



ESPN Thematic Report on Progress in the implementation of the 2013 EU Recommendation on “Investing in children: Breaking the cycle of disadvantage”

Austria

2017

Marcel Fink (in cooperation with Elisabeth Mürzl)
June 2017



EUROPEAN COMMISSION

Directorate-General for Employment, Social Affairs and Inclusion
Directorate C — Social Affairs
Unit C.2 — Modernisation of social protection systems

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Summary

The policy competencies that potentially concern child poverty and child well-being are largely fragmented in Austria. They are divided among different ministries at the level of the Federal Republic, the federal provinces and the municipalities. For this reason, the actual policy measures that deal directly or indirectly with child poverty resemble a collection of decisions taken (or not taken) in a large number of different policy areas by a considerable number of different political players. These decisions do not always follow a common understanding of children’s well-being, and nor is the topic as such high on the agenda in all cases. Against this background, concepts such as a children’s rights approach, the mainstreaming of children’s policies and rights, evidence-based policy approaches, and proactive mutual coordination between relevant policy areas and players are extremely rare in the Austrian context of children’s well-being and poverty. What prevails is incremental adaptation according to logic and particular interests in the different policy areas.

Nevertheless, in Austria outcomes in terms of the material well-being of children are quite favourable from an international comparative point of view. However, specific subgroups show a very high incidence of being at risk of poverty or social exclusion. This holds in particular for children living in households with a migrant background and for children being raised by single parents.

Since the publication of the 2013 EU Recommendation on “Investing in children” (European Commission), Austria has largely elected to continue with earlier reform projects. This includes the upgrading of institutional childcare and early childhood education and care (ECEC), reform in the education system, and measures to improve the transition from education to the labour market. What is especially worth mentioning is the introduction in 2016 of “compulsory education and training up to the age of 18”.

Cash transfers – especially the non-means-tested and universal family allowance – substantially reduce the prevalence and depth of child poverty in Austria. However, recent decisions to cut benefits from the minimum income scheme (GMI) for multi-member households and for refugees and people granted subsidiary protection will have a negative impact on the social inclusion of children.

Furthermore, it appears that the EU 2013 Recommendation on “Investing in children” has not had any substantial impact regarding policies dealing with “children’s rights to participate” (Pillar 3 of the Recommendation).

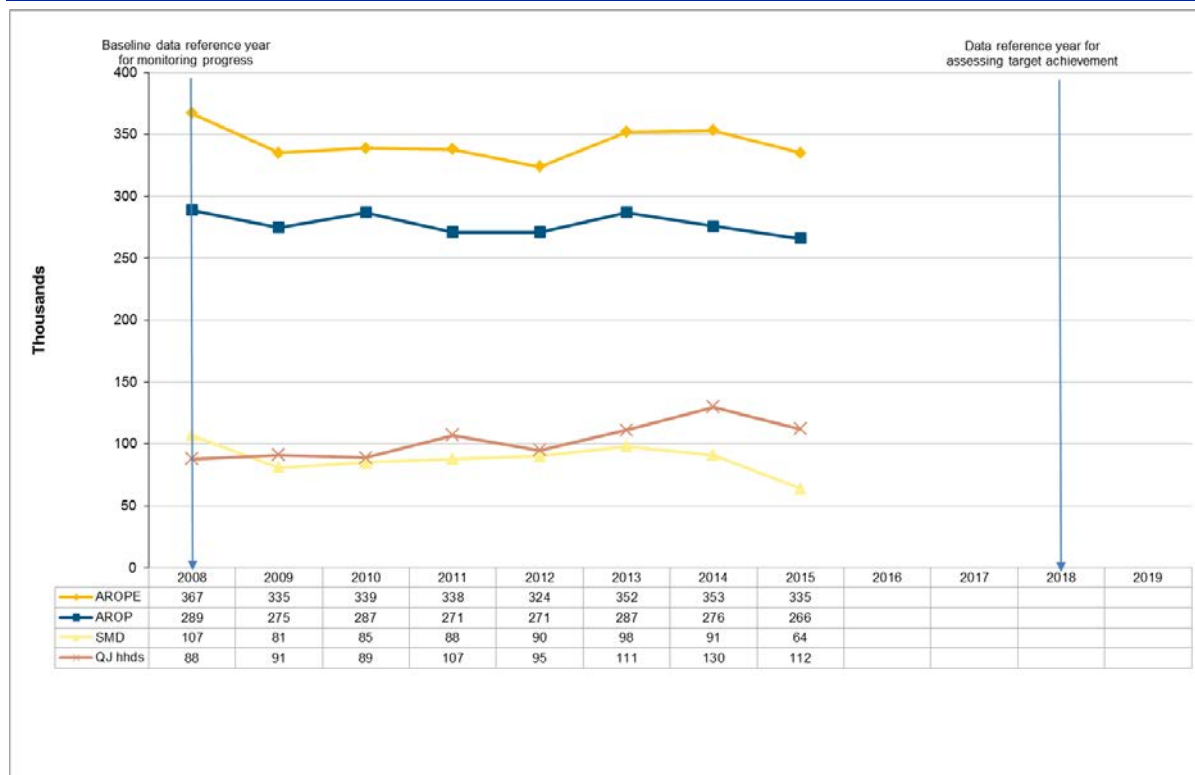
Overall, it is fair to say that the Recommendation has not received much positive feedback in Austria, which prefers to continue with reforms started earlier, but without placing child poverty and child well-being *per se* at the centre of those reforms.

What would be necessary on this background is to foster a political and societal debate explicitly focusing on different aspects of the well-being of children. In other words: Apart from specific concrete measures, in a first step the awareness for children’s needs and rights (in terms of a distinct political area) would have to be raised.

1 Overall situation with regard to child poverty and social exclusion

In 2015 around 335,000 persons aged 0–17 in Austria were at risk of poverty or social exclusion (see Figure 1). This number had not changed substantially over the previous 8 years. Here it should be mentioned that the changes in the at-risk-of-poverty indicator since 2009 do not exceed statistical fluctuation (Lamei et al., 2017: 187). Furthermore, it should be stressed that the reduction in severe material deprivation indicated by EU-SILC data between 2008 and 2009 is questionable.¹

Figure 1: Trends in number of children aged 0-17 at risk of poverty or social exclusion, thousands, 2008-2015, Austria



Source: EU-SILC, Statistical annex to ESPN Synthesis Report (Frazer, H. and Marlier, E. (2017))

AROPE: At risk of poverty or social exclusion

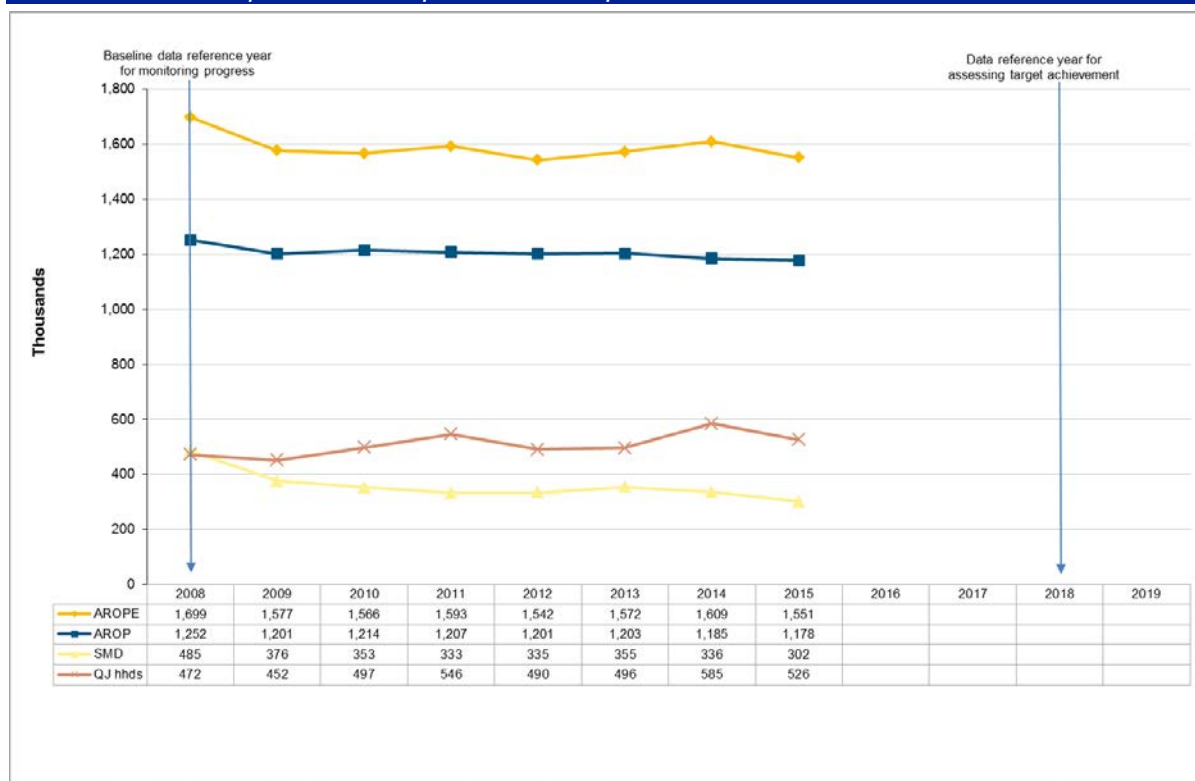
AROP: At risk of poverty

SMD: Severe material deprivation

QJhhds: Quasi-jobless households (work intensity less than 20% of the total work potential during the past year)

¹ This reduction followed a steep increase in severe material deprivation between 2007 and 2008. Neither the increase in the numbers from 2007 to 2008 nor the subsequent reduction appears to be directly linked to policy reforms, as no measures were taken – and no other changes in circumstances occurred – that are likely to have caused such a strong effect. Furthermore, it is hard to explain why severe material deprivation should grow by around 80% just *before* the financial and economic crisis, and then gradually fall again *during* the crisis. One possible explanation is that respondents were more sensitive to the question of affordability of different things in early 2008, given the rather high price inflation at the time and the widespread public and political debates about price increases (see also Till et al., 2012: 271; Lamei et al., 2017: 187).

Figure 2: Trends in number of people (whole population) at risk of poverty or social exclusion, thousands, 2008-2015, Austria



Source: EU-SILC, Statistical annex to ESPN Synthesis Report (Frazer, H. and Marlier, E. (2017))

AROPE: At risk of poverty or social exclusion

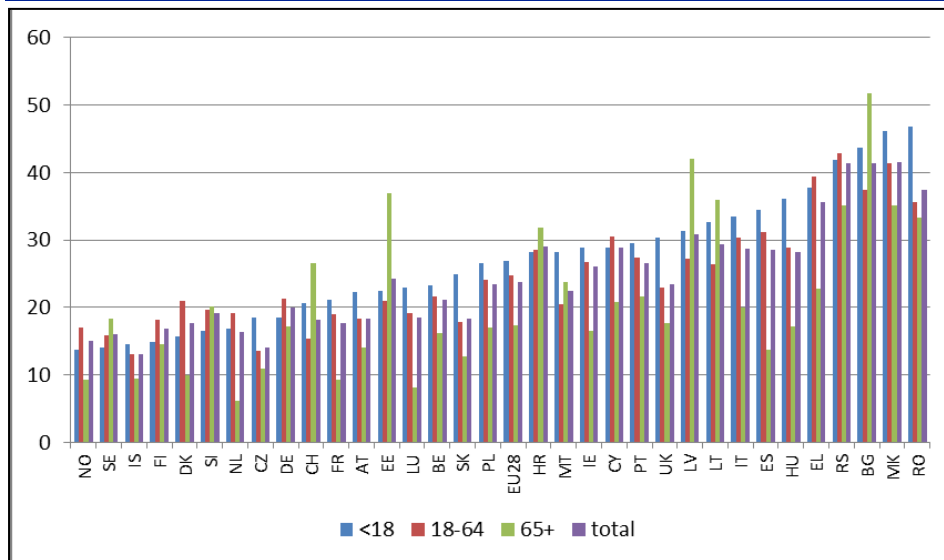
AROP: At risk of poverty

SMD: Severe material deprivation

QJhhds: Quasi-jobless households (work intensity less than 20% of the total work potential during the past year)

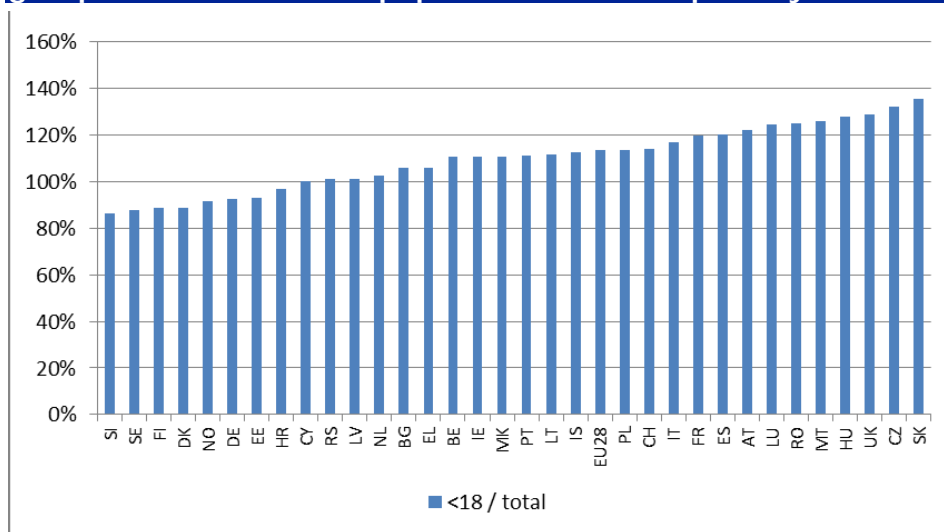
The rate of children (aged under 18) at risk of poverty or social exclusion (AROPE) is quite low in Austria from an international comparative perspective, but at the same time some countries – especially in Northern Europe – perform substantially better on this indicator than Austria (Figure 3). In 2015, the AROPE rate among those aged under 18 was 22.3% in Austria, but less than 15% in Norway, Sweden, Iceland and Finland. Furthermore, if the AROPE rate among children is compared to the rate for the total population, Austria's position appears rather less favourable in international comparison (Figure 4).

Figure 3: Rate of population at risk of poverty or social exclusion by age group, %, 2015



Source: EU-SILC; Eurostat Database, indicator [ilc_peps01]

Figure 4: Rate of population at risk of poverty or social exclusion in the age group <18 as % of total population at risk of poverty or social exclusion, 2015



Source: EU-SILC; Eurostat Database, indicator [ilc_peps01] & own calculations

Table 1 below presents some information on important socio-demographic characteristics of children (aged 0–15 years) in Austria who are affected by being at risk of poverty or social exclusion. Many of them live in larger cities, especially in the capital, Vienna; meanwhile child poverty appears to be a less frequent phenomenon in smaller municipalities.

Children without Austrian citizenship (AROPE rate: 52%) are much more likely to be affected by the relevant problems than children with Austrian citizenship (AROPE rate: 14%). Still, the majority (56%) of all children at risk of poverty or social exclusion are Austrian citizens.

More than two-thirds of all children at risk of poverty or social exclusion live in multi-person households with at least two children; however, the rate in multi-person households with at least three children (28%) is surpassed by the rate in single-parent

households (48%): 20% of all children at risk of poverty or social exclusion live in single-parent households.

As may be expected, the risk of being affected by low income and/or material deprivation decreases with the employment intensity of the household. With employment intensity of over 85%, the share of children at risk of poverty or social exclusion decreases to 6%, whereas it stands at 19% in the case of medium employment intensity (between 20% and 85%): 60% of children at risk of poverty or social exclusion live in such households. Some 8% live in households with high to full employment intensity (85% or more) and 32% are in households with low or no employment intensity (20% or lower).

The AROPE rate among children is especially high if social transfers are the main source of income of the household (71%).

Child poverty is a phenomenon especially frequent in families with a migration background. If at least one member of the household is not an Austrian citizen, the AROPE rate among children is 46% (compared to 21% for the total population). One other very important risk factor is long-term unemployment, which applies to 18% of all households with children at risk of poverty or social exclusion.

2 Assessment of overall approach and governance

It is fair to say that child poverty and children’s well-being remain almost unaddressed by Austrian politics as a *specific* and *distinct* problem. Higher on the agenda are “family policies” in the broader sense, where relevant issues are often reduced to a) the financial well-being of families (without any focus on “poor” families only, but also covering the so-called “middle class”) and b) opportunities to combine employment and “family duties”, i.e. childcare and looking after frail relatives. At the same time, substantial ideological differences persist between major political players concerning the desirable features of the familial organisation of everyday life, and especially concerning the gainful employment of mothers. This contributes to the lack of a clear and integrated multi-dimensional strategy on child poverty and child well-being. Given these ideological differences, Austria even lacks a common (or at least widely accepted) norm for child well-being, which would be a precondition for a clear strategic approach in this area. Children are affected by several different measures in various policy areas: different schemes of social benefits, different social services, education policy, labour market policy and labour relations, etc. However, decision making in these policy areas is only rarely explicitly geared to the aims of reducing child poverty and increasing child well-being.

The lack of a clear and integrated strategy implies that children’s well-being and children’s rights in Austria are treated more or less peripheral. To be more precise, children are often treated as a group that is also affected by policies that originally target other groups. At the same time, policies that affect children’s well-being are often formulated for purposes other than meeting the interests of children in the first instance. The first phenomenon holds, for example, for questions of access to health services, housing, or when children benefit from measures of active labour market policies, allowing their parents to find a job. A similar situation applies in debates about institutional childcare, where the agenda focuses much more on improvements that would allow for a higher activity rate among parents (which is desirable from a national economic perspective), rather than on possible personal (not instant material) gains for children accruing from access to institutional childcare. Similarly, it appears that problems within the educational system are not in the first instance framed as problems for children, but again largely as the cause of subsequent problems for the national economy or as general challenges deriving from the “integration deficits” of people with a migration background.

Table 1: Children aged 0–15 years at risk of poverty or social exclusion, 2016

	Total	at risk of poverty or social exclusion			at risk of poverty			severe material deprivation			in household with no/very low work intensity		
	in 1,000	in 1,000	share in %	rate in %	in 1,000	share in %	rate in %	in 1,000	share in %	rate in %	in 1,000	share in %	rate in %
Total	1,336	275	100	21	231	100	17	46	100	3	88	100	7
municipal size													
Vienna	254	84	31	33	66	28	26	24	52	9	44	50	17
Other municipalities > 100,000 inhab.	106	30	11	28	22	10	21	(12)	(25)	(11)	(7)	(8)	(7)
municipalities >10,000 and <=100,000 inhab.	247	54	20	22	46	20	19	(2)	(5)	(1)	(19)	(22)	(8)
municipalities <=10,000 inhab.	729	107	39	15	97	42	13	(8)	(17)	(1)	17	20	2
Citizenship													
Austria	1,105	154	56	14	116	50	11	25	55	2	43	49	4
not Austria	231	121	44	52	115	50	50	21	45	9	44	51	19
households with children (without pensions)													
total	1,330	272	100	20	229	100	17	46	100	3	85	100	6
single-parent households	114	55	20	48	44	19	39	(9)	(20)	(8)	29	35	26
multi-person household + 1 child	298	36	13	12	27	12	9	(7)	(16)	(2)	(12)	(14)	(4)
multi-person household + 2 children	552	78	29	14	73	32	13	(14)	(30)	(2)	(8)	(10)	(2)
multi-person household + min. 3 children	366	103	38	28	84	37	23	(16)	(34)	(4)	35	42	10
employment intensity of the household (reference year: 2010)													
no/very low employment intensity: <=20%	88	88	32	100	56	24	64	17	37	19	88	100	100
medium employment intensity: >20% and <85%	854	165	60	19	154	67	18	26	57	3	(0)	(0)	(0)
high employment intensity: >=85%	395	22	8	6	22	9	5	(2)	(5)	(1)	(0)	(0)	(0)
main source of income													
dependent employment	1,010	102	37	10	92	40	9	18	38	2	(1)	(1)	(0)
self-employment	111	22	8	20	22	10	20	(3)	(7)	(3)	(0)	(0)	(0)
social transfers	178	127	46	71	95	41	53	20	44	11	71	81	40
pensions	-	-	-	-	-	-	-	-	-	-	-	-	-
other private income	(26)	(21)	(8)	(81)	(20)	(9)	(78)	(5)	(10)	(18)	(12)	(13)	(46)
in risk households													
with long-term unemployment	65	49	18	75	34	15	52	(12)	(27)	(19)	35	40	54
social transfers main source of income (without long-term unemployed)	135	86	31	63	65	28	48	12	27	9	37	42	27
with household member without Austrian citizenship	271	123	45	46	107	46	39	31	67	11	53	61	20
with naturalised citizen in household (excl. with member without Austrian citizenship)	65	(8)	(3)	(12)	(4)	(2)	(7)	(3)	(6)	(5)	(3)	(4)	(5)
with disability (regarding person of employment age)	84	29	11	35	19	8	23	(8)	(18)	(10)	18	20	21

Source: Statistics Austria, EU-SILC 2016; numbers in brackets derive from very low numbers of cases; in case of less than 50 cases in the marginal distribution or less than 20 cases per cell, brackets are used. Data with a marginal distribution <20 are not presented.

At the same time, competencies that potentially concern child poverty and child well-being are largely fragmented in Austria. This is true of different ministries both at the level of the Federal Republic and in the federal provinces. At the level of the Federal Republic, relevant issues in principle fall under the Ministry for Families and Youth. But at the same time, competencies regarding social protection, employment, education, health or the integration of people with a migration background are spread across other ministries. This means that the Ministry for Families and Youth has to coordinate the other relevant institutions in a proactive way. Of course, given this fragmentation of competencies, this can only be done by different instruments of “soft governance”. However, it appears that the commitment of this ministry to problems of child poverty in the narrower sense is rather limited. For example, a search of its website for the term “child poverty” (*Kinderarmut*) yields only 12 hits.²

As child poverty and child well-being have up until now been treated more as a kind of secondary problem in Austria, deriving from a number of other challenges, and not as a distinct problem *per se*, no strong culture exists to implement evidence-based approaches that focus explicitly on child well-being, or to evaluate policies with an emphasis on child poverty.

The general lack of awareness of child poverty and children’s well-being (as a distinct problem) has been much in evidence in recent decisions and debates on cutting benefits from the guaranteed minimum income (GMI) scheme for multi-member households and for refugees and people granted subsidiary protection in a number of federal provinces (see section 3 below). These cuts in benefits will have particularly negative consequences for children.

3 Pillar 1 – Access to resources

Compared to 2013, there have been no substantial changes in policies to support parents’ participation in the labour market or in policies to provide adequate living standards through an optimal combination of cash and benefits in kind.

The substantial negative impact of raising children on the participation by parents in the labour market remains a major challenge.³ Despite some improvements, this is partly caused by persisting deficits in institutional childcare (see section 4) and the prevailing legacy of the so-called male breadwinner model, which for a long time dominated the overall perception of “sound” family structures in Austria. This comes with substantial labour market segmentation and segregation according to sex, as indicated by the second-largest gender-pay gap in the EU⁴ (Fink, 2017: 12; Eurostat Database indicator *earn_gr_gpgr2*) and the third-highest concentration of part-time employment of women in the EU (Fink, 2017: 11; Eurostat Database indicator *lfsa_eppga*). One policy element contributing to this problem is the parental leave scheme/childcare allowance (*Kinderbetreuungsgeld*): men use this opportunity much less commonly than women, and when they do, it is for a much shorter time. A recent reform of childcare allowance, applicable for births after 1 March 2017, comes with a few – albeit fairly limited – additional incentives to encourage a more equal distribution of childcare between men and women.⁵

² By contrast, the term “childcare” (*Kinderbetreuung*), for example, yields 807 hits.

³ Having a child aged below 6 years reduces the employment rate of women in the age group 20–49 by a substantial 12.4% on average, compared to women of the same age group without children (Fink, 2017: 12; see *ibid.* and Eurostat Database, indicator *lfst_hheredch* for data on other EU Member States).

⁴ The gender pay gap can partly be explained by part-time employment, sector-specific payment, etc.; but there is still 13.6% which cannot be proved by statistical evidence. See: http://www.statistik.at/web_de/statistiken/menschen_und_gesellschaft/soziales/gender-statistik/einkommen/index.html

⁵ For more details see: https://www.parlament.gv.at/PAKT/VHG/XXV/ME/ME_00181/index.shtml

The Austrian public employment service (AMS) continues to offer a wide range of services aimed at supporting reintegration into the labour market after parental leave (e.g. special programmes like “re-entrance for women”)⁶ and, more generally, supporting parents in their job search. It is fair to say that the offers available are of wide variety, including job orientation, requalification and forms of counselling and support, some of them specifically targeted at women (like “women’s advice centres”).⁷ As for policy changes, it is worth mentioning that the AMS has considerably expanded its services targeted at refugees and people granted subsidiary protection.⁸

Cash benefits – and especially the universal and non-means-tested family cash benefits (*Familienbeihilfe*) – reduce child poverty in Austria very substantially (i.e. by around 60%; see Fink, 2014 for a more detailed assessment). Family benefits are not regularly indexed in Austria; from a mid-term perspective, this has led to a devaluation of the benefits granted. In 2014, it was decided to increase family cash benefits by 4% from 1 July 2014, and then again by 1.9% from 1 January 2016 and from 1 January 2018. More recently (in late 2016) a debate began over whether family benefits for children living abroad should be “adjusted” to the living costs in the particular country, which in many cases would imply a considerable reduction in family cash benefits for children living abroad. Both the Social Democrats and the People’s Party, governing as a coalition, signalled that they would be in favour of such a reform; however, this could contradict EU law.

One other issue is that of minimum income benefits, granted via the so-called guaranteed minimum income schemes of the federal provinces (*Bundesländer*). The so-called “15a treaty”, agreed between the federal provinces and the Federal Republic, set minimum standards for the GMI schemes in the federal provinces, but it expired at the end of 2016; at this point the Federal Republic and the federal provinces could not reach compromise on a renewed agreement.⁹ In the meantime, some federal provinces decided to cut GMI benefits, with an evident adverse impact on the social inclusion of children. In the federal province of Lower Austria (Niederösterreich), since 1 January 2017 GMI benefits and earned income together may not exceed EUR 1,500 per household per month, which implies a substantial cut in GMI benefits for multi-person households.¹⁰ The federal province of Burgenland decided on a similar reform, introducing a ceiling of EUR 1,500 per household per month for GMI benefits.¹¹ Furthermore, the federal provinces of Upper Austria (Oberösterreich), Lower Austria and Burgenland decided to reduce GMI for refugees and people on subsidiary protection, including children.¹² Overall, these reforms, and related reform debates in other federal provinces, all point to smaller or larger cuts in benefits, while easing access or increasing generosity is nowhere on the agenda. These developments are likely to impose a significant threat to social inclusion and poverty alleviation in Austria, especially for children.

⁶ See: <http://www.ams.at/service-arbeitsuchende/angebote-frauen/wiedereinstieg>

⁷ See: <http://www.netzwerk-frauenberatung.at/index.php/standorte>

⁸ From September 2017, refugees and people granted subsidiary protection and not in employment will be obliged to participate in a so-called “integration year”, coming with education and training by the AMS. See: https://www.sozialministerium.at/site/Service_Medien/Presse/Presseaussendungen/Stoeger_Duzdar_Verpflichtendes_Integrationsjahr_schafft_Paradigmenwechsel_bei_Integrationspolitik

⁹ This means that the competency for the minimum income scheme is now (i.e. since the beginning of 2017) again completely located at the level of the federal provinces, and that the short period of formal coordination in this field (since 2010) has come to an end. This came about because several federal provinces wanted to – or had even started to – cut benefits (in violation of the 15a treaty) in 2016, while the Minister for Social Affairs and some of the federal provinces (primarily Vienna) opposed such plans.

¹⁰ For a more detailed analysis, see Armutskonferenz (2016).

¹¹ For a more detailed analysis, see Armutskonferenz (2017).

¹² On the federal province of Upper Austria, see https://ooe.arbeiterkammer.at/beratung/arbeitsrecht/arbeitslosigkeit/Bedarfsorientierte_Mindestsicherung.html; on Lower Austria, see Armutskonferenz (2016); on Burgenland, see Armutskonferenz (2017).

4 Pillar 2 – Access to affordable quality services

As for “access to resources”, major changes in “access to affordable and quality services” are scarce. The only important exception is the “introduction of compulsory education and training up to the age of 18”. More generally – and unlike the issue of cash benefits in the form of GMI – no large-scale retrenchment is evident in the policy areas most relevant here.

As outlined in our last report on “investing in children” (Fink, 2014), the improvement in early childhood education and care is a long-standing issue in Austria. Overall, it is fair to say that for a long time Austria followed a largely “familialised” (see e.g. Blum, 2012) model of early childhood education and care (ECEC), leading to a situation where institutional childcare and ECEC in the age group below 4 years – and especially in the age below 3 years – remained an exception to the norm. The situation has changed to some degree over the past two decades. But international comparative data on ECEC, based on the EU-SILC survey, indicate that the coverage rate of institutional childcare is still very low in Austria for children aged below 3 years – despite recent improvements for this age group – amounting to 22.3% in 2015.¹³ The fact that institutional childcare and ECEC do not in the first instance fall within the competence of the Federal Republic, but are very largely the responsibility of the federal provinces (as well as the municipalities), has led to a substantial regional differentiation in accessibility and quality of services. This applies not only to general accessibility (in the sense of the number of places available according to different age groups), but also to variation across federal provinces in opening hours and availability of childcare facilities during public holidays (see Statistik Austria, 2016 for details).

Overall, it is evident that the coverage of institutional childcare and ECEC has continued to increase in recent years (ibid.). This is partly the result of budgets made available by the Federal Republic to co-finance the start-up costs of new childcare places, providing incentives for the federal provinces to enhance and improve their systems of institutional childcare and ECEC. In 2014, instruments in place since 2008 were prolonged until 2017 and expanded in financial terms. Subsidies made available by the Federal Republic amounted to EUR 100 million in 2014 and 2015, and to EUR 52.5 million in both 2016 and 2017.¹⁴

Institutional childcare and ECEC are subject to co-payment by parents in most federal provinces, except for Vienna (where childcare up to the age of 6 is generally free) and Lower Austria (where there are no co-payments for child day care in the age range 2.5–6 years). Although co-payments by parents are normally applied in a socially adjusted way (e.g. using means-tested public subsidies), the costs are likely to create a substantial financial burden for low-income households (see Fink, 2014 for more details). No substantial changes have been evident on this issue in recent years, as the – repeatedly announced – “second year of kindergarten free of charge” has so far not been implemented.¹⁵ What is worth mentioning is that, as from school year 2016/2017, the federal provinces have been “obliged to recommend” a second year of institutional childcare to parents.¹⁶

¹³ Source: EU-SILC; Eurostat Database, indicator [ilc_caindformal].

¹⁴ For more details see: http://www.parlament.gv.at/PAKT/VHG/XXV/I/I_00187/index.shtml

¹⁵ As a general principle, as from the kindergarten year 2009/10, the “last year of kindergarten” (at age 5/6) is free of charge in all federal provinces, but only for up to 20 hours a week; for more details, see: <https://www.help.gv.at/Portal.Node/hlpd/public/content/37/Seite.370130.html> The new “Working Programme of the Austrian Federal Government 2017/2018” (Republik Österreich, 2017) announces that the plan is to introduce a “second year of kindergarten free of charge”, but that this is still subject to negotiations with the federal provinces.

¹⁶ If parents have not yet registered their child in a childcare institution, a compulsory conversation between the childcare institution, parents and the child should outline the positive impact of institutional childcare on the child’s development; see <https://www.help.gv.at/Portal.Node/hlpd/public/content/37/Seite.370130.html> for more details.

As for the educational system, reform has been ongoing in Austria for several years (see e.g. OECD, 2016). However, at the time of writing it is hard to assess the overall impact of these reforms on the social inclusion of children and young adults. What is, however, especially worth mentioning is the further expansion and development of all-day school places. To reach the goal of 270,000 places offered by 2024/25, representing a coverage rate of up to 40%, an investment programme amounting to EUR 800 million for the years 2014–2018 and EUR 750 million for the years 2017–2025 has been decided.

One further structural measure is the Law on Compulsory Training (Ausbildungspflichtgesetz/APfIG), passed in June 2016. The new law does not change compulsory schooling (which still ends at 15), but it stipulates that parents must ensure that young people between the ages of 15 and 18 participate in further education and training or in measures preparing them for further education and training if they have not completed secondary school. “Education and training” is defined in a broad sense, including further school attendance, apprenticeships or other training, such as an internship or training organised by the AMS.¹⁷ The services and measures related to “compulsory education and training up to the age of 18” will be funded by the Federal Budget for Active Labour Market Policy. The direct costs are estimated to amount to around EUR 8 million in 2016, and to EUR 65 million in 2020, when all measures, etc. will be fully established.

There have been no large-scale reforms concerning children’s health and healthcare, and with some exemptions (e.g. the lack of facilities for youth and child psychiatry) the issue appears to be rather low on the political agenda. The same holds true, in more general terms, for questions of equality of access to health services and the social stratification of health outcomes.

Compared to many other EU Member States, the housing conditions for people from lower social strata also seemed quite favourable in Austria for a long time. This was partly because social housing offered by the municipalities and dwellings offered by Limited Profit Housing Associations (LPHAs) make up quite a large share of total housing (about 20%). However, especially in many urban areas, new demand is outstripping additional supply, which is leading to an increase in the cost of renting privately. The Government Programme 2013–2018 of the coalition government of the Social Democrats and the People’s Party, which came to office in late 2013, has announced a reform of the landlord and tenant law, with the goal of achieving more transparent regulations and more affordable housing within the private rental sector (Republik Österreich, 2013: 60f.). However, the negotiations on this issue have so far not led to any concrete reform, as the Social Democrats and the People’s Party in government have been unable to find a common position.

5 Pillar 3 – Children’s right to participate

At the time of writing, it is impossible to give an overview of the situation in Austria regarding policies to support the participation of children in play, recreation, sport and cultural activities. Related initiatives and measures are organised and provided by municipalities and federal provinces, partly in cooperation with private initiatives and social non-governmental organisations (NGOs). At the same time – to the best of our knowledge – there is no in-depth (or even superficial) assessment on related activities for Austria. What is worth mentioning is that the so-called global financial and economic crisis has apparently not led to a substantial downsizing in the provision of related public infrastructure or related subsidies for youth organisations or social NGOs.

¹⁷ Parents who disregard this new obligation may be fined between EUR 100 and EUR 1,000. However, this possibility of fining parents will only be implemented from July 2018.

A related situation applies to mechanisms that promote children’s participation in legal decision making in areas that affect their lives, in after-school activities and general attention for vulnerable groups of children.

Regarding participation in legal decision making, no strong tradition exists in Austria for the proactive involvement of children. This even holds for the so-called “monitoring board of children’s rights”, established with the Federal Ministry of Families and Youth, which is exclusively formed of professional experts, social NGOs, interest groups and representatives of public administration.¹⁸ At the same time, the direct involvement of children and young people in decision making appears to be a rare phenomenon, and is accompanied by generally low awareness of the need for such involvement.

One exception is the so-called Austrian National Youth Council (Bundesjugendvertretung/BJV), established by law (Federal Youth Representation Act) with effect from 1 January 2001. This is a registered association, with over 50 individual member organisations (i.e. different youth organisations, like political party youth organisations, private youth organisations, etc.), and with the nine different regional youth councils established in the federal provinces as additional members. Whereas the BJV should “theoretically” (i.e. according to the Federal Youth Representation Act) represent the interests of children and young people in Austria, it is fair to say that its public and political visibility is very low.

No structural reforms or measures have been undertaken in recent years to proactively and substantially increase the political participation of young people and children in Austria.

6 Addressing child poverty and social exclusion and child well-being in the European Semester

The country-specific recommendations (CSRs) for Austria have repeatedly addressed issues of child poverty and social inclusion and child well-being. However, these topics are not addressed in a comprehensive manner, but more in the form of a succession of individual challenges and measures.

The 2015 CSRs recommended “strengthen[ing] measures to increase the labour market participation of older workers and women, including by improving the provision of childcare and long-term care services [and taking] steps to improve the educational achievement of disadvantaged young people” (Council of the European Union, 2015). The 2016 CSRs claim that Austria should “improve the labour market participation of women [and] take steps to improve the educational achievements of disadvantaged young people, in particular those from a migrant background” (Council of the European Union, 2016).

In its 2017 Country Document on Austria, the European Commission again stresses issues of education (European Commission, 2017). Children with a migration background are, for example, considered substantially disadvantaged in terms of their PISA results in science (ibid.: 26). Related problems are also addressed in the 2017 National Reform Programme, which states that the early school-leaving rate of pupils with a migration background stands at 19.6% in the first generation and 16% in the second, compared to 4.3% among children without a migration background (the data refer to 2015; Federal Chancellery, 2017: 25).

Both the 2017 Country Document (European Commission, 2017) and the 2017 National Reform Programme (Federal Chancellery, 2017) address evident and important challenges that are also touched on in this report, as well as related measures and reforms – such as the introduction of compulsory education and training up to the age of 18, measures financed by the European Social Fund (ESF) to reduce transition problems

¹⁸ See: <http://www.kinderrechte.gv.at/kinderrechte-monitoring/>

between compulsory schooling and entry to the labour market, or the extension of all-day schooling and institutional childcare for children aged below 3. One other measure stressed in the 2017 National Reform Programme is the plan to introduce a national minimum wage of EUR 1,500 gross (either by collective agreement or a related law), with the aim of combating poverty in a broad manner. Apart from that, social housing measures, projects for youngsters not in employment, education or training (NEET) and new measures to assess and improve the employability of people receiving means-tested social assistance are mentioned. Concerning the plans for next year, a further reform of upper secondary education has been announced, with the aim of reducing the number of drop-outs.

Overall, it is fair to say that child poverty and social exclusion and child well-being play an important role in the European Semester in the Austrian case. However, there is an evident emphasis on labour market issues, falling short of dealing with related problems and challenges in a more inclusive and comprehensive manner.

7 Mobilising relevant EU financial instruments

Previous sections have discussed the challenges of child poverty, social exclusion and child well-being, as well as related policies.

Many of these issues are taken into account in the 2014–2020 programme of the ESF for Austria.

Within the thematic objectives (TO) 8, 9 and 10 the Austrian 2014-2020 Operational Programme (OP) concentrates in the following investment priorities (IPs):

- 8i Access to employment for job-seekers and inactive people [...]
- 8iv - Equality between men and women [...]
- 8vi - Active and healthy ageing
- 9i - Active inclusion [...]
- 9ii - Socio-economic integration of marginalised communities such as the Roma
- 10i - Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education [...]
- 10iii - Enhancing equal access to lifelong learning for all age groups [...]

Table A1 in the Annex shows the distribution of the related funds coming from the EU budget, according to the different TOs and IPs. The total of the funds coming from the EU budget amounts to ca. EUR 442 million, and additional ca. EUR 434 million are planned to come from the national budget, summing up to a total ESF 2014-2020 budget of EUR 875,739,265.00.

48% of funding is dedicated to measures enhancing educational and qualification levels (TO 10). Of this, two thirds (or 32% of the total funds) are planned to be spend for IP 10i (Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education including formal, non-formal and informal learning pathways for reintegrating into education and training), which evidently signals a strong focus on young people.

31% of the funding is planned to be used for measures within TO 9, i.e. “Promoting social inclusion, combating poverty and any discrimination”. Here, according to the OP the target group is rather broad, including e.g. Roma, people with disabilities, employed persons with low income, low qualified employees but also young persons neither in education nor in employment. Within TO 9 a clear emphasis is given to IP 9i, i.e. “Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability”. This at first instance includes counselling and qualification activities.

The remaining ca. 15% of the finding is dedicated to TO 8, i.e. “Promoting sustainable and quality employment and supporting labour mobility”. No funds are planned to be spent in on IP 8ii (Sustainable integration into the labour market of young people, in particular those not in employment, education or training [...]) within TO 8, but it should be mentioned that such services are available to a very large degree via regular national policies (not co-financed via ESF).

Austria managed to fulfil the required ex-ante conditionalities for the IPs where this was necessary in the Austrian case / according to the design of the Austrian OP (IPs 8i, 9i, 9ii and 10i).

According to data provided via SFC (Structural Funds Common Database) no declared expenditure has been reported for the Austrian ESF 2014-2020 until now. For this reason, expenditure rates for the different IPs currently amount to zero. Regarding committed budgets, they are low up to now especially for IP 8iv (Equality between men and women in all areas [...]) and IP 8vi (Active and healthy ageing).

For IPs more explicitly dedicated at young people the rate of committed budgets in % of total funds coming from the EU budget amount to more than 20%. Still, it is unclear at the time of writing what rates of absorption will be reached in the end.¹⁹

The implementation of ESF co-financed measures in Austria follows a largely project-based approach. A detailed analysis of all priorities and related projects would go beyond the scope of this report. Moreover, some projects could be associated with more than one priority. Hence, this section is structured not according to the priorities of the ESF, but by the relationship of some sample projects to the Recommendation.

Measures dealing with the problem of early school leaving aim at improving the transition from school to the labour market, promoting language skills and further improving conditions in school (e.g. availability of social workers in school). One main cluster of projects for realising these goals is the Network for Job Assistance (NEBA), which offers coaching for young people, general training schools to prepare young people for the labour market (*Produktionsschulen*), assistance in the training phase, as well as in the regular work life (especially aimed at people with disabilities), and job coaching. In relation to the recommendation to reduce early drop-out from school or vocational education, the coaching instrument appears to be of special importance.²⁰

The following brief presentation of some selected projects funded by the ESF should provide a clearer picture of the measures taken in relation to the three pillars of the Recommendation “Investing in Children”.²¹

The project kompakt seeks the employment of young people and of the long-term unemployed, and therefore contributes to the first pillar: namely parents’ participation in the labour market.²² Having a migration background is a factor which makes it more likely for people to be at risk of poverty and/or to face problems of labour market integration. Thus, e.g. the project Melete provides information on education programmes for adults by directly targeting migrant communities.²³

In the field of the second pillar, e.g. the project Bridges to the Future aims at easing the transition from school to labour market – first by promoting closer relations between companies and organisations working in the field of transition; secondly, by fostering closer relations between companies and young people; and thirdly, by improving the knowledge of existing projects and reviewing their outcome.²⁴ Similarly, Early Complete

¹⁹ In the past, Austria regularly managed to reach very high rates of absorption.

²⁰ All institutions working in the NEBA network in the area of job coaching are available at: <http://www.neba.at/nach-berzirk/advanced-search/106>

²¹ Referring to the priorities mentioned above, some projects could be classified in several fields.

²² See: <http://www.fib-lavanttal.at/kompakt>

²³ See <http://www.esf.at/esf/projekte/salzburg/>

²⁴ See: <http://www.rmooe.at/projekte/bridges-future>

supports young people in completing their apprenticeships through coaching and counselling activities.²⁵ The project PerspektivenBildungÖsterreich was intended to integrate young people into the labour market, especially in the transition period,²⁶ while Chancenpool targets especially the young unemployed.²⁷

At this point in the research, it appears that no programmes with an explicit link to the third pillar of the Recommendation are funded by the ESF in Austria.

To sum up, the ESF in Austria contributes to a large number of projects and measures that may have a positive impact on the well-being of children and young people.

One specific point to report is that in the context of the Fund for European Aid to the Most Deprived (FEAD), Austria has decided to develop and implement a new measure providing school-start packages (with school supplies) for children living in households that receive GMI. In the school year 2015/2016, around 33,000 school-start packages were delivered; in 2016/2017, the figure was 41,000, which signals a very high rate of take-up.²⁸

²⁵See: <https://www.kusonline.at/de/kurse/lehrabschluss/articlefolder-lehrabschluss>

²⁶ The project concluded in 2014. A brief presentation of the results is available on: <http://www.bfi-tirol.at/weiterbildung/news/aktuell/abschlussveranstaltung-perspektivenbildung-oesterreich.html>

²⁷ See: <http://www.esf.at/esf/projekte/vorarlberg/>

²⁸ For more details, see: https://www.sozialministerium.at/site/Soziales_und_KonsumentInnen/Soziale_Themen/Soziale_Sicherheit/Schulstartpaket/

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Annex: Summary Table – Progress since February 2013

Policy area or approach	Overall have policies/ approaches been strengthened, stayed much the same or been weakened since February 2013 (in the light of the EU Recommendation)?		
	Stronger	Little Change	Weaker
Governance <ul style="list-style-type: none"> Multi-dimensional strategy with synergies between policies Children's rights approach & effective mainstreaming of children's policy and rights Evidence-based approach Involvement of relevant stakeholders (including children) 		X X X X	
Access to resources <ul style="list-style-type: none"> Parents' participation in the labour market Child & family income support 		X	X
Access to services <ul style="list-style-type: none"> ECEC Education Health Housing & living environment Family support & alternative care 	X X	X X X	
Children's right to participate <ul style="list-style-type: none"> in play, recreation, sport & cultural activities in decision making 		X X	
Addressing child poverty and social exclusion in the European Semester		X	
Mobilising relevant EU financial instruments		X	

Table A1 : Austria : ESF 2014-2020 Budget

	Funds from EU Budget according to Operational Programme (OP)		Implementation					
	Funds from EU Budget in €	distribution of funds from EU Budget according to Tos and Ips	Total Eligible EU Cost Amount		Total Eligible Cost Amount		Total Expend Declared Amount	
			EU Funding Committed in EUR	EU Funding Committed in % of Funds from EU Budget	Co-Funding Committed in EUR	Co-Funding Committed in % of Funds from EU Budget	Declared Expenditure in EUR	Declared Expenditure in % of Funds from EU Budget
Category of Intervention								
IP 8i - Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility	12,065,638.00	3%	3,126,118.58	25.9%	2,084,079.09	17.3%	0.00	0.0%
IP 8ii - Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee		0%						
IP 8iii - Self-employment, entrepreneurship and business creation including innovative micro, small and medium sized enterprises		0%						
IP 8iv - Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work	29,983,336.00	7%	53,784.00	0.2%	53,784.00	0.2%	0.00	0.0%
IP 8v - Adaptation of workers, enterprises and entrepreneurs to change	948,375.00	0%						
IP 8vi - Active and healthy ageing	23,700,000.00	5%	1,184,272.00	5.0%	1,184,272.00	5.0%	0.00	0.0%
IP 8vii - Modernisation of labour market institutions, such as public and private employment services, and improving the matching of labour market needs, including through actions that enhance transnational labour mobility as well as through mobility schemes and better cooperation between institutions and relevant stakeholders		0%						
Total TO 8 - Promoting sustainable and quality employment and supporting labour mobility	66,697,349.00	15%	4,364,174.58	6.5%	3,322,135.09	5.0%	0.00	0.0%
IP 9i - Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability	133,642,139.00	30%	33,665,161.94	25.2%	33,549,053.64	25.1%	0.00	0.0%
IP 9ii - Socio-economic integration of marginalised communities such as the Roma	4,000,000.00	1%	1,296,150.87	32.4%	1,296,150.86	32.4%	0.00	0.0%
IP 9iii - Combating all forms of discrimination and promoting equal opportunities		0%						
IP 9iv - Enhancing access to affordable, sustainable and high quality services, including health care and social services of general interest		0%						
IP 9v - Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment		0%						
IP 9vi - Community-led local development strategies		0%						
Total TO 9 - Promoting social inclusion, combating poverty and any discrimination	137,642,139.00	31%	34,961,312.81	25.4%	34,845,204.50	25.3%	0.00	0.0%
IP 10i - Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education including formal, non-formal and informal learning pathways for reintegrating into education and training	142,793,903.00	32%	33,009,056.11	23.1%	32,687,006.73	22.9%	0.00	0.0%
IP 10ii - Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups		0%						
IP 10iii - Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences	68,654,471.00	16%	29,108,763.33	42.4%	28,918,363.28	42.1%	0.00	0.0%
IP 10iv - Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes		0%						
Total TO 10 - Investing in education, training and vocational training for skills and lifelong learning	211,448,374.00	48%	62,117,819.44	29.4%	61,605,370.01	29.1%	0.00	0.0%
IP 11i - Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance		0%						
IP 11ii - Capacity building for all stakeholders delivering education, lifelong learning, training and employment and social policies, including through sectoral and territorial pacts to mobilise for reform at the national, regional and local levels		0%						
Total TO 11 - Enhancing institutional capacity of public authorities and stakeholders and efficient public administration		0%						
Total technical Assistance (TA)	26,299,491.00	6%	14,076,904.34	53.5%	14,076,904.33	53.5%	0.00	0.0%
TOTAL	442,087,353.00	100%	115,520,211.17	26.1%	113,849,613.93	25.8%	0.00	0.0%

Source : SFC (Structural Funds Common Database)

