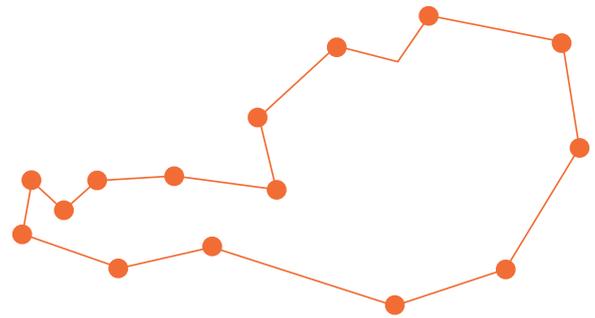




# COUNTRY MONITOR



## AUSTRIA

# Social Rights Monitor 2019

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The coalition former coalition government of the ÖVP and FPÖ drastically shaped economic and social policy developments. Our National Strategy group finds that “[the government] constantly undermined the existing welfare state and linked issues of immigration and integration with welfare measures.” Solidarity in the sense of redistribution, risk sharing and social responsibility was replaced by a nationalist, anti-immigration and neoliberal agenda. Policy changes include the degradation of the basic income scheme, cuts in funding for Public Employment Service, the indexation of family benefits for EU citizens, severe reduction of funding for women’s rights and gender equality organisations, planned €500 million reduction of funding of the accident insurance (AUVA)<sup>1</sup>, introduction of 1.50€ jobs in community work for asylum seekers and a budget cut of 1 million for counselling services<sup>2</sup>. The government even attempted to include ‘economic interests’ into the Austrian Constitution, after an environmental impact assessment obstructed a big infrastructural project<sup>3</sup>. The cuts to the Austrian social welfare system severely affect vulnerable parts of the population such as people with a migrant background, women, children from disadvantaged backgrounds and older people. Civil society organisations faced verbal, economic and legal attacks from the government.



**Gini Index:** 26.8

**Unemployment:** 4.9%

**Gender equality index:** 65.3

**Youth unemployment:** 9.4%

**AROPE:** 17.5%

**Social welfare spending (as % of GDP):** 20.5%

**Tax on labour as share of total taxes:** 55.3%

**In work poverty:** 8%

**CIVICUS civic space monitor:** Narrowed

## Equal opportunities and fair working conditions

The most significant intervention in Austrian labour law was the introduction of the 12-hour working day. This policy change adds to the precariousness of work, worsening work-life balance and severe health concerns for the workers and employees affected. The bill raises the daily maximum working time from 10 to 12 hours, five days a week. Thus, the maximum weekly working time is raised from 50 to 60 hours<sup>4</sup>. Freedom of choice for employees and workers is not provided for in the legal text as practically all workers have a clause in their employment contract that requires them to work overtime. The law was passed without any involvement of civil society, and after a protest of 100.000 people the government even speeded up the legislative process making a public reviewing process impossible<sup>5</sup>. Government funding for the “Public Employment Service” (Arbeitsmarktservice, AMS) has been reduced. Particularly affected were German language courses and integration measures such as competency checks and vocational guidance for refugees. The originally planned 100 million Euros for integration measures in 2018 was halved and reduced to 50 million Euros<sup>6</sup>. An additional amount of 55 million planned for German courses and qualifying measures were not granted. In 2019, the budget for integration measures was even reduced from 50 million

to zero<sup>7</sup>. An estimated amount of 1200 external trainers working for the Employment Service (AMS) lost their job due to the budget cuts<sup>8</sup>.

Further adjustments the government made included the indexation of family benefits for EU-citizens working in Austria. This concretely means that this allowance is adjusted and now dependent on the living cost of the children’s place of residence<sup>9</sup>. For many workers from Central or Eastern European countries, a lot of women working in under paid sectors, this means substantial cuts in their disposable income<sup>10</sup>. The Commission finds that this indexation mechanism is not compatible with EU law<sup>11</sup>. Moreover, a measure to support longtime unemployed over 50 (Aktion 10.000) as well as the “Beschäftigungsbonus”, an initiative to reduce non-wage labour costs, have been stopped<sup>12</sup>.

## Social protection and inclusion

### Harsh reform of the minimum income scheme tackling migrants and families

Another drastic deterioration for social inclusion and protection in Austria has been the changes made to the Austrian minimum income scheme (Mindestsicherung). The child benefits for families with more than three children have been significantly reduced. For the second child parents receive 133 Euros, 44 Euros for the third child while the amount for the first child has been increased to 221 Euros per month<sup>13</sup>. Over 54.400 families with three or more children are affected by these cuts<sup>14</sup>. Single parents, almost all of them are single mothers, can get an additional allowance for their children but this depends on the decision of the federal state (Bundesland) and there is no legal claim to this extra payment.

Besides families, the reform of the minimum income scheme has particularly targeted and discriminates



people with German language skills below the level of B1 or English language skills below the level of C1. In most cases, affected people are refugees or people with a migrant background. If they cannot prove sufficient language competence, the maximum monthly allowance of 863 Euros is reduced by 300 Euros<sup>15</sup>. Thus, the risk of poverty of children, families with a migrant background and female headed households increased significantly due to the reform of the minimum income. People granted subsidiary protection are no longer entitled to minimum income and will now only receive extremely minimal non-cash benefits<sup>16</sup>.

### Further attacks on rights of women and refugees

Measures to tackle gender based discrimination and foster gender equality were stopped or weakened by the ÖVP-FPÖ government. In concrete numbers, the government decided to cut the budget for the Ministry of Women's Affairs by 179.000 Euros in 2018 and by another 230.000 Euros in 2019. Consequently, many NGOs, projects and initiatives working on gender equality and women's rights lost or partially lost their funding<sup>17</sup>. The goal of the Employment Service AMS to spend 50% of the funding for active labour market policy on women has been abandoned<sup>18</sup>. Furthermore, a decree on teaching principles in Austrian schools which had the aim of teaching "equality between women and men" was suspended<sup>19</sup>.

As of 2019, no current funding is provided for the integration of refugees into the labor market<sup>20</sup>. Asylum seekers, in the first place, do not have access to the labour market in Austria. Moreover, when refugees are refused asylum they are deported even if they are in training or education. Until September 2018, the Austrian apprenticeship model was an educational opportunity for asylum seekers below the age of 25 to enter the labour market, but the government stopped this possibility<sup>21</sup>. Therefore, a comprehensive integration process can only start once asylum

is granted and refugees are able to enter the labour market. This is a severe problem for personal autonomy and development as well as economic independence.

### Good practice

#### Language courses for asylum seekers

The city of Vienna offered cost free German courses for asylum seekers from 2017 until summer of 2019 on a larger scale. This measure helps people in primary care to establish a daily structure as well as helps to better overcome the challenges of everyday life. Moreover, it fosters a quicker integration process after being granted asylum, as measures can build upon acquired German language skills and a first orientation in Austrian society. This is a particularly important measure as language courses by the federal state were severely cut and access to the labour market is not granted to asylum seekers in Austria.

### Civic space

Within a relatively short period of time, Austria's government seriously encroached fundamental freedoms and installed restrictive measures negatively affecting civil society, media, rule of law, citizens and third country nationals<sup>22</sup>. Particularly concerning are the increased attacks on civil society and freedom of press. In November 2018, the CIVICUS monitor downgraded Austria's rating from "open" to "narrowed"<sup>23</sup>. The decision was justified by a refusal to engage in structured dialogue with civil society as well as reducing funding for NGOs in many sectors. Furthermore, derogatory remarks about NGOs were made by then Chancellor Sebastian Kurz (ÖVP) accusing Doctors without Borders (MSF) of cooperating with people smugglers in their sea rescue missions in the Mediterranean<sup>24</sup>. The Minister of Sustainability and Agriculture, Elisabeth Köstinger (ÖVP) introduced amendments which will



significantly limit consultation possibilities of NGOs working on environmental protection in Austria<sup>25</sup>. Not only civil society organisations but also journalists and media have been attacked by the government. This included then Minister of Interior, Herbert Kickl (FPÖ), who instructed his Ministry officials to withhold information to certain media outlets which are critical of the government. Furthermore, increased pressure was put on the Austrian public broadcaster ORF. The ÖVP-FPÖ government engaged in attempted intimidation of one of Austria's most prominent journalists, Armin Wolf, and tried to restructure the independent broadcaster from within<sup>26</sup>. In the infamous "Ibiza videos" that caught then vice-Chancellor Heinz Christian Strache (FPÖ) in an attempt to engage in serious corruption, nepotism and attempts to breach the rule of law, he stated that he wished to install a media landscape like the one in Hungary. The publication of these videos and many other extremely problematic statements eventually led to the end of the coalition government. New elections were held on 29 September 2019.

## Comparison to Country Specific Recommendations

The Country Specific Recommendations for Austria for 2019 and 2020 are relatively short and highlight the necessity to invest in the sustainability of health, long-term care and pensions<sup>27</sup>. Raising the statutory retirement age is one of those recommendations. Further important changes such as the shift away from taxes or the support of full-time female employment through the improvement of childcare services are mentioned. These reflect certain adjustments but do not shed light on the severe attack that has been made on the Austrian welfare state the previous year. While it is said that "the levels of basic skills for disadvantaged groups, including people with a migrant background" should be raised, we firmly encourage the European Commission to use stronger wording and take more action on fundamental social and human rights.



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SOLIDAR is a European Network of membership based Civil Society organisations who gather several millions of citizens throughout Europe and worldwide. SOLIDAR voices the values of its member organisations to the EU and international institutions across the three main policy sectors: social affairs, lifelong learning and international cooperation.



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