



EMIN Context Report AUSTRIA

Developments in relation to Minimum Income Schemes

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What is EMIN?

The European Minimum Income Network (EMIN) is an informal Network of organisations and individuals committed to achieve the progressive realisation of the right to adequate, accessible and enabling Minimum Income Schemes. The organisations involved include the relevant public authorities, service providers, social partners, academics, policy makers at different levels, NGOs, and fosters the involvement of people who benefit or could benefit from minimum income support.

EMIN is organised at EU and national levels, in all the Member States of the European Union and also in Iceland, Norway, Macedonia (FYROM) and Serbia.

EMIN is coordinated by the European Anti-Poverty Network (EAPN). More information on EMIN can be found at www.emin-eu.net

What is the Context Report?

In 2014 individual Country Reports were produced under the EMIN project which outlined the state of development of Minimum Income Schemes in the country concerned. These reports also set out a road map for the progressive realisation of adequate Minimum Income Schemes in that country. These Country Reports can be found on www.emin-net.eu (EMIN Publications). This Context Report gives an update on developments in relation to Minimum Income Schemes in Austria since the publication of the Country Report.

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The information contained in this report does not necessarily reflect the official position of the European Commission.

Definitions used in the EMIN Project

Minimum Income Schemes are defined as, income support schemes which provide a safety net for those of working age, whether in or out of work, and who have insufficient means of financial support, and who are not eligible for insurance based social benefits or whose entitlements to these have expired. They are last resort schemes, which are intended to ensure a minimum standard of living for the concerned individuals and their dependents.

EMIN aims at the progressive realisation of the right to adequate, accessible and enabling Minimum Income Schemes.

Adequacy is defined as a level of income that is indispensable to live a life in dignity and to fully participate in society. Adequate Minimum Income Schemes are regularly updated to take account of the evolution of the cost of living.

Accessible is defined as providing comprehensive coverage for all people who need the schemes for as long as they need the support. Accessible Minimum Income Schemes have clearly defined criteria, they are non-contributory, universal and means-tested. They do not discriminate against any particular group and have straightforward application procedures. They avoid:

- institutional barriers such as bureaucratic and complex regulations and procedures and have the minimum required conditionality,
- implementation barriers by reaching out to and supporting potential beneficiaries
- personal barriers such as lack of information, shame or loss of privacy.

Enabling is defined as schemes that promote people's empowerment and participation in society and facilitates their access to quality services and inclusive labour markets.

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Section 1: Evolution in laws and regulations regarding national (or regional/local) minimum income schemes

This section indicates changes to the main minimum income scheme in the country since the EMIN1 project ended in 2014, in particular changes to schemes that were dealt with in the EMIN1 project. In countries where several minimum income schemes coexist, please give priority to minimum income schemes for the working-age population. The **country report** from the EMIN 1 project is available at <https://emin-eu.net/emin-publications/>

Changes in the legislation and regulations governing minimum income schemes in your country with regard to

- *Eligibility conditions (lack of sufficient resources, age requirements, residence...)*
- *Conditionality of the benefits (willingness to work, other conditions related to personnel attitude of recipients...)*
- *Levels of payment, uprating*
- *Links with other benefits*
- *Governance of the schemes?*

Austria has two types of minimum income scheme, one in the context of the retirement insurance fund, and one organised as a welfare assistance scheme. Both systems have been modified since the previous EMIN report was drawn up.

I. Re retirement-insurance scheme

On 1 January 2014, under the slogan of ‘rehabilitation instead of pensions’, the system of temporary-ill-health pensions was abolished for persons born after 1 January 1964. Since then, people who do not have a diagnosis of permanent ill health are entitled to rehabilitation or retraining benefits (whereas people with permanent ill health can still take up ill-health or inability-to-work pensions, independent of their age).

The reform was aimed at reducing public support to the pension system by improving the reintegration of this group into the regular labour market. It is not known, however, whether this goal has been met as evaluations to this effect have not been made publicly available. However, there are reports indicating a considerable increase in the number of people with health problems who thus face placement obstacles.

New regulations have also been adopted with regard to financial benefits for the above group, which has consequences for their families, too. Both under the previous and under the current scheme, the level of social transfers granted is linked with the level of the former income from employment. Depending on the case in question, under the new scheme recipients can get either more or less than under the former scheme. Massive changes concern those cases where the income of the household is low, and therefore both the person concerned, as well as other members of the household, depend on social transfers in order to secure a financial subsistence level. The former temporary ill-health-pension scheme secured a financial subsistence level not only at the single-person-level, but for the

entire household. By the compensatory allowance system also couples and children in need were enabled to receive additional benefits. Since 1 January 2014, financial subsistence benefits have been granted only to the person directly concerned, up to the compensatory allowance level (i.e. in 2017, a net income of EUR 844.50 for a single person). This can mean that the other household members depend on benefits from the means-tested minimum income scheme (BMS). Different to the compensatory allowance scheme, which is administered by the retirement insurance fund, eligibility for the BMS is linked with strict regulations for asset realisation, with execution practices that are regarded as inappropriate in many cases, and a considerable risk of stigmatising. The new regulations for securing a financial subsistence level have thus obviously been a negative development for the family members of people with a diagnosis of temporary inability to work. Due to the lack of available data, it cannot be estimated how many households are affected by the reform.

In addition, a number of people face the risk of 'falling between the cracks', e.g. persons of ill health whose situation is not covered by any of the social insurance funds, and due to changes in the eligibility criteria for certain benefits ('retirement pension advances') an additional number of people may have to apply for the means-tested minimum income.

II. Re welfare assistance scheme – means-tested minimum income (BMS)

Since 2016, the means-tested minimum income scheme has seen major changes, i.e. in fact, negative developments. The significant rise in applications for asylum as of 2015 has been the motivation, or at least the reason stated, for these changes (see, for instance, the explanatory notes to the relevant amendments). According to EU law and international law, persons who have been granted asylum or are entitled to subsidiary protection must be treated in the same way as Austrian nationals as far as welfare assistance is concerned: a considerable rise in the number of persons taking up the means-tested minimum income, and an increase in the average period of uptake, was thus expected. Furthermore, many influential policy-makers are generally sceptical about means-tested social benefits: for instance, there is a discussion about abolishing special unemployment assistance, a means-tested benefit that is granted to people who are no longer entitled to regular unemployment benefits under the unemployment insurance system. Provided that they meet the relevant requirements, they are entitled to special unemployment assistance for an unlimited time.

The envisaged changes, most of which are deteriorations, and often massive ones, are still being discussed: so far, not all amendments that have been planned have actually been drafted or adopted by the provincial parliaments. A crucial point here is that the negotiations – behind closed doors – on a modification of the minimum income scheme of Vienna have not yet been concluded. These amendments play a key role as, traditionally, more than half of recipients of BMS in Austria have been residents of Vienna (158 375 out of a total of 284 374, i.e. 56%, according to the most recent data, which refer to 2015). In addition, Vienna is very attractive for refugees, not least due to the deteriorations in the minimum income laws of the other provinces. In short, a final assessment of the developments in the Austrian minimum income legislation cannot yet be provided.

The agreement on means-tested minimum income schemes concluded between the Federal Government and the Provinces is very important in this respect: when the system of 'open

welfare assistance' was remodelled in 2010 and has thus, in part, been replaced by the means-tested minimum income scheme (the 'closed welfare assistance' system for persons in inpatient care institutions has continued to exist) – this was not based on a federal law but on an agreement of limited duration between the Federal Government on the one hand and the nine Provinces on the other. This agreement defined minimum standards for a few key areas. It obliged the Provinces to implement the provisions of the agreement in their provincial laws, and they were free to lay down better standards. The Federal Government, in turn, had to bring about improvements with regard to unemployment insurance and retirement insurance. Under the agreement, the Federal Government also had to assume a contingent liability for health insurance costs incurred in the case of persons without any other health insurance who had been included in the statutory health insurance due to their take-up of means-tested minimum income: in the majority of cases, the health insurance contributions that the Provinces pay for this group of recipients does not cover the actual costs incurred.

The minimum income agreement between the Federal Government and the Provinces expired at the end of 2016. Negotiations for a new agreement had been started by the officials in charge long before that time, and by spring 2016 good progress had been made, but the negotiations eventually failed due to resistance in many fields. Since 1 January 2017 there has thus been no agreement or federal law that the provinces have to take into account when defining their minimum income laws. So far, 6 out of 9 provinces have – often massively – changed their laws and regulations (with some of these changes adopted already in 2016, which violated the existing agreement with the Federal Government, as it was still in force then) or drafted amendments to this effect, scheduled for adoption by the provincial parliaments in the next few weeks).

The Federal Government has not revoked the improvements adopted in 2010 in the areas of unemployment and retirement insurance. The Federal Government also passed an amendment under which it is obliged to continue to assume contingent liability (even though limited to a period of 2 years) for health insurance payments for persons who have obtained health insurance coverage due to their eligibility for means-tested minimum income.

According to the changes in the provincial minimum income laws that have either been adopted or drafted, the provinces can be grouped as follows:

- A 'north-eastern axis' of Upper Austria, Lower Austria and Burgenland. These provinces
 - did not wait for the agreement with the Federal Government to expire but adopted amendments, or at least discussed them in the provincial parliaments, already in 2016.
 - introduced specific provisions on benefits for non-Austrian nationals.
 - introduced caps, i.e. provisions on maximum levels of admissible minimum income per household, independent of the number of persons in the household.

- A 'western axis' of Tyrol and Vorarlberg. These provinces did not endorse specific regulations for non-Austrian nationals – but adopted, or are preparing to adopt, general cuts.

- Styria does not fall under these two groups but has also introduced restrictions in benefits and will probably adopt further amendments.
- The amendments that Vienna and Carinthia have announced have not yet been presented. Salzburg is the only province which, at present, does not plan any amendments.

It has become apparent that the provinces continue to orient the level of benefits granted towards the reference amount for compensatory allowance on the one hand, and towards EU-SILC with regard to weighting factors for households of more than one person on the other. The compensatory allowance continues to be paid out 14 times a year (i.e. recipients get double monthly benefits twice a year), and the means-tested minimum income 12 times as a rule, with a few exceptions. However, the problem remains that the reference amount for the compensatory allowance is not based on the actual cost of living (i.e. a market basket model) but is, in fact, a sum determined at random.

The most relevant changes that have been planned or already adopted include the following:

1. Special regulations for non-Austrians:

- **Exclusion from BMS of persons entitled to subsidiary protection** (both adults and underage persons): Based on a past decision of the Austrian Supreme Administrative Court according to which it was admissible to exclude persons entitled to subsidiary protection from eligibility for the then welfare assistance benefits and to grant them the lower basic support benefits for asylum seekers, the provinces of Burgenland and Salzburg excluded persons with subsidiary-protection status from the scope of the means-tested minimum income scheme when it was introduced in 2010/11, and only granted them the considerably lower asylum-seekers' basic support benefits. As of spring 2016, persons with subsidiary-protection status in Lower Austria have only been granted the basic support benefits for asylum seekers, and in Upper Austria their benefits have also been reduced as of 2016, but under the title of specific 'minimum integration standards'.
- **Lower benefits for non-Austrians** (both adults and underage persons): In Upper Austria, persons who have been granted asylum for a limited period(!) and persons with subsidiary-protection status have, since mid-2016, only been entitled to the considerably lower 'minimum integrations standards' benefits. In Lower Austria, the benefits for persons who have not lived in Austria for at least 5 years during the past period of 6 years have been reduced massively as of 2016. In Burgenland, an identical regulation has been adopted and will enter into force in summer 2017. The specific provisions on benefit levels differ according to province, i.e. the actual benefits a person is entitled to depend on their province of residence.
- **Introduction of 'integration agreements'**: All provinces (except Styria) who have so far amended their means-tested minimum income schemes introduced 'integration agreements'. This means that uptake of the means-tested minimum income depends on

meeting certain requirements, or otherwise it is reduced massively. The integration requirements primarily relate to proof of the acquisition of German language skills and to participation in integration courses and 'cultural values courses'.

2. Changes that affect all recipients of minimum income (even though not all of them to the same extent)

2.1. Benefits:

- **The '1500-euro cap':** In Lower Austria, Upper Austria and Burgenland, a maximum benefit level per household has been introduced – which applies to both families and people who merely share a flat! With regard to details, noticeable differences are apparent. In Lower Austria, the entire disposable income of a BMS household (excluding federal family benefits) must not exceed the limit of EUR 1500. Exceptions are granted to persons with care needs and/or persons with considerable disabilities and/or persons who are permanently unable to work. Lower Austria has defined exceptions for certain groups of 'worthy poor', and supplements for paid work or maintenance payments can be granted, and very low minimum benefits have been introduced to which underage persons and adults are always entitled. In Burgenland, the capping regulation applies to households with members who are deemed to be fit to work but do not have jobs. Massive doubt whether the amendments are constitutional has been voiced. In the case of the former welfare assistance scheme, the Austrian Constitutional Court ruled – already in 1988 – that maximum benefits for households, independent of the number of household members, were unconstitutional.
- **Benefits in kind and benefits to third persons (landlords/landladies) instead of benefits in cash:** So far, it has only been admissible in clearly defined cases to replace benefits in cash with benefits in kind. Under the new regulations, there are certain situations in which benefits in kind must replace benefits in cash (e.g. in Lower Austria). Benefits in kind have recently become regular alternatives to benefits in cash (e.g. food vouchers in Burgenland); and it is at the discretion of the authorities concerned whether benefits in cash or benefits in kind are granted.
- However, **the greatest difference to the former situation concerns the area of housing.** In both Burgenland and in the provinces of Tyrol and Vorarlberg, instead of granting benefits in cash, it is admissible to assign a specific flat, or just a room in an accommodation centre, to an applicant. In the case of Tyrol and Vorarlberg, the wording of the amendments and the notes of explanation permit the conclusion that these provisions primarily, even though not exclusively, target asylum seekers who are living in accommodation centres under the basic support scheme: they can thus be obliged to stay in the centre, at least temporarily, even after they have been acknowledged as refugees with a residence title and with a right to minimum income. This could constitute a form of indirect discrimination, which would also be unconstitutional. Under Vorarlberg's draft amendment, persons who refuse to move to an accommodation to which they are referred can alternatively be granted benefits in cash, but to an amount

that is by far lower than the normal housing benefits, and which definitely does not cover the actual cost of renting a flat in the private housing market. Tyrol's new Act on Minimum Income, which has already been adopted, provides that persons who refuse their referral to a certain accommodation are excluded from alternative housing benefits for a period of six months. Burgenland's new law is unspecific in many of its provisions, which also applies to housing provisions, and it is not yet foreseeable in which way the law will be implemented.

- **Reduction of benefits to underage persons:** The provinces of Styria, Tyrol and Vorarlberg have reduced the benefits granted to families with more than two children: successively lower child benefits are granted as of the third child.
- **Reduction of benefits to adults who are entitled to family allowance:** This primarily affects students in the household who are no longer under age. One problem is that the exceptions for adult recipients of 'extraordinary family allowance' are incomplete. 'Extraordinary family allowance' is only granted to persons diagnosed with 'considerable disability', and consists of the normal family allowance and a supplement. Both Tyrol and Vorarlberg defined exceptions only for those recipients of extraordinary family allowance who live in institutional shared housing and whose accommodation is financed in the context of integration assistance (Vorarlberg) or who are entitled to benefits under the Rehabilitation Act (Tyrol). This means that people with considerable disabilities who live in regular households will now get smaller benefits than before.
- **Reduction of benefits to flatmates:** Until recently, Vorarlberg and Tyrol, as well as Vienna, granted flatmates the same cost-of-living benefits as single persons. Vorarlberg and Tyrol have now reduced these benefits by 25%, similar to the other provinces. This will mostly, but not exclusively, affect flat-sharing single refugees.
- **Reduction of housing benefits:** The expired agreement between the Federal Government and the Provinces recommended (but not as an obligatory provision) that the provinces should grant additional housing benefits in those cases in which the actual cost of housing was higher than 25% of the total benefits (i.e. total minimum income). Not all provinces have acted accordingly. A few of those who did grant such additional benefits have revoked these regulations or massively reduced these benefits: in the past, Tyrol and Vorarlberg applied a system of maximum limits and took over the actual cost of living. Now, lump sums are granted, which are lower than the original benefits. In Styria, the system of additional housing benefits was drastically reduced (not only for recipients of the means-tested minimum income but, for instance, also for recipients of
- compensatory allowance.

2.2 Other provisions

- **Obligatory community service:** Lower Austria introduced obligatory community service: recipients of the means-tested minimum income are obliged to do 'temporary

community work'. So far, no precise definitions, e.g. with regard to maximum hours per week and remuneration, have been made available.

- **Sanctions related to willingness to work:** All provinces adopted more precise, and often stricter, regulations in this field. For instance, the laws now specify that a reduction of unemployment benefits due to sanctions imposed by the Public Employment Service (AMS) must not be balanced out via the minimum income. A number of provincial laws provide that in the case of AMS sanctions, the minimum income supplement that has been granted on top of (special) unemployment benefits (which would otherwise be too small for subsistence) shall also be reduced. The majority of provinces also adopted amendments targeting refugees, which provide that refusal, or obstruction, of German language courses, or failure to submit the required certificates, will be regarded as unwillingness to work, and that sanctions will thus be imposed.
- **Minimum income during training or labour market integration programmes:** An improvement has been recorded with regard to provisions under which the minimum income can also be granted to adults working as apprentices or in similar training programmes – and, under certain conditions, in the context of a 'voluntary integration year'. Before, take-up of minimum income had only been possible if the apprenticeship/training had been started before age 18.
- **Authorities no longer obliged to issue written decisions in all cases:** The laws of both Tyrol and Burgenland now provide that in cases of suspension, revocation or reduction of the minimum income, written decisions must only be issued at the request of the party concerned. This makes it considerably more difficult for recipients of minimum income to file an appeal, which also gives rise to concern with regard to rule-of-law principles.

*Evolution with regard to **adequacy** of minimum income?*

For a description of the amendments relating to coverage of the actual cost of living for recipients of compensatory allowance or the means-tested minimum income please consult the above sections.

*Evolution in terms of **coverage** or **take-up** of benefits?*

No recent or new academic studies in this field have been made available. A rise has been recorded both in the number of recipients of means-tested minimum income (the latest data refer to 2015) and in the number of persons eligible for minimum income (e.g. higher proportion of refugees, rising unemployment and thus higher number of persons entitled to minimum income on top of unemployment benefits). It is therefore difficult to provide an assessment regarding take-up of the minimum income.

*Evolution with regards to the **linkage** between minimum income schemes, (inclusive) **labour markets** and (quality) **services**?*

Please consult the above sections.

Section 2: Use of reference budgets in relation to Minimum Income and/or poverty measures

Reference budgets or budget standards are priced baskets of goods and services that represent a given living standard in a country.

In this section you will find information in relation the recent evolutions of the construction and use of reference budgets in Austria. Information is also given on the usefulness of these reference budgets for policy making or for awareness raising campaigns.

For further information on Reference Budgets see: Storms, B., Goedemé, T., Van den Bosch, K., Penne, T., Schuerman, N., and Stockman, S., Review of current state of paly on reference budget practices at national, regional and local level, pilot project for the development of a common methodology on reference budgets in Europe, Brussels, European Commission, 2014 <http://ec.europa.eu/social/BlobServlet?docId=12544&langId=en>

Recent initiatives to develop reference budgets or to adapt existing reference budgets?

2009 was the first year in which **ASB Schuldnerberatungen GmbH (asb)**, the **Austrian umbrella organisation of officially recognised debt advice centres**, drew up and published reference budgets in order to enhance social participation. These budgets were developed in the context of a two-year EU project on the preparation of 'standard budgets', in cooperation with project partners from the Netherlands, Belgium and Spain, as well as additional participants from Germany, Ireland, Sweden and Finland.

In a project on behalf of asb (August 2013 to February 2014), the Ilse Arlt Institute on Social Inclusion Research at the St. Pölten University of Applied Sciences advanced the reference budgets for Austrian households that had been prepared by asb and provided academic assistance (for example Michaela Moser). In this context, budget development was modelled after an established international methodology, which, in addition to the United Kingdom, has also been used in Ireland, Portugal and Japan.

In 2014/15 asb and the St. Pölten University of Applied Sciences took part in a EU project on the development of a common methodology for reference budgets in Europe, which was coordinated by the University of Antwerp and in which all 26 member states participated. Developing a common European methodology will permit the comparison of the reference budgets of different countries.

The reference budgets prepared by asb are updated annually, primarily by adjustment for inflation based on the consumer price index. In 2015, the reference budgets saw a comprehensive revision: they were updated not only with regard to budget figures but also with regard to the basis of calculation (i.e. the market baskets). In addition to experience gathered in the context of the 2014/15 EU project, the results from numerous focus group discussions with consumers were also used as input for the new reference budgets.

For the current reference budgets for Austria please consult:

http://www.schuldenberatung.at/downloads/infodatenbank/referenzbudgets/Referenzbudgets_2016_Aktualisierung_EndV.pdf

For what purposes are they developed or used? By whom?

The reason for drawing up reference budgets has been to calculate the actual cost of a basic standard of living, which reflects the physical, psychological and social needs of a person and enables adequate participation in modern social life, i.e. life in dignity.

Reference budgets can be used in many different areas. The Austrian reference budgets have primarily been prepared for the provision of **budget information** and **debt advice**, as asb, in its function as umbrella organisation of Austrian debt advice centres, has first of all focused on the relevance of the budgets for debt advice services. The budgets are aimed at establishing guidelines for debt advisers in their daily work.

They enable a comparison of the situation of specific households with the data given in the reference budgets. The differences that thus become apparent can be used as starting points for drawing up a balanced budget for the future. In order to identify sources that can be used as provisions for debt repayment and to study the consequences this has, possible changes in the expense structure can be simulated.

The reference budgets are also used for **debt prevention** as they are helpful for informing people about their actual cost of living. It is difficult particularly for young people who leave their parents' home and move to their own flat or house to assess how much money they need for overhead and for current costs.

For a long time in the past, Austria lacked professional, independent low-threshold advisory services that focused on the issue of household budgets of people with low incomes or people whose income situation had changed due to events such as unemployment, separation or similar reasons but who were not (yet) excessively indebted. October 2012 saw the introduction of budgetary advice services, provided by the officially recognised debt advice centres in almost all provinces.

The reference budgets drawn up by asb are the basis and the **central tool for budget advice services**. For this purpose, the reference budgets are updated at regular intervals. (See www.budgetberatung.at – in German with English summary; www.budgetrechner.at – in German).

In addition to debt advice centres and prevention-oriented budget advice services, the reference budgets are also used by other advisory services and interest-representing bodies such as the Austrian Anti-Poverty Network. Reference budgets are instruments for policies to reduce poverty and social exclusion.

What actors were involved in the construction? Were people experiencing poverty part of the process? Have focus groups been used?

As a rule, reference budgets are either based on empirical data (e.g. consumption data), or they are prepared by experts. The former approach represents real-life situations but thus either also incorporates the problems of low-income households or, if the data of average-income households are used as a basis, does not account for the specific expense structure of low-income households. Neither method is useful for budget information/advice and debt advice as these services are aimed at balanced budgets for low-income households and thus require reference budgets that serve this purpose. The problem of budgets prepared by experts is that they are subjective.

In order to draw up the Austrian reference budgets, asb thus adopted a comprehensive, transparent approach that uses the strong points of both types and minimises their disadvantages. For calculating the individual spending categories of the reference budgets, a **variety of methods were used**. **Primary data**: Whenever data were unavailable – or the available data did not appear to be useful – data based on specific research in shops, catalogues and on the Internet were used.

Secondary data: Secondary data were acquired from organisations specialising in certain themes or subject matters such as the Austrian Economic Chamber, the Austrian Chamber of Labour, e-control (the Austrian regulatory body for electricity and natural gas), primary and secondary schools, the VCÖ transport organisation, as well as academics, and Statistics Austria. In addition, known fixed expense items such as TV licence fees and co-payment for free school student tickets were taken into account.

Since 2010, data have been acquired not only through discussions with experts (social workers, debt advisers) but also through **focus groups** (i.e. moderated small-group discussions) **with people with low incomes**, in order to incorporate their views and attitudes in the updated reference budgets. This practical input has helped obtain improved budgets that are closer to real life. Moreover, this ensures the integration of the clients of budget advice services and people whom social policy measures are aimed at – i.e. those whose financial situation and quality of life is to be improved by the employment of reference budgets.

How would you evaluate the development and/or current use of the reference budgets in your country? Are they useful tools for policy purposes? For public campaigning and awareness raising?

In addition to use by debt advice centres and budget advice services, the reference budgets are important for **assessing whether welfare services** such as the means-tested minimum income or the level of the exempted subsistence minimum (which is relevant for attachment proceedings in the case of over-indebtedness) **are actually sufficient**.

For many debtors who are facing attachment of earnings, the exempted subsistence minimum is too low to lead a life in dignity. According to the debt advice centres, a significant increase of the subsistence minimum, to a level above the reference amount for the compensatory allowance (to top up low pensions), is needed. Persons whose income is at the said reference amount level are also eligible for other benefits and for exemption from certain fees, which is not taken into account when the subsistence minimum is calculated. The reference budgets can be used for orientation with regard to ensuring a life under modest conditions but in dignity.

For poverty research, the budgets are of interest as they **define minimum market baskets** for different types of household. At present, the poverty thresholds that are being defined in Europe are usually income-oriented. However, organisations such as the Austrian and the European Anti-Poverty Networks have for quite some time criticised the problem that the necessary spending is not adequately taken into account. They are therefore interested in the availability of reference budgets and follow their further advancement from a perspective of constructive criticism.

Reference budgets thus help us understand what people actually need to **lead a life in dignity** in Austria, and they provide important input with regard to explaining this **need to political decision-makers**, i.e. they are useful for advocating a rise of the minimum incomes,

the subsistence minimum, as well as of other welfare benefits. However, it has not been possible so far to position the issue of reference budgets as a matter of public discussion; they **do not form part of the media discourse on social welfare, nor of concrete policy discussions**. In other words, there is still a long way to go before reference budgets will actually be employed in political and administrative contexts.

Section 3: Implementation of Country Specific Recommendations on Minimum Income and follow up through the Semester process.

As part of the EU Semester process, a number of countries have received **Country Specific Recommendations (CSR)** on their MIS or more generally on poverty. **Country Reports** can give interesting indications for countries performance with regards to Minimum **Income**. Evidence can also be found in EAPN's assessment of **National Reform Programmes 2016**. In some countries under a Macroeconomic Adjustment Programme; the **Memorandum of Understanding** has reference to MI. In this section you find information about developments in response to these reports and recommendations as well as information on how EU funds are used to support developments in relation to Minimum Income Schemes.

Policy responses to the CSR, initiatives to implement them and to improve the MIS, if there are new evolutions in this respect in your country. Other developments in relation to Minimum Income Schemes as part of the Semester Process, please add them here.

The 2016 CSR for Austria did not include specific notes referring to the means-tested minimum income scheme. However, they included subjects that are related to the minimum income, such as **increasing unemployment rates**, particularly among older workers. And the Council of the European notes that "the drop out-rate of pupils with a migrant background is more than three times higher than those without a migrant background"¹. In both cases, the **means-tested minimum income scheme needs to ensure a basic subsistence level** – and must not be a dead-end road but should rather open up opportunities for entering the labour market. For instance, Vienna is running a successful “one-stop-shop” programme for young people aged 21 or younger, which will be expanded to include people aged up to 25 as well. It offers specific services and support in the areas of training and occupation.

¹ Council Recommendation of 12 July 2016 on the 2016 National Reform Programme of Austria, p. 3

Has EU funds being used to support developments in relation to Minimum Income Schemes?

In Austria, funding from the European Social Fund is mainly used in the area of **labour market integration**. In recent years, model projects have been run that **specifically target recipients of minimum income**, and which are co-financed by the ESF. They are specific programmes for persons who are disadvantaged with regard to employment, i.e. for whom it is particularly difficult to find work and whose integration into the labour market is prevented by complex, multidimensional problems.

These programmes include “ENTRY”² in Styria, where hourly low-threshold occupation is offered, as well as Lower Austria's “step-by-step integration model” (run since 2013), which also particularly addresses recipients of the means-tested minimum income and which enables social enterprises to employ these persons over a longer period. After an introductory stage of several months, with hourly occupation, participants can get temporary employment for one year (instead of 6 months, which is the rule otherwise), with the aim of subsequent referral to the regular labour market. However, it has become apparent that, in spite of intensive efforts, it is difficult to refer these persons to the regular labour market – there is a growing group of people who actually have no chance of finding regular jobs.

Section 4: Social and Political Environment and its impact on the fight against poverty and the evolution of Minimum Income Schemes

In this section there is a brief sketch of the ‘mood’, the atmosphere that exists in relation to poverty, people living on minimum income, and the impact on some specific groups such as migrants, Roma/Travellers, growing nationalist sentiments etc.

What kind of social and political environment exists within which the EMIN project will operate?

In the present social and political climate, welfare state approaches, and thus **social security, have increasingly been under pressure**. On the one hand the right-wing populist Freedom Party (FPÖ), focusing on politics of envy, continues to incite hostility against immigrants, as well as against people who depend on welfare benefits, and on the other, the conservative People's Party (ÖVP) has started to attack socially disadvantaged groups to hunt for votes. For instance, a large campaign was launched in Lower Austria in order to stir up emotions against recipients of the means-tested minimum income; obviously aimed at winning “middle class” votes.

For instance, the following message was communicated (in newspaper ads, leaflets etc.).

² See <http://www.verwaltung.steiermark.at/cms/beitrag/11665695/74837477/> (in German)



Minimum income – ok, but €1500 is enough.

**Those going to work
must not come off worst.**

The Social Democrats and the Greens would pay out as much as €2200. As a net income.* Every month. That's more than others earn in regular jobs. In Lower Austria, we say that a minimum income of €1500 is enough. We don't just focus on those who receive it –we think of those who pay for it.

*E.g. household with 4 children: €2020 (plus family allowance).

We need to help the poor – not the lazy.

The message focuses on income through work and on the approach that income from welfare benefits must be lower than income from gainful employment, implying that, as a rule, those receiving welfare benefits are "lazy". Instead of demanding higher income from paid work, the goal is to reduce ("cap") welfare benefits, with great public impact. (The Austrian Anti-Poverty Network has responded by starting activities against this approach whenever possible – see section 5).

This initiative is more than mere bluster; it represents concrete political intentions: the means-tested minimum income has actually been reduced, with particularly radical cuts in the provinces with ÖVP Governments. Under considerable political pressure, the Social Democratic Party (SPÖ) eventually accepted these decisions to a great extent. The Green Party, which has always pursued a progressive course in socio-political matters, also carried those reductions in the provinces in which it is part of coalitions. Even though this was presented to the public as a necessity due to coalitional discipline rather than a Green position, the Green Party has, in fact, contributed to adopting the reduction.

The situation has further been aggravated by the yellow press, which plays an important role in Austria and tends to join in whenever disadvantaged groups are attacked. At the social level, a decrease in solidarity is being felt, which increases the pressure on social welfare systems, paralleled by a tendency to justify policies against the weakest members of society.

Section 5: Developments in relation to the Austrian EMIN Network

In this section you provide information in relation to the state of development of your National EMIN Network. In particular describing social dialogue/partnership with public authorities and other stakeholders.

Is there a formal or informal steering group for your National EMIN Network (who is involved)?

The **Austrian EMIN Network** has two levels. On the one hand we have a **core working group of mainly NGOs** which exists for several years already and meet regularly - particularly since the introduction of the means-tested minimum income in Austria in 2010. On the other hand, we have a **broader informal loose group**, where representatives of ministries and

social partners are involved. It is more result of EMIN1 project and the MI-conference. The communication with this group shall be improved and intensified in EMIN2 project.

The **core working group** regards as its key task to **monitor the implementation of the minimum income scheme**, i.e. to identify, address and communicate problems with regard to practical implementation, as well as gaps and barriers to take-up. The EMIN1 project has helped the group intensify and improve its work (also due to additional resources that have been made available), and beside the national focus, the international dimension of this issue has been discussed in the group.

Due to the sociocratic structure of the Anti-Poverty Network, the minimum income monitoring group is directly linked with the Network's steering group. The two heads of the EMIN Network are steering group members as well.

The majority of members of the monitoring group are persons working in a variety of social care organisations, and are concerned with minimum income questions either directly or indirectly (e.g. as social counsellors or legal advisers of NGOs), or persons engaged in as socio-political lobbying in umbrella organisations or networks. The group also includes academics who focus on socio-political questions, and a few persons who work in the social care administration (and mostly take part in an unofficial capacity, like whistle-blowers). Representatives of government institutions and politicians are not directly involved. The monitoring group understands itself as a counterpart to governmental administration, and as an actor with a critical view on government and social administration.

Have there been any contacts with potential partners that can help to build alliances for the improvement of the MIS in your country?

Yes, there has been different contacts on provincial level (from our regional networks and members of our monitoring group) and on federal level – especially with the **Federal Ministry of social affairs** (namely Ms. Andrea Otter, who is in charge of means-tested minimum income) and we also had an appointment with the Minister of social affairs Alois Stöger. Austrian-Anti-Poverty Network was also part of an official monitoring group on minimum income in Ministry of Social Affairs. We have a closer cooperation in that topic with the **Chamber of Labour**, both on regional and federal level.

Has any activity been organised with regards to MI? Communications or public awareness raising, since the completion of the EMIN1 project?

Yes, both the Austrian Anti-Poverty Network and the EMIN Network organised a variety of activities, particularly in view of the political situation and tendencies to cut welfare benefits. In 2016, we published **several fact checks** in order to correct public statements with regard to the minimum income and, as representatives of civil society, to counteract political pressure.



For instance, in our fact check of the ÖVP campaign in Lower Austria, we proved that the figures that had been published were not in line with the actual situation. In order to underpin the statement that the current welfare benefits were too high, fictitious cases were used in which the income of a family with paid jobs was compared to the income of a family receiving the minimum income. In the case of the paid-work family, an additional income of almost EUR 1000 per month had not been taken into account. Saying that families who receive a means-tested minimum income get more money than families with gainful employment is simply wrong.³

We also organised a media campaign in cooperation with PEP – People Experiencing Poverty, under the slogan “Don’t strip us of everything we have” (“Wir lassen uns nicht das letzte Hemd nehmen”).⁴

#abersicher [“that’s for sure”] is another, **small** (zero-budget) **online and social-media campaign** in order to underline the importance of the minimum income scheme. Prominent representatives of social care organisations or member organisations of the Austrian Anti-Poverty Network (e.g. Caritas, Diakonie and many others), as well as recipients of the minimum income, explained why the minimum income plays such a key role.

Their messages were:

“The minimum income ensures the security of our welfare state for all of us.”

“The minimum income permits a certain level of life in dignity.”

“The minimum income does not enable a life in luxury. It helps people avoiding manifest poverty. Cutting back on the minimum income puts social cohesion at risk.”

For further information, please visit www.armutskonferenz.at/abersicher (in German).

In fact, we did not stand a chance against the power of our opponents, we just did not have the strength needed in order to prevent the negative developments (with the exception of certain alleviations in individual cases).

We are in the process of planning a larger campaign to be launched next year, which will hopefully be backed to an even greater extent by our member organisations, and the longer planning horizon will enable us to find further allies.

³ See <http://www.armutskonferenz.at/aktivitaeten/mindestsicherungs-monitoring/bms-faktenchecks/faktencheck-zur-kampagne-der-vp-noe-diffamierend-und-falsch.html> (in German).

⁴ See <http://www.armutskonferenz.at/news/news-2016/mindestsicherung-lassen-uns-nicht-das-letzte-hemd-nehmen.html>