

Independent migration commissions in Europe: The case of Austria

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Abstract

Austrian migration policy changed from a demand driven guest worker model between the 1960s and 1980s to chain migration, family reunion and refugee migration in the 1990s. Membership to the EU in 1995 was accompanied by economic migration from other EU-member states due to faster-than-average economic growth in Austria. Population ageing and insufficient investment in further education and training led to labour scarcities and migration policy reforms in 2011 and gave employer demand a key role in selecting immigrants under a point-system adapted from the Canadian and Australian models. While many elements of the Austrian system are highly developed, there is insufficient coordination among federal agencies. Austria may look to the coordinator of integration policies as a model for improving the coordination of policies to guide skilled labour migration.

Keywords: Migration, demand and supply driven migration, third country migrants, asylum and migration advisory board, expert council/commission.

Introduction

Austria has federal elections in fall 2013 and migration policy is receiving special attention. Migration is seen as a way to counter population ageing, to contribute to the funding of the welfare system, and to promote economic growth. Migration policy changes should promote the mobility of EU nationals as well as entry of non-European Economic Area (EEA) third country citizens to raise the skill levels of the Austrian workforce (OECD 2012, B.M.I 2013).

EEA nationals and third-country citizens have different rights and are subject to different policies. Intra-EEA mobility can be promoted via EU-Institutions like EURES, the European Job Mobility Agency¹, but it is harder to attract desired third country nationals (Fourage and Ester 2007), who may face institutional barriers to enter, reside and work in Austria.

Freedom of movement is a cornerstone of the European Union (EU) and is one of the most important rights of EU citizens, laid down in Article 45 of the Treaty on the functioning of the European Union (EU 2008). Free mobility of labour has been guaranteed since 1968, but only in 1992 did the Single Market remove many remaining barriers to labour mobility in sectors such as

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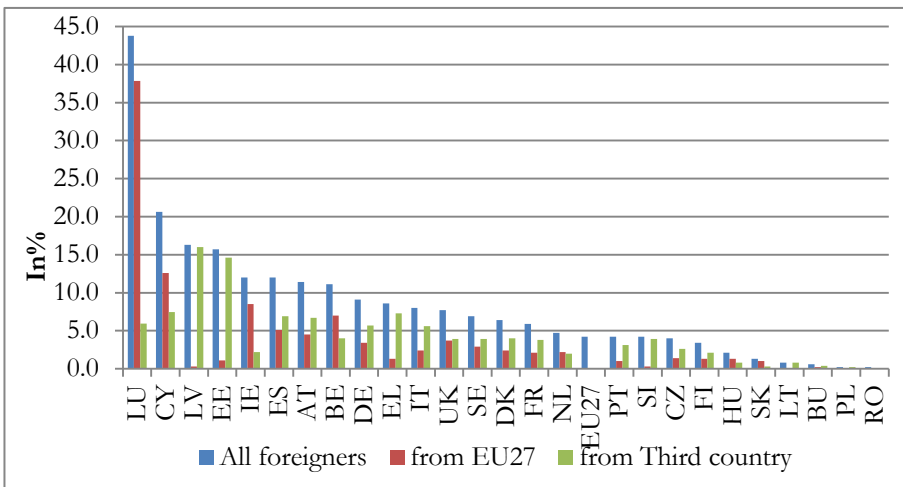
¹ For more see <https://ec.europa.eu/eures/home.jsp>

banking, insurance, transport and some free professions. Nevertheless, mobility across the EU remained modest; only 2% of EU nationals lived outside their country of citizenship during the 1990s.

EU leaders tried to promote intra-EU migration via the *Lisbon Recognition Convention* 1997 (Council of Europe & UNESCO 1997) concerning higher education qualifications and the Professional Qualifications Directive 2005/36/EG (EC 2011). However, after the so-called EU-10 nations of central Europe joined the EU in 2004, the number of EU nationals who moved to another EU member state rose, as highlighted by the movement of Poles to Ireland and the UK. Bulgaria and Romania joined the EU in 2007, but most “old” EU countries did not allow nationals of these countries free labour movement. Many Bulgarians and Romanians moved, particularly to Italy and Spain, where some worked on an irregular basis. Poles and other EU-10 nationals received free labour movement rights in all EU-member states in 2011, resulting in sizable numbers moving to Germany and Austria (European Integration Consortium 2009, Biffel 2012).

Intra-EU migration today is less than 3% of the resident population in most EU-member states, that is, migrants are less than 3% of residents in most EU countries except Luxembourg, where 40% of residents are nationals from other EU countries, Cyprus (13%), Ireland (8.5%), Belgium (7%) and Austria (4.5%). One reason for higher shares in some of these countries is movement from neighbouring larger countries that share the same language. (Figure 1).

Figure 1: Foreign Citizens in % of total population from another EU-MS and from Third Countries: 2012



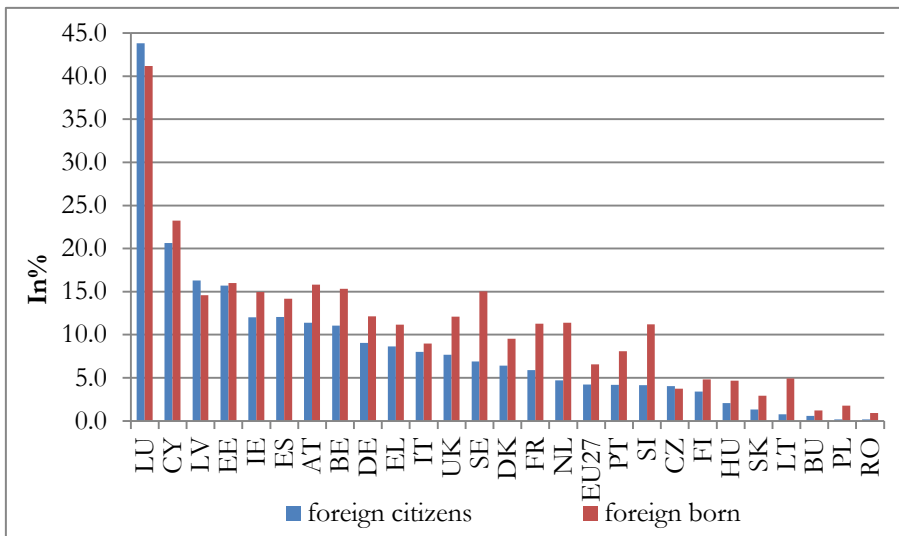
Source: Eurostat

Economic integration in the EU has been accompanied by a gradual process of industrial specialization that is responsive to factor endowments, in particular to the availability of highly skilled workers (for R&D intensive industry clusters) and skilled tradesmen (for labour intensive industries) (Fidrmuc, Mundschenk, Traistaru, & Hagen, 2002; Midelfart-Knarvik, Overman, Redding, & Venables 2000). Technological innovations, including computer sciences and software development, have promoted mobility of services rather than workers, and low transport costs explain why trade in goods rose more than labour mobility. The costs of migration to individuals remain fairly high because of language and cultural barriers, problems of skill recognition across countries as well as housing costs (Decressin & Fatás 1995; Biffel 1997).

In Austria in 2012, the 960,000 foreign citizens were 11.4% of residents, and the 1.4 million residents born outside Austria were 16% of residents. Most of the foreign-born (58%) were from outside the EU, including the former Yugoslavia (28% of the foreign born), followed by the ‘old’ EU member states known as the EU15, who were 20.5% of foreign born, mostly from Germany. People from Turkey were 12% of all foreign born in Austria.

Most third country nationals in Austria enter on the basis of family reunification, and many are linked to guest workers who settled in Austria or to refugees and asylum seekers.

Figure 2: Foreign Citizens and Foreign-born Residents in the EU, 2012



Source: Eurostat

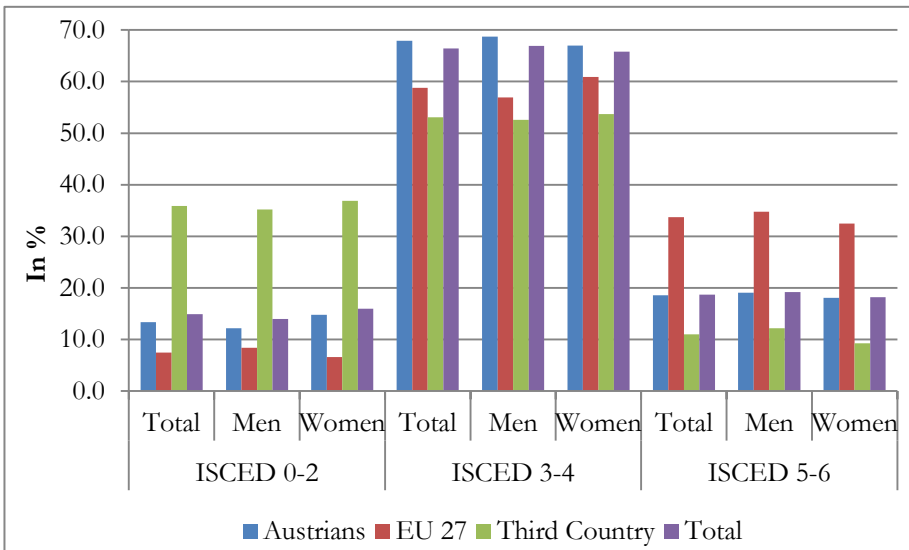
Austrian migration policy

Austria’s migration policy has changed significantly from a demand driven model, the guest worker model, to a supply driven one in 1992 that rests on

family reunion, chain migration and humanitarian intake.² Austria's membership to the EU in 1995 and fast economic growth since attracted EU-migrants to satisfy labour demand in the medium to upper skills segments, while third country migrants satisfied low skilled labour demand (Figure 3). With population ageing, labour scarcities started to surface in the medium to higher skills segments, triggering a discussion on migration policy.

The current government is divided on migration, reflecting the diverging positions of the social partners who are the main drivers of migration policy. The employers' side, represented by the Chamber of Commerce and the association of industrialists, wants more highly skilled migrants via increased EU mobility as well as the entry of non-EU nationals. On the other hand, the Chamber of Labour and the Trade Unions argue that Austria should invest more in education and training, as suggested by the EU Lifelong Learning programme³, which sees skill shortages as a result of insufficient measures to raise labour force participation, particularly of mature age workers.

Figure 3: Educational attainment level of the population of working age by citizenship: 2011



Source: Statistics Austria, LFS.

² The change in paradigm was triggered off by the fall of the Iron Curtain and the civil war in Yugoslavia, bringing about a break in the geo-political position of Austria and a major shift in Austria's policy orientation. For more see Biffl (2011).

³ Decision No 1720/2006/EC of the European Parliament and of the Council establishing an action programme in the field of lifelong learning. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:327:0045:0068:en:PDF>.

The social partners are aware that skilled labour shortages can slow economic growth, and thus accept some labour migration. However, they agree with employers that Austria's current migration policy and migration management system have a limited capacity to attract skilled migrants (OECD 2005). Accordingly, migration reforms were implemented in 2011 to use a point system referred to as "Rot-Weiss-Rot-Karte" (red-white-red card) to select non-EU migrants that was adapted from British and Canadian selection systems (Home Office 2006, Berger et al 2010).

Immigration and integration

Austria's change from a demand-driven system to endogenous third country (chain) migration and intra-EU-migration was not accompanied by adequate investment in education and training in schools and in the workplace, (OECD 2005, 2012) helping to explain an increasing mismatch between the supply and the demand of skills. One policy response was to try to raise the skills of migrants in Austria, including raising their participation in the work force, educational attainment, and recognizing the skills they acquired abroad. Promoting the integration of migrants into the Austrian labour force required coordination, which was done by appointing a secretary of state for integration in the Ministry of the Interior (since 2010).

One reason that Austria appointed an integration coordinator was the EU imposition of National Action Plans on Integration in all EU countries (B.M.I 2009). An advisory board (Integrationsbeirat) was established to publicize and assess the integration measures undertaken by the various ministries, federal states, the social partners, the labour market service as well as the communities and regions, and an independent council/commission of experts (*Expertenrat*) was appointed to advise the Integration coordinator.

This *Expertenrat* sets the agenda and priorities in seven integration policy areas, including language and education, labour, rights and values, health and social affairs, cross-cultural dialogue, sports and leisure, housing and regional integration (Expertenrat 2012). It called for the creation of a data base and indicators to provide evidence-based advice (Statistics Austria 2013), and relied on experts in specific policy areas to help with specific issues such as neighbourhood policies and housing and education and training in a multicultural and multilingual environment. These activities raised awareness of the complexities involved with integration and highlight best practices, thereby promoting capacity building and social cohesion. The integration advisory board, which brings together all political actors in the area of integration policy, coordinates overlapping integration policies. It also facilitates communication between the institutions and actors and provides feedback to the expert commission.

These new integration efforts have been deemed successful as evidenced by the increasingly favourable public opinion of migrants and their contribu-

tions to society and economic growth,⁴ and their success story has promoted lifelong learning and the recognition of skills acquired abroad (www.berufsanerkennung.at). New institutions, including second-chance schools for migrants and non-migrants, have paved the way for unions and the Chamber of Labour to support a re-orientation of migration policy in favour of more labour migration.

Coordinating migration policy

Austria's guestworker programs were well structured and managed efficiently by a migration commission (Ausländerbeirat) that was established by the social partners (chamber of commerce and the unions). The commission integrated the interests of employers and workers at the regional level and coordinated migration to Austria via the public recruitment agencies of the sending countries, under the provisions of bilateral treaties.

The end of the guestworker model led to fragmentation in labour migration policy. The Ministry of the Interior regulates residence rights, but the Ministry of Labour grants work permits. Difficulties coordinating between the two ministries have prompted coordination efforts, beginning with a government website (<http://www.migration.gv.at/en/>) for potential labour migrants. In 2011, the point system or, red-white-red (R-W-R) card⁵ followed, as did the adaptation of the Foreign Worker Law (AuslBG) and the Settlement and Residence Law (NAG2005).

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Austria's new labour migration system differentiates between four types of skills, viz, highly skilled persons, persons with scarce occupational skills, persons with other (medium to higher) skills, and university graduates. Two types of cards may be issued. The R-W-R Card grants settlement and work permits to foreigners that tie them to a specific employer (employer nomination), and family members of R-W-R Card holders get an R-W-R Card plus that allows them to work in Austria. Non-EU citizens without a job offer from an Austrian employer may request a job search visa, which the Austrian embassy may issue if the applicant achieves the required minimum number of points. The Labour Market Service (LMS) is the gatekeeper for potential non-EU workers (www.migration.gv.at).

There is also a Blue card for third country university graduates with Austrian job offers that pay at least 1.5 times the Austrian average gross annual wages of full-time employees. Apart from the re-regulation of settlement and worker inflows from abroad, non-EU citizens who graduate from Austrian universities may obtain job search visa to look for a job in Austria. If they get a job offer that pays at least 45% of the maximum social security contribu-

⁴ For details see the survey results for 2012 in Statistics Austria (2013:S16-18)

⁵ For more on R-W-R card http://www.bmask.gv.at/cms/site/attachments/5/0/4/CH0020/CMS1306164706818/2011-07-22_de_info_-_rwr-karte.pdf

tions level (monthly gross earnings of EUR 1,900€ in 2011), they get the R-W-R card.

Specific regulations apply to self-employment in ‘regulated occupations’⁶ (Reglementierte Berufe), such as the legal and medical professions⁷, to protect the public from health and other risks.

R-W-R cards include work and residence permits in one document. Non-EU citizens who have a residence permit may obtain a work permit if they receive a job offer from an Austrian employer after the employer shows that Austrian and other EU workers are not available.⁸

Some 41,000 EU/EEA citizens entered Austria in 2011 and registered as ‘settlers’, up from 36,000 in 2010, and they were accompanied by some 4,800 third-country family members. About 51% entered for work. In the area of free movement within the EU/EEA, the annual inflow of persons with settlement rights was 65,000 in 2011, so only one third of the annual inflows of settlers are third-country citizens and two-thirds are intra-EU migrants.

In addition to settlers, another 17,500 persons entered Austria on a temporary basis in 2011. Almost two thirds were seasonal workers, and 26% were non-EU international students (4,600), half from non-EU and half from EU countries (Table 1).

Table 1: Annual inflow of settlers and temporary migrants (permit and registry data)

	2005	2006	2007	2008	2009	2010	2011
Work	1,500	548	718	832	545	610	900
Family	29,400	15,628	11,750	14,384	13,569	15,322	19,259
Humanitarian	5,900	4,234	5,440	3,649	3,247	2,990	3,572
Free Movement	19,400	13,993	30,732	35,289	36,438	35,825	40,973
Others	700	6	3	8	233	218	307
Total	56,900	34,409	48,643	54,162	54,032	54,965	65,011
Annual inflow of temporary migrants							
	2005	2006	2007	2008	2009	2010	2011
international students	3,200	4,448	5,344	8,471	2,931	3,466	4,617
Seasonal workers	11,356	10,894	11,536	12,135	11,714	10,459	10,000
Intra-company transfers	200	186	147	150	191	261	278
Others	6,300	3831	3360	3409	2,410	2,511	2,622
Total	21,056	19,359	20,387	24,165	17,246	16,697	17,517

Note. Seasonal workers may also be from countries for which transition regulations apply.

Source: Ministry of the Interior. Free Movement data refer to EU/EEA citizens, all other data to third country citizens.

⁶ According to trade law (GewO 2002, §16) no specific professional skills are required for self-employment in the non-regulated sector; in regulated occupations, however, specific criteria and professional skills apply.

⁷ For more see Biffl-Pfeffer-Skrivanek 2012.

⁸ Art. 4b Aliens’ Employment Act.

Improving Austrian migration policy

The major strength of the Austrian system is the labour market monitor, which allows the identification of short-, medium- and long-term labour market needs. Industry-Occupation Matrices created from census and social security employment data are an integral part of econometric forecasting models, and the matrices are updated to make medium to long-term forecasts of labour demand by occupation and industry. The Industry-Occupation matrices are integrated into an Input-Output model to forecast skill needs that reflect both industrial restructuring and labour demand. A regional sectoral MultiREG macromodel then generates medium- to long-term forecasts of gross output and employment by state and sector (Fenz et al 2004). The educational attainment level of the work force (by occupation and industry) is monitored, as is the transition from school to work.

This forecasting model is complemented by the skills monitor of the Labour Market Service - LMS (AMS-Qualifikationsbarometer)⁹, an online service for enterprises as well as persons looking for jobs. It lays out the skill requirements in 10,000 occupations and professions, and highlights skill needs that cannot be readily satisfied by the Austrian education and training system (initial and further education). The skills monitor also serves to guide recruitment of migrant workers (work permits), since occupational/skills shortages are defined by a ratio of unemployed workers to job openings of at least 1.5 to 1.

In order to provide more focused information on skill needs in the provinces, the social partners are included in the local LMS as decision making partners. Their inclusion promotes decisions based on real problems rather than ideological battles and idiosyncrasies and regional governments are on decisions involving non-EU migrants (Biffel 2000).

The second pillar of the migration system is the migration monitor that measures the satisfaction of migrants and natives with the integration of migrants in cities and regions with high proportions of migrants such as Vienna¹⁰ and Vorarlberg¹¹. The LMS has also implemented a migration monitor to assess the participation of migrants in active labour market policy measures, checking whether the skills of migrants are adapted to changing labour market needs via further education and training.

Job-matching⁷ remains a challenge. While un- and semi-skilled labourers are easily matched with jobs, matching becomes more difficult as skill requirements get more complex. The LMS undertakes the matching, but skills

⁹ For methodology and research results see <http://www.ams-forschungsnetzwerk.at/>.

¹⁰ The Vienna migration monitor has been established in 2010, for more see Boztepe et al. (2012) and <http://www.wien.gv.at/menschen/integration/grundlagen/monitoring/index.html>.

¹¹ In Vorarlberg okay-line has been established in 2001 and become the central knowledge port on migration and integration in this province, <http://www.okay-line.at/deutsch/okay.zusammen-leben/english-portrait/>.

assessments are in the hands of the social partners while the recognition of qualifications rests with the educational authorities¹².

The third pillar of the Austrian migration system is the asylum and migration advisory board in the Ministry of the Interior, which advises the Minister on asylum and general migration matters. It includes representatives of the various Ministries, the social partners, the provinces, NGOs, cities and communities.

Conclusions

Austria has a complex model to forecast labour market and skill needs, and the information generated provides information on further education and training needs of migrant and native workers. Migration policy is still focused largely on processing applications for asylum and family migration, while employer needs are only starting to be addressed. The employer-driven search for skilled migrants and the ensuing matching system has just begun with the introduction of the point system of recruitment. Private recruitment agencies often act as intermediaries between migrants and employers, and they are not part of a comprehensive third country migrant recruiting system. Austria needs more policy coordination to attract desired third country migrants, and one model for such coordination comes from the integration coordinator model.

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¹² For a detailed account refer to Biffl-Pfeffer-Skrivanek 2012.

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