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**SOPEMI REPORT ON
LABOUR MIGRATION**

AUSTRIA 2000-2001

GUDRUN BIFFL

November 2001

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Table of contents	Page
Abstract	1
Introduction: The economy and the labour market 2000/2001	2
I. Migratory movements	6
1. <i>Immigration and departure of foreigners</i>	7
A) Labour market flows	7
i) <i>Entries of foreigners for work</i>	7
ii) <i>Prolongation of stay – extension or transformation of initial work permits</i>	10
iii) <i>The nationality – mix of foreigners with a work permit</i>	13
iv) <i>Work entitlements and long-term work permits</i>	14
v) <i>The geographic distribution of work permits</i>	18
B) Entries and departures of refugees	19
i) <i>Entries of refugees</i>	20
ii) <i>Outflow of refugees</i>	24
C) Inflow of foreigners due to family reunion	25
Legal framework for family reunion of citizens of third country origin	27
2. <i>Emigration and return of nationals</i>	29
II. Foreign residents and residents abroad	33
1. <i>Foreign residents in Austria</i>	33
2. <i>Number of naturalisations</i>	36
3. <i>Migrants by period of immigration, country of origin, gender and current citizenship</i>	39
4. <i>Development of mixed marriages</i>	41

III. Employment and unemployment of foreign workers	44
1. <i>Employment of foreign workers</i>	44
Industrial structure of foreign employment	51
Regional distribution of foreign employment	54
2. <i>Unemployment of foreign workers</i>	55
Unemployment by occupation and industry	58
IV. Remittances of foreign workers	60
V. Prospective development	62
<i>Statistical commentary</i>	63

Abstract

Austrian economic growth gained momentum in the year 2000 and reached 3.3 percent on an annual average. In the current year economic growth slowed down significantly and is expected to be not much higher than 1 percent. Employment growth has remained rather stable until 2001; it is labour productivity which is fluctuating considerably from year to year.

The employment of foreign workers rose in 2000 by 13,500 or 4.4 percent, which was more than half of total employment growth. In the current year employment growth is expected to slow down significantly and foreign workers will remain the major suppliers of additional labour. The share of foreign workers in total employment was 10.2 percent in 2000 and will continue to rise in the current year. Foreigners are profiting from the decline of indigenous labour supply growth, which is partly a result of population ageing partly a result of reforms in the civil service (leading to massive early retirement in the public sector) and of family policy. 10 percent of all foreign workers are from the EU/EEA.

While resident foreign workers could increasingly enter the labour market in the year 2000, this was not the case in the current year, as a large influx of seasonal workers from abroad increased competition for jobs in agriculture and tourism, major entry ports for unskilled labour into the labour market.

There is no end to the inflow of refugees; while Kosovars were the major group in 1999, different Asian ethnic groups increasingly took over in 2000 and the current year, particularly Afghans, Iraqis, Iranians and Indians.

1998 marked the beginning of a new rise in the inflow of foreigners. Net migration of Austrians has, in contrast, been negative for some time. It increased as a result of Austria's membership to the EU. Consequently, the number of foreign residents in Austria rose by 9,700 or 1.3 percent to 757,900 in 2000. The share of foreigners in the total population increased somewhat to 9.3 percent. The share of EU citizens in the total population was 1.2 percent. 10.3 of the resident population are migrants who have not been born in Austria.

Foreigners may enter Austria either as temporary or permanent residents. A relatively small number of the annual inflow of settlers and temporary residents is regulated by quotas. In the first half of 2001 all in all some 30,000 resident permits for citizens of third countries were issued, only 20 percent of them on the basis of a quota regulation.

Between 1991 and 2000 169,700 foreigners were naturalised, 57 percent from former Yugoslavia and Turkey. In contrast – over the period 1980 to 1990 88,000 foreigners were naturalised, of whom 25 percent from the above countries of origin. Then Germans and citizens from the former

'Eastern Block' were the main contenders. The naturalisation rate (naturalisations in percent of foreign population) was 3.3 percent in 2000 and is thus one of the highest in the EU.

Introduction: The economy and the labour market 2000/2001

The Austrian economic upswing, which set in during 1997, reached a first peak in 1998 with 3.3 percent GDP growth (after 2.5 percent 1997), fell back to 2.2 percent in 1999 and stood again at 3.3 percent in the year 2000. A slow down of economic growth made itself felt in the second half of 2000 which gained momentum in 2001. Economic growth is expected to hardly surpass 1 percent in 2001.

The good economic performance in the year 2000 was the result of a very positive international environment, in particular of vigorous domestic demand in the USA, strong growth in the CEECs, and stable financial markets, which stimulated Austrian foreign trade. Growth slowed down over the year, and both export demand and most domestic demand components saw a decline in growth rates since the second half of 2000.

During 2000, imports grew at a greater rate than exports, so that the current account deficit rose to almost ATS 90 billion. Domestic demand was very dynamic; consumption by private households grew by 2.7 percent in real terms. The trend was supported by the expansive effect of the tax reform and "family package" on personal disposable incomes. A dampening effect was exerted in the second half of the year by the loss of purchasing power due to higher fuel prices and a rise in some taxes and public sector rates.

The optimistic international environment boosted investment in new equipment(+5 percent in real terms) in 2000; spending on new construction was weak.

The annual inflation rate increased in 2000 to 2.3 percent, after a record low of 0.6 percent in 1999. This was mainly the result of a drastic rise in crude oil prices, a weak Euro, tax and public sector rate increases. Austria remained, however, together with France (1.8 percent), the most inflation-resistant country in the Euro zone.

The budget deficit was reduced to –1.1 percent of GDP in 2000, which was significantly below the 1999 rate (–2.1 percent). As a result of the economic boom revenues were high and certain budgetary measures (auctioning off the UMTS licences brought ATS 11 billion into the budget) counterbalanced the effect of the tax reform and "family package".

The terrorist attacks of 11 September have hit the economy in the USA and the world at large at a moment when the cyclical situation was already fragile. Even before these events, the U.S. economy was on the verge of recession. Japan and some areas in Latin America and South East Asia were already in a deep crisis, and in Europe economic growth came to a halt by midyear. At present, it is still too early to assess the economic consequences of the tragic events. They depend

on further international developments, the economic policy response in the industrialised countries, and the impact on business and consumer expectations.

Under the impact of the international slowdown, economic activity in Austria has lost momentum in manufacturing, investment in machinery and equipment, wholesale trade. Tourism earnings and the output of corresponding services (hotels, restaurants, etc.) continue to grow, however, to a certain extent a result of reorientation of tourist flows.

Domestic demand is significantly weaker than expected in the current year, largely a result of the rapid deterioration of construction activity. Housing demand is declining, partly due to the creation of an oversupply in the last couple of years. Road and railroad construction is suffering from the spending restraint of government.

Total employment (including self-employed and family helpers as well as persons on parental leave) reached 3.5 million in 2000, up by 27,700 or 0.8 percent versus 1999. The marked rise in economic growth during 2000 allowed labour productivity growth to recover from 1.4 percent (GDP/Employed) 1999 to 2.5 percent 2000. In the current year, on the other hand, productivity growth is going to fall back to somewhat less than 1 percent. Labour productivity is fluctuating considerably from year to year, while employment growth has remained rather stable until 2001. The growth rate of productivity per capita had declined only slowly from 2.6 percent in 1996 to 2.3 percent in 1998, it was halved in 1999, rose again to the levels of the mid 1990s in 2000 and is expected to decline to only 1 percent in the current year.

The major bulk of employment growth accrues to wage and salary earners; their numbers rose by 28,900 or 1 percent to 3.064 million (excluding persons on parental leave and conscripts) in 2000. About 90 percent of employment growth was accounted for by women. In the current year, employment growth will hardly be more than 10,000 or 0.1 percent. A major part of employment growth continues to be part-time and low wage.

The employment of foreign workers increased in 1999 for the first time since 1996; it continued to rise in 2000 by 13,500 or 4.4 percent and is expected to be responsible for more than half the employment increase in the current year, as was the case in 2000. The share of foreign workers in total employment rose from 9.9 percent 1999 to 10.2 percent 2000 and will continue to rise in the current year. Foreigners are profiting from the partly demographically partly politically (early retirement in the public sector and family policy) induced slow down in labour supply growth.

According to social security data foreign employment (excluding self-employed and persons on parental leave) amounted to 319,850 in 2000 (13,500 or 4.4 percent more than a year ago) and will rise by some 9,000 or 3 percent in 2001. This data includes EU citizens – their number has continually risen since Austria's EU membership. By 2001 34,500 EU citizens are employed in Austria, after 19,000 in 1994, i.e., 15,500 or 82 percent more than 6 years ago. The employment of foreigners of third country origin, i.e., non-EU citizens, has declined between 1996 and 1998

and increased since 1999. Accordingly, the number of workers of third country origin amounted to some 295.000 in 2000. Citizens from the EU/EEA make up 10 percent of all foreign wage- and salary earners.

The economic boom in the year 2000 was, contrary to similar situations in the past, not accompanied by a boost in labour supply growth. Public sector reform is accompanied by a significant increase in early retirement – as a result male activity rates reached an all-time low in the year 2000. Social policy and a lack of child care facilities do not allow a significant rise in female activity rates which could counter the drainage of labour supply resulting from demographic ageing. The year 2000 saw, as a result, a marked decline of labour supply growth from 21,200 1999 to 1,500. Total unemployment declined as a result by 27,400 or 6.7 percent to 194,300. The unemployment rate of wage and salary earners, i.e., the traditional national calculation of the unemployment rate which excludes the self-employed from the labour supply base, amounted to 6 percent, 0.7 percentage point less than in 1999. In the current year unemployment is expected to rise by 5,000 or 2.6 percent to 200,000, i.e., an unemployment rate of wage and salary earners of 6 percent.

The labour supply of foreign workers increased during 2000 by 12,000 to reach an annual average of 345,600. The unemployment rate of foreigners declined to 7.5 percent, after 8.2 percent 1999. In the current year unemployment of foreigners is increasing again rather rapidly, partly as a result of the intake of large numbers of seasonal workers from abroad.

In August 1997 new legislation came into effect, regulating the residence and employment rights of persons of third country origin. The amendment, dubbed 'integration package', had the objective to facilitate the integration of family members of foreign workers, who have resided in Austria for a long period of time, into the labour market. In actual fact, however, the entry rate of family members into the labour market increased hardly at all in 1997 and 1998. Only in the years 1999 and 2000 could a significant inflow of so-called 'integrated' foreign workers into employment be achieved. In the current year, however, integration was again hampered as a large quota of seasonal workers from abroad entered into competition for these kind of jobs, particularly in the tourist industry. The quota of foreign workers, i.e., the share of foreigners in the total supply of wage- and salary earners, continues to be an instrument of control of foreign worker inflows into the labour market (the ceiling remained at 9 percent); it does not distinguish between workers from abroad or resident foreigners. The other very effective inflow control instrument is the obligation of regional labour market services to issue new employment permits to foreigners only in the case where a firm applying for the initial employment permit for a foreign worker could not find a suitable contender among unemployment benefit recipients.

Figure 1: National and foreign labour
1980-2000

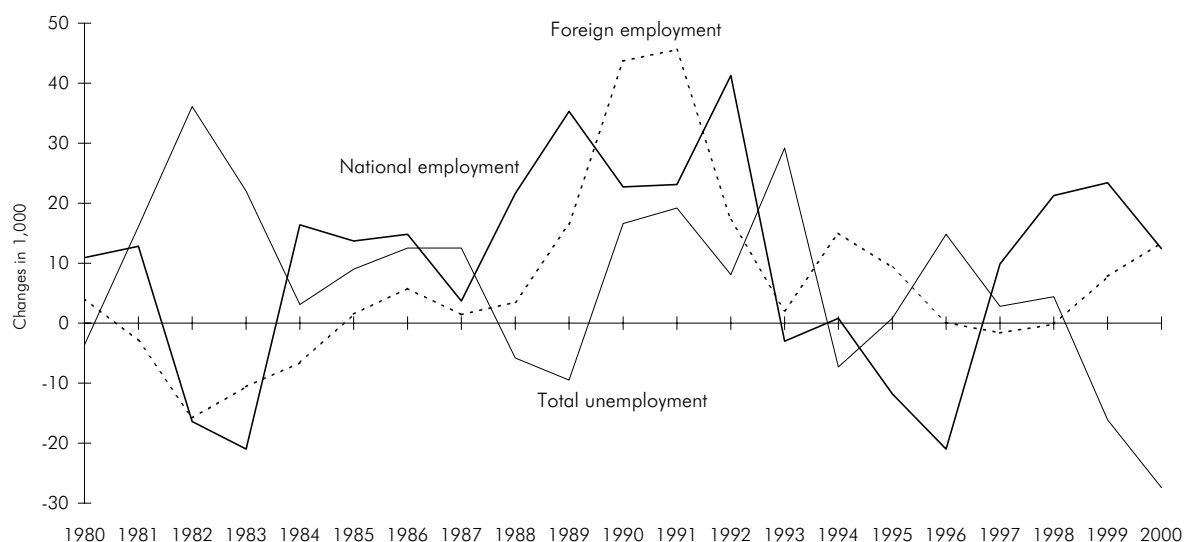


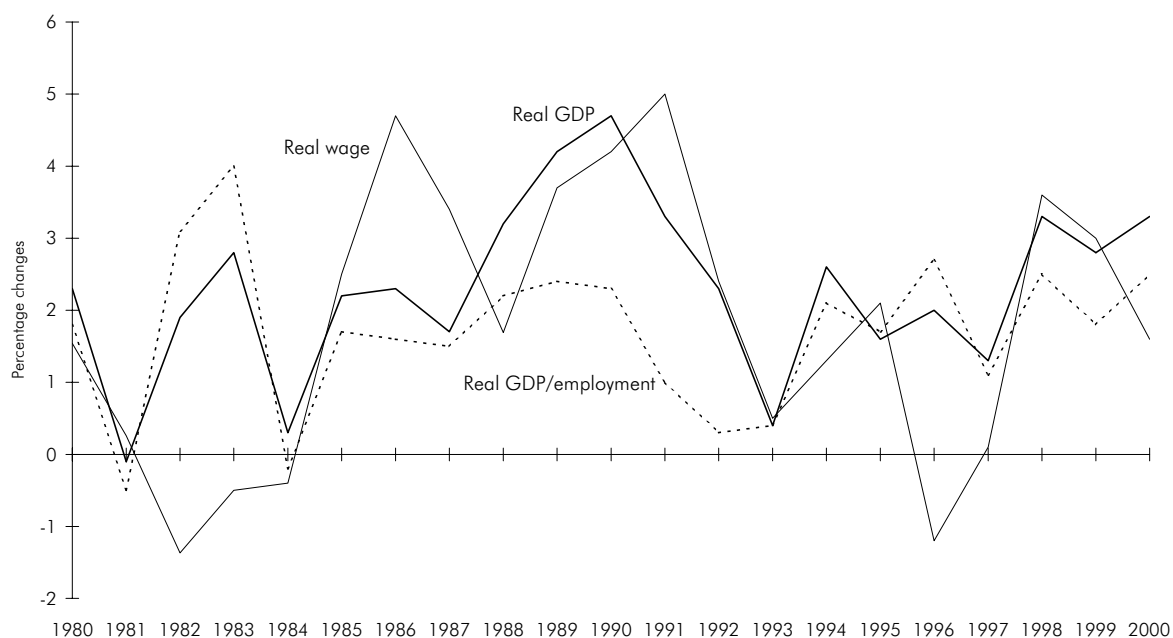
Table 1: National and foreign labour force (wages and salaries)*

	Annual average 2000	Change 1999/2000		Change 1998/99	
		Absolute	Percent	Absolute	Percent
Total labour Force ¹	3,258,772	+ 1,494	+ 0.0	+ 21,178	+ 0.7
National labour Force	2,913,164	- 10,530	- 0.4	+ 12,383	+ 0.4
Foreign labour Force	345,608	+ 12,024	+ 3.6	+ 8,795	+ 2.7
Total employment ¹	3,064,458	+ 28,923	+ 1.0	+ 37,228	+ 1.2
National employment	2,744,608	+ 15,450	+ 0.6	+ 27,177	+ 1.0
Foreign employment	319,850	+ 13,473	+ 4.4	+ 10,051	+ 3.4
Total unemployment	194,314	- 27,429	- 6.7	- 16,051	- 6.7
National unemployment	168,556	- 25,980	- 7.1	- 14,795	- 7.1
Foreign unemployment	25,758	- 1,449	+ 12.4	- 1,256	- 4.4
		2000	1999	1998	
Total unemployment rate		6.0	6.8	7.3	
National unemployment rate		5.8	6.7	7.2	
Foreign unemployment rate		7.5	8.2	8.8	

* No continuous data on foreign and indigenous self-employed available. – ¹ Excluding formerly employed persons who are currently on parental leave or military service.

Figure 2: Macro-economic indicators

1980-2000



I. Migratory movements

The scope of flow analysis of migration is in the main limited to administrative data. Detailed flow data exists for certain groups of migrants, in particular foreigners of third country origin, be they asylum seekers or foreign workers. Flow data is the result of institutional procedures linked to the planning and monitoring of foreign employment (of third country origin) and, more recently, of family reunion. With the introduction of a more universal legislation on aliens (since mid 1993, revised 1997), flow data on family reunion of non-EU-citizens is becoming available. Different quotas according to residence status are decided upon by the governors of the federal states together with the Minister of Domestic Affairs and the Minister of Labour on a yearly basis. The inflow of foreigners is differentiated by status, the main categories are:

- a) foreign workers (seasonal and annual workers, cross-border workers and commuters), dependent employees or self-employed;
- b) family reunion;
- c) foreign students;
- d) refugees;
- e) others.

1. Immigration and departure of foreigners

A) *Labour market flows*

i) **Entries of foreigners for work**

In the course of time a highly differentiated system of work permits for different purposes and status of foreigners according to past working time has developed. Initial work permits are issued to foreign citizens (since 1994 only those from outside the EEA/EU), either if they are entering the labour market for the first time ("first" issue, Erstantrag) or if they re-enter the labour market, after a period of unemployment (exceeding 6 months) or a change of work place ("new" issue, Neuantrag). For the first time a work permit is issued to the firm and not the worker. After one year of work the status of the permit may be transformed into a permit issued to the foreign person (Arbeitserlaubnis), after five years of work to a permanent licence, which allows free mobility within the whole of Austria and marks the termination of firm/work control.

The "first" issue permit (Erstantrag) is only a weak indicator of the inflow from abroad since family members of foreign workers residing in Austria are also amongst this group, if they first enter the Austrian labour market. The second type of short term initial permits (Neuantrag) indicates the degree of fluctuation of employment of migrants – a new, in contrast to a first, work permit is issued if the employing firm is changing or employment with the same firm is interrupted for a certain period of time. In 1994 a break in the series of initial work permits (first entry plus re-entry) occurred as a consequence of Austria entering the European Economic Area (EEA). From 1994 onwards only non-EEA-citizens (third country citizens) need a work permit in Austria, thus reducing the total number of work permits.

The total number of initial work permits amounted to 44.300 (sum of permits over the year) in the course of 2000. Thus the decline of the number of initial work permits, which set in 1998, continued (1999/2000: –1,400, –3 percent). Only men experienced a decline in initial permit issues, the number of initial permits issued to women increased. 44.9 percent of all initial work permits issued to foreigners in 2000 went to women.

A disaggregation of initial work permits into first entry and re-entry permits shows that the decline of initial work permits was entirely due to a reduction of the 'fluctuation' of foreign employment, i.e., the decline in the number of re-entry permits. The number of first entries into the labour market, be it from abroad or from within the country, has increased significantly (+7,100, +39 percent) to 25,400. 52.3 percent of the first entry permits were issued to men, as it turned out in the main seasonal workers from abroad. Since second generation migrants, who have attended the Austrian schoolsystem, are eligible for a permanent licence since 1992 they are not counted among the first issue-holders anymore.

Table 2: Initial work permits for foreign workers 1980-2000

Sum of permits over the year

	Male	Female	Total
1980	58,535	36,886	95,421
1981	49,811	32,123	81,934
1982	34,699	22,535	57,234
1983	32,676	19,998	52,674
1984	34,249	20,990	55,239
1985	<u>37,645</u>	<u>22,602</u>	<u>60,247</u>
1986 ¹	31,087	19,731	50,818
1987	28,401	18,411	46,812
1988	31,931	20,158	52,089
1989	49,686	28,183	77,869
1990	123,052	52,202	175,254
1991	115,170	54,321	169,491
1992	94,963	49,206	144,169
1993	<u>60,114</u>	<u>36,568</u>	<u>96,682</u>
1994 ²	46,623	29,232	75,855
1995	35,264	20,863	56,127
1996	32,199	19,682	51,881
1997	32,839	19,900	52,739
1998	29,118	18,619	47,737
1999	27,269	18,421	45,690
2000	24,390	19,913	44,303

Source: Federal Ministry of Economics and Labour; Austrian Labour Market Service. – ¹ Administrative practice not strictly comparable with year ahead. – ² Break in the series as a consequence of entry into the EEA; from 1994 onwards only non-EU-members need a work permit in Austria, thus reducing the number of total work permits.

Chances of third country foreign workers for entry into the labour market have thus improved the third year in a row. The number of re-entry permits has declined significantly (by 8,500, 31.2 percent) to 18,900.

A graph can better clarify the different aspects of the work permit system and its linkage to the stock of foreign employment. First entry permits used to have a high correlation with the development of total foreign employment until 1990. Only in periods of rising demand for foreign workers does the issue of first entry permits increase. As employment of foreign workers stabilises, other forms of permits take over and regulate continued employment. "New" or re-entry permits mirror active and passive labour fluctuation of foreigners. Job fluctuation occurs in the wake of seasonal employment with intermittent unemployment phases in Austria or across the border (export of seasonal unemployment/inflow of seasonal labour) or in case of transfer possibilities of a permit from one firm to another in order to improve job aspects. There is a clear cyclical component to job fluctuation permits. In phases of economic upswing job fluctuation increases as better job opportunities arise, in recessionary phases job fluctuation declines. In the recent economic upswing the typical increase in entry and re-entry did not take place. Until 1997 severe restrictions on the recruitment of foreign workers prevented the activation of foreign employment through market forces. Since 1998, however, a stabilisation of employment, i.e., a decline in re-entry work permits, and a rise in first work permits, i.e., entry permits into the labour market took place. The year 2000 marks a renewed increase in first entry permits, basically as a result of a renewed intake of foreign workers from abroad, in the main seasonal workers in tourism and agriculture.

Table 2a: Initial work permits for foreigners

Sum of permits over the year

	Total (first entry + re-entry)	First entry	Of which: youth of 2 nd generation	Of which: seasonal ¹
Male				
1986	31,087	11,231	1,114	.
1987	28,401	9,671	1,204	.
1988	31,931	10,701	728	.
1989	49,686	24,376	373	15,919
1990	123,052	74,503	375	19,854
1991	115,170	41,654	18	11,867
1992	94,963	35,904	1	12,347
1993	<u>60,114</u>	<u>21,914</u>	–	<u>9,582</u>
1994 ²	46,623	15,058	–	–
1995	35,264	9,138	–	–
1996	32,199	9,590	–	–
1997	32,839	9,185	–	–
1998	29,118	9,206	–	–
1999	27,269	10,719	–	–
2000	24,390	13,313	–	–
Female				
1986	19,731	6,803	714	.
1987	18,411	5,581	764	.
1988	20,158	6,689	492	.
1989	28,183	12,845	280	8,427
1990	52,202	28,892	252	6,416
1991	54,321	20,988	26	5,734
1992	49,206	21,962	6	8,025
1993	<u>36,568</u>	<u>15,750</u>	–	<u>6,253</u>
1994 ²	29,232	12,080	–	–
1995	20,863	6,275	–	–
1996	19,682	6,679	–	–
1997	19,900	5,998	–	–
1998	18,619	6,204	–	–
1999	18,421	7,589	–	–
2000	19,913	12,126	–	–
Total				
1986	50,818	18,034	1,828	.
1987	46,812	15,252	1,968	.
1988	52,089	17,390	1,220	.
1989	77,869	37,221	653	24,346
1990	175,254	103,395	627	26,270
1991	169,491	62,642	44	17,601
1992	144,169	57,866	7	20,372
1993	<u>96,682</u>	<u>37,664</u>	–	<u>15,835</u>
1994 ²	75,855	27,138	–	–
1995	56,127	15,413	–	–
1996	51,881	16,269	–	–
1997	52,739	15,183	–	–
1998	47,737	15,410	–	–
1999	45,690	18,308	–	–
2000	44,303	25,439	–	–

Source: Federal Ministry of Economics and Labour; Austrian Labour Market Service. –¹ Less than 6 months. –² Break in the series as a consequence of entry into the EEA; from 1994 onwards only non-EU-members need a work permit in Austria, thus reducing the number of total work permits.

Figure 3: Entry and re-entry work permits and total foreign employment
1964-2000



Citizens of the EEA/EU have to apply for an identity card, which is issued along EU guidelines, if they want to reside in Austria. Residence is granted if the EEA/EU-citizen can prove that he/she has found legal employment, either on his/her own account or as dependent employee. The residence permit expires after 5 years, unless it has been issued for a shorter period of time. On request the permit may be extended for another span of 5 years. In case of unemployment the residence permit may be limited for 1 year.

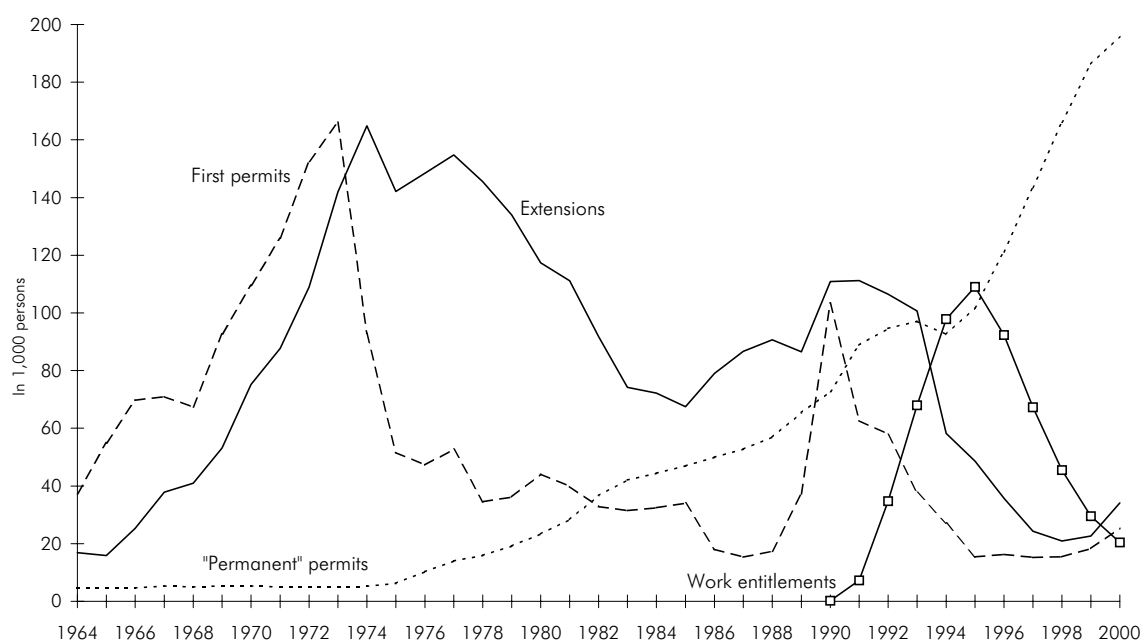
ii) Prolongation of stay – extension or transformation of initial work permits

The extension of work permits (Beschäftigungsbewilligung, always granted to the firm for a particular job) mirrors the cyclical and structural medium- to long-term labour market demand for foreign workers. In the sixties and seventies the extensions followed the first entry permits with a lag of one year. In the early eighties, as structural labour market problems led to a continued rise in unemployment, the number of extensions started to decline. Those foreigners, who could apply for Austrian citizenship or a "permanent" work permit, due to their long duration of work in Austria, did so increasingly. Others who were in firms with declining employment could not count on an extension of their permit and had either to return home (export of unemployment in case of insufficient duration of work to allow long-term unemployment benefit) or consume unemployment

in Austria. A graph clarifies the relationship between extensions, first permits and increased integration through permanent permits (issued to the person after 5 years of employment) and the rapid rise of work entitlements (issued to the person after 1 year of employment) since the introduction in 1990. The increasing security of employment of the second wave of foreign workers, who entered the labour market at the end of the 1980s and early 1990s, becomes evident in the transformation of work permits into work entitlements and eventually, after 1995, into permanent licences.

Figure 4: First permits, extensions, work entitlements and permanent permits

1964-2000



The statistical break in the series of extended work permits due to the lifting of the requirement of permits for citizens of the EEA/EU took place in 1994. Ever since then the number of extensions of work permits declined and reached the lowest level ever in 1998 with 20,900 extensions. Ever since then the number of extensions is rising again. 2000 34,100 permits were extended, more than double the number of a year ago.

The declining trend in the number of extensions was the result of a transfer of employment permits (Beschäftigungsbewilligung) to a "more secure" work permit in terms of worker rights, i.e., work entitlement or permanent licence, the moment it is possible. As the entry of family members into the labour market is becoming easier, both as a result of the onset of labour scarcities as well as due to efforts to foster the integration of foreign families, who have been residing in Austria for some

time, the number of extensions of entry permits rises again. The increase is more pronounced for men than for women (+6,700 for men and +4,800 in the case of women).

Table 3: Extended work permits for foreign workers 1980-2000

Sum of permits over the year

	Male	Female	Total
1980	69,628	47,739	117,367
1981	64,961	46,201	111,162
1982	53,843	37,959	91,802
1983	40,465	33,708	74,173
1984	40,586	31,596	72,182
1985	<u>37,791</u>	<u>29,694</u>	<u>67,485</u>
1986 ¹	47,118	31,948	79,066
1987	53,175	33,486	86,661
1988	56,234	34,438	90,672
1989	55,332	31,194	86,526
1990	75,730	35,098	110,828
1991	76,211	35,010	111,221
1992	70,726	35,751	106,477
1993	<u>65,934</u>	<u>34,741</u>	<u>100,675</u>
1994 ²	36,131	22,080	58,211
1995	29,425	19,179	48,604
1996	22,117	13,635	35,752
1997	14,931	9,385	24,316
1998	12,713	8,143	20,856
1999	13,667	8,893	22,560
2000	20,379	13,705	34,084

Source: Federal Ministry of Economics and Labour; Austrian Labour Market Service. – ¹ Administrative practice not strictly comparable with year ahead. – ² Break in the series as a consequence of entry into the EEA; from 1994 onwards only non-EU-members need a work permit in Austria, thus reducing the number of total work permits.

Work permits are issued to the firm in order to allow the labour inspectorate to control the working and living conditions of foreigners. As soon as a foreigner switches to a work entitlement (Arbeitserlaubnis – after one year of continued legal employment) or a "permanent" licence (Befreiungsschein, after 5 years of legal employment) he/she may move freely on the labour market; work site controls are not possible in that case anymore. Foreigners have to register in the district of residence (magistrates) and provide information about the housing conditions as well as the residence status (since mid 1993). The law requires a certain minimum living space per person in the household, which may be ascertained by the police, one reason being the control of clandestine/illegal foreigners and the protection of foreigners against exorbitant rental rates. The original intention of the regulation of the minimum living space had been, to ensure that firms, who employed foreign workers, also provided the customary living conditions. Now that foreign workers have to find their own housing, this part of legislation may turn against the foreign worker. Given the fact that foreigners do not have access to council housing in all provinces of Austria (e.g., in the city of Vienna), a rather small segment of housing is available to poor foreign workers, which tends to drive up rents for low cost housing.

iii) The nationality – mix of foreigners with a work permit

The annual average of work permits in the year 2000 was 25,900, 2,600 or 11.2 percent more than 1999. This number encompasses first entry and re-entry permits plus extensions and provisional permits (if the administrative procedure for the issue of a permit surpasses a certain time span the foreigner has the right to work on a provisional basis). The number of short-term work permits started to decline in 1992 as a result of the consolidation of employment of the new wave of foreign workers and later also of refugees, who entered Austria in large numbers between 1998 and 1992. As labour supply started to dry up in 1999 permit numbers for foreign workers of third country origin were raised again in the year 2000. The labour market control instruments in place ensure that labour scarcities which could hamper economic growth do not arise. Entry controls for newcomers of third country origin into the labour market are one such instrument. There is a cap on foreign employment of third country origin as a proportion of total employment.

Table 4: Total short term work permits¹

Annual average 2000

	Male	Female	Total
Total	15,136	10,757	25,893
Eastern Europe	5,088	2,364	7,452
of which:			
Poland	1,004	369	1,373
Hungary	1,977	767	2,744
Former Czechoslovakia	1,440	576	2,016
Romania	300	402	702
Others	10,050	8,397	18,447
of which:			
Rest Yugoslavia	2,508	2,450	4,958
Croatia	1,130	1,328	2,458
Slovenia	523	350	873
Bosnia	1,933	2,547	4,480
Macedonia	279	136	415
Turkey	1,739	764	2,503

Source: Austrian Labour Market Service. – ¹ Includes: first entry, re-entry, extensions, provisional.

Of the total number of so-called third-country citizens requiring a work permit the proportion of persons from CEECs is increasing. In 2000 7,500 or 28.8 percent came from Central and Eastern European countries, in particular from Hungary (2,700), the region of former Czechoslovakia, in particular Slovakia (2,000), Poland (1,400) and Romania (700). The number of permits has increased above all in the case of Hungarians. The total number of short term work permits for Central and Eastern Europeans increased by 1,300 or 21 percent versus 1999.

Of the remaining 18,400 short term foreign work permits the major share went to citizens of the former region of Yugoslavia. The major numbers pertain to persons of "Rest-Yugoslavia" (5,000 or 19.3 percent of all short term work permits), and Bosnia (4,500 or 17.4 percent). The number of short term work permits increased for every major group of foreign nationals.

iv) Work entitlements and long-term work permits

The evolving pattern of work permits demonstrates the changing legal status of foreigners as their duration of employment in Austria is extended. The residence status is linked to the work status of the foreigner. In the course of the seventies the yearly increase of persons with a "permanent" licence¹ amounted to 1,400 on average. The growth rate picked up to an average yearly increase of 4,600 in the eighties and gained momentum in the early 1990s. In 1994 a statistical break due to Austria's membership in the EEA took place, resulting in a slight decline of permanent licence holders. The decline in the number of "permanent licence holders" could not be significant, given that only 7 percent of the foreign work force were citizens of the EEA in 1994. From the low of 1994 the number of permanent licence holders increased again continuously. In 2000 195,900 permanent licences were counted, 9,600 or 5.1 percent more than a year ahead. 66.6 percent of all permanent licence holders were men; thus the share of men has declined somewhat versus a year ago. Foreign men tend to have more stable employment conditions than foreign women².

Apart from permanent licences another type of permit is issued to the person (rather than the firm for a particular job), i.e., the work entitlement (Arbeitserlaubnis) – a permit obtainable after one year of work in a particular firm (Beschäftigungsbewilligung). It allows free movement of labour within regional state boundaries (Bundesländer). The number of work entitlements peaked in 1995 with 109,100 permit holders. Ever since then the number declined, as more and more people became eligible for a transfer to a permanent licence which allows free labour movement within the whole of Austria. As a result of the consolidation of foreign residence and employment, the inflow into work entitlements is losing momentum. In 2000 an annual average of 20,400 work entitlements were issued, 9,100, 30.9 percent less than 1999. The share of men is slowly coming down to 55.1 percent of all work entitlements, after 65 percent 1997 and 71 percent 1995 – this is also a consequence of the increased settlement of the last wave of foreign workers, which was predominantly male. As family reunion followed suit, entry of the spouses into the labour market is the logical next step of integration and settlement in Austria.

¹ A permanent licence allows free movement on the labour market; such a permit is valid for 5 years and makes a foreigner eligible for a residence permit valid for 5 years.

² For an in-depth analysis of the probability of continued employment on the basis of longitudinal social security data see Biffi, 2000, *Zuwanderung und Segmentierung des österreichischen Arbeitsmarktes, Ein Beitrag zur Insider-Outsider Diskussion*, in K. Husa, Ch. Parnreiter, I. Stacher (Eds), *Internationale Migration, Die globale Herausforderung des 21. Jahrhunderts?*, Brandes und Apsel/Südwind (HSK 17), Frankfurt a.M./Wien.

The total number of work permits, short term and longer-term, amounted to 243,700 during 2000, i.e., it increased versus 1999 somewhat (+3,500 or +1.5 percent). The division between permits issued to firms for a particular job and to persons tipped even more in favour of permits issued to the person (the permit to the person is a prerequisite for the free choice of a work site on the part of the foreigner). While during 1995 211,100 or 78 percent of all work permits to third country citizens accrued to persons, the number increased to 217,800 in 2000; the share of work permits to persons declined somewhat versus a year ago to 89.4 percent of all permits as new inflows with a direct link to a particular firm marked the year 2000.

Table 5: "Permanent" licences and work entitlements, provisional work permit

Annual average

	Permanent licences		Work entitlements		Provisional work permit ¹
		Of which: male ²		Of which: male	
1980	23,352	17,405	.	.	.
1981	28,387	20,871	.	.	.
1982	36,628	26,811	.	.	.
1983	42,060	29,424	.	.	.
1984	44,407	30,303	.	.	.
1985	46,986	31,390	.	.	.
1986	49,954	32,540	.	.	.
1987	52,764	34,002	.	.	.
1988	56,920	37,177	.	.	.
1989	65,406	40,983	.	.	.
1990	72,763	45,293	174	152	56
1991	88,860	55,878	7,238	5,594	431
1992	94,578	59,627	34,726	26,564	223
1993	<u>97,085</u>	<u>60,770</u>	<u>68,005</u>	<u>50,899</u>	<u>259</u>
1994 ³	92,562	58,328	97,870	71,840	355
1995	101,855	65,334	109,051	77,770	202
1996	121,179	80,912	92,327	62,881	920
1997	143,387	97,722	67,318	43,563	4,471
1998	166,052	113,120	45,472	27,351	4,058
1999	186,312	125,346	29,524	16,889	1,053
2000	195,866	130,493	20,399	11,233	1,558

Source: Federal Ministry of Economics and Labour; Austrian Labour Market Service. – ¹ If the procedure for the issue of a permit surpasses 4 weeks a provisional permit is given. – ² 1980 till 1988 (inclusive) data collected by middle of September, starting with 1989 annual average. – ³ Break in the series as a consequence of entry into the EEA; from 1994 onwards only non-EU-members need a work permit in Austria, thus reducing the number of total work permits.

Of all permanent licence holders 66.6 percent were men, somewhat more than in the case of short-term work permit holders (58.5 percent). The proportion of citizens of Central and Eastern European countries has been rising from the early 1990s to 1998; ever since then a slight decline set in (1995: 5.4 percent of all permanent licenses, 1998: 14.3 percent, and 13.9 percent in 2000). This is a result of a slowdown of the inflows of workers from CEECs, which had been triggered off by the fall of the iron curtain. Those who wanted to stay have become eligible for 'permanent' licences and a consolidation or settlement has taken place.

Table 5a: Permanent licences 2000

Annual average

	Male	Female	Total
Total	130,493	65,373	195,866
Eastern Europe of which:	20,399	6,849	27,248
Poland	5,263	1,702	6,965
Hungary	5,338	1,077	6,415
Former Czechoslovakia	4,546	1,770	6,316
Romania	4,265	1,802	6,067
Others of which:	110,098	58,524	168,622
Rest Yugoslavia	38,858	28,569	67,427
Croatia	13,008	7,045	20,053
Slovenia	3,810	1,166	4,976
Bosnia	15,438	7,926	23,364
Macedonia	2,881	579	3,460
Turkey	31,203	11,353	42,556

Source: Austrian Labour Market Service.

Table 5b: Work entitlements 2000

Annual average

	Male	Female	Total
Total	11,233	9,166	20,399
Eastern Europe of which:	1,078	1,118	2,196
Poland	189	219	408
Hungary	251	142	393
Former Czechoslovakia	265	311	576
Romania	179	285	464
Others of which:	10,155	8,049	18,204
Rest Yugoslavia	1,734	1,521	3,255
Croatia	1,087	1,032	2,119
Slovenia	139	63	202
Bosnia	5,164	4,374	9,538
Macedonia	200	110	310
Turkey	1,071	472	1,543

Source: Austrian Labour Market Service.

Table 5c: New issue of "permanent" licences

Sum over the year

	Male	Female	Total
Total			
1990	12,279	6,347	18,626
1991	13,071	8,030	21,101
1992	9,998	6,244	16,242
1993	<u>8,359</u>	<u>6,103</u>	<u>14,462</u>
1994 ¹	6,408	3,556	9,964
1995	19,214	7,762	26,976
1996	28,682	11,158	39,840
1997	29,797	12,677	42,474
1998	24,793	16,934	41,727
1999	17,503	12,701	30,204
2000	13,509	10,001	23,510
According to: <i>Employment of 5 years</i>			
1990	7,555	2,951	10,506
1991	8,665	4,451	13,116
1992	5,043	2,529	7,572
1993	<u>4,032</u>	<u>2,209</u>	<u>6,241</u>
1994 ¹	4,859	2,221	7,080
1995	17,351	6,095	23,446
1996	26,594	9,486	36,080
1997	27,144	10,559	37,703
1998	18,560	9,430	27,990
1999	13,439	8,596	22,035
2000	8,447	5,846	14,293
<i>Marriage with Austrian</i>			
1989	3,021	2,135	5,156
1990	2,854	2,062	4,916
1991	2,524	2,120	4,644
1992	3,221	2,358	5,579
1993	<u>2,577</u>	<u>2,479</u>	<u>5,056</u>
1994 ¹	75	76	151
1995	46	42	88
1996	81	80	161
1997	122	122	244
1998	173	152	325
1999	150	176	326
2000	201	221	422
<i>Second generation</i>			
1989	2,432	2,032	4,464
1990	1,870	1,334	3,204
1991	1,882	1,459	3,341
1992	1,734	1,357	3,091
1993	<u>1,750</u>	<u>1,415</u>	<u>3,165</u>
1994 ¹	1,474	1,259	2,733
1995	1,817	1,625	3,442
1996	2,007	1,592	3,599
1997	2,531	1,996	4,527
1998	2,763	2,320	5,083
1999	2,826	2,368	5,194
2000	3,331	2,816	6,147
<i>Association Agreement of Turkey with EU</i>			
1997	2,890	2,932	5,822
1998	3,297	5,032	8,329
1999	1,088	1,561	2,649
2000	1,530	1,118	2,648

Source: Federal Ministry of Economics and Labour; Austrian Labour Market Service. –¹ Break in the series as a consequence of entry into the EEA; from 1994 onwards only non-EU-members need a work permit in Austria, thus reducing the number of total work permits.

The majority of permanent licence holders are, of course, still persons originating from former Yugoslavia, whereby the largest numbers pertain to Serbs, i.e., persons from 'Rest-Yugoslavia'. 2000 67,400 permanent licence holders from this region were counted, 34.4 percent of all permanent licences. The second largest nationality group of permanent licence holders are Turkish citizens: 42,600 or 21.7 percent of all permanent licences in 2000. Croatians (20,100) and Bosnians (23,400) are the other two ethnicities with large and increasing numbers of permanent licence holders.

The nationality-mix of foreigners with work entitlements is a reflection of the wave of foreigners entering Austria in the beginning of the 1990s, in particular the refugees from former Yugoslavia. Of the 20,400 work entitlements only 10.8 percent went to citizens of Central and Eastern European countries. Of the remaining 18,200 the major group were Bosnians; this is a reflection of the preferential treatment of Bosnians as far as labour market integration matters are concerned (46.8 percent of all work entitlements). Serbs and Croatians account for another 26.3 percent of all work entitlements.

The differentiation of newly issued "permanent" licences by eligibility status shows the different routes of integration into the Austrian society and their relative importance. Out of a total of newly issued long-term permits of 23,500 in the course of 2000 14,300 or 60.8 percent were issued on the basis of 5 years of work in Austria, and 6,100 or 26.1 percent on the basis of second generation of migrants. Marriage to an Austrian is more or less automatically linked with the issue of a permanent licence (a certain duration of stay or cohabitation is required, however). Starting 1997 the number of permanent licence holders increased also as a result of the association agreement of Turkey with the EU. This EU-legislation has been introduced into the Austrian body of the foreign worker legislation (article 4c/2 AuslBG). Of the 23,500 new permanent licences about 11 percent were the result of the EU-regulation of favoured nation status of Turkish citizens.

v) The geographic distribution of work permits

The number of initial work permits declined significantly in regions bordering CEECs, in particular in Burgenland, Lower Austria and Styria, and increased in those regions which took advantage of higher cross-border seasonal worker quotas. The latter regions are typical tourist areas as Tyrol, Salzburg and Vorarlberg, but also Vienna and Upper Austria increased the number of initial work permits to foreigners of third country origin.

Table 6: Geographical distribution of initial work permits for foreign workers

Sum over the year

	1999			2000		
	Male	Female	Total	Male	Female	Total
Vienna	3,794	1,764	5,558	4,698	3,995	8,693
Lower Austria	6,843	4,013	10,856	4,928	2,974	7,902
Styria	4,295	3,196	7,491	2,897	2,122	5,019
Carinthia	1,101	879	1,980	835	706	1,541
Upper Austria	2,969	1,799	4,768	3,364	2,706	6,070
Salzburg	2,162	2,102	4,264	2,490	2,701	5,191
Tyrol	2,607	2,375	4,982	2,850	2,847	5,697
Vorarlberg	1,036	850	1,886	1,076	1,153	2,229
Burgenland	2,462	1,443	3,905	1,252	709	1,961
Austria	27,269	18,421	45,690	24,390	19,913	44,303

Source: Austrian Labour Market Service.

Table 7: Geographical distribution of extended work permits for foreign workers

Sum over the year

	1999			2000		
	Male	Female	Total	Male	Female	Total
Vienna	1,826	1,004	2,830	2,278	1,323	3,601
Lower Austria	2,813	1,120	3,933	5,048	2,737	7,785
Styria	2,239	1,456	3,695	4,181	2,896	7,077
Carinthia	315	265	580	496	463	959
Upper Austria	982	480	1,462	1,074	594	1,668
Salzburg	781	1,024	1,805	1,074	1,202	2,276
Tyrol	1,299	1,316	2,615	1,743	1,605	3,348
Vorarlberg	1,234	947	2,181	1,238	959	2,197
Burgenland	2,178	1,281	3,459	3,247	1,926	5,173
Austria	13,667	8,893	22,560	20,379	13,705	34,084

Source: Austrian Labour Market Service.

All regions have integrated foreign workers to a larger extent than in the past. This shows up in a rising number of extensions/prolongations of work permits. The regions with the strongest consolidation of foreign worker employment were the border regions to CEECs, in particular Burgenland, Lower Austria and Styria. But also Vienna and Tyrol issued substantially more extensions of work permits during 2000 than a year ahead. This goes to show that foreign workers can take advantage of the overall improvement of the employment situation in Austria. Only Carinthia stands out as a province which does not show any significant movement in the area of foreign employment. But then, this province continues to have difficulties coping with structural change, which implies a lack of employment growth.

B) *Entries and departures of refugees*

i) **Entries of refugees**

Since the mid-eighties the number of asylum seekers rose at first steadily and towards the end of the eighties abruptly – an experience Austria shared with other Western European countries. By the end of December 1991 27,300 asylum seekers were registered in Austria. This was the starting point for a reform of the asylum legislation (Asylum Law 1991) – to a large extent induced by the intergovernmental co-operation within EU-member countries and the prospective new members to harmonise aspects of admission policies for foreign migrants in general and asylum seekers in particular. The reformed asylum legislation, which came into effect 1992, induced a significant reduction of the number of asylum seekers in Austria. The legislative reform, institutional restructuring and reform of public funding of asylum seekers while they wait for the outcome of the asylum procedure, have all added up to reduce the inflow of asylum seekers. By the end of 1992 only 16,238 asylum seekers were registered, –11,100 (–40.5 percent) versus 1991. The downward trend continued until 1993, when the rock bottom of asylum applications was reached, with 4,744 asylum registrations. In 1994 the number of asylum seekers started to rise again and plateaued around 1996 with 7,000 persons registering as asylum seekers. In 1997 a somewhat smaller number, i.e., 6,700, were registered. The reduction was only short-lived, however. In 1998 the number of asylum seekers rose to 13,800 by the end of December and took a further steep rise to 20,100 by the end of 1999. The invasion of Kosovo by Serbia and the resulting flight of Albanian Kosovars to neighbouring regions resulted in a new wave of refugees from the war stricken area of former Yugoslavia to Austria. There is no end to the inflow of refugees, even though a certain slowdown of refugee inflow set in in the course of 2000 to 18,300.

There is a marked difference in the procedures of refugee intake from Kosovo compared to Bosnia. While Bosnians had hardly registered as asylum seekers – they were called war-refugees rather than asylum seekers – the Albanian Kosovars tend to choose the asylum route. The issue of settlement in Austria is in the forefront with Kosovars, while repatriation had been the general understanding when Bosnians entered a couple of years earlier. As it turned out, hardly any Bosnians returned to their country of origin, while Albanians tend to return, in relative terms, to a larger extent.

Of all the asylum seekers 1998, 9,800 or 70.9 percent were men. During 1999 the proportion of women increased somewhat to 33.8 percent, but has declined again in the years 2000/2001 to 23 percent.

Of all the asylum seekers in the year 2000 23 percent originated from Afghanistan (4,200). Also large numbers came from Iraq (2,400 or 13 percent), from Iran (2,600 or 14 percent), and from India (2,400 or 13 percent). The massive inflow from Yugoslavia has thus come to a halt in the

year 2000 (1,500 or 8.1 percent of all asylum seekers). The number of asylum seekers from Asia is on a rise, however (13,700 or 75 percent of all asylum seekers 2000). In contrast only some 1,600 (8 percent) of all asylum seekers originated from Africa.

Table 8: Asylum seekers in Austria 1952-2000

1952	2,457	1977	2,566
1953	1,723	1978	3,412
1954	2,283	1979	5,627
1955	1,941	1980	9,259
1956	169,941	1981	34,557
1957	58,585	1982	6,314
1958	3,599	1983	5,868
1959	3,439	1984	7,208
1960	5,178	1985	6,724
1961	4,116	1986	8,639
1962	3,458	1987	11,406
1963	3,435	1988	15,790
1964	3,611	1989	21,882
1965	4,247	1990	22,789
1966	3,805	1991	27,306
1967	3,872	1992	16,238
1968	7,334	1993	4,744
1969	9,831	1994	5,082
1970	3,085	1995	5,920
1971	2,075	1996	6,991
1972	1,838	1997	6,719
1973	1,576	1998	13,805
1974	1,712	1999	20,129
1975	1,502	2000	18,284
1976	1,818		

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

In the course of 2001 (from January to July) 17,400 asylum cases were registered, 7,500 or 75 percent more than in the same period 2000. About half of the newly registered asylum seekers originated from Afghanistan. The acceptance rate of asylum cases from this region was 46 percent. It was also comparatively high in the case of Iraqis (25 percent), the Republic of Yugoslavia (23 percent) and Turkey (19 percent). But very low in the case of Africans and Indians. The average acceptance rate over that time span amounted to 21.9 percent (i.e., the number of admissions as a proportion of the sum of rejections and admissions), if one includes the cases of refoulement decisions the rate was 19.9 percent.

Even though the number of asylum seekers is large and growing, the number of persons, who receive public financial support and shelter does not rise to the same extent, i.e., large and rising numbers of refugees and asylum seekers depend upon the support of NGOs, in particular churches and affiliated institutions like Caritas. By 1 August 2001 4,300 persons were under federal state care, the majority lived in inns, which received payment for food and lodging for the asylum seekers and refugees. The majority were asylum seekers (3,500).

From April 1992 until mid 1995 an estimated number of 100,000 refugees from former Yugoslavia had fled into Austria. The total number of persons receiving shelter and/or financial support over that timespan amounted to 84,000. The major inflow took place in 1992 with 50,000 Bosnians, followed by 20,000 in 1993, 10,000 in 1994 and 4,000 until mid 1995. By the end of December 1997 some 5.800 Bosnians remained in the financial care of the federal government and the states ("Bund-Länder-Aktion"). The promotion of the Ministry of Domestic Affairs of return migration of Bosnians, who had remained in refugee camps, gained weight in 1997. Some but not all took up the opportunity for a subsidised return to Bosnia. By mid 1998, the end of the right to reside in Austria, the remaining Bosnians received permission to stay in Austria on humanitarian grounds.

The degree of integration of Bosnians and their financial independence can be captured by the development of the number of work permits, i.e., their successful access to the labour market. By the end of September 1994 only 19,600 Bosnians had found an employment. Their number increased to 38,000 until September 1998 and continued to rise until June 2000 to 44,500. The majority of the Bosnians (62.4 percent) had a permanent licence by the end of June 2000 (27,800). This proves a large degree of continued employment since they began to access the labour market in larger numbers in 1993/94. Their employment security is fairly high in general, because another 11,600 or 26 percent had at least a work entitlement. This goes to show that the integration of Bosnians was quite fast. There is, however, a continued inflow of Bosnians into the labour market, as the rather stable number of work permits in the last two years goes to show (5,100 in June 2000).

By the beginning of July 2001 a total of 98,800 Bosnians had received a residence permit. Permanent residence status had been granted to 59,300 or 60 percent and the right to stay beyond 2 years to an additional 16,700 or 17 percent of all Bosnians.

Table 9: Employment of Bosnians 1995/2000

	Total End of March 1995	Total End of March 1996	Total End of March 1997	Total End of March 1998	Total End of March 1999	Total End of March 2000
Total	22,800	25,909	35,112	37,322	39,880	43,223
Of which:						
Work permit	11,590	8,689	8,122	5,631	5,104	4,788
Work entitlement	9,972	14,094	19,520	19,318	15,966	11,895
Permanent permit	1,135	3,055	7,429	12,362	18,755	26,474
Provisional permit	91	67	33	6	5	6
Visa-assurance	12	4	8	5	50	60
	End of June 1995	End of June 1996	End of June 1997	End of June 1998	End of June 1999	End of June 2000
Total	25,461	29,244	35,804	38,036	40,651	44,480
Of which:						
Work permit	11,692	9,358	7,491	5,585	5,234	5,092
Work entitlement	12,141	15,818	19,820	19,085	14,769	11,557
Permanent permit	1,486	4,000	8,429	13,345	20,613	27,760
Provisional permit	130	65	55	7	8	11
Visa-assurance	12	3	9	14	27	60
	End of September 1995	End of September 1996	End of September 1997	End of September 1998	End of September 1999	
Total	27,833	30,468	36,689	37,951	41,882	
Of which:						
Work permit	10,903	9,020	6,944	5,398	4,960	
Work entitlement	14,638	16,591	19,734	17,631	13,596	
Permanent permit	2,112	4,792	9,918	14,891	23,299	
Provisional permit	170	60	82	5	3	
Visa-assurance	10	5	11	26	24	

Source: Federal Ministry of Economics and Labour.

Table 10: Residence status by country of origin

By 3 July 2001

	Less than 5 months	6 to 23 months	24 to 26 months	More than 26 months	Unlimited	Total
Total	5,331	81,918	48,219	88,752	305,783	530,003
Of which:						
Yugoslav Federation	500	13,786	9,640	15,483	95,427	134,836
Turkey	153	12,463	8,809	16,953	58,763	97,141
Bosnia	192	9,795	12,834	16,722	59,305	98,848
Croatia	575	5,818	3,634	10,085	35,278	55,390
Romania	474	3,898	1,344	4,502	8,261	18,479
Poland	702	2,894	1,315	4,150	11,178	20,239
Hungary	867	5,525	1,411	4,303	4,973	17,079
Slovenia	146	1,222	981	3,322	2,726	8,397
Czech Republic	272	1,856	990	2,616	2,817	8,551
Slovakia	551	3,294	972	2,064	2,871	9,752
Others	899	21,367	6,289	8,552	24,184	61,291

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

ii) Outflow of refugees

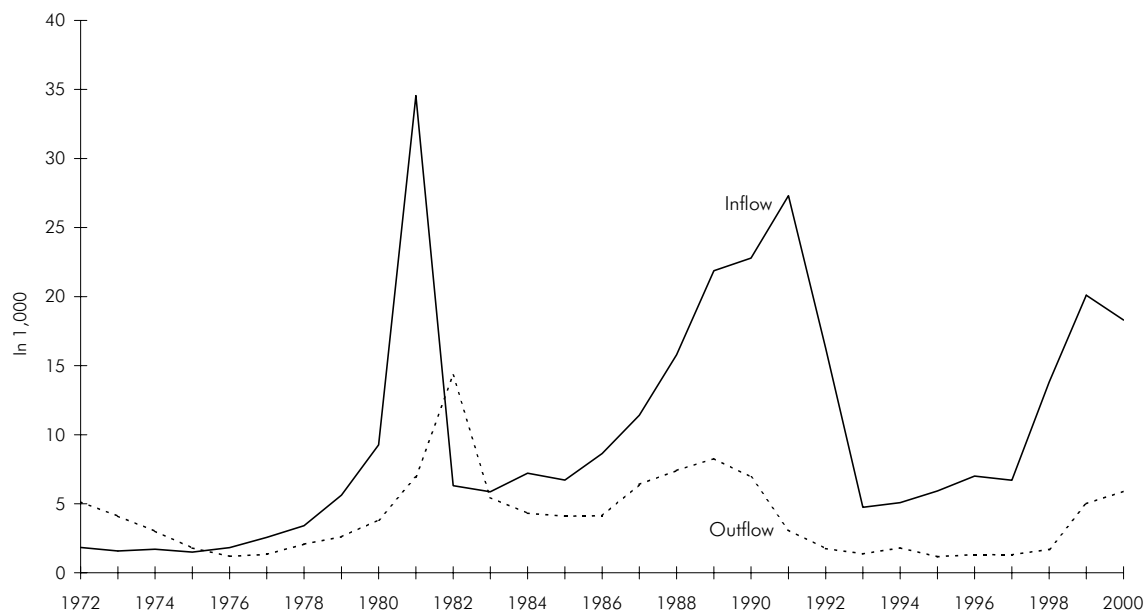
In the past, i.e., until 1989, asylum seekers and refugees (the majority from Eastern Europe) used Austria as a stepping stone for emigration to the traditional immigration countries overseas. Austria never conceived herself as an immigration country. Therefore an active integration scenario for refugees or immigrants was not put into place until rather recently, i.e., since the massive inflow of refugees from the region of former Yugoslavia in the early 1990s. The outflow of asylum seekers and refugees was therefore always quite high relative to the inflows. When looking at outflow data one has to bear in mind that there exists no comprehensive information on the outflow of refugees and asylum seekers. Only those figures are available, which are the result of processing emigration through IOM (International Organisation of Migration). These figures show a sharp decline from 1989 until 1995. Since then a slight increase has set in. In 1989 some 8,300 refugees had left Austria for destinations overseas; the number declined to 1,300 in 1996, remained at this level in 1997, rose slightly to 1,700 1998 and increased sharply in 1999 (5,000) and 2000 (5,900). The earlier reduction of registered outflows was on the one hand the consequence of policy changes in immigration countries – they tended to recruit directly from Eastern European countries through their diplomatic representations – on the other hand refugees themselves may have preferred to stay closer to their countries of origin. Only in 1999, as the number of asylum applications had reached record levels again and integration in Austria became more difficult, asylum seekers tended to leave again in larger numbers, in particular to other countries within Europe (3,000 or two thirds of all outflows) and to USA (1,000). In the year 2000, of the 5,900 refugees leaving Austria, 4,800 or 81 percent left for the United States.

Table 11: Outflow of refugees¹ via Austria 1972-2000

1972	5,140	1987	6,397
1973	4,105	1988	7,397
1974	3,012	1989	8,267
1975	1,787	1990	6,934
1976	1,186	1991	3,098
1977	1,335	1992	1,754
1978	2,071	1993	1,375
1979	2,597	1994	1,803
1980	3,818	1995	1,158
1981	6,909	1996	1,318
1982	14,317	1997	1,333
1983	5,441	1998	1,655
1984	4,314	1999	5,003
1985	4,103	2000	5,926
1986	4,131		

Source: International Organisation for Migration. – ¹ Outflow pertains only to refugees who leave Austria with the help of I.O.M.

Figure 5: Inflow and outflow of refugees via Austria
1972-2000



C) *Inflow of foreigners due to family reunion*

A central alien register has been installed by mid 1993 in the Ministry of Domestic Affairs in order to supply data on aliens, on the basis of which the parliament can fix annual entry quotas for the different groups of aliens. The register of aliens of the Ministry of Domestic Affairs does not undertake a full count of foreigners residing in Austria; it establishes only the number of persons of third country origin, who need a residence permit in Austria.

A mid-year count in 2001 of the number of residence permits shows a further rise versus a year ago. By 1 July 2001 530,000 third country citizens had a residence permit, 6,200 or 1.2 percent more than a year ago (Table 12). Slightly more than half the alien population (53 percent) of third country origin is male.

With the duration of stay in Austria the status of residence is changing. People who originally came to join their family members, and who were as a result not allowed to work, changed their residence permit after the passage of time (the rule being 4 to 5 years) to one with the option to take up work (*jeglicher Aufenthaltzweck*). As a result potential foreign labour supply rises. The number of persons with a residence permit, granted on the basis of work, amounted to 56,800, i.e., 10.7 percent of all residence permits. Another 207,900 or 39 percent had a residence permit, which allowed access to the labour market; to what extent this group of people actually works can not be deduced from the residence permit data. The two categories of residence permits ('for work' and 'for any purpose') are communicating vessels of a settler-type, long-term residence permit.

Table 12: Residence permits to citizens of Non-EU-member states by status and age

	By 1 July 1998			By 1 July 1999			By 1 July 2000			By 3 July 2001		
	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female
<i>Persons with a valid residence permit</i>												
Total	437,922 ¹	236,471	201,451	485,009 ¹	260,245	224,764	523,851 ¹	279,433	244,418	530,003 ²	281,282	248,721
<i>Age-group</i>												
0 to 19	137,108		147,751				156,418			152,695	78,703	73,992
20 to 30	98,037		103,498				107,921			108,824	48,988	59,836
31 to 40	102,704		113,621				122,617			123,059	68,597	54,462
41 to 50	65,209		74,389				80,870			82,176	48,905	33,271
51 to 60	23,967		31,320				38,152			43,051	26,178	16,873
over 60	10,897		14,430				17,873			20,198	9,911	10,287
Sum	437,922		485,009				523,851			530,003	281,282	248,721
<i>Reason of residence</i>												
Wage and salary employment	161,201		99,398				76,116	51,090	25,026	37,335	25,230	12,105
Work on own account	4,531		1,679				1,044	801	243	489	391	98
No limitations	55,596		143,429				187,229	118,849	68,380	207,914	130,448	77,466
Company transferees	216		986				1,227	997	230	1,854	1,537	317
Seasonals	2,732		3,029				4,910	3,243	1,667	6,676	4,364	2,312
Frontier workers	2,133		3,974				5,208	4,133	1,075	5,367	4,219	1,148
Commuters	261		434				655	535	120	865	741	124
Artists, etc.	1,245		3,474				4,110	2,450	1,660	4,252	2,592	1,660
Students	11,449		11,527				12,250	6,108	6,142	12,808	6,389	6,419
Family reunion with Austrian or EEA-citizen	26,554		35,778				47,230	19,436	27,794	57,968	23,821	34,147
Family reunion with a foreigner	130,197		76,592				56,636	23,293	33,343	26,752	10,691	16,061
Family reunion without right to work	49,357		120,823				154,004	64,955	89,049	154,163	64,959	89,204
Privateer	6,751		8,933				8,817	3,922	4,895	8,132	3,626	4,506
Pensioner	6,319		3,714				2,547	1,457	1,090	1,330	785	545
Others	4,783		4,385				4,661	1,771	2,890	4,098	1,489	2,609
Sum	463,325 ¹		518,155 ¹				566,644 ¹	303,040	263,604	530,003 ²	281,282	248,721

Source: Federal Ministry of the Interior, Central Alien Register. – ¹ The difference to the above total results from the possibility of double counting of residence rights. – ² Figures not strictly comparable with time before 2001, since double counting has been eliminated.

It is important to distinguish between temporary (Aufenthaltserlaubnis) and permanent residence permits (settlers = Niederlassungsbewilligung). Only a relatively small number of the annual inflow of settlers and temporary residents is regulated by quotas. In the case of application for settlement, family members of Austrians or EU/EEA citizens of third country origin face no barriers/waiting lines to entry, just as artists, people working in the media and some other small groups which are specified in the foreign worker law. In the first half of the year 2001 6,900 new settler visas were granted outside the quota regulation. This was a larger number than the group of persons which enters Austria with the intention of settling within the quota regulation. In the first half of 2001 5,900 settlers entered the country within the quota (which is determined annually by the regional states together with the Minister of Domestic Affairs). The largest group of settlers are the result of family reunion with third country citizens who already settled in Austria. Only a relatively small number received a settler residence permit on the basis of their scarce skills, and thus on the basis of labour market needs (1,100). Even in that number some family members are included, who are not working but have the right to work/attend school (Table 13).

Temporary residence permits are in the main not regulated by quotas of the Ministry of Domestic Affairs on the basis of the Alien Law. Only foreign commuters, who cross the borders to take up work in an administrative district not bordering the country of origin of the commuter (Pendler) need a residence permit for which a quota is specified. In the first half of 2001 only 87 such permits were issued.

In the first half of 2001 all in all 16,500 temporary residence permits were issued to persons of third country origin – the largest number to seasonal workers (8,600 or 52 percent). The Ministry of Economic Affairs and Labour determines, together with the social partners, how many seasonal workers are allowed to work in Austria in agriculture (basically harvesters) and tourism.

Legal framework for family reunion of citizens of third country origin

Every foreigner who is legally residing in Austria on a permanent basis (settler) has a right to family reunion (partner and dependent children under the age of 15) if an application is filed (§29Alien Law)³. This type of family reunion is not capped by an annual quota.

Only if foreigners of third country origin are residing in Austria on the basis of a quota do they have to abide to quota rulings in the case of family reunion. In that situation one may distinguish 4 types of family reunion quotas:

1. Highly skilled workers, their partners and dependent children; 2000 the quota for this type of inflow of settlers was 1,010, 2001 the quota was raised to 1,613.

³ After 4 years of residence may the permanent residence permit (which was issued on the basis of family reunion) be transferred into a permanent settlement permit in its own right.

Table 13: Residence permits for citizens of third countries (non-EU) by residence status and gender
1 January 2001 to end of June 2001

	Male	Female	Total
<i>Settlement, for which annual quotas are specified</i>			
Highly skilled settlers and their partners and children			
With right to work	436	162	598
Family reunion without right to work	68	133	201
Sum	504	295	799
Un-, semi- and medium skilled workers, their partners and children			
With right to work	380	149	529
Family reunion without right to work	173	387	560
Sum	553	536	1,089
Family reunification			
Partner and children under 14			
Family reunion without right to work	1,235	2,306	3,541
Others	188	220	408
14 to 19 year olds			
Family reunion without right to work	10	4	14
Sum of all settlers within the quota regulation	2,490	3,361	5,851
<i>Settlement outside the quota regulation</i>			
Family reunion with EEA-citizen	53	110	163
Family reunion with Austrian	2,555	3,534	6,089
Others	57	102	159
Working for the media	5	3	8
Artists	103	48	151
Other employment outside the foreign worker regulation	228	143	371
Sum of all those who are free to settle in Austria (no quota)	3,001	3,940	6,941
Sum of all settlement permits	5,491	7,301	12,792
<i>Temporary resident permits within an annual quota</i>			
Commuters	72	15	87
<i>No annual quota limitation</i>			
Students of higher education	1,030	884	1,914
Family reunion with Students of higher education	39	54	93
Students	185	223	408
Family reunion with Students	1	5	6
Intercompany transferees	716	95	811
Family reunion with intercompany transferees	37	73	110
Voluntary work experience	209	45	254
Cross border workers	383	117	500
Commuters	4	1	5
Seasonal workers ¹	5,374	3,269	8,643
Self-employed	299	701	1,000
Residence on humanitarian grounds	342	437	779
Artists	465	640	1,105
Other employment outside the foreign worker regulation	169	108	277
Stageairs	427	67	494
Sum of temporary residence permits for which there is no quota	9,680	6,719	16,399
Sum of all temporary residence permits	9,752	6,734	16,486

Source: Federal Ministry of the Interior, Central Alien Register. –¹ The number of migrant seasonal workers is determined by the Ministry of Economic Affairs and Labour.

Table 14: Annual quota and number of applications for settlement

Settlement permits by quota category

	Highly skilled workers	Other workers	Family reunification	Others	Sum
Applications by category (by June 30, 2001)					
Burgenland	4	23	89	12	128
Carinthia	65	19	52	6	142
Lower Austria	62	388	442	88	980
Upper Austria	76	46	473	21	616
Salzburg	17	46	235	38	336
Styria	66	81	293	27	467
Tyrol	31	46	338	21	436
Vorarlberg	29	25	427	34	515
Vienna	366	472	1,490	486	2,814
Austria	716	1,146	3,839	733	6,434
Annual quota for 2001					
Burgenland	30	40	160	10	240
Carinthia	40	10	30	10	90
Lower Austria	225	250	1,060	70	1,605
Upper Austria	163	40	1,050	10	1,263
Salzburg	45	60	210	50	365
Styria	210	50	450	30	740
Tyrol	90	70	280	25	465
Vorarlberg	60	45	200	15	320
Vienna	750	250	2,050	200	3,250
Austria	1,613	815	5,490	420	8,338
Difference between applications by mid year and annual quota limit for the whole year 2001					
Burgenland	26	17	71	– 2	112
Carinthia	– 25	– 9	– 22	4	– 52
Lower Austria	163	– 138	618	– 18	625
Upper Austria	87	– 6	577	– 11	647
Salzburg	28	14	– 25	12	29
Styria	144	– 31	157	3	273
Tyrol	59	24	– 58	4	29
Vorarlberg	31	20	– 227	– 19	– 195
Vienna	384	– 222	560	– 286	436
Austria	897	– 331	1,651	– 313	1,904

Source: Federal Ministry of the Interior.

2. Foreigners who came to Austria after January 1, 1998 have to make their interest in family reunion known to the authorities in the year in which they themselves are receiving permanent residence status. In such a case the immigration of family members is included in the quota of the first entrant. 2000 the quota for this type of inflow of settlers was 1,000, 2001 the quota was lowered to 815.

3. Foreigners who came to Austria before January 1, 1998 have a right to family reunion. The maximum number of settlers allowed to enter on this basis (quota) was 5,000 in the year 2000 and 5,490 in 2001.
4. Other persons of third country origin who want to settle in Austria without wanting to enter the labour market – the ceiling in 2000 was 490, in 2001 420.

In order to establish the backlog of cases of family reunion, the Ministry of Domestic Affairs asked the regional authorities to inform about the number of applications for family reunion, which were waiting to be processed. By the middle of 2001 357 foreign residents in Austria had filed an application for family reunion, involving a sum of 11,626 family members abroad. 97 percent of the applications were filed by foreigners who settled in Austria before January 1, 1998.

An analysis of all applications for settlement in Austria shows that a queue of family members waiting to enter Austria is building up in most provinces. Some regions, in particular Carinthia, are very restrictive in granting family reunion or even the inflow of highly skilled workers. This can be seen by comparing the number of applications for settlement in Austria by regional state with the quota in the various categories. While the number of applications in the first half of the year did not reach the ceiling for the inflow of immigrants in the year 2001 on average, this was not the case in the various categories and regions.

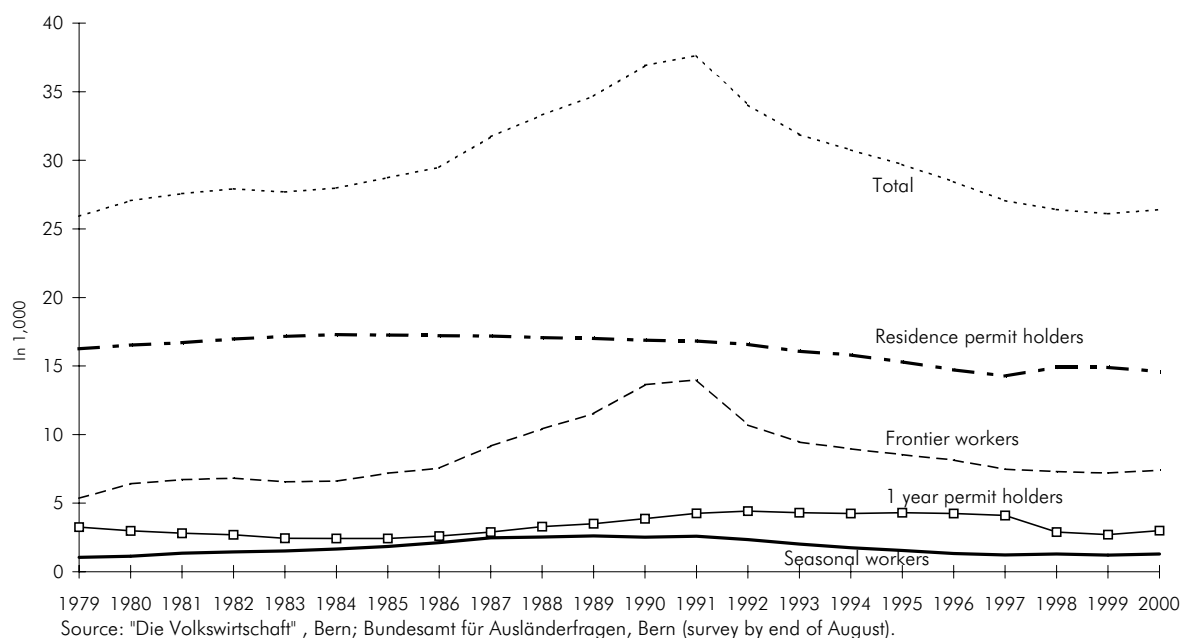
2. Emigration and return of nationals

The Austrian labour market is to a certain extent integrated with the industrialised countries bordering Austria in the West, and increasingly also the East and South-East. Until now reliable employment data of Austrians abroad is regularly available from Germany and Switzerland. By the end of August 2001 27,300 Austrians were employed in Switzerland, slightly more than a year ago (+900). The declining trend of the employment of Austrian citizens in Switzerland, which set in 1991, came to an end in 1999 and stabilised at the attained level. All employment categories of Austrians were more or less stable.

2001 7,558 cross-border workers were registered, the majority of them men (5,545 or 73 percent). The highest number of cross-border workers⁴ since the sixties was registered in 1990 with 13,988. The largest number of Austrian workers, however, has always been settler residence permit holders; by the end of August 2001 14,530 or 53,2 percent of all Austrians were permanent residents and thus not any more subject to control by the Swiss authorities. Their number has remained fairly stable since the 1980s.

⁴ Austrians who reside in Austria and work in Switzerland within the 10 km wide customs region.

Figure 6: Employment of Austrians in Switzerland by categories
1979-2000



In August 2001 12,800 Austrians worked on a contract basis, i.e., either as seasonal or cross-border workers, or with a work permit of one year. Seasonal workers were a comparatively small number of 1,400 in 2001. The gender distribution is slightly in favour of women (52 percent). The number of Austrians with a yearly contract has increased slightly to 3,800 (+800, +25 percent) in 2001.

In Germany the number of Austrian wage and salary earners declined in 1993 for the first time since the recession of the early 1980s. Ever since then the employment of Austrians has continued to shrink. In 2000 62,600 Austrians worked in Germany, 7,600 or 10.8 percent less than a year ahead. The continued decline of the number of Austrian wage and salary earners in Germany comes as a surprise in the light of significant net outflows of Austrians, in particular men in their prime working age, to Germany according to migration data by the Austrian Statistical Office. Anecdotal evidence suggests that this rising net outflow of Austrians to EU-member states, in particular Germany, is in the area of the so-called new economy and in high tech jobs, in which traditional social security employment does not play the same role as in the traditional economy.

Table 15: Austrian workers and salaried employees in the Federal Republic of Germany and in Switzerland

	Federal Republic of Germany Changes			2	Switzerland Changes			Total Changes	
	1	Absolute	Percent		Absolute	Percent		Absolute	Percent
1970	77,344	+14,570	+ 23.2	19,920	+ 55	+ 0.3	97,264	+14,625	+ 17.7
1971	93,088	+15,744	+ 20.4	18,903	- 1,017	- 5.1	111,991	+14,727	+ 15.1
1972	99,326	+ 6,238	+ 6.7	17,948	- 955	- 5.1	117,274	+ 5,283	+ 4.7
1973	101,000 ³	+ 1,674	+ 1.7	16,374	- 1,574	- 8.8	117,374	+ 100	+ 0.1
1974	96,000 ³	- 5,000	- 5.0	15,121	- 1,253	- 7.7	111,121	- 6,253	- 5.3
1975	78,000	-18,000	- 18.7	12,351	- 2,770	- 18.3	90,351	-20,770	- 18.7
1976	75,997	- 2,003	- 2.6	10,240	- 2,111	- 17.1	86,237	- 4,114	- 4.6
1977	74,985	- 1,012	- 1.3	9,538	- 702	- 6.9	84,523	- 1,714	- 2.0
1978	75,245	+ 260	+ 0.3	9,669	+ 131	+ 1.4	84,914	+ 391	+ 0.5
1979	83,698	+ 8,453	+ 11.2	9,657	- 12	- 0.1	93,355	+ 8,441	+ 9.9
1980	87,212	+ 3,514	+ 4.2	10,541	+ 884	+ 9.2	97,753	+ 4,398	+ 4.7
1981	87,441	+ 229	+ 0.3	10,866	+ 325	+ 3.1	98,307	+ 554	+ 0.6
1982	84,811	- 2,630	- 3.0	10,945	+ 79	+ 0.7	95,756	- 2,551	- 2.6
1983	82,187	- 2,624	- 3.1	10,518	- 427	- 3.9	92,705	- 3,051	- 3.2
1984	80,596	- 1,591	- 1.9	10,686	+ 168	+ 1.6	91,282	- 1,423	- 1.5
1985	80,644	+ 48	+ 0.1	11,473	+ 787	+ 7.4	92,117	+ 835	+ 0.9
1986	81,478	+ 834	+ 1.0	12,269	+ 796	+ 6.9	93,747	+ 1,630	+ 1.8
1987	83,306	+ 1,828	+ 2.2	14,522	+ 2,253	+ 18.4	97,828	+ 4,081	+ 4.4
1988	86,021	+ 2,715	+ 3.3	16,227	+ 1,705	+ 11.7	102,248	+ 4,420	+ 4.5
1989	88,701	+ 2,680	+ 3.1	17,665	+ 1,438	+ 8.9	106,366	+ 4,118	+ 4.0
1990	91,380	+ 2,679	+ 3.0	20,023	+ 2,358	+ 13.3	111,403	+ 5,037	+ 4.7
1991	93,352	+ 1,972	+ 2.2	20,827	+ 804	+ 4.0	114,179	+ 2,776	+ 2.5
1992	94,333	+ 981	+ 1.1	17,458	- 3,369	- 16.2	111,791	- 2,388	- 2.1
1993	93,155	- 1,178	- 1.2	15,781	- 1,677	- 9.6	108,936	- 2,855	- 2.6
1994	88,674	- 4,481	- 4.8	14,949	- 832	- 5.3	103,623	- 5,313	- 4.9
1995	83,587	- 5,087	- 5.7	14,393	- 556	- 3.7	97,980	- 5,643	- 5.4
1996	79,372	- 4,215	- 5.0	13,712	- 681	- 4.7	93,084	- 4,896	- 5.0
1997	74,845	- 4,527	- 5.7	12,802	- 910	- 6.6	87,647	- 5,437	- 5.8
1998	72,185	- 2,660	- 3.6	11,538	- 1,264	- 9.9	83,723	- 3,924	- 4.5
1999	70,179	- 2,006	- 2.8	11,198	- 340	- 2.9	81,377	- 2,346	- 2.8
2000	62,608	- 7,571	- 10.8	11,722	+ 524	+ 4.7	74,330	- 7,047	- 8.7

Source: "Arbeits- und sozialstatistische Mitteilungen", Bonn and "Amtliche Nachrichten der Bundesanstalt für Arbeit", Nürnberg; "Die Volkswirtschaft", Bern. –¹ June. –² August; excluding Austrians with permanent residence status. –³ Estimate.

II. Foreign residents and residents abroad

1. Foreign residents in Austria

In 2000 8,110,200 people resided in Austria (yearly average), 18,000 or 0.2 percent more than in 1999. Population growth has thus gained momentum the second year in a row. Population change has returned to the average growth rates of the mid 1990s – after a transitory slowdown in 1998. The reason for the relatively high population growth was the reduction of net outmigration of Austrians (from 9,100 1999 to 5,900 2000) while the net inflow of foreigners remained at a relatively high level (29,400 1999 versus 23,200 2000). Consequently, the number of foreign residents in Austria rose almost as much as a year ago, i.e., by 9,700 or 1.3 percent to 757,900. The share of foreigners in the total population increased thus somewhat to 9.3 percent after 9.2 percent in 1999. The share of EU citizens in the total population was 1.2 percent.

Natural population growth was positive in the case of foreigners, i.e., the balance between births and deaths was positive (+9,000), to such an extent that the negative balance of Austrians (–7,500) was more than compensated. The number of naturalisations was as high as in the peak year 1999 (24,300) thus putting the breaks on foreign population growth.

The increase in the number of Austrians (+8,300) is the combined result of a large number of naturalisations and a reduction in net outflows of Austrians, which more than countered the negative balance of births and deaths of Austrians. The large number of naturalisations is a mirror of the massive inflow of migrants at the beginning of the 1990s. They have become eligible for Austrian citizenship.

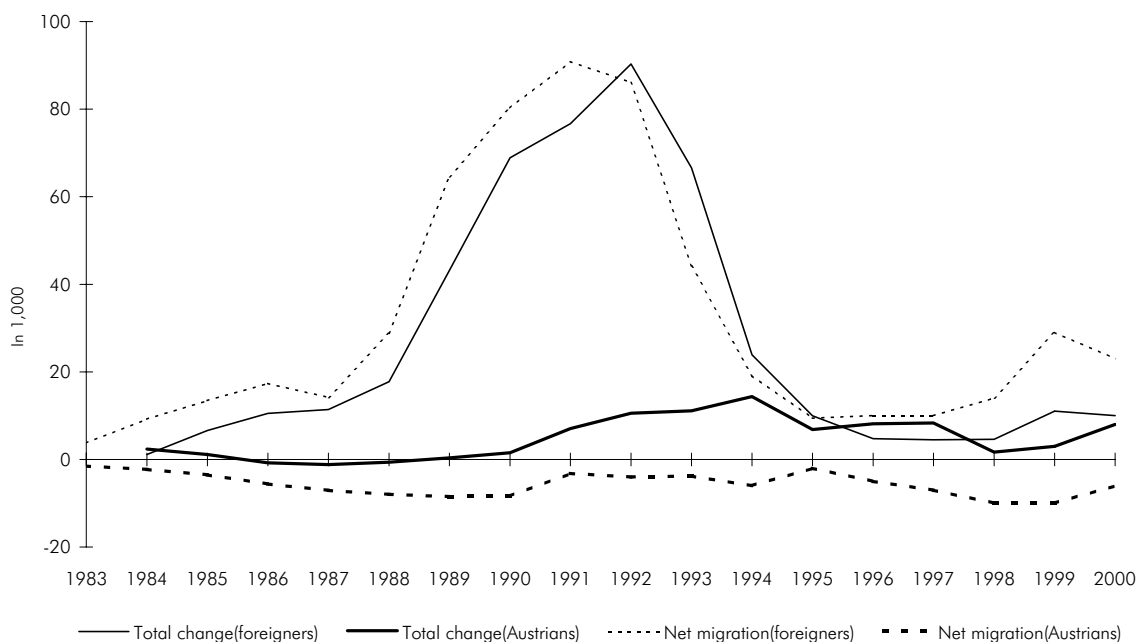
Net immigration of foreigners has declined from a peak of 91,000 in 1991 to 9,400 1995. Since then, net inflows have remained more or less at this level until 1997. 1998 marked the beginning of a new rise in the inflow rates of foreigners. Net migration of Austrians has, in contrast, been negative for a long period of time, whereby net outflows of Austrians increased between 1995 and 1999. 2000 saw a decline of net outmigration of Austrians to 5,900. Total population growth of foreigners (+9,700) is the combined effect of two positive balances, net immigration and natural population growth, and a negative one, i.e., a reduction of the number of foreigners as a result of naturalisations. In the case of Austrians, as a result of foreigners adopting the Austrian citizenship in large numbers, the number of Austrians increases even though the sum of natural population growth of Austrians and net migration is negative. Net outmigration of Austrians, basically into the EU, was more than offset by net immigration of EU citizens.

Table 16: Foreign residents in Austria

	Population		Total	Population change between beginning and end of year		
	Yearly average	Changes absolute		Birth-death	Migration	Naturalisation
				<i>Total</i>		
1983	7,567,016	.	- 646	- 2,923	+ 2,277	.
1984	7,570,529	+ 3,513	+ 7,671	+ 768	+ 6,903	.
1985	7,578,261	+ 7,732	+ 7,796	- 2,138	+ 9,934	.
1986	7,587,989	+ 9,728	+ 11,658	- 107	+ 11,765	.
1987	7,598,154	+ 10,165	+ 8,670	+ 1,596	+ 7,074	.
1988	7,615,279	+ 17,125	+ 25,584	+ 4,789	+ 20,795	.
1989	7,658,801	+ 43,522	+ 61,457	+ 5,352	+ 56,105	.
1990	7,729,236	+ 70,435	+ 79,415	+ 7,502	+ 71,913	.
1991	7,812,971	+ 83,735	+ 98,852	+ 11,201	+ 87,651	.
1992	7,913,812	+ 100,841	+ 94,207	+ 12,140	+ 82,067	.
1993	7,991,485	+ 77,673	+ 53,024	+ 12,710	+ 40,314	.
1994	8,029,717	+ 38,232	+ 24,838	+ 11,731	+ 13,107	.
1995	8,046,535	+ 16,818	+ 14,937	+ 7,498	+ 7,439	.
1996	8,059,385	+ 12,850	+ 13,010	+ 8,019	+ 4,991	.
1997	8,072,182	+ 12,797	+ 7,613	+ 4,613	+ 3,000	.
1998	8,078,449	+ 6,267	+ 7,394	+ 2,894	+ 4,500	.
1999	8,092,254	+ 13,805	+ 19,738	- 62	+ 19,800	.
2000	8,110,244	+ 17,990	+ 18,788	+ 1,488	+ 17,300	.
				<i>Austrians</i>		
1983	7,270,364	.	+ 1,380	- 7,011	- 1,504	+ 9,895
1984	7,272,741	+ 2,377	+ 3,374	- 2,148	- 2,269	+ 7,791
1985	7,273,879	+ 1,138	- 1,097	- 4,900	- 3,505	+ 7,308
1986	7,273,106	- 773	- 450	- 2,912	- 5,598	+ 8,060
1987	7,271,907	- 1,199	- 1,948	- 1,499	- 7,065	+ 6,616
1988	7,271,259	- 648	+ 651	+ 1,299	- 7,962	+ 7,314
1989	7,271,618	+ 359	+ 68	+ 1,247	- 8,484	+ 7,305
1990	7,273,175	+ 1,557	+ 3,046	+ 2,439	- 8,373	+ 8,980
1991	7,280,225	+ 7,050	+ 11,980	+ 4,017	- 3,174	+ 11,137
1992	7,290,780	+ 10,555	+ 9,976	+ 2,320	- 4,000	+ 11,656
1993	7,301,882	+ 11,102	+ 12,038	+ 1,707	- 3,800	+ 14,131
1994	7,316,214	+ 14,332	+ 10,262	+ 987	- 6,000	+ 15,275
1995	7,323,052	+ 6,838	+ 9,543	- 2,823	- 2,000	+ 14,366
1996	7,331,195	+ 8,143	+ 8,446	- 2,181	- 5,000	+ 15,627
1997	7,339,511	+ 8,316	+ 4,142	- 4,650	- 7,000	+ 15,792
1998	7,341,172	+ 1,661	+ 1,897	- 6,089	- 9,800	+ 17,786
1999	7,344,082	+ 2,910	+ 6,047	- 9,028	- 9,603	+ 24,678
2000	7,352,367	+ 8,285	+ 10,889	- 7,483	- 5,948	+ 24,320
				<i>Foreigners</i>		
1983	296,652	.	- 2,026	+ 4,088	+ 3,781	- 9,895
1984	297,788	+ 1,136	+ 4,297	+ 2,916	+ 9,172	- 7,791
1985	304,382	+ 6,594	+ 8,893	+ 2,762	+ 13,439	- 7,308
1986	314,883	+ 10,501	+ 12,108	+ 2,805	+ 17,363	- 8,060
1987	326,247	+ 11,364	+ 10,618	+ 3,095	+ 14,139	- 6,616
1988	344,020	+ 17,773	+ 24,933	+ 3,490	+ 28,757	- 7,314
1989	387,183	+ 43,163	+ 61,389	+ 4,105	+ 64,589	- 7,305
1990	456,061	+ 68,878	+ 76,369	+ 5,063	+ 80,286	- 8,980
1991	532,746	+ 76,685	+ 86,872	+ 7,184	+ 90,825	- 11,137
1992	623,032	+ 90,286	+ 84,231	+ 9,820	+ 86,067	- 11,656
1993	689,603	+ 66,571	+ 40,986	+ 11,003	+ 44,114	- 14,131
1994	713,503	+ 23,900	+ 14,576	+ 10,744	+ 19,107	- 15,275
1995	723,483	+ 9,980	+ 5,394	+ 10,321	+ 9,439	- 14,366
1996	728,190	+ 4,707	+ 4,564	+ 10,200	+ 9,991	- 15,627
1997	732,671	+ 4,481	+ 3,471	+ 9,263	+ 10,000	- 15,792
1998	737,277	+ 4,606	+ 5,497	+ 8,983	+ 14,300	- 17,786
1999	748,172	+ 10,895	+ 13,691	+ 8,966	+ 29,403	- 24,678
2000	757,877	+ 9,705	+ 7,899	+ 8,971	+ 23,248	- 24,320

Source: Statistics Austria.

Figure 7: Net migration and total change in population

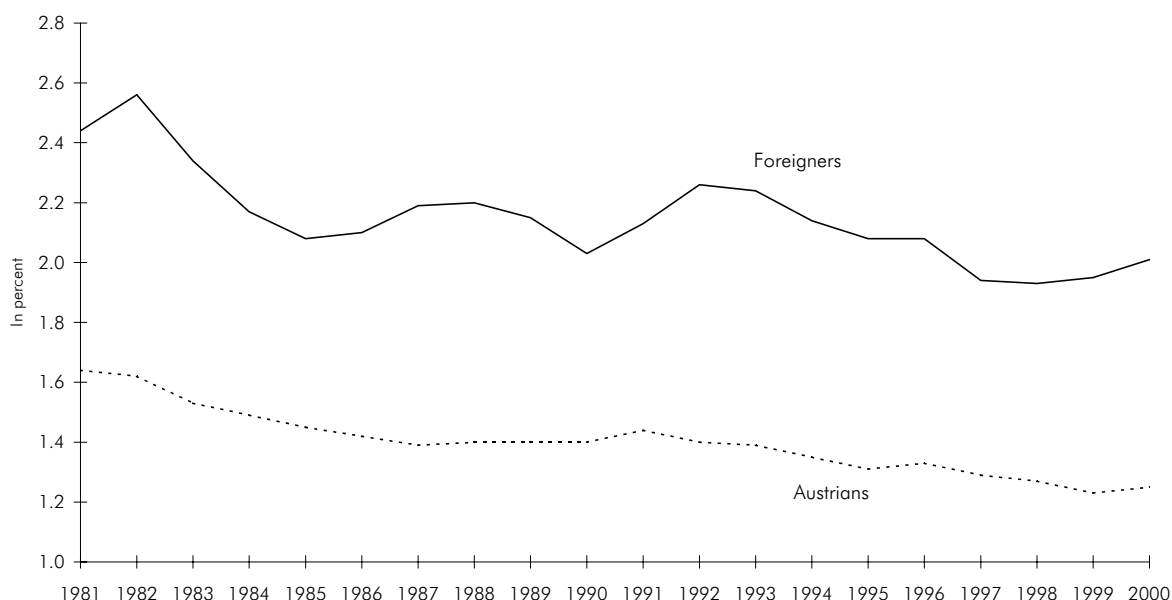


The number of live births in Austria has been declining from a peak of 95,300 in 1992 to 88,700 in 1995. It remained at this level in the following year but took a dip again in 1997. In 1997 the number of births declined significantly (–4,800, –5.4 percent) and continued to do so well into the current year. In 2000 the number of live births was 77,400, 900 (–1.1 percent) less than a year ago. The increase in births between 1988 and 1992 had thus been short-lived; it had been the consequence of an above average inflow of young migrants who happened to have had at the same time an above average fertility compared to Austrians. The declining number of births since then has to be seen as a result of the declining fertility rate of Austrian and foreign women. The fertility of Austrian women has stabilised in 1999 (1.25), while it increased slightly in the case of foreign women from 1.93 1998 to 2.01 2000.

The total number of births to Austrian mothers amounted to 67,700 in 2000, +200 or +0.3 percent versus 1999, and the number of births to foreign women amounted to 10,400, –100 (–0.9 percent) versus 1999. The increasing number of foreign births between 1992 and 1995 was solely the result of a rising number of young and medium aged foreign women and not the consequence of a rise in the fertility rate of foreign women in Austria. The fertility rate of foreign women decreased over this time span from 2.26 children per woman to 1.95, i.e., by 15 percent. The fertility rate of Austrian women has decreased between 1992 and 1999 by 6 percent to 1.23 children per woman. The share of foreign births in the total number of births has increased between 1992 and 2000 from 12.2 percent to 13.5 percent.

Figure 8: Total fertility rate of Austrian and foreign women

Average number of children per woman



2. Number of naturalisations

In the course of the eighties many foreigners became naturalised. In Vienna, contrary to western provinces, a conscious integration policy of foreigners through naturalisations has been pursued. The law regulating naturalisation specifies that, given certain conditions, a foreigner may be naturalised after less than 10 years of stay in Austria. In Vienna a valid work permit was reason enough to grant Austrian citizenship after 4 to 5 years. The population of Vienna augmented only due to the influx of foreigners. The authorities in Vienna discontinued the liberal practice of granting Austrian citizenship in 1993 as a consequence of rising xenophobia. The general practice that poor newly naturalised foreigners had preferential access to council housing in Vienna tended to fuel the discontent (foreigners do not have access to council housing in Vienna). In spite of the increasingly narrow interpretation of the law on naturalisation the number of naturalisations augmented significantly since 1991, as foreign worker legislation and residence permit requirements for third country citizens became more restrictive. The increasing propensity of third country citizens to take up the Austrian citizenship is an indicator of the permanent character of a large proportion of immigration in Austria. The increasing difficulties of citizens of a non-member country of the EU to access the labour market tend to boost the propensity to apply for Austrian

citizenship. The significant boost to naturalisations since 1999 is a result of the eligibility to citizenship of the large wave of immigrants of the late 1980s and early 1990s.

In 2000 24,600 foreigners adopted the Austrian citizenship, about as many as a year earlier. The gender distribution was fairly even in both years. 58 percent of the new Austrian citizens were so-called former 'guest workers', i.e., Turks (6,700 or 27.3 percent) and Yugoslavs (7,600, 30.7 percent). The third large component of naturalisations were citizens from Central and Eastern Europe (4,800, 19.3 percent). The naturalisation rate (naturalisations in percent of foreign population) increased continually from 1997 to 1999 (from 2.2 to 3.3 percent) and remained at that level in 2000. It is basically citizens of Non-EU-countries, who adopt the Austrian citizenship, because it enables them not only to move freely within Austria but also within the EU.

Between 1991 and 2000 169,700 foreigners took up Austrian citizenship, 57 percent from former Yugoslavia (49,100, 28.9 percent) and Turkey (48,400, 28.5 percent). In contrast – over the period 1980 to 1990 88,000 foreigners were naturalised, of whom 25 percent from the above countries of origin. Then Germans and citizens of the former 'Eastern Block' were the main contenders. If one calculates a rate on foreign born in the Austrian population, one comes up with 10.4 percent, a higher rate than in USA, and one of the highest in Europe. A rising share of foreigners is born in Austria. Currently some 146,000 or about 20 percent of total foreign resident population have been born in Austria or live here since before they had reached the age of 3.

Figure 9: Natural increase and naturalisations

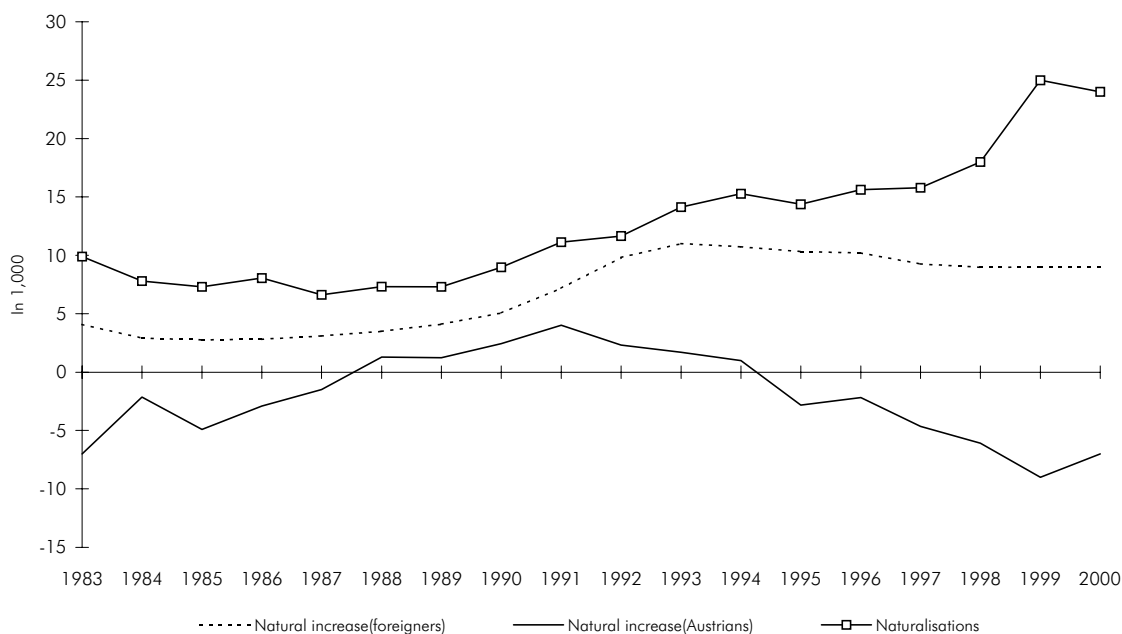


Table 17: Naturalisations in Austria

	Former Yugoslavia	Central and Eastern European Countries	Former nationality		Total	Women
			FRG	Turkey		
1950	182	950	3,723	.	21,416	6,720
1951	119	538	2,390	.	21,176	6,544
1952	83	445	1,760	.	15,979	4,872
1953	136	423	1,128	.	11,484	3,722
1954	128	295	693	.	12,963	4,436
1955	167	308	695	.	21,883	7,077
1956	298	390	1,012	.	18,815	5,874
1957	156	378	1,022	.	10,824	3,222
1958	159	430	989	.	4,959	1,504
1959	186	527	937	.	4,488	1,308
1960	252	419	879	.	3,749	1,131
1961	215	685	808	.	3,597	1,045
1962	204	621	758	.	2,977	855
1963	220	552	656	.	2,624	729
1964	181	566	585	.	2,451	651
1965	193	581	475	.	2,242	608
1966	417	764	743	.	2,975	1,294
1967	721	1,261	1,818	.	5,409	3,380
1968	833	1,153	1,895	.	5,485	3,556
1969	946	1,126	1,834	.	5,460	3,628
1970	978	1,159	1,828	.	5,565	3,711
1971	978	1,117	1,756	.	5,521	3,708
1972	941	1,087	2,114	.	6,017	4,049
1973	952	1,496	1,876	.	6,183	4,025
1974	967	1,423	2,215	.	6,648	4,391
1975	1,039	1,297	2,546	.	7,139	4,581
1976	1,103	1,262	2,563	.	7,545	4,666
1977	1,369	1,042	2,374	.	7,405	4,294
1978	1,217	1,107	2,106	.	6,942	4,129
1979	1,432	1,327	2,103	.	7,754	4,555
1980	1,839	1,453	2,210	.	8,602	4,995
1981	1,517	1,555	1,960	.	7,980	4,822
1982	1,204	1,591	1,946	301	7,752	4,835
1983	2,262	1,777	2,804	306	10,904	6,404
1984	1,428	1,129	2,589	323	8,876	4,006
1985	1,449	1,368	2,091	296	8,491	4,025
1986	1,463	2,191	2,299	334	10,015	4,752
1987	1,416	1,847	1,381	392	8,114	3,955
1988	1,731	1,985	1,125	509	8,233	4,012
1989	2,323	1,664	886	723	8,470	4,305
1990	2,641	2,118	517	1,106	9,199	4,704
1991	3,221	2,413	455	1,809	11,394	5,685
1992	4,337	1,839	410	1,994	11,920	6,033
1993	5,791	1,858	406	2,688	14,402	7,490
1994	5,623	2,672	328	3,379	16,270	8,394
1995	4,538	2,588	202	3,209	15,309	7,965
1996	3,133	2,083	140	7,499	16,243	8,604
1997	3,671	2,898	164	5,068	16,274	8,600
1998	4,151	3,850	157	5,683	18,321	9,532
1999	6,745	3,515	91	10,350	25,032	12,649
2000	7,576	4,758	102	6,732	24,645	12,415

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

3. Migrants by period of immigration, country of origin, gender and current citizenship

The EU labour force survey includes some questions, which are of relevance for migration analysis, e.g., current citizenship, country of origin, time of immigration, etc.. In the following some information derived from the LFS of March 2000 is provided.

839,600 persons or 10.3 of the resident population say that they are migrants and have not been born in Austria. Immigration had two peaks, one in the 1950s and 1960s and another one in the late 1980s and early 1990s. Both peaks were linked with political upheavals in the countries of origin and have thus a strong refugee bias. The economically induced pull immigration in the 1960s and early 1970s was tame by comparison. The proportion of male to female immigrants was over the whole period in favour of women (54 percent). The larger share of women is in the main a result of the longer life expectancy of women – taking the long time horizon of immigration into account. 126,800 persons immigrated before 1960, the major part were refugees from WW II. The inflow of the 1960s until the late 1980s was to a large extent the result of foreign worker immigration with slightly more men than women. The rapid rise in inflows in the early 1990s was to a large extent refugee immigration from the region of former Yugoslavia and inflows from CEECs as a result of the breakdown of communist regimes – on balance favouring an intake of women.

Figure 10: Immigrant resident population by gender and period of immigration

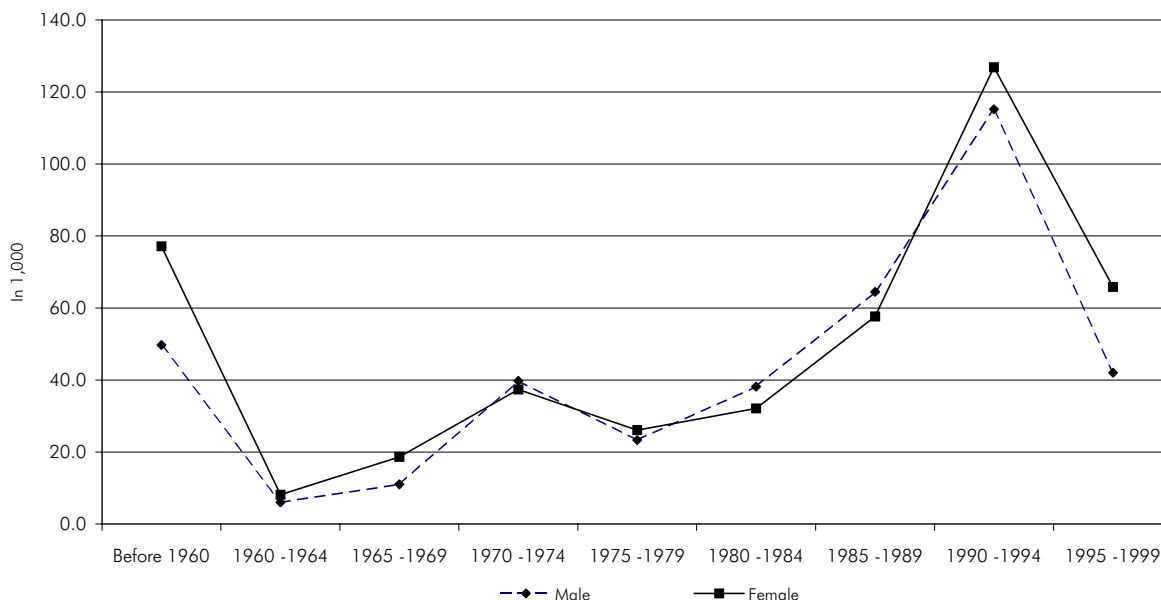
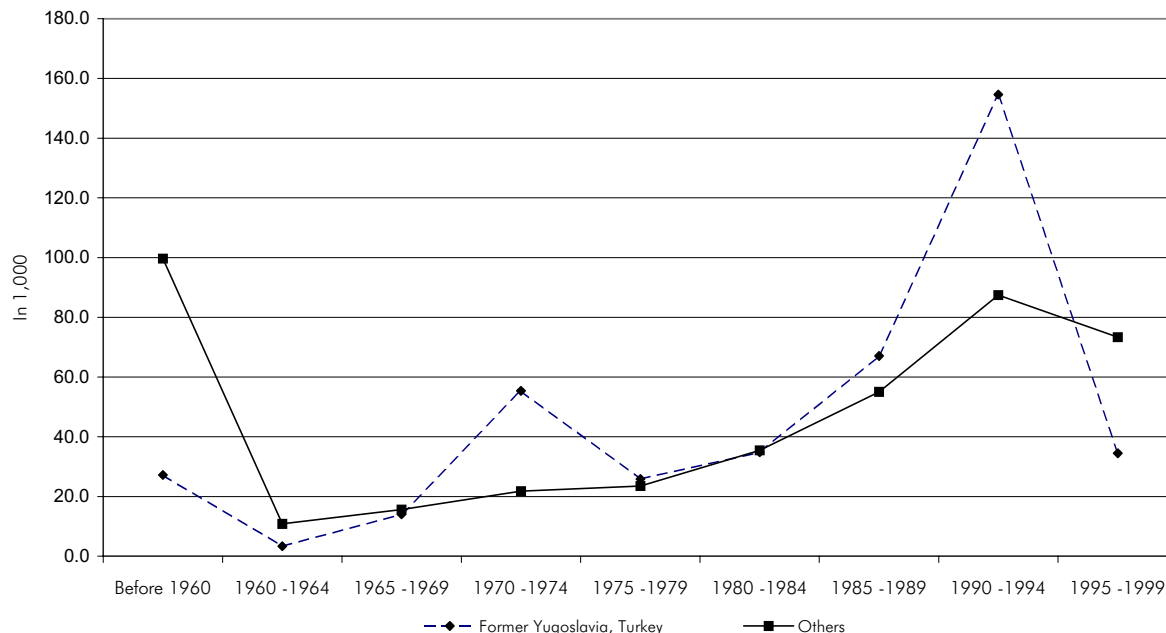


Figure 11: Immigrant resident population by country of birth and period of immigration



Over the whole period, 39 percent of the immigrants have adopted the Austrian citizenship. The proportion of migrants who have become naturalised increases with the duration of stay in Austria. Almost all persons who came to Austria before 1960 had acquired the Austrian citizenship by the year 2000 (97 percent of women and 95 percent of men). The proportion of immigrants who arrived between 1960 and 1973 and had not become Austrian citizens amounted to 48 percent (58 percent of men and 39 percent of women). Of those who had arrived between 1974 and 1988 the proportion of non-naturalised rises to 58 percent (62 percent of men and 54 percent women) and of those who arrived between 1989 and 1993 83 percent are still foreign citizens (84 percent of men and 81 percent of women). Of those who came after 1994 only 12 percent have become Austrian citizens.

The highest shares of naturalisation have migrants from CEECs; they range from 94 percent for persons arriving between 1960 and 1973 to 66 percent for those arriving between 1974 and 1988. The naturalisation rate is much higher than for Yugoslavs (36 percent and 28 percent) and Turks (31 percent and 29 percent) for the same periods of immigration.

Table 18: Migrant resident population by current citizenship, period of immigration and country of origin

Country of origin	Immigrants Total	Period of immigration				
		Before 1960	1960 to 1973	1974 to 1988	1989 to 1993	1994 to 1999
Total absolute number of immigrants	839,600	126,800	109,600	203,800	276,400	123,000
Proportion (in percent) who kept the foreign citizenship						
Foreign citizens: Total						
02 – Germany	49	4	25	54	77	89
03 – Other EU 15 + EEA	57	8	32	76	81	88
04 – Former Yugoslavia	75	6	64	72	91	90
05 – Turkey	77	73	69	71	82	99
06 – Selected CEECs ¹	41	1	6	34	75	93
07 – Other Europe	42	.	.	42	39	83
08 – USA	44	.	36	26	.	55
09 – Africa	43	.	.	27	56	51
10 – Asia	50	.	28	23	61	84
11 – Australia, Oceania	60	.	40	63	100	28
Total	61	4	48	58	83	88
Foreign citizens: Men						
02 – Germany	55	7	35	67	69	88
03 – Other EU 15 + EEA	61	8	30	87	74	87
04 – Former Yugoslavia	79	9	74	77	90	91
05 – Turkey	75	64	69	68	85	97
06 – Selected CEECs ¹	46	1	14	42	85	97
10 – Asia	46	.	.	33	57	81
Total	65	5	58	62	84	88
Foreign citizens: Women						
02 – Germany	44	2	17	46	84	89
03 – Other EU 15 + EEA	54	9	33	63	88	88
04 – Former Yugoslavia	72	4	55	67	91	89
05 – Turkey	79	79	69	74	79	.
06 – Selected CEECs ¹	37	1	4	25	68	92
10 – Asia	52	.	39	9	63	85
Total	58	3	39	54	81	88

Source: Statistics Austria, Labour Force Survey March 2000. – ¹ CEEC: Central and Eastern European Countries.

4. Development of mixed marriages

The number of total marriages in Austria has been stable for a long time – apart from some temporary increases as a result of marriage premia. The premia never had any long run impact on marriage behaviour, they did, however, have a significant effect upon the number of first marriages for the period, in which tax benefits or a marriage bonus were granted (see Figure 12). Also foreigners had access to marriage premia.

Figure 12: Total marriages and marriages of nationals



The proportion of marriages with both spouses nationals has declined significantly over the last 27 years. In 1971 94 percent of all marriages were between nationals. In 2000, however, their share has come down to 79.6 percent. The share of foreign marriages (with both spouses foreigners) increased from 0.7 percent 1971 to 4.1 percent 2000. The number of mixed marriages increased as well. While in 1971 only 5.2 percent of all marriages were with an Austrian spouse and foreign partner, their share rose to 16.3 percent in 2000. Traditionally the propensity to marry a foreigner is higher with Austrian men and a foreign spouse. Their share in total marriages amounted to 3.6 percent 1971 and rose to 10.7 percent 2000. In contrast only 1.6 percent of all marriages in 1971 were mixed, with the wife being Austrian and the husband foreign. This share has increased over time as well but not to the same extent as for men. In 2000 5.5 percent of all marriages were mixed with the wife being Austrian and the husband foreign.

The reasons for the disparate development of marriages are complex and not solely due to demographic change. Behavioural factors are also responsible, e.g., Austrians tend not to marry to the same extent and at such an early age as in the olden days, i.e., the 1960s and 1970s. In addition, Austria's immigrant population tends to look for potential spouses in their countries of origin, often also third generation immigrants. In 1999 the Citizenship Law was amended to the extent that in the case of mixed marriages the partner of third country origin is eligible for Austrian citizenship only after 5 years of marriage with the same partner.

Citizens of the EU/EEA may apply for Austrian citizenship after 4 years of residence, in contrast to citizens of third country origin who have to prove 10 years of residence. Exceptions are cases of special service to the country or special talent, e.g., artists, high achievers in sports, science, business, etc..

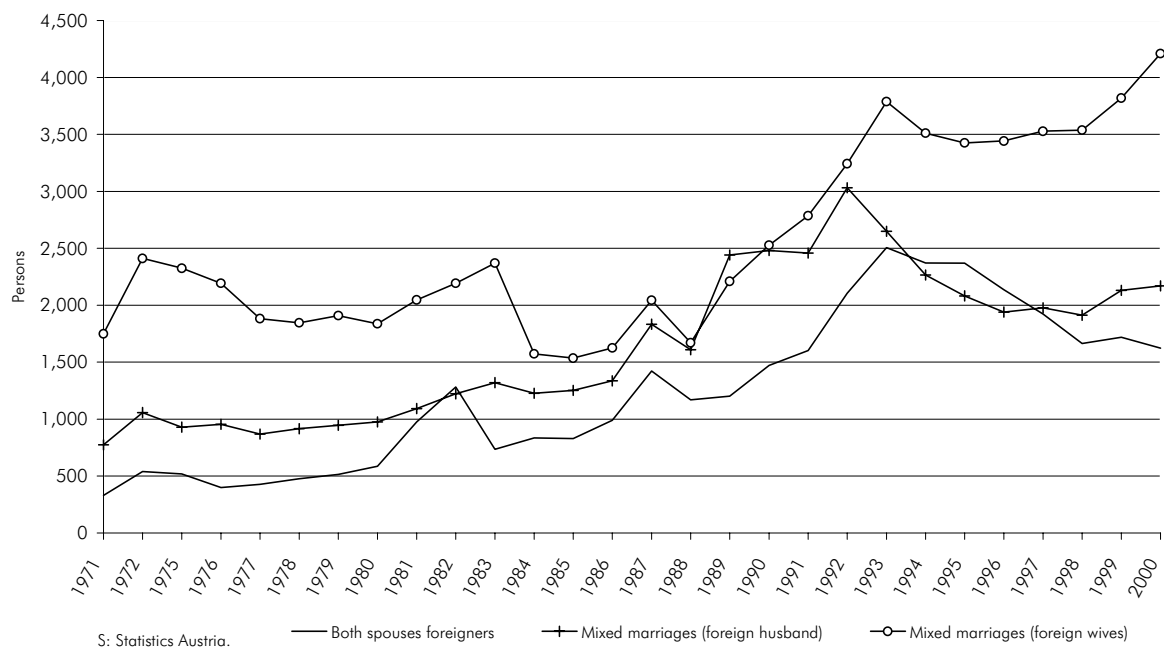
Table 19: Marriages of Nationals and Foreigners

	Total marriages	Both spouses Nationals	Both spouses Foreigners	Mixed marriages: of which	
				Foreign husband	Foreign wife
1971	48,166	45,312	331	774	1,749
1972	57,372	53,365	539	1,057	2,411
1975	46,542	42,769	518	930	2,325
1976	45,767	42,220	399	955	2,193
1977	45,378	42,198	428	869	1,883
1978	44,573	41,334	477	916	1,846
1979	45,445	42,077	514	945	1,909
1980	46,435	43,037	586	976	1,836
1981	47,768	43,652	976	1,093	2,047
1982	47,643	42,947	1,281	1,222	2,193
1983	56,171	51,745	736	1,321	2,369
1984	45,823	42,187	836	1,228	1,572
1985	44,867	41,250	830	1,252	1,535
1986	45,821	41,871	989	1,336	1,625
1987	76,205	70,907	1,421	1,834	2,043
1988	35,361	30,911	1,170	1,609	1,671
1989	42,523	36,670	1,202	2,441	2,210
1990	45,212	38,734	1,470	2,482	2,526
1991	44,106	37,260	1,603	2,458	2,785
1992	45,701	37,323	2,105	3,031	3,242
1993	45,014	36,072	2,506	2,649	3,787
1994	43,284	35,137	2,371	2,265	3,511
1995	42,946	35,070	2,369	2,082	3,425
1996	42,298	34,778	2,137	1,940	3,443
1997	41,394	33,966	1,923	1,977	3,528
1998	39,143	32,030	1,664	1,912	3,537
1999	39,485	31,816	1,719	2,131	3,819
2000	39,228	31,226	1,623	2,170	4,209

Source: Statistics Austria.

The most frequent mixed marriage of an Austrian with a foreign citizen is with somebody from former Yugoslavia (700 in 1999), followed by Germans (500 in 1999), former Czechoslovakia (400 in 1999) and Hungary (300 in 1999).

Figure 13: Mixed marriages and marriages of foreigners



III. Employment and unemployment of foreign workers

1. Employment of foreign workers

According to social security data 319,900 foreign workers found employment in Austria during 2000, i.e., 13,400 or 4.4 percent more than a year ago. The current year will see another, somewhat reduced rise in foreign employment as a result of the cyclical downturn. The employment development until the end of October suggests 2001 a decline in the annual increase of foreign employment by one third. In this number the foreign workers on parental leave, who have the right to return to their job, are included⁵. According to this data the proportion of foreigners in total dependent employment amounted to 10.2 percent on average in 2000 (after 9.9 percent 1999). In this number, citizens from the EEA/EU are included. Their numbers have been rising steadily by some 2,000 annually since 1994. During 2000 some 32,300 EEA/EU citizens were employed in Austria, 10.1 percent of all foreign workers.

⁵ Mothers had the right to stay at home with their new-born child for up to one year until 1991; thereafter parental leave has been introduced, whereby the parents could share the leave such that one parent could stay at home for up to two years. As the objective to introduce fathers into parenting did not materialise legislation has been changed again such that starting with 1998 one parent may only stay at home for 1½ years, an extension to 2 years is only possible if the other parent takes up home leave. There is no differential treatment for indigenous and foreign workers. There is no statistically significant difference in the relative numbers of indigenous and foreign workers going on parental leave.

Table 20: Foreign labour in Austria from 1961-2000

Annual average

	Foreign ¹ workers	Changes		Share in total employment Percent
		Absolute	Percent	
1961	16,200	.	.	0.7
1962	17,700	+ 1,500	+ 9.3	0.8
1963	21,500	+ 3,800	+ 21.5	0.9
1964	26,100	+ 4,600	+ 21.4	1.1
1965	37,300	+ 11,200	+ 42.9	1.6
1966	51,500	+ 14,200	+ 38.1	2.2
1967	66,200	+ 14,700	+ 28.5	2.8
1968	67,500	+ 1,300	+ 2.0	2.9
1969	87,700	+ 20,200	+ 29.9	3.7
1970	111,700	+ 24,000	+ 27.4	4.7
1971	150,200	+ 38,500	+ 34.5	6.1
1972	187,100	+ 36,800	+ 24.5	7.4
1973	226,800	+ 39,700	+ 21.2	8.7
1974	222,300	- 4,500	- 2.0	8.4
1975	191,000	- 31,300	- 14.1	7.2
1976	171,700	- 19,300	- 10.1	6.4
1977	188,900	+ 17,200	+ 10.0	6.9
1978	176,700	- 12,200	- 6.4	6.4
1979	170,600	- 6,100	- 3.5	6.2
1980	174,700	+ 4,100	+ 2.4	6.3
1981	171,800	- 2,900	- 1.7	6.1
1982	156,000	- 15,800	- 9.2	5.6
1983	145,300	- 10,600	- 6.8	5.3
1984	138,700	- 6,600	- 4.6	5.1
1985	140,200	+ 1,500	+ 1.1	5.1
1986	146,000	+ 5,800	+ 4.1	5.3
1987	147,400	+ 1,400	+ 1.0	5.3
1988	150,900	+ 3,500	+ 2.4	5.4
1989	167,400	+ 16,500	+ 10.9	5.8
1990 ²	211,100	+ 43,700	+ 26.1	7.2
1991 ²	256,700	+ 45,600	+ 21.6	8.6
1992	273,900	+ 17,200	+ 6.7	9.0
1993	276,000	+ 2,100	+ 0.8	9.0
1994 ³	291,000	+ 15,000	+ 5.4	9.5
1995	300,300	+ 9,300	+ 3.2	9.8
1996	300,400	+ 100	+ 0.0	9.9
1997	298,800	- 1,600	- 0.5	9.8
1998	298,600	- 200	- 0.1	9.7
1999	306,400	+ 7,800	+ 2.6	9.9
2000	319,900	+ 13,400	+ 4.4	10.2

Source: Federal Ministry of Economics and Labour; Main Association of Austrian Social Insurance Institutions. – ¹ Corrected series (permanent licences and persons on parental leave included). – ² Excluding the institutionally induced short term overshoot of foreign work permits over foreign employment between August 1990 and June 1991 and the overcount of work permits by 1,500 on average during 1993. – ³ Since 1994 foreign employment according to social security data.

Thus, the number of foreigners of third country origin increased by some 11,600 or 4 percent to 287,600 2000. The exact number of foreigners is, however, somewhat overestimated in the social security data, because naturalisations of foreigners become known to the social security department only with a certain time lag.

The administrative data of the Ministry of Labour (permit data) suggests a somewhat less pronounced rise in employment of persons of third country origin (mid year 2000/2001 +1,700, versus social security increase of some 9,000, excluding EU citizens); to a certain extent the discrepancy may be due to naturalisations, which are not adequately accounted for in social security data.

During 1997 new legislation on residence and settlement of foreigners came into effect (Fremdengesetz 1997). This legislation was intended to promote the integration of foreigners, who have resided in Austria legally for a longer period of time. It was in particular meant to facilitate access to the labour market of family members, who had arrived in Austria before 1992. But the tighter controls of employment practices of foreigners, which were implemented at the same time, had the opposite effect. The 'habit' of some firms to employ a foreigner of third country origin (who has a residence permit which would in principle allow employment) without applying for a work permit, had to be discontinued. Before a firm is granted a first work permit for a foreigner, four unemployed, who could in principle fill the post (unemployment benefit recipients), have to be rejected by the firm in question. This is an effective entry barrier to foreigners, who never worked in Austria. 1999 and 2000 integration of resident migrants was promoted successfully, however. But this situation has been jeopardised in the current year as a result of the increased inflow of seasonal workers from abroad. Seasonal work represents also for resident migrants an option to enter the labour market, but in the current year a substantial rise in seasonal workers from abroad hampered the integration of foreign residents. This raised the unemployment numbers of foreign residents from April onwards.

The number of expulsions and withdrawals of the right of residence due to limited financial means, moonlighting and unemployability continues to rise (from 4,800 1997 to 7,200 2000). The large majority of the foreigners has entered as tourists and has thus no right to legal employment. They do not represent a security risk in the narrow sense of the term but represent nonetheless a sizeable number of refusals of residence in Austria.

Border checks have taken on a new dimension as Austria has become a full-fledged member of Schengen. The number of rejections at the border due to lack of passport or visa could be almost halved in 1997 and continues to be reduced since then (1998 to 16,000, 1999 to 14,300, 2000 to 10,600). In the current year a further reduction can be expected, which goes to show that the legal requirements for crossing into Schengen country are basically observed.

According to data from the Ministry of Domestic Affairs the number of persons captured for trafficking of humans has been reduced substantially over the last couple of years. Also in the current year hardly more than 500 people have been captured at the border or expelled as a result of trafficking of humans. This may be to some extent the result of concerted action to prosecute smugglers.

The total number of refusals of residence in Austria has not changed much over the last 3 years (it affected on average some 12,000 to 13,000 people). Only about one quarter of the refusals of the right to reside in Austria are the result of a security risk. The majority are persons who enter on the pretense of tourism but are lacking financial means and try to work clandestinely.

The structure of foreign workers by nationality is changing slowly. The share of EU-citizens in the foreign work force has been rising from 6.3 percent in 1994 to 10.1 percent 2000 (the majority is from Germany). The share of persons from the Federation of Yugoslavia has been declining from 48.8 percent in 1992 to 38.8 percent 2000. The share of persons from Croatia and Slovenia, while being rather small, is continually increasing. The proportion of Bosnians has increased rather more rapidly, as they received preferential treatment on humanitarian grounds when applying for work permits. In 2000 they accounted for 6.6 percent of all foreign workers, i.e., a slightly higher share than German citizens in Austria. The share of Turks in foreign employment has declined between 1989 and 1997 from 23.4 percent to 17.7 percent. In 1998 their numbers increased again more than proportionately to a share of 18.2 percent of all foreign workers – basically as a result of the implementation of the association agreement of Turkey with the EU (article 4c/2 AuslBG). According to the integration of the association agreement into the Austrian Foreign Worker Law access to the labour market has to be granted (either a work permit or any other type of work entitlement) upon request of the eligible Turkish citizen. In 1999 the number of work permits for Turkish citizens rose proportionately such that their share in foreign employment remained stable at 18.2 percent. 2000 their share in total foreign employment declined again slightly to 17.9 percent.

The share of "others", in the main East Europeans, has taken a dip in 1994 and continued to decline thereafter. In 1998 they made up no more than 23 percent of all foreign workers, 2000 22.8 percent.

Ever since 1992, as measures to restrict new inflows of foreign workers (mostly young men) were introduced, the employment opportunities of foreign women improved vis-à-vis foreign men. The share of women in foreign employment rose as a consequence from 33.5 percent in 1992 to 37.2 percent in 1998 and increased since then slightly to 37.8 percent 2000. The proportion of women in foreign employment remained clearly below the Austrian average of 43.9 percent.

The share of women in foreign employment differs greatly by country of origin. Women from the Federation of Yugoslavia have the highest share of female employment, and continued to do so in 2000 (43 percent). Next in line are Bosnians (39.7 percent) and Croatians (38.2 percent). The lowest proportion of women in total employment are amongst Turks (27 percent) and Macedonians (19.7 percent). The lifting of labour market entry barriers to Turkish citizens as a result of the implementation of agreements of the EU with Turkey in 1997 tended to increase the share of women in the employment of Turks in Austria by 1.5 percentage points.

Table 21: Statistic of alien police measures

	Sum January to December 1998	Sum January to December 1999	Sum January to December 2000	Sum January to May 1999	Sum January to May 2000	Sum January to May 2001
<i>Rejections at the border</i>						
§ 52/1 FrG (no passport or Visa)	16,038	14,353	10,623	6,155	4,501	3,722
§ 52/2/1 FrG (refusal of residence)	1,883	1,136	1,001	548	515	402
§ 52/2/2 FrG (SIS – search)	2,588	2,873	2,644	1,160	1,201	1,526
§ 52/2/3/a FrG (security)	1,131	1,360	1,098	511	539	511
§ 52/2/3/b FrG (clandestine work)	1,550	1,498	1,441	468	764	373
§ 52/2/3/c FrG (trafficking of humans)	151	74	53	35	28	22
§ 52/2/4 FrG (lack of financial means)	2,090	3,356	2,165	850	1,115	660
§ 52/2/5 FrG (finance delict)	101	82	30	27	12	4
<i>Total</i>	25,532	24,732	19,055	9,754	8,675	7,220
<i>Removal to home country</i>						
§ 55/1/1 FrG (avoidance of border control)	5,791	6,804	5,166	2,831	2,023	2,041
§ 55/1/2 FrG (accord to take persons back)	779	3,200	3,270	817	1,397	708
<i>Total</i>	6,570	10,004	8,436	3,648	3,420	2,749
<i>Expulsion from Austria – § 33</i>						
§ 33/1 FrG (illegal residence)	3,604	7,800	8,319	2,184	3,948	2,431
§ 33/2/1 FrG (criminal case)	21	19	39	4	2	24
§ 33/2/2 FrG (illegal purpose)	18	12	5	11	0	3
§ 33/2/3 FrG (prostitution)	8	3	9	0	2	1
§ 33/2/4 FrG (lack of financial means)	214	113	142	39	83	54
§ 33/2/5 FrG (clandestine work)	191	130	207	64	63	80
§ 33/2/6 FrG (illegal entry)	1,024	1,094	742	394	221	238
<i>Total</i>	5,080	9,171	9,463	2,696	4,319	2,831
<i>Expulsion from Austria – § 34</i>						
§ 34/1 FrG (false pretense, deceit)	403	255	119	160	65	60
§ 34/2 FrG (lack of employment)	59	27	25	21	22	0
§ 34/3 FrG (unemployable)	68	22	4	5	3	0
<i>Total</i>	530	304	148	186	90	60
<i>Refusal of residence</i>						
§ 36/1 FrG (security)	2,741	3,389	3,937	1,133	1,284	2,098
§ 36/2/1 FrG (criminal civil case)	1,457	1,360	1,407	596	512	569
§ 36/2/2 FrG (criminal administr. act)	172	81	53	39	18	20
§ 36/2/3 FrG (finance delict)	32	9	25	6	12	4
§ 36/2/4 FrG (prostitution)	18	15	21	12	11	7
§ 36/2/5 FrG (Trafficking of humans)	327	548	358	230	132	128
§ 36/2/6 FrG (false information)	655	605	561	264	290	264
§ 36/2/7 FrG (lack of financial means)	5,332	5,513	4,754	2,138	1,917	2,145
§ 36/2/8 FrG (clandestine work)	1,154	1,058	1,516	381	641	597
§ 36/2/9 FrG (deceptive marriage)	97	37	71	12	24	12
<i>Total</i>	11,985	12,615	12,703	4,811	4,841	5,844
<i>Deportation</i>						
§ 56/1 FrG	10,422	10,203	9,638	3,684	3,722	3,687

Source: Federal Ministry of the Interior.

Table 22: Foreign workers by nationality 1971-2000¹

Annual average

	Foreign workers total	EU	Of which: Germany	EFTA	Yugoslavia	Croatia	Slovenia	Bosnia	Turkey	Others
						Percent				
1971	150,200	.	3.0	.	76.0	.	.	.	13.1	7.9
1972	187,100	.	2.8	.	77.7	.	.	.	11.4	8.0
1973	226,800	.	2.5	.	78.5	.	.	.	11.8	7.2
1974	222,300	.	2.6	.	76.2	.	.	.	13.5	7.7
1975	191,000	.	3.1	.	73.9	.	.	.	14.1	8.8
1976	171,700	.	6.2	.	70.2	.	.	.	14.3	9.3
1977	188,900	.	6.3	.	69.7	.	.	.	14.3	9.7
1978	176,700	.	6.6	.	68.5	.	.	.	14.8	10.0
1979	170,600	.	6.8	.	67.2	.	.	.	15.6	10.3
1980	174,700	.	6.9	.	65.9	.	.	.	16.2	10.9
1981	171,800	.	7.1	.	64.5	.	.	.	16.9	11.5
1982	156,000	.	7.6	.	62.0	.	.	.	18.3	12.0
1983	145,300	.	7.8	.	61.4	.	.	.	19.0	11.8
1984	138,700	.	8.0	.	59.9	.	.	.	20.0	12.1
1985	140,200	.	8.0	.	58.5	.	.	.	20.8	12.8
1986	146,000	.	7.8	.	57.3	.	.	.	21.4	13.4
1987	147,400	.	7.8	.	56.0	.	.	.	22.2	14.1
1988	150,900	.	7.9	.	55.1	.	.	.	22.7	14.3
1989	167,400	.	7.4	.	54.3	.	.	.	23.4	14.9
1990 ²	217,600	.	6.0	.	50.8	.	.	.	23.2	20.0
1991 ²	266,500	7.2	5.1	0.7	48.5	.	.	.	21.6	22.0
1992	273,900	6.9	5.0	0.7	48.8 ³	0.4	0.5	.	20.3	22.4
1993	277,500	6.9	5.0	0.7	45.6	2.3	1.6	1.2	19.6	22.1
1994 ⁴	291,000	6.3	4.2	0.3	44.4	1.3	0.9	2.3	18.6	25.9
1995	300,300	7.0	4.5	0.1	43.1	1.6	0.9	3.6	18.2	25.5
1996	300,400	7.8	4.9	0.1	42.0	1.8	1.0	4.5	17.8	25.0
1997	298,800	8.3	5.2	0.1	41.3	1.9	1.1	5.0	17.7	24.6
1998	298,600	9.0	5.7	0.1	41.0	2.1	1.1	5.5	18.2	23.0
1999	306,400	9.7	6.1	0.1	40.1	2.3	1.1	6.0	18.2	22.5
2000	319,900	10.1	6.5	0.1	38.8	2.6	1.1	6.6	17.9	22.8

Source: Federal Ministry of Economics and Labour; Main Association of Austrian Social Insurance Institutions (1994). Official series, not corrected for statistical breaks. –¹ 1971-1976 estimate. –² Including work permits in surplus of employment of foreign workers. –³ Starting with 1992 new frontiers. –⁴ Since 1994 foreign employment according to social security data.

Table 23: Foreign workers by gender 1971-2000

	Male	Female Percent	Total
September 1971	70.9	29.1	100.0
September 1972	68.5	31.5	100.0
September 1973	69.0	31.0	100.0
September 1974	67.3	32.7	100.0
September 1975	63.8	36.2	100.0
September 1976	61.3	38.7	100.0
September 1977	61.3	38.7	100.0
September 1978	61.5	38.5	100.0
September 1979	61.6	38.4	100.0
September 1980	60.9	39.1	100.0
September 1981	61.0	39.0	100.0
September 1982	60.4	39.6	100.0
September 1983	60.4	39.6	100.0
September 1984	61.1	38.9	100.0
September 1985	60.9	39.1	100.0
September 1986	60.4	39.6	100.0
September 1987	61.3	38.7	100.0
September 1988	62.1	37.9	100.0
September 1989	62.6	37.4	100.0
Annual average 1989	61.6	38.4	100.0
Annual average 1990	64.9	35.1	100.0
Annual average 1991	66.1	33.9	100.0
Annual average 1992	66.5	33.5	100.0
Annual average 1993	66.3	33.7	100.0
Annual average 1994 ¹	63.8	36.2	100.0
Annual average 1995	63.2	36.8	100.0
Annual average 1996	62.6	37.4	100.0
Annual average 1997	62.5	37.5	100.0
Annual average 1998	62.8	37.2	100.0
Annual average 1999	62.7	37.3	100.0
Annual average 2000	62.2	37.8	100.0

Source: Federal Ministry of Economics and Labour; Main Association of Austrian Social Insurance Institutions. – ¹ Since 1994 foreign employment according to social security data.

Table 24: Foreign workers of third country origin by gender and nationality
Annual average

	1999			2000		
	Male	Female	Total	Male	Female	Total
<i>Nationalities</i>						
Yugoslavia	44,240	32,877	77,117	43,099	32,540	75,639
Croatia	14,596	8,612	23,208	15,226	9,405	24,631
Slovenia	4,467	1,559	6,026	4,473	1,579	6,052
Bosnia	21,285	12,899	34,184	22,535	14,847	37,382
Macedonia	3,240	723	3,963	3,360	825	4,185
Turkey	34,962	12,749	47,711	34,014	12,589	46,603
Others	33,791	13,147	46,938	34,157	13,512	47,669
Of whom:						
Eastern Europe	26,241	10,009	36,250	26,561	10,329	36,890
Total	156,574	82,566	239,140	156,862	85,297	242,159

Source: Austrian Labour Market Service.

Industrial structure of foreign employment

The industrial structure of employment in the middle of the year (end of July 2000/2001) provides a relatively good estimate of the average annual employment development in the current year. According to this data foreign employment in the manufacturing sector excluding construction increased by 2,200 or 2.8 percent in the current year. Not all industrial sectors exhibited positive employment growth, however. Those manufacturing industries, which had experienced an abrupt increase in competition as a result of the opening up of CEECs, like food, textile and clothing industries, are still exhibiting a downward trend in employment. Foreign workers, who tend to be core workers in these industries, could, however, not only hold their place but even increase their employment shares in these industries. Other manufacturing industries, which are highly export oriented and are major supplier industries in a world of increasing intra-industry trade, in particular metal industries, could expand output and employment. As labour scarcities arise, foreign workers could increase their employment shares in all industry groups. The trend towards recycling and environmental protection continues to boost production of chemical products and recycling. Foreign workers could also enter in these industries in larger numbers.

The employment decline in the construction sector is more severe than could be expected from the cyclical downturn in the current year. This is a result of expenditure cuts of the public sector on the one hand and the relative oversupply of housing and office space on the other, which has been built up in the last couple of years. Employment in the construction sector declined by 8,800 or 3 percent to 269,000. Foreign workers could keep their relative position to indigenous workers, i.e., 18.5 percent of the work force continue to be foreign workers.

Employment in services increased substantially in July 2001 (+27,500, +1.3 percent versus 2000), with a rising share of foreign workers (from 9 percent to 9.4 percent). The most dynamic industries were business services (+17,000, +6.6 percent), which include the catch-all of temporary work agencies. The share of foreign workers decreased slightly to 16.5 percent. The increased use of temporary work agencies, which may hire out all sorts of skills and occupations to different industries, tend to blur the employment structure by economic sector. The other services with above average employment growth are trade and repair work, health and social services.

According to social security data, foreign employment rose by 12,400 or 3.7 percent to 344,600. Thus close to two thirds of the total employment increase mid 2000/2001 accrued to foreign workers. The proportion of foreigners in total employment increased somewhat from 10.3 percent in July 2000 to 10.6 percent in July 2001. The employment of foreign workers by industry includes persons who are on parental leave, however, while they are excluded from the employment figures of Austrian citizens. This means that the shares of foreign workers in the different industries overestimate the actual dependency rate upon foreign workers to some extent.

The industrial concentration of foreign workers, which had intensified in the early 1990s, has declined somewhat around the middle of the 1990s. In the second half of the 1990s, however, certain industries could only keep their competitive edge with the help of foreign workers. The primary sector for instance (agriculture and forestry) has increased the foreign worker share to 27.6 percent in July 2001. The supply of Austrian nationals for seasonal work, help in harvesting, etc., is not sufficient. Agriculture and forestry have now together with textiles-clothing-leather industries (26 percent) and tourism industries (27.1 percent) the highest foreign worker density.

Table 25: Employment of wage and salary earners by economic sector

By end of July

	2000			2001		
	Total	Foreigners ¹	Percent of total	Total	Foreigners	Percent of total
<i>Agriculture and forestry</i>	30,701	8,065	26.3	30,928	8,523	27.6
<i>Mining and manufacturing</i>	951,263	129,113	13.6	942,843	129,793	13.8
Mining, stones and minerals	14,794	781	5.3	14,379	794	5.5
Food, drinks, tobacco	77,548	11,869	15.3	76,721	12,176	15.9
Textiles, clothing, leather	39,805	10,125	25.4	38,545	10,030	26.0
Wood, paper, printing, publishing	83,671	7,860	9.4	82,751	7,923	9.6
Chemicals, recycling	61,760	8,044	13.0	62,134	8,331	13.4
Stone and glassware	31,802	3,781	11.9	32,414	4,052	12.5
Production and processing of metals	289,031	30,532	10.6	294,149	31,835	10.8
Furniture, jewellery, musical instruments, etc.	44,561	4,542	10.2	43,320	4,517	10.4
Energy and watersupplies	30,515	214	0.7	29,466	249	0.8
Construction	277,776	51,365	18.5	268,964	49,886	18.5
<i>Services</i>	2,170,477	194,778	9.0	2,197,967	205,936	9.4
Trade, repairworks	498,460	44,897	9.0	505,290	47,798	9.5
Restaurants and hotels	168,806	43,885	26.0	170,400	46,216	27.1
Transport, telecommunications	233,416	19,223	8.2	228,330	20,624	9.0
Financing, insurance	112,203	2,510	2.2	112,414	2,815	2.5
Business-oriented services	258,702	43,368	16.8	275,670	45,455	16.5
Public administration, social security	476,947	11,860	2.5	472,247	12,376	2.6
Education and research	124,236	2,719	2.2	123,754	2,816	2.3
Health-, veterinary and social services	149,242	10,988	7.4	158,578	11,613	7.3
Other public and private services, extraterritorial organisations	144,448	14,668	10.2	147,401	15,543	10.5
Private households	4,017	660	16.4	3,883	680	17.5
<i>Military service</i>	12,427	–	–	12,749	–	–
<i>Parental leave</i>	57,882	–	–	59,003	–	–
<i>Unknown</i>	–	263	–	–	323	–
<i>Total</i>	3,222,750	332,219	10.3	3,243,490	344,575	10.6

Source: Association of Austrian Social Insurance Institutions. – ¹ Statistical break due to administrative change of parental leave: persons on parental leave can not be excluded from employment by economic sector.

Next in line are the construction sector (18.5 percent), household services (17.5 percent), and business services (16.5 percent). The relatively high share of foreign workers in business oriented services is the result of a polarised skill structure of the foreign work force – on the lower end

cleaning services account for the high share, on the upper end highly skilled consultants and computer specialists.

Table 26: Employment of foreigners of "third-country-origin" by economic sector 2000/2001

By end of July

	2001	Change 2000/2001		2000	2001
	Absolute	Absolute	Percent	Percent of total employment	
<i>Agriculture and forestry</i>	11,930	1,209	11.3	34.9	38.6
<i>Mining and manufacturing</i>	96,932	- 4,980	- 4.9	10.7	10.3
Mining, stones and minerals	629	28	4.7	4.1	4.4
Food, drinks, tobacco	8,169	- 255	- 3.0	10.9	10.6
Textiles, clothing, leather	7,608	- 393	- 4.9	20.1	19.7
Wood, paper, printing, publishing	6,127	- 241	- 3.8	7.6	7.4
Chemicals, recycling	4,525	- 361	- 7.4	7.9	7.3
Stone and glassware	2,662	- 168	- 5.9	8.9	8.2
Production and processing of metals	18,083	- 884	- 4.7	6.6	6.1
Furniture, jewellery, musical instruments, etc.	3,712	- 245	- 6.2	8.9	8.6
Energy and watersupplies	111	- 13	- 10.5	0.4	0.4
Construction	45,306	- 2,448	- 5.1	17.2	16.8
<i>Services</i>	116,862	344	0.3	5.4	5.3
Trade, repairworks	24,477	- 875	- 3.5	5.1	4.8
Restaurants and hotels	42,970	1,927	4.7	24.3	25.2
Transport, telecommunications	8,524	- 153	- 1.8	3.7	3.7
Financing, insurance	567	15	2.7	0.5	0.5
Business-oriented services	22,561	29	0.1	8.7	8.2
Public administration, social security	3,605	- 296	- 7.6	0.8	0.8
Education and research	647	8	1.3	0.5	0.5
Health-, veterinary and social services	5,126	- 83	- 1.6	3.5	3.2
Other public and private services, extraterritorial organisations	7,803	- 164	- 2.1	5.5	5.3
Private households	582	- 64	- 9.9	16.1	15.0
<i>School-leavers</i>	10,575	433	4.3	-	-
<i>Others</i>	13,808	967	7.5	-	-
<i>Unknown</i>	1,362	- 756	- 35.7	-	-
<i>Total</i>	251,469	- 2,783	- 1.1	7.9	7.8

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

The work permit statistic of the Labour Market Service, which refers to citizens of third countries, gives a similar picture of the industrial structure of foreign employment. According to this data foreign employment decreased, however, between mid 2000 and 2001 (-2,800, -1.1 percent). The discrepancy is to a certain extent due to the rise in employment of EU/EEA citizens, to some extent it is the lag of social security data to pick up naturalisations. According to the work permit statistic the employment of foreign workers of third country origin declined in all major manufacturing industries as well as in services, which are linked to the public sector. In contrast, tourist industries and agriculture/forestry could increase the numbers of foreign workers as a result of massive rises in seasonal work permits to foreigners from abroad.

Regional distribution of foreign employment

The regional distribution of foreigners remained more or less unchanged between 1999 and 2000. All federal states increased their share of foreign workers in total employment. As economic growth was fed by both foreign and domestic demand, the economic and employment growth pattern had a very broad base. The long run regional strengths and weaknesses became more visible, though.

The western regions of Austria as well as Burgenland in the east exhibit above average economic growth rates. A strong and expanding manufacturing base ensures stable employment growth. Salzburg, with its strong services orientation, is slowly emerging from a medium term structural adjustment process and finally exhibiting employment growth, even catching up to the Austrian average. The highly industrialised regions of Upper Austria, Styria and Vorarlberg have been successful all along the period of economic upswing. Lower Austria and particularly Vienna have, in contrast, had a very bad year. Vienna is suffering from the downsizing of bureaucracy in the public sector. Carinthia on the other hand could recover, but its employment growth remained somewhat below the Austrian average.

Foreign workers profit from the decline in overall labour supply growth as well as relative labour scarcities. They could increase their employment share above all in the regions, in which they already constitute a high share in the workforce, i.e., in Vienna and Vorarlberg, followed by Burgenland.

Table 27: Geographical distribution of foreign labour in Austria

Annual average

	Total employment	1999 Foreigners ¹	Percent	Total employment	2000 Foreigners ¹	Percent
Vienna	773,300	106,400	13.8	770,300	110,100	14.3
Lower Austria	516,700	48,000	9.3	521,600	49,500	9.5
Styria	423,500	20,600	4.9	429,300	22,200	5.2
Carinthia	191,100	10,900	5.7	192,200	11,500	6.0
Upper Austria	524,300	38,200	7.3	532,000	40,400	7.6
Salzburg	211,100	23,300	11.1	213,000	24,500	11.5
Tyrol	257,700	25,500	9.9	262,300	26,500	10.1
Vorarlberg	131,100	23,800	18.1	132,600	24,700	18.6
Burgenland	79,000	7,600	9.6	80,300	8,100	10.1
Austria	3,107,900	306,400	9.9	3,133,700	319,900	10.2

Source: Association of Austrian Social Security Institutions. – ¹ In the total number of foreign employment 2,000 foreign citizens are included, who work in mining and railway systems, and who can not be attributed to a province.

The regional concentration of foreign workers differs somewhat by the nationality of foreigners. On average 34.4 percent of all foreign workers were working in Vienna in 2000 – this share has been relatively stable for some time now. The share of Yugoslavs (35.9 percent) is somewhat above this average, the share of Turks (30.6 percent) somewhat below it. The greatest concentration upon Vienna is given in the case of the mix of 'others'. These people are either persons from CEECs, who

tend to settle in Vienna, in particular Poles and Slovaks, on the other hand international corporations and their management tend to have their headquarters in Vienna just as international organisations thus contributing to the high share of 'others' upon Vienna (36.9 percent).

Germans are more dispersed over Austria with an above average share in the West and South, i.e., Carinthia and Styria as well as Salzburg, Tyrol, and Vorarlberg. Yugoslavs on the other hand tend to concentrate apart from Vienna in the South, in Styria, Carinthia, and the West, in Salzburg and Upper Austria. Turks, given their occupational specialisation in textiles, clothing and leather, are more than proportionally represented in Vorarlberg, Tyrol and Lower Austria.

Table 28: Foreign workers by region and nationality 1999 and 2000

Annual average

	Foreign workers ¹		Germany		Among them from				Others	
	1999	2000	1999	2000	1999	2000	1999	2000	1999	2000
	Percent									
Vienna	34.8	34.4	24.3	24.0	36.3	35.9	30.9	30.6	37.0	36.9
Lower Austria	15.7	15.5	10.9	10.9	13.0	13.1	18.3	17.9	20.1	19.5
Styria	6.7	6.9	7.5	7.7	7.4	7.5	2.3	2.4	8.3	8.7
Carinthia	3.6	3.6	4.7	4.6	5.0	5.0	0.8	0.8	2.5	2.5
Upper Austria	12.5	12.6	11.5	11.7	13.7	13.9	10.4	10.7	11.7	11.7
Salzburg	7.6	7.7	11.6	11.8	9.1	9.1	6.0	6.0	5.0	5.0
Tyrol	8.3	8.3	15.4	14.5	7.3	7.3	12.5	12.7	5.8	5.6
Vorarlberg	7.8	7.7	12.0	12.2	6.1	6.0	17.8	17.8	3.0	3.0
Burgenland	2.5	2.5	1.3	1.3	1.3	1.3	0.7	0.7	6.3	6.4
Austria	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Association of Austrian Social Security Institutions. –¹ In the total number of foreign employment 2,000 foreign citizens are included, who work in mining and railway systems, and who can not be attributed to a province.

2. Unemployment of foreign workers

Apart from a slight decline of unemployment in 1994 the numbers of (registered) unemployed have been increasing between 1989 and 1998, in spite of intermittent phases of substantial economic growth and concomitant employment increases. The slight decline in unemployment during 1994 remained short-lived as it was not the consequence of a significant improvement of employment but much rather the result of a rush into early retirement and disability pensions as well as a rise in the number of discouraged workers and thus supply reductions. For the first time in this long period of economic upswing between 1997 and now, unemployment declined in 1999 and 2000. The decline in unemployment came to a halt, however, in the current year. Unemployment started to rise again in May and one may expect a slight rise in total unemployment on average between 2000 and 2001.

In 2000 the number of unemployed declined by 27,400 or 12.4 percent to 194,300. The substantial decline of unemployment in 2000 was only partly the result of a continued improvement

of employment, partly it was the result of active labour market policy measures in connection with the National Action Plan of EU employment policies, in particular education and training measures, which took unemployed at least for the period of training off the unemployment register. To some extent the decline was also the result of more strict control measures of the unemployed, e.g., penalties for moonlighting, non-acceptance of work and/or training measures and coaching. The transition from passive to active labour market policy measures has resulted, at least to a certain extent, in an increase of discouraged workers, i.e., drop outs from registered unemployment.

The rise in unemployment in the early 1990s had been less pronounced in the first year of economic decline of 1992 than in the previous two years of economic boom. Labour supply factors, last but not least migration, had a significant impact upon the development of registered unemployment in the early 1990s. The onset of recession in 1992/93 contributed to unemployment and continued to do so as economic growth did not resume after Austria had joined the EU. Only as labour supply growth started to abate in 1999 and as severe changes in labour market policy set in, in particular the introduction of mutual obligation schemes in the treatment of unemployed, did unemployment come down.

The share of foreign workers in total unemployment amounted to 25,800 or 13.3 percent in 2000. The number of foreign unemployed declined by 1,500 or 5.3 percent, i.e., less than proportionally to indigenous unemployment. The share of foreign unemployed in total unemployment increased thus between 1999 and 2000. A significant rise of long-term unemployment of foreign workers had been expected as a result of the verdict of the supreme court of the EU of July 1996, which denied the Austrian labour authorities the right to discontinue to pay benefits to foreign workers in case of long-term unemployment. In Austria unemployed have the right to continue to receive benefits (out of the unemployment insurance fund) after the maximum period of 1 year (Arbeitslosengeld) for an unlimited period, subject to a needs test (Notstandshilfe). Austria granted this welfare payment to foreign workers with a permanent work permit for a maximum of one year only, and not, as in the case of Austrian citizens, for a potentially unlimited time. The correction for this unequal treatment did not lead to a substantial increase in registered long-term unemployment of foreign workers⁶.

The share of women in total unemployment, which had been rising between 1993 and 1998 to 45.6 percent, has declined thereafter until it reached 44.7 percent in 2000. As a result, the differential in unemployment rates between men and women, which had been growing in the past, has declined in the last couple of years. In the year 2000 female unemployment rates were only marginally higher than male rates (5.9 compared to 5.8 percent). The share of women in total foreign unemployment is, contrary to Austrian women, smaller than their employment share, but rising; it amounted to 34.8 percent in 2000. The unemployment rates of foreign women are thus

⁶ Almost all persons, who are registering as unemployed, tend to be benefit recipients.

lower than those of foreign men (6.9 compared to 7.8 percent). The unemployment rate of foreign women surpassed the rate of men only in a very short period in the past (1987/88).

In 2000 the unemployment rate of foreign men amounted to 7.8 percent after 8.5 percent a year ago. It is thus significantly higher than the national average unemployment rate of men of 5.8 percent (1999 all men: 6.5 percent). Foreign women had an unemployment rate of 6.9 percent in 1999, after 7.5 percent a year ago. The national average unemployment rate of women amounted to 5.9 percent in 2000, a significant drop of 1 percentage point versus 1999. A variety of measures, family policy measures as well as active labour market policy measures, were responsible for this strong decline in unemployment of women.

Table 29: Total unemployed and unemployed foreigners 1975-2000

Annual average

	Unemployed			Of which foreigners		
	Male	Female	Total	Male	Female	Total
1975	25,433	30,032	55,464	3,360	1,432	4,792
1976	26,548	28,709	55,257	2,817	1,073	3,890
1977	23,511	27,654	51,165	2,522	1,019	3,541
1978	28,846	29,724	58,570	4,188	1,346	5,534
1979	28,524	28,195	56,719	3,565	1,055	4,620
1980	26,544	26,617	53,161	2,815	868	3,683
1981	38,008	31,286	69,295	4,787	1,269	6,056
1982	65,126	40,220	105,346	8,467	1,741	10,208
1983	79,819	47,556	127,376	7,466	2,067	9,533
1984	80,599	49,870	130,469	5,994	1,968	7,961
1985	84,155	55,292	139,447	5,969	2,169	8,139
1986	88,856	63,116	151,972	6,371	2,597	8,967
1987	95,015	69,453	164,468	7,191	3,107	10,297
1988	89,829	68,802	158,631	6,896	3,088	9,984
1989	81,001	68,176	149,177	7,266	3,298	10,564
1990	89,032	76,762	165,795	12,984	5,367	18,351
1991	98,984	86,044	185,029	14,737	6,090	20,827
1992	107,202	85,896	193,098	15,864	6,113	21,977
1993	126,681	95,584	222,265	19,363	7,722	27,086
1994	120,567	94,374	214,941	17,500	7,945	25,445
1995	120,004	95,712	215,716	17,163	7,728	24,891
1996	128,025	102,482	230,507	19,145	8,460	27,605
1997	128,580	104,768	233,348	18,687	8,845	27,532
1998	129,429	108,365	237,794	18,746	9,717	28,463
1999	121,518	100,224	221,743	17,925	9,282	27,207
2000	107,509	86,804	194,314	16,805	8,953	25,758

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

Turkish workers have traditionally had the highest unemployment rates of any foreign worker group. This was also the case in 2000, even though the unemployment rate of Turks declined continuously in the last three years and reached its lowest value since 1995 with 9 percent in 2000 (after 9.9 percent 1999). The unemployment rate of Yugoslavs declined to a lesser extent in 2000, i.e., to 7.4 percent (after 8 percent 1999), thus reducing the differential between Turks and Yugoslavs to 1.6 percentage points.

Table 30: Total unemployment rates and unemployment rates of foreigners

	Unemployment rates			Unemployment rates of foreigners				
	Male	Female	Total	Male ¹	Female ¹	Total	Of which:	
							Yugoslavs	Turks
1980	1.6	2.3	1.9	1.2	0.9	2.1	2.3	1.5
1981	2.2	2.7	2.4	2.4	1.4	3.4	3.7	3.1
1982	3.8	3.5	3.7	4.7	2.0	6.1	6.8	6.2
1983	4.7	4.1	4.5	4.5	2.5	6.2	6.3	6.5
1984	4.7	4.3	4.5	3.6	2.7	5.4	5.2	5.5
1985	4.9	4.7	4.8	3.6	3.1	5.5	5.1	5.6
1986	5.1	5.2	5.2	3.9	3.7	5.8	5.2	6.1
1987	5.5	5.7	5.6	4.2	4.5	6.5	5.7	6.7
1988	5.1	5.6	5.3	4.0	4.5	6.2	5.7	6.7
1989	4.6	5.5	5.0	4.5	4.4	5.9	5.4	6.2
1989	–	–	–	6.6	4.9	–	–	–
1990 ²	4.9	6.0	5.4	8.4	6.6	7.8	6.3	7.3
1991 ²	5.3	6.5	5.8	7.5	6.3	7.1	7.0	7.5
1992	5.7	6.2	5.9	8.0	6.3	7.4	7.2	8.5
1993	6.7	6.9	6.8	9.5	7.6	8.9	8.8	10.5
1994	6.4	6.7	6.5	8.6	7.0	8.0	8.2	9.8
1995	6.4	6.8	6.6	8.3	6.5	7.7	7.7	9.2
1996	6.9	7.3	7.0	9.2	7.0	8.4	8.2	10.5
1997	6.9	7.4	7.1	9.1	7.3	8.4	8.1	11.0
1998	6.9	7.5	7.2	9.1	8.0	8.7	8.4	10.8
1999	6.5	6.9	6.7	8.5	7.5	8.2	8.0	9.9
2000	5.8	5.9	5.8	7.8	6.9	7.5	7.4	9.0

Source: Federal Ministry of Economics and Labour; Austrian Labour Market Service, since 1994 Social Security Department (employment base). BMWA/AMS = registered unemployment. – ¹ 1980-1989 September survey, starting 1989 annual average. – ² The employment base includes persons on parental leave and military service as well as the surplus of work permits over employment between August 1990 and June 1991 and the overcount of work permits by 1,500 on average during 1993.

Unemployment by occupation and industry

The unemployment rates by occupation are not strictly comparable after 1995 with the years ahead due to a change in the occupational classification of employment. The structure of unemployment rates by occupation and nationality conveys, however, an idea of the relative severity of the incidence of unemployment in the different occupations for indigenous and foreign workers.

The unemployment rates of Austrians were particularly high in tourist services with 15.3 percent in 2000, followed by agricultural occupations with 14 percent and by work in clothing and leather industries with 13.9 percent. Foreign workers, in contrast, tended to have a slightly different ranking, with construction workers taking the lead (11.1 percent), followed by agricultural workers (10.5 percent), tourism (10 percent), workers in the leather, clothing and shoe industry (7.6 percent), and metal workers and electricians (7.2 percent). Without exception unemployment rates declined in all major occupations for both indigenous as well as foreign workers during 2000.

In tourism the unemployment rate of Austrians remains substantially higher than for foreigners – this is partly due to the seasonal inflow of foreign workers which does not allow the attainment of the right to unemployment benefits to the same extent as for people with long term residence in Austria.

Table 31: Unemployment rates of indigenous and foreign workers according to selected occupations

1991-2000

Selected occupations	1991 ¹	1992	1993	1994	1995 ²	1996	1997	1998	1999	2000
<i>Nationals</i>										
Agriculture and forestry	15.4	14.4	16.0	13.8	14.3	14.3	14.2	15.0	14.7	14.0
Stone- and mineralworkers	3.9	3.9	4.5	4.1	3.8	4.6	4.4	4.3	4.0	3.8
Construction	7.9	7.7	8.4	7.8	8.0	8.6	8.3	8.4	8.2	7.9
Metalworkers, electricians	5.0	5.7	7.2	7.0	8.4	8.9	8.2	7.8	7.2	5.9
Woodprocessing	3.9	4.1	4.9	4.5	4.5	5.1	5.3	5.4	5.4	4.6
Textile workers	3.1	3.6	5.0	4.6	5.6	6.4	6.2	5.4	5.1	4.2
Clothing, shoe industry	11.0	11.7	14.2	14.3	14.2	15.9	15.9	15.7	14.6	12.8
Trade	4.1	4.2	4.7	4.7	4.2	4.5	4.8	5.0	4.7	3.9
Tourism	19.3	18.0	19.2	18.1	17.8	18.4	18.5	18.5	17.1	15.3
Total	5.8	6.0	6.8	6.6	6.6	7.1	7.1	7.2	6.7	5.8
<i>Foreigners</i>										
Agriculture and forestry	10.7	12.5	12.7	16.4	14.8	14.0	12.8	12.4	11.7	10.5
Stone- and mineralworkers	5.0	5.8	7.4	5.1	4.7	6.1	5.4	5.4	5.8	5.1
Construction	8.6	9.7	11.1	9.6	9.9	11.1	10.9	11.2	11.2	11.1
Metalworkers, electricians	7.7	8.0	10.8	8.5	8.8	10.4	9.7	9.6	8.7	7.2
Woodprocessing	4.2	4.6	6.5	4.8	4.7	6.3	6.5	6.3	6.0	5.2
Textile workers	4.0	4.7	8.6	6.0	6.6	7.4	5.8	4.9	5.3	4.2
Clothing, shoe industry	6.1	7.1	9.3	11.3	8.2	8.3	8.6	8.9	8.2	7.6
Trade	1.7	2.1	2.8	2.0	1.8	2.0	2.3	2.6	2.4	2.1
Tourism	6.9	7.8	9.6	10.9	10.5	10.9	11.3	11.7	10.9	10.0
Total	7.1	7.4	8.9	8.3	7.9	8.6	8.6	8.8	8.2	7.5

Source: Federal Ministry of Economics and Labour; Austrian Labour Market Service; Social Security Department, WIFO calculations. HSV = social security base of employment, BMWA/AMS = registered unemployment. –¹ The foreign employment base includes the surplus of work permits over employment between August 1990 and June 1991 and the overcount of work permits by 1,500 on average during 1993. –² Break in the employment disaggregation due to switch in system.

A slightly different picture emerges, if one calculates unemployment rates by industry. While one thing holds true, i.e., occupations in industries and industries which have a strong seasonal employment component, have the highest unemployment rates. Tourism industries take the lead with 16.4 percent 2000, followed, however, by construction (12.3 percent); agriculture is only number 3 in this industry ranking of unemployment rates (12.2 percent). Unemployment rates of people working in private households (12 percent), are, however, almost equally high as for people working in agriculture and the building industry. While the average unemployment rate of foreigners is higher than for indigenous workers, this is not the case in the seasonal industrial sectors, with the exception of construction in 1999 and 2000⁷, and in private households. Also in textile-clothing-leather industries, in chemical industries, food production and processing, trade and

⁷ 1999 marks the onset of an expected medium term downsizing of this industry, last but not least as a result of budget consolidation and privatisation of building associations. Due to the skill differential between the average foreign and indigenous workers in this industry an above average rise in unemployment of foreign workers is to be expected.

health services foreigners tend to have lower unemployment rates than Austrians. In all other industries foreign workers tend to have higher unemployment rates than Austrians. This is to a large extent due to the type of jobs foreigners tend to have, i.e., the less skilled, low wage and low adjustment cost jobs. These types of jobs tend to have a higher turnover than higher skilled, high wage jobs.

Table 32: Unemployment rates by industry of Austrians and foreigners 1999/2000

	Total labour force		Austrians		Foreigners	
	1999	2000	1999	2000	1999	2000
<i>Agriculture and forestry</i>	13.2	12.2	13.7	12.6	11.5	10.6
<i>Mining and manufacturing</i>	8.2	7.3	8.1	7.1	9.0	8.4
Mining, stones and minerals	4.9	4.0	4.7	3.7	9.6	8.5
Food, drinks, tobacco	6.4	5.6	6.4	5.6	6.2	5.5
Textiles, clothing, leather	9.8	8.5	10.7	9.3	6.9	6.1
Wood, paper, printing, publishing	8.5	7.5	8.6	7.5	8.1	7.5
Chemicals, recycling	6.4	5.3	6.4	5.3	6.1	5.2
Stone and glassware	6.8	5.9	6.5	5.6	8.8	7.9
Production and processing of metals	5.2	4.3	5.2	4.2	5.3	4.5
Furniture, jewellery, musical instruments, etc.	6.1	5.3	5.9	5.1	7.5	6.8
Energy and watersupplies	1.4	1.3	1.4	1.3	9.1	6.7
Construction	12.9	12.3	13.0	12.2	12.8	12.6
<i>Services</i>	5.8	5.0	5.7	4.9	7.1	6.4
Trade, repairworks	7.9	6.6	8.0	6.7	7.1	6.1
Restaurants and hotels	18.0	16.4	20.0	18.2	12.0	11.3
Transport, telecommunications	3.8	3.3	3.7	3.2	4.9	4.1
Financing, insurance	2.5	2.2	2.5	2.1	3.4	2.7
Business-oriented services	6.1	5.0	6.2	5.0	5.6	5.0
Public administration, social security	1.7	1.5	1.7	1.5	2.3	2.1
Education and research	1.8	1.6	1.8	1.5	4.0	3.9
Health-, veterinary and social services	4.3	3.7	4.3	3.7	3.4	3.1
Other public and private services, exterritorial organisations	6.4	5.8	6.5	5.8	6.2	6.2
Private households	13.0	12.0	14.3	13.0	5.9	6.7
<i>Sum of industries</i>	6.6	5.8	6.4	5.6	7.9	7.2
<i>Total</i>	6.7	5.8	6.5	5.7	8.2	7.5

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

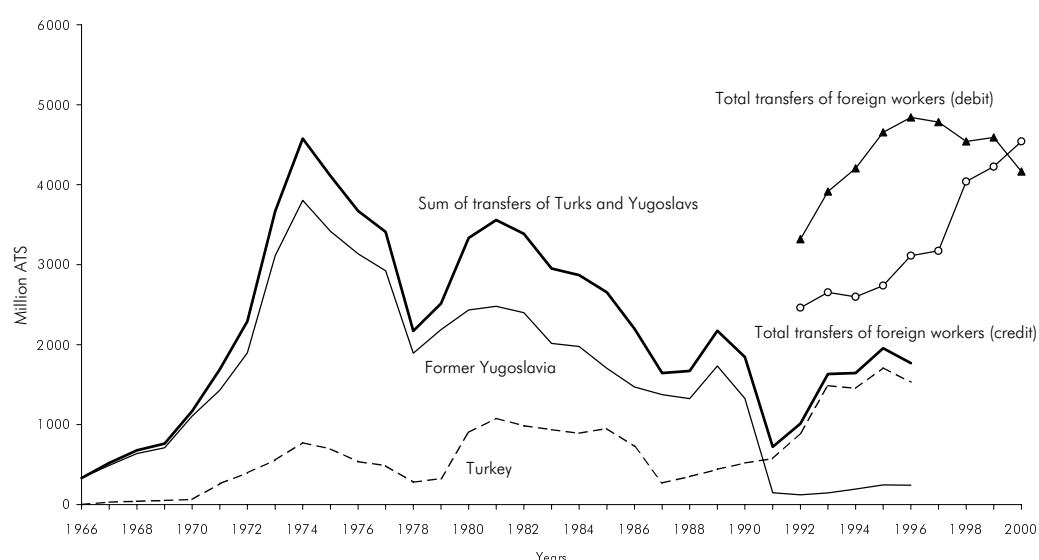
IV. Remittances of foreign workers

The major foreign worker groups in Austria are from the former region of Yugoslavia and from Turkey. Therefore the mass of the money saved and transferred to the home country on the part of foreign workers is directed to these regions. Remittances to the region of former Yugoslavia have been high and rising in the early 1970s as the employment of Yugoslavs was growing rapidly in

Austria. With the onset of restrictions in the recruitment of foreign workers and the settlement tendencies of Yugoslavs in Austria the amount of money transferred to Yugoslavia decreased and came almost to a standstill after 1990 as political unrest and eventual war developed in the region of former Yugoslavia. In 1993 the transfers started to rise again until 1995 (245 million AS). In the course of 1996 a slight decline to 241 million AS set in again.

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

Figure 14: Remittances of foreign workers to their home countries



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

In the light of the relatively small amount of money which is being transferred home by foreign workers and registered with the Austrian National Bank, no differentiation by country of destination

or nationality in Austria is possible. As a result the information on remittances by foreign workers has lost a lot of its former significance and analytical content.

New time series are being developed on the basis of money transfers of foreign workers. According to this data (available since 1992) both in- and outflows have increased in the early 1990s, outflows (debit) reached their peak by mid 1996 and declined thereafter. Even though the Austrian economy experienced an economic upswing, foreign workers were the last to be able to profit from it, as they are at the lower end of the 'food chain', i.e., of employment growth. As foreign employment improved, remittances started to expand again in 1999 but dropped again thereafter. Inflows of money from abroad were until 1999 somewhat smaller than outflows, but started to surpass them slightly in the year 2000. This point makes clear that Austria is a country of immigration as well as emigration; while until 1999 the impact of the transfers on the balance of payments tended to be negative, this changed in 2000 and the balance became slightly positive. The deficit in the balance of payments of foreign workers reached a maximum in 1995 with some 1.9 billion AS and declined ever since to 61 million AS by mid 1999. In 2000 the balance turned positive by somewhat more than 60 million AS. The balance of payments of foreign workers thus had a rather small positive impact on the total balance of payments of Austria in 2000.

V. Prospective development

Given the most optimistic assumptions about the international business cycle, the Austrian economy should grow by something like 1 percent in the current year and somewhat more in 2002, provided that the U.S. economy recovers and policy in the EU takes action to stem the forces of recession. Not only foreign demand is not providing any motor for economic growth in Austria but also domestic factors. The crisis of the construction sector in particular is a major concern, given the high multiplier effect of output growth and employment. Unemployment is expected to continue to rise above 6 percent of the dependent labour force, even though population ageing is putting a brake on labour supply increases. Due to the effect of automatic budgetary stabilisers, the general government balance in 2002 may be in deficit of around ATS 10 billion (EUR 0.74 billion), equivalent to 0.3 percent of GDP.

Population ageing is, however, not only a brake on economic growth but also on the potential for reductions of the budget deficit, given that retirement pay regulations are an important element of Austria's (structural) budget deficit.

Foreign workers are expected to be able to participate in the labour market more than in the last couple of years; this is a result of both institutional factors, in particular a more integrative foreign worker policy more in line with EU migration and employment policy, and labour demand and supply effects. Labour supply growth of Austrians is slowing down as strong birth cohorts reach the age of retirement and small youth cohorts enter the labour market. The slowdown in labour supply growth allows a continued inflow of resident foreign workers into the labour market – unless

seasonal worker contracts continue to be put in place at the levels of the year 2001. Such a policy would undermine the employment opportunities of resident foreign workers, contribute to unemployment growth of foreign and indigenous workers alike as well as xenophobia.

Statistical commentary

Due to the reform of labour market institutions by mid 1994 the data on unemployment is now being processed in the newly established Labour Market Service (AMS); administrative data on the employment of foreign workers of third country origin is being made available by the Federal Ministry of Economics and Labour (BMWA). Data on wage- and salary earners is from the Main Association of Austrian Social Insurance Institutions (HSV). Data pertaining to the residence status of foreigners of third country origin are produced by the Ministry of Domestic Affairs (BMI, FIS = Alien Register), just as data on asylum seekers and refugees.