

POVERTY WATCH REPORT – AUSTRIA 2021

This report gives an overview about poverty and social exclusion in Austria with special focus on the consequences of the COVID-19 pandemic and lock-down measures on people experiencing poverty respectively people with low income. The first part introduces the Austrian Anti-Poverty Network, the second part shows some actual data and facts on poverty in Austria and the third part deals with COVID-19 consequences.

1. THE AUSTRIAN ANTI-POVERTY NETWORK

Fight Poverty. Prevent Poverty.

Since 1995, the Austrian Anti-Poverty Network has conducted lobbying activities on behalf of those who have no lobby. It addresses the problems of poverty and social exclusion in Austria, which tend to be ignored, and aims at improving the living conditions of people experiencing poverty.

A conference of many colours

In 1995, the first Anti-Poverty Conference took place in Salzburg, in which many different representatives of civil society joined forces: welfare organisations, umbrella organisations of social initiatives, church and trade union organisations, education and research institutions, as well as groups of people at risk of poverty, such as single parents and unemployed people.

Regional networks

Regional networks and platforms have been established all over Austria. The participation of people experiencing poverty on the one hand, and social initiatives on the other, is enabled on the basis of nationwide campaign weeks, film events and cultural activities.

European networking

The Austrian Anti-Poverty Network is a member of the European Anti-Poverty Network (EAPN). The EAPN was founded in 1990, with the priority objective of establishing a network of NGOs combating poverty so as to put the fight against poverty and social exclusion on the agenda of EU policy makers.

2. POVERTY – FACTS AND FIGURES

Being poor does not always mean sleeping in a cardboard box at the train station and spending one's days in the park: being poor means not being able to take part in everyday social life.

In the statistics, poverty and social exclusion are defined as a situation of low income paralleled by deprivation in key areas of life. In terms of income, the risk-of-poverty threshold has been set at 60 % of the national median per-capita household income; and at present it is EUR 1 328 for a single-person household (EU-SILC 2020 – reporting year 2021).

For each additional adult in the household, 50 % is added to this sum, and 30 % for each child (aged under 14) in the household.

Type of household	Multiply by	Income per month
1-person household	1	EUR 1328
1 adult + 1 child (aged under 14)	1.3	EUR 1726
2 adults	1.5	EUR 1992
2 adults + 2 children (aged under 14)	2.1	EUR 2789

Deprivation in key areas of life means that you are unable to replace worn-out clothes or cannot keep your home adequately warm, not to mention paying unexpected expenses. In addition, poor people suffer from ill health more often, and live in crowded, damp flats with mould problems because, for instance, they have no money for repair work.

POVERTY

... particularly affects immigrants, unemployed people, single parents, and working poor

233 000 people in Austria (2.7 % of the residential population) are experiencing poverty and social exclusion (as at 2021): they live in 'severe material deprivation', and in addition to a low income, they are also facing exclusion in key areas of life (e.g. education or housing).

Women are more often affected by poverty than men. One in four people experiencing poverty are children. Their parents are immigrants, out of work, single parents, or have jobs in which they do not earn enough to make ends meet.

One in three poor people are unable to escape the cycle of poverty and social exclusion. Half of all people living in manifest poverty have been in this situation for more than a year.

... can hit everyone

The risk of not being protected by social security has risen and, in view of the economic crisis, will continue to rise – poverty can thus hit everyone. The income of over 1.2 million people (13.9 %) is below the poverty line.

... makes you sick

Poor people get sick twice as often as the non-poor. Children living in poverty today are the chronically ill of tomorrow. In many cases, people experiencing poverty cannot afford the same level of medical care as those not affected by poverty.

... causes stress

Being unable to pay the rent in time, not knowing how to raise the money for the children's school trip, having no, or a poorly paid, job: this causes stress, and in the long run, results in serious health problems such as gastric disorders, heart conditions, hypertension, sleeping disorders, headaches, etc.

... makes you lonely

People who are poor tend to see their friends and neighbours less often. Poor people frequently live isolated lives. For instance, one in ten Austrians cannot afford to invite friends or relatives over for dinner once a month.

... affects your future

For people living on the brink it is harder to progress into a higher-paid job. Their future is determined by their social background. In Austria, the children of poor people have a smaller chance of getting a good education: in most cases, their parents' social status affects the children's educational opportunities, and thus their income prospects.

In fact, poverty means that it is hardly possible to take part, at least to a minimum extent, in key social areas such as housing, health-care, the labour market, social contact, cultural life, education. Poor people are facing poor chances in life.

Source: Statistik Austria: Tabellenband EU SILC 2020: https://www.statistik.at/wcm/idc/idcplg?IdcService=GET_PDF_FILE&dDocName=125871

2.1. New data on poverty: 289 000 people living in poverty despite gainful employment, 146 000 of them households with children!

Challenges faced by working poor, child poverty, old-age poverty, unemployment and chronic illnesses

"Living wages and unemployment benefits are essential for preventing poverty," points out the Austrian Anti-Poverty Network, with reference to the 289 000 people who live in households where, despite gainful employment, the earnings are insufficient to provide a living for them – or for their children. 146 000 of these "working poor" are households with children. Precarious or low-paid jobs result in unemployment benefits and pensions too low to ensure a living. Those who work in precarious jobs all their lives will not be able to accumulate a living pension; unemployment benefits and special unemployment assistance (*Notstandshilfe*) are so low that they cannot survive on them for even a day if they lose their jobs.

Child poverty is on the rise – despite the family bonus, and before the abolition of minimum benefit

385 000 children are at risk of poverty. Statistics Austria's figures come from the very year in which the "Family Bonus" was introduced. It obviously does not reach the poorest children. The data were also collected before the abolition of minimum benefit (*Mindestsicherung*) and the massive cuts in welfare.

According to the Austrian Anti-Poverty Network, "social policy answers are now urgently needed – for those at risk due to the expiring rent deferrals, for those affected by cuts in welfare, for children without future prospects, for the precariously employed and for the unemployed without sufficient income to ensure a living, or for all those who cannot afford therapies."

Child poverty, the working poor, older unemployed, old-age poverty, and chronic illness

The Austrian Anti-Poverty Network draws two further conclusions from the current data from Statistics Austria, which still refer to the situation before the 2020 Covid crisis: "Strong welfare states reduce the risk of falling deeper into poverty and protect the middle social strata from poverty. Also, effective assistance is needed in the case of child poverty, the working poor, older unemployed persons, old-age poverty and chronic illnesses." Firstly: social benefits make a decisive contribution towards social equalisation and have a poverty-

preventing effect. They reduce the risk of poverty from 42% to 13%. Unemployment benefits, emergency assistance and minimum benefit, as well as housing assistance and long-term care benefits, have the most powerful effect. This includes such benefits as minimum income that have now been converted into reduced welfare assistance. And, while wage incomes and assets are diverging, household incomes in Austria have remained relatively stable. The social gap is widening, and the welfare state functions as an equaliser.

Preventing free fall “right to the bottom”

Secondly: Children, elderly women, single parents, “working poor” and the long-term unemployed are particularly at risk. People with chronic illnesses face major problems. And high housing costs bring many to the brink. 385 000 of all those at risk of poverty and exclusion are children; 47% of those living in single-parent households are at risk of poverty or exclusion, as are 34% of families with at least three children. 289 000 live in poverty despite working, and among pension recipients, women living alone are also disproportionately affected.

Welfare state responses: Enhance strengths, correct weaknesses

“In the current crisis, we must enhance the strengths of the welfare state and correct its weaknesses. Cuts in minimum income are making the situation worse. This increases social precariousness and widens the gap between rich and poor in Austria,” explains the Austrian Anti-Poverty Network in its analysis. “Overall, there need to be more welfare state responses to the growing inequality in this crisis, and fewer funds for which people have to beg. These are measures to which people have a right, which have a lasting effect and which reach those affected in a targeted way, rather than by chance.”

Press release in German:

<https://www.armutskonferenz.at/news/news-2021/neue-daten-289-000-menschen-arm-trotz-erwerbsarbeit-146-000-haushalte-davon-mit-kindern.html>

2.2. European activities of the Austrian Anti-Poverty Network

The Austrian Anti-Poverty Network is a member of the European Anti-Poverty Network (EAPN), which aims to combat and prevent poverty at the European level. Among the reports and analyses that the EAPN publishes annually, the NRP (National Reform Programme) and the Country Report are particularly worthy of mention. In addition, the EAPN draws up statements on other EU activities (e.g. child guarantee), and responds to recent sociopolitical developments (e.g. COVID-19 or the Green New Deal).

Monitoring of national developments during the European Semester is a further important element of the participation of civil society in a EU context. The contributions and statements of civil society actors are, in any case, noticed by the EU. The development of the country report in the area of education is a good example. The participation of the Austrian Anti-Poverty Network in the civil society dialogue of the ECE, and the opportunity of contacting the government department in charge, has brought about a change in the arguments in the Country Report.

3. THE IMPACT OF COVID-19 AND GOVERNMENT RESPONSES ON PEOPLE EXPERIENCING POVERTY

3.1. Qualitative survey by Austrian Anti-Poverty Network

We are working on the report of our qualitative survey about the social consequences of the Corona-Pandemic on people with low income. This report will be published in Autumn 2021. Key results will be included in this Poverty Watch Report when the results of the survey are published.

It is a follow-up study of our survey on the same topic last year. You find main results and can download the study here (in German):

<https://www.armutskonferenz.at/news/news-2020/erhebung-armutsbetroffene-und-die-corona-krise.html>

3.2. Government measures (short-term)

The Austrian Government has taken various measures to support business and the population (some of them are still in place), but this support has not been oriented towards the poorest groups. The government representatives argue that people experiencing poverty have already been poor before the crisis so, for them, the situation has not changed. However, this view ignores the fact that the means-tested minimum income and other social benefits have been insufficient already before the crisis, and that the crisis makes the situation even harder for people experiencing poverty (losing support through social services, child care etc.).

One of the measures taken is the short-time work scheme, i.e. employees work only part-time, and part of the income they lose is paid by the state (so they earn about 90 % of their original wage). More than 1 million employees are doing short-time work at the moment. This measure prevents people from losing their job and having to rely on unemployment benefits, which are lower.

Another corona measure that has been taken is support for self-employed people (mostly financial support by means of government-backed loan guarantees). The problem here is that people who earned too little are not eligible for support; it has been criticised that credit guarantees are mainly support for banks, whereas self-employed people have to pay back the money and will be indebted. Precarious working situation already before the crisis, now even more dramatic.

The family hardship fund, another corona support measure, was originally only aimed at families in which one partner had recently lost their job because of the corona crisis. After massive criticism and interventions by the Austrian Anti-Poverty Network, among other organisations, the government modified the regulations and also included families in which one partner had already been unemployed before the crisis, and also recipients of means-tested minimum income. This, in fact, is one measure that is oriented towards the situation of people experiencing poverty.

Another measure from which people experiencing poverty can benefit is the Government's decision that people who have been unemployed for a longer period won't lose their regular (short-term) unemployment benefits (normally, the regular unemployment benefit is replaced with a – reduced – long-term unemployment benefit after a certain period).

HOWEVER: despite our criticism, the Federal and Regional Governments did not change the new regulations concerning the means-tested minimum income scheme. In Germany, for example, the Government decided to abolish the proof-of-financial assets requirement, and it has not been possible either to reduce the waiting period (which is up to three months).

The Austrian Anti-Poverty Network has voiced a number of other proposals regarding support especially for people experiencing poverty – but these proposals have been implemented only in part:

- (temporary) increase of the means-tested minimum income;
- easier access to 'support in specific situations' (part of the means-tested minimum income scheme, but in most cases people are not granted this type of support);
- higher 'family bonus' for people receiving unemployment benefits.

Our press release (in German):

Austrian Anti Poverty Network demands a social fund for the most deprived!

<http://www.armutskonferenz.at/news/news-2020/armutskonferenz-fordert-sozialfonds-fuer-die-aermsten-schutzschild-fuer-menschen-in-not.html>

3.3. Addressing the social crisis: Demands to the Government (middle & long-term)

1. Reduce educational inequality.

- ← Ensure completion of education for all children.
- ← Increase school social work nationwide, and expand outreach social work
- ← Establish an opportunities index for schools: support for 'hotspot schools' with an opportunities index on an empirical basis, combined with school development. Additional school-related resources, school assistance, social work, cooperation with parents.

2. Convoke a Parliamentary Subcommittee on combating poverty.

Raise awareness of, and listen to, voices against poverty.

3. Avert insolvency and private bankruptcy.

Those particularly at risk include unemployed people, people with reduced incomes, as well as those failing at self-employment.

Provide sufficient means for debt advisory services in times of crisis.

4. Fight unemployment among young people.

- The Federal Government must ensure the Guaranteed Training Scheme up to age 25, oriented towards diversified education and training options. The focus must particularly be on young people with precarious biographies, who need a high degree of stabilisation and a well-structured environment.
- Digitisation efforts which, in addition to technological equipment, focus on teaching media skills, as well as on the pupils' self-reliance.

5. Prevent child poverty.

Introduce universal minimum financial support for children independent of type of family, ethnic origin or parents' residence status.

6. Single parents: Reform alimony law.

Here, considerable shortcomings are apparent, which trigger poverty.

- Ensure a minimum level of alimony in line with age-related guidelines for average needs, based on actual child-related expenses.
- Expand the advance-on-alimony scheme, and particularly extend the age limit up to completion of education/training.
- Quickly implement the alimony reform oriented towards the children's well-being.
- Simplify alimony advancement proceedings

7. Welfare assistance: Security for people with disabilities.

If a 25-year age limit for parents' maintenance obligations towards children with disabilities is laid down, as a consequence, the current obligation on the part of adults with disabilities to sue their own parents for maintenance must also be abolished.

8. Child health: Close the therapy gap.

Tens of thousands of children do not get necessary therapies.

9. Introduce health impact assessment.

A health impact assessment (HIA) combines various procedures, methods and tools in order to predict and assess the positive and negative health consequences for certain population groups that may result from a variety of plans and programmes.

HIA can be complemented by a 'social impact assessment' of legislation that is adopted.

10. Prevent persistent long-term unemployment.

This requires qualification programmes, employment in social firms, as well as programmes that combine work and learning.

It is particularly important to include all people who are unable to find jobs with living minimum wages in the present-day labour market.

11. Prevent violence against women and children.

Ensure basic support for women and children experiencing violence, as well as the nationwide expansion and secure funding of women's shelters.

12. Youth services up to age 24.

The young people affected need assistance and support beyond the age of 18.

13. New means-tested minimum income that ensures livelihood, opportunities and social inclusion

The welfare assistance scheme will increase social problems instead of solving them.

14. Invest in social housing.

Housing has become unaffordable for many people, and housing costs pose a high poverty risk.

15. Include social human rights in the constitution.

Strengthen fundamental rights: enforceable rights, not charity.

3.4 Activites of Austrian Anti-Poverty Network

Press releases, press conferences, lobby work.

Specifically launched 2 campaigns:

Campaign “We together II” on the importance of our welfare system launched in December 2020 (until April 2021)



Homelessness is “Hostal search” without Christmas
Let's stand up for a welfare state which assures affordable housing for everyone. We together.



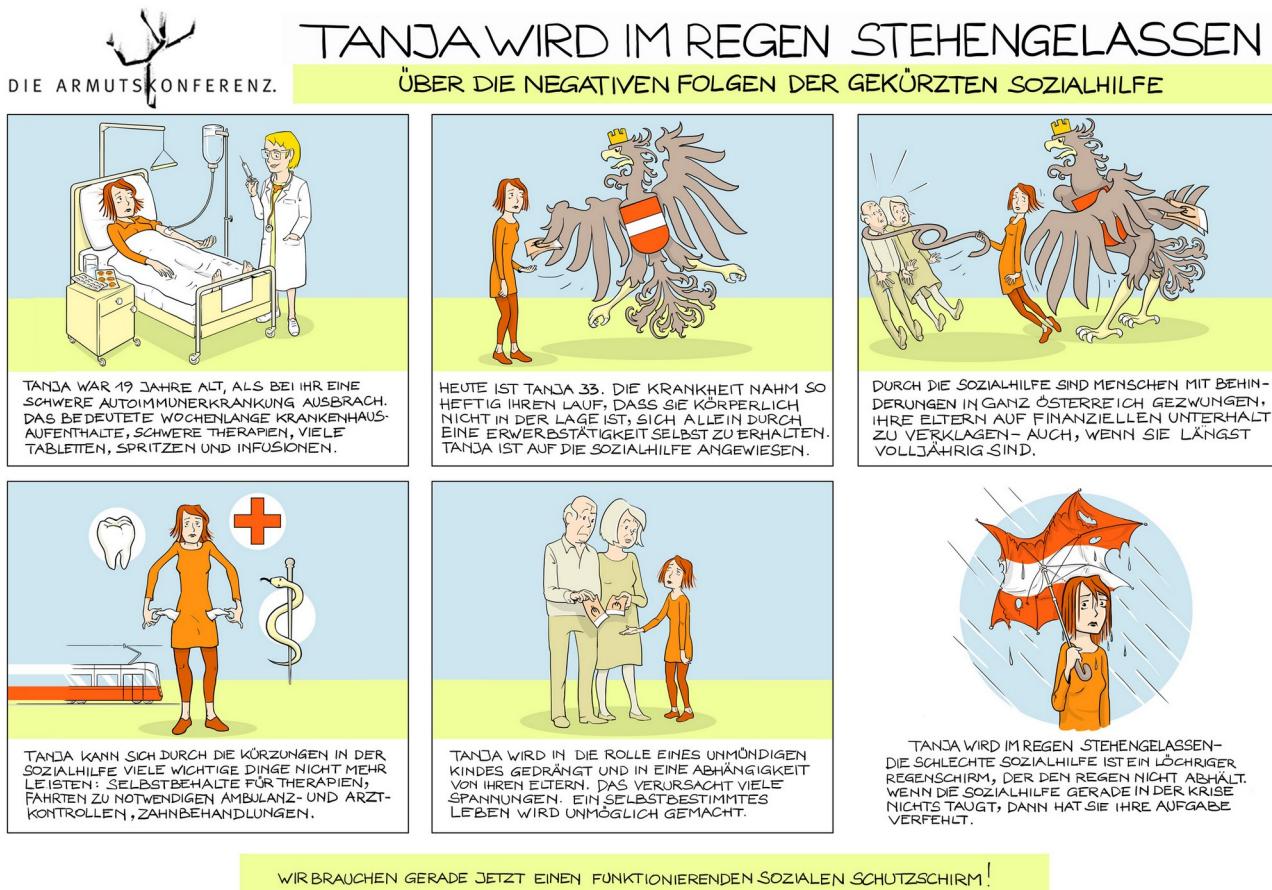
Child poverty leaves all wishes open.
Let's stand up for a welfare state which assures a good future for all children.
We together.

All topics and images: <https://wir-gemeinsam.at/themen/>

Campagin “We together III” on the importance of adequate social benefits launced in June 2021 (ongoing)

2019 the conservative right wing government introduced a new law on minimum income schemes, which reduced the benefits and tends to exclude specific groups (especially migrants). Austrian regional states have to implement these rules in their regional law. Now people and groups register step by step the consequences of these cuttings. Broad public and media do not really care about these cuttings so we try to tell these stories of people affected.

Picture story of Tanja:



Scribble video on the story of Mrs. Emre and Mr. Innerhofer:



<https://www.youtube.com/watch?v=pdGK8oVJK88>

Cartoons:



More information: <https://wir-gemeinsam.at/mindestsicherung/>