Objective 1. Enhance effectiveness of migrant integration policy through improved vertical co-ordination and implementation at the relevant scale

In the federal republic of Austria, tasks are in general divided between the federal level, its federal provinces1 and local governments. The city of Vienna holds a double function within the Austrian constitutional and administrative framework. It is a city with its own statute and at the same time a federal province. The head of the Vienna City Hall, in his capacity as mayor, heads the city government and is, in addition, the utmost representative of the federal province with provincial governments being decisive stakeholders in the field of migrant integration. In particular, they are responsible for pre-primary and primary education, youth policies, urban and regional planning, and housing (OECD questionnaire, 2017).

According to the representatives of the city of Vienna (OECD questionnaire, 2017), mixed responsibilities are typical for many policy areas: 1) in health, responsibility is shared between the federal government, the provincial governments, and local governments; 2) in housing, the provincial and local governments are decisive; 3) in education, responsibilities are split. The local governments share responsibility with the provincial governments with regard to preschool and primary education; the responsibility for secondary education lies with the provincial governments and the federal government; post-secondary and tertiary education is the sole responsibility of the federal government. Responsibilities are not clear-cut in the policy field of education. Existing federal legislation to enhance equity with regard to inclusiveness and decreasing concentration of migrant students in the lowest tracks, are non-binding, which leads to a significant variance of support structure systems across Austria’s provinces, cities and schools (OECD, 2009). Vocational training is a shared competence of the provincial governments, the federal government, and the Social Partners (Chamber of Labour, Economic Chamber, Trade Unions). Employment is the sole responsibility of the federal government. In many areas, like the administration of residence legislation, provincial governments implement federal legislation (“Mittelbare Bundesverwaltung”).

The city of Vienna holds a double function within the Austrian constitutional and administrative framework. It is a city with its own statute and at the same time a federal province.

The so-called “Social Partnership” plays an important role in the Austrian political landscape on all levels of government. It is based on the principle of reconciliation of interests which resulted in a specific Austrian form of corporatism – a network consisting of the State, employees’ associations (Trade Unions, Chamber of Labour), as well as the employers’ association (Economic Chamber, Federation of Austrian Industry). The Chamber of Labour Vienna (AK Vienna) is one of nine federal-provincial entities under the umbrella of the Federal Chamber of Labour. Besides conducting basic research, their
main tasks are: 1) to participate in and control legislation from the point of view of employees’ interests; and 2) to offer services to employees on issues like labour law, social insurance, worker protection etc. All employees, apprentices, persons on maternity/paternity leave and the unemployed are subject to compulsory membership. AK has about 2 400 employees with one-fourth of them being located in Vienna. The Austrian Economic Chambers (WKÖ) is structured in a similar way. They consist of the Austrian Federal Economic Chamber and nine regional chambers in the federal provinces (in Vienna: WKW) and are divided into seven industry sectors (e.g. crafts and trade, industry, commerce). Strategic areas of business include: 1) representation of interests of its 450 000 members; 2) provision of advice and information to its members; 3) provision of training opportunities.

**Allocation of competences for specific integration-related matters (excluding refugees and asylum seekers)**

The allocation of competencies in migrant integration in Vienna across different levels of government is displayed in Annex C of this study. With regard to the allocation of competencies for asylum seekers and refugees, Chapter 5 provides insights.

The multi-level institutional mapping for migrant integration in Figure 4.1 demonstrates the city of Vienna within the Austrian Multi-Level Governance System. In addition to state actors, it also includes semi-public actors and non-state actors that are involved with migrant integration. Due to the immense complexity of the system, it only contains the actors referred to in this study and does not include individual linkages between institutions. Rather, it aims to function as an illustration of the linkages and systems described in the text to provide overall insight into the general system and the different roles taken by stakeholders.

Generally, migration is regulated at the federal level, with the Federal Ministry of the Interior responsible for immigration legislation (Aliens Law, Law on Settlement and Residence) and asylum (Asylum Law). The regulatory authority on voluntary migration falls under the responsibility of the Federal Ministry of the Interior (BM.I) and the Federal Ministry of Europe, Integration and Foreign Affairs (BMEIA). An Expert Council for Integration was established in 2010 in the BM.I and was later moved to BMEIA to “translate” the NAP.I into practice. However the NAP.I is not articulated in a way that allows for its implementation and monitoring at the local level. A major shift in migration and integration policies took place after 2010: the creation of the State Secretariat on Integration in the BM.I in the year 2011 with executive and advisory responsibilities, which was transferred to BMEIA in 2014 (Krause, 2013[11]) (OECD, 2013[12]) (OECD, 2014[13]).

Today, the Department of Integration at BMEIA has agenda-setting powers. However, since integration policy is a cross-cutting issue, matters also touch upon the jurisdictions of other federal ministries and levels of government. Due to the federalist governance structure of Austria, integration activities are mainly developed and implemented by provincial and local governments with BMEIA holding a co-ordinating, funding and public relations role. Further, the Federal Ministry of Labour and Social Affairs (BMASK) is responsible for the implementation of labour migration legislation, in particular provisions regarding the “Red-White-Red-Card”.
Figure 4.1. Multi-level institutional mapping for migrant integration

Source: Authors’ elaboration.
Furthermore, BMEIA is the most important funder of German language courses (via the Public Employment Service, AMS). Only in the province of Vienna, in 2014, more money was spent through the Federal Ministry of Labour, Social Affairs and Consumer Protection (BMASK)/AMS for language training than the total language courses funded by the Federal Office for Immigration and Asylum BMEIA/Austrian Integration Trust (ÖIF) for all of Austria.

The Public Employment Service (AMS) implements labour market policies decided by the federal government. The AMS is structured into 1 federal, 9 regional (federal-provincial) and 104 local organisations. Representatives of employers’ and labour organisations (Economic Chamber, Chamber of Labour, the Austrian Trade Union Federation and the Federation of Austrian Industry) are involved at all levels and are instrumental in designing labour market policies (employment programmes of the federal provinces) and in monitoring the AMS’ corporate governance. AMS provides measures for everyone in search of labour including migrants, recognised refugees and specific groups as to age or gender, professional groups or (potential) entrepreneurs. In each federal province, AMS has its own budget and develops its own strategy based on labour market specificities in the given entity. In 2015, AMS Vienna had almost 1,100 employees.

**Box 4.1. Examples of BMEIA funding for integration**

Almost entirely funded by the BMEIA, the “Austrian Funds for Integration” administer the funding of language training and exams included in the “Integration Agreement”. Further, it publishes information material on migration and integration. The Integration Agreement is part of the Residence and Settlement Act of the national government (implemented in 2003, revised in 2008 and 2011), which obliges migrants from third countries to acquire B1 level German language skills within two years in order to access the status of long-term resident (ICMPD, 2016: 13). In order to accomplish this goal, they get financial funding to attend language courses from the federal government.

**Migration-related national and local co-ordination mechanisms**

Between 2015 and 2017, there have been several efforts to achieve better co-ordination between the provinces, BMEIA, AMS and the city’s services for migrant integration.

Ensuring better communication and facilitating the exchange of opinions and recommendations was already the aim of the Advisory Board on Integration founded in 2010, including appointed members from the federal government, the federal provinces, the social partners and the five most important non-governmental organisations (NGOs). Chaired by the Austrian Integration Fund, the Advisory Board meets twice a year and has a legal basis. It acts as a regular co-ordination platform with subnational and non-institutional stakeholders on integration issues.

In terms of co-ordination across government levels, provincial governments are in charge of the co-ordination of integration measures with municipalities.
Interaction with neighbouring communes to reach effective scale in social infrastructure and service delivery to migrants and refugees

The Austrian Association of Cities and Towns (Städtebund) represents 252 members – towns and cities in Austria. Founded in 1915, its principal task is to represent the interests of the local level in revenue sharing with the federal government and the federal provinces. The size of its members in terms of population varies considerably, from more than 1.8 million (Vienna) to about 1,000 inhabitants. Membership is voluntary. The association deals with integration in a committee on integration that is chaired by the mayor of St. Polten. The deputy chair in 2017 is Vienna’s City Council. In the committee cities discuss as well as consult on integration matters. An important part is sharing experiences and practices among fellow experts.

Objective 2. Seek policy coherence in addressing multi-dimensional migrant needs of, and opportunities for, migrants’ integration at the local level

City vision and approach to integration

Vienna has institutionalised the mainstreaming of integration into policy making and diversity management through its own stand-alone Municipal Department for Integration and Diversity (MA 17). The decision to embed the topic of integration and diversity in the regular city administration represents its centrality and importance for the city and its population. The Department has defined its own local integration concept, highlighting the potentials of a diverse population and defining the creation of equal opportunities and participation for all members of society as their goal. Since 2008, it also monitors capacity building and performance on integration indicators and diversity management. Locally, MA 17 engages in co-operation with other relevant departments as well as external stakeholders regarding integration. It engages in intercultural training, counselling and guidance of staff regarding intercultural competence, and leads the mainstreaming processes of policies through advisory boards or topic platforms. MA 17 also acts as the central contact point for NGOs who are engaged in integration matters.

The Vienna Integration Concept forms the basis for integration measures implemented by the city administration. It is updated and reviewed continuously in co-operation with experts as well as with the migrant communities concerned (MA 17, 2016). The four pillars of the concept are:

- language learning and multilingualism
- education and work
- living together and participation
- objectivity (assessment and information).

A welcoming culture forms the basis of the concept, greeting new inhabitants and supporting them to find their way easily and quickly. For example, it includes a welcome package “Start Wien”, including important information on basic services and language vouchers for coaching.
The “roof” of the concept (Figure 4.2) signifies the general human rights approach of the city, highlighting equal opportunities and its clear stance against discrimination, racism and xenophobia. In 2014, the City Council adopted a declaration called “Vienna – City of Human Rights” and since then has focused on creating policies and measures sensitive to human rights and ensuring human rights for all inhabitants, especially vulnerable groups (MA 17, 2016: 9).

Objective 3. Access to, and effective use of, financial resources that are adapted to local responsibilities for migrant integration

Revenues of the total budget of the city of Vienna amounted to EUR 12.5 billion in 2016 and the total spending was EUR 13 billion. The statement of account for MA 17 indicates that in 2016 it spent EUR 9.1 million and had a revenue of EUR 88,511.86.

The main spending of the city of Vienna in 2016 were in the following areas: EUR 2.4 billion in education sports and science, EUR 297 million in arts and culture, EUR 3.1 billion in social welfare and housing support, including the EUR 9.1 million for integration and diversity for MA 17 (Stadt Wien, 2016).

The financial relationship, regarding transfers, tax revenues and sharing of costs between the federal government, provinces and municipalities is regulated by the Austrian finance law (as of 1948). The law foresees that the provinces make use of allocated financial means to fulfil their duties according to shared competencies in the multi-level governance scheme. The federal government acquires 94.8% of all tax revenues in the country, the provinces only 5.2% (BMF, n.d.). The federal government transferred a total of EUR 26,256.9 million in 2015 to its provinces. With 20.96%, Vienna received the highest share of transfers. In addition to this fixed key (as of 2013), calculated based on the size of population, the provinces can claim additional earmarked financial means (Zweckszuweisungen) to cover special requirements (BMI, 2014/2015).

Since 2017, a new law came into force which regulates the balance of contributions across the country, including an infrastructural development scheme for municipalities, which amounts to additional EUR 175 million. Applications for this fund are processed by the federal government. Projects in Vienna receive overall EUR 40,831 million through these means for development such as the construction of new social housing.
Addendum Block 1: Multi-level governance of the reception and integration mechanisms for asylum seekers and refugees

Asylum seekers and refugee regulation

The national agency BFA (Bundesamt für Fremdenwesen und Asyl) subjected to the BM.I is responsible in Austria for processing asylum applications. After asylum applications to the country increased significantly in 2015 (see Chapter 1 of this study), the country witnessed a decline in inflows in 2016 from 88 300 to 42 1000. (OECD, 2017a). From 1 January 2015 to 31 December 2015, the BFA decided on 85 085 applications (BFA, 2015). In 2016, the BFA decided upon 57 439 applications, of which 20 213 (35%) were negative decisions (BFA, 2016). Further in 2016, the agency reported 10 677 persons had to leave the country, 46% of these departures were conducted under compulsion (BFA, 2016).

The agency decides on the following residence titles:

- Persons granted asylum are entitled to reside and enter Austria for a period of three years and have access to services like all other Austrian citizens. After the period of three years has passed and the application is not entitled to review, the person gets unlimited residence.
- Persons granted subsidiary protections receive a temporary residence title with the possibility of extension. Like “asylum”, the residence title grants access to all services in the country. According to the BM.I., the residence title can be taken away, once the situation in the country of origin has changed or in exceptional cases, such as if the person has committed a criminal offence.

In June 2016, the Austrian government opted for tightening the country’s asylum legislation. A revision of application after three years of residence is now obligatory. Residence status has therefore a somewhat temporary character (“Asyl auf Zeit”) (Bundeskanzleramt Österreich, n.d.). Further, subsidiary protection beneficiaries are entitled to family reunification only after three years of residence. Another significant novelty is that the government is now entitled to declare a state of emergency, which allows for a period of six months a refusal of asylum seekers from transit countries unless proof of immediate danger can be brought forward or the person has relatives in the country (OECD, 2017a).

There is a shared responsibility between the federal government and the provincial governments in the distribution of refugees in the provinces. For this type of shared responsibility, a specific type of legally binding agreement between the federal government and the provincial governments, the “§15 A-Agreements” are used. These agreements, which usually are concluded for periods between one and five years, are reached in negotiations between all nine provincial governments and the federal government and are binding for them (OECD, forthcoming). The general goal is to spread asylum seekers across all federal provinces along the lines of the quota system, based on the size of the population in the province.

Austrian legislation, in line with EU regulations, provides asylum seekers with appropriate accommodation and basic welfare support for as long as the asylum procedure takes and for four more months in the case asylum is granted. Since 2004, there is a renewed nationwide system of refugee support, the so-called basic assistance. Furthermore, the city of Vienna will receive funding from the European Union under the aegis of the Urban Innovative Action Programme ERDF for supplementary infrastructure.
and strategies for integrating and empowering refugees (OECD questionnaire, 2017). The federal provinces are responsible for organising accommodation and basic welfare support.

Before the inflow in 2015/16, asylum seekers who came to Austria had no access to integration measures like German language courses or vocational training. This turned out to be detrimental for integration, as people tried to access the labour market after the status had been granted, which proved to be difficult due to their long absence from work, language barriers and qualification mismatches. A shift occurred thanks to two changes: the establishment of the Bundesasylamt in 2014, which reduced the duration of the assessment of asylum claims and the introduction of local level measures by the city of Vienna, including the “integration from Day 1” concept (see Chapter 4 for more details).

Funding across levels of government

Funding of basic assistance is divided between the federal level and the federal provinces at the ratio of 60:40. Table 4.1 gives an overview of the division of funding across levels of government.

<table>
<thead>
<tr>
<th></th>
<th>Expenditure on refugees, asylum and integration in % of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal government</td>
<td>0.14% 0.24% 0.50% 0.50%</td>
</tr>
<tr>
<td>Länder + municipalities</td>
<td>0.09% 0.14% 0.23% 0.25%</td>
</tr>
<tr>
<td>General state</td>
<td>0.23% 0.37% 0.73% 0.75%</td>
</tr>
</tbody>
</table>


The process step by step: From reception to integration

After a maximum of 48 hours after arrival in Austria, persons who wish to apply for asylum are obliged to submit their application to a local police station in charge of asylum applications (Schwerpunktdienstelle). In this step, registration of name and nationality is processed, the person is questioned for the first time and the data is transferred to the BFA. In a next step, the BFA decides if it is responsible for the application or if the case falls under the Dublin procedure. In the latter case, the person is accommodated in a reception centre (Erstaufnahmeeinrichtung) before being transferred to the responsible EU member state. In the former case, the person is temporarily accommodated in a so-called pre-allocation centre (Verteilerquartier) before being distributed to a province. In both venues, the pre-allocation centre as well as in reception centres, a first medical check-up takes place. The allocation and the admission to the asylum process are granted by the BFA.

As a reaction to the relatively sudden influx of asylum seekers in 2015/16, the city of Vienna created 8 000 additional places in emergency shelters very quickly. As to the management of temporary emergency accommodation, the city of Vienna (FSW, Head Office for Basic Provisions for Persons Seeking Protection and Asylum) in co-operation with non-governmental organisations (NGOs) has adapted vacant buildings belonging to the city and additionally rented private property to accommodate asylum seekers. The aim is to avoid urban concentration of refugees; therefore the focus is on flat-sharing communities with three or four people in one flat. At the same time, an appeal was made to the population to propose housing for this purpose. At the end of the year 2016, 63% of
the 20,500 asylum seekers receiving basic welfare support in Vienna resided in private accommodations and 37% were hosted in 90 organised shelters. Once recognised as refugees, a provision of housing is possible under certain circumstances (via the Counselling Centre for the Homeless “bzwo” run by FSW). Otherwise, they have to rely on the housing market or on private help via the support of specialised NGOs (see the section below). For example, there are partnerships and grants with People’s Aid Austria or a deposit fund for the rent of flats (Interface).

Furthermore, measures were initiated regarding healthcare, e.g. immediate health insurance upon registration and visits by doctors on call to the accommodation facilities at regular intervals (OECD questionnaire, 2017). For unaccompanied minor refugees, flat-sharing communities with social educational support were established. Refugees with disabilities or with chronic diseases – an even more vulnerable group – have been provided with specialised housing.

School-age children are obliged to attend lessons during all the steps and right after arrival. Even though asylum seekers are not allowed to work, they can take up charitable tasks for the community in which they are allocated to, after a period of three months of stay.

Once asylum is granted and people have access to the labour market, advisors at the public employment service (AMS) can instantly use the information from the education database to help people find suitable jobs and feed these data into the so-called Competence Check, a measure designed by AMS for recognised refugees. Up to now, about 6,000 recognised refugees have taken part in the Competence Check in all federal provinces, though most of all in Vienna. These courses last for five weeks and are carried out by private educational institutions for the AMS. They check language proficiency, educational level, professional experience, personal interests and motivations. Furthermore, they help with and inform individuals about applying for a job as well as norms and values in Austria.

---

**Key observations: Block 1**

- Due to the federalist governance structure of Austria, integration activities are mainly developed and implemented by provincial and local governments with the federal Ministry for Integration and Foreign Affairs holding a co-ordinating, funding and public relations role.
- The city of Vienna is both a city and a federal province; hence it holds a double function and is entrusted with competences in both government levels. This way, the city holds large responsibilities in early education and housing matters that are generally shared between the provincial and the local level. Also, the double function gives the city greater access to decision-making processes as it has the ability to engage with the federal level from two standpoints.
- The National Action Plan for Integration demonstrates a collective endeavour between all levels of government to pool integration efforts across government levels and is an anticipated bridge for sectoral fragmentation of integration-related tasks across ministries, municipal departments and agencies. Further, an Advisory Board on Integration acts as a regular co-ordination platform between members of the government,
the federal provinces, the social partners and the five most important NGOs.

- Vienna has institutionalised the mainstreaming of integration into policy making and diversity management through its own stand-alone Municipal Department for Integration and Diversity (MA 17). The Department develops and implements its own measures and project for migrants, facilitates the mainstreaming of integration and diversity matters into local policy making and conducts diversity and integration monitoring to evaluate progress made in the city.

- The Austrian federal government and the provincial governments share responsibility in the distribution of asylum seekers in provinces. A legally binding agreement is used to structures this co-operation. Asylum seekers are spread across all federal provinces along the lines of a quota system based on the size of the population in the province. Funding for basic assistance for asylum seekers is divided between the federal level and the federal provinces at the ratio of 60:40. The federal provinces are responsible for organising accommodation and basic welfare support. In Vienna, 8,000 additional places in shelters were set up in 2015/16. Further, the city decided to extend language courses to asylum seekers and complement federal integration measures that merely targeted people that had already received recognition.

Notes

1. The term of “federal provinces” is used here as a generic term to refer to the constituent regions of a federation. They have specific names depending on the federation: states or provinces in Austria (Bundesländer) (OECD, 2017). The Austrian state is composed of nine federal provinces that have their own legislative bodies, executive organs and financial management. Certain legislative matters are reserved for the provinces (Republic of Austria, n.d.).

2. This card targets qualified personnel from third countries.


4. If not otherwise indicated, this section is based on information provided by the Austrian Ministry of Interior (BM.I).

5. See www.volkshilfe-wien.at/wohnungslosenhilfe/wohndrehscheibe/.