Austria

Tackling child poverty and promoting the social inclusion of children

A Study of National Policies

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Content

Summary........................................................................................................................................... 4

1. Extent and nature of child poverty and wellbeing in Austria................................................... 5
   1.1 Income poverty and deprivation...................................................................................... 5
   1.2 Socio-economic situation of children (members of households with children) in Austria .................................................................................................................. 8
       1.2.1 Income and employment status of families with children .................................. 8
       1.2.2 Health ............................................................................................................. 12
       1.2.3 Education ....................................................................................................... 13
       1.2.4 Housing and safe environment ........................................................................ 13
       1.2.5 Access to childcare and other social services .................................................. 15
       1.2.6 Other aspects of wellbeing ............................................................................. 17

2. Analysis of the policy framework for preventing and alleviating child poverty and social exclusion in Austria ................................................................................................. 18
   2.1 Social policies to prevent child poverty and social exclusion ...................................... 18
   2.2 Social policies to alleviate child poverty and social exclusion .................................... 20
   2.3 Overall assessment of income support measures to combat child poverty and social exclusion ..................................................................................................................... 21

3. Monitoring and reporting on child poverty and social exclusion in Austria ....................... 25

References........................................................................................................................................... 27

Annex.................................................................................................................................................. 31
This paper aims to identify (i) the extent and nature of child poverty and wellbeing in Austria, (ii) the policy framework to prevent or alleviate child poverty in this country, and (iii) the procedures available to monitor and report on children’s wellbeing. Section 1 includes data on child poverty and wellbeing in Austria, including information on deprivation, education, health or childcare. Section 2 continues with an analysis of the policy framework prevalent in Austria to combat child poverty and social exclusion. Section 3 focuses on the availability of monitoring devices and reporting on child poverty and social exclusion in this country. First however, is a short summary containing the main findings and recommendations of this report.

Summary

In Austria, 15% of children below the age of 15 are at risk of poverty. The rates are considerably higher for children living in lone-parent families, in families with three or more children and in migrant families. While poverty and deprivation have multi-dimensional causes (and effects), paid (full-time) employment of both parents is maybe the most effective shield against income poverty within the conservative Austrian welfare state. This also explains the disadvantaged situation of lone parents in Austria. Despite a relatively high proportion of full-time employed lone parents, social transfers in combination with private transfers (above all alimony payments) do not suffice to push 27% of members of lone-parent families above the poverty threshold. This makes a case for a social transfer that guarantees a basic income at the level of the poverty threshold. While social assistance transfers in Austria are far below this threshold, the current government plans to substitute social assistance through a higher means-tested transfer, i.e. *Grundsicherung*. While this transfer has not yet been implemented, it might reduce the at-risk-of-poverty rates of children — if it is set at a level that shifts households with children above the poverty line.

In dual-parent families as well, existing monetary transfers (such as universal childcare allowance or family allowance) cover the additional costs of having a child, while they do not make up for the loss of employment income, if one parent decides to exit the labour market. Consequently, at-risk-of-poverty rates double or even triple in households with children, if mothers are not employed. Therefore, no employment or only partial employment of adult household members increases the poverty risk of children living within this household. Several aspects hamper full-time employment of mothers. They include conservative attitudes towards out-of-house childcare (especially for children below the age of three), a lack of childcare facilities and of good-quality childcare, which — due to insufficient opening hours — hampers full-time employment of mothers. This in turn aggravates employment careers of mothers (and potential mothers-to-be). Consequently, policies that encourage mothers to remain or reintegrate fully into the labour market are recommended to reduce child poverty. This requires a full coverage of high-quality childcare that will allow full-time employment of mothers and fathers throughout Austria.

Of all children at risk of poverty, 31% lived in households with at least one migrant household member. This underlines the high poverty risks of migrants in Austria, a risk that they share with migrants who already have obtained Austrian citizenship. There are a variety of recommendations to improve the living conditions of migrants in Austria, which cannot be dealt with in this report. A particular problem for young migrants is, however, that they are affected disproportionately by the problem of early school-leaving. Measures therefore need to be set to allow more migrants to reach higher education, which usually goes along with a higher future employment income. Measures proposed by the government

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1 The assistance of Marina Einböck in collecting information for this report is gratefully acknowledged. I am of course fully responsible for all errors and interpretation of the data.
include German language tutorials for children who do not have a sufficient command of the German language, which are strongly supported. Additionally, incentives have to be set to enable migrant children to enter higher education. Currently, having to make a very early choice between two types of school, Hauptschule and Gymnasium and a low probability for pupils from Hauptschule to transit into higher education prevents many migrants, as well as children from low-income families more generally, to get into tertiary education. Proposals to shift the choice between different types of school from 10 to 14 years old are therefore supported. Moreover, measures, e.g. better quality of education, have to be set to enhance transition rates of pupils attending Hauptschule to enter higher education.

1. Extent and nature of child poverty and wellbeing in Austria

This section aims to give an independent overview of the situation in relation to child poverty and social inclusion in Austria. Section 1.1. includes information on income poverty and deprivation, and section 1.2. then identifies further aspects on the wellbeing of children in this country.

1.1. Income poverty and deprivation

According to the most recent data published in the Eurostat database (2007b), 12% of the Austrian population were at risk of poverty in 2005. Only Sweden (9%), the Czech Republic (10%) and the Netherlands (11%) had lower rates in 2005. Being ‘at risk of poverty’ implies that disposable incomes of household members were below the poverty threshold, which for a single-person household amounted to EUR 10,562 in purchasing power standards (PPS) in 2005 (Eurostat, 2007b). Compared with other EU Member States, only Luxembourg had a higher poverty threshold than Austria. This suggests a comparatively high level of wealth (expressed as disposable income) and/or a comparatively equal distribution of disposable income across the country. Indeed, the Gini coefficient in this country amounted to 26 in 2005, which compares to an average of 30 for the first 15 EU Member States (Eurostat, 2007b). As regards gender differences, the at-risk-of-poverty rate of females in Austria (13%) was higher in 2005 than the male rate (11%), suggesting that poverty remains to a larger proportion ‘female’ rather than ‘male’ (Heitzmann, 2004). In terms of regional differences, data for 2005 suggest that Vienna had a slightly above average at-risk-of-poverty rate (13%). Out of the population living in areas with more than 10,000 and less than 100,000 inhabitants, 15% were threatened by poverty, while people living in smaller areas (with less than 10,000 inhabitants) had an average risk amounting to 12% (Statistik Austria, 2007: 131). This nevertheless implies that there are urban-rural differences across the country.

The at-risk-of-poverty rate for children aged between 0 and 15 amounted to 15% both in 2004 and 2005 (Eurostat, 2007b). This is a higher proportion than compared to the population on average (13 and 12%). In 2005, 27% of all people at risk of poverty in Austria were less than 20 years old, i.e. 140,000 boys and 130,000 girls (Statistik Austria, 2007: 55). Moreover, all members of households with at least one child below the age of seven years had an above average at-risk-of-poverty rate amounting to 15% (data for 2004). Being a child or living with young children in a household thus bears a poverty risk. However, data for 2004 and 2005 suggest that the poverty risk differs by household type (see Table 1).
Table 1
At-risk-of-poverty rates of selected household types, Austria 2004 and 2005

<table>
<thead>
<tr>
<th>Household types</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households without children</td>
<td>13</td>
<td>12</td>
</tr>
<tr>
<td>Households with children</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>2 adults + 1 child</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>2 adults + 2 children</td>
<td>9</td>
<td>11</td>
</tr>
<tr>
<td>2 adults + 3 or more children</td>
<td>22</td>
<td>20</td>
</tr>
<tr>
<td>Single-parent household, at least 1 child</td>
<td>25</td>
<td>27</td>
</tr>
</tbody>
</table>


Notes: The concept of ‘child’ adopted for these Laeken indicators includes people aged below the age of 16. Further, persons below the age of 24, who live with at least one parent and are neither in paid employment, nor unemployed, nor seeking employment are defined as ‘children’ (Statistik Austria, 2006a: 89).

Two family forms are particularly likely to have over-equivalised household incomes below the poverty threshold in Austria, i.e. single parents (27 % in 2005) and families with three or more children (20 % in 2005). According to the European Union Statistics on Income and Living Conditions (EU-SILC) data published by the Austrian Statistical Office, 37 % of all at-risk-of-poverty children 2 lived in households with three or more children in 2005, 17 % in lone-parent households. Even though children in households with only one child or two children obtained over below average at-risk-of-poverty rates, they made up 16 and 30 % of all at-risk-of-poverty children (Statistik Austria, 2007: 55). Moreover, 31 % of all poor children lived in households with at least one migrant household member 3 (including households of former migrants who have obtained the Austrian citizenship since). Overall, only 12 % of all individuals in Austria lived in private households with at least one migrant or one former migrant household member (Statistik Austria, 2007: 154). Information from European coordinated household panel (ECHP) assessments for the period from 1995 to 2000 suggest that lone-parent families, families with three or more children and migrant families obtained higher poverty risks than the population on average also in the second half of the 1990s (e.g. Förster and Heitzmann, 2002). Thus, the economic situation of these family types has not changed much within the last decade.

In addition to variations in terms of household composition, at-risk-of-poverty rates of children also vary across the country. While the average rate of child poverty in Austria amounted to 15 %, it reached 17 % for children living in Vienna, and 21 % for children living in areas with between 10 000 and 100 000 inhabitants. However, the majority of poor children (54 %) live in rural areas (with less than 10 000 inhabitants), even though their 13 % at-risk-of-poverty rate was below the average rate of children in Austria (Statistik Austria, 2007: 55).

In addition to low income, further disadvantages may trigger processes towards social exclusion (Berghman, 1995). The Austrian Statistical Office distinguishes between five different forms of disadvantage (Statistik Austria, 2006a: 87). A primary disadvantage occurs if a household cannot afford at least three of the following six items: (i) holidays once a year; (ii) to keep the flat warm; (iii) to buy clothes if needed; (iv) to eat fish, meat or an equivalent vegetarian dish every second day; (v) to pay for unexpected expenditure; (vi) to pay back debts. A secondary disadvantage refers to a lack of durable

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2 The Austrian Statistical Office defines children somewhat differently than Eurostat. It includes persons between 16 and 27, as long as they live in a household with at least one parent and as long as they are not employed (Statistik Austria, 2006a: 89).

3 Migrants are defined as people with a citizenship other than from a first 15 EU Member State or an EFTA country (Statistik Austria, 2006a: 88).
goods, which occurs if a household is not able to afford at least three of the following goods: (i) a personal computer; (ii) a mobile phone; (iii) internet access; (iv) a DVD-player; (v) a dishwasher; (vi) a car. A disadvantage in terms of one’s health status occurs if two of the following three indicators apply: (i) a very bad health status; (ii) being severely hampered in daily activities during the past half year because of a disability; (iii) having a chronic disease. Deprivation in terms of housing occurs if a household has at least two of the following problems: (i) no bathroom or toilet in the flat; (ii) mouldy or moist rooms; (iii) dark rooms; (iv) no washing machine. Finally, deprivation in terms of housing environment occurs if at least two of the following three aspects apply: (i) noisy environment; (ii) air or water pollution through traffic or industry; (iii) crime, violence or vandalism. If both income below the at-risk-of-poverty threshold and deprivation in at least one of the five areas described above occurs, a person is defined as ‘manifest poor’. Individuals who are not deprived but at risk of poverty, are defined as ‘income poor’. In Austria, roughly 58 % (or 579 000 persons) of the population at risk of poverty have been income poor but not manifest poor in 2005. However, 42 % (or 422 000 persons) are both income poor and deprived. Out of the manifest poor in Austria, 96 000 were below the age of 20 (Statistik Austria, 2007: 135). Available data on selected household types suggest that single-parent families as well as families with three or more children are particularly affected by both low income and deprivation (see Table 2).

Table 2
Income poverty and manifest poverty, Austria 2005

<table>
<thead>
<tr>
<th>Household types</th>
<th>Income poverty</th>
<th>Manifest poverty</th>
<th>Population total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members of households with children*</td>
<td>8</td>
<td>5</td>
<td>100 %</td>
</tr>
<tr>
<td>MAH + 1 child*</td>
<td>5</td>
<td>4</td>
<td>35 %</td>
</tr>
<tr>
<td>MAH + 2 children*</td>
<td>7</td>
<td>3</td>
<td>39 %</td>
</tr>
<tr>
<td>MAH + 3 or more children*</td>
<td>14</td>
<td>7</td>
<td>19 %</td>
</tr>
<tr>
<td>Single-parent household, at least 1 child*</td>
<td>14</td>
<td>13</td>
<td>7 %</td>
</tr>
</tbody>
</table>

Notes: MAH = multi-adult household; *excludes households in which pension income is the main income source; ‘children’ defined according to the definition of the Austrian Statistical Office (see footnote 2).

Does the disadvantaged situation of lone-parent families and families with three or more children reflect how satisfied they are with their life? According to EU-SILC data, the mean value of satisfaction with life for the total population amounted to 5.14 in 2005. The mean value for adult members of families with children was 5.2. Adult members of single-parent families had a mean value of 4.9, which suggests a slightly higher extent of dissatisfaction. Members of households with three or more children did, however, achieve a mean value of 5.3 (Statistik Austria, 2007: 137). They are on average more satisfied with their life compared to lone parents. Young men aged between 16 and 19 years achieved a mean value of 5.2 (all males: 5.1). Young females in this age range achieved a value of 5.3 (all females: 5.1). This suggests that satisfaction with life for people in this age group is more favourable than compared to the rest of the adult population in this country. The HBSC survey of the World Health Organization (WHO) from 2001 suggests that satisfaction with life is also quite high regarding younger children (Dür and Mravlag, 2002: 16ff). However, on a scale from 0 (very low satisfaction) to 10 (very high satisfaction), 2 % of boys and 3 % girls aged 11 noted a particularly high degree of dissatisfaction with

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4 The maximum value of satisfaction achievable is 6, and the lowest 1.
5 HBSC: Health Behaviour in School-Aged Children.
life (value 0 to 4). This proportion rises with age (13 years: 3 % boys and 6 % girls; 15 years: 5 % boys and 8 % girls), which may be explained by puberty.

In terms of how children view poverty, not much information is available for Austria. However, a recent survey conducted by two non-profit organisations engaged with childcare and the organisation of leisure activities for children (Katholische Jungschar Österreichs and Österreichische Kinderfreunde) includes information on this issue. More than 17 000 children aged two and over were asked what they believed should be improved for them (BMSGK, 2004). The result was that 5 % demanded progress in terms of poverty (BMSGK, 2004: 35), with the majority of these children requiring ‘food for all’ (Essen für alle).

The most recent EU-SILC results published by the Austrian Statistical Office contain for the first time some information on the intergenerational transmission of poverty for the year 2005. These data were collected by asking a representative sample of people between 25 and 65 years old about their life situation at the age of 14, especially concerning the following topics: the financial situation in the parental household, the educational level and employment status of the parents (Statistik Austria, 2007: 61ff). The available data confirm correlations between the educational level and self-assessed financial situation of the parents and the income situation and poverty risks of their children. It appears that the financial situation during their childhood had a stronger effect on the poverty risk of the younger generation (25 to 45 year olds) than on the older generation (46 to 65 year olds). The opposite is true for the educational level of the parents, which tended to affect the poverty risks of the older generation. Neither the employment status of the parents nor the household composition had a similar influence on the future poverty risks of children as compared to the financial situation or the educational level of the parents. While these are the first results of EU-SILC data on the intergenerational transmission of poverty, much more information, such as multivariate analysis, is needed to better understand the correlation between social origins and poverty risks (Statistik Austria, 2007: 64).

1.2. Socioeconomic situation of children (members of households with children) in Austria

At-risk-of-poverty, including both of its components, income poverty and manifest poverty, is caused by a variety of different factors that reflect the multi-dimensionality of processes towards impoverishment and social exclusion. In what follows, we will sketch a broader picture of the socioeconomic situation of children and families with children in Austria. This will allow both potential causes as well as outcomes of disadvantaged situations to be identified.

1.2.1. Income and employment status of families with children

The probability of experiencing at-risk-of-poverty largely depends on the chances of household members to acquire income, and indeed employment income (Statistik Austria, 2007: 132). If employment income constitutes the main income source within a household, the at-risk-of-poverty rate in Austria amounted to a below average value of 7 % in 2005 (self-employed income: 14 %). In households in which social transfers made up the largest proportion of household income, the at-risk-of-poverty rate amounted to 46 %. Information on the employment intensity of households (Statistik

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6 A household’s employment intensity is calculated on the basis of the annual employment potential within a household. Only households with at least one member of working age (20-64 years old) are considered. Part-time employment is registered as half employment (0.5). If more than 75 % of all potential (full-time) employment months within the household have been spent in employment, the household has full employment intensity. If there has not been any (full-time or part-time) employment within the household, employment intensity is zero. Employment intensity between 0 and 75 % is called ‘partial employment intensity’. 
Austria, 2007: 39) supports the relevance of paid employment as a safeguard against income poverty and deprivation. Available data suggest that members of households with no (28 %) or only partial employment intensity (17 %) had a considerably higher at-risk-of-poverty rate in 2005 than members of households with full employment intensity (4 %). However, employment intensity varies with household type (see Table 3). There was no employment in 22 % of all lone-parent households in 2005, which helps explaining their high at-risk-of-poverty rate in Austria. The majority of households with three or more children (60 %) had only partial employment intensity, which helps explaining their high at-risk-of-poverty rate.

### Table 3

**Employment intensity in households, Austria 2005**

<table>
<thead>
<tr>
<th></th>
<th>No employment</th>
<th>Partial employment</th>
<th>Full employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members of HH with children*</td>
<td>3</td>
<td>49</td>
<td>48</td>
</tr>
<tr>
<td>MAH + 1 child*</td>
<td>2</td>
<td>41</td>
<td>56</td>
</tr>
<tr>
<td>MAH + 2 children*</td>
<td>1</td>
<td>53</td>
<td>46</td>
</tr>
<tr>
<td>MAH + 3 or more children*</td>
<td>2</td>
<td>60</td>
<td>38</td>
</tr>
<tr>
<td>Single-parent household, at least 1 child*</td>
<td>22</td>
<td>40</td>
<td>38</td>
</tr>
</tbody>
</table>

Source: Statistik Austria (2007: 149).

Notes: HH = households; MAH = multi-adult household; *excludes households in which pension income is the main income source; *children’ defined according to the definition of the Austrian Statistical Office (see footnote 2).

In addition to household types, employment intensity also varies with the age of the youngest child and the utilisation of childcare facilities. In 2004, full employment intensity was achieved by 38 % of members of those households in which the youngest child was not yet seven years old. This rate compares to 59 % for those households in which the youngest child was at least seven years old (Statistik Austria, 2006a: 44). Moreover, 46 % of of household members in which the youngest child has not been in childcare, obtained full employment intensity in 2005. This compares to 57 % for those households in which the youngest child was in childcare (Statistik Austria, 2007: 149).

The employment intensity within a household thus influences the poverty risk of children. Two thirds of all children aged between 19 years and under lived in households with partial employment intensity, 14 % in households with no employment intensity, and 19 % in households with full employment intensity. While the at-risk-of-poverty rate of children amounts to 15 % in Austria, it decreases to 6 % for children who live in a household with full employment intensity. The at-risk-of-poverty rate of children increases to 22 %, if there is only partial employment intensity, and to 59 % (!), if there is no employment. This also explains the high at-risk-of-poverty rates of children in households with at least one long-term unemployed, which amounted to 52 % in 2005 (Statistik Austria, 2007: 56).

In 2004, the employment rate of men aged between 20 and 64 years is in households with children — with the exception of single fathers — above the employment rate of men on average (81 %) in Austria (Statistik Austria, 2006a: 42). The employment rate of females in this age group is with 64 % much lower than the male rate (Statistik Austria, 2007: 39). While women in multi-adult households with one child (63 %) and in single-mother households (65 %) have a slightly higher employment rate, this does not apply to females in multi-adult households with two children (57 %) or with three or more children (44 %). The poverty risk of households with children is largely determined by whether mothers are in paid employment or not (see Table 4). The available data suggest that the at-risk-of-poverty rate doubles (in multi-adult households with three children and in single-parent households) and even triples (in multi-adult households with one child or two children), if mothers are not in paid employment. This
once more impressively underlines the importance of employment of both fathers and mothers as a protective shield against income poverty and manifest poverty in Austria.

Table 4
Employment of women and at-risk-of-poverty in households with children, Austria 2005

<table>
<thead>
<tr>
<th>Household types</th>
<th>At-risk-of-poverty rate if woman in employment</th>
<th>At-risk-of-poverty rate if woman not in employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAH + 1 child*</td>
<td>5</td>
<td>18</td>
</tr>
<tr>
<td>MAH + 2 children*</td>
<td>6</td>
<td>18</td>
</tr>
<tr>
<td>MAH + 3 or more children*</td>
<td>13</td>
<td>27</td>
</tr>
<tr>
<td>Single-parent household, at least 1 child*</td>
<td>21</td>
<td>45</td>
</tr>
</tbody>
</table>

Source: Statistik Austria (2007: 40).
Notes: MAH = multi-adult household; *excludes households in which pension income is the main income source; ‘children’ defined according to the definition of the Austrian Statistical Office (see footnote 2).

The more children in the household, the more likely are mothers in working age (i.e. 20 to 64 years) either to be out of employment or part-time employed (< 35 hours a week). While 55 % of all employed women in multi-adult households with one child reported being employed full-time in 2005, this only applied to 42 % in multi-adult households with two children and 41 % in households with three or more children. Thus, within these households, the majority of women are working part-time — if they are employed. A recent survey commissioned by the Austrian Chamber of Labour examined whether part-time employees are voluntarily working short hours (Kaupa et al., 2006: 2). Data suggest that for 34 % (or 255 000) of all part-timers, this type of employment is either unwanted or perceived as a temporary solution. If childcare allowed them to (see also Section 1.2.5.), 13 % of the part-timers (i.e. 97 600) said that they would extend their working hours.

Unemployment hits children or young people in Austria in a dual way. First, young adults have an over proportionally high unemployment rate themselves. In 2006, youth unemployment (15 and 24 years) in Austria amounted to 9.2 %, which compares to 17.3 % in the first 25 EU Member States (Eurostat, 2007b). This is almost twice as high as the average unemployment rate in Austria, which amounted to 4.8 % as compared to 7.9 % in the first 25 EU Member States. While Austria thus compares favourably with other EU Member States, the trend in youth unemployment is disturbing. The rate increased between 2000 and 2005 from 5.3 to 10.3 %, and thus almost doubled in only six years. However, similar to the overall trend in the labour market, youth unemployment has decreased from 2005 to 2006 by 1.1 percentage points (in the first 25 EU Member States: 1.2 percentage points). There are considerable gender differences with regard to youth unemployment, with a higher risk for young men (unemployment rate: 9.4 %) than women (5.2 %) in Austria in 2006.

In addition to their own unemployment, the unemployment of their parents may compromise the wellbeing of children and young people. This is mainly because transfers from unemployment insurance do not fully substitute employment income (Kammer für Arbeiter und Angestellte, 2006b: 125ff). Unemployment benefit (Arbeitslosengeld), including family supplements, must not exceed 80 % of the previous net wage. Unemployment assistance (Notstandshilfe), which is a means-tested transfer granted after unemployment benefit has expired, must not exceed 95 % of unemployment benefit. As there are no minimum levels of unemployment benefit or unemployment assistance, social transfers tend to be low. In 2005, the daily mean transfer amounted to EUR 24.1 (unemployment benefit) and EUR 18.7 (unemployment assistance). Due to their lower employment income, female transfers were considerably lower than men’s transfers: on average by EUR 5 per day (Arbeitsmarktservice Österreich, 2006: 34). Due to the low transfers in regard to unemployment insurance, means-tested social
assistance, which is a transfer granted by the nine federal provinces of Austria rather than the State, often has to supplement unemployment transfers (Pratscher, 2006: 1144). It is nevertheless the missing minimum level of unemployment transfers which explains the high correlation between unemployment and at-risk-of-poverty: 14% of all adults who experienced unemployment were at risk of poverty in the same year. If they were unemployed for at least six months, the at-risk-of-poverty rate achieved a value of 43%, if unemployment lasted longer than one year, the rate amounted to 51% (Statistik Austria, 2007: 132).

The information presented so far has included data on the income and employment situation for specific population groups. However, not much information on the distribution of income within households is available in Austria, which nevertheless leads to the assumption that female poverty might indeed be underestimated (e.g. Millar and Glendinning, 1989). However, what about children: how much of household income is at their disposal? One answer to this question refers to the amount of pocket money they receive. A recent survey found that 10% of boys and girls aged between 14 and 19 years who received pocket money in 2003 got less than EUR 25 per month. About 20% of all girls in this age cohort, but a third of all boys noted that they received between EUR 25 and EUR 50 per month (BMSGK, 2003: 138ff).

Figure 1.0 The material well-being of children, an OECD overview

Three components were selected to represent children’s material well-being (see box below). Figure 1.0 averages each country’s score over the three components and is scaled to show each country’s distance above or below the average (set at 100) for the 21 countries featured.

Note: Each country has been placed on a scale determined by the average score for the group as a whole. The unit used is the standard deviation (the average deviation from the average). To ease interpretation, the results are presented on a scale with a mean of 100 and a standard deviation of 10.

Figure 1.0 compares the material wellbeing of children across several countries. Three components have been utilised for this calculation: (i) relative income poverty (the percentage of children living in homes with equivalent incomes below 50% of the national median); (ii) households without jobs (the percentage of children in families without an employed adult); (iii) reported deprivation (the percentage of children reporting low family affluence, the percentage of children reporting few educational resources, and the percentage of children reporting fewer than 10 books in the home). In comparison with 24 countries, Austria ranks eighth, positioned behind the Scandinavian countries, Switzerland, Canada and Belgium, but ahead of other conservative welfare States such as France, the Netherlands or Germany, as well as liberal welfare States such as the United States, the United Kingdom or Ireland.

1.2.2. Health

Health status is an important indicator of wellbeing or deprivation (see above). Information on selected variables (e.g. infant mortality, child malnutrition, birth weight rate, etc.) suggest that the health status of children in Austria is very good when compared internationally (e.g. World Bank, 2006). However, there is evidence for a close correlation between scarce resources and health behaviour, health outcome as well as utilisation of health care, which has also been shown for Austria (Pochobradsky and Habl, 1999; Pochobradsky et al., 2002).

According to information from the EU-SILC dataset, 95% of males and females aged between 16 and 19 noted that they perceived their health status as good or very good in Austria in 2005 (Statistik Austria, 2007: 125). This compares to an average rate of 80% for the total male and female population. Considering all members (aged 16 years or older) in households with children, 86% declared to have good or very good health — with hardly any variation between different household types. In a recent WHO survey, only 52% of boys aged 11 years noted that their health status was excellent. This rate decreased to 42% for boys aged 13 and to 41% for boys aged 15. Girls are considerably less satisfied with their health. Only 36% of girls aged 11 considered their health status as excellent. This proportion shrinks to 28% for those aged 13, and further to 23% for girls aged 15 (Dür and Mravlag, 2002: 14). Between a quarter and a third of girls and boys aged between 11 and 15, noted that they regularly had headaches, were moody, nervous, or had difficulties sleeping. Moreover, 10% of children aged 11, 13 or 15 were overweight, and 2% obese (Dür and Mravlag, 2002: 18f). One out of four girls aged 15, and one out of five boys in this age group noted that they smoked daily. Moreover, 16% of girls aged 15 and 20% of boys in this age group reported that they had already been drunk at least four times (Dür and Mravlag, 2002: 24ff). Haas et al. (2006: 63) suggest that illegal drug consumption of children below the age of 15 is not a big problem in Austria. In 2005, however, 14.7% (or 28 people) who died from a drug-related death were below the age of 19.

In terms of health behaviour, available data suggest correlations with the social background in terms of nutritional behaviour, smoking and drinking habits as well as dental hygiene (Pochobradsky et al., 2002: 32ff). This nevertheless results in less favourable health outcomes, such as dental diseases (Pochobradsky et al., 2002: 37f), which have, for example, been detected to a higher proportion among pupils of the Hauptschule than of the Gymnasium (see Section 1.2.3. below on the social backgrounds of these pupils). Access to Austrian health care is almost universal — given that 98% of the Austrian population are covered by social health insurance. Despite equal access, there are differences concerning the utilisation of health services by social groups. For example, preventive measures covered by health insurance are rather consumed by higher income groups than lower income groups. Utilisation of migrants has been particularly low (Pochobradsky et al., 2002: 61f). Pochobradsky et al. (2002: 63ff) include a variety of suggestions to improve utilisation of health services by poor population groups. These include the need for a lower level access to specific services (including more outpatient services) or the necessity to improve health behaviour especially of low-income groups.
1.2.3. Education

In terms of education, school in Austria is compulsory for nine years, and the school entrance age is at six years old. After four years of primary school (Volksschule) pupils have to decide at the age of 10, which type of secondary school they want to attend. There is a choice between Hauptschule and Gymnasium. The latter form of secondary education is only available for pupils with a very good school record during the last year of primary school. Available evidence suggests that both primary school teachers and parents primarily make the choice for either of these types of secondary school. The decision of the latter largely depends on their own school history (Schmid, 2003: 23). It has been shown that the probability of children completing secondary education with Matura (i.e. a general qualification for university entrance) is significantly lower for children attending Hauptschule than those attending a Gymnasium, which suggests that the transition from Hauptschule towards higher secondary or even tertiary education is severely hampered. Moreover, the probability of children qualifying for tertiary education is largely determined by the highest educational level attained by their parents. The lower the educational level of the parents, the less likely their children are to complete secondary school with Matura and enter tertiary education. As there is a strong correlation between at risk of poverty and the educational level achieved, the early choice between Hauptschule and Gymnasium thus determines future life chances. Given the strong correlation between the educational attainment of the parents and their children, the issue of an inter-generational transmission of poverty risks or wellbeing is particularly relevant concerning educational careers in Austria. For example, a recent Organisation for Economic Cooperation and Development (OECD) study on educational disadvantages has shown that children of mothers who have not completed upper secondary education, have a 1.7 times higher probability of low reading achievements compared to children whose mothers have finished upper secondary education. In contrast, children of mothers who have not completed upper secondary education in Ireland, Poland or Finland only have a 1.4 times higher probability of achieving poor results (Unicef, 2002: 21).

Data from the labour force survey suggest that the proportion of early school-leavers in Austria decreased between 2000 and 2005 (Republic of Austria, 2007: 3). At the beginning of this period, 10.2 % of young people aged between 18 and 24 had at most a lower secondary education and have not been in further education or training. Six years later, this proportion decreased to 9 %. The decrease has been even more pronounced for young girls (dropping from 10.7 in 2000 to 8.5 % in 2005) than boys (9.6 to 9.4 %). Both rates for Austria are below the average for the first 25 EU Member States, though. There, the total rate of early school-leavers in 2005 amounted to 15.2 % (male rate: 17.3 %; female rate: 13.1 %). Data for 2006 suggest that the proportion of early school-leavers has increased again to 9.6 % (Eurostat, 2007b). The remaining challenges in particular concern young migrants, whose percentage of ‘early school-leavers’ (25 %) is higher than that of Austrian nationals (7 %).

1.2.4. Housing and safe environment

Housing and housing environments have been defined as important indicators of deprivation in Austria (see above). It appears that there is a correlation between at-risk-of-poverty rates and the type of tenure (Statistik Austria, 2006a: 32). Persons living in owner-occupied houses in 2004 (9 %) or flats (11 %) have lower at-risk-of-poverty rates than persons who rent (20 %) or live in community houses (21 %). Community housing (Gemeindewohnungen) is a form of social housing which is particularly relevant in Vienna. In this federal province, the supply of community housing apartments (220 000) is much larger than compared to other cities, such as Graz (10 500), Linz (4 500) or Innsbruck (13 000). The community has the right to distribute these apartments according to various criteria. In Vienna, for

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7 At-risk-of-poverty rates for people with an educational attainment below upper secondary education amounted to 20 % in Austria in 2005; the rate for people with a completed tertiary educational level is 7 % (Statistik Austria, 2007: 131).
example, there is an income ceiling for people or households, which apply for community housing. Moreover, the applicant must have lived in Vienna for at least two years. Despite the large number of community houses in Vienna, there is a long waiting list. It takes about four years before an applicant gets an apartment. Household income is also a relevant factor to qualify for apartments of cooperative housing (Genossenschaftswohnungen). Even though the rent in cooperative housing tends to be lower than in the free market, a non-recurring membership contribution to the cooperation, which depends on the market value of the apartment, makes it difficult for many low-income families to afford cooperative housing. Therefore, they often rely on apartments offered on the market (with usually higher rents than compared to community and cooperative housing). This particularly applies to migrant families, to which access to community and cooperative housing is still restricted. A study from the mid-1990s confirms disadvantages for migrants both in terms of access to social housing and — not least as a result — in terms of housing costs (Czasny et al., 1996). Moreover, recent data suggests that population dynamics and migration lead to an additional demand for 10,000 additional apartments per year, which can only partly be met by existing apartments. Cerny and Weingärtler (2007) therefore suggest increasing the supply by 55,000 new apartments per year within the next 5 to 10 years.

Table 5, including data for 2005, suggests that multi-adult households with three or more children are particularly disadvantaged in terms of housing problems, e.g. shortage of space, moist rooms, while lone parents are particularly disadvantaged in terms of the housing environment, e.g. crime or vandalism. For example, 18% of multi-adult households with at least three children noted a shortage of space, while 24% of lone parents complained about a noisy housing environment in 2005. While the majority of the former (59%) lived in owner-occupied houses (Statistik Austria, 2007: 118), 14% of the latter lived in community houses (which compares to 6% for the total population). More problems in terms of housing and housing environment are also reported for migrants in Austria, compared to Austrian citizens (Statistik Austria, 2007: 120).

<table>
<thead>
<tr>
<th>No bathroom/toilet</th>
<th>Mouldy/moist rooms</th>
<th>Dark rooms</th>
<th>Shortage of space</th>
<th>Noisy environment</th>
<th>Air/water pollution</th>
<th>Crime/vandalism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>2</td>
<td>10</td>
<td>7</td>
<td>6</td>
<td>21</td>
<td>9</td>
</tr>
<tr>
<td>HH with children*</td>
<td>1</td>
<td>11</td>
<td>7</td>
<td>10</td>
<td>18</td>
<td>8</td>
</tr>
<tr>
<td>MAH + 1 child*</td>
<td>(1)</td>
<td>9</td>
<td>7</td>
<td>10</td>
<td>18</td>
<td>7</td>
</tr>
<tr>
<td>MAH + 2 children*</td>
<td>(0)</td>
<td>11</td>
<td>6</td>
<td>7</td>
<td>18</td>
<td>8</td>
</tr>
<tr>
<td>MAH + 3 and more children*</td>
<td>(0)</td>
<td>13</td>
<td>5</td>
<td>18</td>
<td>15</td>
<td>9</td>
</tr>
<tr>
<td>Lone-parent HH *</td>
<td>(0)</td>
<td>15</td>
<td>11</td>
<td>6</td>
<td>24</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: Statistik Austria (2007: 120).
Notes: HH = household; MAH = multi-adult household; *excludes households in which pension income is the main income source; ‘children’ are defined according to the definition of the Austrian Statistical Office (see footnote 1); figures in brackets: n < 20.
1.2.5. Access to childcare and other social services

Austria is among those EU Member States that devote a higher proportion of social protection expenditures towards families and children (10.7 % of all social protection expenditure in 2004) than the first 25 EU Member States (7.8 %) on average (Eurostat, 2007b). However, the majority of these expenditures, 83 %, are cash transfers rather than in-kind transfers (Eurostat, 2007a: 285). One consequence of this strong monetary focus of social protection transfers is that there is still a lack of institutionalised social and care services in Austria, including childcare facilities. Estimates on the size of this gap vary. In its National Report on Strategies for Social Protection and Social Inclusion, the Republic of Austria notes that — Vienna excluded — 18 000 more places are needed (Republic of Austria, 2007: 11). Based on information on childcare facilities collected by the Austrian Statistical Office (Statistik Austria, 2006b), the Austrian Chamber of Labour suggests a much higher lack of up to 86 000 places (Kammer für Arbeiter und Angestellte, 2006a: 2f). They argue that 48 000 childcare places are missing to achieve the Barcelona objectives, which, among others, demand a childcare ratio of 33 % for children in the age groups between three and under. Another 40 000 existing childcare places are regarded as insufficient, especially in terms of their opening hours. The European Centre for Social Welfare Policy and Research has calculated that the gap in childcare places would be much higher if ‘best-practice countries’ such as France or Sweden are taken as a reference. Compared with the coverage rates in Sweden, more than 650 000 places for children aged between 14 and under are missing in Austria — which currently offers a total of to 350 000 places for children in this age group (Fuchs, 2006).

Both the availability of childcare as well as the utilisation of childcare differs across the country and with regard to the age of the child. In terms of regional differences, Table 6 suggests that variations in terms of coverage between federal provinces are considerable for children aged between three and under, and for those aged between 7 and 10.

Table 6
Children in institutionalised childcare, Austria 2005

<table>
<thead>
<tr>
<th>Age Group</th>
<th>B</th>
<th>K</th>
<th>NÖ</th>
<th>OÖ</th>
<th>S</th>
<th>St</th>
<th>T</th>
<th>V</th>
<th>W</th>
<th>Austria</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3 years</td>
<td>34</td>
<td>20</td>
<td>26</td>
<td>19</td>
<td>22</td>
<td>17</td>
<td>23</td>
<td>17</td>
<td>35</td>
<td>25</td>
</tr>
<tr>
<td>4-6 years</td>
<td>67</td>
<td>61</td>
<td>66</td>
<td>66</td>
<td>64</td>
<td>62</td>
<td>64</td>
<td>67</td>
<td>66</td>
<td>65</td>
</tr>
<tr>
<td>7-10 years</td>
<td>4</td>
<td>11</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>6</td>
<td>4</td>
<td>7</td>
<td>21</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: Statistik Austria (2006b: 70); Notes: B = Burgenland; K = Carinthia; NÖ = Lower Austria; OÖ = Upper Austria; S = Salzburg; St = Styria; T = the Tyrol; V = Vorarlberg; W = Vienna

Recent data from the EU-SILC suggests that in 2005, 27 % of all children between three years and under have been in childcare, including non-institutionalised forms such as day mothers (Tagesmütter). This also applies to 72 % of children between four and six years, 17 % of children between 7 and 10 years, and 8 % of children between 11 and 15 years. In terms of families particularly at risk of poverty, children of lone parents are more likely to be in childcare, when they are aged between three and under (40 %), 7 to 10 (39 %) and 11 to 15 years (14 %) than children of other family types (Statistik Austria, 2007: 140). Moreover, data from the EU-SILC suggests correlations between the income situation and the utilisation of childcare (Statistik Austria, 2007: 58). Childcare was utilised for 75 % of non-poor children between four and six years, which compares to only 57 % for children who were at risk of poverty. The differences are less pronounced with regard to other age groups.
Based on recent data of the Austrian Statistical Office on institutionalised childcare, such as kindergartens or crèches (Statistik Austria, 2006b), the Austrian Chamber of Labour has constructed a family-work-reconciliation-factor [VIF]. Based on information on opening hours (at least 40 hours a week; at least eight hours per day; up until 5.00 p.m. for at least four days a week), and the availability of lunches, this indicator stipulates whether existing childcare facilities allow — at least in principle — both parents to take on full-time work. The results suggest that in 2005 not even half of the childcare places available in Austria for children aged between nine years and under allowed both parents full-time employment (Kammer für Arbeiter und Angestellte, 2006a: 5). Once more, there are large variations across the country, with Vienna scoring very favourably, and the Tyrol, Vorarlberg and Lower Austria scoring particularly low. A further variation across the nine federal provinces refers to the level of expenses for institutionalised childcare. While some provinces provide public childcare for children aged between three and six for free (among them Lower Austria, however only for the time between 7.00 a.m. and 1.00 p.m.), other provinces ask parents for a contribution to childcare costs, e.g. Vienna. Often, the levels of these contributions depend on the income situation of the family. In several federal provinces, costs for institutionalised childcare are set by the operators of the childcare institutions — with different costs across the federal provinces 9. Despite these differences, institutionalised childcare is also affordable for low-income groups — given that contributions to public childcare in Austria are subsidised if need be (Fuchs, 2006: 3).

In general, attitudes towards childcare in Austria are — especially in comparison with western European countries — still ‘conservative’ (Wernhart and Neuwirth, 2007: 13ff). For example, in 2002 roughly 60 % of all men and women believed that family life will suffer, if women are in full-time employment. Similarly, 71 % of men and 62 % of women believed that a preschool child is likely to suffer if his or her mother is employed. This also confirms with the attitudes of 42 % of mothers of preschool children. However, 14 years earlier, i.e. in 1988, this proportion amounted to 71 %. Even if the youngest child already attends school, attitudes on the employment intensity of mothers are conservative (Wernhart and Neuwirth, 2007: 16). Only 7 % of mothers with a child in primary school believed in 2002 that mothers like them should be in full-time employment (1988: 8 %). However, 78 % agreed that they should work part-time (53 % in 1988).

While both access to and — given insufficient opening hours and quality standards of existing facilities as well as conservative attitudes towards childcare — utilisation of childcare is still imperfect, this also applies to some other social services. As indicated earlier, access to health services is almost universal, given that 98 % of the Austrian population is covered by health insurance (Fuchs et al., 2003). Disadvantages occur, however, in terms of the utilisation of health services (Pochobradsky and Habl, 1999; Pochobradsky et al., 2002). Access to primary education is universal (and compulsory), however, the choice between Hauptschule and Gymnasium is correlated with the social background of the children — and influences their future poverty risks, as recent data on the intergenerational transmission of income poverty has made clear (Statistik Austria, 2007: 60ff). Access to social housing favours households with lower incomes — with still profound problems with regard to migrant families. Access to public transport is for children either free or subsidised through various allowances for pupils, students, but also apprentices.

9  http://www.kinderbetreuung.at/index2.jsp
1.2.6. Other aspects of wellbeing

A study on sports and recreational activities in Austria conducted in the late 1990s suggests that a considerable proportion of young people engage in associations, such as football clubs. Considering the six to nine years age group, 36% of boys were members of at least one association in 1998, which corresponds to 25% of all girls in this age group. Among the boys aged between 10 and 19, the proportion achieves 50%, while it is still only 31% of all girls in this age group (Statistik Austria, 2001: 259). In terms of political participation, the Government has recently decided to reduce election age from 18 to 16 years.

Almost 2,400 complaints have been lodged in 2006 regarding offences of violence against children (aged up until 14 years). Between 2000 and 2006, 18,677 complaints have been lodged in Austria, most of them (12,442) concerning assaults and sexual abuse (4,214 complaints). However, the number of unreported cases is estimated to be much larger. In terms of child trafficking, the network organisation and association ECPAT (stands for: End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes) suggests that Austria is both a transit country and a target country for child trafficking. Especially children from Bulgaria and Romania are transferred to the cities of Vienna, Graz, Linz and Salzburg for prostitution. ECPAT suggests that child trafficking, including child prostitution, has increased in recent years in Austria — even though there is no data available (ECPAT, 2006: 11). Several activities (such as a touring exhibition on child trafficking) have been undertaken by ECPAT in recent years to make the problem of child trafficking in Austria more transparent. Reforms of the Austrian criminal law in 2001 and 2004 included severe aggravations concerning offences of sexual abuse of children, child prostitution and child pornography (ECPAT, 2006: 17ff). Concerning crime involvement of children and young adults, available data suggests that roughly 16% of total crime rate is made up by criminal acts of children under the age of 19, the majority of which were between 14 and 18 years old (Bundesministerium für Inneres, 2007: 9).

Unfortunately, there is hardly any information on the extent of youth homelessness (e.g. ARGE NE, 2001: 6, which estimates that 0.7% of young people in the large Austrian cities are at least once a year homeless) or the problem of unaccompanied minor migrants (e.g. Unicef and Asylkoordination Österreich, 2002) available for Austria.
2. Analysis of the policy framework for preventing and alleviating child poverty and social exclusion in Austria

In what follows, the social policies implemented to prevent child poverty or mitigate the negative consequences in case poverty should occur (Section 2.1.) and the measures to alleviate poverty once it has hit (Section 2.2.) are presented separately. This distinction derives from the social risk management framework elaborated by the World Bank that differentiates between \textit{ex ante} and \textit{ex post} measures to combat poverty (Holzmann et al., 2003). The focus is on income support instruments. Section 2.3. then includes an overall assessment of these policies, as well as some recommendations concerning employment and education policies.

2.1. Social policies to prevent child poverty and social exclusion

Social insurance and universal benefits are usually qualified as instruments that attempt to prevent certain groups of the population from experiencing poverty and/or social exclusion. The health insurance scheme in Austria is particularly relevant for children. Coverage through social insurance is usually dependent on labour market participation and contributions paid to the social insurance scheme. Since dependent family members are also covered by health insurance, the coverage rate amounts to some 98% of the population (Fuchs et al., 2003). Excluded are working age adults who are neither employed nor unemployed, among them many migrants and recipients of social assistance. The latter get access to medical assistance through the social assistance scheme; the Austrian Government as well as several provinces (among them Vienna) are currently discussing plans to include recipients of social assistance into health insurance. In addition to health insurance, pension insurance and unemployment insurance take dependent family members, including children, into account when calculating the level of the insurance benefit (i.e. family supplements in pension and unemployment insurance). Moreover, children of deceased parents may be entitled to a survivor’s pension (\textit{Waisenpension}) up until the age of 18, or, if they are in full-time education, up until the age of 27 (Kammer für Arbeiter und Angestellte, 2006b: 242f). A specific insurance benefit targeted to mothers is the maternal allowance (\textit{Wochengeld}), i.e. income maintenance for employed mothers in the event of childbirth. Eight weeks before the projected childbirth and eight weeks after the childbirth, the mother is not allowed to be in paid employment but receives full wages.

In Austria, in addition to these social insurance type transfers, several universal transfers target children or families with children. A childcare allowance (\textit{Kinderbetreuungsgeld}) implemented in 2002 has substituted the parental leave allowance (\textit{Karenzgeld}), which was a benefit from the unemployment insurance and had thus only been available to mothers who had already been in insured employment. Childcare allowance amounts to EUR 14.53 per day and may be received for a maximum of 36 months, if both parents go on parental leave (\textit{Karenzurlaub}). If only one parent goes on parental leave, the maximum length of childcare allowance amounts to 30 months (Kammer für Arbeiter und Angestellte, 2006b: 34). Means-tested supplements are granted to low-income families eligible for childcare allowance. The repayable supplement currently amounts to EUR 6.06 per month (Kammer für Arbeiter und Angestellte, 2006b: 38). The new coalition government — consisting of the Conservative People’s Party [ÖVP] and the Social Democrats [SPÖ] in power since the beginning of 2007 — plans an alternative model in addition to the current parental leave arrangement. It should provide for a shorter period of parental leave (maximum of 18 months) and a higher childcare allowance (EUR 800 per month). The project should be implemented in 2008. Demands from opposition parties and other stakeholders to allow for further flexibility in terms of the length of parental leave and the level of childcare allowance have not been further considered by the government. Even though childcare allowance is a universal benefit, its eligibility is subject to an income-test. The means considered only
refer to the (self-)employment income of the person on parental leave. The income ceiling currently amounts to EUR 14,600 per year. Regularly, various stakeholders and opposition parties demand to abolish this income ceiling, as it might both aggravate the employment chances of mothers and prevent fathers from taking a parental leave. However, the coalition government has only agreed to raise the income ceiling to EUR 16,200 from 2008 onwards. The previous Government had renounced controlling whether mothers and fathers on parental leave had incomes above the income level stipulated. A recent survey suggests, however, that only a small minority has earned wages above this ceiling (Dörfler and Neuwirth, 2007).

In addition to the universal childcare allowance is the universal family allowance (Familienbeihilfe), eligible for families with dependent children whatever their household income. The level of family allowance depends on the number of children within the household and the age of the children. For one child, the allowance amounts from EUR 105.40 (0-3 years) to EUR 152.70 (from age 19 onwards). If there are more children in the household, the allowance is higher. For example, if there are three or more children in the household, the allowance raises by EUR 25.50 per child (Kammer für Arbeiter und Angestellte, 2006b: 25). Since 2006, migrant families are entitled to receive family allowance, if both the parent and the child have a legal residence title for Austria (Kammer für Arbeiter und Angestellte, 2006b: 24). Before 2005, only migrants who had stayed in Austria for at least five years were eligible for family allowance (exceptions applied for refugees). Further universal transfers for families with children are incorporated in the Austrian tax scheme. A general tax allowance is granted for households with children (Kinderabsetzbetrag). It amounts to EUR 50.90 per month and child, and is paid as a top-up to family allowance. Further tax allowances apply for families with only one income earner (Alleinverdienerabsetzbetrag) and for lone-parent families (Alleinerzieherabsetzbetrag). If these tax allowances exceed the income tax payable, recipients receive these transfers in the form of a negative income tax (Kammer für Arbeiter und Angestellte, 2006b: 87). Additional universal transfers are granted for educational purposes. Attendance in primary and secondary schools in Austria is principally free. In addition, public transport between home and school is free for both pupils and apprentices. Students in tertiary education in universities and (most) other forms of tertiary education (Fachhochschulen) are however required to pay a (comparatively) small fee of EUR 363.36 per semester (i.e. twice a year). With the introduction of this fee in 2001, means-tested scholarships for students have been extended in a dual way. First, the level of the scholarship has been raised to cover not the living costs as well as student fees such as these. Second, the income ceiling to qualify for student scholarships has been raised. The effects of these policy changes (i.e. the introduction of a fee for tertiary education together with the increase of scholarships) are disputed. For example, on the one hand, there has been a considerable reduction in the number of university students right after the introduction of the fees — which has increased since to its original value, though. On the other hand, the proportion of students with a scholarship has increased in Austria in the years after the introduction of the university fees. Currently, 20% of all university students receive a scholarship. Expenditures have almost tripled from EUR 66 million in 2000 to EUR 180 million in 2006. Nonetheless, various interest groups (such as the Österreichische Hochschülerschaft) and political parties (such as Die Grünen) argue that the fees lead to an increase in working students and hamper university participation of low-income groups. In international comparison, the proportion of university students in Austria is still low as is the proportions of students entitled to a scholarship. This suggests devoting resources to elaborate possibilities to encourage young adults (and especially young adults with a migrant background) to get into higher education.

10 http://www.bmwf.gv.at/submenue/wissenschaft_aktuell/stipendienwesen
11 http://www.oeh.ac.at/studieren/rund_ums_geld/studiengebuehren
12 http://www.gruene.at/uni_forschung/studiengebuehren/#prob
2.2. Social policies to alleviate child poverty and social exclusion

Individuals or households with especially low incomes or more generally low means may be eligible for means-tested transfers. These transfers target the lowest income earners in Austria. While some of these transfers are included in the social insurance scheme or granted as supplements to universal transfers (see above), many constitute specific programmes as such. However, even though there are numerous means-tested programmes or supplements, expenditure for these transfers is low. In 2004, only EUR 4.4 billion, or 7% of all social protection expenditure in Austria, were means-tested transfers (Eurostat, 2007a: 42). For the function ‘family/children’ EUR 510 million (i.e. 12% of all means-tested transfers) have been spent, the majority of which (64%) was means-tested cash rather than in-kind transfers (Eurostat, 2007a: 285).

At national level, a scheme of different scholarships allows for a means-tested support of educational expenses for all levels of education (Kammer für Arbeiter und Angestellte, 2006b: 93ff). Moreover, the federal ministry responsible for social security may grant a means-tested family hardship allowance (Familienhärteausgleich) by discretion. In addition to these national incentives, the regional governments of the nine Austrian provinces grant various means-tested transfers to families with children — which vary depending on the primary objective of the transfer, its duration and amount (Kammer für Arbeiter und Angestellte, 2006b: 53ff). Table 9 in the Annex summarises some of the main means-tested transfers granted by the federal provinces to families. Arguably, the most important transfer for income poor families is social assistance, which is yet again a legal competence of the Austrian provinces rather than the State. Consequently, nine different laws determine both eligibility criteria and benefit levels — with partly profound differences across the country (Pfeil, 2001). Supplements to the base rate of social assistance are available for dependent children within the household (see Table 8). Nonetheless, the transfers of social assistance are considerably below the at-risk-of-poverty threshold calculated for Austria.

### Table 8

**Monthly benefit levels (2006) and beneficiaries (2004) of social assistance, Austrian provinces**

<table>
<thead>
<tr>
<th>Provinces</th>
<th>Support for household head</th>
<th>Support for member with entitlement to family allowance</th>
<th>Beneficiaries in private households</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burgenland</td>
<td>351.30 ¹)</td>
<td>125.80 ¹)</td>
<td>772</td>
</tr>
<tr>
<td>Carinthia</td>
<td>350.00 ¹)</td>
<td>126.00</td>
<td>1 185</td>
</tr>
<tr>
<td>Lower Austria</td>
<td>433.30</td>
<td>133.80</td>
<td>10 315</td>
</tr>
<tr>
<td>Salzburg</td>
<td>373.00</td>
<td>111.00</td>
<td>5 705</td>
</tr>
<tr>
<td>Styria</td>
<td>456.00 ²)</td>
<td>154.00</td>
<td>4 600</td>
</tr>
<tr>
<td>Tyrol</td>
<td>360.40</td>
<td>140.10</td>
<td>9 827</td>
</tr>
<tr>
<td>Upper Austria</td>
<td>483.40 ¹)</td>
<td>147.90</td>
<td>3 770</td>
</tr>
<tr>
<td>Vienna</td>
<td>396.90 ¹)</td>
<td>125.00</td>
<td>75 782</td>
</tr>
<tr>
<td>Vorarlberg</td>
<td>325.00 ¹)</td>
<td>154.20</td>
<td>2 260</td>
</tr>
<tr>
<td>Austria</td>
<td>·····</td>
<td>·····</td>
<td>114 216</td>
</tr>
</tbody>
</table>

Notes: ¹) higher rate for those unavailable for the labour market, e.g. old-aged people, disabled people; ²) higher rate for the first six months.
Unfortunately, information on social assistance is still scarce in Austria, with profound information gaps for a variety of provinces. Data on Vienna, which has by far the highest proportion of social assistance recipients, suggests that 20,584 beneficiaries of social assistance in Vienna (i.e. 27% of all recipients in private households) were younger than 18 years (Pratscher, 2006: 1144). In addition to social assistance, it is the Austrian provinces rather than the nation state who are responsible for youth welfare (Jugendfürsorge), childcare facilities or housing benefits. However, information on these means-tested transfers is also scarce.

2.3. Overall assessment of income support measures to combat child poverty and social exclusion

The information presented so far suggests that the balance between ex ante and ex post measures of income support to combat poverty is clearly in favour of preventive measures (insurance and universal transfers). However, these programmes include specific measures for selected family forms (e.g. tax allowance for lone-parent families, supplements for families with three or more children) or at least various top-ups or supplements for families with low income in general. Eligibility for most of the targeted measures depends on household income rather than on individual income. Exceptions include family allowance for young adults or survivor’s pensions. In terms of ex post measures, it has been shown that only a minority of resources is dedicated to these programmes, which are to a large extent a legal competence of the Austrian federal provinces rather than the nation state. However, social security expenditure for both the nine regional provinces, but also the 2,358 Austrian communities, has risen considerably in the last decade. Hans Steiner (2004: 193) noted that means-tested transfers granted by provinces or communities in Austria increased by 300% between 1990 and 2002. Given the increasing importance of regional and local measures, the partly considerable variations between the provinces become relevant (see Table 9 in Annex). Especially children within low-income families (most notably including migrant families) might thus be treated differently in different provinces, with some of them being more generous in terms of social support than others.

It is not least because of these regional differences that the current coalition Government in Austria agreed to harmonise means-tested transfers across the country, and replace several of them (especially social assistance, housing benefits but also unemployment assistance) through a uniform (means-tested) basic transfer (Grundsicherung) at the level of the poverty threshold of 2004. However, this idea is currently facing resistance from the federal provinces, which have to co-finance this new transfer. The next negotiations between the State, the federal provinces and the communities regarding financial compensations and revenue sharing (Finanzausgleich) are projected for 2008 (Bundesministerium für Finanzen, 2006: 26). This implies that Grundsicherung, provided the national and federal Governments achieve an agreement, may be implemented in 2009 at the very earliest. A country-wide basic transfer does have advantages in comparison to the current social assistance programmes. However, the level of the transfers needs to be annually adopted to a poverty threshold that mirrors the current income distribution, and not the income distribution of the year 2004. Thus, to work as a protective shield against income poverty, it needs to be much higher than currently projected by the government.

The most recent Austrian report on strategies for social protection and social inclusion (NRSSPSI) includes the objective to reduce child poverty within the next 10 years from currently 15 to 10%. To achieve this aim, a variety of different measures is proposed. For example, labour market policies are projected to offer appropriate programmes to reintegrate mothers into the labour market. A planned expansion of care facilities for both children and the elderly shall enhance reconciliation for work and family tasks. Childcare facilities should enhance efforts to prepare children for school, while schools should enhance efforts to assist underachievers and impaired pupils. According to the NRSSPSI, additional labour market policy funds are being made available for providing more apprenticeship,
training and job opportunities to young people. Child rights are also projected to move more centre-stage within policy measures (Republic of Austria, 2007: 11).

All of these measures are likely to have positive effects on the reduction of child poverty and on improved wellbeing — if they are implemented. Clearly, public policies in general and social protection transfers specifically influence the at-risk-of-poverty rates of population groups. Data included in Table 7 suggests that social protection in Austria is indeed quite successful in reducing poverty risks of households with children. However, those particularly affected by low household income (i.e. lone-parent families and households with three or more children) already start with a disadvantaged situation prior to receiving social transfers. This implies that redistribution through the welfare state does not suffice to make up for the low incomes received through labour market participation and/or through private transfers (e.g. alimony payments).

Table 7
At-risk-of-poverty before and after social transfers, Austria 2005

<table>
<thead>
<tr>
<th>Household types</th>
<th>At-risk-of-poverty rates…</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>before social transfers</td>
</tr>
<tr>
<td></td>
<td>and pensions</td>
</tr>
<tr>
<td>All households with children*</td>
<td>34</td>
</tr>
<tr>
<td>Single-parent household + 1 child*</td>
<td>54</td>
</tr>
<tr>
<td>MAH + 1 child*</td>
<td>23</td>
</tr>
<tr>
<td>MAH + 2 children*</td>
<td>33</td>
</tr>
<tr>
<td>MAH + 3 or more children*</td>
<td>51</td>
</tr>
<tr>
<td>Household with youngest child* &lt; 4</td>
<td>45</td>
</tr>
<tr>
<td>Household with youngest child* &gt;= 4</td>
<td>37</td>
</tr>
<tr>
<td>Household with youngest child* &gt;= 6</td>
<td>29</td>
</tr>
</tbody>
</table>

Source: Statistik Austria (2007: 43); Notes: MAH = multi-adult household; *excludes households in which pension income is the main income source; ‘children’ are defined according to the definition of the Austrian Statistical Office (see footnote 2).

The information presented above implies that a full or at least a partial employment intensity within the household is maybe the best shield against poverty in Austria. Even though social transfers targeted to children and families in Austria are comparatively high (see Sections 2.1. and 2.2.), they only cover child-related costs. Transfers are not high enough to substitute the employment income of mothers, if they retreat fully or partly from the labour market. This also explains the high at-risk-of-poverty rates of lone parents. Even very generous social transfers targeted to families cannot substitute the living standard achieved in a dual-earner household. This makes a strong case for a general transfer guaranteeing a minimum income (Grundsicherung) in Austria (see above).

Employment policies that encourage particularly mothers to maintain in or reintegrate into the labour market are key. However, there is a variety of obstacles regarding this objective. For example, not only mothers but also potential mothers-to-be have difficulties integrating or reintegrating into the labour market or receiving on-the-job-training. They are viewed as investment risks by many employers, as they are likely to exit the labour market and take on a parental leave of up to two years per child. The — also in comparative perspective — very long-time parental leave makes reintegration of mothers (especially of mothers with more children who have been away from the labour market for a long time) particularly difficult. If they manage to reintegrate, their jobs are often at a lower career (and income) level than the jobs they had before they went on parental leave. Given conservative attitudes towards
childcare (which suggests a primary role for mothers) and a lack of good quality childcare, mothers integrate at best part-time rather than full-time into the labour market. This not only affects their future poverty risks (as pension and unemployment insurance transfers depend on the length of insured employment and the level of employment income), but also the poverty risks of their family. While part-time employment for mothers is projected to be an exit option in terms of poverty, data suggests that many women are involuntarily in part-time employment, but feel that — due to a lack of childcare facilities — it is either part-time employment or no employment. Thus, further incentives must be set for mothers to take on full-time employment. A necessary requirement to allow for full-time employment of mothers (and to encourage parental leave of fathers) is to abolish the income ceiling linked to the eligibility of childcare allowance. It not only hampers many mothers to work full-time, but also prevents many fathers to go on parental leave.

Overall, employment policies that encourage full-time employment of parents are likely to have positive effects concerning the poverty risks of families with children. Necessary preconditions for full-time employment of mothers and fathers are high-quality care facilities for both (very young) children and the elderly. There are differences in terms of coverage and utilisation rates of childcare across Austria. Gaps in high quality childcare are smaller in urban cities, such as Vienna, than in rural areas. Much more efforts and resources have to be dedicated to the establishment and extension of high quality childcare. Extending both the quantity and the quality of social care services not only allows emancipating women and mothers from household and family duties, but also opens up employment possibilities for women and men.

While many mothers, or mothers-to-be, experience difficulties in the labour market, fathers, or potential fathers-to-be, are not likely to experience similar difficulties — as they are unlikely to go on parental leave. This is explained by (i) conservative attitudes in terms of a traditional division of family obligations between men and women, (ii) the accompanying policy framework, that encourages women to exit the labour market (with much less encouragement to re-enter the labour market), and (iii) the — also in a European perspective — high gap between male and female wages. Consequently, if a father decides to go on parental leave, this often results in a lower household income than if the mother takes on parental leave. Policy changes thus need to be accompanied by countrywide campaigns to reconsider conservative attitudes towards the role of mothers and fathers but also towards out-of-house childcare (e.g. by contrasting Austria with other EU Members States in this respect, such as France or Sweden). The traditional division of (family) labour between genders in Austria reflects in a very low proportion fathers on parental leave (3.7 %), which is negligibly small despite various incentives to encourage fathers to take on more family responsibilities. Thus, incentives for fathers need to be set to take on family obligations. This might be achieved by more flexible programmes of parental leave and childcare allowance (just implemented) or by linking the level of childcare allowance to previous earnings rather than providing a flat rate allowance.

The data presented above suggests that poverty risks largely depend on the educational level achieved. The higher the education, the higher the employment income — and the lower the poverty risk. Thus, enhancing the educational attainment of children is key in reducing their future poverty risks. The contemporary coalition government is currently in the process of rethinking the school systems and introducing a comprehensive school (Gesamtschule) for at least eight years — which postpones the choice for alternative school types from currently age 10 to 14. This might reduce problems concerned with the early choice between two school types that — as shown above — largely determine future life chances. Consequently, a later decision about educational careers is strongly supported. Alternatively, measures need to be set to enable both pupils from Hauptschule and Gymnasium to attend higher education. Currently, pupils from Hauptschule have severe disadvantages in this respect. This affects many children with a migrant background, who attend to a very large proportion Hauptschule rather than Gymnasium. A very high proportion of young migrants is among the early school-leavers. Thus, it is
particularly important to focus on this group in terms of education policies. The most recent NRSSPSI projects to increase the integration of children with a foreign mother tongue. German language tutorials are made available at kindergartens for children who do not have a sufficient command of their future teaching language. Similar programmes are available for elementary schools for children who have an insufficient understanding of the teaching language, such tutorials comprising 11 hours a week of intensive German language tutorials (Republic of Austria, 2007: 3). All of these programmes point in the right direction — and need even to be strengthened.
3. Monitoring and reporting on child poverty and social exclusion in Austria

The most recent NRSSPSI (Republic of Austria, 2007: 22) notes that there are plans for social developments and existing policies to be monitored and evaluated by independent experts based on EU-agreed and national indicators and on other sources (experiences made by ombudsoffices, non-profit organisations, service providers, etc.). It is planned that the results of these analyses should become the central point of departure for preparing the next strategy reports. The stakeholders that have been involved in establishing the current strategy report shall also become involved in the design and follow-up of such monitoring and evaluation. However, so far no actions have been set to put these plans into practice.

Reporting on poverty and social exclusion in Austria is still relatively novel. Only in 1997 did the Federal Ministry responsible for social affairs start to include a chapter on poverty in its annual (now biannual) report on Austria’s social situation. However, the very last report summarizes the situation in 2003/04. Since then, only an activity report of the Ministry has been published — without informing about the development of poverty. Recent data on poverty and deprivation has been made available both through the homepage of the Ministry (http://www.bmsk.gv.at) and through publications of the Austrian Statistical Office, which delivers data on the Laeken indicators to the Eurostat offices. As shown above, this data includes some information on poor children and poor households with children at national level. Reporting for regional levels still has some problems. First, sample sizes of EU-SILC are too small to allow for much regional analysis. Recently, however, a publication on poverty in Vienna was published, based on EU-SILC data — though without considering child poverty (Till and Till-Tentschert, 2006). Secondly, data from the provinces on the most important means-tested instrument in Austria, i.e. social assistance, is still deficient, which hampers — together with different legal frameworks — cross-country comparisons of social security transfers (Pratscher, 2006). Even though improvements have been made within the last decade, there are still information gaps concerning a variety of different (regional) programmes for the poor and socially excluded.

Most notably, the issue of child poverty is not specifically dealt with, which does, however, also apply to the national level. For example, the Austrian Statistical Office that is in charge of publishing a variety of reports on poverty and deprivation based of the EU-SILC datasets, but also on childcare facilities, etc., states that not much is known about the socioeconomic situation of children growing up in households that are at risk of poverty (Statistik Austria, 2006a: 59). Consequently, the plans of the government to improve monitoring by independent experts are subject to a prior extension of the information and data basis on children’s wellbeing in and across Austria. As indicated earlier, there is hardly any information available on the problem of homeless youth or minor migrants, etc. Thus, it is recommended to establish a much broader pool of information to allow for multi-stakeholder monitoring.

In terms of organisations and agencies concerned with reporting or monitoring developments in social security in general, and poverty more specifically, a variety of both public and private actors may be considered. For example, the Federal Ministry responsible for family affairs (that is responsible for implementing the UN Convention on the Rights of the Child) is assisted by the Austrian Institute for Family Policy [ÖIF] that has produced evaluation studies on important family transfers in Austria, such as childcare allowance (Dörfler and Neuwirth, 2007; Rille-Pfeiffer and Kapella, 2007). Moreover, various other institutions (e.g. Austrian Chamber of Labour, SORA, Synthesis, European Centre for Social Welfare Policy and Research, several universities, etc.) provide independent monitoring or evaluation on selected policies (e.g. Riesenfelder et al., 2006) or topics, including the availability and access of childcare facilities in Austria. The Kinder- und Jugendanwaltschaften 13 (children and youth advocacy

13 http://www.kija.at
centres) across Austria operate as platforms for children with a variety of problems (such as conflicts with parents, etc.). In addition, the Austrian poverty network focuses regularly on poor children in terms of its press communications (and its biannual poverty conferences). Finally, the media informs irregularly about poverty in Austria, often illustrating this problem with the situation of lone parents or poor children. The statements, studies, reports or press conferences carried out by these and other actors are either independent evaluation reports or formulated in a way to justify or criticise (in the form of shadow reports) existing policies in Austria.

The most recent NRSSPSI includes the objective to reduce child poverty by five percentage points, and proposes several measures on how this ought to be achieved. Even though progress has been made in recent years, e.g. in terms of the availability of childcare facilities, the reduction of youth unemployment or the reduction of early school-leavers, there is still a long way to go. As has been shown in this report, two types of households with children are particularly likely to be at risk of poverty, i.e. loneparent families and families with three or more children. A comparison with earlier information on poverty and deprivation risks in Austria suggests that this disadvantaged situation has not changed much within the last decade. In 2005, 37 % of all children at risk of poverty lived in households with three or more children and 31 % of all poor children lived in households with at least one migrant household member. More information on these groups of poor children, including causes and effects of their disadvantaged situation, is thus vital for informed policy recommendations.
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Annex

Table 9  
Means-tested transfers for families (selection) of the nine Austrian provinces, 2006

<table>
<thead>
<tr>
<th>Provinces: Title of the transfer(s)</th>
<th>Main objective of transfer</th>
<th>Eligibility: age of child</th>
<th>Maximum length</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Burgenland:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Familienbonus Schulstarthilfe Einmalbetrage bei Mehrlingsgeburten</td>
<td>Income support Support for school enrolment Support for multiple births</td>
<td>2 to 7 years 6 years after births</td>
<td>12 months one-time payment one-time payment</td>
</tr>
<tr>
<td><strong>Carinthia:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Familienzuschuss</td>
<td>Income support</td>
<td>0 to 10 years</td>
<td>10 years</td>
</tr>
<tr>
<td><strong>Lower Austria:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Familienhilfe</td>
<td>Support for childcare at home</td>
<td>2.5 to 3.5 years</td>
<td>12 months</td>
</tr>
<tr>
<td><strong>Upper Austria:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KinderbetreuungsbONUS Schulbeginnihilfe Schulveranstaltungshilfe</td>
<td>Income support Support for school enrolment and/or school excursions</td>
<td>3 to 6 years 6 years (6+ years)</td>
<td>3 years one-time payment</td>
</tr>
<tr>
<td><strong>Salzburg:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Familienhilfe bei Mehrlingsgeburten</td>
<td>Support for multiple births Support for a child born after twins/triplets</td>
<td>after births up until age 3 of the twins/triplets</td>
<td>one-time payment up until age 3 of the twins/triplets</td>
</tr>
<tr>
<td><strong>Styria:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kinderzuschuss</td>
<td>Income support</td>
<td>0 to 1 year</td>
<td>12 months</td>
</tr>
<tr>
<td><strong>The Tyrol:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Schulstarthilfe</td>
<td>Income support</td>
<td>6 to 15 years</td>
<td>Once a year</td>
</tr>
<tr>
<td><strong>Vorarlberg:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Familienzuschuss</td>
<td>Income support</td>
<td>2.5 to 4 years</td>
<td>1.5 years</td>
</tr>
<tr>
<td><strong>Vienna:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Familienzuschuss</td>
<td>Income support</td>
<td>1 to 3 years</td>
<td>2 years</td>
</tr>
</tbody>
</table>

Source: Kammer für Arbeiter und Angestellte (2006b: 54ff); own illustration.