Asylum seekers and refugees in Austria: public policy and attitudes

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Abstract: Austria continues to be one of the most attractive countries for asylum seekers among all EU countries. The main objective of this paper is to identify how the current political status of refugees and asylum seekers influences the Austrian economy. This study has shown that oil shocks had highly negative consequences for migrants in Austria. When accessing the Austrian labor market, some of the most striking features that affect the participation of migrants are discrimination based on restricted accessibility to high-wage sectors and pay gaps and discrimination in recruitment. However, the econometric analysis shows that immigration flows have a positive effect on the economic growth of the country. On the other hand, the results showed that there was prejudice and incorrect reporting, which increased the illegalization of asylum seekers. All of these factors create obstacles for immigrants to properly integrate into the labor market. However, the results of the panel data analysis among European countries has shown that the immigration flow has had a positive impact on GDP growth. Labor market conditions for immigrants become crucial from this point of view. It can be concluded that the national asylum policy in Austria was progressively limiting and outweighed Austrian humanitarian interests. A more inclusive policy could contribute to the economic growth of the country.

Keywords: asylum seekers, refugee, migration, asylum policy.

JEL: F22, J6, J68

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Introduction

People have been migrating (looking for new places to live) from way back into the past. Nowadays, Europe is one of the main destinations for immigration and it is a reality that will continue to shape European history. There are many reasons for migrating to Europe, such as, education, work, higher standards of living, political stability, etc. As of 2019, there were 24.3 million people with non-EU citizenship living in European countries. This accounts for 4.6% of the total EU population. Moreover, in 2018, 672,270 people were granted EU citizenship. The
Asylum seekers and refugees in Austria: public policy and attitudes

top 7 European countries with the largest proportion of people with citizenship of other countries, are as follows: Liechtenstein (16%), Latvia (13.54%), Estonia (13.46%), Switzerland (8.59%), Austria (7.82%), Malta (7.66%), Luxembourg (7.34%).

Austria is one of the countries in Western Europe that has a high share of international migrants in its total population. During 2000-2017, the percentage of international migrants within the total population in Austria increased by 6.7%, from 12.3 to 19%. Higher figures were observed in Liechtenstein, Luxembourg, Monaco, and Switzerland.

Despite this, the economic recession which was caused by the oil crisis in 1973 as well as some structural changes meant that there was a reduction of foreign workers employed in Austria. Nevertheless, migrants didn't go back to their countries of origin, moreover, families joined together in other countries and this meant that immigration continued through family reunifications. It should be mentioned that migrants faced hardships when trying to integrate into the Austrian labor market and lagged considerably in comparison with the host society, which was reflected by their worsened employment opportunities. The integrating difficulties that migrants faced caused negative perceptions towards migrants. Political changes have mainly influenced immigration policies regarding employment and citizenship rights (Jirovsky et al., 2015). These policies often end up creating most of the challenges of integration faced by immigrants (Entzinger, Scholten, 2019).

The integration of migrants in the Austrian labor market has been a main focus of academics as well as politicians for a long time. It is a dynamic, complex, and difficult process, requiring major efforts from all of the concerned parties. Refugees need to deal with cultural differences between Austria and their country of origin.

On the other hand, the host country should be ready to welcome and help them integrate into their society. In this respect, the identification of the political trend towards such categories of migrants as asylum seekers and refugees is of strong interest.

The first part of this paper is an analysis of the theoretical background focusing on the core migration waves in Austria that allowed for the outlining of historical causes and the prerequisites of today's attitudes of the public and host society to migrants, and particularly to the vulnerable categories of migrants. The manifestation of the refugee crisis in 2015 in Austria, as well as the role of media reporting has also been taken into account. The methodology and the aim of the study is presented in the second section. Research results about the labor market conditions and its impact on economic growth is presented in the third section along with a discussion on the attitude of the media and society towards asylum migrants. The last section summarizes concluding remarks.
1. Literature review

Austria continues to be one of the most attractive countries for asylum seekers among all EU countries. Conversely, with regards to migration trends, it had also previously been considered as a transit country rather than a host country for refugees and people seeking asylum. However, after the war migrants went to other countries because of events that happened due to the great power of the Soviets as well as limited freedom and rights in Eastern European countries (Zadoia & Zadoia, 2019; Zaika, 2019). Moreover, the number of Turkish asylum seekers in Austria increased considerably from the late 1980s (Gebhard, 2013; Gehler & Kaiser, 1997).

There was also substantial immigration into Austria that was motivated by economic factors. In the early 1960s, the economic situation of Austria had practically reached full employment and there was a need for an additional workforce to fulfill the increasing demand on the labor force. Initially, most workers arrived from abroad with the aim to work and save money prior to returning home (Přívara, 2019). Moreover, it was also the intention of Austrian officials. The work migrants would return to their respective countries when their work was no longer needed. However, this didn't always happen if immigrants formed their families and built their lives in Austria. During the first years of the 1970s, it was already clear that the Turkish population movement to the country changed from temporary to permanent.

In addition, during this period, more migrants applied for asylum than ever before which changed Austria from a transit country to a destination country. This shift became highly politicized and discussed in Austria. Soon after, Austrian officials passed a Federal Care Act for asylum seekers, which stated the obligation to provide the latter with the minimum living conditions, including medical care. However, the eligibility for support was strongly selective. As a result, they created more uncertainty instead of addressing the key issues. Indeed, a study of the period from 1991 to 2000 shows that only a third of immigrants received state support (Rosenberger, 2011).

Given Austria's traditional political philosophy, as well as its different nation-state structure after the war, the challenge to integrate and naturalize in the Austrian society became even more urgent for immigrants and their families (S. Rosenberger & Konig, 2012). The weakest social groups in Austria, in particular, the retired and the elderly, and, the low-income portions of the population felt that they were competing with foreign workers (Krause & Liebig, 2011).

Despite significant efforts of the European Union to harmonize the migration strategy among member countries, the policy in Austria led to lower welfare and freedom restrictions, instead of supportive measures, for asylum seekers (Rosenberger, 2011). The strong motivation to make the asylum regime less attractive, deprived asylum seekers of such rights as working and enjoying welfare benefits (Thielemann, 2004). Usually, asylum seekers were used as a
Asylum seekers and refugees in Austria: public policy and attitudes

political tool, which led to racism and xenophobia (Bloch & Schuster, 2002). Immigration, in fact, appeared to be a significantly sensitive political concern due to the mistaken, but common perception that foreign workers and legal immigrants were a burden instead of seeing the economic and demographic advantages. The arrival of illegal, or so-called “economic refugees”, from the former communist Eastern European countries worsened the situation. An increase in crime resulting from illegal refugees, who arrived in Austria as “tourists”, caused progressively aggressive attitudes toward all foreigners from Eastern Europe, Turkey, and the Balkan Peninsula and thus the spread of adverse stereotypes. The results of a Gallup survey taken in the fall of 1991 indicated strong xenophobic sentiments toward Serbs, Romanians, Turkish Gypsies and Poles that significantly exceeded anti-Semitic attitudes in Austria. (Esteban & Ray, 2011; OECD, 2014).

In 2015, more than 1.2 million people emigrated to Europe. Almost a third of them were children (Clayton et al., 2015). About 1.2 million people initiated an asylum procedure in EU countries in 2015, more than twice as many as in 2014 (Eurostat, 2016; OECD, 2013). Since the summer of 2015, the conditions have deteriorated in the Austrian reception centers, making clear the impossibility for the provision of a proper registration process for refugees, and for providing them temporary living conditions, like tent camps and container villages (Dustmann et al., 2017). At the end of summer 2015, 71 refugees were found dead during their way to Eastern Austria in a trafficker's carriage. There was pronounced anxiety within the community and increased consciousness that the refugee crisis in Europe was no longer a distant issue. However, thanks to its geopolitical position, as mentioned above, Austria was a crucial country for transit migration to the Western Balkans, Germany and Scandinavia. Since October, Austria changed its direction from being welcoming towards refugees to creating more restrictions regarding asylum claims. They implemented border controls on the main roads that are frequently used for immigrating into the country from the Eastern and Southern parts. To control the movement of people, they put a barrier in the winter of 2015. Such actions gave grounds to controversial debates about the fair management of the situation at a national, as well as European Union levels.

As the government is responsible to making laws, it is also responsible for receiving and managing the protests of those looking for asylum and for enforcing this policy. Even though there are opposition parties, the NGOs and media continue being the most crucial players in the area of asylum and deportation, predominating the political debate (De Jong & Ataç, 2017). Topics associated with immigration are noticeable problems for all political parties. The BZÖ (Alliance for the Future of Austria) together with the FPÖ (Freedom Party of Austria) required a change in the migration policy and to introduce a selective migration policy. The Green Party, however, appealed for the preservation of rights for “integrated families” (Kohlenberger et al., 2017).

The coalition of the FPÖ and ÖVP created restrictive modifications to the Immigration Act (Attack, 2019). In 2004, the circumstances eased. The federal government in collaboration with the nine provinces of the Basic Welfare Support
Agreement proposed a united approach towards such action, such as ensuring the welfare of immigrants (Aigner, 2019).

Surprisingly, the most significant opposition to the state directives occurred among the locals when some party members of ÖVP and SPÖ went against them and supported asylum seekers. Since 2015, the federal government has had the right to intervene in the process of the provision of settlements for refugees. However, the length of residency permits was decreased to 3 years, accompanied by further restrictions on family reunifications (Hainmueller et al., 2016).

Non-governmental organizations have made a significant contribution to addressing the gaps in integrating refugees in Austria. (OECD, 2018; Scheibelhofer, 2019, Levy et al., 2020). The UNHCR, in particular, is highly integrated into the Austrian asylum framework, as the Asylum Act states that the organization can request information regarding individual asylum proceedings, to inspect the documents, to provide a valuation of information-gathering, to be present at questionings, and being able to contact the refugees and asylum seekers any time. In 1991, some groups supporting refugees joined to develop the association asylkoordination österreich. This association concentrates on public relations and is sensitive to the difficulties faced by asylum seekers. It thus manages numerous humanitarian organizations, including professional help for therapists for refugees. Forum Asylhas is concerned with securing the interests of asylum seekers, protection for refugees and representing their needs as well (OECD, 2018).

Another key NGO is Purple Sheep. It supports asylum seekers by creating good living conditions for refugees that failed to gain residence permits and are facing deportation. The organization became very popular when its members recorded a deportation of a refugee family.

Finally, the labor market in Austria, is one of the most important indicators of migrants’ integration. One of the important factors affecting the opportunities of immigrants in the labor market of Austria is discrimination (Verwiebe et al., 2019). Moreover, discrimination is more severe towards immigrants from certain countries (Dustmann et al., 2017).

According to some authors (Buber-Ennser et al., 2016), lengthy media reporting in Austria and education of native population make the greatest contributions to the perception of migration and integration (Neureiter, 2019). The authors emphasize the importance of how the situation is presented to the society by the media, as the consideration of how migration is depicted could significantly explain the change in environment towards refugees and asylum seekers. The move from comparatively neutral reporting towards the representation of refugees and migration in a continuously negative way by the media started in 2015. According to the study of Sarikakis (2012) the share of “obviously negative media coverage” was 37%, particularly significant in online media in 2015. Given that neutral reports gradually declined, negative reports swamped positive ones. The public perception progressively moved from being a humanitarian crisis and critical action...
Asylum seekers and refugees in Austria: public policy and attitudes

was required by the international community towards borders, national politicians or people of influence and controls. There was prejudice and wrong reporting identified, even false reporting and alarmist reporting first and foremost in the tabloid newspapers that have a large readership in Austria. This way of reporting contributed to increased illegalization of migrants and refugees in particular, and to a perception of migration as a threat to national security.

In this context, the analysis of the influence of the current state and attitude towards immigrants on the economy of Austria is crucial.

2. Research objective, methodology, and data

Considering the highly politicized nature of the integration process of refugees in Austria and the conservative nature of their position regarding this issue, this research paper aims to identify the current state of the political position regarding refugees and its potential influence on economic growth. Classical approaches related to migration regulation served as the theoretical and methodological basis for the research. In particular, the works published by the researchers of leading universities, as well as well-known specialists in the field. Publications of Eurostat and the World Bank (WB), the National Bureau of Economic Research (NBER), and others served as information sources, as well as data received by the author during the research process.

This paper applied the methods of comparative and systemic analysis, induction and deduction, graphical analysis, econometric and statistical analysis mechanisms, as well as other methods of data collection and processing. ToolPak for MS Excel 2016 and EViews 10 econometric packages were used as modern information technologies.

3. Research results

The central hypothesis of this research is that public policy and attitudes towards refugees and asylum seekers harm economic growth in Austria. This is a study on the mentioned influences on the labor market.

3.1 Labor market conditions for asylum seekers

As was mentioned above, migrant workers represent a considerable share of the population in Austria and, thus, are a vital percentage of the labor force in the country. In figure 1 the evolution of the number of migrants in Austria is presented. It is evident that the majority of immigrants are of working age. Moreover, the number of immigrants and their share in total and working age population has been increasing during the last six years, reaching 16% and 19% in 2019, respectively. The distribution of the number of immigrants form EU and non-EU countries, as well as the gender distribution is almost equal.
One of the most striking features regarding the participation of migrants in the Austrian labor market is that while migrants from EU countries are involved in diverse sectors, the number of EU citizens and citizens of third-countries is higher than the average employment rate in low-wage sectors. Another important factor, as we have mentioned, is discrimination. Still yet, the issue of discrimination is even more striking as is the case in certain countries of origin. These features are a major obstacle in fully utilizing the potential of immigrants as they are often engaged in low-wage and significant risk sectors, and migrants from other EU and third countries, face different forms of discrimination in the labor market. Migrants gain labor market access on the basis of their country of origin and their ability to obtain a residence or work permit (Table 1).

### Table 1. Labor market access for asylum seekers in Austria and selected EU countries

<table>
<thead>
<tr>
<th></th>
<th>Formal labor market access</th>
<th>Labor market test</th>
<th>Limitation sector</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Maximum time limit (months)</td>
<td>Yes / No</td>
<td>Permitted sectors</td>
</tr>
<tr>
<td>Austria</td>
<td>3</td>
<td>No</td>
<td>Tourism, agriculture, forestry</td>
</tr>
<tr>
<td>Belgium</td>
<td>4</td>
<td>X</td>
<td>-</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>3</td>
<td>X</td>
<td>-</td>
</tr>
<tr>
<td>Cypress</td>
<td>9</td>
<td>No</td>
<td>Agriculture, fishery, manufacture et al.</td>
</tr>
</tbody>
</table>
Asylum seekers and refugees in Austria: public policy and attitudes

<table>
<thead>
<tr>
<th></th>
<th>Formal labor market access</th>
<th>Labor market test</th>
<th>Limitation sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>□</td>
<td>X</td>
<td>□</td>
</tr>
<tr>
<td>Spain</td>
<td>□</td>
<td>X</td>
<td>-</td>
</tr>
<tr>
<td>France</td>
<td>□</td>
<td>X</td>
<td>□</td>
</tr>
<tr>
<td>Greece</td>
<td>□</td>
<td>-</td>
<td>□</td>
</tr>
<tr>
<td>Croatia</td>
<td>□</td>
<td>X</td>
<td>-</td>
</tr>
<tr>
<td>Hungary</td>
<td>□</td>
<td>X</td>
<td>-</td>
</tr>
<tr>
<td>Ireland</td>
<td>x</td>
<td>x</td>
<td>-</td>
</tr>
<tr>
<td>Italy</td>
<td>□</td>
<td>X</td>
<td>-</td>
</tr>
<tr>
<td>Malta</td>
<td>□</td>
<td>X</td>
<td>-</td>
</tr>
<tr>
<td>Netherlands</td>
<td>□</td>
<td>X</td>
<td>-</td>
</tr>
<tr>
<td>Poland</td>
<td>□</td>
<td>X</td>
<td>-</td>
</tr>
<tr>
<td>Portugal</td>
<td>□</td>
<td>X</td>
<td>-</td>
</tr>
<tr>
<td>Romania</td>
<td>□</td>
<td>X</td>
<td>-</td>
</tr>
<tr>
<td>Sweden</td>
<td>□</td>
<td>-</td>
<td>Unskilled</td>
</tr>
<tr>
<td>Slovenia</td>
<td>□</td>
<td>X</td>
<td>-</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>□</td>
<td>x</td>
<td>Listed shortage occupations</td>
</tr>
<tr>
<td>Switzerland</td>
<td>□</td>
<td>-</td>
<td>Building, housing, food</td>
</tr>
</tbody>
</table>

(Source: Asylum Information Database, 2020)

The EU / EFTA citizens (except Croatians), who make up for about 59% of the immigrant labor force have no movement restrictions, while the other foreigners have many rules and conditions to be followed. For instance, there is labor market testing controlled by immigration legislation replacing the previous legislative model. On the other hand, there is the issue with the vast majority of immigrant workers being tied to one sector, or even worse, to one employer. However, since 2011, family migrants were relieved from such limitations. Taking into account the fact that a significant number of employees from outside the EU are overqualified in the Austrian labor market (Bacchi, 2016) suggests that there is a lack of low qualified employees in Austria. In addition, Austria deals with the issue of "brain waste" of highly skilled employees from outside the EU due to a failure in the recognition of skills and qualifications acquired by migrants abroad and their lower access to study grants and training.

According to different statistics, about 50 percent of Austrians thought that the integration of migrants into Austrian society was undesirable. Coexistence with Muslim individuals seems to be more skeptically assessed since 61 percent of Austrians are not favorable to the integration of Muslims into Austrian society. Arrival of refugees in Austria in 2016, brought much more skepticism to the Austrian society and has completely changed the environment. The literature review showed that media reporting and education play a crucial role in the perception of migration and integration in Austria. How the situation is presented
Asylum seekers and refugees in Austria: public policy and attitudes

to society by the media can profoundly influence the public opinion and attitude towards refugees and asylum seekers. Such a shift was most apparent during 2015 when the dominance of negative or even false reporting by the media was observed. As a result, the integration of refugees and asylum seekers to the labor market worsened further.

Another factor contributing to the environmental change may be a low level of public awareness about other cultures. According to a questionnaire realized in January 2018, more than a half of the Austrian population either was not aware at all or was not well-informed, about the latter (OECD, 2018). In comparison with conclusions on the assessment of locals who live in the same districts with migrants, we can argue that communities hosting refugees demonstrate higher acceptance and more welcoming attitudes, especially when relationships between refugees and locals have been encouraged.

At the same time, public opinion often influences changes in policy making, not least due to its significance in respect of votes in elections. A significant part of Austrians with the right to vote generally express a negative attitude towards migrants and have voted for a harsh and restraining immigration and asylum policies. Following a research of the UNHCR, in which the attitudes, prejudices, and knowledge of Austrians regarding asylum refugees and seekers in 2011 were examined, 52 percent of respondents considered refugees as assets for the Austrian society. Communication with refugees was generally a result by their work proximity in the area.

3.2 Immigration dynamics and economic growth in Europe

As we have already discussed, Europe has always been one of the favorite destinations for immigration. During the last 20 years, the immigration flows to European countries have doubled. In 2018, more than 4.7 million people emigrated to a European country (Figure 2).

![Figure 2. Immigration in Europe from 1998 to 2018, people](Source: Eurostat)
As we can see, migration flows to Europe have seen a steady growth rate. However, there were two periods, when the growth escalated. The first one was during the global financial crisis of 2008-2009. This wave of immigration was mainly related to economic reasons, as the crisis worsened already low living standards and welfare levels in many countries. The second wave was in 2015. The latter was caused by political reasons. The recent and long-standing conflicts in Syria, Iraq, and Afghanistan led to hundreds of thousands of people seeking asylum in EU countries.

The most popular destinations for immigration in the EU are Germany, UK, Spain, Italy, and France with respectively more than 7.8 million, 5.8 million, 3.9 million, 3.48 million, and 3.42 million immigrants from 2009 through 2018 (Figure 3).

However, based on the share of immigrants in the total population, the leaders are Luxembourg, Malta, Iceland, Switzerland, Liechtenstein, Austria.

**Figure 3. Immigration in Europe by countries, a cumulative number from 2009 through 2018, people**

(Source: Eurostat)

The structure of immigration flows by age, shows that the immigrants are mainly people of working age and children (Figure 4). This can improve the age composition of the host country's population. On the other hand, it can also be considered as an inflow into the workforce.
Asylum seekers and refugees in Austria: public policy and attitudes

Figure 4. The structure of immigration in Europe by ages, from 2009 through 2018, people

As mentioned above, immigration levels increased sharply during 2015. However, due to political tensions, the number of asylum seekers overshot, reaching a historical high of 1.2 million (Figure 5).

The top 10 host countries for asylum seekers from 2018 through 2019 were Germany, France, Spain, Greece, Italy, Sweden, Belgium, Netherlands, Cyprus, and Austria (Figure 6).

Figure 5. The number of asylum applicants, EU-27, from 2008 through 2019, people

As discussed above, the policies regarding asylum seekers in Europe are quite strict. The statistics show that up until 2016, on average, only 14% of asylum applications were granted a positive decision. However, since 2017 the share of positive decisions increased by about 10 to 12 percentage points (Figure 7).
Asylum seekers and refugees in Austria: public policy and attitudes

Figure 6. Number of asylum applicants by countries of destination, EU-27, from 2008 through 2019, people

(Source: Eurostat)

The countries with the highest share of positive decisions on asylum applications are Finland, Bulgaria, UK, Netherlands, Austria, and Italy. On the other hand, the following countries have the highest share of rejections, which indicates a stricter policy: Estonia, Portugal, Luxembourg, Lithuania, Poland, Spain (Figure 8).

Figure 7. Final decisions on asylum applications, EU-27, from 2010 through 2019, people

(Source: Eurostat)
So, given the age structure of immigration flows to Europe and the most probable positive consequences, a panel data econometric analysis has been conducted to check the following hypothesis: Immigration flow has a positive impact on the GDP of selected European countries.

The sample of the analysis includes the GDP growth rate and changes in immigration flow in 23 European countries from 1999 through 2018 annually. The quantity of observations is 437, which makes the selected sample representative. The time series were detrended and checked for normal distribution. Calculations were done in EViews 10, using the panel LS method. The results are shown in Table 2.

Table 2. The influence of immigration inflows on GDP

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
</tr>
</thead>
<tbody>
<tr>
<td>IMMIGRATION</td>
<td>0.054796</td>
<td>0.02101</td>
<td>2.608143</td>
<td>0.0094</td>
</tr>
<tr>
<td>C</td>
<td>0.047406</td>
<td>0.006813</td>
<td>6.95854</td>
<td>0</td>
</tr>
<tr>
<td>AR(1)</td>
<td>0.311388</td>
<td>0.045743</td>
<td>6.807388</td>
<td>0</td>
</tr>
</tbody>
</table>

| R-squared     | 0.118343    | Mean dependent var | 0.048067 |
| Adjusted R-squared | 0.11428 | SD dependent var | 0.103147 |
| SE of regression | 0.097074 | Akaike info criterion | -1.81984 |
| Sum squared resid | 4.089763 | Schwarz criterion | -1.79183 |
| Log-likelihood | 400.6349   | Hannan-Quinn criterion | -1.80879 |

(Source: Author’s research, 2020)

Given the results of the regression analysis, grounds to reject the null hypothesis are absent, rather it is accepted, as the p-value is less than 5%. We can
Asylum seekers and refugees in Austria: public policy and attitudes

due say that the immigration flow has a positive impact on GDP growth at the level of 5% significance.

As for Austria, the figure 9 presents the immigration flows and GDP growth for the last six years. It is evident that there is a positive correlation between economic growth and the share of immigrants in working age population in Austria. The correlation between these two indicators is 0.77.

**Figure 9. The evolution of real GDP growth and the share of immigrants in working age population in Austria**

![Graph showing the relationship between real GDP growth and the share of immigrants in working age population in Austria from 2014 to 2019.](Source: Eurostat)

In this regard, the labor market conditions for immigrants become crucial from this point of view. However, this study shows that the labor market conditions for immigrants do not contribute to their integration and the usage of their potential. The latter results in brain waste, hence in the loss of economic potential.

4. Conclusions

After experiencing different forms of international migration, immigration appeared to be a significantly sensitive political concern. Today's common perception in Austria is that foreign workers and legal immigrants are a burden instead of an economic and demographic advantage. This study has shown that immigration flows have a positive effect on economic growth. Furthermore, the effects of the rise in European refugees pushed the government of Austria to change its attitude which resulted in introducing higher restrictions on asylum applications.

However, the federal government was obliged to ensure assistance for refugees who have applied for foreign support. Municipalities were required to provide at least a minimal amount of wellbeing support after an asylum request...
was accepted and was being processed. In this way, Austria is in line with the EU minimum standard ensuring the country’s support for asylum seekers.

In Austria, migrants are discriminated against in the labor market. This discrimination is based on restricted accessibility to high-wage sectors, pay gaps and discrimination in recruitment. While other countries allow a higher average period of formal access to the labor market, this period in Austria lasts for a maximum of three months. However, asylum seekers are required to pass a labor market test, which is typical only for a few European countries, in particular, Cyprus, Hungary, the United Kingdom, and Switzerland. Moreover, there are only certain permitted sectors available for asylum seekers, which are tourism, agriculture and forestry.

This research has identified the presence of prejudiced and wrong reporting, even false reporting by Austrian newspapers. Negative information about refugees increased the illegalization of migrants and refugees and in particular, changed the opinion of Austrians on migrants. The general trend of the Austrian asylum policy is described as very restrictive and ignores humanitarian issues. This research is based on panel data of the European countries that showed that such circumstances harm the economic growth of Austria, thus confirming the central hypothesis.

Given the widespread migration and changes in migration policy, the question is how the rules for asylum seekers will further develop in Austria.

**Author Contributions**

The author listed have made a substantial, direct and intellectual contribution to the work, and approved it for publication.

**Conflict of Interest Statement**

The author declares that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

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Asylum seekers and refugees in Austria: public policy and attitudes


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