

# **Austrian National Report for the ECE Meeting in Budapest**

**7 – 9.12.1998**

## **1) Perception and policy related to the family, fertility and reproductive health**

From a scientific perspective there can be little doubt that fertility in Europe will continue to remain far below the replacement level. In Austria the net reproduction rate has been below 1 since 1972, in 1997 the total fertility rate amounted to 1.36 children per woman. In combination with increasing life expectancy this continuing low fertility level will have consequences in the future. For this reason, policies with a long-term orientation will have to deal with the phenomena of lower fertility and its possible consequences for society and its system of social safeguards. The Austrian Government does not believe that it is the responsibility of the state to directly influence demographic behaviour. Instead appropriate measures should be taken in the fields of family and social policies that will remove, or at least minimise, those structural hindrances that obstruct the fulfilment of the desire for children at an individual level.

### **1. Attitude of the Government to Diverse Forms of Family**

In the light of the plurality of living forms, transfer payments made by the Federal Government are oriented towards the presence of children. In this connection, the most important benefits are the family allowance and the tax allowance for children. Both benefits will be raised in the next two years. In addition, special measures are planned for families threatened by poverty. In order to obtain a detailed knowledge of the resulting needs and problems of the people and to react appropriately, the Government commissioned a number of studies (Family Fertility Survey). In recognition of the frequently precarious financial situation of single parents these will benefit from a 50% increase in maternity allowance, special emergency relief and family supplements provided by the provinces. We plan to intensify target group specific education (e.g. step parents, separated parents).

### **2. Attitude of the Government to Methods of Artificial Fertilisation:**

In the industrialised countries, methods of artificial fertilisation are increasingly becoming routine medical procedures and are being treated as health or psychosocial issues. However, in Austria they are not discussed in connection with population policies.

### **3. Attitude of the Government with regards to the Compatibility of Work and the Family**

The compatibility of work and the family is one of the priority areas of Government policies concerning the family. In addition to increased investment in the expansion of child care facilities (an additional ATS 2.4 billion in 4 years), and care facilities for the elderly and/or those needing nursing care, the Government's strategies are directed towards improving general conditions on the job market.

In this connection, changes in maternity benefit, the introduction of the home care allowance and improvements in the social insurance status of those caring for relatives, as well as significant improvements with regards to the crediting of time spent raising children for insurance purposes.

Further initiatives to improve the compatibility of work and the family have also been taken within the scope of the Austrian Government's Plan of Action.

One concrete example is the introduction of the "Audit for Family and Work" (Audit für Familie und Beruf) with which companies can be awarded a state prize for family-friendly personnel policies, or the nation-wide competition at a municipal level.

#### 4. Attitude of the Government to Relief for the Costs of Children:

Financial assistance for families in the narrow sense accounts for approximately ATS 70 billion. However, this is only 20% of all family related public expenditure (education, health, housing construction etc.), which amounts to more than 10% of GNP. Although the family support provided by national government is largely horizontally oriented, it also has a vertical effect in conjunction with the measures implemented by the individual provinces. In order to make the tax system fairer to families tax relief worth an additional ATS 12 billion will be granted for children from 1999 onwards in an early budget.

#### 5. Attitude of the Government to the Development of the Family

It is the goal of the Austrian Government to ensure that living standards of those caring for children do not fall. The Austrian constitution provides for compensation for the costs incurred in raising children. Family related poverty factors are analysed so that action can be taken to specifically counteract them.

The Government's strategy is to create the best possible climate and conditions, especially for women, to ensure that family and work remain compatible.

There are numerous of advisory, assistance and therapeutic services available at a regional and municipal level. These work preventatively and in crisis situations provide fast and unbureaucratic services.

#### 6. Reproductive Health Care

305 family advisory institutions provide nation-wide care in this area.

The range of services includes advice and information on family planning, abortion prevention, treatment of consequences, advice and family planning after an abortion, sex education for adolescents, prevention of infection of the reproductive organs and sexually transmitted infections and their treatment, HIV/AIDS prevention, infertility prevention.

## **2. Perception and policy concerning mortality and health**

2.1. Far-reaching reforms were initiated in the Austrian health care system in 1997. The aim of these reforms, on the one hand, is to ensure that the health care system can be financed in the next decade, and on the other, to ensure that spending cuts for health services are not made at the expense of the poor, the disabled and elderly members of society.

Political principles such as combined financing (financing from insurance contributions and taxes), health insurance based on the principle of solidarity and the principle of equal access to health care were not touched.

The focal points of this reform are

- the introduction of a nation-wide performance oriented form of hospital financing (based on diagnosis flat rates) as well budgeting for total expenditure at hospitals.
- the development of a capacity and performance related health plan.
- quality assurance measures.

2.2. A further goal of health care policies in Austria is to improve the health of the population by developing a comprehensive preventive care system and promoting information that encourages health awareness.

Health promotion is not only carried out in a theme context (with regard to specific illnesses or risk factors), but is increasingly carried out in relation to the environment of the individual. In recent years the Ministry of Health has initiated pilot projects and co-operation structures in the significant social systems, town, hospital, school and workplace to promote health.

A particularly important project carried out within the scope of this health promotion campaign is a large scale anti-smoking campaign directed at 10 to 14 year olds. This campaign will last several years and is intended to delay the age at which adolescents start smoking for as long as possible.

In order to provide the middle aged and the elderly with concrete information about how they can improve their health in their old age, the Government has initiated the campaign "Live consciously – age healthily" (Bewußt leben – gesund altern). By promoting physical and mental health it is possible to delay the age at which the elderly will require nursing.

### **3. Perception and policy related to population ageing, including change in population age structure**

As life expectancy has almost doubled this century, the proportion of older members of society is increasingly rapidly and this represents a major political challenge for the next century both globally and in Austria.

According to demographic estimates the number of over 60-year-olds will increase steeply in the long term. From 1.6 million at the moment by more than one quarter (+ 28.1%) by the year 2015 and by just under three quarters (+ 73%) to 2.7 million by the year 2030. Thus the percentage of the population over 60 will rise from 19.7% at present to 24.5% in 2015 and to approximately 33% in 2030.

However, with increased life expectancy (current life expectancy for men is 74.3 years and 80.6 for women) we are standing at a crossroads in the way that we view

old age. The phase of life after 60 can no longer merely be understood as a "life's sunset"; After youth and adulthood it is a valuable third period of life in which the interests of the individual will gain in social and political importance.

Today's senior citizens, and this will be even more true of those in future, enjoy comparatively better standards of health, education and qualifications in an active and vigorous third age and possess a depth of knowledge and experience that are indispensable for future generations.

An "open work with senior citizens" that take into account the needs and concerns of the "new senior citizens" and integrates them into social and political life after they have withdrawn from working life and which promotes dialogue and co-operation between the generations has become a new political priority in Austria in line with the international trends. As a result of the introduction of a new care allowance graded according to the degree of care needed in 1993; Austria has also taken an important step to overcoming the problems of the 4<sup>th</sup> age, extreme old age.

## **Goals of Policies for the Elderly in Austria**

### 1) To promote solidarity between the generations

In addition to the performances provided by the younger generation through their pension contributions and care for the aged, the work of older people in taking care of children, caring for relatives and other activities within and outside the family will continue to increase.

A study commissioned by the Government on "Relations between the generations in Austria" shows that there is a significant – material and non-material – exchange taking place within the family and that mutual assistance within the family continues to predominate in Austria.

Therefore it is a central concern of a "policy for all ages", the motto of the United Nations for the "International Year of Older People" to promote dialogue and interaction between the generations and to do our best to ensure the appreciation of the commitment that is still frequently shown in our society.

### 2) Labour Market

The demographic trend is leading to a reduction in the number of younger workers and an over-proportional increase in the number of older employees. The importance of "learning throughout life" will thus increase still further. With regard to labour market policies this results in a demand for increased further training measures for older workers.

The Government is trying to increase the proportion of older workers through new measures:

For example, a premium-penalty system which rewards the hiring of older workers (reduced or no unemployment insurance contributions) while making it more expensive to make them redundant by means of an extra payment. If a worker in a

large company opts for a flexible  
reduced working hours.

5retirement pension he enjoys the right to

A sabbatical of up to one year allows workers to continue their education with the  
financial support of the unemployment insurance system.

### 3) Upgrading of Volunteer Work

Senior citizens should be given more opportunities to make use of their valuable professional experience and personal skills. Volunteer work plays a decisive role.

With the pilot project "Citizens' Offices for Young and Old" the Government wants to take concrete steps to promote volunteer work. These citizen's offices act as the co-ordination office for a wide range of voluntary activities and provide increasing numbers of senior citizens with attractive perspectives for actively filling their later years with responsible and fulfilling tasks while making an important contribution to the community.

### 4) Pension Schemes

In response to, but not solely as a result of the expected demographic trends, a number of reforms in the pension sector have been decided in recent years. The following measures were at the heart of such efforts:

- Tightening of qualification criteria for premature old age pensions
- Changes to the formula used for calculating pensions (new incremental contributions; extension of the calculation period)
- Inclusion of new insurance groups (new freelancers, people with minimum employment)
- Employment market measures with the goal of keeping older workers in the working world for longer (sabbatical, solidarity premium model).

All these measures are carried out within the framework of the pay-as-you-go pension insurance system; a conversion to a capital resources system is not planned. At the same time, an expansion in the system of private pensions (company pensions, private life insurance policies) is seen as a supplement but not a substitute for the state pension.

### 5) Social Services and Support for those caring for Relatives

The care allowance in the form that it was introduced in 1993 provides all individuals requiring assistance or nursing with a non-means tested allowance. This allowance is graduated in seven categories according to the degree of care required. At present just over 300,000 persons (total population 8.1 million people) receive this care allowance. 80% of them are over 60 years of age.

Approximately 80% of those requiring nursing are cared for within the family, in particular by female relatives. In order to safeguard the interests of the carer, the possibility of continued insurance for carers under favourable conditions was created within the pension insurance. Support for training and further training for those caring for relatives was a second priority area.

In addition to those caring for relatives, social services (outpatient, day care and full time care) also ensure the necessary care.

As a result of the structural changes within the family and the decline in the proportion of those participating in the work process, political efforts are directed towards the expansion of mobile social services and day care places. As the demand for social services is continually rising, we expect that a great many new jobs can be created in this sector.

#### **4) Perception and policy concerning international migration**

As a result of the collapse of the East European state systems and the war on the Balkans, immigration to Western Europe has assumed a quantitative dimension not experienced since World War II. Almost 10 million people left their homes over a five-year period, some 4 million of them came to Western Europe. As the current situation (Kosovo) and the economic situation in Eastern Europe show, massive migratory movements are latent. Due to its geographical position and historical connection to Eastern Europe and the Balkans, Austria was particularly affected by the wave of migration that took place in 1990. Action was taken in response to these circumstances. Immigration quotas were established while at the same time increased efforts were made to integrate those foreigners already living in Austria.

In the final analysis, there can be no doubt that the problem of international migration cannot be solved by individual states but only by the creation of a Europe-wide co-ordinated concept.

We propose the following measures to create a comprehensive new concept for migration policies with new priorities:

- Reduction of global migration pressure
  - Intervention in regions where there are conflicts
  - Increased development aid and economic co-operation
  - Political co-operation between destination and countries of origin
  - Raising standards of human rights
- Reduction of illegal migration and measures to combat smuggling of aliens
- Immigration control
  - European quota system for new immigrants
  - Standardisation of regulations for family reunification
  - Transfer payments to immigrants
- New protection for refugees
  - Temporary asylum for those who have been expelled from their homes
  - Integration programmes that are socially feasible for the countries accepting refugees and reintegration programmes with international support
  - Reform of the asylum system and a transition to protection concepts that are more politically and less legally oriented.
- Europeanisation of migration policies and the development of a new institutional framework.