim to reduce the number of foreign workers and to induce return to their countries of origin. Additionally, the *Foreign Work Act of 1975 (Ausländerbeschäftigungsgesetz)* inscribed the primacy of nationals over non-nationals on the labour market. While the stock of Turkish nationals remained at the same level, the numbers of workers from Yugoslavia declined strongly.²¹ In contrast to political intentions, however, the recruitment stop also partly led to a consolidation of the settlement of migrant workers (Davy/Gächter 1993). Fearing the loss of their workplaces and residence status, many migrants who had been circulating between their country of origin and Austria postponed their return. In parallel, family reunification compensated for the numbers of persons who returned. This process of permanent settlement of migrants went unnoticed and consequently no measures for integration were taken by the public hand (Münz/Zuser/Kytir 2003:24).

¹⁹ Agreement in which social partners agreed for the first time to call upon foreign workers.

²⁰ On-site offices, which were established in these countries by the Federal Economic Chamber, organised the recruitment and travel to Austria (Matuschek 1985:10).

²¹ In total, this led to a reduction from the peak of foreign employment in 1973 of 226,800 foreign workers to a number of 88,000 workers annually. In the year 1984 their number was only 138,700.

The End of Division of Europe (1989-1993)

Following the *Fall of the Iron Curtain* in 1989, the numbers of resident foreign nationals increased from 387,000 to 690,000 persons in 1993. Signifying an increase of 80 per cent, the proportion of foreign nationals increased from 5.1 per cent to 8.6 per cent of the population stock in 1993. Despite the fear of a 'mass migration' from Eastern Europe (Fassmann/Münz 2000), major migration flows did not occur. Nevertheless, Austria received increasing numbers of asylum applications from citizens of former communist countries, amongst others Romania, and major flows of refugees came from Croatia (1991) and Bosnia and Herzegovina (1992/93) as a consequence of war and ethnic cleansing. In addition to that, recruitment of labour migrants was taken up again because the economy was again growing. After 1993, following the adoption of the *Residence Act 1993*, which enforced rights of already present migrants and introduced quotas for new immigration fixing the highest percentage of foreign workers to be employed at 10 per cent of the total employees, numbers of immigrants declined rapidly. Most of the immigration originating from Turkey and the successor states of Yugoslavia to Austria hence occurred mostly in the context of family migration.

From unregulated to regulated migration (1994-1999)

The fact that Austria had become a de-facto-immigration country was neither institutionally or legally perceived nor did it enter into public awareness until 1990 (Münz/Zuser/Kytir 2003:27). The rights of labour migrants residing in Austria gradually improved starting in 1995, which was markedly linked to Austria's EU accession. This concerned access to education, health, social rights as well as to goods and services, including government-funded housing (Perchinig & Troger 2011). With the coming into force of the *Amsterdam Treaty* in May 1999 and following the EU Summit in October 1999 in Tampere, further steps towards EU-wide harmonisation of migration and asylum policies were taken. Steps taken towards EU harmonisation in this policy field have since formed Austria's migration and asylum field. The most relevant developments are outlined in chapter 2.3 and 2.4.

Diversity, migration management and intra-EU mobility (2000-today)

The current phase was extended by a more recent phase emerging during the early 2000s, which was marked by further steps towards managed migration from third countries (also in the context of the above mentioned EU policies regarding labour migration and family migration) combined with increased intra-European mobility the enlarged (Eastern) European Union space, especially after 2004. As such, since 2006, annual inflows in the context of intra-EU mobility have exceeded the number of immigrants from third countries. This led to an increasingly diversified resident population, especially in Vienna, where on 1 January 2013 a share of 38.5 per cent had a migration background. The phase is also characterised by increased policy awareness and actions on the national level with coordinated and targeted integration measures.

2.3.2. Development of international protection in Austria

In the post-war period, Austria was also a country of destination and transit for refugees. By the end of the *Second World War*, more than 15.4 million people had fled or had been expelled from Eastern to Western Europe and Austria received more than one million of these forced migrants, half of whom became permanent residents (Fassmann 2000:109). Austria signed the 1951 Geneva Convention on the protection of refugees in 1955. Its geographic location at the eastern border of Western Europe and its traditionally liberal asylum policy (Münz/Zuser/Kytir 2003:29)²² soon made Austria the first safe haven during the Cold War refugees from countries in Eastern Europe and Russia. 211,726 refugees left Hungary for Austria after the uprising of 1956, 162,000 refugees from Czechoslovakia followed in 1968 and 150,000 refugees from Poland were received in 1980/81. While resettlement of these refugees to other countries with the help of international organisations (e.g. ICEM/IOM) was a prevailing policy until the 1970s (Kraler 2011), many of them also remained.

²² Until the 1980s, refugees from socialist countries were automatically recognised as refugees.

Due to increased numbers of asylum applications, especially following the *Fall of the Iron Curtain*, national asylum policy was more restricted and recognition rates decreased (1984: 46%; 1989: 19%). During the 1990s, asylum policy was fundamentally reconceptualised, e.g. in 1991 amongst others the principle of ‘safe country of origin’²³ was introduced. Following these restrictive measures, the number of asylum applications as well as recognition rates decreased between 1992 and 1997 to the level of the 1980s. In parallel, the composition of countries of origin changed to a large extent: while earlier, asylum seekers had mainly originated from Central and Eastern European countries, this shifted to origins mostly outside of Europe.

Austria’s asylum system today is embedded in the broader *Common European Asylum System* (CEAS), which sets common standards for the reception, procedures, identification and responsibility within the asylum procedure and enhances cooperation in the area of international protection in the EU Member States. Despite no longer being situated along the external EU border, Austria continues to be an important recipient country for asylum seekers. In the 2000s, after a peak in applications in 2002 with 39,354 annual applications, the numbers have decreased. This decrease is ascribed to the EU accession of Central and Eastern European countries as well as changes in national asylum legislation. Since 2010, however, asylum numbers have been increasing again. In 2012, asylum applicants amounted to 13 per cent (17,413) of all inflows. In relative terms per capita, Austria is among the EU countries with the highest numbers of asylum applicants.

2.3. Evolution of the Migration Policy and Legal System²⁴

As outlined above, migration policies and policy making in Austria have undergone fundamental changes since the 1950s. As Kraler (2011) points out, while migration had long been a matter dealt with by small group of experts within the administration, trade unions, labour market organisations and employers’ organisations, it has shifted to the centre of political debate and centre of government. This process was accompanied by several changes in the institutional framework and the growing tendency of political parties to frame immigrant and integration as central issues in parliamentary election campaigns. Kraler further observes that these changes were linked to broader changes in contextual factors, such as changes in the political system, economic cycles, broader social changes, changing patterns of migration and diversification in terms of types of migration and migrants’ countries of origin. This includes the changing geopolitical context after 1989 with the *Fall of Iron Curtain*, the Yugoslav crisis and related refugee influxes that triggered events for migration policy reforms in 1990s, and finally the Europeanisation of migration policy in the recent decade (Kraler 2011).

Until 1989, the immigration policy had been oriented on the ‘guest worker’ policy of the 1960s and as such was an integral part of labour market policy, meaning that immigration was controlled via restriction of access to the labour market. Until the early 1980s and in the context of the *Keynesian* rationale of full employment and high deficit spending, migration policies followed the principle that labour migration should not undermine the wider objective of full employment and the employment-based welfare regime (ibid. 2011). Migration policy-making was therefore closely linked to wider social and economic policy concerns and a non-public mode of negotiation and decision-making. Immigration was hence only matter for the social partners, making the *Parliament* as well as the *Federal Ministry of Social Affairs*, in many cases, mere executors (Wimmer 1986:7p cited in Münz/Zuser/Kytir 2003:22).

²³ This principle postulates that asylum applications from persons coming from a ‘safe country of origin’ are to be rejected.

²⁴ For further information, see IOM Vienna 2009 and Kraler 2011. For an overview on the development of migration and asylum policies in Austria see the general trends and specific measures from 1960 to 2012 as summarised in *Table 3* below. Policies primarily dedicated to integration of foreign nationals residing in Austria are not displayed in this table.

Through the *Fall of the Iron Curtain* and rising numbers of immigrants and asylum seekers perceived as a 'migration crisis' (Bauböck/Perchinig 2006:732), the new guiding policy principle became 'managed migration' (Kraler 2002). The limitation of new immigration became a priority. The *Residence Act 1993* marked the beginning of a conceptually new immigration policy in Austria, which stopped the high immigration of the previous years (Fassmann/Münz 1996: 227pp) by introducing as the first country in Europe (Cinar/Waldrauch 2007: 49) a system of quotas that existed until recently with various modifications. Migration policy shifted from the responsibility of the *Federal Ministry of Social Affairs* to the *Federal Ministry of the Interior*. As such, admission, policing, asylum and integration were centralised in one department. Since then, several reforms of the *Aliens Act* and *Asylum Law* have been carried out, mostly also in order to transpose EU law in the field of migration and asylum.

With the accession of Austria to the European Union in 1995, the fundamental principle of free movement of workers, as enshrined in Article 45 of the *Treaty on the Functioning of the European Union*, applies. According to this principle, EU citizens (as well as EEA and Swiss nationals) have the right to reside in the territories of any EEA member state and of Switzerland once they comply with the set regulations. In fear of major labour flows from these countries, Austria was one of the EU Member States, together with Germany, that introduced transition regulations imposing access restrictions to their labour markets for citizens of some EU Member States that joined the European Union in 2004 and 2007.²⁵ While most of these transitional regulations have run out, for citizens of Croatia the transitional regulations regarding labour market access still apply. Moreover, as community law has autonomous effect, it is directly applicable and takes precedence over national legislation, including national constitutional laws²⁶ (Pelinka/Rosenberger 2007: 97pp.; IOM Vienna 2009:12). The legal provisions formulated at the EU level have thus framed Austria's legal framework towards third-country nationals. Following the EU accession, the *Asylum Act 1997* was revised in order to allow for inclusion of the *Schengen Agreement* and the harmonisation of the Austrian law with the 1990 EU *Dublin Convention*. Furthermore, in the same year, the *Aliens Act 1992* and the *Residence Act 1993* were merged into the *Aliens Act 1997*. The new guiding principle, also for the *Citizenship Act*, became 'integration before immigration', putting further restrictions on new immigration of third-country nationals, but simultaneously increasing the security of residence of the foreigners who have already settled in the country (IOM Vienna 2009).

Further steps towards EU-wide harmonisation of migration and asylum policies were taken with the coming into force of the *Amsterdam Treaty* in May 1999 and following the EU Summit in October 1999 in Tampere. The harmonisation steps that have been taken²⁷ within the creation of the *Common European Asylum System* (CEAS) since 1999 have been implemented into Austria's asylum policy. The EU measures on legal immigration cover the conditions of entry and residence for certain categories of immigrants, such as highly qualified workers subject to the *EU Blue Card Directive* and students and researchers. Further regulations have been introduced for family reunification and long-term residents. In anticipation of EU directives, a major reform of the *Aliens Act* and *Asylum Law* was carried out in 2002. This reform restricted immigration for labour purposes to highly skilled key personnel (key workers) with a minimum wage requirement, facilitated seasonal employment and introduced an integration agreement that all third-country nationals who were immigrating or had only recently moved to the country were obliged to sign. However, the reform failed to fulfil its objective of reducing immigration, as in the context of free mobility, immigration from third countries shifted to immigration from other EU countries (Kraler 2011). With the revision of the *Asylum Act 2003*, special admission procedures were introduced and a ban on new evidence during

²⁵ For Romanian and Bulgarian workers, the transitional regulations expired on 31 December 2013.

²⁶ With the exception of the fundamental principles anchored in the Austrian constitution

²⁷ These have affected the quality of asylum decisions, reception conditions (such as housing) for asylum, detention, grounds for granting international protection, temporary protection of mass influxes of refugees, protection of asylum seekers during the process of establishing the State responsible for examining the application, and rules governing the relations between states as well as the establishment of an EU database of the fingerprints of asylum seekers.

appeal procedures was established. In general, asylum legislation was used as major instrument of migration control (Kraler 2011). In order to transpose EU legislation, a complete revision of the aliens' legislation was carried out through the implementation of the *Aliens Legislation Package* in 2005. It increased the integration requirements for new immigrants and introduced restrictive policies towards new immigration. The creation of the *Asylum Court* in 2007 as second instance court was intended to reduce the backlog of cases. Amendments to the *Asylum Act* in 2009 brought further restrictions. As such, a residence obligation²⁸ was introduced for asylum seekers.

Migrant integration policies only emerged in Austria with the major immigration reforms of the 1990s. Up until then, the perception of migrants as 'guest workers' had contributed to the lack of explicit national level immigrant policies. The focus was instead put on 'protecting natives from immigrants', resulting in an exclusionary legal framework of newcomers and settled migrants and absence of positive social policy measures for immigrants (Kraler 2011). To address specific needs of immigrants, integration measures were taken on the municipal level in a pragmatic way and uncoordinated from another. It was not until the second half of the 1990s that integration entered the political agenda as the topic was increasingly debated by a pro-immigrant alliance of NGOs, Greens and media and an anti-immigrant alliance composed of the Austrian Freedom Party and the tabloid press. Citizenship explicitly linked to migration and integration (Amendment of the *Nationality Law*, 1998; 2006) and language tests for immigrants were introduced (2002).²⁹ The first attempt for a more coordinated approach to integration policy-making was taken with the establishment of the *National Action Plan of Integration*³⁰, which was adopted in 2010. The establishment of a separate State Secretariat for Integration in April 2011, which is supported by a several institutions, i.e. the *Advisory Committee on Integration (Integrationsbeirat)* and the *Expert Council on Integration (Expertenrat für Integration)*, was a further important step to institutionalise information and knowledge exchange in the area.

²⁸ Stay within boundaries of a designated district.

²⁹ Provisions have been modified on several occasions.

³⁰ Several thematic areas, including language and education, employment and occupation, rule of law and values, health and social affairs, intercultural dialogue, sports and leisure, housing and regional dimension of integration, are covered.

Table 3: General migration trends and specific policy measures, 1950-2012

Migration Phases	Political developments	Socio-economic phases	Foreign population	General migration legislation		Specific migration and asylum policy measures	Migration and Asylum trends
'From an Emigration Country to an Immigration Country' 1950-1973	1955: Re-establishment of Austria as Sovereign State	1945-1955: phase of reconstruction 1956-1975: economic miracle 1960s: take-off phase <i>Austro-Keynesianism</i>	1961: 1.4 %	no specific immigration policies; domination of labour market policy	1955 1962 1964 1965 1968	Signature of <i>1951 Refugee Convention</i> <i>Raab-Olah-Agreement</i> on recruitment of temporary foreign workers ('guest workers') with dominance of a rotation principle <i>Recruitment Agreement</i> with Turkey <i>Recruitment Agreement</i> with Yugoslavia First <i>Austrian Asylum Act</i>	1950-1960: emigration of Austrian nationals 1956: Refugees from Hungary 1968: Refugees from Czechoslovakia 1962-1973: labour immigration including chain migration from Yugoslavia, Turkey
'Between Return and Settlement' 1973-1988		1973: oil crisis worsening labour market conditions 1980s: crisis of national industry	1974: 4.1 %	oscillation between liberalisation and tightening of political measures	1975	<i>Aliens Employment Act</i> : introduction of a system of step access to different types of permits	consolidation of settlement and family reunification of migrant workers from Yugoslavia, Turkey 1980/81: Refugees from Poland
'The End of Division of Europe' (1989-1993)	1989: Fall of Iron Curtain	Integration into European-Economic Area	1989: 5.1%	reconceptualisation of asylum policy and restriction of labour immigration	1991 1993	<i>Asylum Act</i> , introducing the principles of 'safe third countries' and 'safe country of origin' <i>Residence Law</i> marks the beginning of a controlled immigration system, following the American example; fixed share of foreign workers at 10%;	1989: Increase of asylum seekers from SEE 1993: decline of labour immigrants family migration
'From unregulated to regulated migration' (1994-1999)	1995: EU Accession		1993: 8.6%	differentiated legislation with a multitude of 'channels of immigration' to control migration more efficiently	1997 1997 1998	Revision of the <i>Asylum Act 1991</i> : abolishment of 'safe country of origin' principle and provision for inclusion into <i>Schengen Agreement</i> and harmonisation of asylum law with 1990 Dublin Convention <i>Aliens Act</i> , merges the 1992 <i>Aliens Act</i> and the 1993 <i>Residence Act</i> into a single law ('Integration Package') aiming to promote the integration for aliens already living in Austria, in place of new immigration. (concept 'Integration before immigration'). <i>Naturalisation Act</i> retained the core elements of the previous regulations: principle of <i>ius sanguinis</i> and a regular waiting period of 10 years for naturalisation. Shift of burden of proof to the individual immigrant.	Freedom of movement for European citizens Decline of immigration from third-countries
'Diversity, managed migration and intra-EU mobility' 2000-today	2004: EU-10 Enlargement 2007: EU-2 Enlargement 2011: Labour market access EU8	2008: Global financial and economic crisis	2013: 11.9%		2003 2005 2009 2011	Amendments to the <i>Asylum Act</i> : introduction of admission procedure prior to the actual asylum procedure, acceleration of the asylum procedure and enforced involvement of the security organs <i>Aliens Law Package</i> , comprehensive legislative reform to implement EU directives, strengthened measures against irregular immigration, fraudulent marriage and adoptions. The reform contains among others the <i>Asylum Act</i> , the <i>Settlement and Residence Act</i> , the <i>Aliens Police Act</i> and the revised <i>Aliens Employment Act</i> Amendments to <i>Residence and Settlement Act</i> as well <i>Asylum Act</i> Introduction of <i>Red-White Red Card</i> for (highly) skilled labour migration	Increase and decline of immigration from third countries following more restrictive legal measures; Increased immigration from other EU countries, especially Eastern Europe 2006: immigration from EU countries surpasses immigration from third countries

Source: Fassmann/Reeger 2008: 25 (amended).

3. NATIONAL POLICIES AND PERSPECTIVES REGARDING MIGRATION

3.1. Legal and Policy Framework on International Migration³¹

3.1.1. Institutional framework on migration and asylum policies³²

As briefly elaborated earlier, the institutional framework on migration and asylum in Austria has undergone a number of changes in the last decades: competences have shifted between ministries and, following an increased policy-awareness (e.g. in the area of migrant integration), new institutions (e.g. the *State Secretariat for Integration*) have been established. In contrast to Central and Eastern European countries, the main focus of migration policies has always been on immigration as well as asylum rather than emigration matters.

To date, a number of institutions on the various territorial levels are concerned with migration and asylum issues, as the topic of migrant integration in particular is seen as a cross-sectorial matter³³. The main responsible institution for asylum and migration matters in Austria is the *Federal Ministry of the Interior*. The *State Secretariat for Integration* within the *Federal Ministry of the Interior* is responsible for the coordination of migrant integration measures in Austria. Various thematic policy areas are divided among a number of ministries. Access to the labour market is regulated by the *Federal Ministry of Labour, Social Affairs and Consumer Protection*, and the *Federal Ministry for European and International Affairs*, is competent for visa issuing procedures via Austrian representation authorities and works on issues related to counter-trafficking as well as migration and development. The ministry is also responsible for Austrian nationals abroad; however, the main aim of all measures directed towards this group, e.g. registration of Austrians abroad, are thus far merely geared from an informational (e.g. in the context of elections) or protection perspective (e.g. Tsunami in Thailand in 2005). In the area schooling and higher education, the *Federal Ministry of Education, Arts and Culture* and the *Federal Ministry of Science and Research* are involved. Due to the federal structure of Austria, the provinces are also concerned with migration and integration issues.

The competence for the area of asylum lies within the federal government. The *Federal Asylum Office*, under the instructions of the *Federal Ministry of the Interior*, acts with its branch offices in the provinces as first instance in asylum proceedings. Appeals against its decisions are decided by the independent *Asylum Court*. Also under the responsibility of the *Federal Ministry of the Interior* are the aliens' police offices. Located in district commissions and the *Federal Police Headquarter*, they are responsible for carrying out return proceedings. Appeals against decisions of the aliens' police authorities are in general, directed to the *Independent Administrative Senates* (IOM Vienna 2013).

However, several major institutional changes are pending. In order to narrow the institutional complexity of the migration and asylum system, an administrative reform was initiated in 2011 and respective resolutions were adopted in 2012. In this context, the *Federal Asylum Office* will be replaced by the *Federal Office for Alien Matters and Asylum* as of 1 January 2014.³⁴ This new institution will be also responsible for certain aliens police proceedings. The *Administrative High Court* will become the last instance in asylum and aliens' law matters³⁵ (IOM Vienna 2013).

³¹ For further information see IOM Vienna 2009 and IOM Vienna 2013.

³² For an overview of the institutional framework see IOM Vienna 2013.

³³ Regierungsprogramm 2008-2013 'Gemeinsam für Österreich' für die XXIV. Gesetzgebungsperiode, available at: <https://www.bka.gv.at/DocView.axd?CobId=32965> (consulted on 2 September 2013)

³⁴ Act on the Restructuring of the Aliens Authorities, BGBl. I No. 87/2012

³⁵ Amendments to the Administrative Jurisdiction, BGBl. I No. 51/2012

3.1.2. Legal framework on migration, migrant integration and asylum

The current legislation on asylum and migration has been subject to several changes (2005) and subsequent amendments (2009, 2011). To date, the Austrian national legal framework on asylum and migration embraces the following acts:

- *Asylum Act* (regulations on the application procedure for international protection, in conjunction with the Dublin Regulation),
- *Settlement and Residence Act* (residence titles and respective procedures),
- *Aliens' Police Act* (provisions on entry in conjunction with the Schengen Borders Code and the Visa Code, issuance of documents and return measures) and
- *Aliens' Employment Act* (regulating access to the labour market).

The most recent amendments, carried out in 2011, introduced new regulations into the *Asylum Act* and the *Settlement and Residence Act*. Among the most relevant modifications, free of charge legal assistance in asylum proceedings was established and in the area of labour migration, the symbolic quota system³⁶ (Kraler 2011) was abandoned for a points-based system on the example of Canada, the so-called *Red-White-Red Card*. This scheme aims to facilitate the immigration of (highly) qualified third-country workers and their families aiming to permanently settle in Austria, based on personal and labour-market related criteria. Eligible groups of persons for the *Red-White-Red Card* include highly qualified workers, skilled workers in designated shortage occupations,³⁷ other key workers and self-employed key workers. Improved conditions have also been established for the access to the labour market for third-country nationals who graduate from an Austrian institution of higher education.³⁸

Further current legal changes concern the improvement of recognition of skills in order to address the high number of (highly) skilled migrants whose foreign university degrees are not recognised and thereby work in jobs for which they are overqualified (chapter 4). As such, based on a five-point programme elaborated by the *Federal Minister of Science and Research* in cooperation with the *State Secretary for Integration*, the *National Assembly* adopted a decision in 2012 to ease skills recognition of university graduates from third countries. In this context, improved services, easier access to information and shorter procedures were also introduced.

In the area of migrant integration, the *National Action Plan on Integration*³⁹ pools all integration policies of provincial governments, local authorities, cities, social partners and the federal government. Since 2011, an annual *Integration Report* has been published, which provides a comprehensive overview of migrant integration in Austria. The current report 2012 also lays down the leading concept of Austria's integration policy 'integration from the beginning'. This concept understands integration e.g. as a process that starts in the country of origin (e.g. through language acquisition), assigning a significant role to Austrian embassies and consulates. In this framework, a number of measures have already been taken, including multi-lingual informational brochures (*Welcome-to-Austria*), guides for living together (*Living Together in Austria*), on-line information platforms⁴⁰ and welcome desks⁴¹. Other initiatives involve integration through social participation

³⁶ Only 5.7 per cent of all immigrants were subject to quotas in 2007.

³⁷ For the year 2013, 24 occupations were identified as shortage occupations, see the full list at <http://www.migration.gv.at/de/formen-der-zuwanderung/dauerhafte-zuwanderung-rot-weiss-rot-karte/fachkraefte-in-mangelberufen.html> (consulted on 3 July 2013).

³⁸ Third-country nationals who have completed a diploma or a master's programme in Austria now have the possibility to stay in the country for a further six months for the purpose of seeking a job. Once a job has been found, the graduates have the possibility to apply for the residence title Red-White-Red Card (entitles the holder to residence and employment with a specific employer).

³⁹ http://www.integration.at/integration_in_oesterreich_en/nap/nap_en.aspx (consulted on 3 July 2013)

⁴⁰ www.migration.gv.at; <http://sprachportal.integrationsfonds.at/>

(e.g. volunteer fire brigades), inclusion in the labour market (e.g. mentoring programmes for migrants) and early language training⁴² for three to six year olds.

As a destination and transit country for irregular migration and human trafficking, one further priority of Austria's migration and asylum policy to date continues to be the reduction of irregular migration and smuggling of migrants. For this reason, Austria's active engagement in Central European security partnerships and cooperation with Western Balkan countries on irregular migration issues were continued.⁴³

3.2. Perceptions of International Migration

The historical retrospect shows how much the specific context influences the perception and assessment of immigration: while some historic phases were characterised by considerable immigration flows but at the same time ignorance within society, other phases of low immigration were marked by increased awareness and policy discussions (Fassmann 2008:25). As such, although the number of immigrants increased by more than tenfold from 1963 (21,000) to 1974 (311,000) in the context of the labour migration programmes, the reactions of the population and political sphere were minor, and media reports, if there were any, were mostly amicable. A reason for political openness towards immigration was the fact that this group of immigrants, mainly consisting of young men residing at the outskirts of the cities or even on the construction sites they were working on, was hardly part of public life and immigration thus went almost unnoticed.

With the oil crisis in 1973 and the following structural changes, including growing unemployment and the closing of labour markets for immigrants as well as new emerging discussions on the redistribution of wealth, public and private discourse changed (ibid: 27). Although the share of foreign workers decreased in the context of labour recruitment stops, the 'question of foreigners' (*Ausländerfrage*) entered into the center of public interest and hostilities towards this group materialised. In the following phase, through the consolidation of settlement of migration workers (1984: 296,000 foreign residents) including family reunification and the change of demographic characteristics of immigrants from single men to families, migrants became more visible in the public space, including through their spread into new housing areas. Often not having been prepared by the public hand, this changing multi-cultural environment was experienced by residents in these areas with insecurity.

The following phase starting in the middle of the 1980s was marked by increased East-West migration following the fall of the Iron Curtain, more pronounced labour immigration responding to labour demand of an prosperous economy as well as refugee flows in the early 1990s from successor states of the former Yugoslavia in the context of the Balkan Wars. During this period, numbers of foreign nationals increased to 670,000. The erosion of the stable arrangements of Austria's post-war political system based on a two party 'grand coalition' during the 1980s, the fiscal crisis, severe recession and budget cuts led to a general feeling of insecurity and presented fertile ground for political populism. In parallel, new social movements, such as local level civic organisations, emerged and led to politicisation of migration.⁴⁴ It was in this phase that migration markedly entered into public and political debates.

⁴¹[http://www.integrationsfonds.at/news/aktuelle_news/sts_kurz_und_oeif_eroeffnen_welcome_desk/;](http://www.integrationsfonds.at/news/aktuelle_news/sts_kurz_und_oeif_eroeffnen_welcome_desk/)
<http://www.integration.at/news/news.aspx?nwid=536B6C62637178335931383D&ctrl=504A685A306548572B7A31384651523644746A5550413D3D&nwo=0>

⁴²http://www.ots.at/presseaussendung/OTS_20120124_OTS0118/staatssekretaer-kurz-15a-vereinbarung-fuer-sprachfoerderung-im-ministerrat-beschlossen

⁴³ For further information see Kratzmann/Reyhani 2012 and IOM Vienna 2013.

⁴⁴ A referendum called *Austria First* (*Ausländervolksbegehren*) to restrict immigration was launched by the Austrian Freedom Party (FPÖ) in 1993. As counter-reaction, the biggest demonstration of the Second Republic in which 300,000 people participated was organized (Politis 2005: 9).

This trend of politicisation of immigration has continued to the present. The majority of political parties now employ migration related topics according to their political interests (IOM Vienna 2009: 31). Reaching from claims for 'zero' or even 'minus' migration, to more visible evidence of proficiency and integration, and to enhanced diversity management for setting cornerstones for a multicultural society, up until the present, all parties have used migration related topics according to their political interests, especially in the context of run-ups to elections. Quota regulations for third-country nationals, strict(er) rules for family reunification, language skills and minimum levels of income were core aspects in the wake of discussions on the *Red-White-Red Card*. In the field of compulsory formal education, school classes that are significantly dominated by pupils with migration background in some areas are a specifically contested issue. At universities, the inflow of German-speaking non-nationals partially surpasses capacities of popular disciplines; hence, access and quota regulations are often promoted. Approaches towards irregularly residing foreigners and asylum seekers are further controversial issues, especially regarding accommodation and deportation proceedings. The main topics covered by the Austrian press in 2012 were, as in previous years, asylum and irregular migration (IOM Vienna 2013).

The gradual EU integration of Eastern and South-Eastern European countries from 2004 onwards inflamed public debates on possible impacts on the Austrian labour market. The discussions were mainly linked to concerns about massive immigration of lower educated persons due to commencement of the free movement of labour in 2011 (*see also chapter 4.2.1*). Like in other European countries, increasing unemployment and decreasing wages for the majority of the population constituted major fears. Several studies were dedicated to estimating the migration potential resulting from the opening of the labour market as well as possible effects. Transitional arrangements including preventive measures to avoid wage and social dumping were thus set. Statistically significant negative impacts of immigration on wages and employability of natives were, however, hardly verified by analyses (neither ex-post nor ex-ante), even if increased pressure of competition was assumed in some fragments, particularly in those marked by low qualified, immobile and migrant labour force (BMASK 2012:35pp, cf. AMS 2012).

Despite these concerns and deliberations, most politicians have accepted that Austria is a county of immigration and are aware that migration constitutes an essential factor for future population development. Like in other post-industrial countries, Austrian enterprises are increasingly affected by shortage of skilled labour and are hence competing on the global market for highly-qualified labour. The *Red-White-Red Card* is currently the most important instrument in place aiming at attracting third-country nationals to fill labour shortages, as outlined in chapter 3.1, and is thus an ever-present issue in media, also regarding possibilities of improvement. Due to ongoing population ageing, lacking geographical mobility and skill mismatch, the competitive situation is expected to increase in the future at the regional and company level.⁴⁵ The crucial questions are how to attract highly-qualified immigrants, how to retain skilled nationals and how to re-attract skilled expatriates. Correspondingly, a range of institutional actors as well as authorities of Austrian regions have prominently embraced these challenges in their respective agenda.⁴⁶

⁴⁵ The regional affiliation of *Upper Austria* of the *Austrian Federal Economic Chamber (WKO – Wirtschaftskammer)* stated in the framework of their *Demography Congress 2013* that every fifth small-scale business and every second enterprise employing more than 20 persons faces problems in filling specialist positions due to shortages. 'Demographie-Kongress 2013 Oberösterreich' http://portal.wko.at/wk/format_detail.wk?angid=1&stid=727068&dstdid=6393

⁴⁶ At the national level, for instance, a multi-level and inter-sectoral working group specifically dedicated to 'Integration & Diversity in Space' has been set up to accompany the *Austrian Spatial Development Concept 2011*. The spatial dimension of integration and challenges resulting from growing societal pluralism are at the core of this discourse. To mention just one regional example, the City of Vienna as Austria's node of tertiary education due to the status as capital city seeks to position itself as a city of knowledge and research. In a recent report, scarcity of data is underlined as regards emigration of international graduates and re-migration of expatriate highly skilled persons (see also chapter 4.2.3). See also: http://www.universitaetsbeauftragter-wien.at/wp-content/uploads/2012/12/VdB_Report2012.pdf

Evidence-based and internationally-oriented comparative analyses have revealed that attitudes of the majority population are ambivalent or even critical attitudes towards migrants. The special *Eurobarometer* 393 on discrimination in the EU in 2012⁴⁷ states that perceptions of the prevalence of ethnic discrimination has evolved in Austria since 2009, but ethnic discrimination is still significantly noticeable. The dimension of diversity which was mostly perceived as affected by discrimination is 'ethnic origin'⁴⁸. Furthermore, sensitisation towards workplace diversity are ambivalently given. As regards political participation, concerning the individual comfort level assuming that a person from a different ethnic background would become the country's highest elected position, Austria ranks at the modest 21st place (EC 2012a:28pp,90pp; cf. EC 2012b).

This scepticism is confirmed by the results of the *European Value Survey* 2008, where 43.5 per cent of respondents with Austrian citizenship agreed that foreigners should be banned from all political participation in Austria. Furthermore, 47.7 per cent of Austrian nationals were in favour of sending foreigners back to their countries of origin in times of job scarcity (EVS 2008)⁴⁹. The study *Social Cohesion Radar*, which was issued by the *Bertelsmann Stiftung* in 2013, comes to the conclusion that while the overall level of social cohesion is high (the country ranks 13 out of 34 EU and/or OECD countries), Austria displays a worrying decrease in values for 'acceptance of diversity' alias the willingness to engage with people from different cultural backgrounds or with different lifestyles, i.e. immigrants and homosexuals (Dragolov et al. 2013a).⁵⁰

Recent national survey results nevertheless show ameliorations about the perceptions of migration, such as the overall integration climate. A specific Austrian-wide survey has been carried out by *GfK Austria* since 2010 in order to examine attitudes towards integration among both the Austrian population and the population of foreign origin⁵¹. While more than half of the respondents (57%) stated that they were unsatisfied with the integration process in 2013 (2010: 69%), the share of persons who were 'very satisfied' or 'satisfied' increased in the same period from 31 per cent to 45 per cent. Structural characteristics that influenced the valuation in former rounds of surveys were age and social status: persons aged 60 years or more as well as persons with a low level of education and low-qualified employed persons showed more pessimist views. These tendencies are less pronounced in 2013; thus, convergence in opinions can be stated. A share of 25 per cent pointed out that cohabitation had improved, in contrast only 12 per cent said so in 2010 (worsening: 28% vs. 44%). Perceptions are again converging on this question, although housewives and unemployed persons remain integration pessimists. *Statistik Austria* (2013) assumes that the enhanced positive perception correlates with the instalment of the *State Secretary for Integration* and more positive media reporting during the recent past.

⁴⁷ 26,622 interviews in total, out of which 1,001 in Austria

⁴⁸ A share of 48 per cent of the respondents perceived widespread discrimination due to 'ethnic origins' (rank 18, EU-27: 56%), but positive views increased very markedly, making up +17 per cent who indicated 'rare' compared to 2009. As regards diversity at the workplace, only 34 per cent thought that enough measures had been taken to promote workplace diversity in terms of ethnic origin in Austria (rank 23, 2009 48%; EU-27: 2009 51%, 2012: 45%). With 68 per cent, Austria shows the highest number of opponents to training on diversity issues for employers and employees (25%, EU-27: 12%). While in all other EU-27 countries the majority supported monitoring of the composition of the workforce as a way of fostering diversity in the workplace, Austria was the only country where opinions are clearly divided (46% pro and 46% contra).

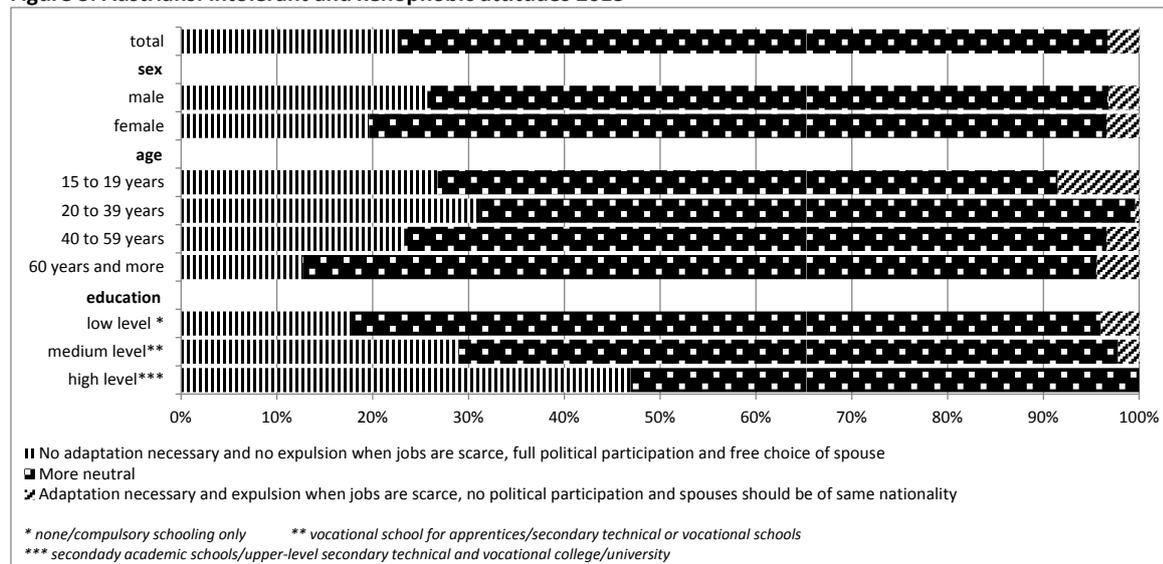
⁴⁹ Own calculation based on EVS data (GESIS database, August 2013)

⁵⁰ The study suggests an 'overall index of social cohesion' based on nine indicators grouped in 'social relations', 'connectedness' and 'focus on common goods', based on a secondary data analysis which considers 12 datasets from 1989 to 2012, broken down for four periods. The indicator 'acceptance of diversity' builds upon the World Values Survey, International Country Risk Guide, European Social Survey, European Quality of Life Survey, Gallup World Poll (Dragolov et al. 2013b).

⁵¹ In spring 2013, 931 Austrian citizens without migration background and 1.107 persons with migration background, out of which 212 were already born in Austria and 890 were immigrants of first generation, were interviewed by *GfK Austria* (Statistik Austria 2013d:88).

The decreasing integration optimism of persons with migration background is combined with decreasing migration pessimism of persons without such a background: 82 per cent of respondents with migration background feel at home in Austria in 2013 (2012: 87%). Intensified public discourse on integration and integration policy thus may have unintended side effects, as particularly persons with lower education, inferior income and longer duration of stay feel more associated with their country of origin. Structural factors along the lines of educational level, socio-economic background, age and the duration of stay are decisive.⁵² The more income, the higher the educational attainment and the better placed in the labour market, the more the person feels at home and confirms improvements in his or her living conditions. The elderly, men and low qualified persons are more critical than women and highly qualified persons. However, the country of origin also plays a significant role; hence, cultural distance is not just a social construct of the majority of society, but also from selected groups with migration background.⁵³ In general, 72 per cent of the respondents are satisfied with Austrian lifestyle. The shares of opinions at both extreme positions have been significantly growing since 2010 (very satisfied +6% vs. very unsatisfied +3%), which could be read as a clearer positioning towards Austrian lifestyle. Once again, the enhanced public debate on integration policy might be contributing to this.

Figure 3: Austrians: intolerant and xenophobic attitudes 2013



Source: Statistik Austria 2013d:97 (GfK Survey 2013), amended and translated

In general it can be concluded that immigration is being increasingly accepted by the majority population. The former *Gastarbeiter* notion is being replaced by the notion of a multicultural society as the majority of the population increasingly recognises Austria as an immigration country (Statistik Austria 2013d:88pp). Positive trends in perceptions have also been confirmed by results of the standard *Eurobarometer 77*, which shows that 47 per cent of Austrian respondents agree, while 48 per cent disagree that immigrants contributed a lot to society in 2012 (+10% and -4% compared to 2008) (EC2012c:32).

⁵² 83 per cent of persons who have been residing in Austria for more than 20 years and 87 per cent of those born in Austria, feel fine. However, only 70 per cent of those residing in Austria for less than five years share this feeling. 37 per cent state improvements in their living conditions. Thus, the economic downturn in the recent past either had no direct impact on the individual level or was not perceived as having had negative effects.

⁵³ While 84 per cent of persons stemming from Yugoslavian successor states feel fine with the Austrian lifestyle, this is only the case for 63 per cent of respondents originally from Turkey.

4. RECENT DEVELOPMENTS OF THE LABOUR MARKET, HUMAN CAPITAL AND MIGRATION

4.1. Economic and Social Development

4.1.1. Economic development

As has been shown in chapter 2, Austria has developed into a highly developed industrialised country. Its economy, which is characterised by small and medium-sized enterprises⁵⁴, ranks high in international economic comparisons.⁵⁵ According to the Global Competitiveness Index⁵⁶ ranking of the World Economic Forum, which accounts for the most comprehensive assessment of national competitiveness worldwide, Austria ranks sixteenth among 152 countries evaluated in the most recent ranking for 2013/2014. In GDP per capita, the most frequently used measure of economic development and the standard of living, Austria is among the top countries of the EU 27 countries and as such has one of the wealthiest and most highly developed economies in the world. With the exception of the year 2009, GDP per capita has been increasing in Austria continuously in the last decade.⁵⁷ Being embedded in the European and international context, Austria is affected by current international trends, including a less vigour trend in international trade and the debt crisis⁵⁸ troubling in the eurozone. Despite the consequences of the financial and economic crisis in 2008/09 and the currently difficult economic situation in Europe, Austria has been able to maintain its position among the economically most successful EU member states for several successive years. As illustrated in *Annex Figure 3*, in 2012, it was in sixth place behind Luxembourg, Denmark, Ireland, Sweden and the Netherlands, but before Germany (ninth place) and above the average of the EU 27 GDP per capita of EUR 23,300, which amounts to 78 per cent of the Austrian value.

Following the idea that global positions of countries matter in the context of migration decisions (Thornton. et al. 2012; Melegh 2012) and based on calculations first undertaken by Böröcz (2009), in Figure 4, GDP per capita values for Austria are compared to values of main countries of origin of immigrants during the last decade. The illustration shows that throughout the whole reference period GDP per capita values for Austria were higher than in all other countries. GDP per capita values in Serbia (EUR 3,100)⁵⁹, Bulgaria (EUR 3,700), Romania (EUR 4,400), and Turkey (EUR 6,300)⁶⁰ were particularly low in comparison. Their values were between ten and five times lower than the Austrian value. Lower values were also recorded in Hungary (EUR 8,800), Slovakia (EUR 9,400), Slovenia (EUR 15,000), Italy (EUR 22,500) and, as mentioned above, even Germany (EUR 30,200).

⁵⁴ In 2011, a share of 99.6 per cent (310,000) of all enterprises were small and medium-sized enterprises (Statistik Austria).

⁵⁵ According to the *Monitoring Report 2012* of the *Austrian Economic Chambers*, Austria ranks among the 31 per cent of the best evaluated countries, especially in the areas 'quality of life and development' (under the top 21%) and 'internationalisation and democracy' (top 24%), available at: http://portal.wko.at/wk/format_detail.wk?stid=680495&angid=1 (consulted on 2 July 2013)

The share of the informal economy in international comparison is very low: according to a recent study (Schneider 2013), Austria's informal economy amounts to 8 per cent of GDP (EUR 24 billion). In the European context, Austria is thus in second place behind Switzerland (7%). In absolute numbers, this amounted to EUR 24 billion. In contrast, according to the same study the European informal economy amounted to 18.5 per cent of GDP in 2013 (2.14 trillion Euros).

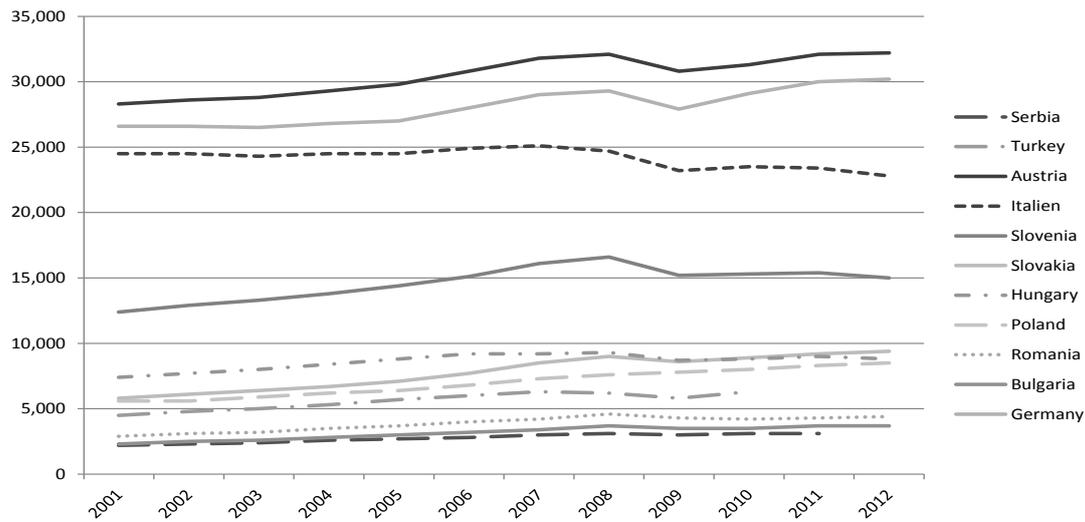
⁵⁶ For further information see <http://www.weforum.org/reports/global-competitiveness-report-2013-2014> (consulted in 2 September 2013).

⁵⁷ According to Eurostat data, GDP per capita (adjusted by purchasing power), grew from 26,705 Euros in 2001 to 32,300 Euros in 2012.

⁵⁸ With introduction of the euro in 2003, the public debt was set at a maximum of 3 per cent annually and 60 per cent of the GDP in total. Public debt has increased in Austria as in other EU member states in the context of the crisis. However, in Austria it is still below the eurozone average (85.3) and as such it is above the Maastricht benchmark.

⁵⁹ Most recent value for 2011.

⁶⁰ Most recent value for 2010.

Figure 4: Real GDP per capita in Austria compared to main countries of origin of immigrants, 2001-2012

Source: Eurostat, own illustration. European System of National and Regional Accounts 1995; GDP adjusted by purchasing power.

In the same vein of analysis, it is interesting to examine the economic development of the main countries of destination of Austrian emigrants during the last decade. *Annex Figure 5* shows that the two main destinations of emigrants, Switzerland (EUR 44,600) and the United States (EUR 39,600), had higher GDP per capita values. The United Kingdom (EUR 30,400) and Germany (EUR 30,200) had lower but similar levels compared to the Austrian GDP per capita values. It would also be interesting in this regard to examine regional migration flow data in comparison to regional GDP data to detect further relations, e.g. the concentrated direction of migration flow to selected urban agglomerations with higher GDP values, such as London. At the same time, main destination countries of emigration of Austrian nationals with lower GDP per capita values, including Hungary (EUR 8,000), Romania (EUR 4,400), Turkey (EUR 6,300) and Serbia (EUR 3,100) are likely to represent countries of return for naturalised immigrants.

Despite the difficult economic situation in recent years, Austria has also been performing rather well its labour market situation. Despite a slight deterioration of conditions, in EU 27 comparison, according to most recent Eurostat figures,⁶¹ Austria records the lowest unemployment rate (4.3%). Furthermore, after Germany and the Netherlands it registers the third lowest youth unemployment rate (9.9%). The Austrian labour market proved its stability in the crisis of 2008/09, following specific labour market policies, comprising short-time work.⁶² Despite a slight decline in the context of the financial and economic crisis, unit labour costs, such as the relation of work of labour and productivity, have also developed favourably in comparison to Southern European countries. Austria furthermore ranks high in the European and international comparison of indicators of social stability (e.g. frequency of strikes). As essential reason for this social peace as well as the other favourable labour market indicators can be explained by the informal institution of the Austrian “social partnership”, which is characterised by a general consensus between employers’ representatives and trade unions. In light of these favourable working conditions, Austria remains an attractive destination for labour migration, especially in the intra-EU context of freedom of movement.

Within the international migration context, due to their volume and their supposed potential to reduce poverty, remittances have received growing attention from policy-makers as well as researchers in recent years. For this purpose, remittances form an important focus of SEEMIG. Austria is a recipient of migrants’ remittances; however, remittances contribute to the economy

⁶¹ September 2013.

⁶² For further information see chapter 4.4.)

compared to other South-East European countries⁶³ to a far lesser extent: According to estimates of the *Austrian National Bank*, in 2011, they have amounted to EUR 312 million, accounting for 0.1 per cent of GDP. The main emitting country was Germany, from where more than half of all remittances originated. Most important remittance inflows stemmed from the other main countries of destinations of Austrian emigrants⁶⁴, such as Switzerland, the United States, the United Kingdom and Australia. In the last decade, remittance inflows have increased from EUR 285 million in 2011 to a historic high of EUR 364 million in 2009, meaning that in line with international trends, inflows of remittances have been highest in the years of the financial and economic crisis. The following two years, 2010 and 2011, showed a downward trend, and remittances decreased by -5 and -10 per cent respectively.

More important in weight and share are outflows of remittances from Austria. Decades of emigration from Central and South-Eastern European countries to the more prosperous countries of Western Europe, Austria among them, has produced large and often well networked diaspora communities that remit hundreds of millions of euros to their countries of origin (OeNB 2009). In 2011, an amount of EUR 749 million of remittances was sent by migrants back to their countries of origin. This amounted to 0,2 per cent of the Austrian GDP. Remittance outflows have increased from 2001 from EUR 584 to 825 million in 2008. Since, figures have decreased, remaining nevertheless at a high level. As shows, the major share of remittances from Austria is emitted to Central and South-East European countries. By far the highest share of remittances from Austria (EUR 165 million) went to Serbia (including Kosovo). A further EUR 92 million were sent to Turkey, EUR 70 million to Germany, EUR 63 million respectively to Poland and Hungary, EUR 56 million to Bosnia & Herzegovina, EUR 53 million to the Czech Republic and EUR 52 million to Slovakia. This also reflects the trade relations set in place, where Austria stands out as a leader in many SEE countries; it is, for example, the number one trading partner of Bosnia & Herzegovina. More than any other foreign banks, Austrian banks are represented and known across the region.

4.1.2. Social development

As elaborated earlier, Austria is a highly industrialised country with a high standard of living. In addition to GDP, which is understood as main factor for measuring economic and social progress and which was introduced in the previous chapter, some other relevant indicators and international comparable indexes help to capture factors that influence the wellbeing of a population. According to the *Human Development Index* (HDI) which provides a composite measure of three basic dimensions of human development health, education and income, Austria's HDI rose by 0.7 per cent annually from 0.747 in 1980 to 0.895 in 2012, which gives the country a rank of 18 out of 187 countries with comparable data. The HDI of OECD countries increased on average from 0.756 in 1980 to 0.888 today, placing Austria also above the regional average. According to both, the *Better Life Index*⁶⁵ published by the OECD, as well as the *Prosperity Index* of the *Legatum Institute*,⁶⁶ Austria ranks at sixteenth in a worldwide comparison of 142 countries. It ranks tenth in health, twentieth-fourth in education and with an average life satisfaction of 7.47 out of 10 points.

According to this latter index, Austria is situated on the eastbound outskirts of the Western European Region and is characterised by high prosperity. With the exception of Slovenia, all of the southern and eastern neighbouring countries show lower levels in prosperity. It is also interesting to look at prosperity levels of the main countries of origin of immigrants in Austria. With the exception of Germany, all of the other main countries of origin of immigrants in 2012 show much lower rankings,

⁶³ In relative terms of the GDP, remittances amounted to 7 per cent in Serbia, and 3 per cent in Bulgaria (SEEMIG WP3 Country Reports).

⁶⁴ See chapter 4.2.1.

⁶⁵ <http://www.oecdbetterlifeindex.org/>

⁶⁶ <http://www.prosperity.com/>

particularly Turkey (overall rank 89), the Yugoslavian successor countries⁶⁷, e.g. Bosnia & Herzegovina (99) and Serbia (89) as well as Romania (60), Hungary (39), Poland (32) and Slovakia (36). Afghanistan, the main country of origin of asylum applicants in 2012, also has very low rank (140).

Table 4: Ranking of Austria in international comparative indexes

Name of Index	Institution	Rank (Year)
Human Development Index	United Nations Development Programme	18 (2012)
Quality of Life Subindex	Institute for Management Development (in World Competiveness Yearbook)	2 (2012)
Global Peace Index	Institute for Economic and Peace	6 (2012)
Quality of Life Index	International Living	7 (2012)
Better Life Index	OECD	16 (2012)
Prosperity Index	Legatum Institute	16 (2012)

Source: *Monitoring Report 2012 of the Austrian Economic Chambers, amended.*

Austria is also characterised by a relatively fair *income distribution and equality*. The GINI-coefficient⁶⁸ in 2011 was 26.3 per cent, which is very low in European and international comparison. In 2011, the poorest population in Austria had an income lower than EUR 11,087 and the poorest half an income lower than EUR 24,843, while the fourth quartile, the richest part of the population, had an income above EUR 38,470, which was more than three times that of the poorest quartile. Nevertheless, differences in income have grown in recent years. While the income of the three highest quartiles has increased since 2001 in both the mean and median, the income of the poorest quartile has been decreasing since 2008 from EUR 11,380 (see *Annex Figure 8*). According to *Statistik Austria* (2013a), noticeable differences in income could be recorded between Austrian and foreign nationals.⁶⁹ While Austrian nationals had a mean net income of EUR 22,346; the mean net income of foreign nationals who were fully employed amounted only to 84 per cent of the mean income in Austria (EUR 22,346). In general, however, differences between migrants from different countries of origin prevail. While the income of citizens from EU-15, EEA countries and Switzerland is only a little lower than the average income (EUR 22,235), the net income of citizens from the successor states of the former Yugoslavia (without Slovenia) and Turkey were from one-sixth to one-fifth below the average. Third-country nationals had the lowest income (EUR 16,585), which amounted to 74 per cent of the Austrian average.

A growing proportion of the population is concerned by poverty, among them many foreign nationals. On average, from 2009 until 2011, a proportion of 12 per cent of the population were *at risk-of-poverty*. Persons with foreign nationality were more exposed to poverty: while more than a quarter of them (26%) were at risk-of-poverty, only 11 per cent among Austrian nationals were at risk. The risk-of-poverty among Turkish nationals (44 per cent) as well as third-country nationals in general (47 per cent) was especially high. It is especially striking that the risk-of-poverty shares increased among Turkish nationals, while among other groups, e.g. among nationals from the former Yugoslavia, the share decreased. 16 per cent of all foreign nationals were concerned by the manifest poverty, a share which is three times greater than among Austrian nationals (5 per cent). The most concerned people were again Turkish nationals (27%) and other third-country nationals (36%). Social benefits helped to decrease the risk of poverty to a large extent, namely by half (from 24 to 12 per cent) in total. The prevention of poverty was pronouncedly differently among the different groups of

⁶⁷ Without Slovenia.

⁶⁸ The Gini index measures the extent to which the distribution of income or consumption expenditure among individuals or households within an economy deviates from a perfectly equal distribution. A Gini index of 0 represents complete equality, while an index of 100 implies complete inequality.

⁶⁹ The income of foreign nationals was also more often presented in the lowest income decile. While only 10 per cent of the incomes of Austrian nationals lay in this decile, it was 15 per cent of incomes of Turkish nationals and 18 per cent of the income of third-country nationals.

nationalities: while it helped to reduce the risk of poverty among Turkish nationals from 74 to 44 per cent; it was from 44 to 17 per cent among nationals from the former Yugoslavia.

4.1.3. Social Policy

During the decades after the *Second World War*,⁷⁰ Austria established a welfare state, which continues to provide a comprehensive system of social security and welfare schemes and is characterised by ubiquitous health services, a close-meshed net of hospitals and a high number of hospital beds per inhabitants. The principle of compulsory insurance⁷¹ combined with the co-insurance of children and non-working partners guarantees that essentially the entire population has insurance coverage.⁷² The insurance system is financed by social security contributions calculated as a percentage of remuneration by employer and employee contributions.⁷³ Costs for those without means are borne by the community at large. Furthermore, public welfare benefits are made available by the federal, provincial and municipal authorities to citizens in need who are not covered by the insurance system.⁷⁴ Private insurance companies provide additional benefits (doctor of one's choice, smaller rooms in hospital, etc.). In total, a large proportion of social benefits in Austria are recorded for old age (2011: 44%), a further quarter of expenditures goes to health care benefits. Significantly lower proportions are spent for family/children (one tenth), disability (8%), survivors (7%), unemployment (5% and housing and social exclusion (1%). More than three-quarters of social expenditure are cash benefits. Social benefits in kind mainly occur in the context of health care benefits.

The total expenditures on social protection and welfare per capita have increased annually since 2001. While in 2001 an amount of EUR 7,617 per capita was spent on social protection and welfare, it was EUR 10,360 in 2010. In total, the social expenditure⁷⁵ amounted to 29.4 per cent of the GDP in 2011, placing Austria sixth in EU comparison⁷⁶ behind the Nordic countries (Denmark, Sweden and Finland) and France and the Netherlands as ranked by their public expenditures. Compared with main migration partner countries from South-East Europe and other SEEMIG countries (*Annex Figure 9*), Austria spent the highest share of GDP on social welfare. The ratio increased sharply from 25.9 per cent in 1980 following an expansion of social benefits in the early 1990s and from 2000 onwards (2003: 29.4%). The social expenditure to GDP ratio declined in the second half of the 1990s and from 2004 to 2007. In 2009, in the context of the economic crisis, social expenditure amounted to GDP (30.7%) for the first time. This was particularly a consequence of additional expenditure for unemployment as well as a decline of GDP. The ratio has been declining slightly since 2010.

The connection of immigration and social policy has been discussed in research and policy-debates in several dimensions and perspectives, including immigration as a necessity for the maintenance of Western European social security systems as well as the attractiveness of social benefits for immigration. On one side, immigration is seen as one of the requisites for maintaining the Austrian social system in the context of the previously illustrated processes of low fertility rates and increased longevity in the future. At the same time, although there are no concrete figures, poverty immigration into national social systems is a highly contested topic in a number of European

⁷⁰ Starting in the mid 1950s when the comprehensive *Social security and Insurance Act (Allgemeines Sozialversicherungsgesetz, ASVG)* was passed.

⁷¹ Third-country nationals who apply for a settlement or residence permit to Austria must provide proof of valid health insurance.

⁷² Relevant provisions are regulated in the General Social Insurance Act (*Allgemeines Sozialversicherungsgesetz, ASVG*).

⁷³ These include contributions to pensions, sickness and accident insurance, to unemployment insurance, a supplement to insurance against non-payment in the case of insolvency, the contribution to the family assistance fund (*Familienlastenausgleichsfonds*) and the contribution to housing subsidies.

⁷⁴ Asylum seekers in the basic welfare support system are health insured.

⁷⁵ Calculated according to the European System of Integrated Social Protection Statistics – ESSPROS.

⁷⁶ The ranking refers to the most recent figures available for 2010.

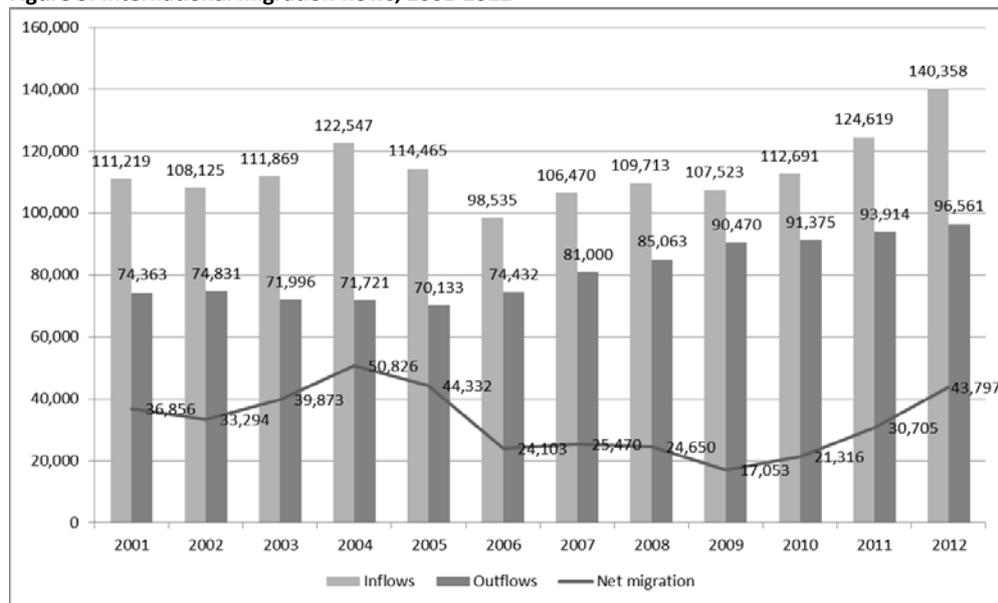
countries, particularly in the context of freedom of movement within the European Union. While the Austrian government emphasises that poverty immigration into Austria's social system has not occurred so far, initiatives of prevention are currently supported on the European level.

4.2. International migration and characteristics of migrants

4.2.1. International Migration Flows

In the last decade, Austria has continued to be a country of immigration. With numbers of inflows outnumbering the number of outflows each year, the international migration balance in Austria was positive throughout the last decade. In the total period, the net migration balance was +392,275 persons. This was especially due to the net migration gain of foreign nationals of almost half a million persons (464,003) from 2001 to 2012, which largely compensated for the net migration loss of Austrian nationals (-71,728). As shown in *Figure 1*, between the years 2001 and 2005, net migration to Austria increased considerably (+41,000 persons on average a year). In the context of increased numbers of outflows, the net migration was lower between 2006 and 2010 (on average +22,500 per year). In the last two years, net migration has increased again with highest numbers of immigration of the decade (2011: 124,619; 2012: 140,358), combined with the highest numbers of outflows (93,914; 2012: 96,561). As such, in 2012, the international net migration stood at +43,797 persons. The net migration thus increased by 40% in comparison to the previous year (2011: +30,705) and stood at its highest level since 2005.

Figure 5: International migration flows, 2001-2012



Source: Statistik Austria, own illustration. For 2001, estimated figures revised in 2010.

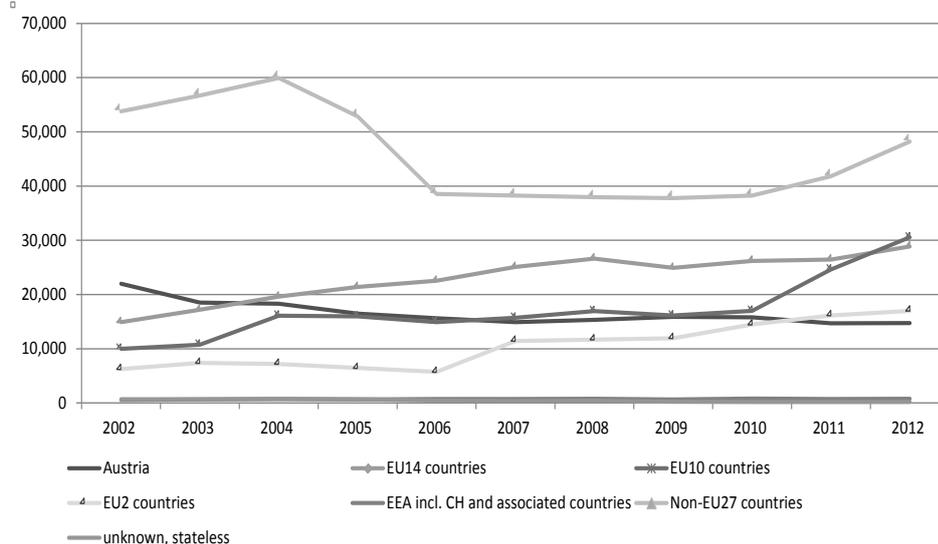
Following higher immigration restrictions towards third-country nationals and the increased internal mobility of persons within the EU, the composition of immigrants has changed. The weight of inflows has shifted from third-country nationals to EU nationals. Inflows have thus increased again considerably since the EU enlargement to Bulgaria and Romania and the termination of the transitional arrangements that limited access to the Austrian labour market for some EU-10 countries until May 2011. The largest group among them were Hungarian nationals (+6,609), whose migration gain increased from 2011 to 2012 by about two-thirds, possibly also in the context of the expiration of transition regulations. The second largest group of EU nationals were German nationals (+6,229),

followed by Romanian nationals (+5,358 persons). The net migration of third-country nationals has decreased in contrast to earlier decades. The net migration gain of this group was +19,693 persons; 45 per cent of whom were from other European countries (e.g. Russian Federation, Serbia, Bosnia & Herzegovina).

4.2.1.1. Immigration flows

After a period of decreased immigration flows in the second half of the 1990s, following more restrictive legal prerequisites for immigration, inflows have increased again during the last decade in the context of family reunifications of third-country nationals as well as increased immigration of EU nationals (Statistik Austria 2009a). After significant increases during the first years of the 2000s, with a number of 122,547 annual inflows in 2004, they decreased again following immigration restrictions imposed in 2006 in the context of the Aliens Law Package for third-country nationals and remained at a level of on average of 105,560 immigrants per year. Annual inflows have increased again since 2010, reaching the highest level of inflows of the whole decade in 2012, with 140,358 inflows.

Figure 6: Inflows by groups of citizenship, 2002-2012



Source: Statistik Austria, migration statistics, own illustration.

In European comparison (see *Annex Figure 10*), immigration to Austria is comparatively high. In absolute numbers, Austria received 6 per cent of all inflows recorded in EU-27 member states in 2011. With this value, it takes eighth place in EU comparison behind the United Kingdom (566,044), Germany (489,422), Spain (457,649), Italy (385,793), France (267,367), Belgium (144,698) and Greece (110,823). In relative terms, Austria's ranking was even higher. With around 12 persons per 1,000 inhabitants immigrating in the reference period 2001-2011, Austria was after Luxembourg (31‰), Cyprus (23‰), Switzerland (19‰), Ireland (15‰) and Spain (14‰) among those countries with the highest relative numbers of immigration (Statistik Austria 2013). In contrast, immigration to Germany (8‰) and Italy (7‰) was lower; countries of Eastern Europe such as Poland (0.5‰), Slovakia and Hungary (2‰) were also considerably lower.

The composition of immigrants changed following the higher immigration restrictions for third-country nationals and an increased internal mobility of persons within the EU. The weight of inflows shifted from third-country nationals to EU nationals: while in the year 2002, two-thirds of all inflows were from third countries, in 2012, their share declined to one-third. At the same time, following the EU accession rounds in 2004 and 2007 of a number of Eastern European countries, the share of EU

nationals increased from 14 per cent in 2002 to more than a half (54%) in 2012. While the numbers of immigrants from all EU countries increased (inflows from EU-15 countries have almost doubled from 14,900 persons in 2002 to 28,853 in 2012), the importance of inflows has shifted from “old” EU-15 countries to immigration from “new” EU member states.

While new member states joining the European Union in 2004 and 2007 already represented main countries of origin before EU enlargement, their numbers have increased considerably, both relatively but also in absolutely subsequent to the enlargement and especially since the termination of the transitional arrangements that limited the access to the Austrian labour market for the nationals of eight of the EU-10 countries until May 2011. The share of EU-10 nationals has more than doubled from nine per cent in 2002 to more than one-fifth of all inflows (22%) in 2012. In absolute numbers in the same period, they have increased threefold from 10,002 persons to 30,542. They have as such surpassed the inflows of immigrants from EU-15 countries both in relative and absolute terms. Numbers of EU-2 nationals joining the European Union in 2007 have also greatly increased: their share doubled from six per cent in 2002 to twelve per cent of all inflows in 2012. In absolute terms, they increased from 6,241 persons to 16,993. Considering that transitional arrangements, which still limit access to the labour market for Bulgarian and Romanian citizens, will cease on 1 January 2014, it is expected that inflows from both countries will continue to increase.

Table 5: Inflows by group of citizenship, 2002 and 2012

Group of citizenship	2002		2012	
	Absolute	Relative	Absolute	Relative
Austria	21,981	20%	14,753	11%
EU/EEA including CH and associated countries	31,686	29%	77,178	55%
EU MS 1995 (14)	14,900	14%	28,853	21%
EU enlargement 2004 (10)	10,002	9%	30,542	22%
EU enlargement 2007 (2)	6,241	6%	16,993	12%
EEA including CH and associated countries	543	1%	790	1%
Third countries	53,773	50%	48,229	34%
Total	108,125	100%	140,358	100%

Source: Statistik Austria, migration statistics.

As regards the citizenship of immigrants, in 2012, a number of 14,753 (11%) were returning Austrian nationals. Their share was higher in 2001, when Austrian nationals amounted to a quarter of all inflows (28,020). Their share decreased to an average level of 15 per cent between 2002 and 2010, before decreasing to twelve per cent in 2011. A further 77,200 immigrants in 2012 were EU, EEA and Swiss nationals who came to Austria in the context of freedom of movement. Over the last decade, the share of this group among all immigrants has increased considerably, especially after 2004 and 2007, the years of EU accession of Central and South-East European countries and in the last two years after the labour market was opened for some of these nationals following the cessation of transitional restrictions in 2011. While their share was 29 per cent in 2002, their share increased to around 50 per cent during the years 2007 and 2010, and has been at around 55 per cent since 2011. More than half of all inflows were thus from other EU countries. With 17,800 immigrants, Germany was the main country of origin in 2012, followed by immigrants from Romania (13,400), Hungary (13,100), Poland (6,000) and Slovakia (6,000). Only about a third (48,229) of these immigrants were third-country nationals. The proportion of this group of immigrants has decreased in the last decade; in 2002, third-country nationals accounted for 50 per cent of immigrants. This was especially due to the EU accession of several main countries of origin of immigrants, but also to more restrictive immigration laws as elaborated in chapter 3.1. This is particularly the case for Turkish immigrants, whose share decreased by almost two-thirds from 11 per cent of all inflows in 2002 to 3 per cent in 2011. Inflows of citizens from successor states of the former Yugoslavia (without Slovenia) have also decreased, but to a lesser degree. They amounted to 20,347 (19%) in 2002 but only to 15,480 (11%) in 2012.

As shown in *Table 6*, with exception of Afghanistan where most asylum seekers came from in recent years, the 10 main groups of immigrants originated from Europe: the main country of origin was Germany (17,774) followed by Austria (returning Austrians) (14,753) and (South) European countries: Romania (13,362), Hungary (13,362), Poland (7,105), Serbia (6,715), Slovakia (5,957), Bosnia & Herzegovina (4,133) and Turkey (4,088).

Table 6: Top 10 foreign citizenships of immigration flows, 2012

Country of citizenship	Total	%
Germany	17,774	13%
Austria	14,753	11%
Romania	13,362	10%
Hungary	13,066	9%
Poland	7,105	5%
Serbia	6,715	5%
Slovakia	5,957	4%
Bosnia & Herzegovina	4,133	3%
Turkey	4,088	3%
Afghanistan	3,756	3%
Others	49649	35%

Source: Statistik Austria, migration statistics, own illustration.

As illustrated in *Annex Figure 11*, which displays the development of immigration flows of the ten main groups of nationals, it is interesting to see that while the inflows of Turkish, Serbian and Bosnian & Herzegovinian nationals declined, the numbers of immigrants from Slovakia, Poland and Romania as well as in recent years Hungary, have increased. Inflows from Hungary doubled from 6,412 inflows in 2010 to 13,066 in 2012.

Table 6 shows the inflows to Austria in 2012 by form of immigration. Following this shift of inflows from traditional third-countries (the former Yugoslavia and Turkey) to EU member states, more than half (55%) of all immigration occurs within the framework of freedom of movement with the European Union and as such this immigration is not subject to provisions regulated in immigration law. Taking into account that Austria is bound in the context of several other forms of immigration by international laws (e.g. asylum and international protection, family reunification), only the small sector of labour migration is regulated autonomously. As already mentioned, 11,753 (9%) were returning Austrian nationals (see further information in chapter 4.2.1.4). Family reunification represented the biggest share of inflows of third-country nationals (12,525; 9%), followed by other inflows (e.g. for students, researchers, au pairs) of third-country nationals (11,112; 8%) and seasonal workers (6,184; 4%). The new labour migration scheme for (highly) qualified persons only concerned 1,193 or 1 per cent of all inflows.

Table 7: Forms of immigration to Austria, 2012

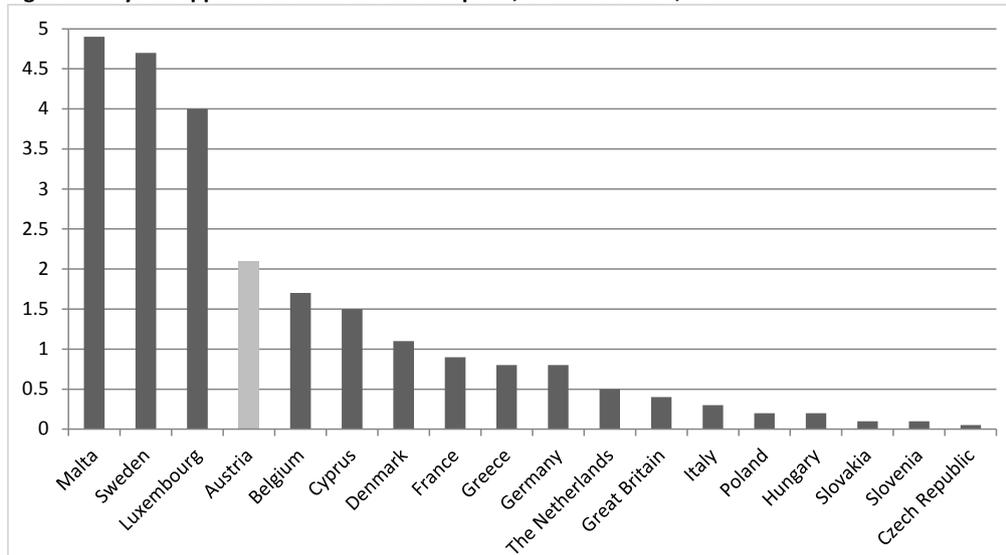
Form of immigration	Total	%
Intra-EU mobility	77,178	56%
Asylum applicants	17,413	13%
Return of Austrian nationals	11,753	9%
Family reunification from third countries	12,525	9%
Other inflows of third-country nationals	11,112	8%
Seasonal workers from third countries	6,184	5%
Key workers from third countries	1,193	1%

Source: Statistik Austria 2013:39.

In recent years, Austria continued to be one of the most important asylum countries in Europe. Asylum applicants amounted to 13 per cent (17,413) of all inflows. As shown in *Figure 8* below, Austria maintained its rank among the EU countries with the highest relative number of asylum

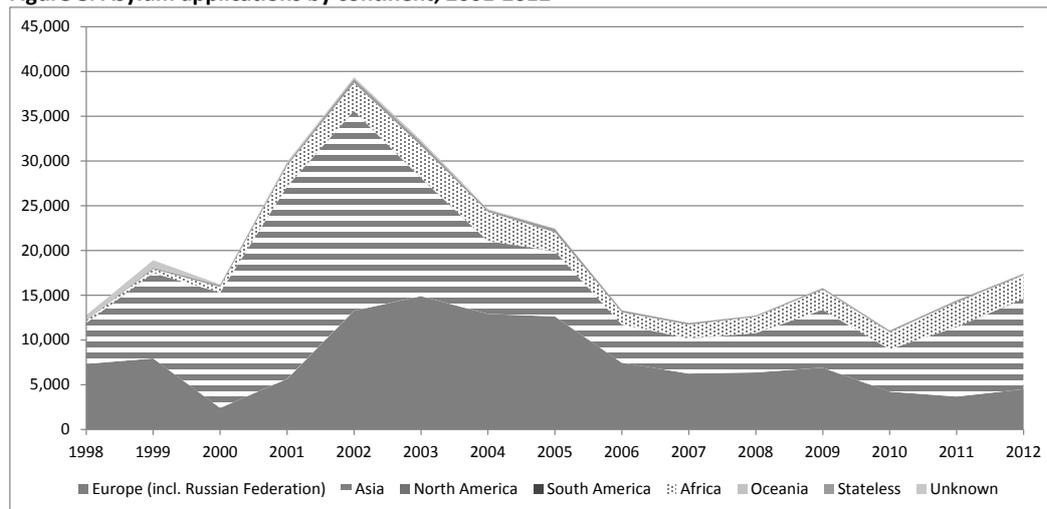
applicants. In 2012, after Malta, Sweden and Luxembourg, it was ranked fourth place in asylum applications per 1,000 inhabitants. As such, it lay far above main recipients of asylum seekers in absolute numbers: Germany (tenth place), France (eighth place) and the United Kingdom (twelfth place) as well as many Central and Eastern European countries. In total, Austria received 6 per cent of the total 296,690 applications lodged in the EU-27 member states.

Figure 7: Asylum applications in EU countries per 1,000 inhabitants, 2012



Source: Eurostat, own illustration.

While the quantitative development and origin of asylum applications always reflect political crisis and war in the countries of origin of asylum applicants, it also reflects the political will of receiving countries regarding international protection. Looking at the longer trends of the last decade (see *Figure 9*), asylum applications peaked in 2002 with 39,354 applications. Afterwards, as in other industrialised countries, applications decreased until 2007 by -70 per cent to a number of 11,921. Since then, the numbers have increased again, but at a lesser degree (2008: 12,841; 2009: 15,821), before reaching the lowest level of the last decade in 2010 with 11,012 applications. This decrease compared to the high numbers between 2001 and 2005 is ascribed to the last rounds of EU enlargement, as well as to changes in asylum legislation (Statistik Austria 2013:36). Since 2010, asylum numbers have been increasing again, to 14,416 (+31%) in 2011 and 17,413 (+21%) in 2012. Compared to the numbers of asylum applications in the first half of the 2000s, these figures remained nevertheless at a lower level.

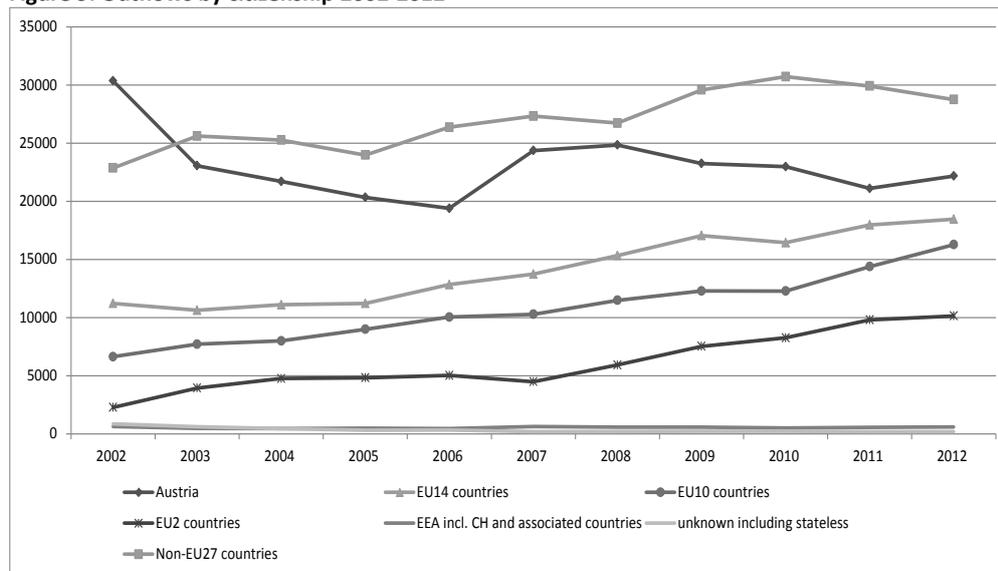
Figure 8: Asylum applications by continent, 2001-2012

Source: Eurostat, own calculation.

The main five countries of origin of asylum applicants since 2001 are illustrated in *Annex Table 2*. Afghanistan and the Russian Federation, especially the Chechen Republic, figured with exceptions among the five most important countries throughout the whole period. In 2012, almost a quarter of all asylum applicants were from Afghanistan (4,005), followed by asylum applications from Russian citizens (3,091). Pakistan (1,823 applicants in 2012), Syria (915) and Iran (761) have also been main country of origin in recent years. Almost three-quarters of all asylum applicants in 2012 were male (12,846). Unaccompanied minors comprised an increasing share of asylum seekers in recent years; in 2012, 1,781 (10%) of all applications were made by unaccompanied minors, 84 among them below the age of 14.

4.2.1.2. Emigration flows

Registrations in the Central Register of Residents provide insight into emigration flows. However, it must be kept again in mind that these figures only show an administrative reality. This is especially relevant in the context of emigration, as it is likely that many emigrants do not de-register when leaving the country because there are few incentives to do so. Emigration flows according to de-registration numbers oscillated in the first half of the 2000s at around 72,600 emigrants; in the second half, emigration numbers increased continuously and amounted to 96,561 in 2012. As illustrated in *Figure 10*, Austrian nationals formed the biggest groups of emigrants during the reference period, although their share has declined in recent years. While Austrian nationals amounted to 41 per cent (30,353) of all emigrants in 2002, their share was 23 per cent in 2012. In absolute numbers, the lowest outflows of Austrian nationals occurred in 2006 (19,387). In the consecutive years of the economic crisis, figures have increased in 2007 and 2008, and have again been declining since. In 2012, a number of 22,167 Austrians left the country. Regarding foreign nationals, it must be noted that, in general, 45 per cent of immigrants do not remain in Austria for more than five years (Statistik Austria 2012a). The biggest group of foreign nationals who left the country during the reference period was comprised by EU/EEA and Swiss nationals. Their emigration numbers have increased in the last decade, especially those of EU-10 and EU-2 nationals. Their share increased from 9 and 3 per cent in 2002 to 17 and 11 per cent respectively in 2012. The emigration of citizens from the former Yugoslavia and Turkey have instead oscillated at the same level of approximately 10,000 and 3,000 emigrants respectively.

Figure 9: Outflows by citizenship 2002-2012

Source: Statistik Austria, migration statistics, own illustration.

Information on the country of destination of emigrants is also available in the Central Population Register. Figures show that foreign nationals in most cases moved to their country of citizenship. Among emigrating Austrians, 10,414 did not provide information on their country of destination when de-registering; however, the information provided could shed some light on their migration projects. The main country of destination of the Austrians who indicated their country of destination was Germany (3,405). The second main destination was Switzerland with 1,516 emigrants, followed by Turkey with 809 emigrants, the United States with 579, Italy with 304 and Serbia with 267 emigrants.

Table 8: Main countries of destination of Austrian nationals, 2012

Country of destination	National statistics
Germany	3,405
Switzerland	1,516
Turkey	809
United States	579
United Kingdom	459
Italy	304
Serbia	267
Egypt	211
Hungary	208
Romania	183

Source: Statistik Austria, migration statistics, own illustration.

4.2.1.4. Return migration⁷⁷

According to data on registered changes in residence, of the 1,368,134 persons that immigrated to Austria during the reference period of 2001 to 2012, a number of 210,314 (15%) were Austrian nationals returning to Austria. Their numbers have been steadily decreasing over the years, with the exception of increases in 2009 in the wake of the economic crisis. While in 2001 a number of 28,020 Austrians returned, their numbers decreased by almost one half to 14,753 in 2012.

⁷⁷ For the regional distribution of returnees see chapter 4.3.2.

Table 9: Austrian nationals returning by sex, 2002-2012

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Total
Total	111,219	108,125	111,869	122,547	114,465	98,535	106,470	109,713	107,523	112,691	124,619	140,358	1,368,134
Austrian nationals	28,020	21,981	18,528	18,301	16,470	15,636	14,924	15,345	15,863	15,795	14,698	14,753	210,314
% of total	25%	20%	17%	15%	14%	16%	14%	14%	15%	14%	12%	11%	15%
male	--	13,843	11,947	11,935	11,120	10,449	9,876	10,142	10,277	10,180	9,661	9,579	119,009
female	--	8,138	6,581	6,366	5,350	5,187	5,048	5,203	5,586	5,615	5,037	5,174	63,285

Source: Statistik Austria, own calculations.

Almost two-thirds (65%) of Austrian nationals who returned in 2012 were male. Throughout the reference period, the immigration of Austrian nationals was dominated by this gender distribution. As regards age (see *Annex Table 3*), the biggest group was formed by 30 to 44 year olds, who represented 31 per cent of all returnees during the reference period, followed closely by 15 to 29 year olds, who amounting to 27 per cent. Older age categories were particularly underrepresented among the returnees. Persons above the age of 60 years amounted in total to 7 per cent.

Table 10: Returning Austrian nationals by age group, 2002-2012

Year	Up to 14 years old		15 to 29 years old		30 to 44 years old		45 to 59 years old		60 to 74 years old		75 plus years old		Total
2002	4,300	20%	6,250	28%	6,653	30%	3,239	15%	1,097	5%	442	2%	21,981
2003	2,897	16%	5,353	29%	6,017	32%	3,055	16%	950	5%	256	1%	18,528
2004	2,818	15%	5,038	28%	5,973	33%	3,160	17%	1,056	6%	256	1%	18,301
2005	2,411	15%	4,339	26%	5,462	33%	3,012	18%	1,032	6%	214	1%	16,470
2006	2,214	14%	4,111	26%	4,941	32%	3,012	19%	1,144	7%	214	1%	15,636
2007	1,998	13%	3,912	26%	4,810	32%	2,879	19%	1,136	8%	189	1%	14,924
2008	1,888	12%	4,070	27%	4,804	31%	3,094	20%	1,276	8%	213	1%	15,345
2009	2,122	13%	4,234	27%	4,705	30%	3,198	20%	1,351	9%	253	2%	15,863
2010	1,882	12%	4,168	26%	4,642	29%	3,372	21%	1,489	9%	242	2%	15,795
2011	1,910	13%	4,084	28%	4,153	28%	3,111	21%	1,271	9%	169	1%	14,698
2012	1,867	13%	4,049	27%	4,224	29%	3,183	22%	1,249	8%	181	1%	14,753
Total	26,307	14%	49,608	27%	56,384	31%	34,315	19%	13,051	7%	2,629	1%	182,294

Source: Statistik Austria, own calculations.

Of the 14,753 returnees in 2012, a number of 6,754 provided information upon the registration in Austria regarding the country of their previous residence. Most returnees were previously resident in another German-speaking country: 1,842 were returning from Germany, followed by 494 persons returning from Switzerland. A number of 420 persons returned from Turkey. Other main countries of previous residence were located in the Anglo-Saxon sphere (United States, 348; the United Kingdom, 227), Mediterranean countries (Italy, 196; Spain, 188; Egypt, 175), and Balkan countries (Serbia, 166; Bosnia & Herzegovina, 130).

4.2.2. Characteristics of the migrant stock

4.2.2.1. Immigrant Stock⁷⁸

Immigrant stock statistics refer to the size of the immigrant population group that is usually resident in a country at a specific point in time. There are several ways and national conceptualisations to determine the immigrant population of a country: in some countries the criterion 'foreign citizenship' is especially employed to characterise this population. In traditional immigration countries and increasingly in other immigration countries, however, the criterion 'foreign country of birth' is more often used to refer to this group as this criterion is unique, does not change over time and usually refers to the fact that the person has migrated in his/her life. As shown in table 10 and following former trends, the numbers and share of foreign nationals and the foreign born population has increased continuously during the last decade: the foreign population increased by almost 300,000

⁷⁸ Information on the age distribution as well as more information regarding the regional distribution of the immigrant stock is provided in chapter 4.3.

from 710,926 foreign nationals in 2001 to over one million foreign nationals (1,004,268) on 1 January 2013. Their relative share has increased from 8.9 to 11.9 per cent of the total population stock. According to *Statistik Austria* (2013a), about 40 per cent of these foreign nationals have been living in Austria for at least 10 years, a further 24 per cent for at least five years. Almost 37 per cent of them, however, immigrated to Austria after 1 January 2008 and therefore has been living in Austria for less than five years.

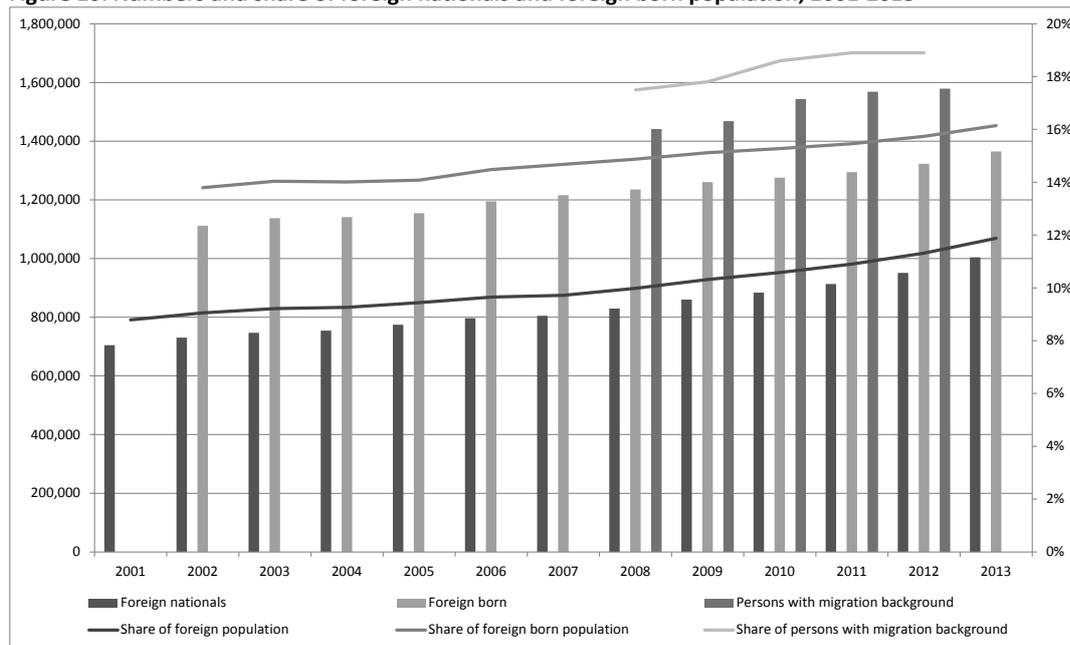
The number of foreign born, who also include persons who have immigrated and have been naturalised, were already above one million in 2001. Their numbers increased by 361,372 from 1,003,399 in 2001 to 1,364,771 in 2013. With this, their proportion of the total population increased from 12.5 to 16.2 per cent (*Statistik Austria* 2013a).

Table 11: Population stock by nationality and country of birth, 2001 and 2013

Country of birth	Total	Citizenship		Total	Citizenship	
		Austrian	Foreign		Austrian	Foreign
in %						
15.05.2001						
Total	8,032,926	7,322,000	710,926	100.0	91.1	8.9
Austrian	7,029,527	6,913,512	116,015	87.5	86.1	1.4
Non-Austrian	1,003,399	408,488	594,911	12.5	5.1	7.4
01.01.2013						
Total	8,451,860	7,447,592	1,004,268	100.0	88.1	11.9
Austrian	7,087,089	6,933,596	153,493	83.9	82.0	1.8
Non-Austrian	1,364,771	513,996	850,775	16.1	6.1	10.1

Source: *Statistik Austria, Populations Statistics.*

For reasons of better illustration, the *Statistik Austria* also publishes information regarding the population of 'foreign origin' based on POPREG data. This group refers to a combination of the criteria 'citizenship' and 'country of birth' and as such captures in addition to foreign nationals also those persons that have been born abroad and have since acquired the Austrian nationality. According to registrations and de-registrations of usual residences, 1,518,264 people of foreign origin were living in Austria in 2013. This refers to a share of 18 per cent of the total population.

Figure 10: Numbers and share of foreign nationals and foreign born population, 2001-2013

Source: Statistik Austria, Foreign nationals and foreign born statistics refer to population stock statistics on 1 January of each year. Statistics on persons with migration background to LFS data, annual average, own illustration. Data on country of birth are only available since 2002. Data on migration background available since 2008.

More recently, the criterion 'country of birth of parents' has also been used to characterise the 'population of foreign origin or background'.⁷⁹ Following different advantages and constraints of each of the employed criteria, it is suggested to mix a number of the above-mentioned criteria with additional information (UNECE and UNFPA 2011) in order to obtain a more objective picture of the population stock. Based on LFS data,⁸⁰ a share of 1,579,000 persons with foreign background, i.e. a share of 18.9 per cent, had a migration background in Austria. 1,167,000 of them were 'first generation immigrants', meaning that they had been born abroad and moved to Austria. The other 412,000 persons were children of parents born in a foreign country and are therefore 'second generation immigrants' (Statistik Austria 2013a). Based on LFS data, information on the population with 'migration background' has been published by *Statistik Austria* since 2008. Since 2008, the population with foreign background has also increased according to the increase of foreign nationals and foreign born. In 2008 only 1,441,500 persons (17.5% of the total population) had a foreign background.

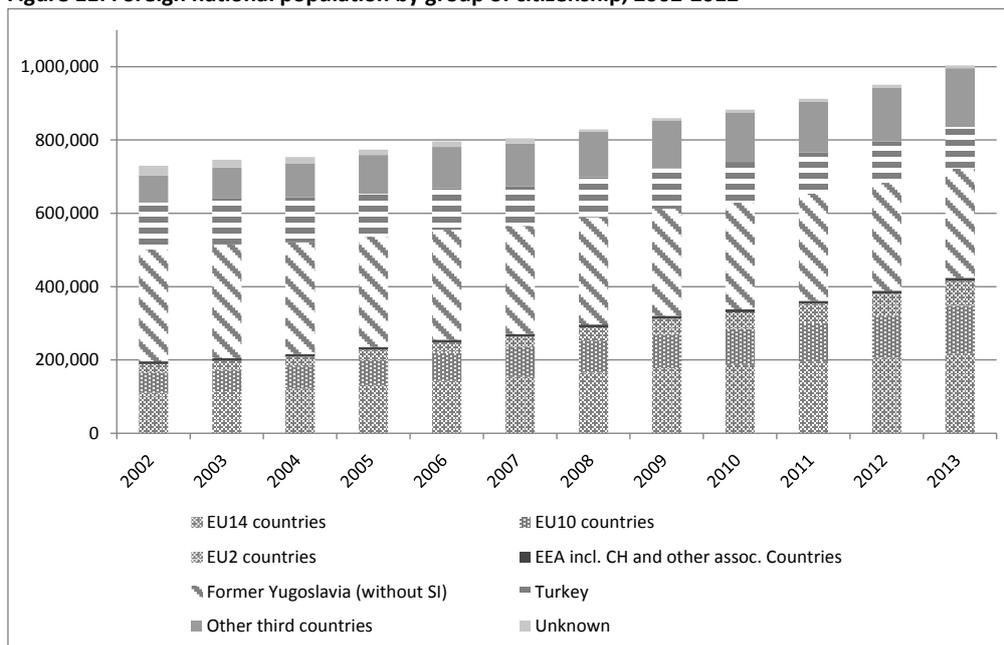
The foreign population has not only changed in size but also changed regarding the composition of citizenship and origin. In 2002, the main group of immigrants residing in Austria was composed of citizens from successor countries of the former Yugoslavia (306,153), representing 42 per cent of the total foreign population stock; Citizens of other EU-27 countries amounted to about a quarter of the foreign population (189,122; 26%). They were followed by Turkish nationals, who amounted to 127,147 (17%) of the foreign population. Other third-country nationals amounted to 10 per cent (73,611) of the foreign population. Due to a shift of immigration from third countries towards free mobility of EU nationals mentioned above, the composition of foreign population has positively increased regarding EU nationals: in total, 41 per cent of all foreign nationals were from another EU country. In this regard, the population of EU-15, EU-10 and EU-2 citizens in Austria has grown. The number of EU-15 nationals has almost doubled to 217,776, increasing their share of 15 to 22 per cent of all foreign nationals, especially due to the increased immigration of German nationals in recent

⁷⁹ For more information see the SEEMIG Data Requirement Paper, available at www.seemig.eu (accessed on 3 June 2013).

⁸⁰ Annual average 2012.

years. The number of residents from EU-10 countries has increased in the reference period by +134 per cent, and now represents 13 per cent of the total foreign population. A particular increase was noticed for nationals from the EU-2 countries Bulgaria and Romania. Their numbers have increased by threefold to 67,405 residents. In contrast to this development, the number of foreign citizens from the former Yugoslavia (-8,057) have decreased in absolute values and now represent only 30 per cent. However, they still make up the second largest group of the foreign population stock. The number of Turkish nationals has declined by 13,477 to 127,147, representing 11 per cent of the population. The number of other third-country nationals more than doubled in the reference period to 160,107. They amounted on 1 January 2013 to 16 per per cent of the foreign population stock. Most of them were from Asia (77,623 on 1 January 2013), followed by immigrants from Africa (24,397) and North and South America (18,254).

Figure 11: Foreign national population by group of citizenship, 2002-2012



Source: Statistik Austria, statistics of the population stock, own illustration. Unknown does include unsettled and stateless. Figures on EEA and CH include associated small states.

As naturalisation affects the composition of citizenry to a large extent, it is also interesting to look at the composition of the foreign born population stock by country of birth. Changes in composition of the foreign born population have been less pronounced. The majority of foreign born by group were persons born in the other EU-27 countries. Their share increased to 42 per cent and to more than half a million persons (573,907) in 2013. While increasing in absolute numbers to 373,009 persons in 2013, their share has slightly decreased from 29 to 27 per cent. The share of Turkish nationals has remained relatively stable, with 11 and 12 per cent respectively; their absolute numbers have increased from 126,828 to 159,185.

Looking at the immigrant population by single citizenship and single country of birth, with slight differences in order, the same countries of origin prevail. While on 1 January 2013 immigrants were from a total of 183 different countries, the main country of origin of immigrants was Germany, with 205,868 foreign born, followed by 159,185 born in Turkey. The other top ten countries of origin were all Central and South-East European countries with Bosnia & Herzegovina (151,705 foreign born), Serbia (130,862), Romania (73,904), Poland (63,242), Hungary (48,137), the Czech Republic (41,618), Croatia (39,005) and Slovakia (29,963).

Table 12: Foreign nationals and foreign born population by single citizenship and country of birth, 1.1.2013

Foreign citizens			Foreign born		
Country of citizenship	Total	%	Country of birth	Total	%
Germany	157,793	16%	Germany	205,868	15%
Turkey	113,670	11%	Turkey	159,185	12%
Serbia	111,280	11%	Bosnia & Herzegovina	151,705	11%
Bosnia & Herzegovina	89,925	9%	Serbia	130,862	10%
Croatia	58,619	6%	Romania	73,904	5%
Romania	53,261	5%	Poland	63,242	5%
Poland	45,965	5%	Hungary	48,137	4%
Hungary	37,004	4%	Czech Republic	41,618	3%
Russian Federation	27,343	3%	Croatia	39,005	3%
Slovakia	25,333	3%	Slovakia	29,963	2%
Others	284,075	28%	Others	421,282	31%

Source: Statistik Austria, statistics of the population stock.

The gender distribution was in general equally balanced (see *Annex Table 7*):⁸¹ a slightly lower number was registered for 651,187 (48%) male foreign born compared to 713,584 (52%) foreign born women. The main groups of immigrants (Germany, Turkey, Bosnia & Herzegovina, Serbia, Romania and Hungary) showed a gender-balanced distribution. Immigration from selected Asian, South American and Eastern European countries have however been especially female. It is interesting to note that many of these countries are countries of origin of female workers who work e.g. in the health sector, care of elderly, or prostitution in Austria. However, particularly high proportions of female immigrants were prevalent from several countries of origin. 85 per cent of all Thai-born persons in Austria were female, as well as 75 per cent of those residents born in Ukraine, 73 per cent of the Estonian-born and 73 per cent of those born in Finland. In contrast, especially high numbers of male immigrants were prevalent among immigrant groups from selected African and Asian countries. Many of these were also main countries of origin of asylum applicants: 86 per cent of all Gambian-born residents were male, as well as 79 per cent of Liberian-born residents, 76 per cent of Guinean-born, 75 per cent of persons born in Oman and Algeria, and 74 per cent of persons born in Sierra Leone. Foreign born residents in Senegal, Pakistan, Sudan and Afghanistan also had a proportion of more than 70 per cent of males. It is likely that many among them were asylum seekers, among whom a male gender-distribution is also prevalent.

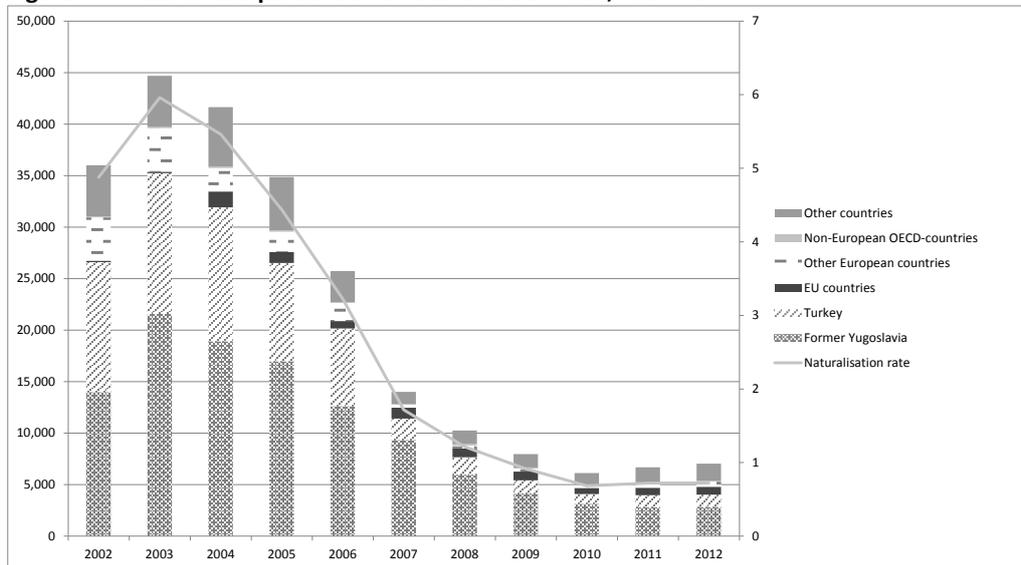
As the composition by nationality of the population is strongly affected by naturalisations, some recent trends regarding naturalisation in Austria are illustrated below. Following increased numbers in naturalisations in the early 2000s, reaching an historic high in 2003 with 44,694 naturalisations, almost a quarter of a million of persons (235,086) have acquired the Austrian citizenship since 2002. According to *Statistik Austria* (2009a) this increase can mainly be ascribed to the immigration boom that Austria experienced in the beginning of the 1990s, as persons immigrating at that time largely fulfilled the naturalisation prerequisites by the early 2000s. Since this peak, naturalisations numbers continuously declined until 2010 (6,135), representing the lowest number in annual naturalisations in twenty years (1990: 9,198). The decrease can be seen on the one hand in light of a tightening of the possibilities to obtain Austrian citizenship in 2006, while on the other hand it reflected the low immigration to Austria in the second half of the 1990s (Schumacher/Peyrl 2007). For the past two years, naturalisations have been increasing again, but on a lower level, amounting to 7,043 persons, a sixth of the 2003 value, in 2012.

As shown in *Figure 13*, the increase in naturalisations in the early 2000s was foremost a consequence of an increase in naturalisations of citizens of the former Yugoslavia (since 2004 without Slovenia). Of this group, from 2002 to 2012 in total a number of 112,420 persons were naturalised. This accounted for almost half (48%) of all naturalisations carried out during this period. The second largest group of naturalised persons during this time span were Turkish nationals (64,674; 28%). The share of both groups among the total numbers of naturalisations, however, decreased over the period. While in

⁸¹ Countries of origin with a stock less than 200 foreign born residing in Austria have not been taken into account.

2012 a share of 40 per cent of the naturalisations concerned citizens from the former Yugoslavia (without Slovenia), only 17 per cent were Turkish nationals, followed by an increased share of other EU nationals (11%) as well as an increased share of other third country nationals, which accounted for almost a third (32%) of all naturalisations.

Figure 12: Naturalised persons and naturalisation rate, 2002-2012



Source: Statistik Austria, naturalisation statistics. Notes: The former Yugoslavia since 2004 without Slovenia. Naturalisation rate per 100 non-Austrian (annual average, 2007-2011: revised data). EU nationals: until 2003: EU-15 (without Austria); since 2004: EU-25 (Member States from 1 May 2004 onwards, without Austria), since 2007: EU-27 (Member States from 1 January 2007 onwards, without Austria).

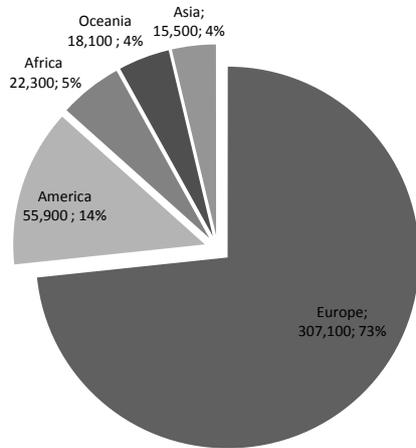
4.2.2.2. Emigrant Stock

Emigration stock refers to the numbers of Austrian nationals residing abroad. According to current estimates of the *Federal Ministry for European and International Affairs*, 418,900 Austrian nationals were living abroad in the year 2012. However, as outlined in the WP4 country report on the Austrian data production system, these estimates neither correspond to an exhaustive overview on all registered Austrian nationals in the respective country, nor are they similarly conceptualised in statistical terms. They furthermore are not consistently based on mirror statistics. On the contrary, estimates as provided by embassies or consulates to the ministry in a first step and to *Statistik Austria* in a second step may rely on several sources (e.g. contacts via official acts, service or information gathering requests, lists of participants in events, etc.). Solely in the case of Germany and Switzerland, due to their status as major destination countries, are data derived from alias counter-checked with mirror statistics by *Statistik Austria* when preparing statistics on emigrant stocks. Hence, there are clear limitations of their comparability and overall statistical meaningfulness.

The proportional distribution among continents in 2012 has been illustrated in *Figure 15*. According to these figures, almost three-quarters of Austrians residing abroad were residing in a European country (307,100; 73%). The Americas were home to 55,900 (14%) of Austrians abroad. The share of those living in Africa, Oceania and Asia was lower with 22,300 (5%), 18,100 (4%) and 15,500 (4%) living on these continents respectively. In terms of single countries of destination, the main country of residence was Germany; a total of 175,926 persons, 42 per cent of the total emigration stock, were residing in this country (see *Table 11*). Far smaller numbers of Austrian nationals were living in Switzerland (37,931; 9.1%), the United States (26,800; 7.1%), the United Kingdom (22,200; 5.3%) and

South Africa (18,000; 4.3). In general, these data confirm spatial patterns which are also given for emigration flows, as outlined above.

Figure 13: Austrians abroad by continent, 2012



Source: Statistik Austria 2013b; estimates of Federal Ministry of European and International Affairs; mirror data

Table 13: Austrians abroad by country of residence, 2012

Country of residence	Total	%
Germany	175,926	42.0
Switzerland	37,931	9.1
United States	26,800	7.1
United Kingdom	22,200	5.3
South Africa	18,000	4.3
Australia	15,000	3.6
Spain	15,000	3.6
France	7,600	1.8
Netherlands	7,200	1.7
Canada	7,000	1.7
Israel	6,000	1.4
Italy	5,500	1.3
Argentina	5,300	1.3
Belgium	5,000	1.2

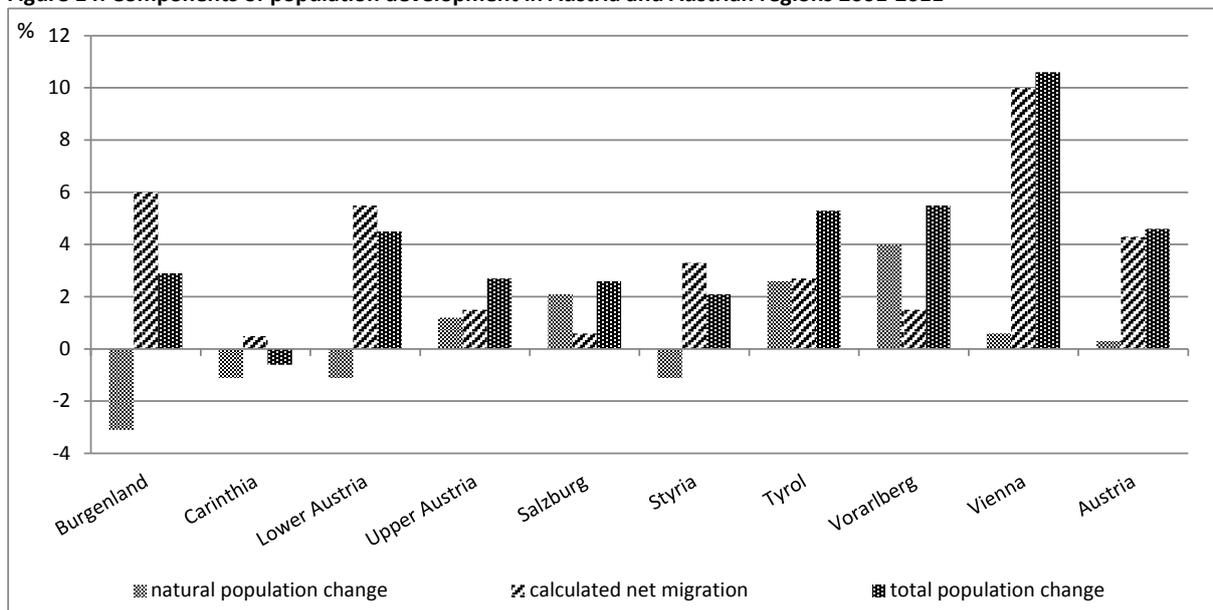
Source: Statistik Austria 2013b; estimates of Federal Ministry of European and International Affairs; mirror data.

4.3. Demography and Human Capital

4.3.1. Population change

As outlined in *chapter 2.1*, Austria as a whole has experienced remarkable demographic changes during the last decades: increased life expectancy, decreasing fertility levels and constantly decreasing mortality rates are leading to moderate natural population growth and increased population ageing. From 2001 to 2011, the total population growth amounted to 369,000 persons or 4.6 per cent, resulting in 8,401,940 persons registered with their main residence in Austria in 2012. Only 6 per cent of this increase can be attributed to natural population increase. Thus, the majority can be to a clearly accredited to a consistently positive net migration rate, mainly due to international immigration, which is predominantly directed towards the primate city of Vienna (see *Figure 15 and Annex Table 8*).

Figure 14: Components of population development in Austria and Austrian regions 2001-2011



Data source: Statistik Austria, register-based census 2011 (also Statistik Austria 2013e), own illustration

Demographic characteristics of foreign nationals

The significance of international migration as a decisive component for continued population growth is clear when examining factors contributing to the overall positive natural population development. Generally, from 2001 to 2011, the foreign national population showed more dynamic development than the overall population residing in Austria (WIFO 2009a:7), as increases resulting from a positive birth-death balance of +20,420 persons in this period are closely tied to foreign nationals. For instance, in 2011, a definite mortality surplus for Austrian nationals could be perceived (-7,591 persons), while a marked surplus was given for foreign nationals (+9,221 persons). On the one hand, the birth rate of Austrian nationals (8.8‰) was considerably lower than of foreign nationals (12.9‰), but distinct variations can be observed for different regions of origin. Hence, birth rates of immigrants originating from former Yugoslavian countries⁸² (11.3‰) or EU and EEA states and Switzerland (11.9‰) are moderately higher than those of Austrian nationals, while birth rates of Turkish nationals (14.0‰) and other countries (16.7‰) tend to be significantly higher. On the other hand, the mortality rate of foreign nationals is extremely low (3‰) and corresponds approximately to one-third of the figure for Austrian nationals (Statistik Austria 2012f:30).

⁸² Yugoslavian successor states without Slovenia, which is considered to be an EU member state.

The total fertility rate in Austria has remained constant at a low level, amounting to 1.43 children per woman on average in 2011. However, slight increases could be observed since 2001 when the TFR was only 1.33 (Statistik Austria 2012f:30). Thus, Austria follows a pan-European trend, which is mostly characterised by total fertility rates below the replacement level (EU-27: 1.57 according to Eurostat). Congruent with differences as regards birth rates, women of Austrian nationality showed a lower TFR (1.32) than foreign nationals (1.83) in 2011, and moreover, distinct variations are given among foreign nationals. Turkish women gave birth to 2.02 children on average, women from successor states of the former Yugoslavia had on average 1.83 children, and women from EU and EEA states and Switzerland show rates converging to the total average rate (1.46). Remarkably, women of foreign citizenship have significantly more children (1.96) than women who obtained Austrian citizenship (1.49). While 40 per cent of the women who bore children in 2011 did so out of wedlock in 2011, 50 per cent of Austrian nationals, but only 20 per cent of foreign national were unmarried. The average age of mothers with Austrian citizenship at the time of birth of their first children was 28.9 years in 2011 and is thus comparable to the average age of 28.8 years of female citizens from EU and EAA countries plus Switzerland. Women from Turkey are relatively young mothers (24.7 years), followed by women from Yugoslavian successor states (25.5 years). In total, women of foreign nationality are on average two years younger at the time of birth of their first child than Austrian nationals (Statistik Austria 2012f:30). Generally, in the long run, converging reproductive behavior can be perceived in correlation with progressing duration of stay.

Outlook: migration is likely to remain the decisive factor for population development

Current forecasts elaborated by *Statistik Austria* assume that if both immigration and birth rates remain at the current level, the population will grow by 11.6 per cent to more than 9.36 million by 2050 (*main forecast scenario*). Assuming that there would be no migration surplus, the population would decrease by 2.2 per cent to 7.48 million by 2050 (Statistik Austria 2012f:24). Hence, immigration is likely to constitute the predominant driving force as regards future population development in Austria.

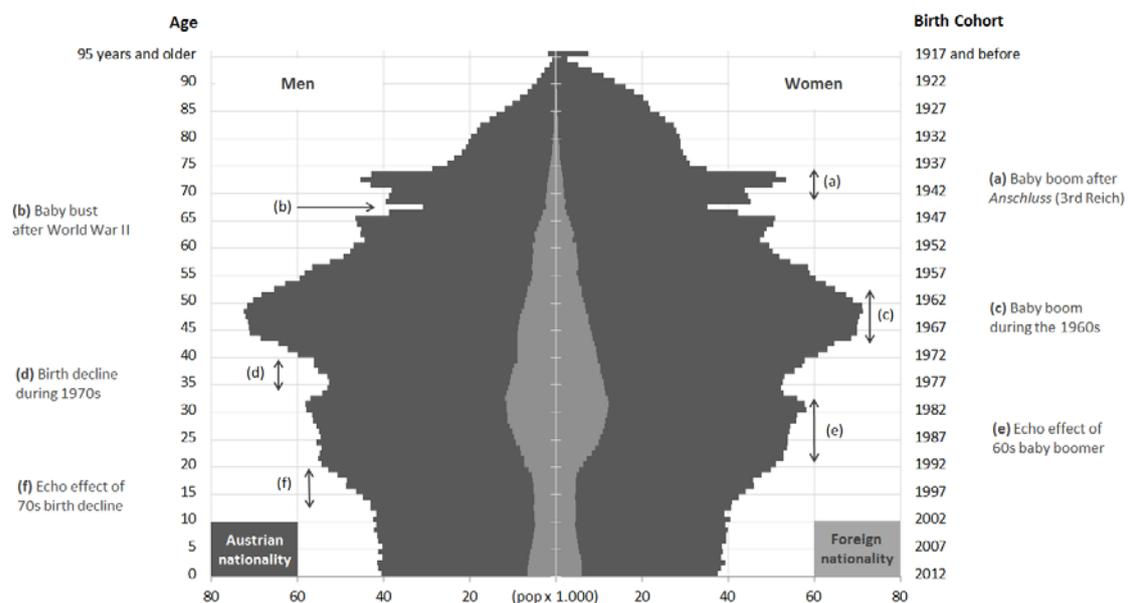
4.3.2. Population structure and spatial distribution

As illustrated in chapter 2.2, Austria is facing accelerating population ageing. In 2013, 64.5 per cent of persons registered in Austria were at working age (between 15-64 years of age). 18.3 per cent were below 15 years old and 17.3 per cent were 65 years and older. The age structure of foreign nationals tends to be younger than that of Austrian nationals; this has consistently been the case since 2001. While the share of children below 15 years amounted to 17.9 per cent for Austrian nationals in 2013, they represented 20.7 per cent of foreign nationals. Similarly, the share of persons at working age was higher for foreign nationals with 73.7 per cent compared to 63.2 per cent for Austrians. Accordingly, the share of people older than 65 years of age among Austrian nationals approached 18.9 per cent and is markedly higher than for foreign nationals (5.6%). Thus, younger groups are much more pronounced in the population of foreign origin. Differences in age structures are also mirrored in dependency ratios, i.e. the overall dependency ratio is less pronounced for foreign nationals (35.7) in 2013, than for Austrian nationals (58.2) or the overall population residing in Austria (55.1). This is particularly true for the old age dependency ratio (7.6 vs. 29.8 vs. 26.8). Logically, the young age dependency ratio displays the opposite tendency (28.1 vs. 28.4 vs. 28.3). Hence, immigration may to some extent help to offset 'demographic ageing' in Austria by mitigating the fall of the share of young people and parallel increase of the proportion of the elderly.

Accordingly, young adults form the majority of the population of foreign origin. In 2013, the average age of the Austrian population was 42.0 years. The average age of persons of foreign origin was 40.3 years; however, there are differences according to regions of origin to the general status. Foreign nationals are markedly younger on average (35.1 years) than naturalised immigrants (50.4 years).

This can be explained by the fact that the acquisition of citizenship mostly succeeds a longer-term duration of stay. In terms of countries of origin, third-country nationals tend to be younger, e.g. on average 40.3 years from Yugoslavian successor states, 36.8 years from Turkey and 34.9 years from African countries (Statistik Austria 2013e:28). No significant differences in life expectancy can be perceived between Austrian citizens and persons of foreign origin for 2012 (women: 83.2 vs. 83.4 years, men 78.2 vs. 78.5 years) (Statistik Austria 2012f:9pp). While there are no noticeable overall gender patterns, deviations among age groups may help in explaining the ‘down-scaled’ age distribution for persons of foreign origin: immigrant women are predominantly young, naturalisations increasing among females above 30 years age, mostly due to marriages with Austrian nationals, and the dominance of elderly women is a result of higher female life expectancy (Fassmann & Reeger 2007:187pp).

Figure 15: Age structure of the Austrian population on 01.01.2013 by citizenship



Source: Statistik Austria, illustration: Ramon Bauer

Migratory selectivity due to higher migratory preparedness of young people is a major influential factor for the younger age structure of population of foreign origin, since younger people are more likely to migrate. Hence, immigrants are also on average younger than the total population – this aspect may consequently help to explain the higher birth rates and lower mortality rates outlined above. Furthermore, naturalisations and remigration to countries of origin after retirement generally reduces the number of more elderly foreign nationals in Austria, thereby also reducing the mortality rate (Statistik Austria 2012e:26, Statistik Austria 2012f:30). According to estimates elaborated by *Statistik Austria*, the average age of the Austrian population is expected to increase to approximately 47.1 years by 2050. Assumptions excluding migration predict an increase to 51.2 years by 2050 (Statistik Austria 2012f:28). Consequently, future prospects confirm an ongoing rejuvenating effect resulting from international migration in Austria.

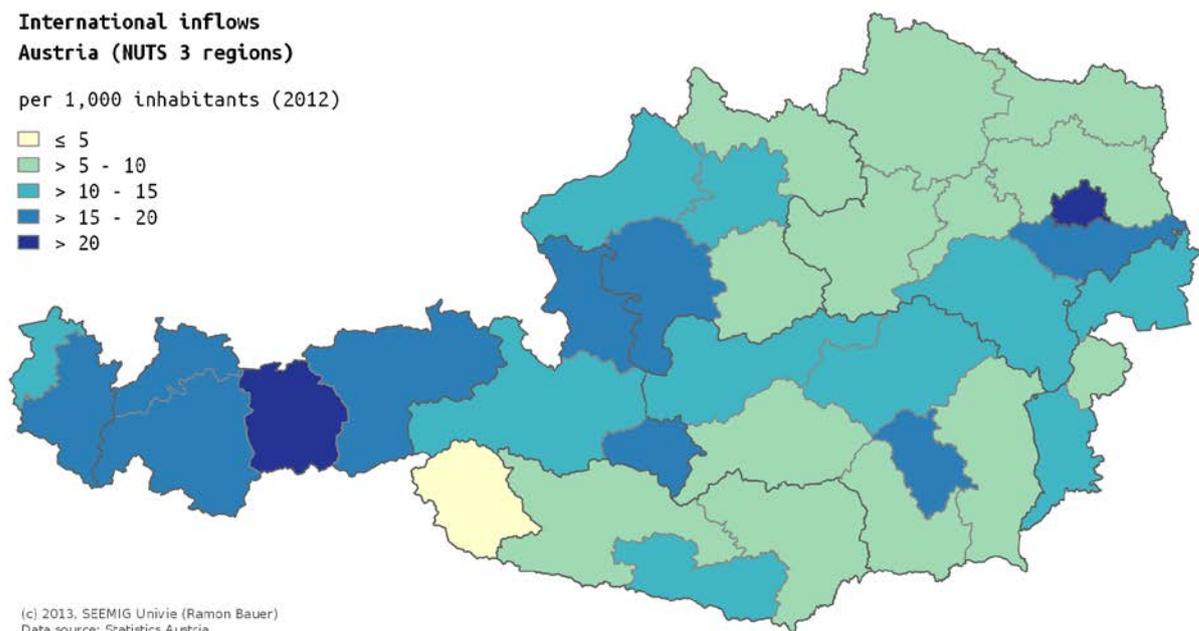
Spatial dimensions of international migration flows

In territorial terms, immigration flows are distinctly concentrated towards urban areas and their environs. This correlates with the general spatial development as captured by the two last census rounds. From 2001 to 2011, Vienna experienced the most noticeable population increase of +10.6 per cent. All other regional capitals experiences increases to a greater or lesser extent, which mainly

resulted both from internal and international migration⁸³. By contrast, depopulation in peripheral or structurally weak areas is continuing, i.e., 35 Austrian districts, which are mainly located in border regions and mountainous regions, are experiencing ongoing population decline and population ageing. The exodus of young people and concomitant birth deficits prevail in these regions. Due to continuing suburbanisation processes, municipalities outside of cities were also characterised by population growth, particularly in the Eastern region, in the central areas of *Upper Austria*, in the surroundings of Graz and in the Western-most areas. Nevertheless, cities concerned by suburbanisation tendencies are primarily able to compensate for population losses through further immigration from peripheral regions in Austria or from abroad (Statistik Austria 2013e).

In line with these general polarisation trends, Vienna remains the main destination area for international immigrants (32.8‰), which corresponds to 40 per cent of all registered inflows to Austria in 2012. The capital city is followed by Innsbruck (21%), Graz (19.8‰), *Tiroler Oberland* (18.7‰) and the Viennese Southern urban area (18.5‰), as also shown in *Map 1*. In total, in the years from 2002 to 2012, more than half a million people (501,157) immigrated to the capital city. Migration flows are directly influencing regional age structures as younger age groups show greater willingness to migrate and are thus more mobile. Therefore, migration selectivity directly impinges on regions already affected by demographic ageing, also in terms of gender differences. Ageing might thus accelerate due to ongoing emigration, which in Austria is particularly of internal nature. This is the case in mountainous and peripheral border regions, such as the province of *Burgenland* (average age 44.0 years in 2012). Due to relatively higher birth rates, Western regions show values below the Austrian average age (Vorarlberg 40.1 and Tyrol 40.9 years). Finally, positive net migration may contribute to demographic rejuvenation in major regions of destination, like in Vienna, at least in the short-term. Since ‘newcomers’ are also ageing, on a long-term basis, only persistent immigration of young persons could induce sustainable changes of regional age structures (Statistik Austria 2012e:26).

Map 1: International inflows to Austria regions per 1,000 inhabitants in 2012 (NUTS3)

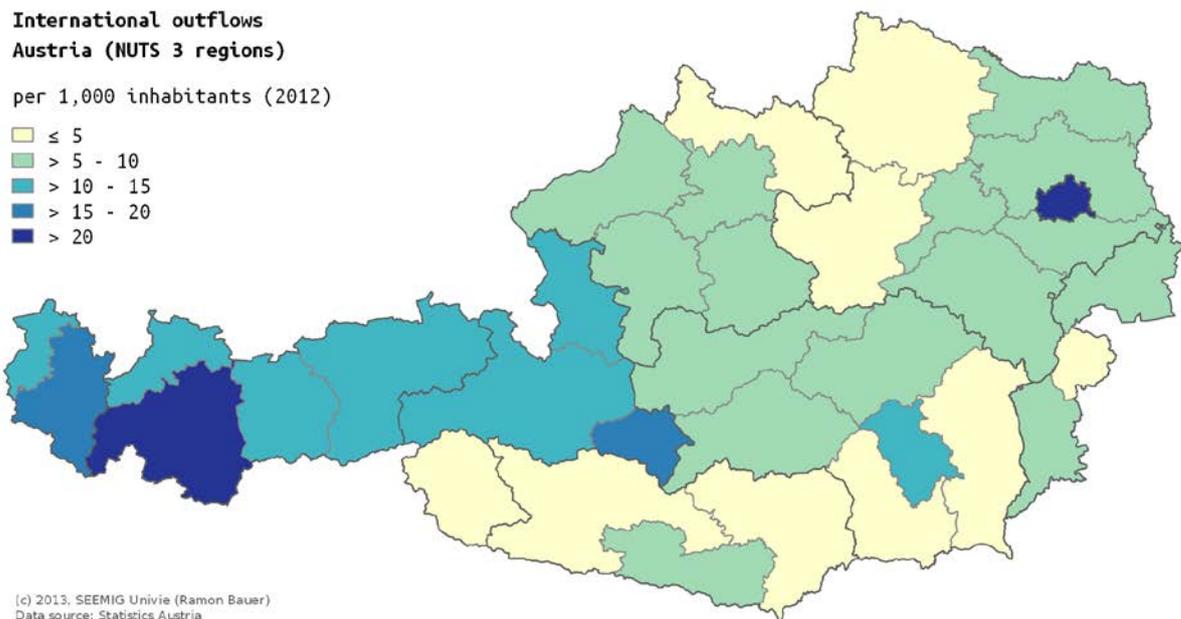


⁸³ Only the Western-most regional capital of Bregenz grew due to a positive birth rate.

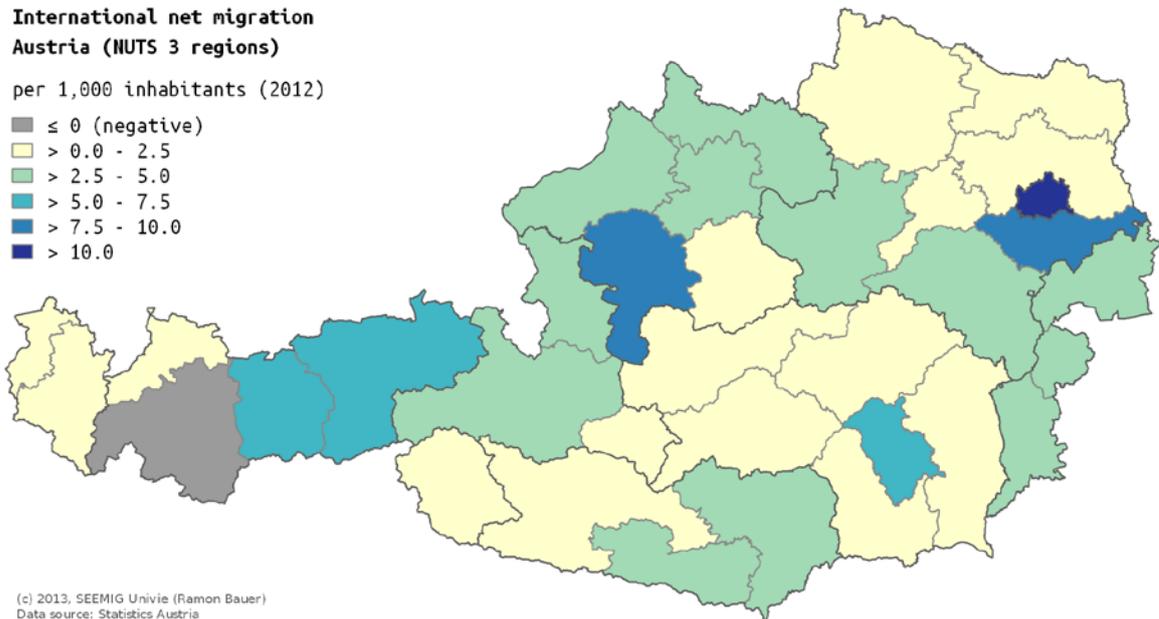
Vienna dominates return migration, and the city attracts more than one-third of all returning migrants. *Lower Austria* and *Upper Austria* were also main receiving provinces. A look at the lower territorial level of NUTS3 reveals that polarisation trends towards urban areas can be confirmed, as most flows are directed to Greater Graz, Greater Salzburg, Vienna's 10th district, Greater Linz and GreaterInnsbruck (see also Annex Table 10).

Similar to inflows, most outflows (38%) on the provincial level were from Vienna. In total, 342,505 persons emigrated from Vienna in the reference period from 2002 to 2012. With the exception of the year 2005, emigration figures from Vienna increased in the reference period, from a level of 22,870 in 2002 to an annual outflow of 38,442 in 2011. In 2012, emigration figures slightly decreased to 37,540 persons. In 2012, the main outflows from Austria to abroad were recorded in the *Tiroler Oberland* (21.9‰), *Vienna* (21.7‰), *Lungau* (16.9‰), *Bludenz-Bregenzer Wald* (16.0‰) and *Außerfern* (14.4‰).

Map 2: International outflows from Austria regions per 1,000 inhabitants in 2012 (NUTS3)



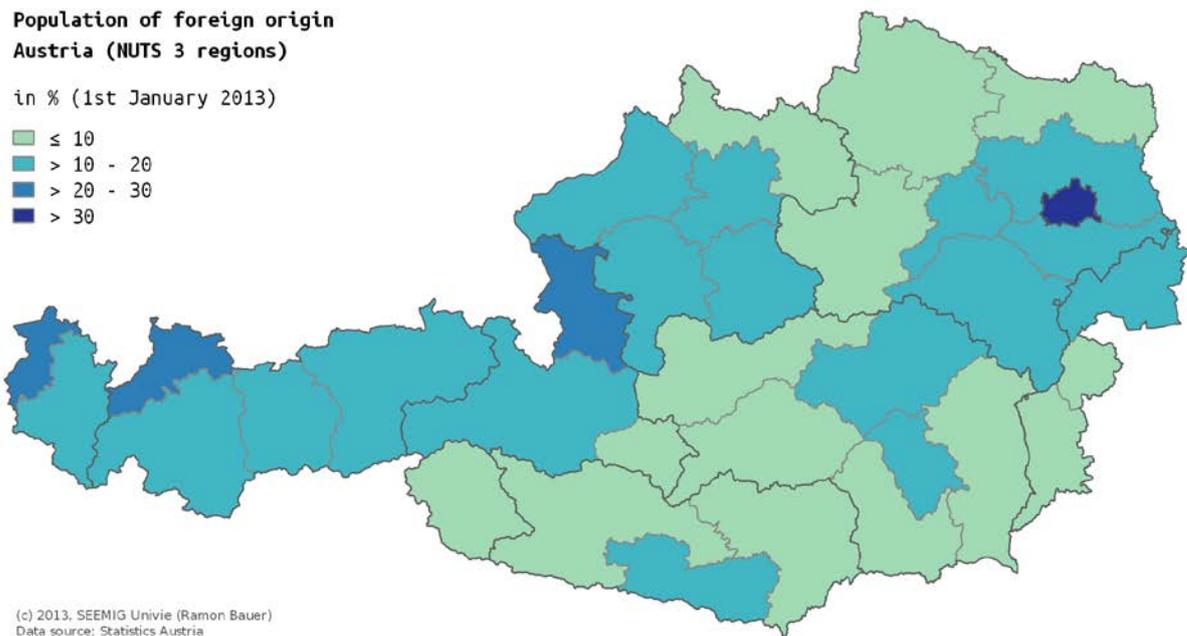
As illustrated in *Map 3*, most Austrian regions are marked by positive international net migration, except for touristic area of *Tiroler Oberland*, where outflows prevailed. About 36 per cent (+12,954) of the net migration was recorded in the capital city, where the net migration rate was +7.5 per thousand inhabitants. Next to Vienna, *Salzburg* (+4‰) and *Burgenland* (+4.2‰) had high migration gains; the lowest rates were recorded in *Lower Austria* (+2.8‰) and *Vorarlberg* (+2.9‰). On the municipal level, two thirds of all municipalities (1,530; 65%) registered positive net migration. In a further 241 municipalities (10%), inflows equaled outflows and as such the net migration was balanced.

Map 3: International net migration from Austria at NUTS 3 level per 1,000 inhabitants, 2012

Immigrant stock at the regional scale

In view of population stocks in Austrian regions in 2013, the highest share of persons of foreign origin (born abroad and/or holding foreign citizenship) were in Vienna (34.6%), followed by the more Western regions of *Außerfern*, *Rheintal-Bodenseegebiet* and *Salzburg und Umgebung* (23.2%, 21.1% and 20.8%), as displayed in *Map 4* and in *Annex Table 11*. From 2002 to 2012, the provinces of Vienna, *Styria* and *Burgenland* experienced the most distinct growth regarding the relative share of population of foreign citizenship (5.9%, 2.4% and 1.7%). The latter two showed only moderate shares of foreign nationals in 2002 (4.9% and 4.2%) and are partially confronted with sparsely populated areas and general demographic challenges connected with rural exodus. In connection with this, markedly fewer persons of foreign origin live in Northern and Southern areas, which traditionally constitute structurally weaker and thus depopulating areas, which consequently rarely attract international migrants for labour or based on migrant network effects. Again, Vienna consistently attracts the majority of international (and also internal) migrants due its status as Austria's capital and only metropolis.

Map 4: Population of foreign origin in per cent of the total population in 2013 (NUTS3)



In 2013, about 80 per cent of the population of foreign origin resided in only 10 per cent of Austria's districts, while approximately 50 per cent of Austrian natives lived in the same areas. 62 per cent lived in agglomerations of over 20,000 inhabitants. However, 47 per cent of Austrian nationals and only 21 per cent of persons of foreign origin lived in municipalities with less than 5,000 inhabitants. This concentration can be illustrated by the example of Vienna: approximately 40 per cent of persons of foreign origin, but only 16 per cent of Austrian natives lived in the Austrian capital in 2013 (Statistik Austria 2013d:78). Hence, immigrants tend to concentrate much more in urban areas than is the case for Austrian natives, both due to persistent migration networks and to better opportunities in the broader labour and housing markets.

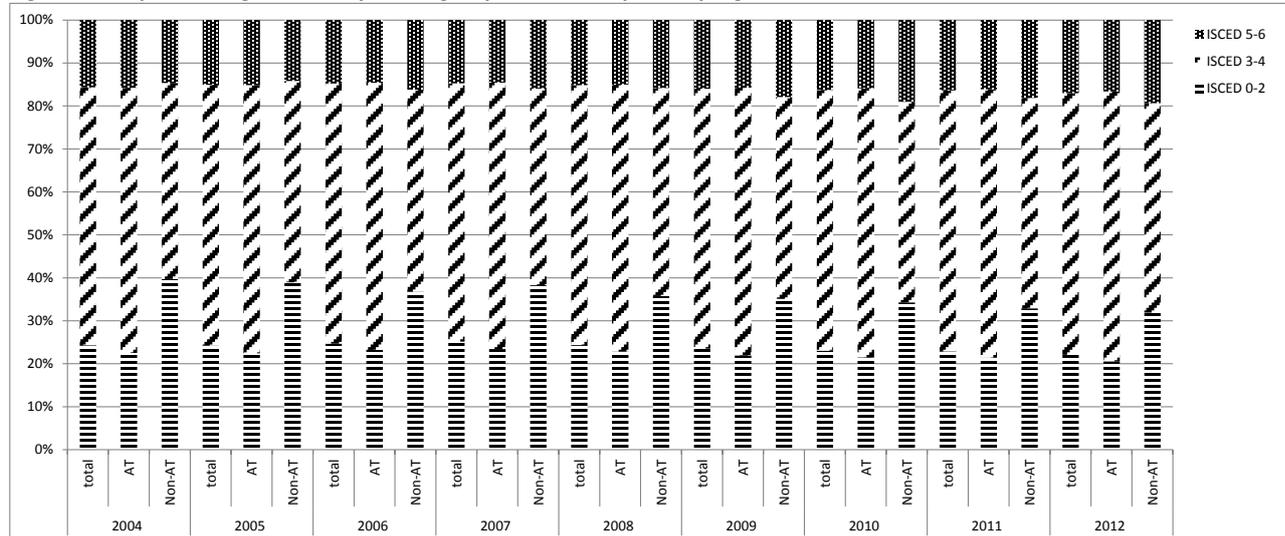
4.3.3. Education

The educational level of the Austrian population has successively increased over the last decades. The share of persons with a low level of education strongly decreased and comprises 22.1 per cent of Austrian inhabitants in 2012. The percentage of persons who have completed higher formal education amounts to 17.0 per cent, which remains at a comparably low level in the international context. Gender differences still remain, although females gained on but did not completely catch up with men, except at ISCED 6 level (Statistik Austria 2013a:88pp). The educational profile of persons with a foreign background significantly differs from those of persons residing in Austria with no such background. While the highest level of formal education attained for Austrian natives greatly corresponds to the intermediate level for both vocational and academic qualifications, the shares of persons with a foreign background are significantly higher both at the highest and lowest level of education (Statistik Austria 2012f:10). *LFS* data on persons aged 15 to 64 years attests to this polarised structuring: 31.9 per cent of foreign nationals but only 20.6 per cent of Austrian nationals had a lower educational qualifications (ISCED 0-2) and 19.3 per cent of foreign nationals and 16.6 per cent of Austrian nationals had a higher educational attainment (ISCED 5-6) in 2012. Consequently, 48.8 per cent of foreign nationals and 62.8 per cent of Austrian nationals have intermediate educational qualifications.

The differences in education have remained relatively constant over time, but improvements can be noticed for Austrian natives as well as for foreign nationals (*see also Annex Table 12*). In the case of

the latter, remarkable increases in the share of highly qualified persons, e.g. from 14.6 per cent in 2004 to 19.3 per cent in 2012, can be mainly accredited to immigration from EU member states (Statistik Austria 2012f:10).

Figure 16: Population aged 15-64 by broad group of citizenship and by highest level of education attained, 2004-2012



Data source: Statistik Austria, Microcensus/Labour Force Survey, own illustration

Converging developments towards the educational level of Austrians natives can be noticed for persons with a second generation migration background. For instance, the share of this group that has only completed mandatory schooling was 21 per cent in 2012, while 30 per cent of first generation immigrants acquired this level of highest education. For all persons with migration background, this share amounted to 29 per cent and for Austrian natives only to 12 per cent. As for professional and vocational qualifications, the percentage is significantly higher for persons with migrant background who were born in Austria (50%) than those born abroad (34%), and is consequently approaching the corresponding percentage of 58 per cent of Austrian natives (Statistik Austria 2013d:48).

Nonetheless, being able to refer to a high level of formal education does not necessarily mean that this can be applied by foreign nationals in an appropriate job. Particularly if the qualifications were achieved abroad, job seekers often have to opt for a solution below their formal abilities. Hence, numerous university graduates work as housecleaners, stock clerks or salespersons. This kind of de-qualification is particularly prevalent during the first years of stay (Fassmann & Reeger 2007:191; see also chapter 4.4.2).

Focus on young people: secondary school, early school leaving and young people in NEET

Migration background is one factor influencing the selection of school type, as well as the regional choice of schools, commuting distance and social environment. While 35.4 per cent of pupils with German as their first language opted for a higher level secondary schools⁸⁴, only 25.8 per cent of pupils with a first colloquial language other than German did so in 2011/2012 (Statistik Austria 2012a:26). Differences are also apparent regarding the proportion of students who leave school before completing mandatory schooling. According to school statistics 2010/2011, 13 per cent of school children whose first language is not German completed 8th grade, the final year of compulsory schooling, at a lower level secondary school⁸⁵. Compared to only 4 per cent of pupils with German as

⁸⁴ As regards higher level secondary schools (*AHS – Allgemeinbildende Höhere Schule*), differences are not significantly for early school leavers (1% for German-speaking pupils, 2% for pupils with another first language in 2010/2011).

⁸⁵ Hauptschule

their first language who fail to acquire a school leaving certificate, this is a markedly high share. In addition, the share of pupils who had to repeat 8th grade was five times higher for students whose first language was not German (Statistik Austria 2012f:44).

Structural differences can be confirmed when examining school drop-outs. The concept of 'early school leavers' embraces persons at the age of 18 to 24 not having completed mandatory schooling, holding a school leaving certificate of mandatory education only and not being still in education or training. In 2011, 18.9 per cent of persons with foreign background dropped out of school. This value is nearly twice as high as the EU target value. In contrast, only 6.0 per cent of persons between 18 to 24 years of age without foreign background were identified as early school leavers. The overall share of all persons of this age group corresponds to 8.9 per cent and is thus distinctly beyond the EU-27 level of 13.5 per cent (Statistik Austria 2013a:108).

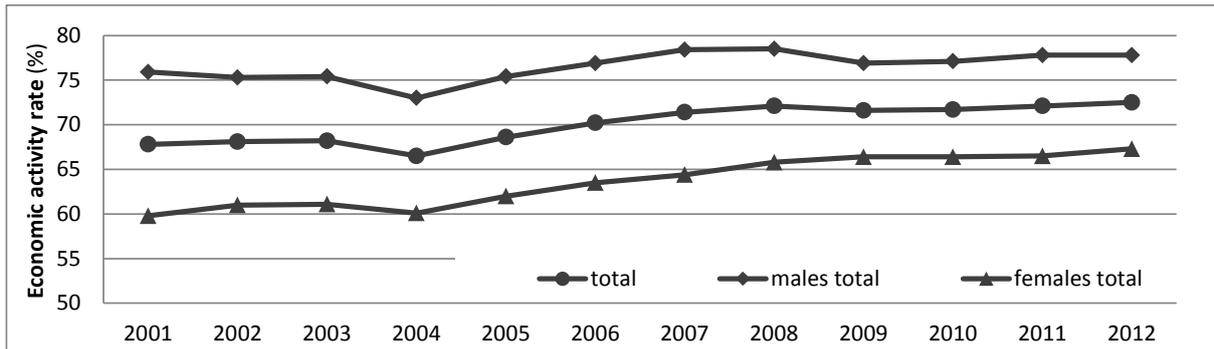
According to OECD data, 9.8 per cent of 15-29 year olds in 2011 can be considered as young people in NEET (*Not in Education, Employment or Training*). This proportion corresponds to a relatively modest share in the international context. Less educated persons who have acquired a highest educational level of ISCED 0-2 are affected more often (12.3%), while 8.7 per cent of persons with medium formal education and only 5.8 per cent of highly educated persons are concerned (OECD 2013). Standardised statistical analyses for estimating how young people of migration background are at risk of being in NEET in Austria are not issued by *Statistik Austria*, but it is possible to refer to scientific analyses carried out for tracing patterns. A recent study elaborated by the *University of Linz* is dedicated to measuring the severity of disintegration of young people in Austria, based on average values of LFS data 2009-2010. It states that on average 8.2 per cent of people at the age of 16 to 24 years are in NEET in Austria, but only 5.9 per cent of persons without migration background are jeopardised. If compared to young persons of migration background, 18.8 per cent of the first generation and 11.7 per cent of the second generation are affected. The study concludes that the latter could be traced back to longer schooling period for persons born in Austria. This can also be asserted by results on young people between 20 to 24 years of age with a low level of education. While only 9.5 per cent of persons of this age group without migration background have low formal education, 32.9 per cent of the first and 28.7 per cent of the second generation fall into this category (Bacher & Tamesberger 2011). Thus, even if results for second generation of migrants are better, they can still be deemed as worrying.

4.4. Labour Market

4.4.1. General characteristics of the labour market

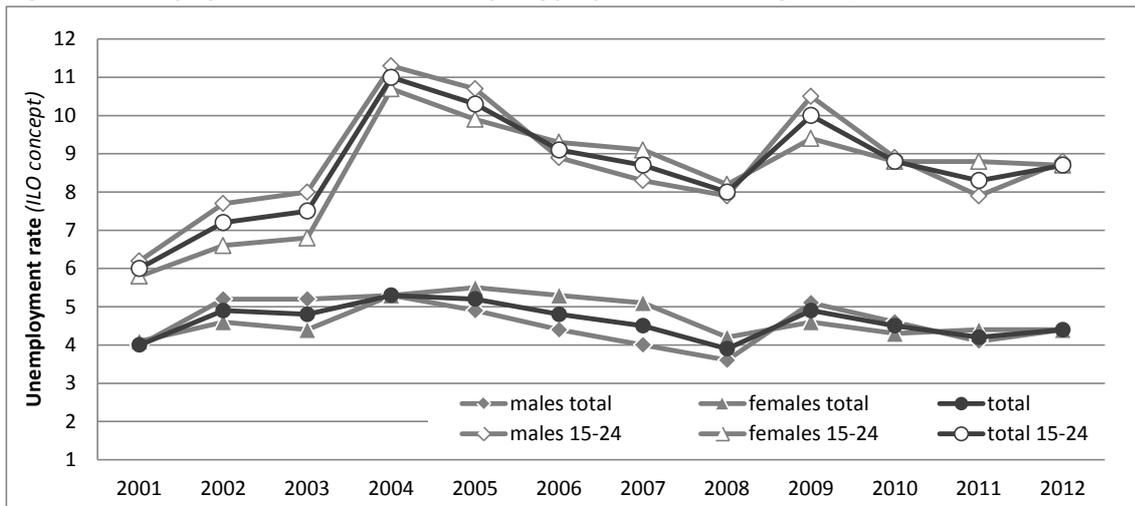
As briefly elaborated in *chapter 2.1*, the Austrian labour market is characterised by typical developments towards a matured industrial or post-industrial and service society. Hence, trends of decreasing labour force both in the agricultural and industrial sector accompanied by increases in the service sector are continuing. Following the international trend, economic activity rates of women are steadily increasing.

Figure 17: Economic activity rates according to gender 2001-2012



Data source: Eurostat, Labour Force Survey, own illustration

Similarly to the high activity rate, the level of unemployment rather has remained at a markedly low level for years in comparison to international results. In 2012, the total unemployment rate constituted the lowest European value and amounted to 4.4 per cent, while the EU-27 average was 10.6 per cent. Although it has increased in the last decade, the youth unemployment rate for young people aged 15 to 24 years accounts for 8.7 per cent, topped only by Germany with 8.1 per cent, and therefore remains clearly below the EU-27 average of 22.8 per cent. Nevertheless, gender differences still play a crucial role in the relatively low female unemployment rate. Females are still affected by diverging wage levels and are increasing employed part-time. In general, atypical contractual schemes are generally increasing, and marginal employment schemes constitute a specific form. Several studies were launched to examine the dimensions and implications of changing contractual schemes. However, these aspects cannot be further expanded on in the context of this country report.

Figure 18: Unemployment rates in total and for young people 15-24 according to sex, 2001-2012

Data source: Eurostat, Labour Force Survey, own illustration

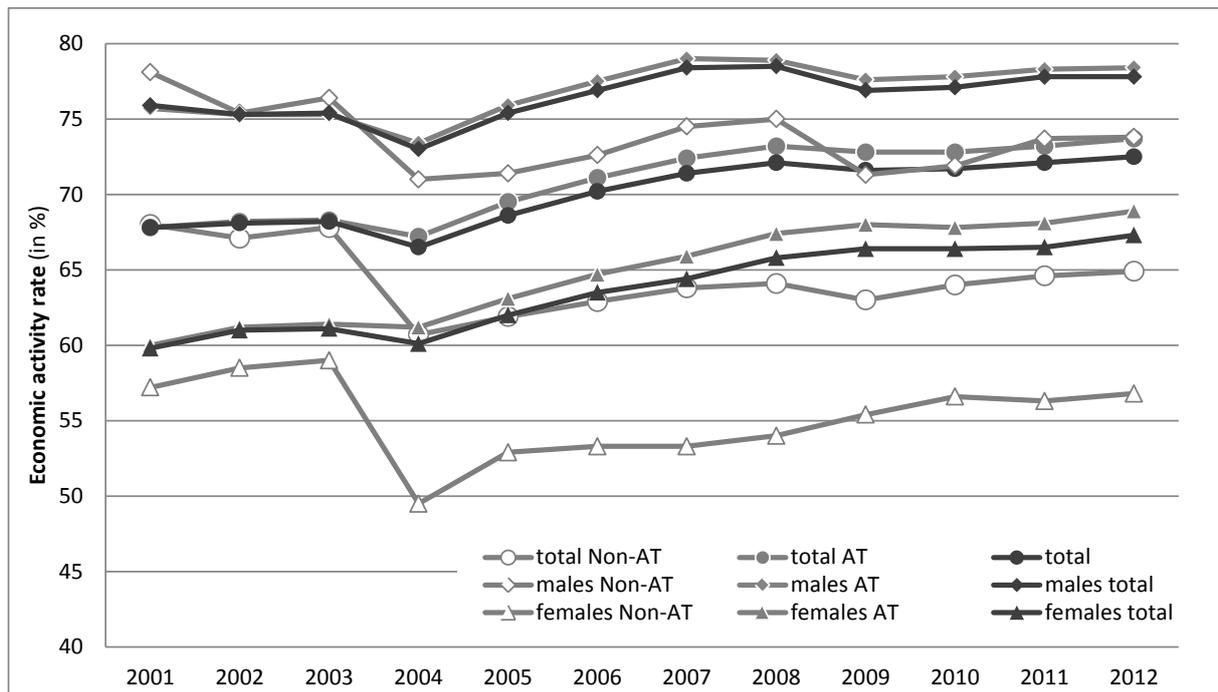
4.4.2. Integration of immigrants into the labour market⁸⁶

Gainful employment or access to the labour market is considered to be a pivotal requirement for societal integration of migrants. In general, migrants and also their descendants are often disadvantaged and more exposed to unemployment, which is also attributable to structural changes and decreasing capacities of the market. This is particularly the case for low qualified persons (Statistik Austria 2012f:11).

Participation in the labour market – economic activity rates & unemployment

Persons with foreign citizenship are currently less frequently gainfully employed than Austrian nationals. While 73.7 per cent of Austrian nationals at the age of 15 to 64 years had a paid occupation in 2012, only 64.9 per cent of foreign nationals were employed. This markedly differs from labour participation rates in 2001, when a level of 68 per cent was reached for both for nationals and foreign nationals. Even though the activity rate of male foreign nationals amounted to 78.1 per cent in 2001, and was hence above the rate of Austrian nationals with 75.7 per cent, it gradually has decreased during the last decade. At the time of the economic crisis, it decreased more pronouncedly than was the case for their Austrian counterparts in 2009 (77.8% vs. 71.3%), but subsequently recovered in a delayed manner by 2011 (78.4% vs. 73.8%).

⁸⁶ The presented picture of non-nationals in the Austrian labour market remains fragmentary, as it relies on some selected data-segments only. For instance, the detailed examination of seasonal workers and irregular employment, which can particularly be perceived in construction, catering/tourism, agriculture, small-scale industry and care work, would take us too far afield in this context.

Figure 19: Economic activity rates according to broad groups of citizenship and sex 2001-2011⁸⁷

Data source: Eurostat, Labour Force Survey, own illustration

Nevertheless, the comparatively low labour participation rate of foreign nationals can mainly be explained by the noticeably low labour market participation of foreign females, making up 56.8 per cent in 2012 and hence hardly deviating from the level reached in 2001. Compared to the overall female rate of 67.3 per cent, this is a very low level, but patterns vary distinctly according to regions of origin. With only 43 per cent, Turkish women are only seldom and regressively employed and are more often housewives, due to higher numbers of children, a more pronounced family orientation and cultural reasons (LFS, cf. Fassmann & Reeger 2007:193). 60 per cent of women with citizenship of a Yugoslavian successor state are gainfully employed, with decreasing tendencies for some years. This could be associated with an increase in naturalisations in the recent past. Compared to this, the labour participation rate of foreign females increased the most for EU-27 nationals to 67 per cent, although it has not yet reach the level of Austrian nationals of 70 per cent in 2012. Mothers with migration background are generally less often employed part-time than Austrian mothers (33% vs. 45%). Hence, a large share were not gainfully employed (35% vs. 20%) (LFS, Statistik Austria 2012f:11, 52). The typical female three-phase-model with a sequence of gainful activity, maternity leave and return to the workplace applies more to foreign than to non-foreign women, who show more consistent activity rates (Fassmann & Reeger 2007:196).

The development of unemployment rates is similar to that of economic activity rates: starting from a low level in 2008 (3.9%), slight increases occurred in the context of the economic crisis in 2009 (4.9%). However, if compared to the European context, the rate has been at a pronounced low level since then, making up 4.4 per cent in 2012. However, foreign nationals are particularly affected by unemployment – while only 3.8 per cent of Austrian nationals were unemployed in 2012, 8.8 per cent of foreign citizens had no occupation according to LFS data.

As outlined above, youth unemployment in Austria is at a higher level than the overall unemployment rate, but is distinctly below the EU-27 average (8.7% vs. 22.8%). The same can be perceived for foreign nationals – unemployment is again markedly below the EU-27 level. In Austria,

⁸⁷ See also Annex Table 12: Economic activity rates for broad groups of citizenship and countries of birth and sex 2011

18.7 per cent of foreign nationals aged 15 to 24 years were unemployed in 2012, 19 per cent of whom were males and 18.3 per cent of whom were females (EU-27: 30.4%, 30.9% and 29.7%). The corresponding proportions for Austrian nationals were 7.6, 7.5 and 7.6 per cent.

Sectoral concentration of occupations

Higher unemployment rates of foreign nationals cannot solely be traced back to macroeconomic development and industrial structural transformation, because Austrian nationals show a relatively moderately oscillating unemployment rate. Persons with a foreign background are predominantly concentrated in specific sectors, which might explain the higher seasonal and structural unemployment rate (Fassmann & Reeger 2007:196p). In 2012, 11.5 per cent of people in paid employment were of foreign nationality, among whom 0.5 per cent were in agriculture, 15.4 per cent in the industrial sector and 35.1 per cent in the service sector.⁸⁸ On the one hand, they are well represented in occupations that are also dominant for Austrian nationals, namely manufacturing (8.4%) and trade (8%). On the other hand, they are more frequently employed in the construction industries (6.6%) and accommodation and gastronomy (6.8%), but rarely work in public administration, real estate, and agriculture (each below 1%). The share of non-Austrian nationals compared to nationals predominately concerns occupations in extraterritorial organisations (70.7%), private households (26.9%) and accommodation and gastronomy (24.7%) (see Annex Table 15). It can generally be observed that the occupational status of the second immigrant generation tends to converge towards the status of the population without a migrant background (Statistik Austria 2012f:11).

De-qualification & income

As stated earlier in *chapter 4.3.3.*, migrants are often confronted with de-qualification. In general, 18 per cent of the Austrian population involved in gainful employment were persons with a migration background in 2011; the majority worked as manual workers (47% vs. 23% without migration background). This percentage is notably high for Turkish nationals (69%) and persons from Yugoslavian successor countries (63%) (Statistik Austria 2012f:55). While persons without a migration background are likely to achieve a higher hierarchical position even if they have a low level education, this is rather difficult for persons with a migration background. Many remain at the 'downgraded' level at which they entered the Austrian labour market after arrival (Stadler & Wiedenhofer-Galik 2011:394). Information regarding de-qualification can be extracted from the *Ad-hoc-module 2008 on the labour market situation of migrants and their immediate descendants* of the *Microcensus*, which included the question of whether the person's current employment corresponds to the formal qualification achieved or not. 27.5 per cent of persons with migration background stated that they felt that they had been the subject of de-qualification, as opposed to 9.7 per cent of respondents without migration background. Generally, females were more often overqualified for their position; this particularly concerned women originating from younger EU member states. It is mainly migrants with a higher school certificate (ISCED 4) who confirm that they are affected by de-qualification (40%). Thereof, 32 per cent achieved their qualification abroad; hence, aggravated recognition procedures may often play a decisive role. Furthermore, legal conditions are crucial, as persons who require a residence and work permit are much more affected. The older a person is at the moment of immigration, the harder it seems to be to gain an occupation corresponding to the level of qualification achieved. German language skills are another important aspect. Also 15.1 per cent of higher qualified persons (ISCED 5) are affected by de-qualification (Statistik Austria 2009:58pp). To illustrate this with current data, 5.4 per cent in total, 7.3 per cent of males and 3.2 per cent of females with a migration background who achieved a formal education of ISCED 5 or 6 are employed in a blue collar occupation (vs. 2.2%, 3.3% or 0.7% for persons without a migration background).

⁸⁸ A further 49% were not classifiable. By contrast, 2.7% of Austrian nationals were employed in agriculture, 12.8% in industries and 34.5% in services.

Labour-related vulnerability of foreign nationals

The reasons for the significant divergence of unemployment rates for immigrants and Austrians born in Austria are based on structural factors, i.e. age, sex, qualification and occupational structures. The higher the level of qualification is, the fewer reasons for higher unemployment rates can be traced back to structural factors and the more other factors play a role. These factors include regional and occupational mismatches between supply and demand as well as the limited transferability of knowledge gained abroad that can be only restrictedly applicable due to a high degree of dependence on the national or institutional context, language barriers or lacking embeddedness in local social networks. Particularly the latter are crucial for knowing the occupational possibilities and for being able to rely upon a higher level of trust. Other factors may include institutional barriers or discrimination to a greater or lesser extent, especially linked to religion or specific regions of origin (Biffi 2007:279p). As shown in chapter 4.2, the majority of immigration to Austria results from free mobility of labour and from family reunification; only a small proportion of third-country nationals enter due to labour recruitment. Most immigrants have free access to the labour market and do not require assistance, except for refugees and third-country family members who enter under the family reunification scheme. Hence, the speed of labour market access depends on the legal status of the person concerned (Biffi 2011:30). In general, the foreign labour force is more often jeopardised by becoming unemployed on the one hand and has greater difficulties being reintegrated into the labour market on the other hand (Fassmann & Reeger 2007:196).

The case of highly-skilled immigration

Austria is said to have difficulties in attracting highly skilled migrants and keeping them – employers are raising concerns about skills shortages, notably concerning skilled immigration from third countries. Several institutional actors, as briefly outlined in chapter 3.2, have also recognised this. Specific residence permits ('Red-White-Red-Card') have been developed with the aim of making the immigration and settlement of this group easier. Additional measures have been set up in the area of recognition of diplomas earned abroad. Problematic issues continue to remain that hinder immigrants from moving up the career ladder due to seniority rules and a pronounced insider-outsider segmentation of the labour market. These factors hamper access to hierarchically superior positions both for skilled foreigners and potential Austrian returnees. Furthermore, financial incentives are restrictedly given, as Austrian career developments are generally characterised by low entry wages in international comparison and slow wage increases, but prospects of recuperating foregone earnings in case of continued employment (Biffi 2011:9). Data for rendering the extent of lacking attractiveness is scarce; nevertheless, some conclusions can be drawn by examining the area of student mobility (see chapter 4.4.3).

4.4.3. Effects of emigration on labour markets

As outlined several times in this report, Austria has developed into an immigration country. At the same time, as has been shown in chapter 2, the net migration rates of Austrian nationals have been negative throughout the whole reference period back to the 1960s; in the last decade alone (2001-2012), Austria has lost more than 70,000 of its nationals, most of whom have emigrated to neighbouring German speaking countries, such as Germany and Switzerland, as well as to Turkey, the United States and the United Kingdom (*see also chapter 4.2.*). This trend is even more worrying for Austria's economy, as registered emigration generally occurs among younger people. In 2012, 28.6 per cent of Austrian nationals moving abroad were between 15 to 29 years old and a further 27.6 per cent were 30 to 44 years old. Germany is the major destination country throughout all age groups, but movements to other countries of destination decrease with advancing age. By contrast, emigration to traditional countries of origin of former immigration waves, for instance to Yugoslavian successor states, increases in older age groups. This can be read as an indication of the return of

former immigrants who have acquired Austrian citizenship. Flows to Turkey, which can be perceived throughout all age groups, might also be mainly attributed to naturalised former Turkish citizens.

However, the emigration of (highly) skilled foreign nationals has also shifted into the centre of policy-attention. In the international struggle for (highly) skilled workers, increased awareness-raising measures have been launched in the recent past, not only in attracting but also in retaining highly skilled migrants. In Austria, initiatives have been set up in this regard in the area of international students from third countries (chapter 3.2). The number of foreign students at universities in Austria has steadily increased since the 1970s, and current figures are as six times as high compared to then (Statistik Austria 2012f:10). A number of 81,578 or 23 per cent of all 360,495 matriculated students had foreign citizenship in 2011/2012. This corresponds with an increase of 63 per cent compared to 2000/2001. With this share of 15.3 per cent of foreign students, Austria ranked 4th place in the OECD comparison, after Luxembourg, Australia and the United Kingdom. 88 per cent of this group stem from European countries, three-thirds among them are from EU and EEA countries and the rest from other European countries. Approximately 17 per cent of students with non-Austrian citizenship had obtained their higher education entrance certificate in Austria. In contrast, only 2 per cent of students with Austrian citizenship had achieved an equivalent certificate abroad. With 38 per cent, the largest proportion comes from Germany, followed by 7 per cent from South Tyrol (Italy) and 4 per cent from Turkey. Eastern and South-Eastern European countries are also important countries of origin (Statistik Austria 2013a:32pp, Statistik Austria 2013b:316pp). According to a social survey on students studying in Austria for a longer period⁸⁹, 28 per cent intended to stay in Austria, 10 per cent were contemplating moving to another country, 49 per cent were uncertain and 14 per cent were planning to return to their country of origin. For Eastern European countries and Yugoslavian successor states, the share of potential re-migrants is particularly low and amounts to 5 per cent, while the average share for all foreign students is 14 per cent.

Highly skilled persons thus show a significant preparedness to emigrate from Austria, at least in some niches. While attempts to attract highly qualified foreigners and expatriates are confronted with specific challenges, following the growing awareness that Austria is risking losing talented and skilled human capital in a multi-faceted manner, policy makers have started to react to this trend by easing the access of third-country national master degree graduates from Austrian universities to the labour market via the Red-White-Red-Card. Currently, it is being debated among different ministries and stakeholders whether the access to the *Red-White-Red Card* should be extended to third-country nationals who have graduated from Austrian universities with a bachelor's degree. It seems relevant that increased policy efforts and measures be set in this area in order to prevent Austria from losing its young and mostly talented.

⁸⁹ The *Sozialerhebung* is mainly based on data of the *High School Statistics* and is particularly focusing on 'educated foreigners'. The latter are conceptualised in this study as follows: have been studying in Austria for a longer period, were not born in Austria and are not enrolled in a doctoral programme.

5. OUTLOOK AND CONCLUSIONS

Austria is evolving into a mature immigration country. In the past sixty years, Austria has gradually developed into a country of immigration. Approximately 904,000 persons have contributed to the population growth as a result of immigration from 1961 to 2011; as such, migration has represented an important element of demographic development. After overlooking this development for several decades, policy-makers and the broader public have started to acknowledge the necessity of immigration to satisfy labour market needs and to alleviate effects of negative natural population development against the background of increasing socio-demographic changes such as demographic ageing and a diminishing labour force. The recent introduction of the *Red-White-Red Card* for (highly) qualified third-country national workers signifies a change in perception and awareness in this regard. Following the immigration of foreign nationals throughout the reference period, more than one million foreign nationals were residing in Austria on 1 January 2013, representing almost 12 per cent of the population. Looking at the descendants of immigrants, in total almost 19 per cent of the population had at least one parent who was born abroad. It is essential that these population groups are integrated into the majority society by offering adequate chances of access to the labour market as well as the education system. At the same time, in light of these major demographic changes within the society, which are resulting in an accelerated pluralisation of society, it is vital that the concerns of the majority population are also seriously taken into account by policy-makers in order to assure social peace and strengthen social cohesion.

Immigration will remain the decisive driver for population growth. Demographic trends are of long-term nature and situated in a complex relationship with socio-economic change, affecting society in general. National demographic prospects assume that if both immigration and birth rates remain at the current level, the Austrian population will grow to more than 9 million persons by 2050. In parallel, population ageing is going to accelerate, mainly due to an increasing life expectancy and low fertility. More specifically, estimates assume that more than 28 per cent of the Austrian population will be 65 years old or older in 2050. Spatial development is expected to further diverge – while some agglomerations, particularly Vienna, will progressively act as demographic and economic poles, peripheral areas will be increasingly affected by population decline and shifts in age structures. Thus, increasing spatial polarisation and demographic ageing is to be expected, thereby entailing a range of challenges for public budgets in securing services of general interests and individual mobility as well as in maintaining pension and health care systems. Adaption is necessary from the side of politics and society; in principle, all institutions and social welfare systems are subject to review. This implies different needs for action at the national, regional and local level in territorial terms, due to diverging demographic preconditions and specific labour market structures. This concerns a range of actors, for instance politics and public entities at the national, regional and local level as well as institutional stakeholders and companies. All in all, although it is regionally uneven within the country, international migration to Austria will remain the main determinant for continuing population growth in the medium run, thus mitigating effects of negative natural population development and contributing to filling labour shortages.

Foreign labour force as an answer to labour shortages. As a mature immigration country, Austria has been relying on foreign labour to fill shortages for several decades and this will continue. In the context of free mobility of labour within the EU and harmonised measures regarding various aspects of migration on the EU level, the possibilities for autonomous and target-oriented migration management are limited. For this purpose, in order to satisfy future labour market needs of the Austrian labour market, it is necessary for Austria to remain attractive for internal EU mobility, especially from Eastern European member countries. At the same time, it appears important to enhance the integration of immigrants already present in Austria into the labour market. In particular, the limited recognition of qualifications gained abroad, language barriers, a lack of social embeddedness, insufficient information access and legal status may constitute obstacles to access to

labour. Some immigrant groups show especially low employment rates and are facing difficulties reintegrating into the labour market after they have left out. As persons of foreign origin are proportionally more likely to have a low level of education and are consequently concentrated in specific sectors, they are also more often affected by seasonal and structural unemployment. Furthermore, persons with a foreign background are often subject to de-qualification, particularly during their first years after arrival. Current measures set by the government, such as the improvement of the recognition of qualifications and better educational support measures, are important steps in the direction to address these challenges and will represent important exercises in the future in order to draw on the largely still untapped potentials of immigrants and their descendants. Measures are also increasingly being formulated at the regional level as well as at company level, particularly in order to sustainably approach current and future labour market needs, as growing labour force shortages are to be expected.

Importance of continued improvement of data for evidence-based policy making. As has been stressed throughout the report, register-based data merely replicates an 'administrative reality'. The different forms of migration, especially emigration, are therefore likely to be underestimated. Although the Austrian migration data system is advanced in international comparison, some data sets show room for improvement. First of all, data stemming from different sources are still hardly comparable, due to missing inter-linkages and different conceptualisations, as outlined in the WP4 country report on the Austria data production system. The upgrade of the *Central Register of Residents* via the incorporation of the *Central Civil Status Register ZPR* and the *Central Citizenship Register ZSR* starting in November 2013 may help in this direction. As also outlined in the Austrian WP4 country report, harmonising different datasets and variables is essential. For instance, it would be desirable to continuously foresee the criterion '*country of birth*' as a first step and '*country of birth of parents*' in a further step in various fields of statistics, such as for labour market or educational attainment. It is challenging to quantitatively capture Austrian emigrants and their related attributes, such as educational attainment, in order to gauge the outflow of highly skilled persons. Finally, although it was not the subject of the given report, estimating irregular migration will remain difficult due to the phenomenon's hardly tangible nature. Generally, knowing more about immigration is crucial in order to better conceptualise migration and integration management measures, particularly since estimates confirm the on-going and increasing significance of migration for the future population development of the country.

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ANNEX 1: REGIONAL AND POLITICAL CLASSIFICATIONS

Austria is a parliamentary representative democratic republic and a landlocked country in Central Europe. The neighbouring countries are Germany and the Czech Republic in the North, Slovakia and Hungary in the East, Slovenia and Italy in the South and Switzerland and Liechtenstein in the East. A federal republic, Austria comprises nine federal provinces (Bundesländer): Burgenland, Carinthia, Lower Austria, Salzburg, Styria, Tyrol, Upper Austria, Vienna and Vorarlberg. The state functions are divided among the Federal State and federal these provinces.

Territorial classifications in Austria, per 1.1.2012 (Statistik Austria 2012e:43):

- 1 NUTS0 region
- 3 NUTS1 regions (*groups of 'Bundesländer'*)
- 9 NUTS2 regions (*corresponding to 9 administrative regions alias 'Bundesländer'*)
- 35 NUTS3 regions
- 97 LAU1: administrative districts
- 2.357 LAU2: municipalities

Map 5: Austrian federal provinces (NUTS 2), 1st January 2013



Source: Statistik Austria.

Map 6: Austrian NUTS 3 regions, 1st January 2013



Source: Statistik Austria.

ANNEX 2: METADATA INFORMATION

Population statistics: Until 2001, statistics on vital events was based on population estimates derived from results from the respectively precedent population census on the basis of demographic equation. Since 2002, vital events statistics are based on the registrations of main residences quarterly which are transmitted by the *Central register of Residents (ZMR – Zentrales Melderegister)*. These data are constantly stored within a demographic database system (*POPREG – POPulation REGISTER*) and analysed together with the data on change of main residence (migration statistics) according to demographic criteria. The resident population consists of persons staying at least 90 days (including key day) at a place (registration of main residence).

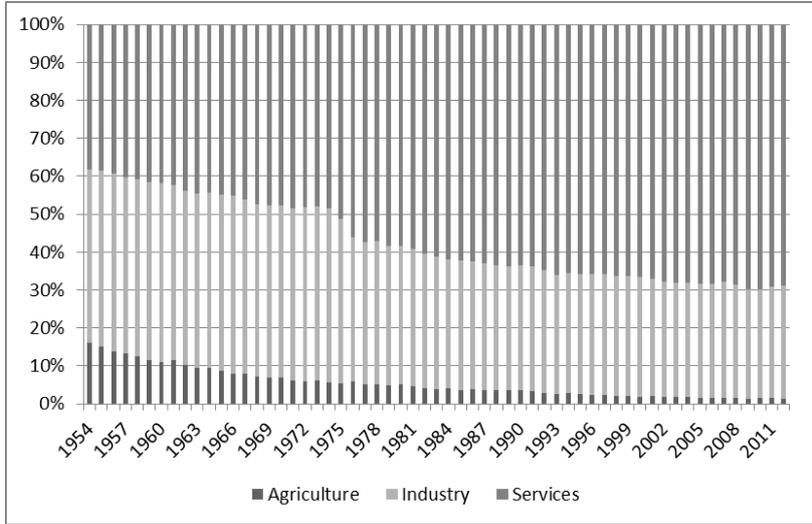
Migration statistics: Reliable migration statistics are only available since the reference year 1996, before that, migration figures are estimated based on the updating the results of the population census. Since 2002, migration statistics are compiled by *Statistik Austria* and is based on the data as included in the *ZMR*, hence, on recorded registrations and deregistrations of main residences. International migration (in- and out-migration) are changes of residence across international borders. As such, statistics has to be reminded that information reflects administrative procedures, but probably not always actual migration events.⁹⁰ The national definition of international migration does defer from the definition proposed by the *EU Migration Statistics Regulation EC 862/2007*, thus, for 'long-term migration' the duration of stay of one year in minimum is assumed. The national definition follows the UN conceptualisation of 'short-term migration', i.e. the duration of residence must not be shorter than 90 days, but below one year (effective registration of main residence). As such, migration statistics covers in- and out-migration of persons only who have their main residence registered in Austria for 90 days, at least. Data on both migration stock and flows included in this report refer to the national definition of international migration, i.e. a three months of minimum duration of stay.

Revision of population and migration statistics: The register-based census as of 31 October 2011 produced a result deviating from current population statistics derived from the *POPREG* to an extent of about -35 000 persons. For the purpose of a continued consistency with census results, a revision of current population statistics as well as of migration statistics was carried out. This revision affects the demographic situation between the 2nd quarter of 2007 and the 1st quarter of 2012 as well as the average annual population and migration statistics of the years from 2007 to 2011. The revised data published by *Statistik Austria* July 2013 were used for this report.

⁹⁰ For further information see Migration Metadata and Quality Report, based on the data collection for the reference year 2009, International Immigration, available at: http://epp.eurostat.ec.europa.eu/cache/ITY_SDDS/Annexes/migr_flow_esms_an5.pdf (consulted on 24 May 2013)

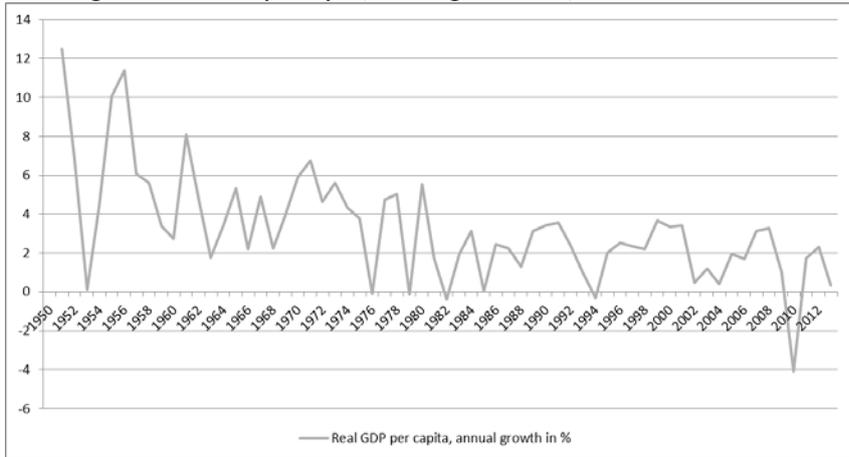
ANNEX 3: MAIN STATISTICAL TABLES

Annex Figure 1: GDP by economic sectors, 1950-2012



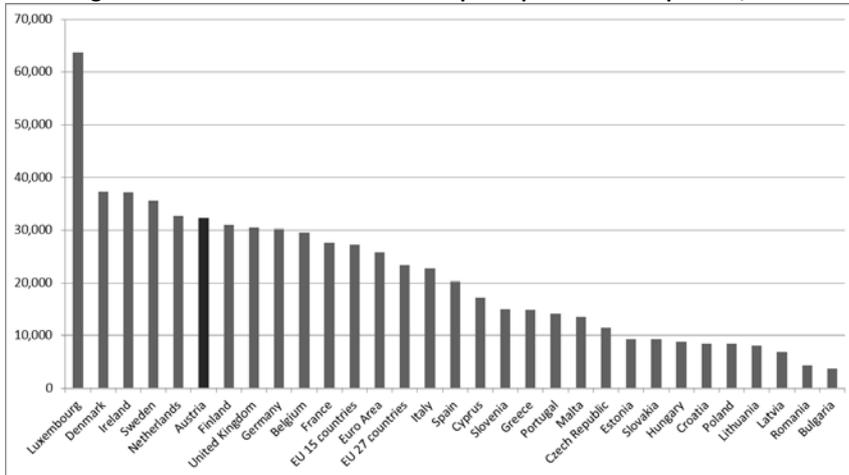
Source: Statistik Austria, own illustration.

Annex Figure 2: Real GDP per capita, annual growth in %, 1950-2012



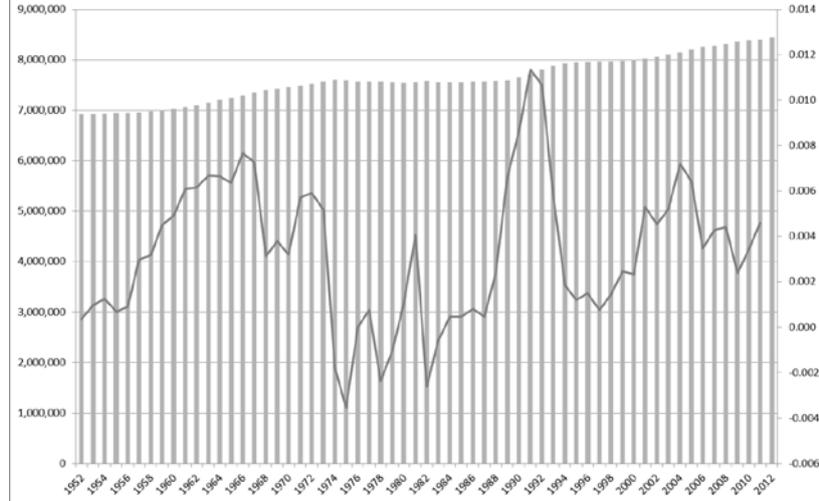
Source: Statistik Austria, own illustration.

Annex Figure 3: Real Gross Domestic Product per capita in EU comparison, 2012



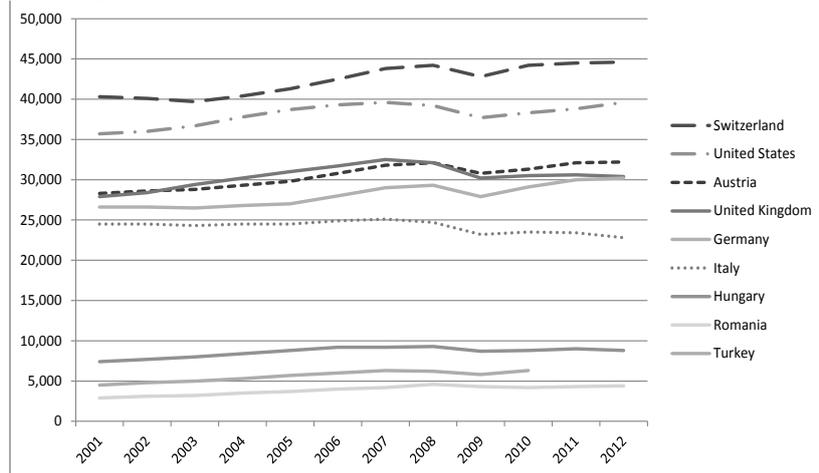
Source: Eurostat, own illustration.

Annex Figure 4: Usually-resident population and population growth rate, 1952-2012



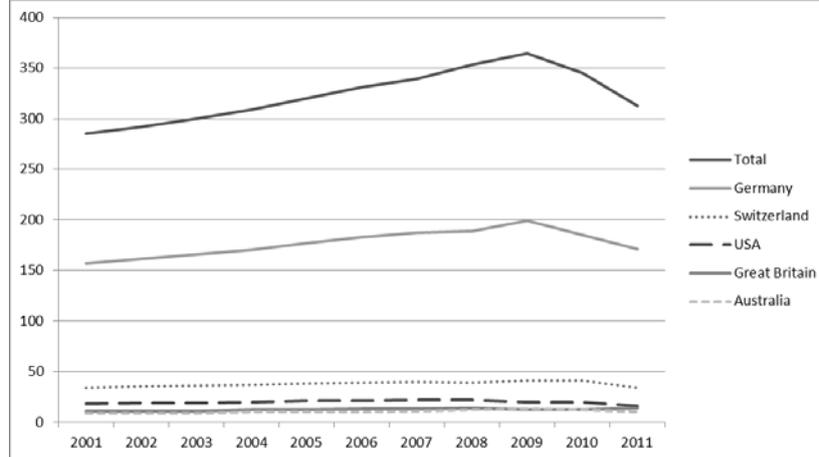
Source: Statistik Austria, own illustration.

Annex Figure 5: Real GDP per capita in Austria compared to main countries of destination of emigrants, 2001-2012



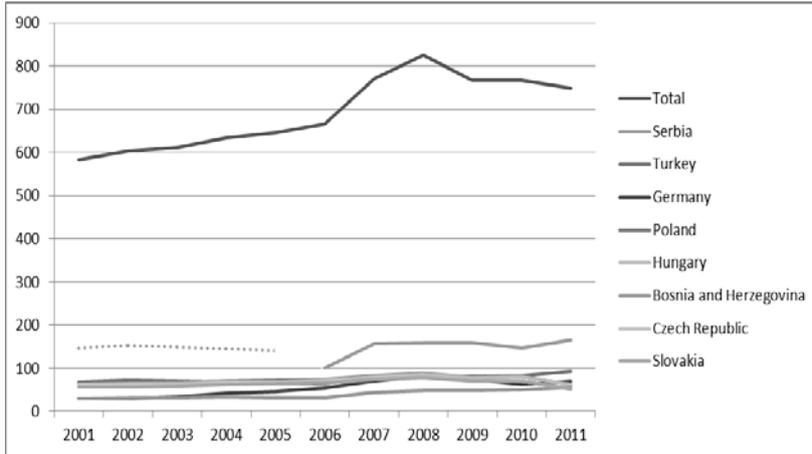
Source: Eurostat, own illustration. European System of National and Regional Accounts 1995; GDP adjusted by purchasing power.

Annex Figure 6: Inflows of workers' remittances by country money was sent from in million EUR, 2001-2011



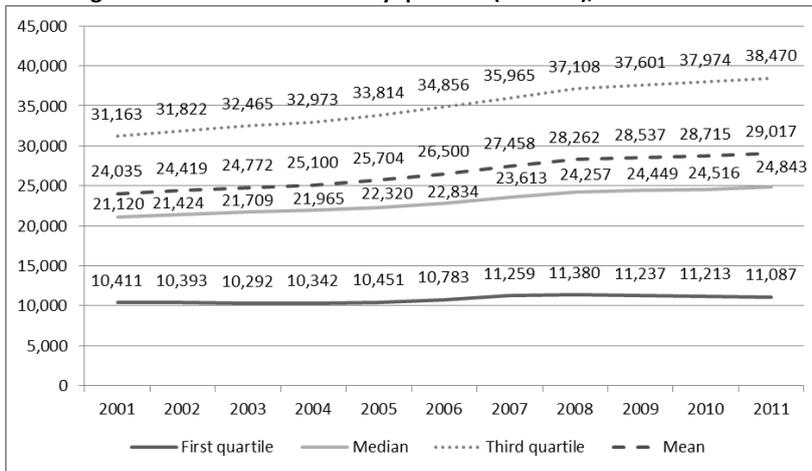
Source: Austrian National Bank, own illustration.

Annex Figure 7: Outflows of workers' remittances by country money was sent from in million EUR, 2001-2011



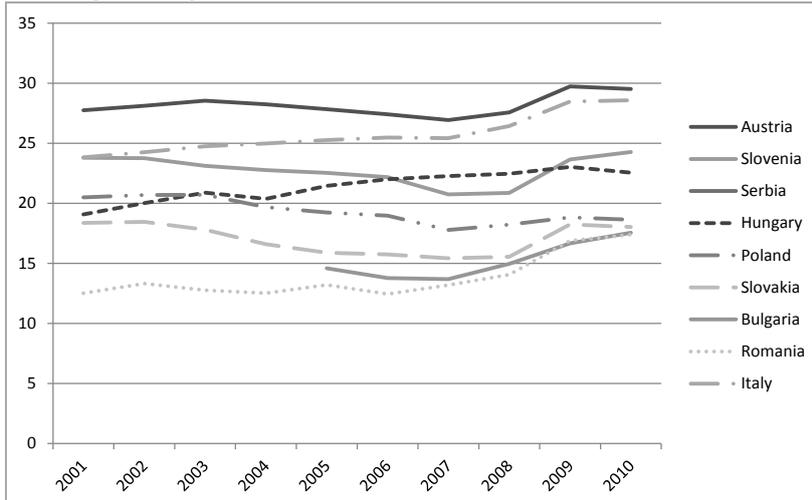
Source: OeNB, own illustration. Until 2005, figures for Serbia refer to Serbia and Montenegro.

Annex Figure 8: Income distribution by quartiles (in euros), 2001-2011



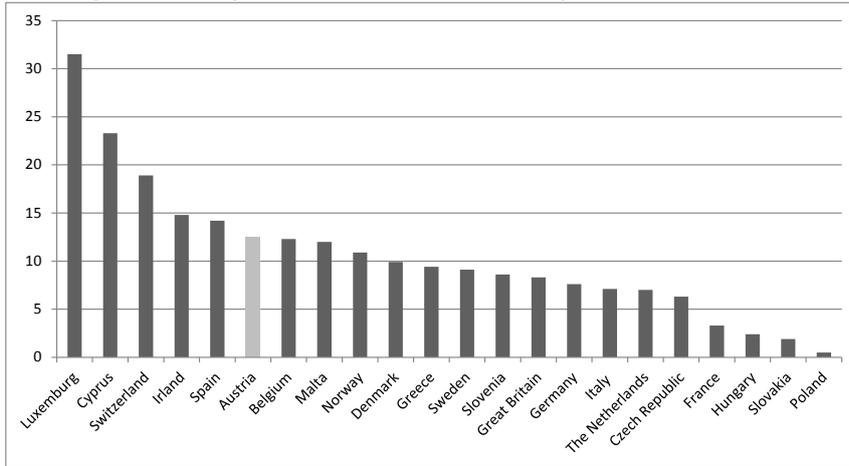
Source: Statistik Austria, data on income taxes, own illustration.

Annex Figure 9: Expenditures on social welfare benefits in % of the GDP, 2001-2012



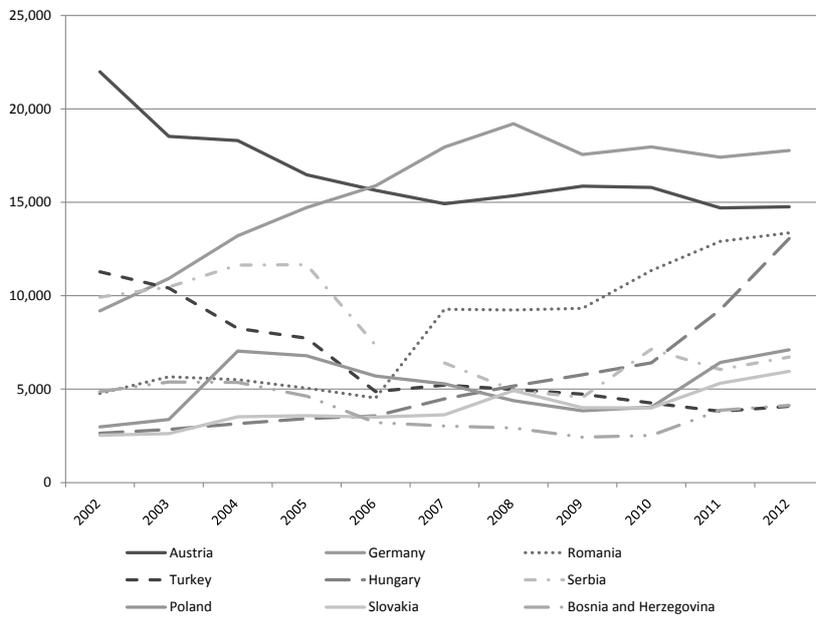
Source: Eurostat, own illustration.

Annex Figure 10: Immigration to Austria in EU/EEA comparison, 2001-2011 in % of the population



Source: Eurostat, own illustration.

Annex Figure 11: Development of immigration flows of top 10 citizenships, 2002-2012



Source: Statistics Austria, migration statistics, own illustration.

Notes: Serbia: until 2007 figures are for Serbia and Montenegro.

Annex Table 1: International Migration to and from Austria by group of citizenship, 2001-2012

Year	Net migration			Immigration			Emigration		
	Total	Austrian citizens	Foreign citizens	Total	Austrian citizens	Foreign citizens	Total	Austrian citizens	Foreign citizens
2001 ¹⁾	36,856	-499	37,355	111,219	28,020	83,199	74,363	28,519	45,844
2002	33,294	-8,372	41,666	108,125	21,981	86,144	74,831	30,353	44,478
2003	39,873	-4,528	44,401	111,869	18,528	93,341	71,996	23,056	48,940
2004	50,826	-3,402	54,228	122,547	18,301	104,246	71,721	21,703	50,018
2005	44,332	-3,863	48,195	114,465	16,470	97,995	70,133	20,333	49,800
2006	24,103	-3,751	27,854	98,535	15,636	82,899	74,432	19,387	55,045
2007	25,470	-9,433	34,903	106,470	14,924	91,546	81,000	24,357	56,643
2008	24,650	-9,492	34,142	109,713	15,345	94,368	85,063	24,837	60,226
2009	17,053	-7,388	24,441	107,523	15,863	91,660	90,470	23,251	67,219
2010	21,316	-7,182	28,498	112,691	15,795	96,896	91,375	22,977	68,398
2011	30,705	-6,404	37,109	124,619	14,698	109,921	93,914	21,102	72,812
2012	43,797	-7,414	51,211	140,358	14,753	125,605	96,561	22,167	74,394

Source: Statistik Austria, population update 1961-1995, from 1996 migration statistics; revised results from 2007 to 2011. 1) Estimated figures for 2001 revised on 1 October 2010.

Annex Table 2: Main five countries of origin of asylum applicants, 2001-2012

Country of origin	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Afghanistan	12,955	6,651	2,357			699	761	1,382	2,237	1,582	3,609	4,005
Georgia				1,731					975			
India	1,802	3,366	2,822	1,839	1,530					433		
Iran												761
Iraq	2,118	4,466									484	
Kosovo								892	1,332	622		
Moldova					1,210	902	545					
Nigeria				1,828				535	837	573		
Pakistan											949	1,823
Russian Federation			6,706	6,172	4,355	2,441	2,676	3,435	3,559	2,322	2,314	3,091
Serbia						2,515	1,760	810				
Serbia & Montenegro		4,723	2,526	2,835	4,403							
Somalia											610	
Syria												915
Turkey	1,868	3,561	2,854		1,064	668	659					
Yugoslavia	1,637											
Total	30,127	39,354	32,359	24,634	22,461	13,349	11,921	12,841	15,821	11,012	14,416	17,413

Source: Federal Ministry of the Interior, Asylum statistics, own illustration. Only the top 5 countries of origin are included per year.

Annex Table 3: Austrian nationals returning by age groups, 2002-2012

Year	Up to 14 years old		15 to 29 years old		30 to 44 years old		45 to 59 years old		60 to 74 years old		75 plus years old		Total
	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	
2002	4,300	20%	6,250	28%	6,653	30%	3,239	15%	1,097	5%	442	2%	21,981
2003	2,897	16%	5,353	29%	6,017	32%	3,055	16%	950	5%	256	1%	18,528
2004	2,818	15%	5,038	28%	5,973	33%	3,160	17%	1,056	6%	256	1%	18,301
2005	2,411	15%	4,339	26%	5,462	33%	3,012	18%	1,032	6%	214	1%	16,470
2006	2,214	14%	4,111	26%	4,941	32%	3,012	19%	1,144	7%	214	1%	15,636
2007	1,998	13%	3,912	26%	4,810	32%	2,879	19%	1,136	8%	189	1%	14,924
2008	1,888	12%	4,070	27%	4,804	31%	3,094	20%	1,276	8%	213	1%	15,345
2009	2,122	13%	4,234	27%	4,705	30%	3,198	20%	1,351	9%	253	2%	15,863
2010	1,882	12%	4,168	26%	4,642	29%	3,372	21%	1,489	9%	242	2%	15,795
2011	1,910	13%	4,084	28%	4,153	28%	3,111	21%	1,271	9%	169	1%	14,698
2012	1,867	13%	4,049	27%	4,224	29%	3,183	22%	1,249	8%	181	1%	14,753
Total	26,307	14%	49,608	27%	56,384	31%	34,315	19%	13,051	7%	2,629	1%	182,294

Source: Statistik Austria, own calculations.

Annex Table 4: Main 10 countries of previous residence of Austrian nationals returning, 2012

Country of previous residence	Returnees
Germany	1,842
Switzerland	494
Turkey	420
United States	348
United Kingdom	227
Italy	196
Spain	188
Egypt	175
Serbia	166
Bosnia and Herzegovina	130

Source: Statistik Austria.

Notes: Only 6,754 persons out of 14,753 returnees provided information.

Annex Table 5: Naturalisations and naturalisation rate, 2002-2012

Characteristics	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Naturalisations (total)¹⁾	36,011	44,694	41,645	34,876	25,746	14,010	10,258	7,978	6,135	6,690	7,043
Naturalisationrate ²⁾	4.9	6.0	5.5	4.4	3.2	1.7	1.2	0.9	0.7	0.7	0.7
Citizenship											
Former Yugoslavia ³⁾	13,990	21,574	18,917	16,974	12,631	9,346	6,003	4,181	3,152	2,811	2,841
Turkey	12,623	13,665	13,004	9,545	7,542	2,076	1,664	1,242	937	1,178	1,198
Countries of the European Union ⁴⁾	131	147	1,537	1,075	711	1,051	854	856	598	709	765
Other European countries	4,200	4,236	2,274	1,958	1,765	284	288	291	270	461	494
Non-European OECD-countries	107	110	167	151	86	97	144	103	36	46	75
Other countries	4,960	4,962	5,746	5,173	3,011	1,156	1,305	1,305	1,142	1,485	1,670

Source: Statistik Austria, naturalisation statistics. Notes: Former Yugoslavia since 2004 without Slovenia. Naturalisation rate per 100 non-Austrian (annual average, 2007-2011: revised data). EU nationals: until 2003: EU-14; since 2004: EU-24 (Member States from 1 May 2004 onwards), since 2007: EU-26 (Member States from 1 January 2007 onwards).

Annex Table 6: Population stock by citizenship and federal province, 1st January 2013

Province	Population stock on 1 st January 2013			Net migration* 2012
	Total	Foreign nationals		
		Total	%	
Austria	8,451,860	1,004,268	11.9	43,797
Burgenland	286,691	18,431	6.4	1,999
Carinthia	555,473	42,370	7.6	476
Lower Austria	1,618,592	119,877	7.4	6,778
Upper Austria	1,418,498	125,792	8.9	3,591
Salzburg	513,898	70,557	13.3	3,080
Styria	1,210,971	90,761	7.5	3,893
Tyrol	715,888	84,399	11.8	2,897
Vorarlberg	372,603	51,170	13.7	542
Vienna	1,741,246	400,911	23.0	22,314

Source: Statistik Austria, Population statistics, Migration statistics. *Net migration figures refer to net migration regarding other provinces as well as net migration with countries abroad.

Source: Statistik Austria, LFS data, average of all weeks of the year, own illustration.

Annex Table 7: Gender distribution of foreign born by single country of birth, 1st January 2013

Overall gender-balanced					Overall female-dominated					Overall male-dominated				
Country of birth	Male		Female		Country of birth	Male		Female		Country of birth	Male		Female	
	Total	%	Total	%		Total	%	Total	%		Total	%	Total	%
Austrian born	3,472,435	49%	3,614,654	51%	Thailand	784	15%	4,482	85%	Gambia	442	86%	72	14%
Foreign born	651,187	48%	713,584	52%	Belarus	379	24%	1,221	76%	Liberia	191	79%	50	21%
EU, EEA and CH	263,893	45%	325,358	55%	Estonia	115	27%	306	73%	Guinea	226	76%	71	24%
Germany	94,942	46%	110,926	54%	Finland	403	27%	1,067	73%	Oman	83	75%	27	25%
Turkey	84,305	53%	74,880	47%	Ukraine	2,537	29%	6,268	71%	Algeria	880	75%	294	25%
Bosnia & Herz.	75,711	50%	75,994	50%	Japan	733	29%	1,802	71%	Sierra Leone	166	74%	59	26%
Serbia	62,104	47%	68,758	53%	Dom. Republic	853	30%	1,999	70%	Senegal	224	71%	91	29%
Romania	32,449	44%	41,455	56%	Kenia	298	30%	694	70%	Pakistan	3,725	71%	1,516	29%
Poland	29,453	47%	33,789	53%	Mongolia	532	32%	1,138	68%	Sudan	430	71%	179	29%
Hungary	21,421	45%	26,716	55%	Lithuania	363	32%	774	68%	Afghanistan	9,578	70%	4,034	30%

Source: Statistik Austria, statistics of the population stock, own illustration.

Annex Table 8: Components of population development in Austria and Austrian regions 2001-2011 (NUTS1, NUTS2)

Region	total resident population 2011		total resident population 2001		total population change	natural population change	calculated net migration
	abs.	% total	abs.	% total	% of 2001	% of 2001	% of 2001
Eastern Austria	3,614,605	43.02	3,373,613	42.00	7.14	-0.49	7.63
Vienna	1,714,227	20.40	1,550,261	19.30	10.58	0.55	10.02
Lower Austria	1,614,693	19.22	1,545,794	19.24	4.46	-1.08	5.53
Burgenland	285,685	3.40	277,558	3.46	2.93	-3.07	6.00
Southern Austria	1,764,748	21.00	1,742,592	21.69	1.27	-1.14	2.41
Styria	1,208,575	14.38	1,183,246	14.73	2.14	-1.15	3.29
Carinthia	556,173	6.62	559,346	6.96	-0.57	-1.11	0.54
Western Austria	3,022,587	35.97	2,916,652	36.31	3.63	2.00	1.63
Upper Austria	1,413,762	16.83	1,376,607	17.14	2.70	1.17	1.53
Salzburg	529,066	6.30	515,454	6.42	2.64	2.08	0.56
Tyrol	709,319	8.44	673,543	8.38	5.31	2.57	2.74
Vorarlberg	370,440	4.41	351,048	4.37	5.52	4.04	1.49
Austria	8,401,940		8,032,857		4.59	0.27	4.32

Data source: Statistik Austria, register-based census 2011 (also Statistik Austria 2013e), own calculations

Annex Table 9: Total fertility rates 2001-2011 (NUTS2)

Region	2001	2002	2003	2004	2005	2006	2008	2008	2009	2010	2011
Burgenland	1.23	1.22	1.24	1.28	1.27	1.25	1.29	1.31	1.27	1.28	1.28
Lower Austria	1.35	1.42	1.40	1.46	1.46	1.46	1.41	1.46	1.42	1.47	1.48
Vienna	1.31	1.41	1.39	1.41	1.38	1.39	1.36	1.39	1.36	1.42	1.41
Carinthia	1.32	1.30	1.32	1.36	1.37	1.42	1.38	1.40	1.37	1.42	1.40
Styria	1.23	1.30	1.30	1.32	1.32	1.31	1.30	1.32	1.32	1.35	1.33
Upper Austria	1.41	1.48	1.45	1.52	1.49	1.49	1.48	1.51	1.51	1.55	1.52
Salzburg	1.35	1.45	1.39	1.44	1.45	1.40	1.41	1.43	1.39	1.46	1.45
Tyrol	1.33	1.39	1.37	1.43	1.41	1.41	1.37	1.39	1.38	1.42	1.40
Vorarlberg	1.51	1.54	1.46	1.57	1.55	1.52	1.47	1.51	1.51	1.55	1.52
Austria total	1.33	1.39	1.38	1.42	1.41	1.41	1.38	1.41	1.39	1.44	1.43

Data source: Statistik Austria

Annex Table 10: Returns of Austrian nationals by federal province, 2002-2012

Year	Burgenland	Carinthia	Lower Austria	Upper Austria	Salzburg	Styria	Tyrol	Vorarlberg	Vienna
2002	468	1,309	2,942	2,807	1,334	2,706	1,938	1,196	7,281
2003	344	931	2,557	2,268	1,194	2,130	1,656	1,076	6,372
2004	382	913	2,407	1,995	1,234	2,271	1,606	1,131	6,362
2005	318	824	1,860	1,819	1,152	1,905	1,485	1,039	6,068
2006	330	824	1,865	1,860	1,080	1,932	1,352	990	5,403
2007	285	835	1,815	1,795	1,086	1,606	1,317	966	5,219
2008	306	856	1,875	1,775	1,137	1,715	1,408	998	5,275
2009	311	847	1,872	1,914	1,123	1,785	1,481	1,004	5,526
2010	285	788	1,867	1,745	1,138	1,668	1,460	1,014	5,830
2011	275	728	1,717	1,792	1,007	1,621	1,301	1,022	5,235
2012	255	697	1,783	1,768	1,078	1,557	1,372	968	5,275
Total	3,559	9,552	22,560	21,538	12,563	20,896	16,376	11,404	63,846

Source: Statistik Austria, own illustration.

Annex Table 11: Population stock and share of population of foreign background in 2013 (NUTS0,1,2,3)

Region	total population	population of foreign background			
	number	number	in %	thereof: foreign citizenship	thereof: born abroad
Austria total	8,451,860	1,518,264	18.0%	153,493	1,364,771
Eastern Austria	3,646,529	822,747	22.6%	77,639	745,108
Burgenland	286,691	28,949	10.1%	2,178	26,771
Mittelburgenland	37,565	2,942	7.8%	191	2,751
Nordburgenland	151,596	17,460	11.5%	1,337	16,123
Südburgenland	97,530	8,547	8.8%	650	7,897
Lower Austria	1,618,592	190,917	11.8%	19,341	171,576
Mostviertel-Eisenwurzen	241,246	15,797	6.5%	1,635	14,162
Niederösterreich-Süd	253,224	34,859	13.8%	3,606	31,253
Sankt Pölten	148,861	18,464	12.4%	2,223	16,241
Waldviertel	218,676	12,880	5.9%	1,144	11,736
Weinviertel	123,111	9,285	7.5%	888	8,397
Wiener Umland-Nordteil	310,090	41,306	13.3%	4,346	36,960
Wiener Umland-Südteil	323,384	58,326	18.0%	5,499	52,827
Vienna	1,741,246	602,881	34.6%	56,120	546,761
Vienna	1,741,246	602,881	34.6%	56,120	546,761
Southern Austria	1,766,444	198,332	11.2%	20,479	177,853
Carinthia	555,473	62,841	11.3%	6,549	56,292
Klagenfurt-Villach	277,846	40,592	14.6%	4,272	36,320
Oberkärnten	126,187	11,017	8.7%	1,143	9,874
Unterkärnten	151,440	11,232	7.4%	1,134	10,098
Styria	1,210,971	135,491	11.2%	13,930	121,561
Graz	410,094	75,834	18.5%	7,420	68,414
Liezen	79,040	8,017	10.1%	1,040	6,977
Östliche Obersteiermark	163,272	17,302	10.6%	2,036	15,266
Oststeiermark	266,394	14,443	5.4%	1,418	13,025
West- und Südsteiermark	189,889	12,000	6.3%	1,098	10,902
Westliche Obersteiermark	102,282	7,895	7.7%	918	6,977
Western Austria	3,038,887	497,185	16.4%	55,375	441,810
Upper Austria	1,418,498	201,666	14.2%	21,974	179,692
Innviertel	276,102	32,710	11.8%	3,529	29,181
Linz-Wels	555,811	109,566	19.7%	11,996	97,570
Mühlviertel	204,242	12,430	6.1%	1,117	11,313
Steyr-Kirchdorf	152,147	18,241	12.0%	2,194	16,047
Traunviertel	230,196	28,719	12.5%	3,138	25,581
Salzburg	531,898	98,475	18.5%	12,476	85,999
Lungau	20,668	1,640	7.9%	158	1,482
Pinzgau-Pongau	163,125	24,455	15.0%	3,436	21,019
Salzburg und Umgebung	348,105	72,380	20.8%	8,882	63,498
Tyrol	715,888	120,966	16.9%	11,217	109,749
Außerfern	31,647	7,355	23.2%	788	6,567
Innsbruck	290,412	57,202	19.7%	5,158	52,044
Osttirol	49,071	3,005	6.1%	239	2,766
Tiroler Oberland	101,074	12,517	12.4%	1,169	11,348
Tiroler Unterland	243,684	40,887	16.8%	3,863	37,024

Vorarlberg	372,603	76,078	20.4%	9,708	66,370
Bludenz-Bregenzer Wald	87,792	16,036	18.3%	1,596	14,440
Rheintal-Bodenseegebiet	284,811	60,042	21.1%	8,112	51,930

Annex Table 12: Population aged 15-64 by broad group of citizenship and by highest level of education attained, 2004-2012

group	ISCED	2004	2005	2006	2007	2008	2009	2010	2011	2012
total population	0-2	24.3%	24.2%	24.7%	25.1%	24.4%	23.5%	23.1%	22.9%	22.1%
	3-4	60.0%	60.7%	60.5%	60.1%	60.5%	60.5%	60.7%	60.7%	60.9%
	5-6	15.6%	15.0%	14.8%	14.7%	15.1%	16.0%	16.3%	16.4%	17.0%
Foreign nationals	0-2	39.7%	39.0%	36.8%	38.3%	35.8%	35.1%	34.3%	32.9%	31.9%
	3-4	45.6%	46.8%	47.1%	45.7%	48.4%	47.0%	46.6%	48.9%	48.8%
	5-6	14.6%	14.2%	16.2%	16.0%	15.8%	17.9%	19.1%	18.1%	19.3%
Austrian nationals	0-2	22.5%	22.4%	23.2%	23.4%	22.8%	22.0%	21.5%	21.4%	20.6%
	3-4	61.7%	62.4%	62.1%	62.0%	62.1%	62.3%	62.6%	62.4%	62.8%
	5-6	15.8%	15.2%	14.6%	14.6%	15.0%	15.7%	15.9%	16.1%	16.6%

Data source: Statistik Austria, Microcensus/Labour Force Survey, own calculations

Annex Table 13: Economic activity rates for broad groups of citizenship and countries of birth and sex 2011

	total	Citizenship						Country of Birth					
		Austria	Foreign				Austria	Foreign					
			total	EU-27	TR	EX-YU		other	total	EU-27	TR	EX-YU	other
total	72,1	73,2	64,6	70,3	52,9	64,8	58,8	73,3	66,7	70,9	59,5	67,0	63,9
males	77,8	78,3	73,7	77,8	72,2	71,9	68,8	78,3	75,0	78,5	75,1	73,0	72,0
females	66,5	68,1	56,3	64,4	32,5	56,9	50,5	68,2	59,2	64,8	42,3	61,5	56,6

Data source: Statistik Austria, Microcensus/Labour Force Survey (Statistik Austria 2012g:28)

Annex Table 14: Unemployment rates for broad groups of citizenship and sex and for selected age groups 2001-2011

		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
total 15-64	total	4.0	4.9	4.8	5.3	5.2	4.8	4.5	3.9	4.9	4.5	4.2	4.4
	Austrian	3.6	4.4	4.4	4.5	4.4	4.1	3.8	3.4	4.2	3.9	3.6	3.8
	Foreign	8.1	9.4	8.1	11.5	11.6	10.6	9.6	7.8	10.4	8.7	8.4	8.8
males 15-64	total	4.0	5.2	5.2	5.3	4.9	4.4	4.0	3.6	5.1	4.6	4.1	4.4
	Austrian	3.4	4.6	4.7	4.5	4.1	3.6	3.4	3.1	4.3	4.1	3.6	3.8
	Foreign	8.2	10.3	8.9	10.0	11.9	10.3	8.7	7.7	11.2	8.7	7.9	8.8
females 15-64	total	4.1	4.6	4.4	5.3	5.5	5.3	5.1	4.2	4.6	4.3	4.4	4.4
	Austrian	3.7	4.2	4.1	4.4	4.8	4.7	4.4	3.7	4.0	3.7	3.8	3.8
	Foreign	8.0	8.3	7.0	13.7	11.2	11.0	10.8	8.0	9.4	8.6	8.9	8.8
total 15-24	total	6.0	7.2	7.5	11.0	10.3	9.1	8.7	8.0	10.0	8.8	8.3	8.7
	Austrian	5.3	6.7	7.2	9.4	8.7	8.1	7.8	7.3	9.0	7.9	7.4	7.6
	Foreign	11.6	11.5	9.7	23.7	23.5	17.0	16.1	14.0	18.3	17.1	16.1	18.7
males 15-24	total	6.2	7.7	8.0	11.3	10.7	8.9	8.3	7.9	10.5	8.9	7.9	8.8
	Austrian	5.5	7.2	7.6	10.4	9.0	7.8	7.3	7.0	9.5	7.9	7.2	7.5
	Foreign	:	:	:	19.3	24.8	18.1	15.7	13.9	18.9	17.0	14.6	19.0
females 15-24	total	5.8	6.6	6.8	10.7	9.9	9.3	9.1	8.2	9.4	8.8	8.8	8.7
	Austrian	5.2	6.2	6.7	8.3	8.4	8.5	8.3	7.6	8.5	7.8	7.7	7.6

	Foreign	:	:	:	30.0	21.9	15.8	16.7	14.1	17.6	17.2	17.7	18.3
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Data source: Eurostat/Labour Force Survey

Annex Table 15: Economically active persons according to NACE 2008 and broad groups of citizenship 2012 (persons in 1.000)

	Total economically active population		Citizenship			
			Austria		Foreign	
	No	in %	No	in %	No	in %
Agriculture, forestry and fishing	204.6	2.4	200.2	2.7	4.4	0.5
Industry and commerce	1,094.60	13.1	947.2	12.8	147.3	15.4
SECTION B – Mining and quarrying	9.2	0.1	8.4	0.1	0.9	0.1
SECTION C – Manufacturing	660.1	7.9	579.8	7.8	80.3	8.4
SECTION D – Electricity, gas, steam and air conditioning supply	28	0.3	26.9	0.4	1.1	0.1
SECTION E – Water supply; sewerage, waste management and remediation activities	16.3	0.2	14.6	0.2	1.7	0.2
SECTION F – Construction	381	4.6	317.6	4.3	63.3	6.6
Services	2,884.60	34.5	2,547.90	34.5	336.8	35.1
SECTION G – Wholesale and retail trade; repair of motor vehicles and motorcycles	626	7.5	558.9	7.6	67.1	7.0
SECTION H – Transportation and storage	210.5	2.5	182.2	2.5	28.3	3.0
SECTION I – Accommodation and food service activities	265	3.2	199.6	2.7	65.4	6.8
SECTION J – Information and communication	104.9	1.3	98.2	1.3	6.7	0.7
SECTION K – Financial and insurance activities	148.4	1.8	137.2	1.9	11.1	1.2
SECTION L – Real estate activities	37.2	0.4	33.5	0.5	3.7	0.4
SECTION M – Professional, scientific and technical activities	227.6	2.7	201.8	2.7	25.8	2.7
SECTION N – Administrative and support activities	134.7	1.6	102.9	1.4	31.8	3.3
SECTION O – Public administration and defense; compulsory social security	275.1	3.3	268.6	3.6	6.5	0.7
SECTION P – Education	263.4	3.2	242.4	3.3	21.1	2.2
SECTION Q – Human health and social work activities	395	4.7	355.2	4.8	39.8	4.2
SECTION R – Arts, entertainment and recreation	74.9	0.9	63.7	0.9	11.2	1.2
SECTION S – Other service activities	105.7	1.3	94.4	1.3	11.3	1.2
SECTION T – Activities of households as employers; undifferentiated goods- and service-producing activities of households for own use	10.5	0.1	7.7	0.1	2.8	0.3
SECTION U – Activities of extraterritorial organisations and bodies	5.8	0.1	1.7	0.0	4.1	0.4
Not classifiable	4,167.90	49.9	3,698.00	50.0	469.9	49.0
total	8,351.80		7,393.50		958.30	

Data source: Statistik Austria/Labour Force Survey