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Austria Briefing

It is evening in 1997, a rather cold evening to be exact. The place is Baltimore, Maryland. The situation: at the dinner table on this particular evening, my father announced to our family that his next business trip would be an excursion to Austria, supposedly one of the most beautiful countries in the world. Never mind the fact that he did not offer to take myself, my mom, brother or sisters with him. The fact was, we would all benefit from his experience. He would at least bring back pictures of the kangaroos that he would see, and maybe a tee-shirt or stuffed animal if I was lucky. Or so I thought.

My dad returned to the United States a few weeks later. Much to my dismay, I did not get to see pictures of kangaroos, and received neither a tee-shirt nor a stuffed animal. I disappointedly asked where the *real* souvenirs were, and for hours tried to figure why the *real* gift was a keychain portraying the famous composer Mozart and not replica of exotic wildlife. Essentially, it was that day in 1997 that I learned that Austria was indeed a different place from Australia, the country I had been confusing it with all along. The names may sound similar, but rest assured that they are on opposite sides of the world and are completely different. Austria is actually a beautiful European country, with abundant history and a fabulous culture—a country rich in tradition and embracing uniqueness.

Austria, or the Republic of Austria as it is officially known, is a country in Europe bordered by Germany, Switzerland, the Czech Republic, Slovakia, Hungary,

Liechtenstein, Slovenia, and Italy. The capital of Austria is Vienna, its largest populated area. With a total area of 83,857 square kilometers, Austria is slightly smaller than the state of Maine. It is split into three main geographical regions: the Lowlands, the Hill Country, and the Alpine Region. The Lowlands are in the east and southeast of Austria and serve as the center for agriculture. The Hill Country is north of the Danube River and creates the border with the Czech Republic. Nearly seventy percent of central and western Austria is within the Alpine Region, extending the Alps from Austrian border into Switzerland. The highest point in Austria is Grossglockner, reaching 12,460 feet (Austria).

The rich history of Austria dates back to 16 B.C., where modern day Austria was conquered and ruled by the Romans. In 788 A.D., Charlemagne conquered the area and set up the first Austrian March to encourage colonization and Christianity. He then developed the territory along the Danube, known as the Ostmark. Feudalism was at a peak in Austria during the 11th and 12th centuries, towns were being developed more rapidly than ever before, and the Danube River became a significant trade route.

The Habsburgs, the most significant rulers in Austrian history gained control at the end of the thirteenth century and ruled for over six hundred years. Rudolph I, the German King in 1278, became the first ruler of the Habsburg Empire. A series of Habsburg Wars with France occurred under the rule of Frederick III. By 1556, Ferdinand I had extended the Habsburg control to make Hungary a part of the picture, as Austria and Hungary were united under the same crown. In the late 16th century, the Habsburg rulers attempted to repair the economic and political instability that caused the Protestant Reformation by launching their own Counter Reformation. An alliance between church

and state was eventually established and continued throughout the monarchy. In 1618, in response to attempted Catholicization of the empire, the Anti-Protestant vitality sparked the Thirty Years War—which essentially destroyed much of central Europe (Austria: History).

Many reform programs began in the late eighteenth century under the rule of Empress Maria Theresa and her son Joseph II, implementing a modern state foundation. Austria was drawn into war with France during the French Revolution. The turmoil that followed both the French Revolution and the Napoleonic Wars induced the fall of the Holy Roman Empire. By 1859, the Empire was becoming both politically and militarily weak, ultimately resulting in the loss of Lombardy in the Italian War. The Empire was restructured in 1867, establishing the Austro-Hungarian Monarchy (“Austria”).

The Habsburg defeat after World War I was a major turning point in Austrian History. The 1919 Treaty of Saint-Germain fixed Austria’s present borders and forbade Germany from engaging in any economic or political union. In 1955 the Austrian State Treaty declared Austria an independent republic. And finally, Austria entered the European Union on January 1, 1995.

Austria is quite uniform in terms of its inhabitants. Ninety-two percent of Austrians are native German speakers and only two significant minority groups are accounted for—the Slovenes and the Croats. The total population of Austria as of 2003 was just over 8.1 million, with an annual growth rate of .41%. Vienna, the capital city and the city which we will be visiting, is the most heavily populated, with an estimated population of 1.6 million. The most prominent religion among Austrians is Roman Catholic, followed by Lutheran and Muslim. Finally, the workforce is composed of about

4 million people, with the majority of jobs being in services, industry and agriculture and forestry (Background).

The Austrian economy is very well developed. The economy benefits mostly from strong commercial relations in the banking and insurance sectors with central, eastern, and southeastern Europe. After the longest low-growth period in Austria since World War II from 2001 to 2003, the Austrian economy recovered in 2004 and has since attained continual economic growth. Austria's Gross Domestic Product in 2005 was \$269.6 billion, with a real growth rate of 1.8%. The unemployment rate was 5.1% in 2005. Also in 2005, the Austrian economy exported \$122.5 billion worth of goods and imported \$118.8 billion. Austria's major partners in both imports and exports are Germany, Italy and Switzerland, respectively. Austria adopted the Euro as its currency on January 1, 2002. Finally, the economic growth for 2006 is predicted to be between 2.2 and 2.4% (The World Factbook).

Austria's governmental structure can be described as a Parliamentary Democracy. Although it was established in 1920, the Austrian Constitution was reinstated on May 1, 1945. Much like the United States governments, Austrian government is comprised three branches—Executive, Legislative and Judicial. The Executive branch is made up of a federal president—who is the chief of state, a chancellor—the head of government, and cabinet. The Legislative branch is a bicameral Federal Assembly. Finally, a Constitutional Court, an Administrative Court and a Supreme Court compose the Judicial branch in Austria (Background).

Currently, Heinz Fischer serves as the Federal President of Austria and Wolfgang Schuessel is the Federal Chancellor. The Austrian president presides over the

parliamentary sessions and holds the power to suspend Parliament. Similar to the Legislative branch of United States government, the Federal Assembly in Austria is separated into two houses—the National Council, of lower authority, and the Federal Council, with higher authority. The National Council is made up of 183 individuals who serve for a maximum of four years. The Federal Council consists of 62 people elected by the legislatures of the nine states. A member of the Federal Council may serve a five to six year term (Background).

There are three major political parties—the People’s Party, the Social Democratic Party, and the Freedom Party. The right-winged People’s Party seeks support from many independent business owners, farmers, and many inhabitants in rural Austria. According to the Bureau of European and Eurasian Affairs, the goal of the People’s Party is to advocate “conservative financial policies and privatization of much of Austria’s nationalized industry” (Background). The strength of the left-winged Social Democratic Party lies in urban and more developed areas. Their main goals include supporting state involvement in major industries, establishing a full-employment policy and also widening the benefits of social security (Background).

Aside from the history, politics, economics and population that have been discussed, Austria has a particularly notable culture—especially in its capital city. Known as the imperial city, Vienna is not only the capital of Austria, but also one of the richest cultural centers of Europe. Vienna is furnished by many historical venues, breathtaking architecture, countless portrayals of nouveau art, concerts, and over 50% of green lands fit for exploring. It is near impossible for one to get bored in Vienna—there are endless possibilities to the ways one can spend time here. One can start by visiting the Old City

and the Ringstrasse, visit the Belvedere, MAK and Wien Museum, enjoy one of the many live music events that occur on a nightly basis, shop at chic boutiques, dance the night away at the Volksgarten Clubdisco, rent a bike and discover over 900 kilometers of bike paths, or even visit the world's oldest zoo (the Schonbrunn Zoo). According to the *Vienna Journal*, while visiting the infamous city, one should most definitely “enjoy your nights in Vienna. The imperial city offers crazy balls, flashy festivals and international film festivals. You will never forget Vienna's unique venues” (Vienna Journal).

Our stay in Vienna is way too short to see everything that Vienna has to offer. However, I would strongly suggest spending some free time exploring the historical venues of Austria's capital. Visit the Ringstrasse, which was built in 1857 by Emperor Franz Joseph and essentially encloses Vienna's entire old city. The Ringstrasse presents the opportunity for tourists to see the City Hall, National Theater, the neo-gothic Votive Church, the Vienna State Opera, the Museum of Fine Arts and the Museum of Natural History, Parliament, numerous palaces, and Austria's most important Gothic building and the heart of Vienna—St. Stephen's Cathedral (Vienna Journal).

Currently in Vienna, there is a huge celebration for the 250th anniversary of the famous composer Wolfgang Amadeus Mozart's birth. Mozart moved to Vienna in 1781 and worked as a freelance musician before achieving popularity. During this celebration, visitors will be able to participate in guided Mozart tours, visit the Mozart House, visit the Theater An Der Wien, or even attend the Vienna Festival featuring some Mozart pieces.

Visitors who display knowledge of Austrian history and culture are greatly appreciated. A good thing to note is that Austrians do not take kindly to those who do not

recognize the clear distinction between their culture and Germans. During informal conversation, Austrians may joke and might light of situations. Some appropriate topics of conversation in Austria are classical music and Austrian composers like Mozart, Strauss, and Schonberg, opera, arts and architecture, and winter sports. Topics that should be avoided during conversation include money, separation and divorce, immigration policy, religion, anti-Semitism, and Austria's role during World War II (Austria Business Etiquette).

Another specific topic to avoid during conversation with an Austrian is that of Joerg Haider. Haider is a politician, and a member of the Freedom Party in Austria. He was a governor until he was removed from office in 1989 for praising the employment policies of Nazi Germany. Haider's beliefs about the Nazis are not accepted by Austrians, and they essentially do not want him to have any type of political power. Needless to say, Haider is not popular among Austrians. In fact, most Austrians consider him an ambitious, racist opportunist (BBC News).

As with any culture, Austria upholds certain standards while practicing business. First and foremost, in a business setting you will never be addressed by your first name, yet by a proper is expected as Austrians are very title conscious. Austrians are very structured and punctual in business operations. For example, it is not uncommon for their schedules to be made weeks or months in advance. They are resistant to change their schedules, but if necessary it should be taken care of immediately. Austrians expect clients to be as meticulous and punctual as they are under all circumstances. One should never be late for a business engagement, especially in Vienna (Austria Business Etiquette).

The standard hours of operation in Austria are from 8am to 5pm, Monday through Thursday, with only a 30 minute break for lunch. Workers are typically let out at around 3pm on Friday. However, in Vienna is it standard for companies to open and close an hour later than the other cities in Austria.

Dress is another important aspect of business culture in Austria. It is crucial for one to make a good first impression, and this may often be done by dressing in a simple and elegant manner. Clothes must be well fitting and shoes must be nicely polished. It is expected of men to wear wool suits and a silk tie in business encounters (Austria Business Etiquette).

Gift giving is not casual in the business setting. If an Austrian presents a gift, it is imperative that you be ready to reciprocate on the spot. Gifts will be opened as soon as they are received, in front of the giver. Gifts are nothing elaborate, rather moderate and unpretentious.

Business cards are imperative in Austrian business culture, and one should always come prepared. Business cards should be translated in German on one side, and information reflecting the status of your company should be visible on the card. Meetings typically begin with small talk to get acquainted with clients (Austria Business Etiquette).

During our stay in Vienna, we will be visiting the Austrian Trade Organization. As with visiting any company, it is important to have some general knowledge of the business before a visit. The Austrian Trade Organization is the largest provider of services in foreign trade. It is important because it the ability of Austrian businesses to compete in the global marketplace by providing affiliates with valuable tools, resources and information. The Austrian Trade Organization exists to ensure that there is a central

contact playing a strategic role for those companies wanting to expand business into Austria. The Austrian Trade Organization consists of 70 trade commissions located throughout 53 countries, and 30 marketing offices in places where there are potential new markets (Austrian Trade).

The final topic I would like to cover is current events. It is quite important to have some knowledge of recent news in a particular country before visiting. The first topic I would like to bring to your attention is Austria's involvement in fighting poverty. The Austrian Development Agency (ADA), which was established in 2004, is currently involved in something called the Austrian Development Cooperation and Cooperation with Eastern Europe. This organization supports partner countries, especially Africa, Central America and Asia, in effort to reduce poverty in those areas. The ADA also supports the social, economic and ecological development of southern Europe. They have already made quite an impact, as over six million people have already benefited from the ADA—primarily by their stressing of necessary water supply and energy and also promoting education and building democratic structures to ensure stability (Austrian Cooperation).

Another current event to consider took place on Sunday, May 28. There was an agreement by the European Union to allow an additional year to end a stalemate over the ratification of their constitution or to find a different way to have greater global influence. Ursula Plassnik, the foreign minister of Austria is optimistic in the situation stating that the worst is already behind the EU. During meetings held in Vienna, the European Union agreed to pursue their plans to spread prosperity and security eastward and become stricter in the admission for membership. The goal of the EU is to have all or most of this

charter ratified by 2009. Countries negotiating entry include Romania, Bulgaria, Croatia, Turkey, some of the Balkan states, Ukraine and Moldova. Since a decision will not be made until 2007, it will be up to Germany to resolve the stalemate, since they will hold presidency of the European Union at that time (EU Eyes Constitution in '07).

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