



GLOBAL GOVERNANCE INSTITUTE

National Backgrounders – European Foreign Policy

Country Profile

Austria

Capital:	Vienna
Geographical Size:	83 879.0 km ²
Population:	8 507 786 (2014)
Population as % of total EU population:	1,7% (2014)
GDP:	€ 313.066 billion (2013)
Defense Expenditure:	€ 2.432 million (2013)
Official EU language(s):	German
Political System:	Federal parliamentary republic
EU member country since:	1 January 1995
Seats in European Parliament:	18
Currency:	Eurozone member since 1 January 1999
Schengen area member?	Schengen Area member since 1 December 2007
Presidency of the Council:	2 times: 1998 and 2006 (next in 2019).

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Peace & Security Section

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The Global Governance Institute
Pleinlaan 5, Brussels
B-1050 Belgium
Email: info@globalgovernance.eu
Web: www.globalgovernance.eu

a. Political System

At the end of the Second World War, Austria emerged as a federal parliamentary democratic republic. Vienna is its capital and seat of supreme federal authorities. The country's head of state is the federal president, elected for a six-year term (renewable once). It has been Heinz Fischer (*SPÖ*) since July 2004. Austria is divided into nine federal states (*Bundesländer or Länder*), represented by a respective governor and administered by individual state governments. The federal government, headed by the federal chancellor (*Bundeskanzler*), currently Werner Faymann (*SPÖ*), exercises the executive power at the central level. The current government of Austria is a grand coalition equally made of ministers from the Social Democratic Party of Austria (*SPÖ*) and from the Austrian People's Party (*ÖVP*). Apart from handling government administration, it prepares draft legislation to be proposed to the Parliament, which has to cooperate with the state governments when passing legislation.¹

Legislative powers are exercised by the state parliament (*Landtag*), which is divided into two parliamentary chambers: the national assembly (*Nationalrat*) and the federal council (*Bundesrat*). In 2014, six political parties were represented in the national assembly (lower house), which is the main legislative body. The Social Democratic Party of Austria (*SPÖ*) and the Austrian People's Party (*ÖVP*) are leading, opposed to the Austrian Freedom Party (*FPÖ*), the Austrian Green Party (*Die Grünen*), *Team Stronach* and the *NEOS*. The federal council represents the provinces of Austria in the Parliament.²

Justice in Austria is carried out at the central level. Four types of civil and criminal judicial authority exist: district courts, regional courts, Higher Regional Court, and Supreme Court. In addition, the Administrative Court handles issues concerning administrative decisions, and the Constitutional Court deals with actions against federal, provincial, regional and municipal authorities.³

b. Foreign Policy

According to the official website of the Foreign Affairs Ministry of the Republic of Austria, the country's foreign policy currently focuses on:

- Relations with EU countries and neighboring states.
- Support to countries of Southern Europe, aiming for regional stability.
- Support for actions building peace, stability and prosperity in the Mediterranean region and the neighboring Middle East area.
- Respect of international law, especially universal human rights and rights of minorities (e.g. in South Tyrol).
- Security (through CSDP and NATO).

¹ "The political, administrative and legal systems", Living and Working in Austria, *migration.gv.at*. Web. Accessed May 28, 2015. <http://www.migration.gv.at/en/living-and-working-in-austria/austria-at-a-glance/the-political-administrative-and-legal-systems.html> ; "Austrian Chancellors and Cabinets since 1945", *Bundeskanzleramt Österreich*, 2015. Web. Accessed November 9, 2015. <https://www.bka.gv.at/site/5957/default.aspx>

² "Political System", Business Guide Austria, *Advantage Austria*. Web. Accessed May 28, 2015. <http://www.advantageaustria.org/international/zentral/business-guide-oesterreich/zahlen-und-fakten/auf-einen-blick/politisches-system.en.html>

³ "The political, administrative and legal systems", Living and Working in Austria, *migration.gv.at*. Web. Accessed May 28, 2015. <http://www.migration.gv.at/en/living-and-working-in-austria/austria-at-a-glance/the-political-administrative-and-legal-systems.html>

The country's accession to the European Union (EU) and its participation in the Common Foreign and Security Policy (CFSP) since 1995 has had a clear impact on its foreign policy, towards EU and non-EU countries (i.e. in Africa, Latin America and Asia). Austria is also represented in other international organizations such as the Organization for Security and Co-operation in Europe (OSCE), the Council of Europe (CoE), and the North Atlantic Treaty Organization (NATO).⁴

Austria's foreign and security policy is deemed "ambivalent" according to Thomas Mayer's *Letter from Vienna* for Carnegie Europe. He explains that the country is **ambitious** (e.g. when initially opposing to opening EU accession negotiations with Turkey in 2005, or when initiating the opposition movement to the demand made by the UK and France to deliver arms to rebels fighting in Syria in 2013), but **not willing to take risks** (e.g. when withdrawing its soldiers from a UN peacekeeping mission in the Golan Heights following growing regional tensions in 2013). Chancellor Werner Faymann and Foreign Affairs Minister Sebastian Kurz, both from the Social Democratic Party (*SPÖ*), act in tandem to express their party's position with regards to national and regional foreign affairs. They notably did not oppose the EU economic sanctions against Russia, but favoring peace negotiations with Putin. The country has in fact many companies active in Ukraine and Russia, and acts upon Austrians' **desire to remain neutral** in conflicts.⁵

According to the national *Foreign and European Policy Report* of 2013, Austria enjoys excellent bilateral relations with its neighbors, due to intense economic interrelations and close cultural exchanges. Among them, Switzerland and Lichtenstein are the only non-EU countries. **Liechtenstein** and Austria however have close relations, especially in the fields of business, culture, education, social affairs, and justice. Mutual support exists between the two countries at various levels⁶. **Switzerland** is linked to Austria by more than 120 bilateral agreements with the EU, but also by direct bilateral relations with Austria based on treaties, sustainable cooperation, and frequent visits.⁷

Cooperation is indeed facilitated in countries sharing the same language as Austria⁸. For instance, the country shares important economic ties with **Germany**, which is Austria's most important trading partner⁹. Regional assistance and collaboration was also encouraged following the 2004 EU enlargement, and eased by the recent political changes in former communist states (e.g. **Czech Republic** and **Hungary**). They are major economic partners in Central and Eastern Europe, and allowed Austria's exports in the region to triple since 2004¹⁰.

⁴ "European & Foreign Policy", *Europe, Integration and Foreign Affairs Federal Ministry of the Republic of Austria*. Web. Accessed May 26, 2015. <http://www.bmeia.gv.at/en/european-foreign-policy/>

⁵ Mayer, T. "Letter From Vienna", *Judy Dempsey's Strategic Europe*, Carnegie Europe, April 3, 2015. Web. Accessed November 9, 2015. <http://carnegieeurope.eu/strategieurope/?fa=59636>

⁶ In addition, Liechtenstein is member of the European Economic Area (EEA).

⁷ Austria's Federal Ministry for Europe, Integration and Foreign Affairs, *Foreign and European Policy Report 2013*, Vienna, 2014. Web, p. 75-76. Accessed May 26, 2015. http://www.bmeia.gv.at/fileadmin/user_upload/Zentrale/Publikationen/AEPB/Foreign_and_European_Policy_Report_2013.pdf

⁸ Within Europe, Austria, Germany, Liechtenstein, Luxembourg, Switzerland and Belgium include German as a national or major official language.

⁹ Austria's Federal Ministry for Europe, Integration and Foreign Affairs, *Foreign and European Policy Report 2013*, Vienna, 2014. Web, p. 72-73. Accessed May 26, 2015. http://www.bmeia.gv.at/fileadmin/user_upload/Zentrale/Publikationen/AEPB/Foreign_and_European_Policy_Report_2013.pdf

¹⁰ "European & Foreign Policy", *Europe, Integration and Foreign Affairs Federal Ministry of the Republic of Austria*. Web. Accessed May 26, 2015. <http://www.bmeia.gv.at/en/european-foreign-policy/>

Slovakia and **Slovenia** are also tightly related to Austria at many levels, mostly through foreign investment, transport infrastructures, high level visits, culture, education, science, and the energy sector. Together with **Croatia**, Austria and Slovenia regularly engage in trilateral cooperation at the political level (especially regarding protection of ethnic and linguistic minorities). Austria and **Italy** share friendly relations based on great economic ties and mutual tourism.¹¹ They have a special link due to the Italian autonomous province of South Tyrol. Since the Paris Agreement (1946), Austria exercises a protective function for the Austrian and Ladin minorities in this Northern Italian province. It aims at continuing the ethnic, cultural, social and economic presence, as well as the peaceful co-habitation of the different linguistic groups in South Tyrol (German, Italian, and Ladin).¹²

European Union (EU)

Since 1995, Austria has served as an integral part of the EU and acted as an equal partner in the European integration project. As mentioned above, Austria is divided between its will to play a key role in international affairs and its fear of conflict. This is why Austria is a strongly integrated Member State that promotes transfer of powers at the European level (**supranationalist** approach). During the Yugoslav Wars, the country declared the integration of Western Balkan countries into the EU to be its highest priority.¹³

Austria's export-oriented economy has largely benefited from the European free internal market. Indeed, about 70% of the country's foreign trade takes place within EU countries. By accessing the EU Monetary Union in 1999, Austria avoided considerable economic damage in the crisis of 2008. Therefore, it greatly supports the **Economic and Monetary Union (EMU)**, including the establishment of a European Banking Union. The country aims at improving crisis management mechanisms and safeguarding the interests of European businesses in a context of global competition, while preserving the European model. It particularly supports efforts for future European development in the fields of infrastructure, climate policy, education, research, and innovation.¹⁴

Furthermore, Austrians demanded for more **democratic legitimacy** of decision-making at the EU level (through European Parliament elections and European Citizens' Initiative, for instance), which resulted in various discussions in the Council on this issue¹⁵. Austria's accession to the EU in 1995 also participated to the greater importance given by EU institutions to arrangements in the area of human rights, development policies, and the broadening nature of security policies¹⁶.

¹¹ Austria's Federal Ministry for Europe, Integration and Foreign Affairs, *Foreign and European Policy Report 2013*, Vienna, 2014. Web, p. 76-78. Accessed May 26, 2015.

http://www.bmeia.gv.at/fileadmin/user_upload/Zentrale/Publikationen/AEPB/Foreign_and_European_Policy_Report_2013.pdf

¹² "European & Foreign Policy", *Europe, Integration and Foreign Affairs Federal Ministry of the Republic of Austria*. Web. Accessed May 26, 2015. <http://www.bmeia.gv.at/en/european-foreign-policy/>

¹³ Mayer, T. "Letter From Vienna", *Judy Dempsey's Strategic Europe*, Carnegie Europe, April 3, 2015. Web. Accessed November 9, 2015. <http://carnegieeurope.eu/strategieurope/?fa=59636>

¹⁴ Austria's Federal Ministry for Europe, Integration and Foreign Affairs, *Foreign and European Policy Report 2013*, Vienna, 2014. Web, p. 10-13. Accessed May 26, 2015.

http://www.bmeia.gv.at/fileadmin/user_upload/Zentrale/Publikationen/AEPB/Foreign_and_European_Policy_Report_2013.pdf

¹⁵ Austria's Federal Ministry for Europe, Integration and Foreign Affairs, *Foreign and European Policy Report 2013*, Vienna, 2014. Web, p. 10-13. Accessed May 26, 2015.

http://www.bmeia.gv.at/fileadmin/user_upload/Zentrale/Publikationen/AEPB/Foreign_and_European_Policy_Report_2013.pdf

¹⁶ Hill, C. and Smith, M., *International Relations and the European Union*, 2nd Ed., New York: Oxford University Press, 2008, p. 96.

c. Peace & Security Policy

Despite its former status of full neutrality, Austria focuses on equally shared international cooperation to solve contemporary complex security issues such as terrorism, cyber threats, energy security, trans-border organized crime, and climate change (**comprehensive approach**). It is thus an example of **active neutrality**, also seen in Switzerland and Sweden. Therefore, the Austrian internal and external security policy is conceived and achieved by means of cooperation within the European Union (EU), the United Nations (UN), the Organization for Security and Co-operation in Europe (OSCE), the North Atlantic Treaty Organization (NATO) and the Council of Europe.¹⁷

According to the Austrian Security Strategy of July 2013, the country's security policy include the following specific objectives¹⁸:

- Support to countries in Western Balkans and South-East Europe, in order to align them with EU standards and cooperation.
- Needs-based cooperation (mostly in Eastern and Southern Europe).
- Targeted cooperation with the EU's strategic partners (US and Russia) and neighboring countries.

European Union (EU)

Since 1995, Austria has been a full member of the EU Common Foreign and Security Policy (CFSP) and Common Security and Defense Policy (CSDP). It notably initiated the '**Salzburg Forum**', a Central European security partnership. Austria is willing to participate in CSDP operations as long as they are supported by a UN mandate. The country recently participated in the CSDP mission in Chad (EUFOR Chad) and is currently taking part in missions in the Central African Republic (EUFOR RCA), Mali (EUTM Mali) and Bosnia and Herzegovina (ALTHEA BiH). Within the CFSP, Austria prioritizes citizens' rights, protection related to migration and asylum, strengthening of freedom, security and justice, and stronger efforts in Member States' resource participation. In 2014, Austria participated in 2,49% of the ATHENA mechanism (funding for military CSDP operations).¹⁹

North Atlantic Treaty Organization (NATO)

Due to its former status of fully neutral state, Austria is currently not a member of NATO. It has however been a part of its **Partnership for Peace (PfP)** since 1995 and its Euro-Atlantic Partnership Council (EAPC) since 1997. Thus the country does not engage in wars and combat operations, but contributes to NATO's crisis management and peace operations. It currently participates in NATO-led missions in Kosovo (KFOR) and Afghanistan (ISAF).²⁰

¹⁷ Federal Chancellery of the Republic of Austria, *Austrian Security Strategy: Security in a new decade – Shaping security*, Vienna, 2013, Web, p. 4. Accessed May 27, 2015.

<https://www.bka.gv.at/DocView.axd?CobId=52251>

¹⁸ Federal Chancellery of the Republic of Austria, *Austrian Security Strategy: Security in a new decade – Shaping security*, Vienna, 2013, Web, p. 14. Accessed May 27, 2015.

<https://www.bka.gv.at/DocView.axd?CobId=52251>

¹⁹ Mayer, T. "Letter From Vienna", *Judy Dempsey's Strategic Europe*, Carnegie Europe, April 3, 2015. Web. Accessed November 9, 2015. <http://carnegieeurope.eu/strategieurope/?fa=59636> ; "European & Foreign Policy", *Europe, Integration and Foreign Affairs Federal Ministry of the Republic of Austria*. Web. Accessed May 26, 2015. <https://www.bka.gv.at/DocView.axd?CobId=52251> ; Federal Chancellery of the Republic of Austria, *Austrian Security Strategy: Security in a new decade – Shaping security*, Vienna, 2013, Web, p. 13-14. Accessed May 27, 2015. <https://www.bka.gv.at/DocView.axd?CobId=52251>

²⁰ "European & Foreign Policy", *Europe, Integration and Foreign Affairs Federal Ministry of the Republic of Austria*. Web. Accessed May 26, 2015. <http://www.bmeia.gv.at/en/european-foreign-policy/> ; Federal

United Nations (UN)

Austria has been a member of the UN since 1955, and thus contributes to the organization's efforts for peace, security, and conflict prevention. Due to their central position and multicultural character, the UN headquarters in Vienna have become a center for addressing global security issues. In 1979, they were the third UN headquarters to be created (after Geneva and New York), and today employ more than 4.000 people. Sixteen UN offices are located in the Centre, including the UN High Commissioner for Refugees (UNHCR) and the UN Environment Programme (UNEP).²¹

Austria has been elected three times as a non-permanent member of the Security Council, and Austrian nationals have been appointed many a time to important UN positions (e.g. Secretary-General Kurt Waldheim, 1972-1981). Today, Austria aims to improve its role within the UN, in particular by means of the International Anti-Corruption Academy (IACA) the country initiated.²² As of September 2015, Austria was participating in UN missions in the Western Sahara (MINURSO), in Cyprus (UNFICYP), and in the Golan Heights (UNTSO) by providing five experts in each. Furthermore, it provided 173 nationals for a contingent troop in Lebanon (UNIFIL) and one police officer in Kosovo (UNMIK).²³

Organization for Security and Co-operation in Europe (OSCE)

Austria has been a member of the OSCE since its creation in 1973 (under the initial name of *Conference for Security and Co-operation in Europe*). It hosts the OSCE Secretariat and the Office of the OSCE Representative on the Freedom of the Media, in Vienna. Moreover, the country chaired the organization in 2000, and will chair it again in 2017. It aims to continue its involvement in all OSCE consultations and field missions, and to make use of the Organization to a greater extent.

Austria's goals within the OSCE include enhancing its profile in security issues by means of the '**Corfu Process**' that works towards common European security architecture, as well as promoting safe and enabling environments for journalists and the media in general.²⁴ In 2014, Austria participated in 2,3% of the Organization's budget (€3.265.448) and had fifteen nationals part of the OSCE staff. The Austrian Development Agency also provides personnel and financial contributions to the OSCE.²⁵

Chancellery of the Republic of Austria, *Austrian Security Strategy: Security in a new decade – Shaping security*, Vienna, 2013, Web, p. 15. Accessed May 27, 2015. <https://www.bka.gv.at/DocView.axd?CobId=52251> ;

Mayer, T. "Letter From Vienna", *Judy Dempsey's Strategic Europe*, Carnegie Europe, April 3, 2015. Web. Accessed November 9, 2015. <http://carnegieeurope.eu/strategieurope/?fa=59636>

²¹ "The United Nations in Vienna", *United Nations Information Service*, 2015. Web. Accessed December 14, 2015. <http://www.unis.unvienna.org/unis/en/unvienna.html>

²² "European & Foreign Policy", *Europe, Integration and Foreign Affairs Federal Ministry of the Republic of Austria*. Web. Accessed May 26, 2015. <http://www.bmeia.gv.at/en/european-foreign-policy/> ; Federal Chancellery of the Republic of Austria, *Austrian Security Strategy: Security in a new decade – Shaping security*, Vienna, 2013, Web, p. 14. Accessed May 27, 2015. <https://www.bka.gv.at/DocView.axd?CobId=52251>

²³ UN Mission's Summary detailed by Country", *United Nations Peacekeeping*, September 30, 2015. Web. Accessed October 13, 2015. http://www.un.org/en/peacekeeping/contributors/2015/sep15_3.pdf

²⁴ Federal Chancellery of the Republic of Austria, *Austrian Security Strategy: Security in a new decade – Shaping security*, Vienna, 2013, Web, p. 15. Accessed May 27, 2015. <https://www.bka.gv.at/DocView.axd?CobId=52251>

²⁵ The Organization for Security and Co-operation in Europe (OSCE), *Annual Report 2014*, July 2015. Web. Accessed September 1, 2015. <http://www.osce.org/secretariat/169971?download=true>

Council of Europe (CoE)

The Council of Europe's actions in crisis prevention and post-crisis rehabilitation are part of the Austrian peace and security policy. The country encourages closer cooperation with new member states from Eastern Europe within this organization.²⁶ For the year 2015, Austria will contribute to the CoE's budget with € 5.337.501²⁷.

In October 2015, the Council of Europe's European Commission against Racism and Intolerance (**ECRI**) published a new report noting Austria's amelioration with regards to racism and discrimination in the legal sphere, by amending its Criminal Code since 2010. Nonetheless, it also emphasized concerns about remaining high levels of antipathy towards migrants and online hate speech.²⁸

Strategic Culture

The Union is now the central framework of Austria's security policy, which illustrates its shift from neutrality to European solidarity. In fact, Austria's security is very dependent on the EU, as illustrated by scholars Reiter and Frank's terms: "there is no Austrian security without European security"²⁹.

With that in mind, Austria must continue making efforts in the field in order to remain influent, thanks to its economic and cultural advantages. Austria must remain strongly involved in the EU's Common Security and Defense Policy. This is supported by the **Austrian Security Doctrine** and by the **Reform Commission of the Austrian Armed Forces**. This however faced opposition with regard to the traditional focus of Austrian defense on conventional threats – in contrast with international threats. The equal importance of national and international armed operations was finally confirmed by the latter documents, as well as the higher priority of international operations in terms of military structures and capabilities.³⁰

When Reiter and Frank analyzed the Austrian view of the European Security Strategy (ESS) in 2004, they argued that because of its small size on the European continent, Austria could only benefit from a potential European grouping of armed forces and thus supports this idea. The Austrian view also emphasizes the importance of **Turkey** for European security (because of its related conflict likely to influence the EU, Austria proclaims itself in opposition to

²⁶ Federal Chancellery of the Republic of Austria, *Austrian Security Strategy: Security in a new decade – Shaping security*, Vienna, 2013. Web, p. 14. Accessed May 27, 2015.

<https://www.bka.gv.at/DocView.axd?CobId=52251>

²⁷ "Austria", *The Council of Europe*, Web. Accessed November 9, 2015.

<http://www.coe.int/en/web/portal/austria>

²⁸ Kakaviatos, P. "Austria: antipathy towards migrants and online hate speech at worrying levels, despite integration policies and awareness raising, says the Council of Europe", Press release DC135(2015), *Council of Europe Directorate of Communication*, Strasbourg, October 13, 2015.

<https://wcd.coe.int/ViewDoc.jsp?id=2368581&Site=DC&BackColorInternet=F5CA75&BackColorIntranet=F5CA75&BackColorLogged=A9BACE>

²⁹ Reiter, E. and Frank, J., "The European Security Strategy from the Austrian Perspective", In Overhaus, M., Maull, H. W. and Harnisch S., "The European Security Strategy: Paper Tiger Or Catalyst for Joint Action? – Part II: Perspectives from Italy, Poland, Austria and Finland", *German Foreign Policy Dialogue*, Vol. 5, No. 14, October 14, 2004, p. 17. Web. Accessed May 28, 2015. <http://www.deutsche-aussenpolitik.de/newsletter/issue14.pdf>

³⁰ Reiter, E. and Frank, J., "The European Security Strategy from the Austrian Perspective", In Overhaus, M., Maull, H. W. and Harnisch S., "The European Security Strategy: Paper Tiger Or Catalyst for Joint Action? – Part II: Perspectives from Italy, Poland, Austria and Finland", *German Foreign Policy Dialogue*, Vol. 5, No. 14, October 14, 2004, p. 16-17. Web. Accessed May 28, 2015. <http://www.deutsche-aussenpolitik.de/newsletter/issue14.pdf>

Turkish membership in the EU³¹) and the demand for concrete goals and actions for **deepening the integration of European armies**.³² As Austria is part of the countries that deployed an above average percentage of their forces in every year for the CSDP (between 1995 and 2007)³³, its demands and potential should be taken seriously.

d. Economic Policy

European Union (EU)

Austrian economic policy has been greatly influenced by the EU single market and its expansion. As previously mentioned, Austria is an export-oriented economy. The country thus aims to keep a stable fiscal and economic policy within the EU. Its main trade partners are Germany and Italy, as well as the US and Switzerland.

According to the official website of the Austrian Federal Ministry of Finance, four keys areas have been determined with that aim in the ‘**Austrian Stability Programme**’³⁴:

- Comprehensive tax reforms.
- Consistent proceeding with the successful structural fiscal consolidation.
- Maintaining structural reforms in the fields of public administration, subsidies, pensions and labor market.
- Strengthening investments in areas of education, growth and employment.

Due to the globalization of economy, Austria also aims to promote its exports worldwide (especially in Asia and Latin America). Austria’s foreign investment goes to neighboring countries being its most important trade partners, but it is increasingly directed to non-EU countries. Indeed, despite the EU exclusive competence for concluding direct investment agreements, member states are still able to conclude bilateral investment protection agreements (if not otherwise specified).³⁵

According to the European Commission’s 2015 Report on Austria, the country’s economy has been stagnating since mid-2012 because of structural issues. The report emphasizes challenges in the Austrian financial system, which is highly vulnerable. It also points out the ageing population, which threatens long-term fiscal sustainability. Also, the inefficient organizational system of relations between the various governmental levels prevents successful reform design and implementation. Furthermore, Austria’s labor market participation and educations achievements are low for particular groups (e.g. youth).³⁶

³¹ Hill, C. and Smith, M., *International Relations and the European Union*, 2nd Ed., New York: Oxford University Press, 2008, p. 317.

³² Reiter, E. and Frank, J., “The European Security Strategy from the Austrian Perspective”, In Overhaus, M., Maull, H. W. and Harnisch S., “The European Security Strategy: Paper Tiger Or Catalyst for Joint Action? – Part II: Perspectives from Italy, Poland, Austria and Finland”, *German Foreign Policy Dialogue*, Vol. 5, No. 14, October 14, 2004, p. 18-21. Web. Accessed May 28, 2015. <http://www.deutsche-aussenpolitik.de/newsletter/issue14.pdf>

³³ Biscop, S., “From ESDP to CSDP: The Search for Added Value through Permanent Structured Cooperation”, *Egmont – Royal Institute for International relations*, UACES Annual Conference, Edinburgh, September 2008, p. 3. Web. Accessed May 28, 2015. http://uaces.org/documents/papers/0801/2008_Biscop.pdf

³⁴ “Budget & Economic Policy”, *Federal Ministry of Finance of the Republic of Austria*. Web. Accessed May 27, 2015. <https://english.bmf.gv.at/budget-economic-policy/economic-policy-austria.html>

³⁵ “European & Foreign Policy”, *Europe, Integration and Foreign Affairs Federal Ministry of the Republic of Austria*. Web. Accessed May 26, 2015. <http://www.bmeia.gv.at/en/european-foreign-policy/>

³⁶ European Commission, “Country Report Austria 2015”, *Commission Staff Working Document*, Brussels, COM(2015) 85 final, February 2015. Web, p. 1-2. Accessed May 27, 2015. http://ec.europa.eu/europe2020/pdf/csr2015/cr2015_austria_en.pdf

Economic Diplomacy & Foreign Trade

Austria pursues a multilateral economic policy, which takes place thanks to its partnerships with the World Trade Organization (WTO), the Organization for Economic Cooperation and Development (OECD), the International Energy Agency (IEA), and international financial institutions such as the International Monetary Fund (IMF) and Multilateral Development Banks (MDBs).

Within the WTO, Austria protects its interests in regard to transit/road merchandise transport by supporting the status quo of current conditions. Concerning the OECD, the country notably contributed to recent projects by emphasizing the need to fight against youth unemployment and against tax avoidance and tax evasion. The IMF, in its review of Austria, brought particular attention to the country's issues with respect to bank restructuring and regarding the need for action in the fields of pensions, healthcare, and state aid. Austria is as well participating in the MDBs' actions towards the achievement of the UN Millennium Development Goals (MDGs), by increasing its contribution. Throughout those instruments, the country also brings attention to the needed assistance for economic and social development of South East Europe.³⁷

The Organization for Economic Cooperation and Development (OECD) exposes in its survey of Austria that the country has a successful export-oriented economy, which has provided employment, built social cohesion and supported GDP growth. The recent economic stagnation has however weakened such developments, which should be boosted by the upcoming tax reforms. The report points out the limited competition in the services sector, restrictive regulations, and the education system as causes of the lack of economic dynamism in Austria. Finally, it emphasizes issues of gender equality (Austria has one of the highest gender pay gaps in the OECD group of countries), which restricts economic growth.³⁸

With regards to the Transatlantic Trade and Investment Partnership (TTIP), Vienna has expressed no great objections at first. Indeed, its small and export-oriented economy would clearly benefit from such a free trade agreement. Nonetheless, Austria has recently been very vocal concerning environmental and energy issues going along what national newspapers call the "U.S. Treaty", in response to the public opinion's strong opposition to the agreement.³⁹

e. Other Diplomatic Priorities

Priorities at the European Level

Apart from focusing on its relations with neighboring EU countries, Austria is particularly concerned about **South East Europe** and the **Western Balkan** countries. For instance, it strongly advocates Albania's rapprochement to the EU, and works towards Bosnia and Herzegovina's complete stabilization, as it is one of its most important trading partner. It also maintains good bilateral relations with Kosovo, in order to improve the rule of law and the political situation over there.

³⁷ Austria's Federal Ministry for Europe, Integration and Foreign Affairs, *Foreign and European Policy Report 2013*, Vienna, 2014, p. 231-233. Web. Accessed May 26, 2015.

http://www.bmeia.gv.at/fileadmin/user_upload/Zentrale/Publikationen/AEPB/Foreign_and_European_Policy_Report_2013.pdf

³⁸ Organization for Economic Co-operation and Development (OECD), *OECD Economic Surveys: Austria 2015 – Overview*, OECD Publishing, Paris, July 2015. Web. Accessed November 9, 2015.

<http://www.oecd.org/eco/surveys/Austria-2015-overview.pdf>

³⁹ Mayer, T. "Letter From Vienna", *Judy Dempsey's Strategic Europe*, Carnegie Europe, April 3, 2015. Web. Accessed November 9, 2015. <http://carnegieeurope.eu/strategieurope/?fa=59636>

Finally, Austria supports opening **accession negotiations** with Macedonia, Montenegro and Serbia, as they are as well close economic partners. With regard to Turkey's controversial accession to the EU, Austria stresses the challenge of the situation in Syria (particularly the resulting influx of refugees), but also the improving economic situation of Turkey and its various economic ties with Europe. It is important to note that Austria is one of the most important foreign investors in Turkey.⁴⁰

Priorities at the Global Level

At the global level, Austria is particularly concerned about four areas: multilateral development cooperation, the international protection of human rights, global environmental and sustainability policy, global disarmament, arms control, and non-proliferation of weapons of mass destruction (WMDs), and their means of delivery.

Austria's participation in **multilateral development cooperation** takes place within various contexts. Firstly, it contributes to the EU's development cooperation worldwide and actively participates in its agenda setting and discussions, with useful experience in specific areas (e.g. water, sustainable energy). Secondly, it is engaged in the UN MDGs' progress and framework, as well as in the UN Capital Development Fund (UNCDF) as one of the fund's major bilateral donor. Thirdly, Austria is a member of the OECD Development Assistance Committee (DAC) and thus prepares and assesses qualitative targets of the members' development cooperation.

As stated in Austria's Foreign and European Policy Report of 2013, "the global implementation of **human rights** standards is a key concern of Austrian foreign policy"⁴¹. In the pursuit of that interest, the country regularly launched initiatives in the Human Right Council (HRC) – of which it was member until the end of 2014 – and UN General Assembly (UNGA). It particularly worked on freedom of religion or conscience, protection of religious minorities, freedom of the media and protection of journalists, and rights of the child and protection of children against violence and exploitation.

Austria's **global environmental and sustainability policy** is pursued in line with the UN and the Rio conference's outcomes, which defined universal sustainability goals. It is carried out with the help of the UN Environment Programme (UNEP), the Global Environmental Protection Agreements, the Sustainable Energy for All Initiative (SE4All), and the International Atomic Energy Agency, in which Austria actively participate.

The country's involvement in **global disarmament**, arms control, and non-proliferation of WMDs and their means of delivery is notably illustrated by initiatives for the worldwide elimination of nuclear weapons. Austria notably organized a seminar for better coherence and cooperation between EU disarmament directors⁴². Finally, Austria actively contributes to the implementation of the Ottawa Convention regarding anti-personal mines and the Oslo

⁴⁰ Austria's Federal Ministry for Europe, Integration and Foreign Affairs, *Foreign and European Policy Report 2013*, Vienna, 2014, p. 87-88. Web. Accessed May 26, 2015.

http://www.bmeia.gv.at/fileadmin/user_upload/Zentrale/Publikationen/AEPB/Foreign_and_European_Policy_Report_2013.pdf

⁴¹ Austria's Federal Ministry for Europe, Integration and Foreign Affairs, *Foreign and European Policy Report 2013*, Vienna, 2014, p. 197. Web. Accessed May 26, 2015.

http://www.bmeia.gv.at/fileadmin/user_upload/Zentrale/Publikationen/AEPB/Foreign_and_European_Policy_Report_2013.pdf

⁴² The Treaty on the Non-Proliferation of Nuclear Weapons, the Comprehensive Nuclear-Test-Ban Treaty, the Geneva Conference on Disarmament, the Chemical Weapons Convention, the Biological and Toxin Weapons Convention, the Missile Technology Control Regime, and the Hague Code of Conduct.

Convention on cluster munitions, and is also a member of all export control regimes of arms.⁴³

Author *Sophie L. Vériter, Vesalius College (VUB).*
Language Revision *Sara Shah, Davidson College.*

⁴³ Austria's Federal Ministry for Europe, Integration and Foreign Affairs, *Foreign and European Policy Report 2013*, Vienna, 2014, p. 234-240. Web. Accessed May 26, 2015.
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