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**ERADICATING POVERTY THROUGH
LOCAL & NATIONAL STRATEGIES**

AUSTRIA

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EUROPEAN ANTI POVERTY NETWORK

Strategies for Combating Poverty in Austria: Between Promise and Practice

1. Introduction

The European Union (EU) is expected to adopt its first joint EU Anti-Poverty Strategy in 2026, aiming to strengthen the European Pillar of Social Rights and achieve the EU's poverty reduction target for 2030.

Currently, Austria does not have a formally designated comprehensive national anti-poverty strategy (NAPS), as EU Member States are neither obliged to adopt national strategies aligned with the planned European anti-poverty strategy, nor have agreed upon minimum standards regarding the design or content of such strategies.¹

This chapter examines the national policies through which Austrian governments have addressed the fight against poverty and social exclusion in recent years. It briefly outlines some key priorities of the measures, their main objectives, as well as outcomes and challenges.

2. Lack of Coherence in Austria's Anti-Poverty and Social Inclusion Efforts

Elements of a national anti-poverty strategy can be found in various initiatives and measures that were implemented in the context of the EU 2020 Strategy and the Action Plan of the European Pillar of Social Rights, and that followed from them. Recent government programmes have also included combatting poverty as a declared objective of individual measures and policy priorities. However, these priorities were never consolidated into a comprehensive, cross-sectoral, and coordinated strategy that would allow for coherent and effective implementation.

Austria's ongoing difficulties to establish a comprehensive and coherent national anti-poverty strategy point to fundamental shortcomings: although poverty is a critical social, health, and education policy challenge, it has not been given sufficient political priority. The issue has largely been left to the Ministry of Social Affairs, which — with the support of civil society organisations active in the social field — has pursued its agenda within the limited scope available.

Additional reasons for this lack of coherence can be found in a deteriorating socio-economic situation in Austria since the onset of the ongoing crisis in 2020, caused by the effects of the COVID-19 pandemic and the war in Ukraine. The public budget deficit has increased, prices have soared, costs for energy and housing have risen sharply, and the

¹ According to the European Anti-Poverty Network (EAPN), "National Anti-Poverty Strategies (NAPS) are comprehensive, government-led policy frameworks aimed at preventing, reducing, and ultimately eradicating poverty at the national level."

economy has entered a recession. People experiencing poverty were particularly affected, as many were already living at or below subsistence level prior to the crisis, with no financial margin to absorb additional burdens.²

Faced with mounting pressure to act, Austria opted to implement ad hoc measures aimed at cushioning the most severe impacts of the crisis. While this made it possible to deliver targeted financial support to low-income households in a fast and relatively unbureaucratic way, these individual measures remained reactive, fragmented, and lacking structural effectiveness.

The opportunity to address long-standing structural problems through a coherent strategic plan was missed. Although the effects of inflation — particularly due to the steep rise in the cost of basic goods, housing, and energy — could be mitigated to some extent, the root causes of poverty were not addressed. Households affected by poverty, and especially vulnerable groups, did not become more resilient.

Since many of the measures were neither part of a systematic framework nor adequately financed, they failed to generate any lasting improvements in securing Austria's social policy infrastructure — from poverty-proof minimum income standards to active housing and employment policies.

The current government programme of the new ÖVP–SPÖ–NEOS coalition³ (in office since 2025) does not offer reason to expect a more consistent or strategic implementation of anti-poverty measures. Although the government does highlight the importance of a poverty-proof welfare state and the goal of ending child poverty, it is equally clear that budget consolidation is being pursued at the expense of combatting poverty. Essential and necessary measures remain unfunded.

Poverty is not being understood as a societal challenge requiring long-term investment, but rather as a budgetary cost factor. The growing budget deficit and the government's fiscal consolidation measures have already led to substantial cuts in the social sector. At the same time, planned reforms — for example, in the area of the social assistance scheme — run counter to poverty alleviation and are likely to result in a further increase in poverty levels.⁴

2 Dawid, E., Die Armutskonferenz (2023). Die Teuerung und das untere Einkommensdrittel: Wirkungen und Strategien [Inflation and the bottom income third: Impacts and strategies]. In Federal Ministry of Social Affairs, Health, Care and Consumer Protection (Ed.), Die sozialen Folgen der Inflation [The social consequences of inflation] (PDF). Vienna. Retrieved August 13, 2025, from

https://www.armutskonferenz.at/media/dawid_heitzmann_staudinger_soziale_folgen_inflation_2023.pdf
3 Bundeskanzleramt. (2025). Jetzt das Richtige tun. Für Österreich. Regierungsprogramm 2025–2029 [PDF]. Vienna. Retrieved August 13, 2025, from https://www.bundeskanzleramt.gv.at/dam/jcr:8d78b028-70ba-4f60-a96e-2fca7324fd03/Regierungsprogramm_2025-2029.pdf

4 Armutskonferenz. (2025, April 10). Jetzt das Richtige tun. Für ein Österreich ohne Armut. Retrieved August 13, 2025, from <https://www.armutskonferenz.at/news/news-2025/jetzt-das-richtige-tun-fuer-ein-oesterreich-ohne-armut.html>

3. From the EU2020 Strategy to the Action Plan of the European Pillar of Social Rights and the ‘National Action Plan for the Implementation of the European Child Guarantee’

In the past, the EU2020 Strategy required Austria to develop a National Reform Programme that, among a wide range of measures, also promised effective measures to tackle poverty in Austria and aimed to significantly reduce the number of people affected by poverty and social exclusion. The reform programme adopted in 2011 included measures to promote the labour market integration of young people and those distant from employment, preventive measures against the intergenerational transmission of poverty, initiatives to combat long-term unemployment, the introduction of a needs-based minimum income scheme, and improvements in the reconciliation of family and work life.^{5 6}

The reform programme adopted in 2011 included meaningful measures to promote the labour market integration of young adult, preventive actions against the intergenerational transmission of poverty, tackling long-term unemployment, the introduction of a needs-based minimum income scheme, and improving the reconciliation of family and work.

In 2021, the Action Plan for the European Pillar of Social Rights followed, through which Austria committed to setting national targets in employment, adult learning, and poverty reduction: between 2020 and 2030, the country aimed to reach an employment rate of 79.9% and an adult learning participation rate of 62%. The number of people at risk of poverty and social exclusion was to be reduced from 1,434,000 to 1,230,000 — a decrease of at least 204,000, with more than 50% of them being children.^{7 8}

The then ÖVP-Green coalition government (2020-2024) set even more ambitious goals within its programme: the proportion of people at risk of poverty was to be halved, with a particular focus on combating child poverty. Financial security for families through social benefits was to be ensured, and measures to tackle women’s and elderly poverty implemented. To combat child poverty, the Minister of Social Affairs Johannes Rauch (Greens) presented in 2023 a ‘National Action Plan for the Implementation of the European Child Guarantee’, aiming to halve the number of children affected by poverty and social exclusion in Austria by 2030. This strategic plan set a clearly defined framework

5 Parlament Österreich. (2012). Europa 2020: Die wirtschaftlichen Ziele Europas und Österreichs [Parlamentsskorrespondenz Nr. 405]. Retrieved August 13, 2025, from https://www.parlament.gv.at/aktuelles/pk/jahr_2012/pk0405

6 Till, M., Baldaszi, E., Eiffe, F., Glaser, T., Heuberger, R., Kafka, E., Lamei, N., & Skina-Tabue, M. (2012). Armut und soziale Ausgrenzung [Kapitel 14 in Sozialbericht, BMASK]. Retrieved August 13, 2025, from https://www.armutskonferenz.at/media/bmask_sozialbericht_kapitel_armut-2012.pdf

7 European Commission. (2022). State of play of the national targets for 2030: Employment, skills and poverty reduction [PDF]. Retrieved August 13, 2025, from <https://ec.europa.eu/social/BlobServlet?docId=25728&langId=en>

8 Statistik Austria. (2025). FAQs zum Thema Armut und soziale Eingliederung [PDF]. Retrieved August 13, 2025, from https://www.statistik.at/fileadmin/pages/338/FAQs_zum_Thema_Armut_und_soziale_Eingliederung.pdf

with cross-sectoral measures in early childhood education, upbringing and care, inclusive education, school-related activities, healthcare, healthy nutrition, and adequate housing. More than 600 projects and measures were linked to the plan.⁹

This comprehensive action plan most closely met the definition of a National Anti-Poverty Strategy (NAPS) and showed strategic potential; however, without secured long-term funding and reliable monitoring, its sustainability was limited.

The measures actually implemented by the end of the legislative period proved to be insufficient, and the self-imposed targets were clearly missed: According to data collected and calculated by Statistics Austria on behalf of the European Union and the Republic of Austria, based on EU-SILC definitions, Austria was far from achieving the goals of its action plans. While in 2019 a total of 1,434,000 people in Austria were at risk of poverty and social exclusion, this number continuously increased in the following years, reaching 1,592,000 in 2023. Only last year was a slight decrease to 1,529,000 recorded.^{10 11} Among children (under 18 years), 20.9% were affected by poverty and social exclusion risk in 2024, a figure also higher than the 2019 rate of 20.1%.¹²

At the halfway mark, Austria still has not managed to set a credible course towards meeting its targets. Besides failing to reduce the number of people at risk of poverty or social exclusion, Austria is also on track to miss other 2030 targets: the employment target will only be achievable with strong positive developments, while participation in adult learning has recently declined, making this goal attainable only with a significant turnaround. The Austrian Institute of Economic Research (Wifo) also projected in its March 2025 economic forecast that the risk of poverty or social exclusion rate will be higher in 2025 and 2026 than in 2024.¹³

4. The Reality of Addressing Poverty in Austria in 2025

In 2025, following protracted coalition negotiations, a new government was formed by the Austrian People's Party (ÖVP), the Social Democratic Party (SPÖ), and the liberal NEOS party. From the outset, social policy measures aimed at addressing poverty came under considerable pressure, as the government faced mounting demands for fiscal

9 Bundesministerium für Soziales, Gesundheit, Pflege und Konsumentenschutz (BMSGPK). (2023). Nationaler Aktionsplan Österreich legt Strategie gegen Kinderarmut fest [Presseaussendung]. Retrieved August 13, 2025, from https://www.ots.at/presseaussendung/OTS_20231220_OTS0100/nationaler-aktionsplan-oesterreich-legt-strategie-gegen-kinderarmut-fest

10 Armutskonferenz. (2025, April). Aktuelle Armuts- und Verteilungszahlen. Retrieved August 13, 2025, from <https://www.armutskonferenz.at/armut-in-oesterreich/aktuelle-armuts-und-verteilungszahlen.html>

11 Statistik Austria. (2025). FAQs zum Thema Armut und soziale Eingliederung [PDF]. Retrieved August 13, 2025, from

https://www.statistik.at/fileadmin/pages/338/FAQs_zum_Thema_Armut_und_soziale_Eingliederung.pdf

12 Eurostat. Social Scoreboard: track social progress across Europe. Retrieved August 13, 2025, from <https://ec.europa.eu/eurostat/cache/dashboard/social-scoreboard/>

13 Soukup, N. (2025). Österreichs 2030-Ziele im Rahmen der EU-Sozialpolitik: Große Anstrengungen zur Zielerreichung nötig. A & W Blog. Retrieved August 13, 2025, from <https://www.awblog.at/Europa/EU-Sozialpolitik-2030-Ziele>

consolidation in light of the substantial national deficit and the ongoing economic downturn. Austria's most recent European Semester Country Report, which assesses the country's economic, employment, structural, budgetary and social policies, identified the social protection, healthcare, long-term care and pension systems as cost drivers. It recommended regaining control of the deficit through “decisive measures to ensure the sustainability of public finances”, increased “cost-efficiency” and stricter “expenditure control”.¹⁴

The austerity measures adopted by the government affect a wide range of support services and areas simultaneously, resulting in significant cuts to resources aimed at poverty alleviation and placing an increased burden on people experiencing poverty.

These include the gradual removal of the electricity price ceiling, cuts or elimination of energy subsidies, the failure to index family benefits to inflation, increases in health insurance contributions, the removal of training allowances for social assistance recipients, restrictions on supplementary income under unemployment insurance, and the suspension of the final third of the cold progression adjustment, which had previously used to support low income households.^{15 16}

The government’s fiscal course reveals a clear pattern: while publicly acknowledging the importance of addressing poverty, efforts are seemingly expected to come at minimal or no additional cost. Even core areas within the Ministry of Social Affairs have not been spared from austerity pressures. While pension expenditures are expected to increase in the coming years, and the long-term care sector is set to receive additional funding according to the 2025/26 double budget, substantial cutbacks are looming in other key social policy areas — including poverty reduction. Further cuts announced across ministries will affect project funding and services for vulnerable groups, undermining

14 European Commission, Reform and Investment Task Force. (2025). 2025 Country Report – Austria. Accompanying the document Recommendation for a COUNCIL RECOMMENDATION on the economic, social, employment, structural and budgetary policies of Austria. Institutional Paper (SWD 2025 220 final; CELEX 52025SC0220). Retrieved August 13, 2025, from <https://op.europa.eu/en/publication-detail/-/publication/55f23089-415b-11f0-b9f2-01aa75ed71a1/language-en>

15 Armutskonferenz. (2025, April 10). Jetzt das Richtige tun. Für ein Österreich ohne Armut. Retrieved August 13, 2025, from <https://www.armutskonferenz.at/news/news-2025/jetzt-das-richtige-tun-fuer-ein-oesterreich-ohne-armut.html>

16 Armutskonferenz. (2025, June 16). Aufschrei: Budget schnürt Menschen mit kleinem Einkommen die Luft ab. Retrieved August 13, 2025 <https://www.armutskonferenz.at/news/news-2025/aufschrei-budget-schnuert-menschen-mit-kleinem-einkommen-die-luft-ab.html>

efforts to promote social inclusion in schools, tackle homelessness, support debt counselling, probation services, legal guardianship for adults, and more.^{17 18}

The planned reform of the national social assistance scheme appears particularly paradox in this context: Are work-capable families expected to receive even less by being referred to the much lower family allowances under unemployment benefits? Will their child benefit also be cut? These measures contradict plans for a child guarantee and should be designed and coordinated together.¹⁹

Despite repeated commitments to social justice, a clear area of tension is emerging: efforts toward fiscal consolidation are coming at the expense of people experiencing poverty. The austerity package disproportionately burdens the poorest households. Cuts affect multiple support measures simultaneously, resulting in a significant reduction in the resources available for addressing poverty and increasing the burden on those affected.

According to an analysis by the Austrian Parliamentary Budget Office, the measures adopted in 2025 reduce average household income by 0.8%. However, the reduction is not distributed equally: the wealthiest 10% of households experience a 0.4% decline, while the poorest 10% are affected by a 2.3% drop. By 2029, this effect will intensify: a 1.1% decline in income for the top decile, compared to a 3.3% reduction for the lowest decile.²⁰

This impact undermines the effectiveness of urgently needed social policy measures and ambitions to establish an effective poverty reduction strategy. Many forward-looking measures with positive redistributive effects cannot be directly assigned to households and primarily benefit those at the bottom, argues the Ministry of Finance. The problem is that poorer families cannot benefit from these today. Even if these future supports are sensible, families must pay rent, energy bills, and buy food today.

The inclusion of people experiencing poverty in planning and evaluation of these measures continues to be neglected—despite the fact that participation is a central pillar of any effective poverty strategy.

17 Gerald John, derStandard.at (2025, June 23). Regierung gründet Fonds zum Kampf gegen Armut – gibt aber kein Geld hinein. Retrieved August 13, 2025 from

<https://www.derstandard.at/story/3000000274910/regierung-gruendet-fonds-zum-kampf-gegen-armut-gibt-aber-kein-geld-hinein>

18 Parlament Österreich. (2025, June 10). Doppelbudget 2025/26: Auch Sozialministerium muss sparen [Parlamentsskorporrespondenz Nr. 515]. Retrieved August 13, 2025 from

https://www.parlament.gv.at/aktuelles/pk/jahr_2025/pk0515

19 Armutskonferenz. (2025, April 10). Jetzt das Richtige tun. Für ein Österreich ohne Armut. Retrieved August 13, 2025 from <https://www.armutskonferenz.at/news/news-2025/jetzt-das-richtige-tun-fuer-ein-oesterreich-ohne-armut.html>

20 Armutskonferenz. (2025, August 6). Teuerung zu hoch: Menschen mit kleinen Einkommen stark betroffen. Retrieved August 13, 2025 from <https://www.armutskonferenz.at/news/news-2025/teuerung-zu-hoch-menschen-mit-kleinen-einkommen-stark-betroffen.html>

5. A Strategy to End Poverty in Austria

Currently, Austria faces a major challenge: to halt the recession and create momentum to counter rising unemployment, prevent the gap between rich and poor from widening further, and ensure sustainable support for people experiencing poverty through a coherent package of measures. Immediate improvements are necessary, including short-term, effective actions especially to combat child poverty and to assist the groups most affected by poverty (e.g. single parents, unemployed people, and single women receiving pension, persons with disabilities and with chronic illnesses).

However, poverty cannot be addressed solely through short-term aid and preventing cuts in social benefits. Effective combatting poverty requires a clear and coherent anti-poverty strategy that enables systemic changes across different sectors of society. This calls for investments that strengthen social cohesion.

The key priorities for an effective anti-poverty strategy have been summarized by the Austrian Anti-Poverty Network in its ‚Zukunftsprogramm‘ (Future-Oriented Program)²¹. These include, alongside income-secure social benefits that ensure a decent standard of living, a Child Guarantee, affordable housing, energy security through the introduction of an energy basic supply guarantee, the establishment of health impact assessments, and closing gaps in healthcare provision; inclusive education and schools; access to justice; and the inclusion of social human rights in the constitution.

With this program, the Austrian Anti-Poverty Network offers the federal government a solid foundation to initiate measures for effective poverty alleviation. The goal must be, through joint efforts with civil society actors and especially with those directly affected, to permanently eradicate poverty and social exclusion. The aim is a society that ensures participation and voice for all, enables an income with dignity, and fosters solidarity and mutual support.

21 Armutskonferenz. (2024). Zukunftsprogramm der Armutskonferenz: Zukunftsprogramm für ein Österreich ohne Armut [Online-Publikation]. Retrieved August 13, 2025 from <https://www.armutskonferenz.at/publikationen/zukunftsprogramm>



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