

POVERTY WATCH REPORT – AUSTRIA 2022

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 1 371 for a single-person household (EU-SILC 2021 – reporting year 2022).

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 1371
1 adult + 1 child (aged under 14)	1.3	EUR 1783
2 adults	1.5	EUR 2057
2 adults + 2 children (aged under 14)	2.1	EUR 2880

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.

2.1 What does poverty mean?

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

208 000 people in Austria (2.4 % 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 (14.7 %) 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 2021: https://www.statistik.at/wcm/idc/idcplg?IdcService=GET_PDF_FILE&dDocName=128048

2.2. Evaluation of Austrian Anti-Poverty Network

The challenges of child poverty, the situation of single parents, unemployment and chronic illnesses

Strong welfare states reduce the risk of falling deeper into poverty and protect the middle social strata from poverty. Rising prices & the effects of the crisis will elevate poverty risks.

The Austrian Anti-Poverty Network draws two conclusions from the current data from Statistics Austria, which still refer to the situation early in 2021: "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 situation of single parents, 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 45 % to 14.7 %. Short-term unemployment benefit, long-term unemployment assistance, as well as housing assistance and long-term care benefits, have the most powerful effect. What has helped prevent poverty during the coronavirus crisis was increasing the compensatory allowance granted on top of small pensions, and raising long-term unemployment assistance to the level of the short-term unemployment benefit a person has received originally.

Challenges: child poverty, the situation of single parents, unemployment, chronic illnesses

Secondly, those at a high risk of poverty continue to be children (30 %), single parents (47 %) and unemployed people (52 %). People with chronic illnesses face major problems. And high housing costs bring many to the brink.

If you compare data from the beginning of 2021 with figures from the end of that year, it is obvious that the situation has worsened as far as affordability of certain basic needs such as "keeping the flat warm" or "handling unexpected expenses" is concerned.



Press release in German:

<https://www.armutskonferenz.at/news/news-2022/armut-herausforderungen-bei-kinderarmut-der-situation-alleinerziehender-arbeitslosigkeit-und-chronischen-erkrankungen.html>

3. EUROPEAN ACTIVITIES OF 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.

4. KEY CHALLENGES AND PRIORITIES

(Including Activities of Austrian Network)

4.1 Study on Minimum Income (welfare assistance)

Assistance now takes longer to arrive and is less efficient.

Survey on “those out of sight” reveals problems and shortcomings of the new welfare assistance scheme.

The survey on “those out of sight” studies the effects of the new welfare assistance scheme – in those provinces for which the period of observation has been longest: Lower Austria, Upper Austria, Salzburg and Vorarlberg.

Its massive negative consequences for people with disabilities, housing, women in emergency situations, health care, children and families are obvious. It means hardship for all. People with disabilities have faced particularly drastic cutbacks: maintenance payments to which they could be entitled are now regarded as income all over Austria. They thus may have to enforce maintenance claims against their parents, and they continue to depend on their parents even as adults. Reduced benefits mean substantial disadvantages for children and their development. The introduction of the new welfare assistance scheme has strongly increased the issue of unequal treatment of and discrimination against non-Austrian nationals. Another massive problem that has resulted concerns housing benefits: even housing assistance payments are now withheld by the authorities in charge.



Under the new welfare assistance scheme, it takes longer to be granted benefits, and it is less effective. Frequent responses recorded in the survey have been “not as fast” and “less efficient”. The main shortcomings that have been detected concern assistance to avoid hardship, housing benefits, benefits in cash and in kind and procedural provisions.

Reset the welfare assistance scheme and anti-poverty measures.

The Austrian Anti-Poverty Network calls upon the Federal and Provincial Governments to reset the system of welfare assistance and anti-poverty measures. Abolishing the means-tested minimum income and introducing the new welfare assistance legislation is a painful setback on the road to an effective prevention of poverty in Austria. Instead of protecting people in a situation of crisis, the new law has increased hardship, as examples from Lower Austria, Salzburg and Upper Austria have shown. On the whole, the current welfare assistance scheme is in urgent need of reform. We need an effective system ensuring that people can rely on actual assistance during crises, instead of facing further deterioration. The problem is rooted in the current federal regulations, but they do give the provinces leeway to a certain extent, which they can use for adopting better, or worse, measures.

Details in German:

<https://www.armutskonferenz.at/news/news-2022/sozialhilfestudie-hilfe-jetzt-langsam-und-weniger-effizient.html>

Download study (in German):

https://www.armutskonferenz.at/media/armutskonferenz_sozialhilfeerhebung_kurz_2022.pdf

4.2 Unemployment insurance

A warning against plans to weaken the unemployment insurance system and increase social inequality

The problem of low-wage jobs and low unemployment benefits: raise unemployment benefits to compensate for higher inflation, permit earning extra money to reduce long-term unemployment, enhance long-term unemployment assistance as a prevention measure.

The Austrian Anti-Poverty Network warns against plans to weaken or cut back the unemployment insurance system. Together with the effects of the coronavirus crisis, this would massively increase social inequality in Austria. The Ministry of Labour is pondering plans to introduce a degressive unemployment benefit system (i.e. the longer you are unemployed the less benefits you get). But, actually, the present unemployment benefits are too low in Austria. Unemployed people are already facing degressive benefits: how high the short-term unemployment benefit is depends on previous wages; the subsequent long-term unemployment assistance is lower, and finally it often results in – even worse – welfare assistance as the last resort, which has already been reduced.

Raise unemployment benefits to compensate for higher inflation, permit earning extra money to reduce long-term unemployment, enhance long-term unemployment assistance.

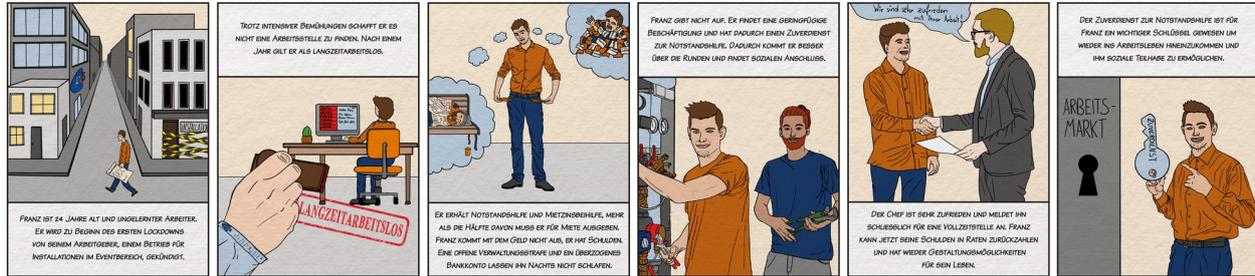
During the past 20 years, neither short-term unemployment benefit nor long-term unemployment assistance have been adjusted for inflation. In view of rising prices, recipients are forced to make ends meet with less and less money. An adjustment is evidently needed.

If long-term unemployed people are allowed to earn extra money without losing part of their unemployment assistance, this reduces joblessness. It is reasonable in terms of labour policy for this group to be able to earn money to top up unemployment assistance.

The story of Franz – The possibility to earn extra money creates changes on the labour market!

Zuverdienst sichert Chancen

Zum Beispiel für Franz



During the crisis, tens of thousands have been prevented from having to apply for welfare assistance – as a result of welfare measures taken in the “higher-level” unemployment assistance and unemployment benefit schemes. If you cut back and reduce unemployment benefit/assistance, you increase the number of those needing welfare assistance, as the last resort. It cannot be a reasonable goal to have a larger group of recipients of welfare assistance.

All over Austria, endeavours have been made to prevent vulnerable people from plunging into financial distress. But in the area of labour market policy the possibility of cuts affecting those at a high risk is still not ruled out.

For more details please visit our website (in German):

<https://www.armutskonferenz.at/news/news-2022/warnung-im-schatten-der-ukraine-krise-arbeitslosenversicherung-schwachen.html>

Currently released Video on this topic: <https://www.youtube.com/watch?v=bOyjm2kmMXE>

4.3 Social rights / social protection

The Austrian Anti-Poverty Network says social human rights should be guaranteed in the constitution.

Poverty means lacking fundamental freedoms. Integrate social human rights into the Constitution: ensure life in dignity, minimum social standards, health care and education for all.

On the occasion of the anniversary of the Austrian State Treaty following World War II, the Austrian Anti-Poverty Network specified the long-standing plan to recognise social human rights as constitutional rights. Poverty means lacking fundamental freedoms. “Austria is free” is what was proclaimed to the crowd after World War II, and the Austrian Constitution should thus be amended to include social human rights. The Austrian Convention that was established to bring about a constitutional reform has already discussed far-reaching provisions. According to the Government Programme, the catalogue of fundamental rights should be expanded. The Austrian Ombudsman Board has also raised the issue of social fundamental rights at its NGO human rights forum.



minimum. It defines the lowest level of available assistance. It is therefore also relevant as a reference amount for low-income groups who are entitled to the means-based minimum income or welfare assistance as the last resort.

The weather forecast: heat and storms

An adjustment for inflation is also due for family allowance, unemployment benefit and long-term unemployment assistance – which has not taken place during the past 20 years. Recipients thus have to make do with less and less money.

The weather forecast is for heat and storms. The high pressure of social crisis due to the coronavirus pandemic followed by rising prices has put many women, men and children in Austria at risk. The heat of the climate crisis has jeopardised the basis of subsistence at a global level. We're facing burning problems.

Provide a nationwide energy and climate fund.

The energy and climate fund can be used to support households that have difficulties paying their energy bills. It can also provide means for people who would like to replace their heating system or insulate their homes.

A social climate bonus

An income-related eco bonus should be made available to alleviate financial difficulties that low-income households are facing. In the context of the new CO2 tax, such an instrument has already been created, as a "climate bonus". The regional aspect is thus complemented by a social component. We propose to introduce an eco bonus with a heating cost contribution for people with low incomes and supplementary child benefit for all.

According to the present system, the money for the climate bonus exclusively comes from the CO2 tax, a financing source that affects poor household disproportionately compared to rich households. To compensate for this, funding through other, progressively taxed types of income, particularly property, is needed.

Warm up the social climate while avoiding global heat.

The climate change affects people experiencing poverty far more severely than high-income groups. While the former have contributed to the climate crisis to a smaller degree, they suffer more strongly from the effects of environmental problems such as scarcity of natural resources, air pollution, heat, floods or drought. The richest 10 % of the Austrian population, in turn, cause more than four times as much greenhouse gas as the poorest 10 %. This is a question of unequal distribution and of equity.

For more details please visit our website (in German):

<https://www.armutskonferenz.at/news/news-2022/teuerung-armut-und-klimakrise-soziale-kaelte-abwenden-globale-hitze-verhindern.html>

5. ADDRESSING THE SOCIAL CRISIS – DEMANDS TO THE GOVERNMENT

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

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

2. Raise unemployment benefits to compensate for higher inflation, permit earning extra money to reduce long-term unemployment, enhance long-term unemployment assistance.

3. Include social human rights in the constitution.

Strengthen fundamental rights: enforceable rights, not charity.

4. Climate protection must not be blind to social issues:

- In view of rising costs of housing, energy and food, the Anti-Poverty Network demands a 70-euro raise of the compensatory allowance topping up small pensions.
- An adjustment for inflation is also due for family allowance, unemployment benefit and long-term unemployment assistance.
- An income-related eco bonus should be made available to alleviate financial difficulties that low-income households are facing.

5. 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.

6. Convoke a Parliamentary Subcommittee on combating poverty.

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

7. 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.

8. 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.

9. Prevent child poverty.

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

10. Child health: Close the therapy gap.

Tens of thousands of children do not get necessary therapies.

11. 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.

12. 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.

13. Invest in social housing.

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