



COUNTRY
REPORT
FOR
AUSTRIA

A photograph of a woman holding a young child, walking on a sidewalk next to a brick building. The entire image is overlaid with a semi-transparent red filter. The woman is looking down at the child, and the child is looking towards the camera. The background shows a brick wall and a metal railing.

EUROPE 2020
SHADOW REPORT 2014

PROPOSALS FOR THE ANNUAL GROWTH SURVEY,
COUNTRY SPECIFIC RECOMMENDATIONS AND NATIONAL POLICIES.
CARITAS RECOMMENDATIONS FOR EUROPE 2020 MID-TERM REVIEW.

01

EU 2020 Strategy: general evaluation

It is difficult to say if the EU 2020 Strategy has had any impact. Looking at the Austrian figures it could very well be that the strategy has helped meet the challenges of the crisis in a better way. Nevertheless, looking at recent trends in Eurostat data, one cannot be too optimistic.

The most important target for Caritas Austria is the reduction of poverty and exclusion, thereby saving 235,000 individuals in Austria from the risk of poverty and social exclusion. Targets in the areas of education and employment are also very important, but the aims Austria has set itself are either way below or not suitable to addressing the problems adequately.

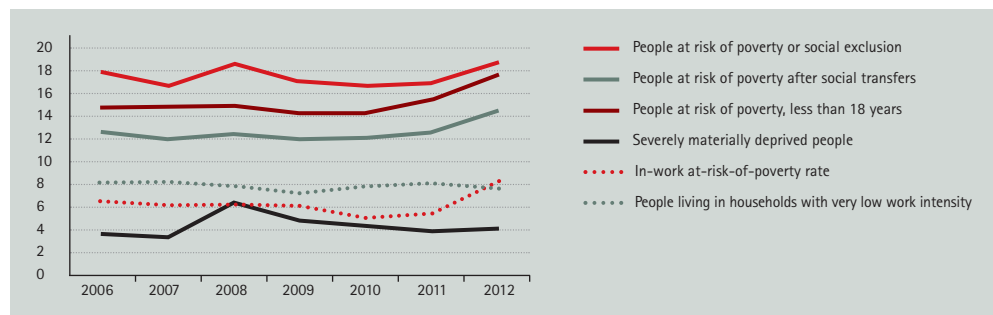
For the coming years, the EU needs a concrete strategy for growth and jobs. As the most important areas, such a strategy should address **decent wages, segmentation of the labour market, youth employment, and decent working conditions**. The strategy should encourage national governments to put a stronger focus on poverty reduction and employment growth by **implementing minimum standards for social benefits, the health system, and education**, and ensuring that member states cannot execute cuts to their social systems if the minimum standards are at threat. In order to deliver sustainable results, the broad public needs to be engaged. Therefore, it is of utmost importance to involve European and national media to reach the citizens.

As to the involvement of stakeholders in the Europe 2020 Strategy, the government of Austria initiated the "Austrian Platform for Monitoring the Implementation of the EU 2020 Poverty-Targets" in which Caritas Austria participates.

02 Poverty

2.1 Recent trends

Eurostat (% of population)	2009			2010			2011			2012			EU average
	M	F	T	M	F	T	M	F	T	M	F	T	
Austria													
POVERTY													
People at risk of poverty or social exclusion	-	-	17.0	-	-	16.6	-	-	16.9	-	-	18.5	24.8
People at risk of poverty after social transfers	10.7	13.2	12	10.7	13.2	12.0	11.7	13.5	12.6	13.5	15.3	14.4	17.0
People at risk of poverty, under 18 years of age	-	-	14.3	-	-	14.3	-	-	15.4	-	-	17.5	20.8
Severely materially deprived people	-	-	4.8	-	-	4.3	-	-	3.9	-	-	4.0	9.9
In-work at-risk-of-poverty rate	6	5.9	6	5	4.8	5.0	6	4.7	5.4	8.7	7.3	8.1	9.2
People living in households with very low work intensity	-	-	7.2	-	-	7.8	-	-	8.1	-	-	7.7	10.3



Developments of poverty and social exclusion indicators in Austria (2009-2012) based on Eurostat:

- ➔ The highest relative increase occurred in the in-work-at-risk-of-poverty rate, which rose from 6% in 2009 to 8.1% in 2012; nevertheless, remaining below the EU-average (9.2% in 2012). The rate increased more sharply among men (by 2.7 p.p.) who are at a higher risk of in-work-poverty (8.1% in 2012) than women (7.3% in 2012).
- ➔ The highest absolute increase occurred in the child poverty rate, which rose from 14.3% in 2009 to 17.5% in 2012; nevertheless, remaining below the EU-average (20.8% in 2012).
- ➔ All indicators are below the EU-average, while some are situated well below average (e.g. severe material deprivation) and others only slightly (e.g. male in-work poverty) below average.
- ➔ It is worth noting that, while more men are at risk of in-work-poverty (see above), more women are at risk of poverty after social transfers (15.3% in 2012 compared to 13.5% of men).

Additional national data shows the severity of the problems reflected by the above Eurostat data:

- ➔ The rise of the in-work-at-risk-of-poverty rate may have been caused by a modified data collection process thus causing a break in the series. Till 2012, data was collected through questionnaires; since 2012, this data has been provided by different sections of public administration and is therefore more reliable.¹ Due to the modified data collection, there is a break in the timeline. The Austrian Government has planned to do retroactive accounting till the beginning of 2015 to ensure the comparability of data.²
- ➔ Children of non-Austrian citizens living in single parent households or in households with more than three children are at the highest risk of poverty.³
- ➔ The latest National Social Report shows that EU-migrants are at a considerably higher risk of poverty (32%) than third-country-citizens (30%) and Austrian citizens (12%). Meanwhile, nearly 60% of migrants are EU-citizens, Swiss or people from the EEA.⁴

2.2

Recent policy developments

The planned national standardisation of the needs-based minimum benefit has still not been achieved. The country still lacks structural reforms.

Social investment package: investing in children⁵

ASSESSMENT OF PROGRESS

The Austrian Government has started implementing the Commission's recommendation through several measures:

- ➔ **Providing for adequate living standards through a combination of benefits as well as the reduction of inequality at a young age by investing in early childhood education and care**
 - The Austrian government will spend an additional 300 million Euro on childhood education in the next 3 years. Kindergarten in Austria is free in some counties; in all remaining counties kindergarten is offered on a sliding price scale, thereby ensuring access for all families regardless of their social status. Furthermore, the family allowance has been raised. Despite these efforts, one has to say that the quality of the work performed still needs improvement, especially the Child to Carer ratio and training of pedagogues.
- ➔ **Improvement of the education systems' impact on equal opportunities**
 - Unfortunately, the new middle school (NMS) could not deliver what had been promised, due to insufficient funding. A step in the right direction was, however, the new concept for teacher-training.

¹ http://www.statistik.at/web_de/statistiken/soziales/armut_und_soziale_engliederung/

² http://www.sozialministerium.at/cms/site/attachments/2/6/5/CH2122/CMS1400832673352/nationaler_sozialbericht_oesterreich_2014_dt.pdf

³ http://www.statistik.at/web_de/statistiken/soziales/armut_und_soziale_engliederung/

⁴ Integrationsbericht 2014, http://www.integrationsfonds.at/news/aktuelle_news/integrationsbericht_2014_praesentiert/

⁵ European Commission, 2013, *Recommendation Investing in Children: Breaking the Cycle of Disadvantage 2013/112/ EU* approved under the Framework of the Social Investment Package

➔ Improvement of the responsiveness of health systems to address the needs of disadvantaged children

- Healthcare for children is ensured by the mother-child-passport (Mutter-Kind-Pass), which guarantees that mother and child get all necessary examinations for free. The average rate of people being insured in the national health system reached 99.9% in 2013, ensuring that the health system is accessible for nearly everybody⁶.

Assessment of Austria's Country Specific Recommendations (CSRs) adopted in 2014:

There is one CSR adopted that may have a negative impact on the situation of poverty and social exclusion in Austria:

CSRs that could have a negative impact

- ➔ CSR 4 on removing excessive barriers for service providers.

Observations

- ➔ A reduction of barriers for service providers could have a negative impact on the local job market. The existing restrictions allow something of a protected job market, which ensures employment by local companies and people living in the region.

2.3

Recommendations

Given the above assessments, Caritas recommends the following policy measures be introduced in order to address the challenges related to poverty and social exclusion:

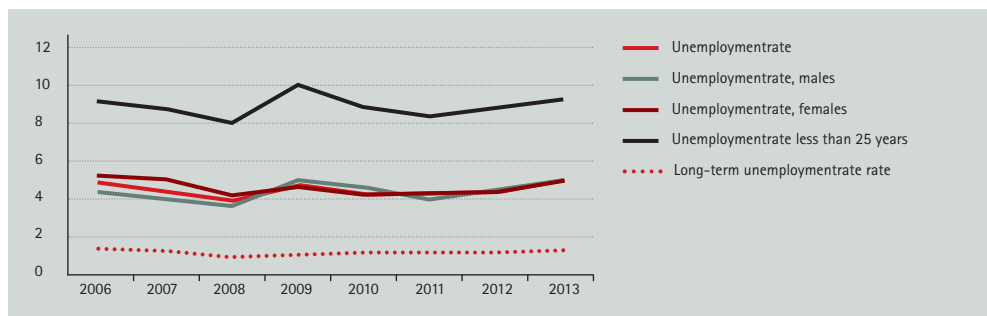
- ➔ Bringing forward the harmonisation of the means-tested minimum income benefit by negotiating a new treaty between the counties and the federal government. Further problems to be addressed are decent wages, segmentation of the labour market, youth unemployment, and decent working conditions.
- ➔ Shifting the tax burden from labour toward taxes as recurrent taxes on immovable property.

⁶ <http://www.sozialversicherung.at/portal27/portal/esvportal/content/contentWindow?contentid=10008.555187&action=bb&cacheability=PAGE&version=1395311059>

03 Employment

3.1 Recent trends

Eurostat (% of population)	2009			2010			2011			2012			2013			EU average
	M	F	T	M	F	T	M	F	T	M	F	T				
Austria																
EMPLOYMENT																
Employment rate	80.1	69.4	74.7	80.2	69.6	74.9	80.8	69.6	75.2	80.9	70.3	75.6	80.3	70.8	75.5	68.3
Unemployment rate	5	4.6	4.8	4.6	4.2	4.4	4	4.3	4.2	4.4	4.3	4.3	4.9	4.9	4.9	10.8
Unemployment rate, under 25 years of age	-	-	10	-	-	8.8	-	-	8.3	-	-	8.7	-	-	9.2	23.4
Long-term unemployment rate	1.1	1	1	1.3	0.9	1.1	1.1	1	1.1	1.1	1	1.1	1.2	1.1	1.2	5.1



Development of employment indicators in Austria (2009-2013) based on Eurostat:

- ➔ The highest relative increase occurred in the long-term unemployment rate, which rose from 1% in 2009 to 1.2% in 2013; nevertheless, remaining well below the EU-average (5.1% in 2013).
- ➔ The highest absolute increase occurred in the female employment rate, which rose from 60.4% in 2009 to 70.8% in 2013; situating the indicator well above the EU-average (62.5% in 2013).
- ➔ All unemployment rates remain well below the EU-average, while employment rates are above the EU-average. The difference in employment rates to the EU-averages is notably higher for men than for women, contributing to an overall gender-gap in employment rates of 9.5 p.p. in 2013.
- ➔ It is worth highlighting that during the observed period, both male and youth unemployment dropped (by 0.1 p.p. and 0.8 p.p. respectively), while the female and overall unemployment increased (by 0.3 p.p. and 0.1 p.p. respectively).

3.2

Recent policy developments

Austria introduced Youth Coaching measures designed to help young people find an education or vocational path that suits their personal needs. Furthermore, some measures were taken to address the employment of elderly people, such as a settling-in allowance, partial retirement funding as well as subsidies for improving qualifications of employees.

Assessment of Austria's Country Specific Recommendations (CSRs) adopted in 2014:

As explained in the previous section 2.2. CSR 4 may also have a negative impact on the employment situation in Austria (see above).

Innovative services or programmes implemented by Caritas Austria

DESCRIPTION OF THE PROGRAMME

Caritas Vorarlberg's project "Carla Tex" is a social business with economic, ecological and social aims. The main goal is to collect used clothes and recycle them. Carla Tex provides more than 400 clothing collection boxes in the county; all work is done by the long-term unemployed, thus providing them with employment and training on the job. 50% of the clothes are still wearable; the rest is recycled in numerous ways, thereby preserving and managing sustainable resources and avoiding them being wasted⁷.

3.3

Recommendations

In comparison to the rest of the European Union, Austria has only minor problems in the area of employment. Nevertheless, given the above assessments, Caritas recommends the following policy measures be introduced, in order to address the challenges related to the employment situation:

- ➔ Tackling in-work poverty by ensuring decent wages and decent working conditions
- ➔ Make sure that one can live off part-time work
- ➔ Provide child-care in order to empower women to return to work earlier
- ➔ Support employment in the social business sector of people excluded from the labour market

⁷ <http://www.carla-vorarlberg.at/spenden/kleidercontainer/>

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