

WIFO

A-1103 WIEN, POSTFACH 91
TEL. 798 26 01 • FAX 798 93 86

 **ÖSTERREICHISCHES INSTITUT FÜR
WIRTSCHAFTSFORSCHUNG**

**SOPEMI REPORT ON LABOUR
MIGRATION**

AUSTRIA 2001-2002

GUDRUN BIFFL

November 2002

SOPEMI REPORT ON LABOUR MIGRATION

AUSTRIA 2001-2002

GUDRUN BIFFL

Annual Contribution of the Austrian Institute of
Economic Research for SOPEMI, OECD

November 2002

SOPEMI REPORT ON LABOUR MIGRATION

AUSTRIA 2001-2002

GUDRUN BIFFL

Table of contents	Page
Abstract	1
Introduction: The economy and the labour market 2001/2002	2
I. Migratory movements	6
1. <i>Immigration and departure of foreigners</i>	6
A) Labour market flows	6
i) <i>Entries of foreigners for work</i>	6
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>	19
ii) <i>Outflow of refugees</i>	22
C) Inflow of foreigners due to family reunion	24
<i>Inflow of migrants by type of status in 2002</i>	24
<i>Resident permit holders by type of status: stocks July 2002</i>	27
D) Legal framework for family reunion of citizens of third country origin	32
2. <i>Emigration and return of nationals</i>	33
II. Foreign residents and residents abroad	36
1. <i>Foreign residents in Austria</i>	36
2. <i>Number of naturalisations</i>	40
3. <i>Migrants by period of immigration, country of origin, gender and current citizenship</i>	42
4. <i>Development of mixed marriages</i>	44

III. Employment and unemployment of foreign workers	47
1. <i>Employment of foreign workers</i>	47
Alien policy measures	49
The structure of foreign workers by nationality and gender	50
Industrial structure of foreign employment	54
Regional distribution of foreign employment	56
2. <i>Unemployment of foreign workers</i>	58
Unemployment by occupation and industry	60
IV. Remittances of foreign workers	62
V. Prospective development	64
<i>Statistical commentary</i>	65

Abstract

Austrian economic growth took a dip in the year 2001 and reached only 1 percent on an annual average. In the current year economic growth will hardly reach 1 percent, but is expected to pick up again in 2003. In consequence, employment growth has slowed down to 0.5 percent in 2001, and took a dive in the current year; it is expected to decline by 0.3 percent in 2002 and recover again in 2003.

The employment of foreign workers was, given the economic growth slowdown, very favourable. Foreign employment increased by 4.9 percent in 2001 and is expected to continue to rise in 2002. The share of foreign workers in total employment was 10.7 percent in 2001 and will continue to rise in the current year. 11.2 percent of foreign employment accrues to citizens from the EU/EEA. Foreigners are profiting from the slowdown in labour supply growth of nationals, which is partly a result of population ageing partly a result of family policy.

There is no end to the growing inflow of asylum seekers; Kosovars were the major group in 1999, different Asian ethnic groups increasingly took over in 2000 and 2001. By the end of 2001 30.100 persons, many of them from Afghanistan, had applied for asylum in Austria. In the current year the number of asylum applications surpassed the one of the year 2001.

1998 marked the beginning of a new rise in the inflow of foreigners. In 2001, the number of foreign residents in Austria rose by 6,400 or 0.8 percent to 764,300. The share of foreigners in the total population increased thus somewhat to 9.4 percent after 9.3 percent in 2000. The share of EU citizens in the total population was 1.3 percent. In 2001 11.2 percent of the resident population were migrants who have not been born in Austria.

In 2001 32,100 foreigners adopted the Austrian citizenship, 30 percent more than a year earlier. The naturalisation rate (naturalisations in percent of foreign population) increased continually from 1997 to 2001 – from 2.2 to 4.2 percent.

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 2002 some 34,300 resident permits were issued to citizens of third countries, only 14,5 percent of them on the basis of a quota regulation by the Federal Ministry of the Interior. 58 percent of all resident permits were granted for a temporary stay.

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

A mid-year stock count (6 July 2002) of the number of valid residence permits showed a figure of 556,500. The number of persons with a residence permit granted on the basis of work only,

amounted to 25,600, i.e., 4.6 percent of all residence permits. Two categories of residence permits ('for work' and 'for any purpose') may enter the labour market; they are to a large extent settlers and make up about half of all residence permits to citizens of third countries (260,000, 14,300 or 5.8 percent more than a year ago).

In mid 2002 the Alien Law was amended. It introduced the possibility for industries with labour scarcities to employ a migrant of third country origin on the basis of a temporary employment contract. This amendment paves the way for the eventual integration of citizens from CEECs, who will become members of the EU shortly. After the lifting of barriers to free mobility of labour, new migratory paths may have developed resulting from temporary work experience in Austria. Economically integrated migrant workers may have better chances of social and economic integration, should they want to migrate with their families, than persons who have had no prior work experience in Austria.

Introduction: The economy and the labour market 2001/2002

After a period of 3 years of uninterrupted strong economic growth in Austria, a protracted phase of economic slow down set in in the second half of 2000. Consequently, economic growth reached only 1 percent in the year 2001, after 3 percent in 2000, and is expected to remain slightly below 1 percent in the year 2002.

The economic decline was in the context of an international downturn. Throughout 2001, economic growth in the USA, Japan and the European Union was losing momentum. The slow down was particularly pronounced in the USA, triggered off by a strong oil price rise, a marked drop in stock prices and overinvestment in the information technology sector. The terror attack of September 11 hit USA in a fragile economic situation thus contributing to the severe slow down of economic growth from 4.1 percent in 2000 to 1.2 percent 2001. In the EU, economic growth slowed down from 3.3 percent in the year 2000 to 1.7 percent 2001. Austria had, together with Germany, a less favourable economic development than the EU on average.

The economic decline in Austria affected above all international trade and investment. During 2001, export growth halved versus a year ago, but continued to grow at a greater rate than imports, so that the current account deficit could decline to €4.8 billion, i.e., 2.3 percent of GDP (after 2.8 percent in the year 2000). Domestic demand was slack. Consumption by private households grew by 1.3 percent in real terms (after 2.5 percent a year ago). Public sector demand declined (-0.2 percent), just as investment (-2.6 percent after an expansion of 3.6 percent a year ago). A more restrictive fiscal policy than in 2000 and rising consumer prices put a brake on the increase of real disposable private household incomes. Given the worsening economic outlook, the capital-spending propensity of domestic companies also declined; investment in machinery and equipment was growing by a mere 1.2 percent. For the construction industry, 2001 was the most

difficult year in many years. The necessary reduction of excess capacities in residential construction coincided with an extremely reserved attitude in public-sector procurement. Capital expenditure on construction projects fell by 2.2 percent in real terms.

The annual inflation rate increased in 2001 to 2.7 percent (after 2.3 percent 2000). However, Austria remained together with France and Denmark among the most inflation-resistant countries in the Euro zone.

Measures to consolidate the budget of the public sector succeeded to bring the deficit down to zero. The introduction of interest on outstanding tax payments motivated firms to settle their accounts thus raising tax revenues temporarily, which contributed to the balanced budget in 2001. In the current year the budget deficit will rise again, however, as unresolved structural problems and the recession affect government revenues and expenditures; but the deficit is expected to remain below 2 percent of GDP.

Total employment (including self-employed and family helpers as well as persons on parental leave) reached 3.5 million in 2001, up by 16,000 or 0.5 percent versus 2000. The decline in economic growth during 2001 was linked with a slow down in labour productivity growth to 0.8 percent (GDP/employed) after 2.5 percent in the year 2000. In the current year, productivity growth is expected to stabilise as GDP growth falls below 1 percent. Labour productivity is fluctuating considerably from year to year, while employment growth has remained rather stable until 2001. In the current year, employment growth has taken a deep dive, however; total employment is expected to decline by about 12,000 or 0.3 percent versus 2001.

The major bulk of employment is made up by wage and salary earners; their numbers rose by 13,600 or 0.4 percent to 3.078 million (excluding persons on parental leave and conscripts) in 2001. In the current year, employment will decline by about the same extent, thus reverting to employment levels of wage and salary earners of the year 2000.

The employment of foreign workers increased in 1999 for the first time since 1996; it continued to rise in 2000 (+13,500 or 4.4 percent) and 2001 (9,600 or 4.9 percent) and is expected to continue to rise in the current year. The share of foreign workers in total employment is thus growing – from 10.2 percent 2000 to 10.7 percent 2001 – 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 329,300 in 2001 (9,500 or 3 percent more than a year ago) and will rise by some 4,000 or 1.2 percent in 2002. This data includes EU citizens – their number has continually risen since Austria's EU membership. By mid 2002 37,400 EU citizens were employed in Austria, i.e., 11.2 percent of foreign employment. The employment of foreigners of third country origin, i.e., non-EU citizens, has declined between 1996 and 1998 but increases since 1999.

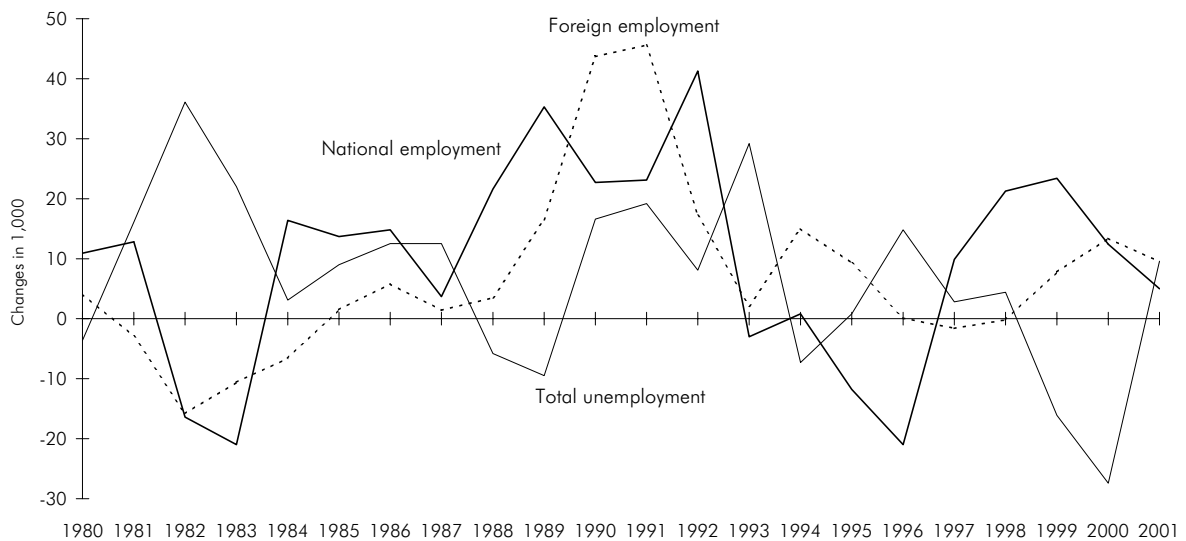
Accordingly, the number of workers of third country origin amounted to some 293.600 in 2001 and will rise slightly in the current year.

The economic slowdown in the year 2001 was accompanied by a boost in labour supply growth. Total unemployment increased as a result by 9,600 or 4.9 percent to 203,900. 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 6.2 percent, 0.2 percentage points more than in 2000. In the current year, unemployment is expected to rise by 31,000 or 15.2 percent to 235,000, i.e., an unemployment rate of wage and salary earners of 6.9 percent.

The labour supply of foreign workers increased during 2001 by 14,300 to reach an annual average of 359,900. The unemployment rate of foreigners rose to 8.5 percent, after 7.5 percent 2000. In the current year, unemployment of foreigners continues to increase, partly as a result of the economic downturn partly because of rising foreign worker labour supply.

Figure 1: National and foreign labour

1980-2001



Source: WIFO.

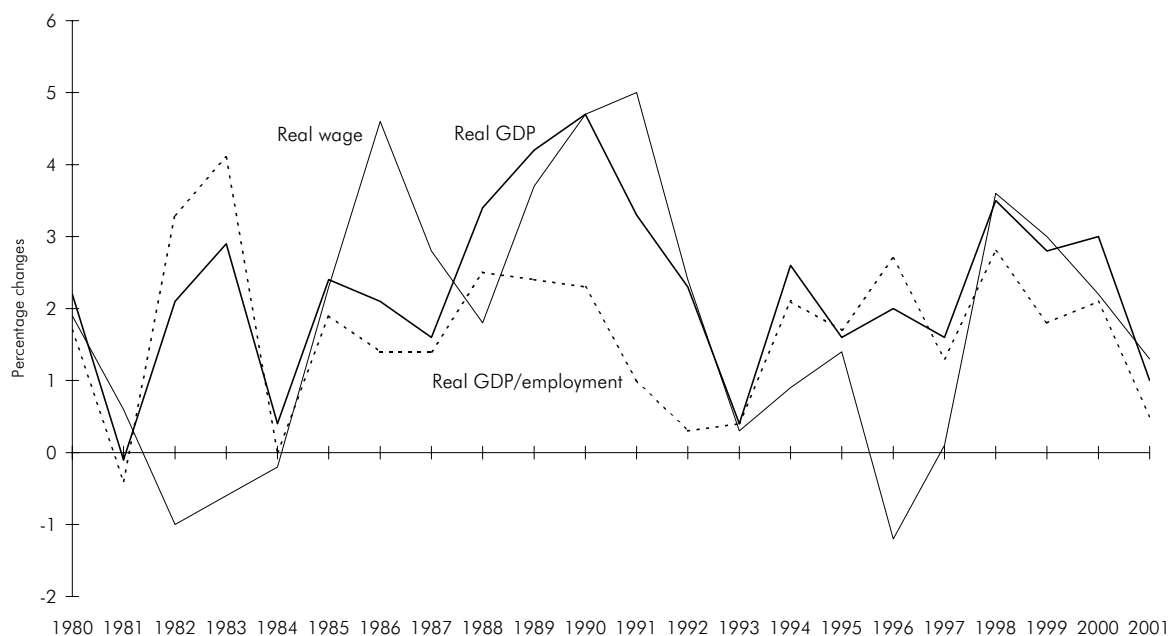
Table 1: National and foreign labour force (wages and salaries)*

	Annual average 2001	Change 2000/2001		Change 1999/2000	
		Absolute	Percent	Absolute	Percent
Total labour Force ¹	3,281,989	+23,217	+ 0.7	+ 1,494	+ 0.0
National labour Force	2,922,069	+ 8,905	+ 0.3	- 10,530	- 0.4
Foreign labour Force	359,920	+14,312	+ 4.1	+ 12,024	+ 3.6
Total employment ¹	3,078,106	+13,648	+ 0.4	+ 28,923	+ 1.0
National employment	2,748,792	+ 4,184	+ 0.2	+ 15,450	+ 0.6
Foreign employment	329,314	+ 9,464	+ 3.0	+ 13,473	+ 4.4
Total unemployment	203,883	+ 9,569	+ 4.9	- 27,429	- 6.7
National unemployment	173,276	+ 4,720	+ 2.8	- 25,980	- 7.1
Foreign unemployment	30,607	+ 4,849	+ 18.8	- 1,449	+ 12.4
		2001	2000	1999	
Total unemployment rate		6.2	6.0	6.8	
National unemployment rate		5.9	5.8	6.7	
Foreign unemployment rate		8.5	7.5	8.2	

Source: WIFO calculations. — * 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

1980-2001



Source: WIFO.

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, amended 2002), 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 Federal Minister of the Interior and the Federal 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), wage and salary earners or self-employed;
- b) family reunion;
- c) foreign students;
- d) refugees;
- e) others.

Administrative procedures in the migration field are guided by two regulatory institutions – the Federal Ministry of the Interior and the Ministry of Economic Affairs and Labour. While the former regulates the inflow and resident status of immigrants and short-term movers, the latter regulates access to the labour market. The interaction and co-ordination of policy concerning migrants is laid down in the law. The Chancellery has the position of a mediator in certain situations.

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 (Arbeitsurlaubnis), 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 enter the Austrian labour market for the first time. 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.

Table 2: Initial work permits for foreign workers 1980-2001

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
2001	28,549	21,580	50,129

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.

The total number of initial work permits amounted to 50.100 (sum of permits over the year) in the course of 2001. Thus the decline of the number of initial work permits, which set in 1998, came to an end. Both men and women entered to a larger extent than in the previous economic boom years the labour market. 43 percent of all initial work permits issued to foreigners in 2001 went to women.

A disaggregation of initial work permits into first entry and re-entry permits shows that the rising number of initial work permits was entirely due to an increased first entry into the labour market. The number of first entries into the labour market, be it from abroad or from within the country, has

increased by +1,500, +6 percent) to 27,000. 56.5 percent of the first entry permits were issued to men, in the main seasonal workers from abroad. Since second generation migrants, who have attended the Austrian school system, are eligible for a permanent licence since 1992 they are not counted among the first issue-holders anymore.

Chances of third country foreign workers to enter the labour market have thus improved the fourth year in a row. The number of re-entry permits has increased as well, however (by 4,300, 22.8 percent) to 23,200, indicating a higher labour turnover of foreign employment in 2001.

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.

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.

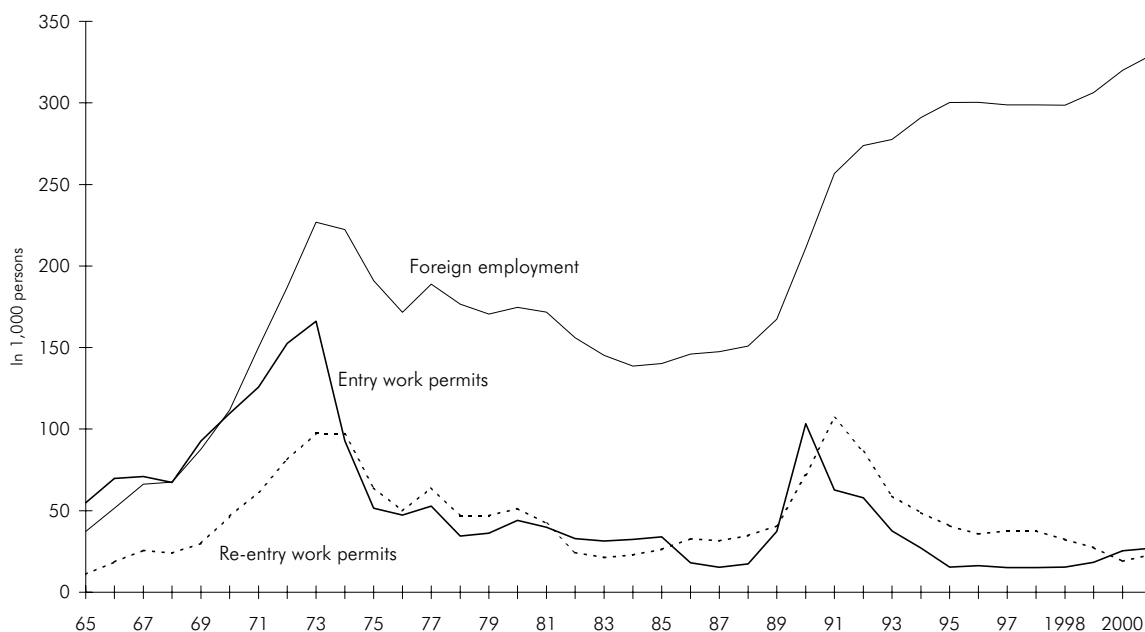
Table 2a: Initial work permits for foreigners

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	–	–
2001	28,549	15,231	–	–
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	–	–
2001	21,580	11,741	–	–
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	–	–
2001	50,129	26,972	–	–

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
1965-2001



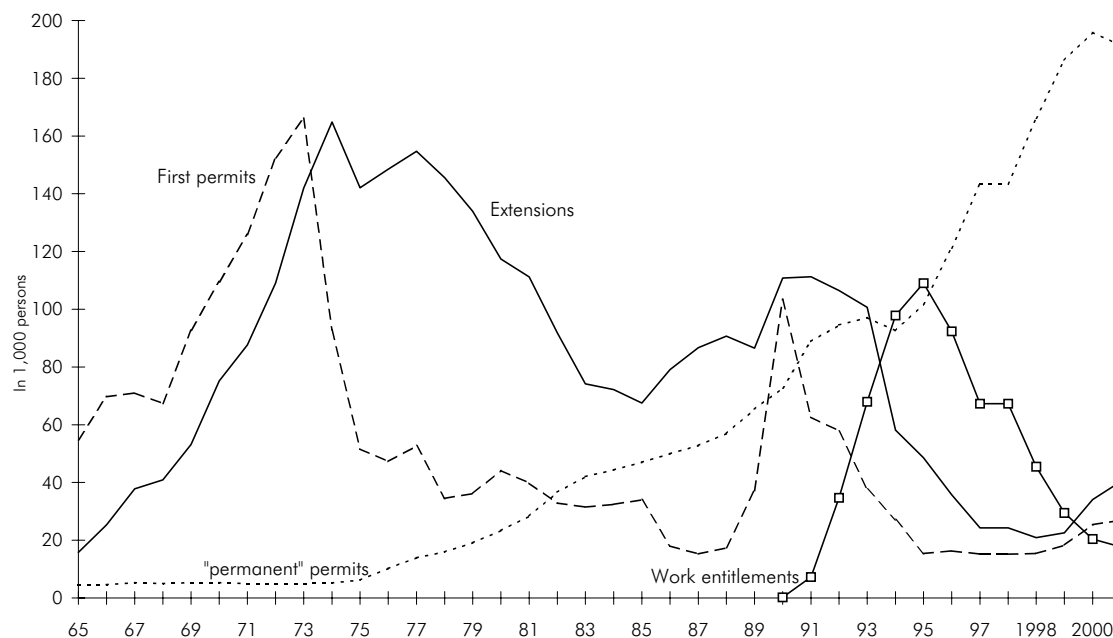
Source: Austrian Labour Market Service.

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 1960s and 1970s the extensions followed the first entry permits with a lag of one year. In the early 1980s, 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

1965-2001



Source: Austrian Labour Market Service.

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. 2001 40,400 permits were extended, 18.7 percent more than 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. In 2001, 58 percent of all extensions were granted to men.

Table 3: Extended work permits for foreign workers 1980-2001

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
2001	23,446	17,003	40,449

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 when they first enter the labour market – to ensure fair and equal treatment and control for social and labour market dumping. As soon as a foreigner switches to a work entitlement (Arbeiterlaubnis – 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 short term work permits in the year 2001 was 31,100, 5,200 or 20 percent more than 2000. 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 1989 and 1992. As labour supply started to dry up in 1999 permit numbers of foreign workers of third country origin increased again. 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 permits ¹

Annual average 2001

	Male	Female	Total
Total	17,706	13,353	31,059
Eastern Europe	6,820	3,197	10,017
of which:			
Poland	1,230	488	1,718
Hungary	2,794	1,045	3,839
Former Czechoslovakia	1,846	786	2,632
Romania	429	515	944
Others	10,893	10,155	21,048
of which:			
Rest Yugoslavia	2,556	2,858	5,414
Croatia	1,373	1,803	3,176
Slovenia	545	374	919
Bosnia	1,971	3,108	5,079
Macedonia	298	189	487
Turkey	1,809	822	2,631

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 2001 10,000 or 32.3 percent came from Central and Eastern European countries, in particular from Hungary (3,800), the region of former Czechoslovakia, in particular Slovakia (2,600), Poland (1,700) and Romania (900). 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 2,700 or 34 percent versus 2000.

Of the remaining 21,000 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" (5,400 or

25.7 percent of all short term work permits), and Bosnia (5,100 or 24. 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 1970s 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 1980s 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 until 2000. In 2001 the number came down slightly to 191,300, as more and more foreigners, who entered Austria in the early 1990s, become eligible for Austrian citizenship. 66 percent of all permanent licence holders are men. 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 2001 an annual average of 17,700 work entitlements were issued, 2,700, 13.3 percent less than 2000. The share of men is slowly coming down to 51.2 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.

The total number of work permits, short term and longer-term, amounted to 242,300 on an annual average in 2001, i.e., it remained fairly stable compared to 2000 (-1,400 or -0.6 percent). In 2001, the division between permits issued to firms for a particular job and to

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.

persons tipped in favour of permits issued to the firm, indicating that during 2001 more foreign workers than in the past entered the labour market for the first time. In spite of that, the major part of all work permits to third country citizens accrued to persons (211,200 or 87 percent).

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
2001	191,316	126,222	17,685	9,051	2,239

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 percent were men, somewhat more than in the case of short-term work permit holders (57 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 13.4 percent in 2001). Thus, a renewed inflow of work migrants from CEECs has set in towards the end of the 1990s, which may be short term in character, it could also be the beginning of a renewed increase of migration with the intent of residing longer in Austria, however.

Table 5a: Permanent licences 2001

Annual average

	Male	Female	Total
Total	126,222	65,095	191,317
Eastern Europe	19,179	6,533	25,712
of which:			
Poland	5,049	1,652	6,701
Hungary	5,265	1,078	6,343
Former Czechoslovakia	4,503	1,786	6,289
Romania	3,477	1,548	5,025
Others	107,045	58,564	165,609
of which:			
Rest Yugoslavia	35,343	26,810	62,153
Croatia	13,384	7,426	20,810
Slovenia	3,768	1,156	4,924
Bosnia	18,349	9,974	28,323
Macedonia	2,947	626	3,573
Turkey	28,970	10,739	39,709

Source: Austrian Labour Market Service.

Table 5b: Work entitlements 2001

Annual average

	Male	Female	Total
Total	9,051	8,634	17,685
Eastern Europe	826	995	1,821
of which:			
Poland	145	202	347
Hungary	140	108	248
Former Czechoslovakia	176	233	409
Romania	152	287	439
Others	8,226	7,643	15,869
of which:			
Rest Yugoslavia	1,637	1,618	3,255
Croatia	831	1,070	1,901
Slovenia	90	72	162
Bosnia	3,647	3,931	7,578
Macedonia	159	122	281
Turkey	949	371	1,320

Source: Austrian Labour Market Service.

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'. 2001 62,200 permanent licence holders from this region were counted, 32.5 percent of all permanent licences. The second largest nationality group of permanent licence holders are Turkish citizens: 39,700 or 20.8 percent of all permanent licences in 2001. Bosnians (28,300) and Croatians (20,800) are the other two ethnicities with large and increasing numbers of permanent licence holders.

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
2001	12,058	8,207	20,265
<i>According to: 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
2001	6,381	4,099	10,480
<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
2001	220	285	505
<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
2001	3,398	2,779	6,177
<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
2001	2,059	1,044	3,103

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 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 17,700 work entitlements only 10.3 percent went to citizens of Central and Eastern European countries. Of the remaining 15,900 the major group were Bosnians; this is a reflection of the favourable situation of Bosnians in terms of labour market integration (42.8 percent of all work entitlements). Serbs and Croats account for another 29.2 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 20,300 in the course of 2001 10,500 or 51.7 percent were issued on the basis of 5 years of work in Austria, and 6,200 or 30.5 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). 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 20,300 new permanent licences about 15 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 increased in all regions except Vienna during 2001. The increase was particularly pronounced in regions with a significant share of tourism in total employment, e.g., Tyrol. The raise in the quota of seasonal workers allowed tourism to take advantage of crossborder migration.

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. In 2001, the regions with the strongest consolidation of foreign worker employment were Vienna and Lower Austria. But all other regions except Vorarlberg issued substantially more extensions of work permits during 2001 than a year ahead. This goes to show that foreign workers can take advantage of employment opportunities even in times of economic slowdown. Even Carinthia exhibits a consolidation of foreign worker employment, after a protracted period of hesitant migrant intake.

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

Sum over the year

	2000			2001		
	Male	Female	Total	Male	Female	Total
Vienna	4,698	3,995	8,693	4,495	3,156	7,651
Lower Austria	4,928	2,974	7,902	5,230	3,115	8,345
Styria	2,897	2,122	5,019	3,391	2,242	5,633
Carinthia	835	706	1,541	1,041	802	1,843
Upper Austria	3,364	2,706	6,070	3,923	2,518	6,441
Salzburg	2,490	2,701	5,191	3,059	3,145	6,204
Tyrol	2,850	2,847	5,697	4,711	4,450	9,161
Vorarlberg	1,076	1,153	2,229	1,333	1,278	2,611
Burgenland	1,252	709	1,961	1,366	874	2,240
Austria	24,390	19,913	44,303	28,549	21,580	50,129

Source: Austrian Labour Market Service.

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

Sum over the year

	2000			2001		
	Male	Female	Total	Male	Female	Total
Vienna	2,278	1,323	3,601	3,098	2,897	5,995
Lower Austria	5,048	2,737	7,785	6,208	3,289	9,497
Styria	4,181	2,896	7,077	4,388	3,250	7,638
Carinthia	496	463	959	570	506	1,076
Upper Austria	1,074	594	1,668	1,338	854	2,192
Salzburg	1,074	1,202	2,276	1,216	1,306	2,522
Tyrol	1,743	1,605	3,348	2,164	1,922	4,086
Vorarlberg	1,238	959	2,197	1,147	1,020	2,167
Burgenland	3,247	1,926	5,173	3,317	1,959	5,276
Austria	20,379	13,705	34,084	23,446	17,003	40,449

Source: Austrian Labour Market Service.

B) Entries and departures of refugees

i) Entries of refugees

Since the mid-1980s the number of asylum seekers rose at first steadily and towards the end of the 1980s abruptly – an experience Austria shared with other Western European countries. By the end of December 1991 27,300 asylum seekers were registered in Austria. This was the starting point 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. By the end of 2001 a steep rise to 30,100 asylum seekers, many of them from Afghanistan, had taken place. 78 percent of all asylum seekers in 2001 were men.

Table 8: Asylum seekers in Austria 1952-2001

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	2001	30,127

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

Of all the asylum seekers in the year 2001 43 percent originated from Afghanistan (13,000). Significantly smaller numbers came from Iraq (2,100 or 7 percent), from Turkey (1,900 or 6.2 percent), from India (1,800 or 6 percent), the Federal Republic of Yugoslavia (1,600 or 5.5 percent), and from Nigeria (1,000 or 3.4 percent). The inflow from Yugoslavia has thus come down to a 'trickle', also the inflow from Iran and India. The number of asylum seekers from Asia, which started to rise in 2000, reached a peak in 2001 and is coming down slowly as the situation

in Afghanistan is starting to be resolved. Only a comparatively small number of asylum seekers originates from Africa and even less so from South America.

Table 9: Asylum seekers by gender and country/region of origin (31 December 2001)

		In percent of all asylum seekers
All Asylum seekers in 2001	30,135	
of which:		
Men	23,457	77.8
Women	6,678	22.2
Originating from Europe	7,598	25.2
of which:		
Armenia	1,259	4.2
Rest Yugoslavia	1,649	5.5
Macedonia	935	3.1
Turkey	1,876	6.2
Originating from Asia	19,701	65.4
of which:		
Afghanistan	12,957	43.0
Bangladesh	949	3.1
India	1,804	6.0
Iraq	2,113	7.0
Iran	733	2.4
Pakistan	487	1.6
Originating from Africa	2,398	8.0
of which:		
Nigeria	1,037	3.4
Sierra Leone	202	0.7
Originating from America	25	0.1
of which:		
Columbia	19	0.1

Source: Federal Ministry of the Interior.

In the course of the current year the number of asylum seekers is continuing to rise beyond the levels of the past year as new problem regions surface. By the end of June a total of 17,100 persons applied for asylum in Austria, 2,100 or 14 percent more than in the period January to June 2000. The majority of the asylum seekers are men (76 percent in 2002). Persons from Afghanistan remain the largest group of asylum seekers (19 percent), followed by persons from Turkey (9.8 percent), Iraq (9.7 percent), Yugoslavia (9.3 percent); larger numbers of Armenians (8.4 percent) and Georgia (7.4 percent) come to the fore. The acceptance rate of asylum cases was highest for Afghans with 44 percent in 2002, followed by Iraqis and asylum seekers from the Russian Federation with 35 percent in both cases. It was also very high in the case of persons from the Republic of Yugoslavia (27 percent) and Turkey (11 percent), but very low in the case of Africans and Indians.

The average acceptance rate in the first half of 2002 amounted to 22.8 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 in the base the rate was 20.8 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. On 1 July 2002 6,800 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 (5,700).

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 Federal Ministry of the Interior of return migration of Bosnians, who had remained in refugee camps, gained weight in 1997. Some but not all took up the opportunity for a subsidised return to Bosnia. By mid 1998, the end of the right to reside in Austria, the remaining Bosnians received permission to stay in Austria on humanitarian grounds.

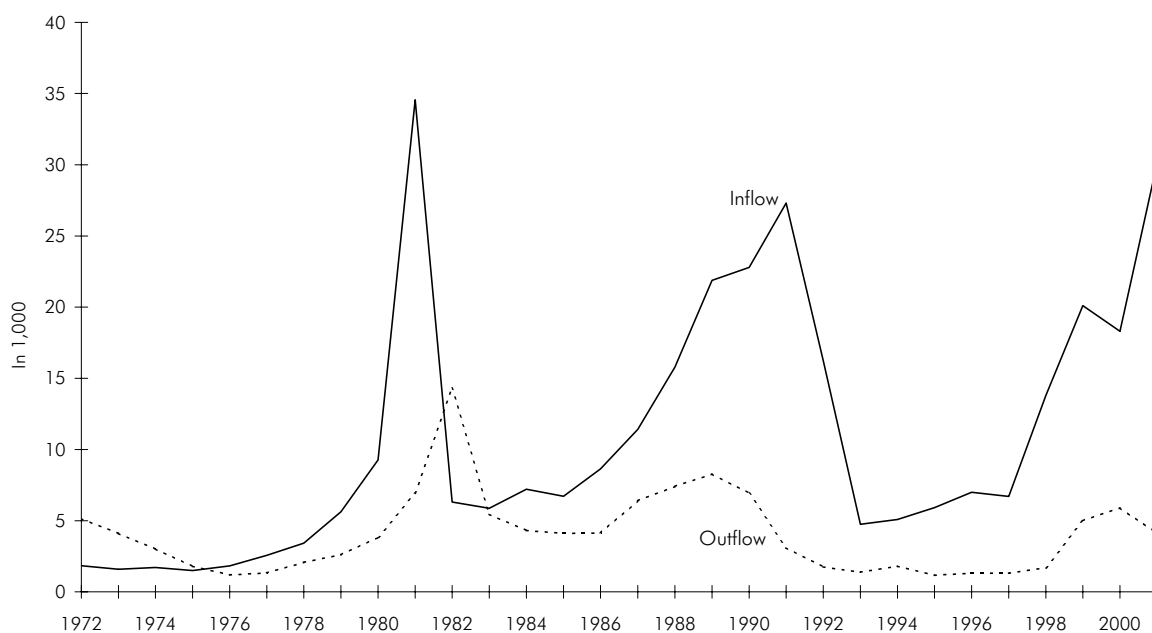
There is a marked difference in the procedures of refugee intake from Kosovo compared to Bosnia. While Bosnians had hardly registered as asylum seekers – they were called war-refugees rather than asylum seekers – the Albanian Kosovars tend to choose the asylum route. The issue of settlement in Austria 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.

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 the outflow increased again, at first slightly and since 1999 markedly without reaching the high level of 1989 (8,300) yet. From 1989 onwards outflows declined and reached 1,300 in 1996, remained at this level in 1997, rose slightly to 1,700 1998 and increased sharply thereafter to 5,000 in 1999 and 5,900 in 2000. In the year 2001 the outflow levelled off at 4,100. The decline of registered outflows in the early to mid 1990s was on the one hand the consequence of policy changes in immigration countries – they started to recruit directly from Eastern European countries through their diplomatic representations – on the other hand refugees themselves may have preferred to stay closer to their countries of origin. In 1999, as the number of asylum applications reached record levels and integration in Austria became more difficult, asylum seekers tended to leave again in larger numbers, in particular to other countries within Europe and to USA.

Figure 5: Inflow and outflow of refugees via Austria
1972-2001



Source: Statistics Austria.

Table 10: Outflow of refugees¹ via Austria 1972-2001

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	2001	4,122

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

C) *Inflow of foreigners due to family reunion*

By mid 1993 a central alien register had been established in the Federal Ministry of the Interior. This register distinguishes between different types of migrant status. The alien law spells out the conditions under which different groups may enter and reside in Austria. The inflow of some groups of persons from third country origin is capped, i.e., the parliament fixes annual entry quotas for persons with the intention to work and/or to join their family members already residing in Austria. The register of aliens of the Federal Ministry of the Interior 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.

Inflow of migrants by type of status in 2002

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. Family members of Austrians or EU/EEA citizens of third country origin face no barriers/waiting lines to entry, neither do artists, people working in the media and some other small groups which are specified in the foreign worker law. Immigration subject to quota regulation pertains only to Non-EU citizens, who wish to work in Austria or to join their family, which is already legally residing in Austria.

In the first half of the year 2002 14,000 new settler visas were granted, of which 9,500 or two thirds outside the quota regulation. 5,000 settlers entered the country within the quota (which is determined annually by the regional states together with the Federal Minister of the Interior). The largest group of settlers are family members. Only a relatively small number received a settler residence permit on the basis of their skills, which are considered scarce in Austria and thus on the basis of labour market needs (1,100). In the quota of skilled migration family members are included, who may not be working but who nonetheless have the right to work/attend school

(Table 12). Thus only about 900 persons enter within the settler programme on the basis of actual work, the rest are family members of the highly skilled workers.

Temporary residence permits are in the main not regulated by quotas through the Federal Ministry of the Interior. The Federal Ministry of Economics and Labour has the legislative power in this area. In the first half of 2002 all in all 19,800 temporary residence permits were issued to persons of third country origin – the largest number to seasonal workers (11,100 or 56 percent). The Federal Ministry of Economics and Labour determines, together with the social partners, how many seasonal workers may work in Austria in agriculture (basically harvesters) and tourism. An amendment to the Foreign worker law in July 2002 allows the employment of citizens of third countries on a temporary basis in industries which are not exhibiting any seasonality as well. Temporary work is meant to alleviate short term labour market scarcities. It is granted for 6 months and may be extended for another six months. Then the temporary worker is expected to return home; he/she may take up a job in Austria again after 2 months abroad. Temporary resident status does not envisage the possibility of family reunion.

The amendment to the law may be seen as a reorientation of migration policy, paving the way for the integration of citizens from CEECs, who will become members of the EU shortly. The option of temporary employment contracts to citizens of third countries in industries with labour scarcities helps ensure continued production and economic growth and integration of migrants into the labour market in the context of regional economic integration without resettlement of total families at the outset. Eventually, after the lifting of barriers to free mobility of labour and families, resettlement of families within the enlarged EU may occur. Then, economically integrated migrant workers have better chances of social and economic integration than persons who have had no prior work experience in Austria.

Table 11 demonstrates that a relatively small proportion of the annual inflow of persons of third country origin is regulated under a quota regime of the Federal Ministry of the Interior, i.e., the settler programme. Of the 34,300 resident permits issued in the first half of 2002 only 5,000 or 15 percent entered within such a quota. 42 percent of all resident permits of the first half of 2002 were in the settler programme. The majority of the settlers (60 percent) are third country origin family members of Austrians or other EEA-citizens.

Table 11: Sum of residence permits granted to citizens of third countries (Non-EU) by residence status and gender

1 January 2002 to end of June 2002

	Male	Female	Total
<i>Sum of all settlement permits and temporary residence permits for which there is no quota</i>	17,321	16,979	34,300
Settlement, for which annual quotas are specified			
Highly skilled settlers and their partners and children			
With right to work	376	188	564
Family reunion without right to work	57	127	184
Sum	433	315	748
Un-, semi- and medium skilled workers, their partners and children			
With right to work	171	83	254
Family reunion without right to work	137	288	425
Sum	308	371	679
Family reunification			
Partner and children under 14			
Family reunion without right to work	1,060	2,128	3,188
Others	176	185	361
<i>Sum of all settlers within the quota regulation</i>	1,977	2,999	4,976
<i>Settlement outside the quota regulation</i>			
Family reunion with EEA-citizen	78	151	229
Family reunion with Austrian	3,727	4,744	8,471
Others	98	146	244
Working for the media	4	3	7
Artists	89	59	148
Other employment outside the foreign worker regulation	231	145	376
<i>Sum of all those who are free to settle in Austria (no quota)</i>	4,227	5,248	9,475
<i>Sum of all settlement permits</i>	6,204	8,247	14,451
<i>No annual quota limitation</i>			
Students of higher education	845	811	1,656
Family reunion with students of higher education	29	37	66
Students	181	245	426
Family reunion with students	3	2	5
Intercompany transferees	668	66	734
Family reunion with intercompany transferees	12	35	47
Voluntary work experience	167	41	208
Cross border workers	245	117	362
Commuters	333	39	372
Seasonal workers	6,851	4,296	11,147
Self-employed	204	839	1,043
Residence on humanitarian grounds	357	373	730
Artists	425	875	1,300
Other employment outside the foreign worker regulation	354	902	1,256
Stageairs	443	54	497
<i>Sum of temporary residence permits for which there is no quota</i>	11,117	8,732	19,849

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

Resident permit holders by type of status: stocks July 2002

A mid-year stock count (6 July 2002) of the number of valid residence permits comes up with a figure of 556,500, 26,500 or 5 percent more than a year ago (Table 13). Slightly more than half of the third country citizen population (53 percent) is male. 28 percent of registered third country citizens are below the age of 20 and only 13.4 percent above the age of 50.

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 for 5 years, 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). While in July 1998 only 55,600 had the right to settle and work, their number had risen to 234,400 by mid 2002 (+26,500 or +12.7 percent versus a year ago). As a result potential foreign labour supply rises.

The number of persons with a residence permit granted on the basis of work only, amounted to 25,600, i.e., 4.6 percent of all residence permits. This was a significant decline versus a year ago (–12,200 or 32.2 percent). The decline has to be seen in the context of rising foreign labour supply as a result of family reunion. Total foreign labour supply amounted to 260,000 by mid 2002, 14,300 or 5.8 percent more than a year ago. 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, which make up about half of all residence permits to citizens of third countries.

In that context it has to be mentioned again that two authorities and legislative institutions regulate the status of foreigners, the Federal Ministry of the Interior and the Federal Ministry of Labour and its executive arm, the labour market service. The latter has the discretionary power to grant access to the labour market to family members who have not yet resided the required length of time in Austria to get the legal right to access the labour market. Access to gainful employment before the specified time may be granted to persons with skills which are needed on the labour market. In this case the increasing labour supply is presumed not to contribute to a rise of unemployment of nationals and settled migrants. Other reasons for earlier access are financial pressures and obligations of migrants, who have to provide for other family members.

Explicitly excluded from access to the labour market are pensioners of third country origin and 'Privateers' and until recently also students. The amendment of the alien law of July 2002 allows students to take up employment but not as fulltime workers but only as part-timers, to help cover their living expenses. This amendment is not expected to raise labour supply of migrant students but to legalise the currently clandestine work on the part of students.

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

	By 1 July 2000			By 3 July 2001 ²			By 6 July 2002		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
<i>Persons with a valid residence permit</i>									
<i>Total</i>	523,851 ¹	279,433	244,418	530,003	281,282	248,721	556,489	292,282	264,207
<i>Age-group</i>									
0 to 19	156,418			152,695	78,703	73,992	155,614	79,985	75,629
20 to 30	107,921			108,824	48,988	59,836	113,460	51,063	62,397
31 to 40	122,617			123,059	68,597	54,462	126,016	68,098	57,918
41 to 50	80,870			82,176	48,905	33,271	86,614	50,742	35,872
51 to 60	38,152			43,051	26,178	16,873	50,316	30,379	19,937
Over 60	17,873			20,198	9,911	10,287	24,469	12,015	12,454
<i>Sum</i>	523,851			530,003	281,282	248,721	556,489	292,282	264,207
<i>Reason of residence</i>									
Wage and salary employment	76,116	51,090	25,026	37,335	25,230	12,105	25,283	17,096	8,187
Work on own account	1,044	801	243	489	391	98	330	267	63
No limitations	187,229	118,849	68,380	207,914	130,448	77,466	234,402	144,061	90,341
Company transferees	1,227	997	230	1,854	1,537	317	1,868	1,559	309
Seasonals	4,910	3,243	1,667	6,676	4,364	2,312	8,802	5,616	3,186
Frontier workers	5,208	4,133	1,075	5,367	4,219	1,148	5,707	4,442	1,265
Commuters	655	535	120	865	741	124	1,536	1,369	167
Artists, etc.	4,110	2,450	1,660	4,252	2,592	1,660	5,198	2,837	2,361
Students	12,250	6,108	6,142	12,808	6,389	6,419	13,308	6,472	6,836
Family reunion with Austrian or EEA-citizen	47,230	19,436	27,794	57,968	23,821	34,147	73,369	30,584	42,785
Family reunion with a foreigner	56,636	23,293	33,343	26,752	10,691	16,061	18,822	7,404	11,418
Family reunion without right to work	154,004	64,955	89,049	154,163	64,959	89,204	153,572	64,611	88,961
Privateer	8,817	3,922	4,895	8,132	3,626	4,506	8,511	3,783	4,728
Pensioner	2,547	1,457	1,090	1,330	785	545	944	566	378
Others	4,661	1,771	2,890	4,098	1,489	2,609	4,837	1,615	3,222
<i>Sum</i>	566,644 ¹	303,040	263,604	530,003	281,282	248,721	556,489	292,282	264,207

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.

A differentiation of the residence status of aliens, registered with the Federal Ministry of the Interior, shows that all of them are to a large extent permanent residents in Austria: in particular Serbs (75.1 percent), Croatians (68.5 percent), Bosnians (64.3 percent), Turks (63.3 percent) and Poles (61.2 percent). They hardly are temporary residents. Short term residents are to the largest extent persons from our neighbouring countries to the East, e.g., Slovaks – 5.4 percent are in Austria for less than 5 months, followed by Hungarians (4.8 percent), and Czechs (3.5 percent). This is the result of increasing regional economic integration which goes hand in hand with a greater fluidity of people flows.

Table 13: Residence status by country of origin and duration of stay

By 6 July 2002

	Less than 5 months	6 to 23 months	24 to 26 months	More than 26 months	Unlimited	Total
Total	5,573	88,486	41,571	79,302	341,557	556,489
Of which:						
Yugoslavia (Serbia)	487	12,648	7,932	11,593	98,632	131,292
Turkey	221	14,416	7,929	14,769	64,426	101,761
Bosnia	290	9,939	9,338	16,910	65,694	102,171
Croatia	564	5,796	2,985	8,721	39,364	57,430
Romania	475	4,335	1,397	3,700	8,609	18,516
Poland	502	3,156	1,288	3,131	12,736	20,813
Hungary	859	6,213	1,004	4,180	5,735	17,991
Slovenia	178	1,301	892	2,732	3,691	8,794
Czech Republic ¹	310	2,013	839	2,453	3,352	8,967
Slovakia ²	601	4,155	934	1,901	3,492	11,083
Macedonia	34	1,739	1,143	1,588	8,864	13,368
Others	1,052	22,775	5,890	7,624	26,962	64,303

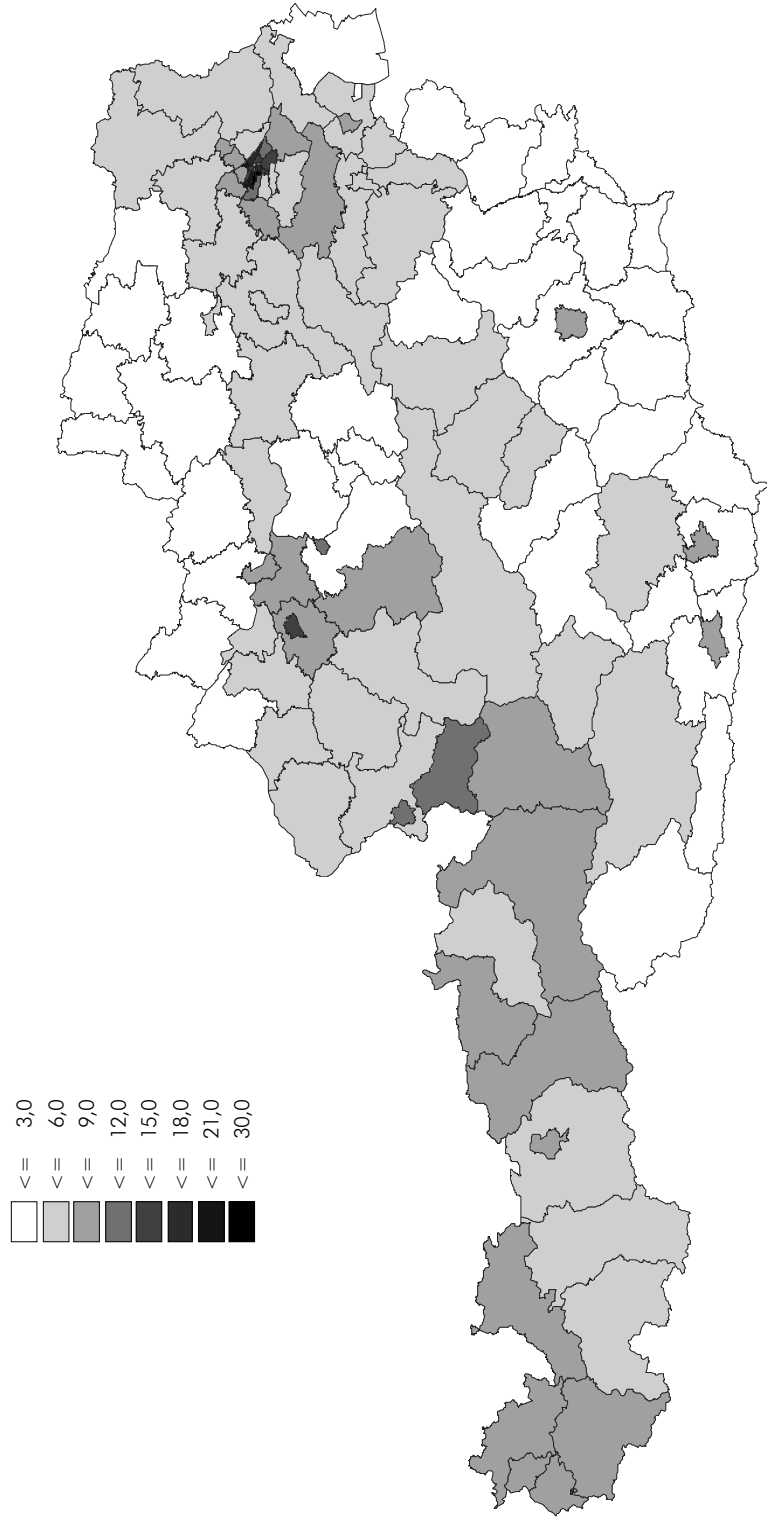
Source: Federal Ministry of the Interior, Central Alien Register. – ¹ Including 109 valid titles for "Czechoslovakians". – ² Including 114 valid titles for persons from "Czechoslovakia".

The regional dispersion of settlers and temporary resident permit holders differs significantly. Settler permit holders are concentrated on the central East-West axis of Austria (Figure 6) and temporary resident permit holders along the eastern and south-eastern border (Figure 7). Citizens of third countries rarely settle in border regions of Upper and Lower Austria to the Czech Republic, neither in large sections of Styria, Carinthia and Burgenland. Also in certain central regions south of the Danube third country citizens hardly settle. In contrast, Burgenland as well as Vienna are the most important regions for temporary resident permit holders.

The regional clusters are to be seen in the context of the history of migration and eventual settlement of former foreign workers on the one hand, and economic integration with neighbouring countries in the East after the fall of the iron curtain on the other. Burgenland and Vienna are examples of particularly successful regional integration, i.e., above all with Hungary and Bratislava.

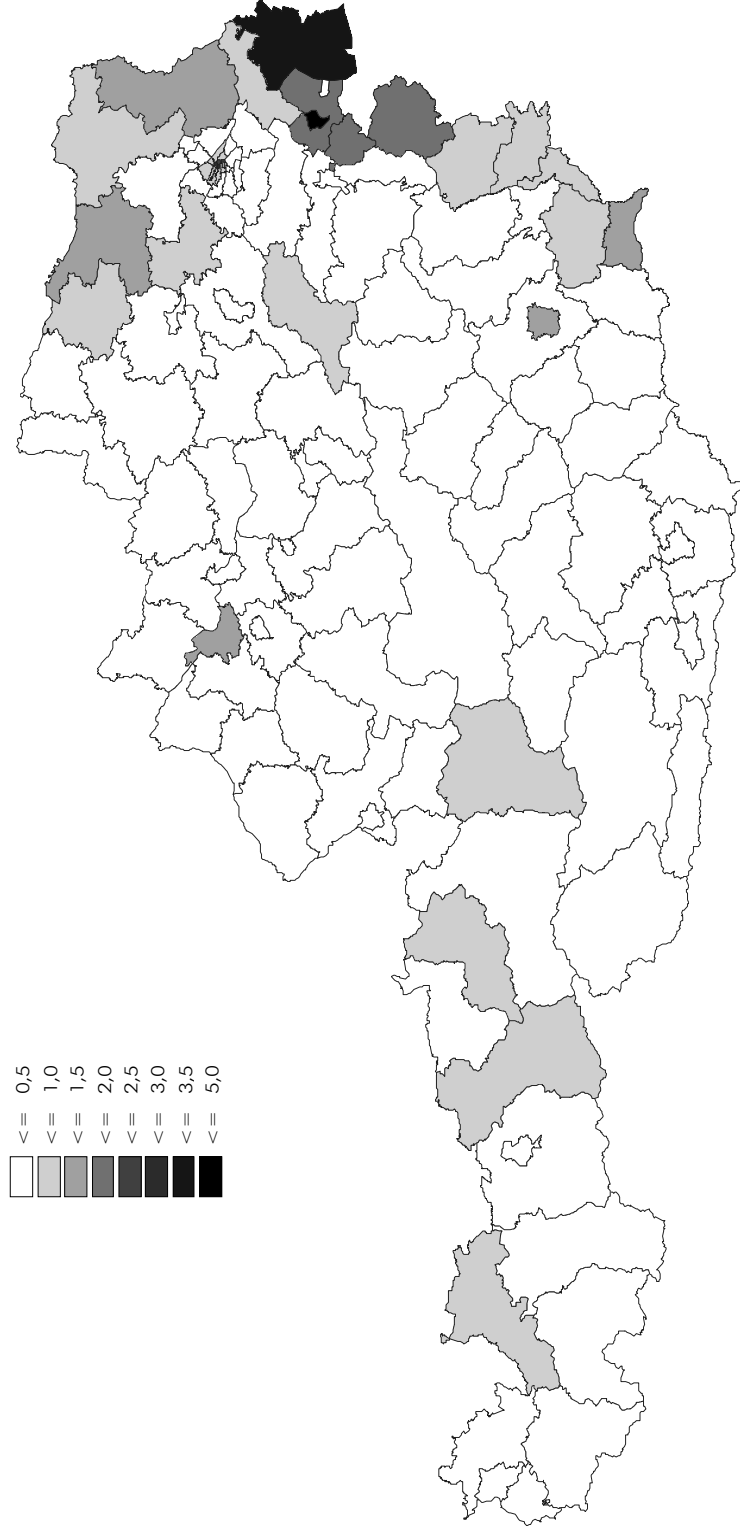
There is a strong ethnic/cultural regional segmentation of settlers and temporary residents. While Turks and Serbs tend to settle in Vorarlberg, Tyrol and Salzburg in the West and in Vienna and Lower Austria south of Vienna in the East, Croats tend to be concentrated in the South and certain districts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

Figure 6: Proportion of settler permit holders in percent of the total population (Census 2001 and Central Alien Register 6 July 2002)



Source: Federal Ministry of the Interior, Statistics Austria, WIFO.

Figure 7: Proportion of temporary resident permit holders in percent of the total population (Census 2001 and Central Alien Register 6 July 2002)



Source: Federal Ministry of the Interior, Statistics Austria, WIFO.

D) 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 as a rule the right to family reunion (partner and dependent children under the age of 15) if an application is filed (§29Alien Law)³. Thus family reunion in the main is not capped by an annual quota. Only foreigners of third country origin who are residing in Austria on the basis of a quota, 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 and 2002 to 1,925.
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 and 2002 to 475.
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, 5,490 in 2001 and 2002.
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 2002 390.

In order to establish the backlog of cases of family reunion, the Federal Ministry of the Interior asked the regional authorities to inform about the number of applications for family reunion, which were waiting to be processed. By the middle of 2002 8,566 applications for family reunion were filed, 3,060 or 26 percent less than in the same period the previous year. 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 2002 on average, this was not the case in the various categories and regions.

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 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, 2002)					
Burgenland	4	23	89	12	128
Carinthia	27	4	66	2	99
Lower Austria	54	135	381	66	636
Upper Austria	53	35	454	15	557
Salzburg	19	22	123	28	192
Styria	15	22	92	11	140
Tyrol	35	20	183	20	258
Vorarlberg	28	21	84	10	143
Vienna	471	481	839	295	2,086
Austria	706	763	2,311	459	4,239
Annual quota for 2002					
Burgenland	45	15	160	10	230
Carinthia	40	10	30	10	90
Lower Austria	290	150	1,060	70	1,570
Upper Austria	190	40	1,050	10	1,290
Salzburg	70	20	210	45	345
Styria	260	30	450	30	770
Tyrol	110	40	280	25	455
Vorarlberg	80	20	200	15	315
Vienna	840	150	2,050	175	3,215
Austria	1,925	475	5,490	390	8,280
Difference between applications by mid year and annual quota limit for the whole year 2002					
Burgenland	41	– 8	71	– 2	102
Carinthia	13	6	– 36	8	– 9
Lower Austria	236	15	679	4	934
Upper Austria	137	5	596	– 5	733
Salzburg	51	– 2	87	17	153
Styria	245	8	358	19	630
Tyrol	75	20	97	5	197
Vorarlberg	52	– 1	116	5	172
Vienna	369	– 331	1,211	– 120	1,129
Austria	1,219	– 288	3,179	– 69	4,041

Source: Federal Ministry of the Interior.

2. Emigration and return of nationals

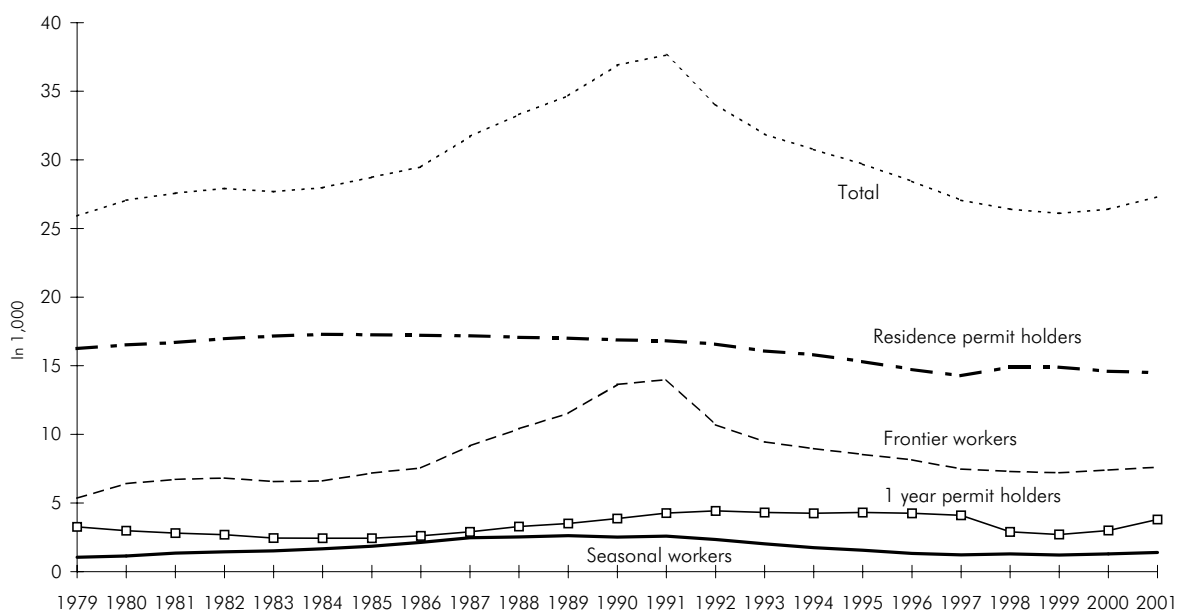
The Austrian labour market is to a certain extent integrated with the industrialised countries bordering Austria in the West, and increasingly also the East and South-East. Until now reliable employment data of Austrians abroad is regularly available from Germany and Switzerland. By the end of August 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 1960s 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.

Figure 8: Employment of Austrians in Switzerland by categories

1979-2001



Source: "Die Volkswirtschaft", Bern; Bundesamt für Ausländerfragen, Bern (survey by end of August).

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.

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

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

	Federal Republic of Germany		Switzerland		Total	
	1	2	Absolute	Percent	Absolute	Percent
1970	77,344	+ 23.2	+ 55	+ 0.3	+ 14,625	+ 17.7
1971	93,088	+ 20.4	- 1,017	- 5.1	+ 14,727	+ 15.1
1972	99,326	+ 6.7	- 955	- 5.1	+ 5,283	+ 4.7
1973	101,000 ³	+ 1.7	- 1,574	- 8.8	+ 100	+ 0.1
1974	96,000 ³	- 5.0	- 1,253	- 7.7	- 6,253	- 5.3
1975	78,000	- 18.7	- 2,770	- 18.3	- 20,770	- 18.7
1976	75,997	- 2.6	- 2,111	- 17.1	- 4,114	- 4.6
1977	74,985	- 1.3	- 702	- 6.9	- 1,714	- 2.0
1978	75,245	+ 0.3	+ 131	+ 1.4	+ 391	+ 0.5
1979	83,698	+ 11.2	- 12	- 0.1	+ 8,441	+ 9.9
1980	87,212	+ 4.2	+ 884	+ 9.2	+ 4,398	+ 4.7
1981	87,441	+ 0.3	+ 325	+ 3.1	+ 554	+ 0.6
1982	84,811	- 3.0	+ 79	+ 0.7	- 2,551	- 2.6
1983	82,187	- 3.1	- 427	- 3.9	- 3,051	- 3.2
1984	80,596	- 1.9	+ 168	+ 1.6	- 1,423	- 1.5
1985	80,644	+ 0.1	+ 787	+ 7.4	+ 835	+ 0.9
1986	81,478	+ 1.0	+ 796	+ 6.9	+ 1,630	+ 1.8
1987	83,306	+ 2.2	+ 2,253	+ 18.4	+ 4,081	+ 4.4
1988	86,021	+ 3.3	+ 1,705	+ 11.7	+ 4,420	+ 4.5
1989	88,701	+ 3.1	+ 1,438	+ 8.9	+ 4,118	+ 4.0
1990	91,380	+ 3.0	+ 2,358	+ 13.3	+ 5,037	+ 4.7
1991	93,352	+ 2.2	+ 804	+ 4.0	+ 2,776	+ 2.5
1992	94,333	+ 1.1	- 3,369	- 16.2	- 2,388	- 2.1
1993	93,155	- 1.2	- 1,677	- 9.6	- 2,855	- 2.6
1994	88,674	- 4.8	- 832	- 5.3	- 5,313	- 4.9
1995	83,587	- 5.7	- 556	- 3.7	- 5,643	- 5.4
1996	79,372	- 4.215	- 681	- 4.7	- 4,896	- 5.0
1997	74,845	- 4.527	- 910	- 6.6	- 5,437	- 5.8
1998	72,185	- 3.6	- 1,264	- 9.9	- 3,924	- 4.5
1999	70,179	- 2.006	- 340	- 2.9	- 2,346	- 2.8
2000	62,608	- 7.571	+ 524	+ 4.7	- 7,047	- 8.7
2001	62,605	- 0.0	+ 1,065	+ 9.1	+ 1,062	+ 1.4

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.

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 2001 62,600 Austrians worked in Germany, the same number as the year ahead. This was the first time in 9 years that the number of Austrians working in Germany stabilised.

With the coming into effect of the bilateral agreement on the part of Switzerland with the EU in 2002 no distinction of the employment status of Austrians in Switzerland is available anymore. The number of Austrians in the population continues to be provided. Accordingly, 30,600 Austrians resided in Switzerland in August 2002, of whom 55 percent male. The great majority of Austrians (24,200 or 79 percent) were permanent residents.

II. Foreign residents and residents abroad

1. Foreign residents in Austria

In 2001 8,132,000 people resided in Austria (yearly average), 21,700 or 0.3 percent more than in 2000. Population growth has thus gained momentum the third 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 6,500 2001) while the net inflow of foreigners remained at a relatively high level (29,400 1999 versus 23,800 2001). The number of foreign residents in Austria rose somewhat less than a year ago, i.e., by 6,400 or 0.8 percent to 764,300. The share of foreigners in the total population increased thus somewhat to 9.4 percent after 9.3 percent in 2000. The share of EU citizens in the total population was 1.3 percent.

Natural population growth was positive in the case of foreigners, i.e., the balance between births and deaths was positive (+8,200), to such an extent that the negative balance of Austrians (–7,500) was more than compensated. The number of naturalisations peaked (31,700) thus putting the breaks on foreign population growth.

The increase in the number of Austrians (+15,300) is the result of a large number of naturalisations which is not compensated by the net outflows and 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, which lost momentum in 2000 and 2001.

Table 16: Foreign residents in Austria

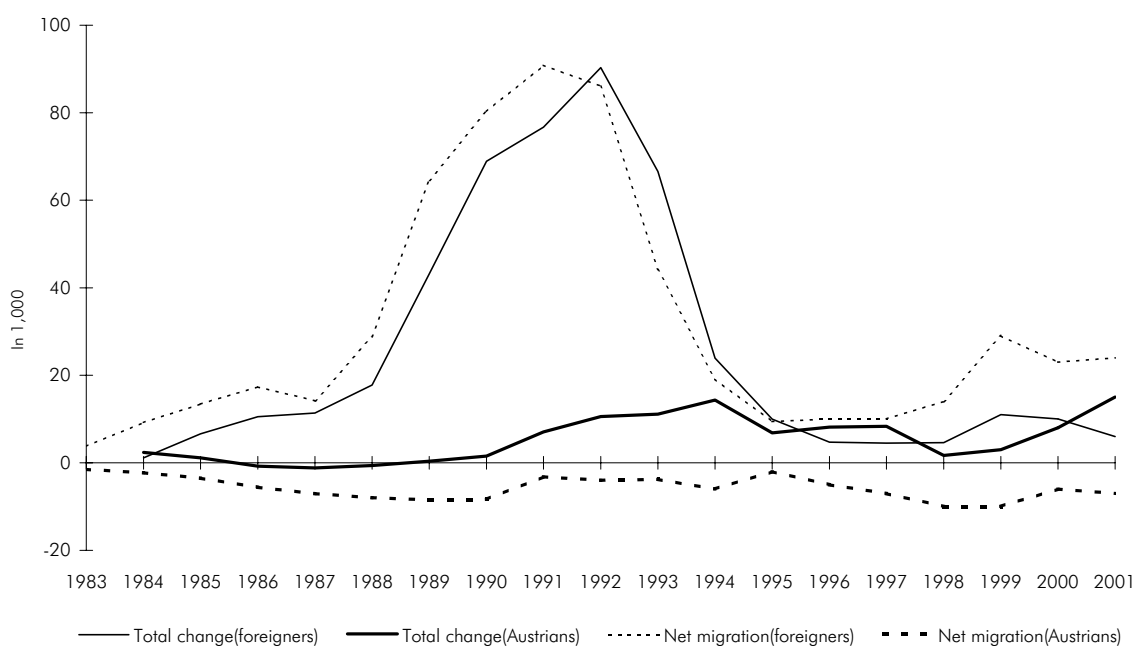
	Population		Population change between beginning and end of year			
	Yearly average	Changes absolute	Total	Birth-death	Migration	Naturalisation
				<i>Total</i>		
1983	7,567,016	.	- 646	- 2,923	+ 2,277	.
1984	7,570,529	+ 3,513	+ 7,671	+ 768	+ 6,903	.
1985	7,578,261	+ 7,732	+ 7,796	- 2,138	+ 9,934	.
1986	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	.
2001	8,131,953	+ 21,709	+ 17,965	+ 691	+ 17,274	.
				<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
2001	7,367,639	+ 15,272	+ 17,724	- 7,505	- 6,502	+ 31,731
				<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
2001	764,314	+ 6,437	+ 241	+ 8,196	+ 23,776	- 31,731

Source: Statistics Austria.

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, in the main a result of increased migration within the EU, which was triggered off by Austria's membership to the EU. 2000 saw a decline of net outmigration of Austrians to 5,900; in 2001 net outmigration increased again slightly.

Total population growth of foreigners (+6,400) 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.

Figure 9: Net migration and total change in population
1983-2001



Source: Statistics Austria.

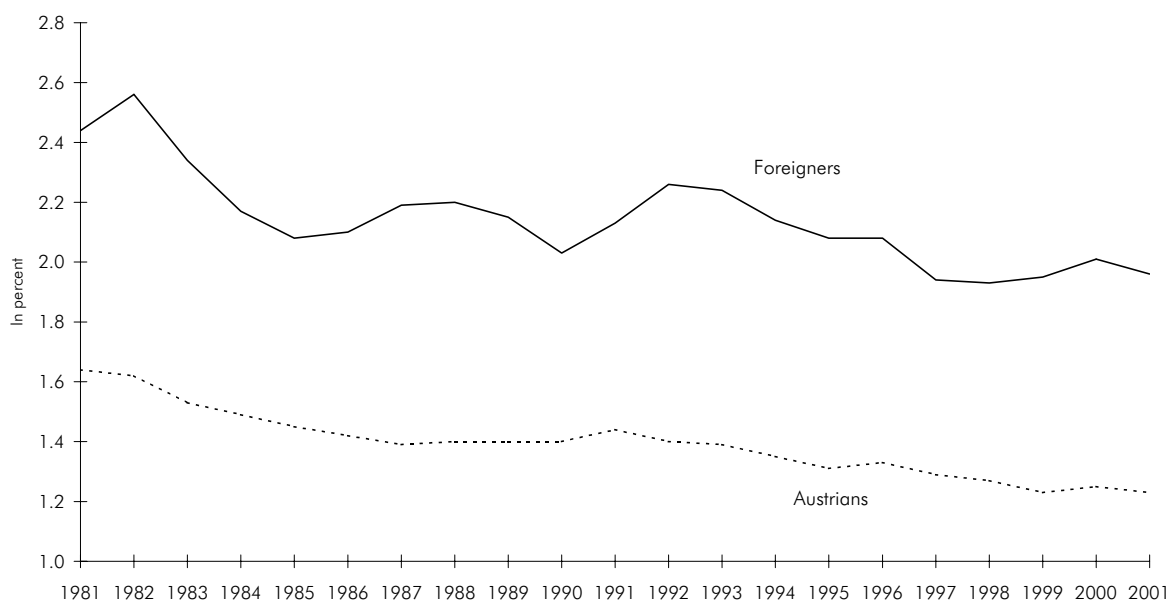
The number of live births in Austria has been declining from a peak of 95,300 in 1992 to 88,700 in 1995. It remained at this level in the following year but took a dip again in 1997. In 1997 the number of births declined significantly (-4,800, -5.4 percent) and continued to do so well into the current year. In 2001 the number of live births was 75,500, 2,800 (-3.6 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 rate of Austrian women has stabilised since 1999 at 1.25, while it increased slightly in the case of foreign women from 1.93 1998 to 2.01 2000, but came down again for foreign women to 1.96 in 2001. On a national average the fertility rate is around 1.31 children per woman, i.e., 1.8 percent less than 2000 and equal to the level of 1999. This is the lowest fertility rate ever registered in Austria.

The total number of births to Austrian mothers amounted to 65,700 in 2001, -2,000 or -2.9 percent versus 2000, and the number of births to foreign women amounted to 9,700, -900 (-8.1 percent) versus 2000. 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 2001 by 6 percent to 1.2 children per woman. The share of foreign births in the total number of births has increased between 1992 and 2001 from 12.2 percent to 12.9 percent.

Figure 10: Total fertility rate of Austrian and foreign women

Average number of children per woman (1981-2001)



Source: Statistics Austria.

2. Number of naturalisations

In the course of the 1980s many foreigners became naturalised. In Vienna, contrary to western provinces, a conscious integration policy of foreigners through naturalisations had 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 2001 32,100 foreigners adopted the Austrian citizenship, 30 percent more than a year earlier. The gender distribution is fairly even with 49.5 percent of all naturalisations going to women. A major part of the new Austrian citizens were former so-called 'guest workers', e.g., Turks (10,100 or 31.4 percent); the large number of persons from former Yugoslavia (10,800, 33.5 percent) is the result of the naturalisation of former refugees as well as foreign workers. The third large component of naturalisations concerns citizens from Central and Eastern Europe (5,200, 16.1 percent), of whom many arrived after the fall of the iron curtain. The naturalisation rate (naturalisations in percent of foreign population) increased continually from 1997 to 2001 – from 2.2 to 4.2 percent. 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 2001 201,800 foreigners took up Austrian citizenship, 57 percent from former Yugoslavia (59,900, 29.7 percent) and Turkey (58,500, 29 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 11.2 percent in 2001, a rate similar to USA, and one of the highest in Europe. A rising share of foreigners is born in Austria. Currently some 147,300 or about 21.6 percent of the total foreign resident population have been born in Austria.

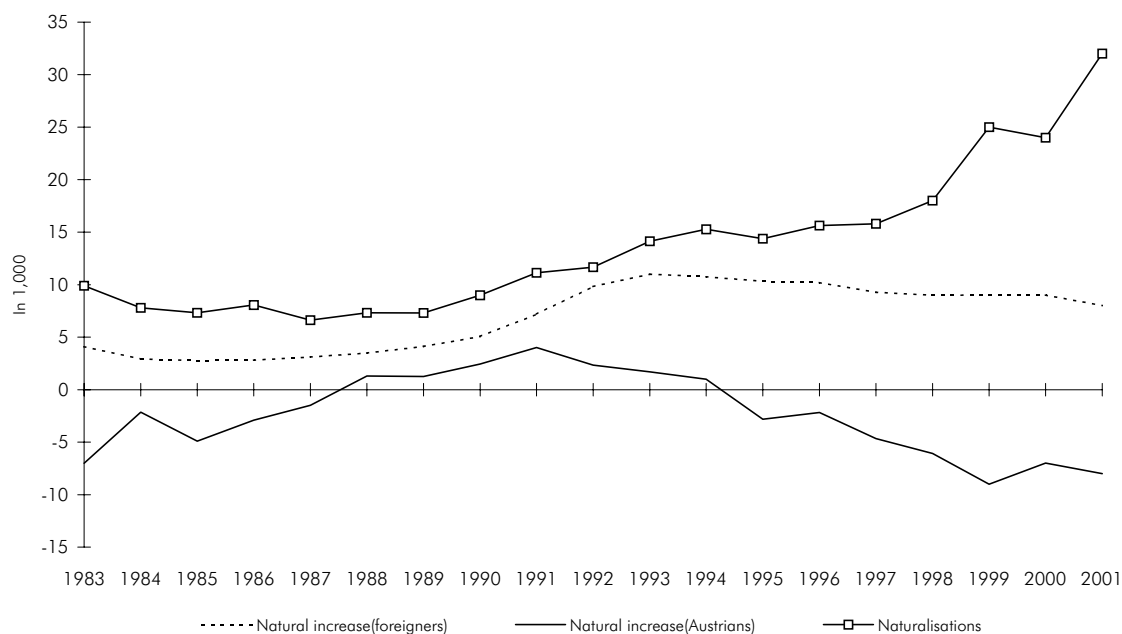
Table 17: Naturalisations in Austria

	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
2001	10,760	5,155	108	10,068	32,080	15,872

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

Figure 11: Natural increase and naturalisations

1983-2001



Source: Statistics 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 2001 is provided.

892,600 persons or 11.2 of the resident population say that they are migrants and have not been born in Austria. Immigration had three peaks, one in the 1950s and 1960s, another one in the late 1980s and early 1990s; the third is emerging in the late 1990s and continues into 2001. All three peaks are linked with political upheavals in the countries of origin and have thus a strong refugee bias.

The proportion of male to female immigrants has shifted within the whole period – men tended to lead the inflow and women tended to follow suit. Thus, the latest wave of inflows tends to be biased in favour of women. 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. The latest one is a result of the family reunion with former refugees from former Yugoslavia, of political unrest in Asia, but also of increased inflows from CEECs, in particular from Poland and Hungary.

Figure 12: Immigrant population by gender and period of immigration



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 13). Also

foreigners had access to marriage premia. In 2001, the number of marriages declined sharply by 5,000 or 12.8 percent to 34,200. The decline was particularly pronounced in the case of both spouses being Austrian, thus reducing the proportion of marriages with both partners Austrian took another dip.

Figure 13: 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 2001, their share had come down to 74.9 percent. The share of foreign marriages (with both spouses foreigners) increased from 0.7 percent 1971 to 4.2 percent 2001. 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 20.9 percent in 2001. 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 13.7 percent 2001. 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 2001 7.2 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

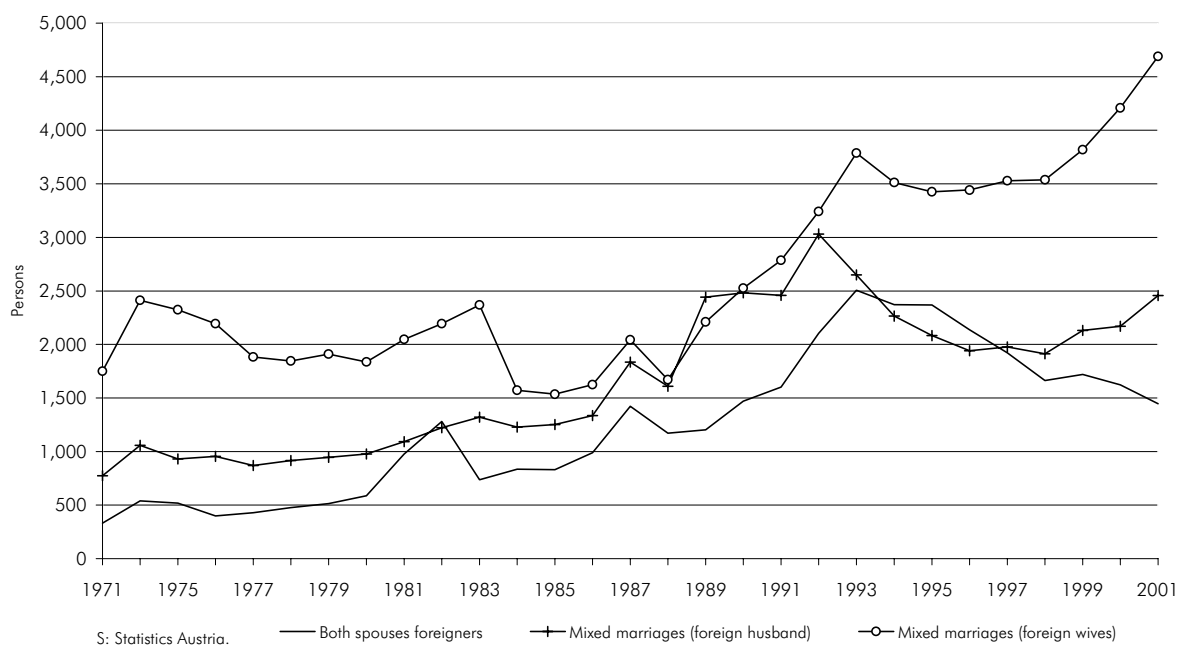
	Total marriages	Both spouses Nationals	Both spouses Foreigners	Mixed marriages: of which	
				Foreign husband	Foreign wife
1971	48,166	45,312	331	774	1,749
1972	57,372	53,365	539	1,057	2,411
1975	46,542	42,769	518	930	2,325
1976	45,767	42,220	399	955	2,193
1977	45,378	42,198	428	869	1,883
1978	44,573	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
2001	34,213	25,622	1,446	2,456	4,689

Source: Statistics Austria.

The most frequent mixed marriage of an Austrian with a foreign citizen is with somebody from former Yugoslavia (900 in 2001), followed by former Czechoslovakia (500 in 2001), Germany (400 in 2001), and Hungary (300 in 2001).

Figure 14: Mixed marriages and marriages of foreigners

1971-2001



III. Employment and unemployment of foreign workers

1. Employment of foreign workers

According to social security data 329,300 foreign workers found employment in Austria during 2001, i.e., 9,500 or 3 percent more than a year ago. The current year will see a somewhat reduced rise in foreign employment as a result of the cyclical downturn. By the end October 2002 employment of foreigners increased only by 5,800 or 1.7 percent. 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 the total of wage and salary earners amounted to 10.5 percent on average in 2001 (after 10.2 percent 2000). In this number, citizens from the EEA/EU are

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.

included. Their numbers have been rising steadily by some 2,000 annually since 1994. During 2001 some 35,600 EEA/EU citizens were employed in Austria, 10.8 percent of all foreign workers.

Table 20: Foreign labour in Austria from 1961-2001

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
2001	329,300	+ 9,500	+ 3.0	10.5

Source: Federal Ministry of Economics and Labour; Federation of Austrian Social Security 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 6,100 or 2 percent to 293,700 2001. 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 optimistic employment performance of persons of third country origin (mid year 2001/2002 –11,900, versus a slight increase according to social security data 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 (*Fremden-gesetz 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. A greater effort to integrate migrants into the labour market during 1999 and 2000. The increased quota of seasonal work permits from abroad in the year 2001 hampered integration of settled migrants. Seasonal work represents also for resident migrants an option to enter the labour market. Increased competition amongst migrants contributed to a rise in unemployment numbers of foreign residents from April onwards.

Alien policy measures

The number of expulsions and withdrawals of the right of residence due to limited financial means, clandestine work and unemployability continues to rise (from 4,800 1997 to 6,700 2001). 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, 2001 to 9,000). 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.

Table 21: Statistic of alien police measures

	Sum January to December 1999	Sum January to December 2000	Sum January to December 2001	Sum January to May 2000	Sum January to May 2001	Sum January to May 2002
<i>Rejections at the border</i>						
§ 52/1 FrG (no passport or Visa)	14,353	10,623	8,973	4,501	3,722	2,496
§ 52/2/1 FrG (refusal of residence)	1,136	1,001	915	515	402	685
§ 52/2/2 FrG (SIS – search)	2,873	2,644	4,189	1,201	1,526	4,803
§ 52/2/3/a FrG (security)	1,360	1,098	1,082	539	511	447
§ 52/2/3/b FrG (clandestine work)	1,498	1,441	851	764	373	341
§ 52/2/3/c FrG (trafficking of humans)	74	53	46	28	22	15
§ 52/2/4 FrG (lack of financial means)	3,356	2,165	1,506	1,115	660	731
§ 52/2/5 FrG (finance delict)	82	30	33	12	4	27
<i>Total</i>	24,732	19,055	17,595	8,675	7,220	9,545
<i>Removal to home country</i>						
§ 55/1/1 FrG (avoidance of border control)	6,804	5,166	4,705	2,023	2,041	1,061
§ 55/1/2 FrG (accord to take persons back)	3,200	3,270	1,633	1,397	708	505
<i>Total</i>	10,004	8,436	6,338	3,420	2,749	1,566
<i>Expulsion from Austria – § 33</i>						
§ 33/1 FrG (illegal residence)	7,800	8,319	5,194	3,948	2,431	1,968
§ 33/2/1 FrG (criminal case)	19	39	28	2	24	2
§ 33/2/2 FrG (illegal purpose)	12	5	3	0	3	5
§ 33/2/3 FrG (prostitution)	3	9	3	2	1	11
§ 33/2/4 FrG (lack of financial means)	113	142	104	83	54	257
§ 33/2/5 FrG (clandestine work)	130	207	296	63	80	74
§ 33/2/6 FrG (illegal entry)	1,094	742	354	221	238	89
<i>Total</i>	9,171	9,463	5,982	4,319	2,831	2,406
<i>Expulsion from Austria – § 34</i>						
§ 34/1 FrG (false pretence, deceit)	255	119	207	65	60	125
§ 34/2 FrG (lack of employment)	27	25	15	22	0	6
§ 34/3 FrG (unemployable)	22	4	0	3	0	1
<i>Total</i>	304	148	222	90	60	132
<i>Refusal of residence</i>						
§ 36/1 FrG (security)	3,389	3,937	8,073	1,284	2,098	3,411
§ 36/2/1 FrG (criminal civil case)	1,360	1,407	1,298	512	569	562
§ 36/2/2 FrG (criminal administration act)	81	53	48	18	20	20
§ 36/2/3 FrG (finance delict)	9	25	36	12	4	6
§ 36/2/4 FrG (prostitution)	15	21	10	11	7	18
§ 36/2/5 FrG (Trafficking of humans)	548	358	265	132	128	93
§ 36/2/6 FrG (false information)	605	561	527	290	264	113
§ 36/2/7 FrG (lack of financial means)	5,513	4,754	4,695	1,917	2,145	2,312
§ 36/2/8 FrG (clandestine work)	1,058	1,516	1,405	641	597	568
§ 36/2/9 FrG (deceptive marriage)	37	71	30	24	12	16
<i>Total</i>	12,615	12,703	16,387	4,841	5,844	7,119
<i>Deportation</i>						
§ 56/1 FrG	10,203	9,638	8,324	3,722	3,687	2,548

Source: Federal Ministry of the Interior.

According to data from the Federal Ministry of the Interior the number of persons captured for trafficking of humans has been reduced substantially over the last couple of years. In the current year hardly more than 100 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 rejections to entry into Austria due to SIS search has more than doubled in the first half of 2002 versus a year ago (to 4,800). This goes to show that co-operation between the Schengen countries is increasingly taking place and effective.

The total number of refusals of residence in Austria has increased in 2001 compared to the three previous years (it affected some 16,400 people). About half of the refusals of the right to reside in Austria are the result of a security risk. The other major groups are lack of financial means and clandestine work.

The structure of foreign workers by nationality and gender

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 10.8 percent 2001 (the majority is from Germany). The share of persons from the Federation of Yugoslavia has been declining from 48.8 percent in 1992 to 37.3 percent 2001. The share of persons from Croatia, 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 2001 they accounted for 7.3 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 and 2001 saw a slight decline in their share in total foreign employment to 17.3 percent, partly as a result of substantial naturalisations of Turks in 2001.

The share of "others", in the main East Europeans, has taken a dip in 1994 and continued to decline until 1999. In 2001 they made up 23.1 percent of all foreign workers, 2.8 percentage points less than in the peak year 1994.

Ever since 1992, as measures to restrict new inflows of foreign workers were introduced, the employment opportunities of foreign women improved vis-à-vis foreign men. The share of women in foreign employment rose from 33.5 percent in 1992 to 38.7 percent in 2001. The proportion of women in foreign employment remained clearly below the Austrian average of 44.5 percent in 2001.

Table 22: Foreign workers by nationality 1971-2001¹

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
2001	329,300	10.8	7.1	0.1	37.3	3.0	1.1	7.3	17.3	23.1

Source: Federal Ministry of Economics and Labour; Federation of Austrian Social Security 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.

The share of women in foreign employment differs greatly by country of origin. Women from the Federation of Yugoslavia have the highest share of foreign female employment, and continued to do so in 2001 (44.2 percent). Next in line are Bosnians (41.5 percent) and Croatians (39.8 percent). The lowest proportion of women in total employment are amongst Turks (27.3 percent) and Macedonians (21.6 percent). The lifting of labour market entry barriers to Turkish citizens as a result of the implementation of agreements of the EU with Turkey in 1997 tended to increase the share of women in the employment of Turks in Austria by 1.8 percentage points.

Table 23: Foreign workers by gender 1971-2001

	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
Annual average 2001	61.3	38.7	100.0

Source: Federal Ministry of Economics and Labour; Federation of Austrian Social Security 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

	Male	2000 Female	Total	Male	2001 Female	Total
<i>Nationalities</i>						
Yugoslavia	43,099	32,540	75,639	39,536	31,286	70,822
Croatia	15,226	9,405	24,631	15,587	10,299	25,886
Slovenia	4,473	1,579	6,052	4,403	1,602	6,005
Bosnia	22,535	14,847	37,382	23,968	17,013	40,981
Macedonia	3,360	825	4,185	3,403	936	4,339
Turkey	34,014	12,589	46,603	31,727	11,932	43,659
Others	34,157	13,512	47,669	34,356	14,013	48,369
Of whom:						
Eastern Europe	26,561	10,329	36,890	26,825	10,726	37,551
Total	156,862	85,297	242,159	152,980	87,081	240,061

Source: Austrian Labour Market Service.

Industrial structure of foreign employment

The industrial structure of employment in the middle of the year (end of July 2001/2002) provides a relatively good estimate of the average annual employment development in the current year. According to this data foreign employment in manufacturing industries excluding construction declined by 4,300 or 3.3 percent in the current year. Almost all manufacturing industries exhibited negative employment growth. The only exceptions were the food and tobacco industry. 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 in certain cases 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. In the current time of economic decline the leased skilled workers, to a large extent foreign workers, are the first to lose their jobs. Thus their share in industry employment declined except in the case of the food industry.

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 7,200 or 2.7 percent to 261,800. Foreign workers could increase their employment share in the construction industry (to 18.7 percent after 18.5 percent in July 2001). Their employment numbers declined nonetheless by 1,000 or 2 percent to 48,900.

Employment in services continued to increase in July 2002 (+6,500, +0.3 percent versus 2001), with a rising share of foreign workers (from 9.4 percent to 9.7 percent). The most dynamic industries were business services (+10,600, +3.8 percent), which include the catch-all of temporary work agencies. The share of foreign workers increased slightly to 16.9 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 industry. The other services with above average employment growth were tourist industries, health and social services.

According to social security data, foreign employment rose by 4,300 or 1.3 percent to 348,900. 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 29.5 percent in July 2002. 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 (25.3 percent) and tourism industries (28 percent) the highest foreign worker density.

Table 25: Employment of wage and salary earners by industry

By end of July

	2001			2002		
	Total	Foreigners	Percent of total	Total	Foreigners	Percent of total
<i>Agriculture and forestry</i>	30,928	8,523	27.6	31,506	9,306	29.5
<i>Mining and manufacturing</i>	942,843	129,793	13.8	915,102	125,513	13.7
Mining, stones and minerals	14,379	794	5.5	14,274	767	5.4
Food, drinks, tobacco	76,721	12,176	15.9	75,443	12,309	16.3
Textiles, clothing, leather	38,545	10,030	26.0	35,748	9,032	25.3
Wood, paper, printing, publishing	82,751	7,923	9.6	81,420	7,781	9.6
Chemicals, recycling	62,134	8,331	13.4	62,315	8,108	13.0
Stone and glassware	32,414	4,052	12.5	31,220	3,883	12.4
Production and processing of metals	294,149	31,835	10.8	284,192	30,413	10.7
Furniture, jewellery, musical instruments etc.	43,320	4,517	10.4	40,685	4,084	10.0
Energy and watersupplies	29,466	249	0.8	27,998	269	1.0
Construction	268,964	49,886	18.5	261,807	48,867	18.7
<i>Services</i>	2,197,967	205,936	9.4	2,204,472	213,441	9.7
Trade, repairworks	505,290	47,798	9.5	501,414	48,626	9.7
Restaurants and hotels	170,400	46,216	27.1	173,643	48,563	28.0
Transport, telecommunications	228,330	20,624	9.0	223,614	21,798	9.7
Financing, insurance	112,414	2,815	2.5	112,625	3,033	2.7
Business-oriented services	275,670	45,455	16.5	286,280	48,309	16.9
Public administration, social security	472,247	12,376	2.6	468,700	12,009	2.6
Education and research	123,754	2,816	2.3	124,631	2,942	2.4
Health-, veterinary and social services	158,578	11,613	7.3	161,413	11,841	7.3
Other public and private services, extraterritorial organisations	147,401	15,543	10.5	148,446	15,664	10.6
Private households	3,883	680	17.5	3,706	656	17.7
<i>Military service</i>	12,749	–	–	12,675	–	–
<i>Parental leave</i>	59,003	–	–	82,854	–	–
<i>Unknown</i>	–	323	–	–	661	–
<i>Total</i>	3,243,490	344,575	10.6	3,246,609	348,921	10.7

Source: Federation of Austrian Social Security Institutions.

Next in line are construction (18.7 percent), household services (17.7 percent), and business services (16.9 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.

The work permit statistics of the Labour Market Service, which refer to citizens of third countries, give a similar picture of the industrial structure of foreign employment. According to this data foreign employment decreased between mid 2001 and 2002 (–9,700, –3.9 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 statistics, the employment of foreign workers of third country origin declined in all manufacturing industries

as well as in services, except education and research as well as 'other' public and private sector services.

Table 26: Employment of foreigners of "third-country-origin" by industry 2001/2002

By end of July

	2002	Change 2001/2002		2001	2002
	Absolute	Absolute	Percent	Percent of total employment	
<i>Agriculture and forestry</i>	12,864	934	7.8	38.6	40.8
<i>Mining and manufacturing</i>	90,460	- 6,472	- 6.7	10.3	9.9
Mining, stones and minerals	534	- 95	- 15.1	4.4	3.7
Food, drinks, tobacco	7,665	- 504	- 6.2	10.6	10.2
Textiles, clothing, leather	7,010	- 598	- 7.9	19.7	19.6
Wood, paper, printing, publishing	5,605	- 522	- 8.5	7.4	6.9
Chemicals, recycling	4,082	- 443	- 9.8	7.3	6.6
Stone and glassware	2,476	- 186	- 7.0	8.2	7.9
Production and processing of metals	16,906	- 1,177	- 6.5	6.1	5.9
Furniture, jewellery, musical instruments etc.	3,389	- 323	- 8.7	8.6	8.3
Energy and watersupplies	123	12	10.8	0.4	0.4
Construction	42,670	- 2,636	- 5.8	16.8	16.3
<i>Services</i>	112,095	- 4,767	- 4.1	5.3	5.1
Trade, repairworks	22,741	- 1,736	- 7.1	4.8	4.5
Restaurants and hotels	42,536	- 434	- 1.0	25.2	24.5
Transport, telecommunications	8,180	- 344	- 4.0	3.7	3.7
Financing, insurance	537	- 30	- 5.3	0.5	0.5
Business-oriented services	21,046	- 1,515	- 6.7	8.2	7.4
Public administration, social security	3,254	- 351	- 9.7	0.8	0.7
Education and research	649	2	0.3	0.5	0.5
Health-, veterinary and social services	4,696	- 430	- 8.4	3.2	2.9
Other public and private services, extraterritorial organisations	7,918	115	1.5	5.3	5.3
Private households	538	- 44	- 7.6	15.0	14.5
<i>School-leavers</i>	10,752	177	1.7	-	-
<i>Others</i>	14,957	1,149	8.3	-	-
<i>Unknown</i>	612	- 750	- 55.1	-	-
<i>Total</i>	241,740	- 9,729	- 3.9	7.8	7.4

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

Regional distribution of foreign employment

The regional distribution of foreigners remained more or less unchanged between 2000 and 2001. All federal states increased their share of foreign workers in total employment except Lower Austria, which remained stable. As economic growth declined, it affected regions differently, accentuating the long run regional strengths and weaknesses. The southern provinces had below average employment growth performance (Carinthia and Styria) – employment declined by 0.2 percent.

The western regions of Austria were relatively dynamic with employment growth rates of 0.5 percent on average (Tyrol, Vorarlberg, Salzburg, Upper Austria). The eastern provinces were with the

exception of Burgenland the least dynamic – with an average employment decline of 1 percent. Vienna is suffering from the downsizing of bureaucracy in the public sector.

Foreign workers profit from the decline in overall labour supply growth as well as the onset of relative labour scarcities. They could increase their employment share above all in the western provinces Vorarlberg and Tyrol and in the easternmost province of Burgenland.

Table 27: Regional distribution of foreign labour in Austria

Annual average

	2000			2001		
	Total employment	Foreigners ¹	Percent	Total employment	Foreigners ¹	Percent
Vienna	770,300	110,100	14.3	767,300	111,400	14.5
Lower Austria	521,600	49,500	9.5	520,800	49,600	9.5
Styria	429,300	22,200	5.2	432,900	23,600	5.5
Carinthia	192,200	11,500	6.0	192,800	12,000	6.2
Upper Austria	532,000	40,400	7.6	539,300	42,600	7.9
Salzburg	213,000	24,500	11.5	213,800	25,400	11.9
Tyrol	262,300	26,500	10.1	266,600	27,900	10.5
Vorarlberg	132,600	24,700	18.6	133,700	25,400	19.0
Burgenland	80,300	8,100	10.1	81,000	8,500	10.5
Austria	3,133,700	319,900	10.2	3,148,200	329,300	10.5

Source: Federation of Austrian Social Security Institutions.. – ¹ In the total number of foreign employment 2,000 (2000) and 2,500 (2001) 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 33.9 percent of all foreign workers were working in Vienna in 2001 – this share has been relatively stable for some time now. The share of Yugoslavs (35.3 percent) is somewhat above this average, the share of Turks (29.9 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 (36.5 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 2000 and 2001

Annual average

	Foreign workers ¹		Germany		Among them from				Others	
	2000	2001	2000	2001	Former Yugoslavia	Turkey		2000	2001	2000
	Total				Percent					
Vienna	34.4	33.9	24.0	23.9	35.9	35.3	30.6	29.9	36.9	36.5
Lower Austria	15.5	15.1	10.9	10.2	13.1	13.0	17.9	17.4	19.5	18.7
Styria	6.9	7.2	7.7	7.7	7.5	7.7	2.4	2.7	8.7	8.9
Carinthia	3.6	3.6	4.6	4.7	5.0	5.1	0.8	0.8	2.5	2.5
Upper Austria	12.6	12.9	11.7	12.0	13.9	14.2	10.7	11.0	11.7	12.0
Salzburg	7.7	7.7	11.8	11.7	9.1	9.1	6.0	6.1	5.0	5.0
Tyrol	8.3	8.5	14.5	14.4	7.3	7.4	12.7	13.1	5.6	5.9
Vorarlberg	7.7	7.7	12.2	12.2	6.0	5.9	17.8	17.9	3.0	3.2
Burgenland	2.5	2.6	1.3	1.4	1.3	1.3	0.7	0.7	6.4	6.5
Austria	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Federation of Austrian Social Security Institutions. – ¹ In the total number of foreign employment 2,000 (2000) and 2,500 (2001) 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. The period of economic upswing between 1997 and 2000 allowed unemployment to decline from 1998 to 2000. In 2001 unemployment started to rise again as the economy entered into a downward trend. Unemployment started to rise in May 2001 and increased by 9,600 or 4.9 percent on a yearly average to 203,900. The current year saw a rapid deterioration of unemployment such that by the end of October the unemployment levels of the same time a year ahead were surpassed by 17,200 or 8.8 percent.

The share of foreign workers in total unemployment amounted to 30,600 or 15 percent in 2001, a rise by 1.7 percentage points compared to 2000. The number of foreign unemployed increased by 4,800 or 18.8 percent, i.e., more than proportionately. A significant rise of long-term unemployment of foreign workers had been expected as a result of the verdict of the European supreme court 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 has expired, in case of a positive needs test. Austria always understood the needs tested unemployment benefits as a type of welfare payment, from which migrants with

temporary work permits could be excluded and migrants with a permanent licence limited to one year of needs tested long-term benefit. Austrians can, in contrast, receive needs tested benefits 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 workers. The implementation of equal treatment of permanent permit holders with Austrians came at a time when policy towards long-term unemployment changed, not least as a result of co-ordinated EU policy which strives to activate the unemployed, i.e., to move away from welfare to employment promotion.

The share of women in total unemployment, which had been rising continually from 1993 to 1998 (45.6 percent), declined thereafter and reached 43.4 percent in 2001. 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 2001, the unemployment rate of men increased to such an extent that it surpassed the rate of women for the first time in 16 years. It reached a level of 6.2 percent and was thus 0.3 percentage points higher than the rate for women.

Table 29: Total unemployed and unemployed foreigners 1975-2001

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
2001	115,324	88,560	203,883	20,201	10,406	30,607

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

The share of women in total foreign unemployment is, contrary to Austrian women, smaller than their employment share, but rising; it amounted to 34 percent in 2001. The unemployment rates of foreign women have thus almost always been lower than those of foreign men. The unemployment rate of foreign women surpassed the rate of men only in a very short period in the past (1987/88). In 2001 the unemployment rate differential between foreign men and women reached an unprecedentedly high level of 1.5 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
2001	6.2	5.9	6.1	9.1	7.6	8.5	8.6	10.6

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.

In 2001 the unemployment rate of foreign men amounted to 9.1 percent after 7.8 percent a year ago. It is thus significantly higher than the national average unemployment rate of men of 6.2 percent. Foreign women had an unemployment rate of 7.6 percent, after 6.9 percent a year ago. The national average unemployment rate of women amounted to 5.9 percent in 2001.

Turkish workers have traditionally had the highest unemployment rates of any foreign worker group. This was also the case in 2001. The unemployment rate of Turks had declined continuously between 1997 and 2000, but rose again in 2001 to 10.6 percent. The unemployment rate of Yugoslavs rose to 8.6 percent (after 7.4 percent 2000), thus raising the differential between Turks and Yugoslavs to 2 percentage points.

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.

Table 31: Unemployment rates of indigenous and foreign labour according to selected occupations 1992-2001

Selected occupations	1992	1993	1994	1995 1	1996	1997	1998	1999	2000	2001
<i>Nationals</i>										
Agriculture and forestry	14.4	16.0	13.8	14.3	14.3	14.2	15.0	14.7	14.0	14.2
Stone- and mineralworkers	3.9	4.5	4.1	3.8	4.6	4.4	4.3	4.0	3.8	3.9
Construction	7.7	8.4	7.8	8.0	8.6	8.3	8.4	8.2	7.9	8.9
Metalworkers, electricians	5.7	7.2	7.0	8.4	8.9	8.2	7.8	7.2	5.9	6.1
Woodprocessing	4.1	4.9	4.5	4.5	5.1	5.3	5.4	5.4	4.6	5.1
Textile workers	3.6	5.0	4.6	5.6	6.4	6.2	5.4	5.1	4.2	4.5
Clothing, shoe industry	11.7	14.2	14.3	14.2	15.9	15.9	15.7	14.6	12.8	12.0
Trade	4.2	4.7	4.7	4.2	4.5	4.8	5.0	4.7	3.9	3.9
Tourism	18.0	19.2	18.1	17.8	18.4	18.5	18.5	17.1	15.3	15.4
Total	6.0	6.8	6.6	6.6	7.1	7.1	7.2	6.7	5.8	5.9
<i>Foreigners</i>										
Agriculture and forestry	12.5	12.7	16.4	14.8	14.0	12.8	12.4	11.7	10.5	11.0
Stone- and mineralworkers	5.8	7.4	5.1	4.7	6.1	5.4	5.4	5.8	5.1	4.9
Construction	9.7	11.1	9.6	9.9	11.1	10.9	11.2	11.2	11.1	13.3
Metalworkers, electricians	8.0	10.8	8.5	8.8	10.4	9.7	9.6	8.7	7.2	8.2
Woodprocessing	4.6	6.5	4.8	4.7	6.3	6.5	6.3	6.0	5.2	5.5
Textile workers	4.7	8.6	6.0	6.6	7.4	5.8	4.9	5.3	4.2	3.8
Clothing, shoe industry	7.1	9.3	11.3	8.2	8.3	8.6	8.9	8.2	7.6	8.1
Trade	2.1	2.8	2.0	1.8	2.0	2.3	2.6	2.4	2.1	2.6
Tourism	7.8	9.6	10.9	10.5	10.9	11.3	11.7	10.9	10.0	9.8
Total	7.4	8.9	8.3	7.9	8.6	8.6	8.8	8.2	7.5	8.5

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 Break in the employment disaggregation due to switch in system.

The unemployment rates of Austrians were particularly high in tourist services with 15.4 percent in 2001, followed by agricultural occupations with 14.2 percent and by work in clothing and leather industries with 12 percent. Foreign workers, in contrast, tended to have a slightly different ranking, with construction workers taking the lead (13.3 percent), followed by agricultural workers (11 percent), tourism (9.8 percent), metal workers and electricians (8.2 percent), and workers in the leather, clothing and shoe industry (8.1 percent). Unemployment rates increased in all major occupations – with the exception of the leather and clothing occupation – in the case of nationals. In the case of foreign workers the situation was more differentiated. Unemployment rates declined for stone- and mineral-workers, for textile workers and in tourism; in all other major occupations unemployment rates increased.

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 32: Unemployment rates by industry of Austrians and foreigners 2000/2001

	Total labour force		Austrians		Foreigners	
	2000	2001	2000	2001	2000	2001
<i>Agriculture and forestry</i>	12.2	12.7	12.6	13.1	10.6	11.5
<i>Mining and manufacturing</i>	7.3	7.8	7.1	7.5	8.4	9.8
Mining, stones and minerals	4.0	5.0	3.7	4.7	8.5	10.3
Food, drinks, tobacco	5.6	5.7	5.6	5.6	5.5	6.2
Textiles, clothing, leather	8.5	8.4	9.3	9.1	6.1	6.5
Wood, paper, printing, publishing	7.5	7.9	7.5	7.8	7.5	8.3
Chemicals, recycling	5.3	5.2	5.3	5.2	5.2	5.6
Stone and glassware	5.9	6.0	5.6	5.7	7.9	8.0
Production and processing of metals	4.3	4.2	4.2	4.1	4.5	5.1
Furniture, jewellery, musical instruments etc.	5.3	5.7	5.1	5.4	6.8	7.9
Energy and watersupplies	1.3	1.6	1.3	1.6	6.7	6.9
Construction	12.3	13.9	12.2	13.5	12.6	15.5
<i>Services</i>	5.0	5.0	4.9	4.8	6.4	7.0
Trade, repairworks	6.6	6.6	6.7	6.7	6.1	6.6
Restaurants and hotels	16.4	16.5	18.2	18.1	11.3	11.9
Transport, telecommunications	3.3	3.6	3.2	3.4	4.1	4.8
Financing, insurance	2.2	2.0	2.1	2.0	2.7	2.9
Business-oriented services	5.0	5.1	5.0	4.8	5.0	6.1
Public administration, social security	1.5	1.4	1.5	1.4	2.1	2.2
Education and research	1.6	1.6	1.5	1.5	3.9	4.1
Health-, veterinary and social services	3.7	3.4	3.7	3.4	3.1	3.2
Other public and private services, exterritorial organisations	5.8	6.0	5.8	5.8	6.2	6.9
Private households	12.0	11.3	13.0	12.2	6.7	6.9
<i>Sum of industries</i>	5.8	5.9	5.6	5.7	7.2	8.2
<i>Total</i>	5.8	6.1	5.7	5.8	7.5	8.5

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

A slightly different picture emerges, if one calculates unemployment rates by industry. While one thing holds true, i.e., industries which have a strong seasonal employment component, have the highest unemployment rates. Tourism industries take the lead with 16.5 percent 2001, followed by construction (13.9 percent); agriculture is number 3 in this industry ranking of unemployment rates (12.7 percent). Unemployment rates of people working in private households (11.3 percent), are, however, almost equally high as for people working in agriculture.

While the average unemployment rate of foreigners is higher than for indigenous workers, this is not the case in the seasonal industries – tourism and agriculture – as well as in private households. Also in textile-clothing-leather industries, in trade and repair work, and in 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.

In industries, in which unemployment rates between nationals and foreigners differ, foreign workers tend to be complementary to nationals.

IV. Remittances of foreign workers

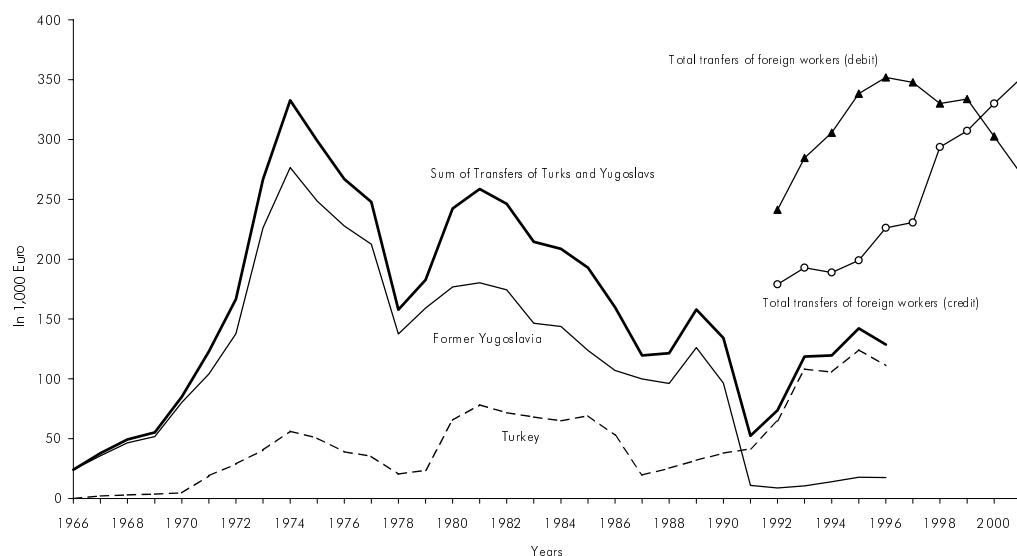
The major foreign worker groups in Austria are from the former region of Yugoslavia and from Turkey. Therefore the mass of the money saved and transferred to the home country on the part of foreign workers is directed to these regions. Remittances to the region of former Yugoslavia have been high and 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 (AS 245 million or € 17.8 million). In the course of 1996 a slight decline to € 17.5 million (AS 241 million) 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 € 119.8 million (AS 1,649 million) were transferred to Turkey, the highest amount ever since the beginning of the series in 1966. In 1996 the sum declined again somewhat to € 111.1 million (AS 1,529 million).

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 € 5,087 (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.

Figure 15: Remittances of foreign workers to their home countries
1966-2001



Source: Austrian National Bank (OeNB).

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 € 0.14 billion (AS 1.9 billion) and declined ever since to € 4.4 million (AS 61 million) by mid 1999. In 2000 the balance turned positive by some € 6.5 million and continued to do so in 2001. The balance of payments of foreign workers thus had a positive impact on the total balance of payments of Austria in 2000 and 2001.

V. Prospective development

Given optimistic assumptions about the international business cycle, the Austrian economy should grow by somewhat more than 1 percent in the current year and experience a turning point in the

business cycle in the beginning of 2003, provided the US economy recovers and policies in the EU promote investment to counter the 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 is of major concern, given the high multiplier effect of output growth and employment. It is expected that flood relief measures are going to provide some impetus for the building industry, however. Another matter of concern is the slack employment growth in services industries arising from public sector reform which is not accompanied by measures which would allow the third sector, i.e., NGOs and NPOs, to take on many of the tasks provided by the public sector, which are now being downsized. Unemployment is thus expected to continue to rise and reach close to 7 percent of the dependent labour force in 2002. Even if employment growth picks up in the second half of 2003, unemployment rates will hardly decline, even in the face of a continued marked outflow of older workers into retirement.

Population ageing acts as a brake on economic growth and hampers 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. The youth cohorts entering the labour market will, however, rise until about 2009 and make the battle against youth unemployment a challenge for education and labour market policy.

Labour supply growth is, however, expected to slow down in the medium term thus facilitating the integration of migrants. The introduction of temporary employment permits in other than seasonal industries will help alleviate labour scarcities, which are expected to arise in certain industries and occupations in the medium term.

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 Federal Ministry of the Interior (BMI, FIS = Alien Register), similarly data on asylum seekers and refugees.

© 2002 Österreichisches Institut für Wirtschaftsforschung

Medieninhaber (Verleger), Herausgeber und Hersteller: Österreichisches Institut für Wirtschaftsforschung,
Wien 3, Arsenal, Objekt 20 • Postanschrift: A-1103 Wien, Postfach 91 • Tel. (+43 1) 798 26 01-0 •
Fax (+43 1) 798 93 86 • <http://www.wifo.ac.at/> • Verlags- und Herstellungsort: Wien

Verkaufspreis: EUR 29,00 • Download: EUR 18,00

http://titan.wsr.ac.at/wifosites/wifosite.get_abstract_type?p_language=1&pubid=23121