

**POVERTY WATCH REPORT – AUSTRIA 2023**

This report gives an overview about poverty and social exclusion in Austria with special focus on the deterioration in welfare assistance and the consequences of inflation and rising prices on people experiencing poverty respectively people with low income.



Public Ation with PEP in front of Austrian Parliament on 16<sup>th</sup> of October 2023

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## 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 1 392 for a single-person household (EU-SILC 2022 – reporting year 2023).

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 1392
1 adult + 1 child (aged under 14)	1.3	EUR 1810
2 adults	1.5	EUR 2088
2 adults + 2 children (aged under 14)	2.1	EUR 2924

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?<sup>1</sup>

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

201 000 people in Austria (2.3 % of the residential population) are experiencing poverty and social exclusion (as at 2022): 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 1.3 million people (14.8 %) 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.

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1 *Figures in this section coming from: Statistik Austria (2023): Tabellenband EU SILC 2022: [https://www.statistik.at/fileadmin/pages/338/Tabellenband\\_EUSILC\\_2022.pdf](https://www.statistik.at/fileadmin/pages/338/Tabellenband_EUSILC_2022.pdf)*

## 2.2. Analysis and evaluation of current poverty figures for 2023

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

#### Enhance the strengths of the welfare state and remedy its weaknesses!

The current poverty data published by Statistic Austria clearly indicate that, in the present crisis of rising prices and inflation, we need to enhance the strengths of the welfare state and remedy its weaknesses. It is necessary to take effective, sustainable measures with regard to those at risk of poverty due to high housing costs, those affected by the reduction of welfare assistance, children whose life opportunities are endangered, the precarious situation of unemployed people, the rising number of working poor, and all those who cannot afford therapies!

In the discourse on rising prices, a frequent error of reasoning is that we only need adjustments for inflation, and everything will be fine. That's correct – provided that everything was fine before. However, if it has already been next to impossible

to make ends meet in the past, inflation is an additional hardship. The crisis has painfully revealed the gaps and harmful dynamics of the welfare system, including for those feeling them for the first time. Effectively helping people experiencing poverty means granting adjustments for inflation – in addition to solving the problems they have already been struggling with before.



### Child poverty, working poor, unemployed people, single parents, and those suffering from chronic illnesses

The data reveal that effective support is needed to tackle child poverty, the situation of working poor and single parents, as well as problems of chronic illness. Those at a high risk of poverty continue to be children (30 %), single parents (52 %) and unemployed people (67 %). The number of working poor has increased to 331 000. People with chronic illnesses are facing enormous problems. The risk is higher for retired women living alone (28 %). And high housing costs bring many to the brink.

The highest risk of experiencing major material and social problems has been found among single parents. Compared to 2.3 % of the general population who are affected, their proportion is 12.7 %, i.e. single parents are suffering material and social deprivation more than five times as often. 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.

#### Strong welfare states: An effective protection against social exclusion

However, the data also reveal that strong welfare states reduce the risk of falling deeper into poverty and protect the middle social strata from poverty. Social benefits make a decisive

contribution towards social equity and have a poverty-preventing effect. They reduce the risk of poverty from 44 % to 15 %. Short-term unemployment benefit, long-term unemployment assistance, as well as housing assistance and long-term care benefits, have the most powerful effect. What did help prevent poverty during the coronavirus crisis was, for instance, 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.

*Press release in German:*

<https://www.armutskonferenz.at/news/news-2023/herausforderungen-bei-kinderarmut-der-situation-alleinerziehender-working-poor-arbeitslosigkeit-und-chronischen-erkrankungen.html>

## 2.3. Note to the data basis and measuring of poverty at household level

Measuring poverty at the household level has a number of drawbacks: for instance, poverty affecting women is underestimated. Approximately 50 % of women in Austria hold part-time jobs, mainly due to (child-)care responsibilities. As a result, they strongly depend on their partner's income, which in turn increases their poverty risks in the case of separation, and leads to disproportionately high poverty rates among elderly women. According to recent research conducted at the University of Vienna, the at-risk-of-poverty rate among employed women with children would increase from 7 % at present to 33 % if individual incomes, instead of household incomes, were taken into account.

<https://awblog.at/erwerbsarmut-und-finanzielle-abhaengigkeit-in-paarhaushalten/>

Statistics Austria has, since the end of 2021, also surveyed quarterly data on social crisis impacts. This enables the provision of data on income development and personal well-being. The survey includes, for instance, indicators on the proportion of the population whose income has decreased in the past 12 months, the share of the population that has difficulties making ends meet with their current income, as well as indicators on material deprivation. In the survey covering the second quarter of 2023, 32 % of respondents indicated a decrease in their perceived income. Social participation, such as being able to meet friends regularly, or to go on holiday once a year, has become unaffordable for an increasing number of people.

<https://www.statistik.at/statistiken/bevoelkerung-und-soziales/einkommen-und-soziale-lage/soziale-krisenfolgen>

## 3. AUSTRIAN TAX SYSTEM AND SOCIAL EXPENDITURES

### 3.1 Social expenditure in Austria

In 2022, Austria's social expenditure amounted to EUR 136.1 billion, or 30.5 % of GDP. The largest proportion goes to old-age benefits (44.4 %), and has seen a continuous increase over the past few years. In view of the demographic development, a further rise is to be expected. The item of social exclusion and housing however, which includes support for the most disadvantaged population groups, is comparably small, accounting for approximately 2 %, or EUR 2.7 billion. This

sum also covers welfare assistance / means-tested minimum income and expenditure on homelessness services.

Further items relevant for people experiencing poverty include expenditure regarding families (approx. EUR 12 billion, or 9.1 %) and unemployment (EUR 7.2 billion, or 5.4 %). Family benefits comprise many universal benefits, i.e. benefits not linked to income or willingness to take on paid work. It is particularly single parents for whom family benefits are important in order to avoid poverty risks. For jobless people, unemployment benefits are essential for securing their livelihood. The approach to introduce gradually diminishing replacement rates has ceased to attract great attention. Long-term unemployment assistance, which is granted after the expiry of short-term unemployment benefit and can, in fact, be taken up for an unlimited time if certain requirements are met, will not be abolished. This is important particularly for those out of work for longer periods. Otherwise, up to 80 % of them would be facing poverty risks.

In 2022, additional one-off payments were granted to make up for the effects of high inflation and energy cost particularly on low-income households.

### 3.2. The Austrian tax system

Austria's tax system is mainly based on taxes on wages and consumption. Approximately 35 % of public revenue comes from social contributions, followed by income taxes (19.6 %) and value-added tax (17.8 %). Property-related taxes contribute only 3.2 % to public revenue. Social expenditure is thus mainly funded through social contributions from employers and employees, with taxes accounting for approximately one third.

This funding structure permits at least two conclusions as far as people experiencing poverty are concerned:

On the one hand, it reflects the conservative nature of the Austrian welfare state. Eligibility for benefits largely depends on previous insurance in the context of gainful employment (fully) liable to social insurance, or co-insurance (mostly of women) based on a family member's or the partner's social insurance. People facing disadvantages in the labour market thus also face considerably higher poverty risks. Structural disadvantages are apparent particularly for asylum seekers and people with disabilities (inadequate access to assistance and referral by the Public Employment Service). For other groups, an insufficient infrastructure prevents their participation in the labour market – for instance, mothers with young children living in rural areas, where childcare and mobility are not available to the extent that would be needed.

On the other hand, it is apparent that universal, tax-funded benefits (can) only play a subordinate role in the Austrian welfare system. As described above, it is most of all family-related benefits such as childcare allowance or family allowance that are universal benefits granted to all, and thus have a particularly positive effect on people with low incomes. Welfare assistance / means-tested minimum income is also financed through tax revenues. However, take-up is subject to numerous requirements (e.g. savings must be used up, willingness to take on paid work) and it is calculated and paid out at household-level. Non-take-up is thus estimated to be high, particularly in rural areas.

## 4. WELFARE ASSISTANCE AND CONSEQUENCES OF INFLATION

### 4.1. Deterioration in welfare assistance

From the perspective of poverty policy, welfare assistance (which is now referred to as “social assistance”) is more than just another social benefit. It is the second-level – and the last – safety net in the welfare state. Its goal is to secure minimum means of subsistence for all those who have not been eligible for benefits under the first-level social system and whose subsistence cannot sufficiently be secured by paid work or support from family members.



#### 4.1.1. Current social assistance figures

In 2020, a total of 260 114 persons received means-tested minimum income or welfare assistance (social assistance). Due to the implementation of the Social Assistance Principles Act in Lower Austria and Upper Austria as of the beginning of 2020, the statistics for 2020 also include people receiving social assistance.<sup>2</sup> The number of female recipients was higher than the number of male recipients (52 % v. 48 %). The proportion of children (37 %) living in households receiving minimum income or social assistance (“household sharers in need”) was higher than the proportion of women (34 %) or men (29 %). In terms of individual recipients, the monthly minimum income / social assistance was EUR 365 (2019: EUR 339), ranging from EUR 293 in Upper Austria to EUR 384 in Vienna. Compared to Austria’s total social expenditure, these benefits represent a proportion of 0.9 %, and only 0.4 % of the national budget. All in all, the poorest 3 % of the population benefit from minimum income / social assistance.

#### 4.1.2 Non-takeup

The European Centre for Welfare Policy and Social Research surveyed the degree of non-takeup of benefits of last resort already in 2009<sup>3</sup>, followed by an update 10 years later. The results in brief: one in three of those eligible do not take up the minimum income<sup>4</sup>. For many people, the barriers preventing them from applying are very high. 30 % do not receive what would help them. The non-takeup quota is considerably higher in rural areas than in cities. A performance criterion of social protection systems is whether their benefits actually reach the intended target groups. If this cannot be achieved, this indicates a flaw regarding design and implementation. The reasons for non-takeup include social shame, fear of being stigmatised, lack of information, bureaucratic obstacles and non-citizen-friendly implementation by public authorities. In the case of ‘full’ takeup of minimum income, the at-risk of poverty rate would decrease by almost one percentage point in Austria,

2 Bundesministerium für Soziales, Gesundheit, Pflege und Konsumentenschutz: Zusammenfassung Mindestsicherungsstatistik 2020 (inkl. Sozialhilfestatistik-Daten aus OÖ und NÖ). [https://www.sozialministerium.at/dam/jcr:0dff8196-a162-4d87-b8aa-5ae127c3721c/Zusammenfassung\\_Mindestsicherungsstatistik\\_2020.pdf](https://www.sozialministerium.at/dam/jcr:0dff8196-a162-4d87-b8aa-5ae127c3721c/Zusammenfassung_Mindestsicherungsstatistik_2020.pdf).

3 Fuchs, Michael (2009). Nichtinanspruchnahme von Sozialleistungen am Beispiel der Sozialhilfe, in: Dimmel, Nikolaus; Heitzmann, Karin; Schenk, Martin (Ed.), Handbuch Armut in Österreich, p. 290-301.

4 Fuchs, Michael; Hollan, Katarina; Gasior, Katrin; Premrov, Tamara; Scoppetta, Anette (2019). Falling through the social safety net? The case of non-take-up in Austria, Policy Brief 2019/2. Vienna: European Centre.

which means 60 000 fewer people experiencing poverty. Takeup is increased by legal certainty, high quality of procedures, anonymity, citizen-friendly implementation, good comprehensibility, information and de-stigmatisation of takeup. The introduction of the minimum income scheme led to a noticeable decrease in non-takeup.

For instance, in 2009 a total of 114 000 households (51 %) did not take up social assistance (welfare assistance) even though they would have been entitled to it. After the minimum income scheme entered into force, this figure had, by 2015, decreased to 73 000 (30 %).

#### 4.1.3. The living conditions of those depending on the last safety net

The data from Statistics Austria (2020)<sup>5</sup> provide information on the living conditions of women, men and children relying on benefits of last resort, i.e. social assistance (welfare assistance) and means-tested minimum income. A very high proportion of them have to cope with ill health, chronic illness and disabilities. Pronounced negative effects are apparent regarding their housing situation. Everyday life under precarious conditions has a massive negative impact on the children's state of health, opportunities and social inclusion. In many families with children, the parents are among the working poor.



All data were collected shortly before the reductions and cutbacks brought about by the new social assistance scheme. Many consequences have particularly been felt during the lockdowns, such as work from home and home schooling in cramped flats, and high stress levels among children. A large group is facing ill health and vulnerability. The state of health of 23 % of recipients of means-tested minimum income is very poor; 22 % are facing massive restrictions due to disabilities, and 55 % are suffering from chronic illness.

For recipients of minimum income, it is considerably more difficult to pay their housing costs than for the rest of the population. In addition, 11 % are unable to keep their home warm – five times as many as in households outside the minimum income scheme. It is hardly surprising that recipients of minimum income are living in smaller and less comfortable homes. Whereas an average Austrian dwelling has 90 square metres, the homes of those on minimum income are considerably smaller: only 60 square metres on average. Regarding families with children, those outside the minimum income scheme, on average, live in dwellings of 110 square metres, compared to 68 square metres in the case of minimum income families. Their flats are not just smaller but also of lower quality, as becomes apparent in the survey. 21 % indicated problems of humidity, rot or leakage in their flats. Living in run-down flats brings about particular restrictions for the children's educational opportunities and their health: 20 % of children have to live in damp flats, 56 % of their flats are overcrowded, and 25 % are affected by high noise levels.

Children and young people growing up in low-income households are facing disadvantages that are apparent in several fields. Their risk of social exclusion is higher as it is difficult for them to invite friends, celebrate special events or take part in school activities that cost money. Children in families on minimum income take part in sport and sparetime activities 15 times less often, have

<sup>5</sup> Statistik Austria (2020). Lebensbedingungen von Mindestsicherungsbeziehenden und ihren Haushalten, EU Silc 2017-2019.

celebrations 10 times less often, invite friends 6 times less often, and participate part in school activities 11 times less often.

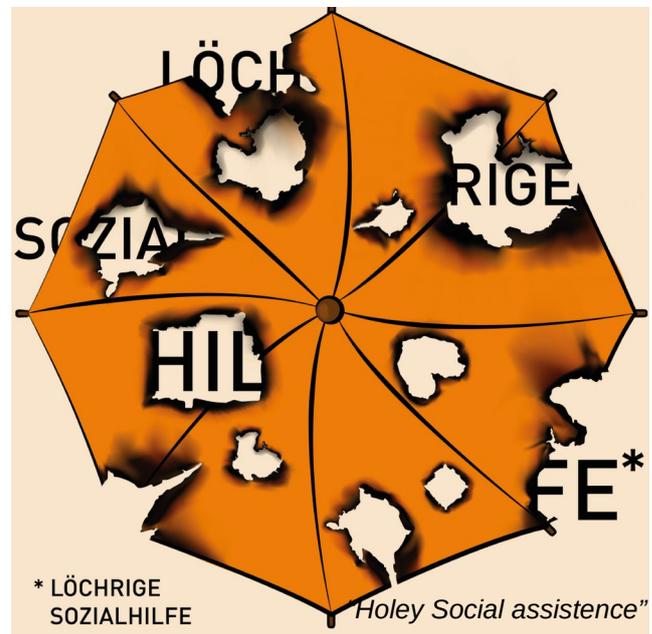
However, more than half of these families with children (57 %) do have paid jobs. This indicates that they are working poor and hold precarious jobs. The issue of working poor is a hidden problem not addressed in the debate on the minimum income scheme.

The above figures reveal a lot. They provide a realistic, empirical picture of people's actual situation. And they illustrate the difficult conditions for the poorest 10 % of the population in the current coronavirus crisis. Finally, they point out where the necessary steps towards an improvement need to be taken.

#### 4.1.4. Replacement of minimum income with a reduced social assistance scheme

In April 2019, the Austrian Parliament adopted a federal act under which the Austrian social assistance scheme was reorganised. This is particularly noteworthy as this has been the first time in almost 100 years since the adoption of the Federal Constitution that the Federal Government used its power to adopt laws on social welfare principles in accordance with Article 12 of the Federal Constitution. Until then, the regulations on social welfare based on a minimum income scheme had been laid down in an agreement between the Federal Government and the nine Provinces. However, this agreement expired in 2016 and was not extended.

Certain parts of the new Social Assistance Principles Act, particularly the reduction of supplementary child benefits, as well as regulations on proof of German language skills, have meanwhile been repealed by the Constitutional Court. According to Article 10, para. 2 of the Social Assistance Principles Act, the Provinces would, by 1 December 2019, have had to draw up implementation regulations on the Social Assistance Principles Act. However, only Carinthia, Lower Austria, Upper Austria, Salzburg, Styria and Vorarlberg have so far adopted the corresponding legislation.



#### 4.1.5 Main results of a survey on social assistance conducted in 2021

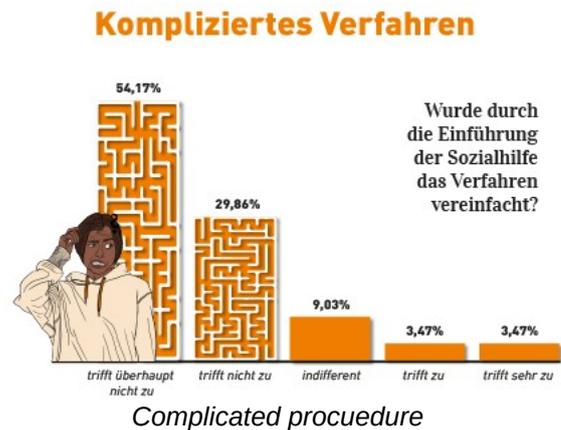
(published 2022)

**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.

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**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\\_sozialhilfeehebung\\_kurz\\_2022.pdf](https://www.armutskonferenz.at/media/armutskonferenz_sozialhilfeehebung_kurz_2022.pdf)

## 4.2. Survey: Rising prices and the lowest-income group

**The perspective from below. A new survey of the social situation from the view of those affected: Combat and prevent poverty, compensate for inflation, curb rising prices!**

*Whenever you've got money, you pay another bill. There hasn't been a status quo before the inflation when people experiencing poverty had a well-balanced household budget.*

The details shared by people experiencing poverty in Austria clearly illustrate that rising prices have forced them to make do with even less. They had already lived near, and often below, the poverty line before the cost of living started to rise. Now, any additional costs, and even very small expenses, mean losing a precarious balance – provided that such a balance has ever existed. In such a situation, juggling bills and expenses is a challenge you have to master every day. Whenever you've got money, you pay another bill. There hasn't been a status quo before the inflation when people experiencing poverty had a well-balanced household budget.



*“I make do with one meal a day, I've in fact stopped meeting other people. I'm sitting at home because that's the cheapest option. It isn't exactly the inflation of the past nine months that has caused this: I didn't have any money before, and had to take certain measures already then.”*

A survey the Anti-Poverty Network conducted on behalf of the Ministry of Social Affairs has given a voice to this person experiencing poverty, and to many others as well. It focuses on people living below the poverty line as well as people from the “lower middle class” slightly above the poverty line.

*“If I work seven days a week, I make do. But four or five eight-hour days a week – that's definitely not enough. (...) I don't want to be rich or drive a 30 000 euro car – I just want to lead a normal life with enough money.”*

### **Combat poverty, compensate for inflation, curb rising prices**

There are those who think we only need to make adjustments for inflation, and everything will be fine again. That's correct as long as everything was actually fine before. However, if it has already been next to impossible to make ends meet in the past and things haven't developed well, inflation is an additional hardship. The crisis has painfully revealed the gaps and harmful dynamics of the past situation, including for those feeling them for the first time. Effectively helping people experiencing poverty therefore means granting adjustments for inflation – and, in addition, solving the problems they have already been struggling with before. The measures taken must be aimed at reducing poverty, compensating for inflation, and curbing rising prices. With regard to preventing poverty, particular attention should be paid to the lower middle class.

*“The last straw, that’s mainly been gas. The cost of electricity has increased moderately, so to speak, but the price of gas suddenly was four times as high.”*

### **It seems so little but it’s huge**

It often seems very little what people experiencing poverty have to do without, but for them, it is huge – as the survey has revealed. People who decide to buy their coffee at another public coffee machine just to save a few cents are operating within such a small margin that this can hardly be represented in statistics. However, they perceive it as a massive impact on their quality of life. The survey provides insights that illustrate how the social situation in spring 2023 felt “from below”.

*“A cup of coffee has become a luxury.”*

### **The lower middle class: Paralysed and angry, and without prospects for the future**

The lower middle class has more to lose, and knows it. The financial burden of rising prices, loss of quality of life, and giving up hopes and prospects for the future makes them feel paralysed and helpless – which is a new experience for people who used to feel safe and stable economically, and in control of their way of life, and life in society. Their mood is now alternating between frustration and despair, fear and anger. When voicing their anger about rising prices that have deteriorated their situation so massively, they are louder than people experiencing poverty, who in turn raise their voices whenever those factors are at stake that made them poor, i.e. even before prices started to rise.

*“Yes, we’ve taken out a mini loan on our house. With the interest rate going up every three months. It used to be around 300 euros, and it’s 400 euros now. And I’m just getting mad every time. (...) I’m afraid of where this will lead us.”*

### **Massive loss in quality of life**

The strategies the two groups surveyed have been found to pursue differ to a certain extent: people of the middle class are now having to take decisive steps – which people experiencing poverty have already taken at the time when they fell into poverty. For instance, there were people experiencing poverty who said they had also bought organic food “before” – however, in their case, the term “before” did not refer to the time before inflation, but to occurrences that had brought them below the poverty line: illness, retirement after a working life as a mono-entrepreneur, or birth of a baby with disabilities. People in the lower middle class have experienced massive deteriorations due to the high inflation, particularly with regard to their quality of life – whereas people experiencing poverty have already been marginalised to such an extent that there is hardly any normal life left. For instance, at regular supermarkets they can only afford food beyond the best-before date at a reduced price, and buy everything else at social supermarkets – whereas people in the lower middle class have massively restricted their sparetime activities and social contacts.

*“I used to go out every weekend and had two or three beers at the pub, and so on. Now I don’t. I can’t afford it any longer.”*

*“Until last year I lived in a flat of 23 square metres, but the rent rose to 600 euros. My monthly unemployment benefit is 900 euros, and 300 euros go to my son, so there’s nothing left. I had to move out when the inflation started, and I’m now sharing a flat with two others.”*

## Shame

Poverty usually goes hand in hand with shame. People experiencing poverty know that, and those in the lower middle class have started to feel it.

*“I don’t talk about my problems with friends that are well off. I don’t want to feel small, so to speak.”*

*“I feel so much worry and fear inside me. Sometimes I let it out and talk about it with my husband. (...) But it’s embarrassing too. (...) Most of the time, I don’t open up.”*

*“It’s really hard to admit it but we sleep three to a room in order to keep warm. Just like in past times.”*

*“The first time I went to the social supermarket I felt ashamed. I walked around the house three times before I finally went in.”*

## Strategies against rising prices

Frequent strategies to cope with the devaluation of incomes include: working more, using up savings, taking on debts, relying on help from family members, friends and neighbours, turning to support agencies or looking for alternative sources of income. For instance, two retired women – one experiencing poverty, and the other one from the lower middle class – started to do marginal part-time work, a single mother now holds a weekend job in addition to her regular full-time employment, and a part-time worker is currently looking for a second part-time job. For people experiencing poverty, there are hardly any options left.

*“I’ve really reduced everything that’s possible. There little more I can do. The next step would be (...) donating plasma to earn a little bit in this way. Or taking part in clinical trials.”*

## 5. EUROPEAN DIMENSION

### 5.1. The EU Reconstruction and Resilience Facility

A large part of the EU Reconstruction and Resilience Facility (RRF) has been earmarked for the green transition (40 %), followed by funds for digital reforms (26 %). A few projects also support social and territorial cohesion. In this context, one project is particularly noteworthy: it makes digital end-user devices available to lower secondary school students. This is aimed at enabling digital education for all students irrespective of their social background.<sup>6</sup>

In addition, the replacement of fossil fuel heating systems is being supported. It will thus be possible for low-income households to get subsidies for up to 100 % of the renovation cost for detached houses (e.g. exchange of windows or heating systems, thermal insulation).

A number of health care projects are also being funded through the RRF, for instance the establishment of primary health care centres or the employment of community nurses. These projects are aimed at the provision of public services, and even though they do not specifically address people experiencing poverty and people with low incomes, these target groups will particularly benefit from a better public infrastructure.

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<sup>6</sup> <https://www.bundeskanzleramt.gv.at/eu-aufbauplan/projekte/notebooks-und-tablets-fuer-digitales-lehren-und-lernen.html>

## 5.2. Social rights

In the political debate and in current policy programmes as such, the role of the European Social Rights Action Plan is negligible.

The Austrian Anti-Poverty Network has, for several years, championed the inclusion of social fundamental rights in the Austrian Constitution, and has, for instance, cooperated with Amnesty International Austria in this regard. In regular press releases, the Anti-Poverty Network has underlined the great relevance of this issue.

### **The Anti-Poverty Network on the 30th anniversary of the Vienna Human Rights Conference: Integrate social rights into the Constitution!**

**Add social human rights to the Constitution: Life in dignity, minimum social standards, health care and education for all.**

On the occasion of the 30th anniversary of the UN Human Rights Conference in Vienna (13 to 24 June 1993), the Anti-Poverty Network further specified the long-standing plan to recognise social human rights as constitutional rights. According to the Vienna Declaration of 1993, “all human rights are universal, indivisible and interdependent and interrelated”. This calls upon adding social human rights to the Austrian Constitution. The Austrian Convention that was established to bring about a constitutional reform has already discussed far-reaching provisions. According to the Austrian Government Programme, the catalogue of fundamental rights should be expanded.



### **Minimum social standards and life in dignity**

In this context, the Austrian Anti-Poverty Network drafted a Federal Constitutional Bill on Social Security, which guarantees life in dignity and includes the right to health care, the right to education and the right to minimum social standards. “Everybody shall have the right to minimum social standards that ensure life in dignity, and particularly material security, social and political participation,” as the bill says. It also includes proposals for human-rights-based budgets, with use of public funds on a basis of human rights principles, particularly oriented towards non-discrimination and equitable distribution.

### **The catalogue of fundamental rights needs to be expanded.**

Now is the time to realise the Government’s plan to modernise the catalogue of fundamental rights. Unlike the German Basic Law, the Austrian Constitution does not include social fundamental rights, nor welfare state provisions or special protection of fundamental rights regarding welfare benefits.

Whereas economic fundamental rights have, in fact, been laid down in the Austrian Constitution – for instance, the freedom to carry on a business and the right of ownership – it does not include any social fundamental rights. It is important and essential to protect our civil rights and liberties against encroachment by the state. “However, our catalogue of fundamental rights will continue to be incomplete unless the social basis of subsistence is also protected,” the Anti-Poverty Network concludes. The Vienna Human Rights Conference has been a milestone for the scope of human rights: all rights for everybody.

Further information:

[https://www.armutskonferenz.at/media/armutskonferenz\\_verfassungsgesetz\\_soziale\\_sicherheit\\_entwurf.pdf](https://www.armutskonferenz.at/media/armutskonferenz_verfassungsgesetz_soziale_sicherheit_entwurf.pdf)

## 6. 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.