

## The regulatory trajectory and organisational framework of childcare services in Austria

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Bettina Leibetseder

*Johannes Kepler University*

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COST Action IS1102- Social Services, Welfare State and Places  
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## The regulatory trajectory and organisational framework of childcare services in Austria

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### **The restructuring of social services in Europe and its impact on social and territorial cohesion and governance**

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## ABOUT THE AUTHOR

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## The regulatory trajectory and organisational framework of childcare services in Austria

*Bettina Leibetseder*

### ABSTRACT

The working paper describes the recent trajectories of the Austrian childcare system – it covers both services and cash benefits. The Austrian childcare system relies heavily on benefits in cash, we also define the diverse forms of cash support, one could even call them a ‘jungle’ of benefits and tax deductions, most of which are regulated on the national level. In contrast, the childcare services are subject to provincial legislation as defined in the constitution; however, in 2008 the provincial governments and national government agreed to harmonize and provide a minimum level of services. The territorial cohesion is still not given, and it depends very much on the effort of each province and city to build up certain childcare services.

Due to the reliance on cash, distinctive disadvantages cannot be adjusted by services. The stratified up-take of different models of Parental Leave Benefit and the reduction for single parents and low income increase social inequalities further. The high amount of parental leave benefits result in a low percentage of mothers entering employment early and exacerbate part-time employment. The impact of the crisis has not altered the effect of the recent childcare expansion programme; nevertheless, as the service development has not finished, the outcome cannot be fully evaluated yet.

## 1. Introduction

The first section describes overall system. As the Austrian childcare system relies heavily on benefits in cash, we also define the diverse forms of cash support, one could even call them a 'jungle' of benefits and tax deductions, most of which are regulated on the national level. In contrast, the childcare services are subject to provincial legislation as defined in the constitution; however, in 2008 the provincial governments and national government agreed to harmonize and provide a minimum level of services. Both aspects are explained in chapter 2 of this paper. Then we define current organizational structure and the division of labour between the state and different providers. The chapters on the impact of restructuring and the conclusions only provide an outline for further debate.

## 2. The legislative milestones

As stated above, the Austrian system relies mainly on cash benefits in case of childcare (Leitner, 2010b; Mätzke and Ostner, 2010). Up to 2008, Austrian family policy underwent a phase of re-familisation for almost ten years. In general, Austria as a conservative-corporatist welfare state relies mainly on social insurance in the social security system and fosters a principle of equivalence and status security. Benefits thus reflect the duration and level of contributions and occupational categorisation (Esping-Andersen, 1990; Arts and Gelissen, 2002; Tálos, 2006; Obinger and Tálos, 2010). The level of protection depends on market performance (long labour market participation) and the employment situation (occupational group and work contract). But it only aims to a lesser extent to reduce social inequality. It is linked to employment and marriage, in that the full co-insurance for dependents (children and husband/wife or partner) demands a stable family structure and employment of one household member. Subsidiarity of state help constitutes another principle, which is related to Catholic teaching and encompasses an ideological and religious basis for social policy, which demands that the smallest entity capable of fulfilling a task should do so. The state should only intervene, when no other form of help is possible, either from family members or other organisations or groups. These principles determine the corporatist and conservative ideal (Tálos, 2006).

### 2.1. *Cash Benefits*

The Austrian social policy is based on the ideal of familism and the gendered division of labour; an ideal mother should stay at home and take care of the children as part of the Catholic tradition, and issues of childcare and the employment of women reflect a long process of change. As early as 1957, employed women who became pregnant were protected against dismissal and could take leave to care for their child for six months. In 1961, a paid earnings-related leave was introduced for women for up to a year, which was reasoned in a pro-natalistic and familistic way by the political parties. In 1974, the parental leave scheme allowed for a flat rate benefit for a mother who had been employed; before that it took into account the partner's income. Additionally, the reign of the Social Democratic Party enforced higher transfer payments and tax deductions for families and a compensation on alimony payments for single parents, when the



non-caregiving parent (mainly the father) was reluctant to pay (Mairhuber, 1999; Dackweiler, 2003; Leitner, 2010b).

From 1974 to 2001, special unemployment assistance covered the gap for single parents who were eligible for unemployment assistance until their child turned 3 years old, if they could not find suitable childcare locally. This was introduced to reduce the influx of returning mothers to employment in a period of economic downturn. Due to a lack of childcare facilities, single parents could not enter the labour market, were therefore not available to the labour market, and consequently were not entitled to unemployment insurance benefit as well (Mairhuber, 1999; Dackweiler, 2003). An increase in childcare services was not on the political agenda at all, as the conservative People's Party headed most of the provinces for long periods, and were responsible for social services: some even opposed assistance for parents of children under 3 years old at all (Mairhuber and Papuschek, 2010). Nor was the Social Democratic Party at the forefront of this issue in the coalition governments of the 1980s. Since the early 1960s, the leave system only took into account the loss in earnings of employed mothers, so only a small group of mothers were attached to the labour market during this period (Leitner, 2010a). As late as 1989, the legislation changed, enabling men to opt for parental leave. Furthermore, the parental leave period was lengthened to two years for either one or both parents, and part-time parental leave was created, which allowed for a four-year payment of benefit in cases where the employee and employer agreed on such. Up to the late 1990s, cash benefits increased steadily for families despite overall austerity in social policy (Mairhuber, 1999; Dackweiler, 2003; Obinger *et al.*, 2010). However, an austerity package reduced parental leave for one parent to 18 months in 1996 (Dackweiler, 2003).

The cut in the length of receipt thus widened the gap for single parents between the last benefit payment and available childcare. In contrast to parental leave support as a flat rate benefit, special unemployment assistance was paid according to actuarial principles. Additionally, an augmented parental leave allowance supported low-income families, either as single parents or couples, which was replaced by the Parental Leave Benefit subsidy for low-income families in 1996. This Parental Leave Benefit subsidy was a cost containment measure implemented as part of an austerity package. Either the parent paying child support or both parents had to pay back the subsidy. Therefore, a single mother had to name the child's father to be eligible for the benefit. The absent parent thus had to pay both child support and subsidy in case of sufficient income. The revenue office collected the money as soon as the yearly income of any parent passed a particular threshold until the child turned 15. One reason for the enforcement of the payback duty was to stop single parent's fraudulent use of the benefit through cohabiting with a partner whilst claiming the benefit. Furthermore, it fostered the traditional form of families, as it promoted parental obligations as well as support payments from an absent parent and encouraged marriage and cohabitation (Dackweiler, 2003). Subsidiarity as a principle was introduced due to this strict income test, taking into account wider kinship obligations. Low-income parents then had to apply for a supplement of an additional 6.06 Euro per day, which also had to be paid back according the regulations for single parents. The recourse liability started with an annual income of 14,000 Euros for a single parent and 35,000 Euros for a couple.

After a long period of coalition governments and trade-offs between the Social Democrats and the People's Party, the right-wing coalition of the conservative People's Party and the nationalist Freedom Party altered childcare policy profoundly (Leitner, 2010b), as it introduced Parental Leave Benefit, announcing it as a 'reward' for women's work (Rosenberger, 2001). Austrian Parental Leave Benefit switched from a social insurance-based entitlement to a slightly higher general means-tested benefit in 2001 and offsets the risk of childcare (Rosenberger and Schmid, 2003). Students, pupils, homemakers, the self-employed and persons who have never been employed can receive the benefit, thus including all parents taking care of children. Until 2007, two parents were entitled to up to 36 months of benefit, when the second partner took at least

six months of childcare relief. The political argument was that Parental Leave Benefit should extend the freedom of choice for families to reconcile work and family, as the benefit permitted a higher income threshold for the main carer. The recipient could earn up to an additional 14,600 Euros a year without losing their entitlement to this benefit. However, there was only a slight increase in male recipients, and this was partly due to the additional six months of allowed receipt (Lutz, 2004; Mairhuber and Papuschek, 2010). This transformation of child care allowance also resulted in a 'disarranging' of child care allowance and labour laws, as protection against dismissal does not exceed 24 months after birth of the child (Mairhuber and Papuschek, 2010). In addition, the lower income threshold of protection against dismissal remained, set at the level of the marginal earnings threshold, where someone does not have to pay social insurance benefits.

The extension of the Parental Leave Benefit period significantly lowered the re-entry of women into the labour market, despite the fact that protection against dismissal for parental leave only lasted for 24 months after childbirth (Lutz, 2004; Riesenfelder *et al.*, 2007; Mairhuber and Papuschek, 2010; Obinger and Tálos, 2010). Before 2000, approximately 50 per cent of mothers re-entered the labour market after 24 months, with the new model, less than a third entered within the first two years (Riesenfelder *et al.*, 2007). Additionally, part-time work allowance for parents was extended until the child was seven years old, which supported an integrated model of childcare and work. Approximately 10 per cent of parents, 14 per cent of them men, reduce their working time at the end of their entitlement to Parental Leave Benefits. More than half of the few men receiving Parental Leave Benefit work and earn more than the marginal earnings threshold, and more than 7 per cent below that threshold. In comparison, slightly less than 20 per cent of women earned above the threshold and 8 per cent below for the year 2007 (Dörfler *et al.*, 2009). Men therefore pursue the chance of reconciling childcare and work, whereas women tend to follow a sequential pattern of childcare and a later re-entry into work. In summary, this period can serve as an example of the feminist policy's re-familisation (Kreisky, 2010), and parental leave regulation followed a sequential model rather than an integrated one, enabling parents to work and take care of small children until the next reforms (Mairhuber and Papuschek, 2010).

In 2007, the Social Democratic Party and the People's Party again formed a grand coalition government and introduced shorter models with higher benefits. Three options were then available with 15 months, 20 months and 30 months for one parent and 18, 24 and 36 months when both parents engaged in childcare. The income-tested subsidy payment for low-income families was payable in all three versions leading to a top-up payment of 180 Euros for up to 36 months, which had to be paid back by both parents (see above). In all models, partners could switch twice, but had to agree on one model for the duration of receipt (Tazi-Preve, 2009a; Mairhuber and Papuschek, 2010). The introduction of the two additional models was supported by the argument of reconciling work and family for parents; moreover, they were intended to encourage more fathers to take a few months off from work, a goal which was not attained through the 36-months model introduced in 2000. In addition to the ideological clash between conservative and Social Democratic Parties, the division between federal government and the nine provinces in case of family policy introduces a veto point, as the provincial and local governments are in charge of childcare facilities, but the federal government is in charge of most of cash benefits (Obinger and Tálos, 2010). Nevertheless, the national government and the provinces decided to invest in childcare places and support afternoon care in schools after a long debate (Mairhuber and Papuschek, 2010).

In 2010, two new models of the Parental Leave Benefit were introduced after a year-long discussion between the Social Democrats and the People's Party (see table below). Both models support a childcare carer for up to a year, extending the receipt to 14 months for two partners. The fourth model provides a flat rate benefit of 1,000 Euros a month. The fifth model takes into account previous earnings and is meant to adapt to the needs of high-income groups. It pays 80

per cent of the previous earnings up to 2,000 Euros a month for a year for one parent and 14 months for two parents taking care of the child, but incorporates a tighter income threshold (§24 Kinderbetreuungsgeldgesetz). Thus, the Social Democrats succeeded in re-introducing an employment related benefit, based on an actuarial principle and redistributing higher benefit payments towards medium and high-income groups, in addition to the flat rate short one. This adaptation was easily agreed between the two parties, as it enforced a connection to the labour market and increased the share of men taking parental leave.

**Table 1: Five Options for Child Carers – Child care allowances in Austria (in Euros)**

	30+6* Months	20+4* Months	15+3* Months	12+2* Months flat rate	12+2* Months – income-related
Per day	14.54	20.80	26.60	33	above 33 to 66
Per month	440	630	806	1,000	1,000-2,000
Max. amount one carer**	12,400	11,440	10,600	10,150	up to 20,300
Max. amount two carers**	15,040	13,970	13,020	12,160	up to 24,310
Eligibility	Legal stay and centre of vital interests in Austria and ten medical examinations of parent and (unborn) child				all others and 6 month employment with contribution to social insurance
Income threshold	60% of previous earning, at least 16,200 Euro a year				6,100 Euro per year
Labour law protection	24 months protection against dismissal for the parent on leave, up to a monthly income of 376.26 (up to 13 weeks more than that with previous employer)				

\* first months for one carer plus additional months for a second carer (mother and father combined)

\*\* the total amount is calculated minus the deduction of eight weeks, as mothers receive a special benefit within this first period (i.e. (15 months \* 4.33 weeks-8 weeks)\*7days), Author's own compilation

Despite the higher income threshold of the four other models, parents, who are still protected against dismissal and therefore do have an employment contract, can only earn a small monthly amount, which is below 376.26 Euros a month in the year 2012, from their employer. For 13 weeks a year, they are allowed to earn more than that amount in order to cover for holiday replacements at their employee's company. If they do not adhere to those rules, they will lose their right to return for at least four weeks after their leave ends. All other recipients can either obtain at least 16,200 Euro or up to 60 per cent of their previous earnings. Only the income-related option is tied to a strict income test with a threshold of 6,100 Euro a year. However, there is a distinct leeway for high income parents, who can choose the income related model for up to 14 months and then take time off work for two years, so that they still receive more money in total, remain co-insured via their partner's employment and are protected against dismissal for the first two years after child birth. Furthermore, they can start working without any income threshold in the second year of childcare.

Despite these new models, the number of fathers engaging in childcare increased slightly from 1.7 in 2001 to 4.5 per cent in 2012, as they tend to accept benefit for a very short period. Two thirds of female parents still opt for the longest version; of which uptake decreased from 85% in the first year of the alternative options were introduced. A quarter of recipients opted for the 20 plus 6 months or 15 plus 3 months model in the last years. Both are popular models, as they allow parents to access the maximum benefit period without losing the right to return to their previous workplace.

As stated above, the coalition government easily agreed on the income related model, but any transformation for low-income parents was not so smoothly decided upon. Single parents still had to face the payback liability and did not have access to a universal benefit above the poverty threshold. As a result of the debate, the parties compromised and the new regulation entitles single parents to two further months of receipt in such specific personal circumstances and limits

the additional maximum benefit to 1,000 Euros. Nevertheless, single parents with an income below 1,200 Euros can also apply for those extra two months, when they have demanded alimony payment from the other parent beforehand (§ 5 (4a) and § 5 (4b) Kinderbetreuungsgeldgesetz).

However, the introduction of an income-related model with a higher total benefit for recipients did not raise the overall budgetary costs for the Parental Leave Benefit, as a cut for low-income families was planned. One saves by cutting the expenditure for one group of recipients and finances a higher benefit for well-educated and high-income parents: the allowance for low-income parents was changed in all four flat rate models. Low-income parents can receive the top-up of 181 Euros a month for twelve months only, a reduction of two years. However, recipients are no longer required to pay it back. In addition, the means-test only takes into account the caring parent and, if present, a cohabiting partner. Consequently, the child's father or mother living apart can no longer be held responsible for a recourse liability. The caring parent can earn 6,100 Euros a year, whereas a partner can have an income of up to 16,200 Euro within that year when the parents live together (§ 9 to § 14 Kinderbetreuungsgeld).

**Table 2: Models and Take-Up-Rate**

	Dec-2008		Dec-2009		Dec-2010		Dec-2011		Feb-12	
	Count	%	Count	%	Count	%	Count	%	Count	%
All child care recipients										
Women	160007	96.05	148282	95.29	140833	95.45	135551	95.66	133407	95.45
Men	6572	3.95	7323	4.71	6713	4.55	6143	4.34	6354	4.55
Total	166579		155605		147546		141694		139761	
Model 30+6 months										
Women	134,547	84.09	111781	75.38	98178	69.71	90450	66.73	87698	65.74
Men	5,495	83.61	4817	65.78	3757	55.97	3188	51.90	3267	51.42
Total	140,042	84.07	116598	74.93	101935	69.09	93233	65.80	90965	65.09
Model 20+4 months										
Women	18923	11.83	28934	19.51	28183	20.01	29010	21.40	28908	21.67
Men	591	8.99	1661	22.68	1578	23.51	1542	25.10	1587	24.98
Total	19514	11.71	30595	19.66	29761	20.17	30552	21.56	30495	21.82
Model 15+3 months										
Women	6537	4.09	7567	5.10	4891	3.47	4419	3.26	4423	3.32
Men	486	7.40	845	11.54	641	9.55	427	6.95	465	7.32
Total	7023	4.22	8412	5.41	5532	3.75	4846	3.42	4888	3.50
Model 12+2 months										
Women					2445	1.74	2780	2.05	2871	2.15
Men					236	3.52	351	5.71	358	5.63
Total					2681	1.82	3131	2.21	3229	2.31
Income related model										
Women					7136	5.07	9297	6.86	9507	7.13
Men					501	7.46	635	10.34	677	10.65
Total					7637	5.18	9932	7.01	10184	7.29

Sources: Author's own compilation based on data from Bundesarbeiterkammer, 2010, 2011 and Ministry for Economy, Family and Youth

Despite three quarters of all parents choosing the longest model in 2009, support is only paid in the first year; thus, the period of eligibility is shortened by two thirds in many cases. In 2011, the first year where payment of the old form of benefit completely ceased to be made, less than half the benefit amount for low-income parents was paid out compared to the old model with the long-term threat of payback. The number of recipients dropped from 34,000 in 2009 to 15,000 in 2011 (Bundesarbeiterkammer, 2010) Ministry for Economy, Family and Youth). Thus, a sharp reduction occurred, especially when one keeps in mind that the uptake should have increased, as a means test was facilitated. Consequently, one can claim that the recent adaptations do not value care work equally for all parents. Low-income parents, either single or in a couple, do not have the same choices and income security as other families. The former can only opt for the 20-, 15- or 12-month models, receiving full support without further conditions, when they want to receive a benefit covering their living expenses.

Approximately half of female childcare recipients earn at least some money besides receiving the benefit. Less than ten per cent of all formerly employed women re-enter the labour market within the first 30 months after giving birth without Parental Leave Benefit. Nevertheless, as the labour protection legislation against dismissal has not changed, most women return to work before it expires. However not all women return to the labour market; 30 to 40 per cent of all women stay out of the labour market for longer, even at the end of the longest model of the child care allowance (Venningen, 2010; Statistik Austria, 2011b).

## 2.2. Stratification of Up-Take

Specific socio-demographics can either reduce or increase the chances of someone choosing one model of Parental Leave Benefit over another. On the one hand, the Austrian corporatist model distinguishes between different groups of employees, which differ according to their social insurance and labour law protection, and on the other hand according to their level of income (see table below). Civil servants are one well-protected and high-earning group, where both genders tend to opt for the income related model. In contrast, disparate earnings and no labour law protection for the self-employed leads to the opposite: those who have a higher income choose the income-related model, others take the option that best fits their individual circumstances. Either they prefer the shorter flat rate model when their earnings rise above the 16,200 Euro income threshold, or they opt for a longer version. Interestingly, many self-employed males opt for Parental Leave Benefit; one explanation is the possibility of shifting earnings to another month, which allows them to remain below the income threshold for a short period (Lutz, 2004). As men tend to use childcare leave for short periods only, there is no structural transformation in the intra-household division of carework and gendered employment pattern of women and men (Tazi-Preve, 2009b).

**Table 3: Employment Status and Parental Leave Benefit Model (Feb 2012)**

	Persons	All models		30+6 months		20+4 months		15+3 months		12+2 months		Income model	
		f*	m*	f**	m**	f**	m**	f**	m**	f**	m**	f**	m**
Non-manual employees	59,634	44.7	25.7	60.1	34.6	24.1	27.0	2.8	7.4	1.3	5.2	11.8	25.9
Workers	18,520	13.9	27.2	72.5	60.5	22.0	24.2	3.3	6.6	1.5	4.3	0.8	4.4
Civil servants	12,041	9.0	6.8	55.9	34.3	22.7	29.0	2.5	6.2	0.9	2.5	18.0	27.9
Self-employed	2,446	1.8	10.0	45.6	47.3	24.6	26.5	8.7	9.7	14.0	9.1	7.1	7.4
Farmers	1,416	1.1	5.7	80.2	72.2	12.7	18.1	3.9	4.4	3.0	4.4	0.3	0.8



house makers	20,739	15.5	5.5	77.2	58.1	15.4	24.5	3.5	7.7	3.9	9.4	0.0	0.3
Students	2,508	1.9	2.2	65.0	46.4	23.8	29.7	5.5	10.9	5.7	12.3	0.0	0.7
Unempl. Insurance	16,103	12.1	16.9	73.6	63.3	19.7	22.5	4.3	7.7	2.4	6.0	0.0	0.6
Total	133,407	100.	100.	65.7	51.4	21.7	25.0	3.3	7.3	2.2	5.6	7.1	10.7

Source: Author's own compilation based on data from Ministry for Economy, Family and Youth, Scheikl (2010) (data 2008), average level of unemployment insurance benefit and unemployment assistance benefit (data 2008)

\* percentage of column

\*\*percentage of row

\*\*\*average not median

The same labour law protects manual workers and white-collar employees; nevertheless, the lower incomes of workers lead to a financial disincentive to choose the income-based model and workers opt for the longer model in many cases. As with the self-employed, the group of non-manual separates into high, medium and low incomes. The group is therefore divided, where more than a tenth receive a benefit of 80 per cent of their previous earnings, and 60 per cent opt for the long version. A quarter of all women choose a model which conforms to the duration of protection against dismissal. Students, unemployed persons and homemakers who have not been integrated in the labour market before their period of childcare tend to choose the longest model. Alongside educational aspects, employment status also indicates ethnic stratification. 40 per cent of all employees born in another country are manual workers and another 25 per cent are employed as lower or medium non-manual employees (Statistik Austria 2009). Both groups have a tendency to opt for the longer version. Thus, one can argue that lower income groups opt for a model that does not provide enough incentive for men to engage in childcare and fosters a long-term disengagement of women with the labour market.

**Table 4: Province and Model of Parental Leave Benefit (Feb 2012)**

	all			30+6			20+4			15+3			12+2			income related		
		f	m		f	m		f	m		f	m		f	m		f	m
Vienna	29.108	92	8	51	52	49	29	29	27	6	6	9	4	4	7	9	9	8
Lower Aus	24.914	96	4	66	67	52	21	21	25	3	3	6	2	2	4	8	8	13
Burgenland	3.777	97	3	67	68	55	22	22	25	3	3	8	2	2	4	6	6	8
Upper Aus	25.942	97	3	74	74	58	16	16	22	2	2	5	1	1	4	6	6	11
Styria	18.511	96	4	66	67	53	22	22	25	3	3	6	2	2	5	7	7	11
Carinthia	8.217	97	3	64	64	42	24	24	29	4	4	8	2	2	6	7	7	14
Salzburg	9.691	97	3	70	71	54	20	19	24	3	2	7	2	2	4	6	6	11
Tyrol	12.661	97	3	70	71	51	2	19	21	3	3	9	2	2	5	6	6	14
Vorarlberg	6.940	98	2	68	68	48	21	21	19	3	3	5	3	3	9	6	6	17
Austria	139.761	95	5	65	66	51	22	22	25	3	3	7	2	2	6	7	7	11

Source: Author's own compilation based on data from Ministry for Economy, Family and Youth

f = female, m = male, in per cent of each gender and total in each province

Apart from income and occupational status, stratification occurs along geographical lines. Vienna holds a specific status as a solely urban area. Almost nine per cent of recipients are men, and nine per cent of women choose the income-related model, which reflects the higher educational level in the capital. Just half of the women choose the long model. In comparison, in all other provinces approximately three per cent of recipients are men, and at least two thirds of women opt for the long model. It is rare that places for under-two-year-olds are available outside Vienna, and even there, only 28 per cent of all children in this age group have a place in a childcare facility (Statistik Austria, 2011b).

Austria appears to rank well in women's employment, with a rate of 65.8 per cent in comparison to other European countries: only nine countries outrank it. The gendered employment gap between men and women was reduced by 10 per cent between 1998 and 2008, but these figures do not reflect the gendered reality, as they include women and men receiving Parental Leave Benefit. Excluding them reduces the employment rate of women to 63.5 (Kytir and Moser, 2010) and ranks Austria 14th for 2008 (Eurostat 2008). Compared to 72.3 per cent of men, just 36 per cent of women are actively in full-time employment (Kytir and Moser, 2010). The Austrian welfare state is still regularly categorized as one based on male breadwinners (Mätzke and Ostner, 2010; Saraceno and Keck, 2011). Despite the appearance of being frozen on the surface, even a traditionally embedded society transforms over time, so that female caretakers begin to work part-time (Lewis *et al.*, 2008; Dujmovits, 2011).

**Table 5: Legislative Milestones in Child Care Cash Services**

Year	State level concerned	Legislation/Act (number/title/type*)	Content (summarized)
1950	National	Kinderbeihilfe child allowance	One flat-rate payment at birth
1954	National	Familienlastenausgleichsgesetz (Family burden equalisation law)	Legislation to redistribute from childless persons to persons with family, introduction of regular cash support for certain groups
1957	National	Karenzurlaub maternity leave	Unpaid leave for half a year for mothers
1962	National	Karenzurlaub (maternity leave)	Paid earnings-related leave for previously employed mothers (certain conditions) for a year
1967	National	Familienbeihilfe (family allowance)	Regular universal cash support for each child
1974	National	Karenzgeld und -urlaub (Maternity leave and benefit)	Flat rate benefit for all mothers with previous employment without means-testing
1989	National	Elternkarenz (Parent's leave)	Fathers could take up a paid leave as well
2001	National	Kinderbetreuungsgeld Parental Leave Allowance	Nearly universal flat-rate parental leave allowance for parents until their child turns three years old, with a high income threshold up to three years.
2007	National	Kinderbetreuungsgeld (Parental Leave Allowance)	Introduction of two shorter and higher versions
2010	National	Kinderbetreuungsgeld (Parental Leave Allowance)	Introduction of one shorter income-related and one shorter flat rate benefit

Source: Author's own compilation from various data

### *2.3. Childcare Services*

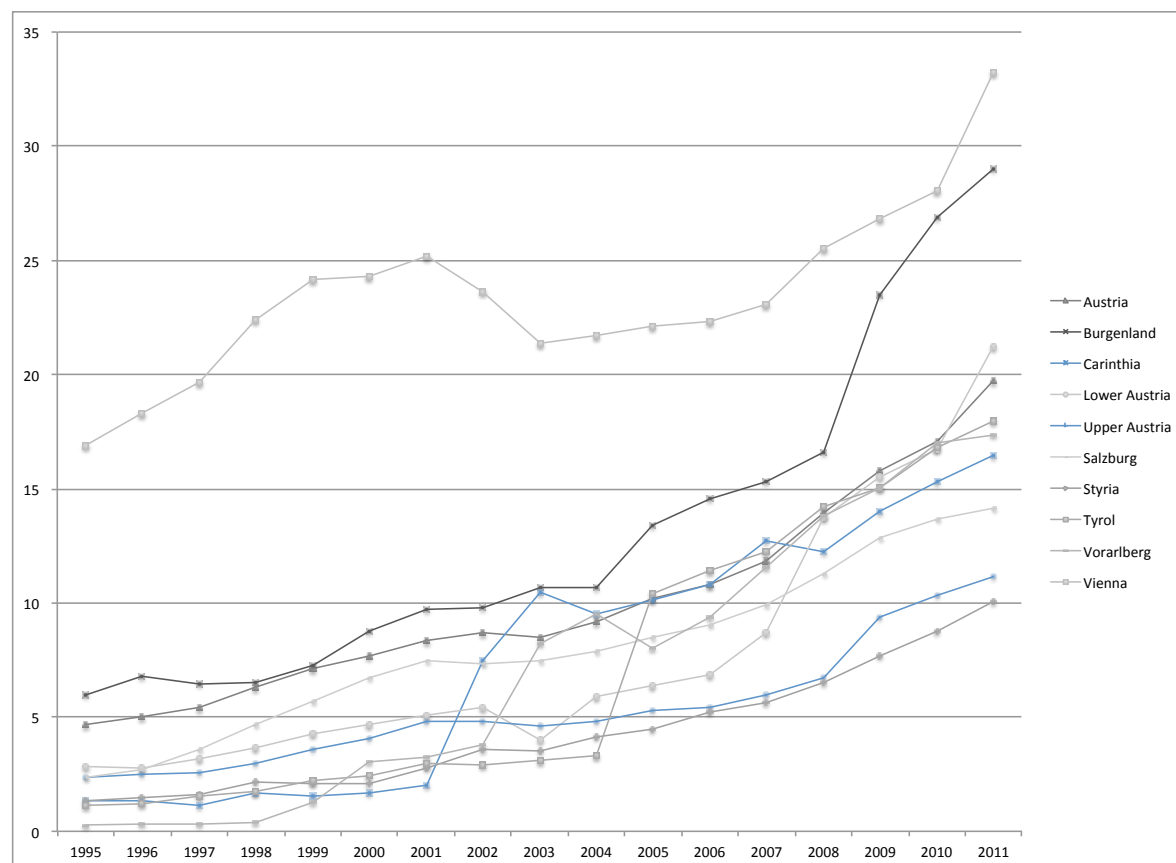
In contrast to other countries, Austria mainly relied on cash benefits in case of childcare up until recently. The child benefit models also influence the uptake of childcare facilities. The number of children enrolled in childcare facilities rose from 5 per cent to 7 per cent in the pre-two-year-old age group, and from 71 per cent to 91 per cent in the three- to five-year-old age group from 1995 to 2010 (Statistik Austria, 2011b). Just 0.7 per cent of all children are cared for by childcare institutions under the age of one year and 12 per cent below the age of two years. Thus, as long as the employment regulations protect parental care leave, most do not use childcare facilities. Only in the age group from two to three years, does the ratio rise to 40 per cent (Statistik Austria 2011). Nevertheless, yearly or daily opening times still do not support full-time working parents in many regions (Mairhuber and Papuschek, 2010).

The employment rate of women with children under the age of three did not change at all: less than 30 per cent in this group work nowadays, which was at the same level in 2000. However, one aspect did change: only half of the employed women with small children worked part time in 2000. Now more than 76% of all employed women keep a part-time job, whilst their child is under three years old (Statistik Austria, 2011a). The number of employed women below the social insurance threshold leaps from 5 before the child was born to 28 per cent as the first form of employment (Venningen, 2010).

Half of all women with children below the age of eight reduced their working time when re-entering the labour market. Overall, employment rose in all groups of women with children between 2000 and 2010, from 66 to 70 per cent for women with children between three and six years and from 72 to 82 per cent for women with children between 6 and 15 years. Nevertheless, the most common form of employment nowadays is part-time, which increases from 57 to 77 per cent and from 52 to 64 per cent respectively (Statistik Austria, 2011c). Only the group of most highly-educated women retain a high level of full-time employment, when their children are grown up, at 60 per cent, whereas more poorly educated women more often remain either out of the labour market or as part-time workers (Kytir, 2010).

In the 1970s-1980s, an increase of childcare service was not on the political agenda at all except for Vienna, as the conservative People's Party headed most of the provinces for long periods, and some of those even opposed any kind of public childcare for children under the age of 3. As mentioned above, the major milestone is similar to social services for the elderly in that the federal government now engages in an acceleration of the expansion of childcare services. The provinces receive financial support to increase childcare places since 2008. In addition, parents can deduct childcare costs from taxes and obtain benefits (Parental Leave Benefit and child benefit) too. Informal and formal care is fostered via the mix of cash benefits and service expansion.

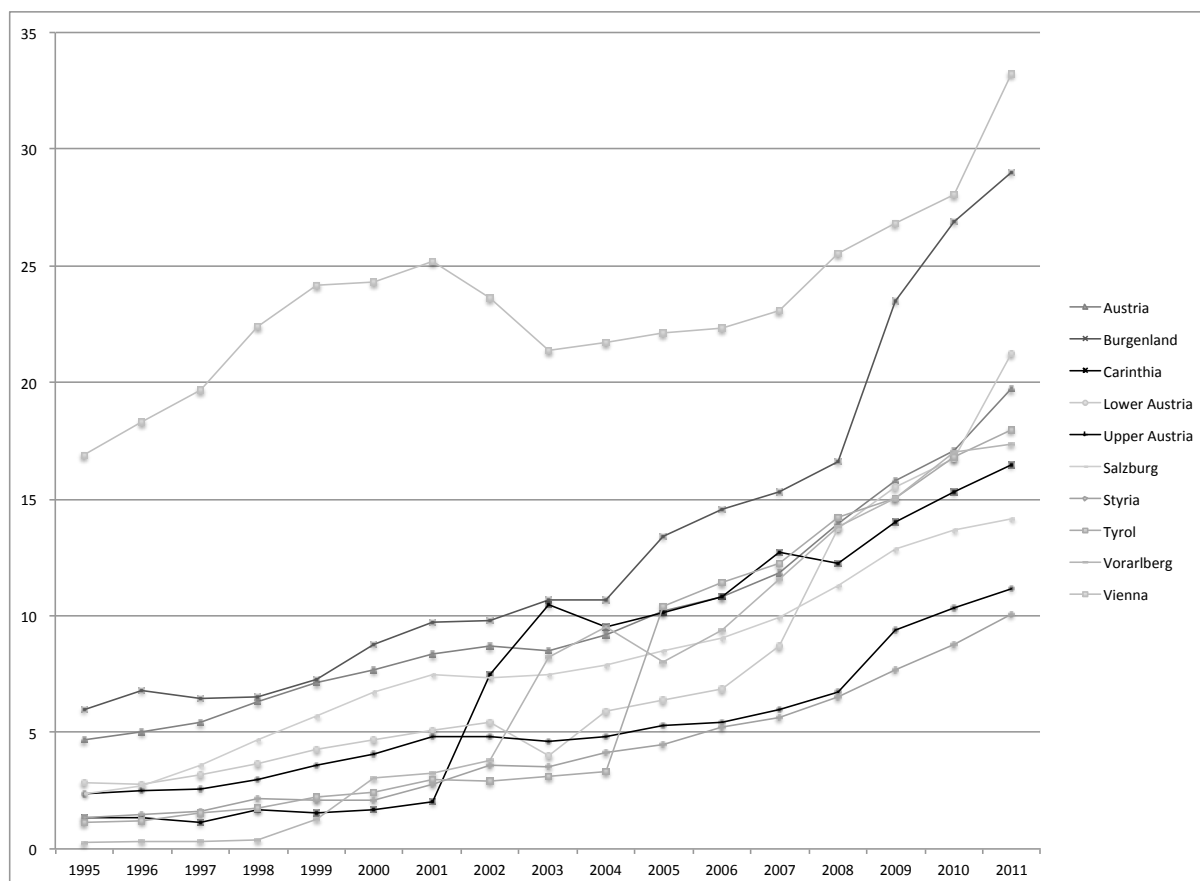


**Figure 1: Coverage rate 0-2 years old in childcare facilities (percentage of age group)**

Source: Author's own compilation based on data from Statistik Austria (2012)

Up to mid-2000, in most of the provinces, except Vienna, childcare places for the youngest were hardly accessible. There were only a few places in urban areas, but in rural areas one had to rely on neighbours and kinship. The legal change in 2008 and the financial incentives for the provinces accelerated the expansion of childcare places for 0-2 year olds. However, although all provinces move in the same direction, but previously existing difference between Vienna and all other provinces persists. Burgenland constitutes the exception to the rule and nearly reaches the coverage rate of the capital. In addition, the number of children in that age group decreased from more than 280,000 to 235,000, so that socio-demographic transformation partially accounts for a better coverage rate.

In contrast, the coverage rate for older children, those in the kindergarten, started to rise earlier and already reached a high level in the mid-2000s. All provinces converge to full coverage as a common outcome for the past two decades. Again, lower fertility in the past decades also contributes to that result. In 1995, almost 285,000 children were between 3 and 5 years old and in 2011 just 239,000 are part of the same cohort.

**Figure 2: Coverage rate 3-5-year-olds in childcare facilities (percentage of age group)**

Source: Author's own compilation based on data from Statistik Austria (2012)

Consequently, the number of facilities and groups also has to be compared in order to attribute the effect of the recent policy changes. As Table 7 explains, the number of places in kindergartens has not altered in Austria. A few provinces increased their places, others reduced them. To some extent, the introduction of childcare places without age restrictions, where children of all age groups can be cared for, substituted for spaces in kindergarten. In contrast, the number of crèches more than tripled in the period of 1995 to 2011. Burgenland, Carinthia and Tyrol only started late to offer some services, but expanded their services drastically and now have achieved a substantial cover rate. Other provinces, Lower Austria, Styria and Salzburg, had introduced some daycare before and also enlarged their provision. In contrast, Upper Austria and Vienna, the two provinces with the most places in 1995, increased their places in figures, but could not achieve such an expansion rate naturally. Vorarlberg ended age-restricted daycare facilities and just implements childcare places without age restrictions now. Except Tyrol, all provinces introduced that form of childcare by 2000s, which now accounts for more places than crèches. In total, Tyrol, Vienna, Vorarlberg, Carinthia and Salzburg display a more than average expansion of childcare facilities, whereas Styria, Burgenland and Lower and Upper Austria achieve a below-average one, whereby Austria has achieved 23 per cent more places in 2011/12 than in 1995.

Consequently, the demographic change drives to a certain degree the increase in childcare coverage, as there were 91,000 children less in the age group of 0 to 5 years old, and only 50,000 childcare places more, predominantly for younger groups, in the period of 1995 to 2011.

**Table 6: Childcare Places According to Facilities**

	Austria	Burgenland	Carinthia	Lower Austria	Upper Austria	Salzburg	Styria	Tyrol	Vorarlberg	Vienna
Kindergarten										
95/96	209,916	8,449	10,925	47,280	39,018	13,560	13,458	8,687	9,151	38,095
00/01	212,213	7,777	11,860	46,649	39,796	13,804	13,489	9,338	9,441	38,166
05/06	195,176	7,414	10,939	39,268	36,871	13,100	12,986	8,876	8,766	35,673
2007/08	195,801	7,559	11,391	38,856	37,002	12,956	13,494	9,092	8,819	34,635
2011/12	209,130	7,374	11,229	50,381	35,413	12,991	13,865	9,734	9,381	35,989
Index*										
00/01	101	92	109	99	102	102	100	107	103	100
05/06	93	88	100	83	94	97	96	102	96	94
07/08	93	89	104	82	95	96	100	105	96	91
11/12	100	87	103	107	91	96	103	112	103	94
Children in Day Care (Krippe)										
1995/96	7,627	33	149	84	763	221	275	258	48	5,796
2000/01	10,699	193	148	197	843	678	305	475	39	7,821
2005/06	16,037	472	1,683	671	1,023	790	870	2,872		7,656
2007/08	17,017	595	1,895	772	1,197	810	1,074	3,038		7,636
2011/12	23,625	909	2,370	638	2,544	1,230	2,209	3,808		9,917
Index*										
2000/01	140	585	99	235	110	307	111	184	81	135
2005/06	210	1430	1130	799	134	357	316	1113		132
2007/08	223	1803	1272	919	157	367	391	1178		132
2011/12	310	2755	1591	760	333	557	803	1476		171
Childcare Facilities without Age Restrictions										
1997/98	1,210				305	606	98			201
2000/01	4,918	263		163	346	1,291	391		729	1,735
2005/06	18,307	299	511	5,310	357	2,111	440		2,204	7,075
2007/08	26,384	357	907	8,179	427	2,827	400		2,673	10,614
2011/12	34,289	1,287	1,505	2,488	5,000	3,059	444		3,404	17,102
Total										
1995/96	217,543	8,482	11,074	47,364	39,781	13,781	13,733	8,945	9,199	43,891
2000/01	227,830	8,233	12,008	47,009	40,985	15,773	14,185	9,813	10,209	47,722
2005/06	229,520	8,185	13,133	45,249	38,251	16,001	14,296	11,748	10,970	50,404
2007/08	239,202	8,511	14,193	47,807	38,626	16,593	14,968	12,130	11,492	52,885
2011/12	267,044	9,570	15,104	53,507	42,957	17,280	16,518	13,542	12,785	63,008
Index										
2000/01	105	97	108	99	103	114	103	110	111	109
2005/06	106	96	119	96	96	116	104	131	119	115
2007/08	110	100	128	101	97	120	109	136	125	120
2011/12	123	113	136	113	108	125	120	151	139	144
Childminders										
2007	13,320	133	602	5,364	1,475	876	2,705	819	248	1098
2010	13,568	99	592	4,441	1,226	1,616	3,779	855	359	1,056

Source: Author's own compilation based on data from Statistik Austria (2012, 2007, 2011b)

\*Index: The values for 1995/96 serve as base year data (100).

In 2008, the national agreement between the provinces and the federal state boosted the slow expansion, as the period of 1995 to 2007 only accounts for ten per cent points and the shorter period from 2008 to 2012 for 13 per cent points. The funding, the management and all other forms of liberalisation depend on the province, as it is still the responsibility of the province to offer childcare services and introduce a certain standard. Nevertheless, the framework between the federal state and provinces also introduced a certain minimum standard for childcare services.

**Table 7: Legislative Milestones in Childcare Services**

Year	State level concerned	Legislation/Act (number/title/type*)	Content (summarized)
1950	Constitution	Constitution Art. 12	(2) poor relief, maternity, infant and youth relief, convalescent and nursing homes as provincial- and municipal responsibilities
1970s-1980s	provincial and local	different legislations	each province introduced its own regulations and provided its own services, low service provision in rural and conservative local municipalities
1995- ongoing	provincial and local	new legislations in most provinces	Expansion and professionalization of childcare services
2008	Art. 15a Agreement between federal state and provinces	Childcare	Regulated by the provinces: in 2008 two Art. 15a agreements between provinces and the federal state defined minimum requirements concerning an extension of childcare services, a language training for children with problems, a pre-school education plan and a compulsory year of kindergarten before school
up to now		each province has numerous legislations	Bgld: Kinderbildungs- und Kinderbetreuungsgesetz, Jugendwohlfahrtsgesetz Carinthia: Kinderbetreuungsgesetz Lower Austria: Kindergartenengesetz, Verordnung für Tagesmütter/-väter Upper Austria: Kinderbetreuungsgesetz Salzburg Kinderbetreuungsgesetz, Tagesbetreuungsverordnung Styria: Kinderbildungs- und Kinderbetreuungsgesetz Tyrol Kinderbildungs- und Kinderbetreuungsgesetz Vorarlberg Kindergartenengesetz, Richtlinien f. Kinder-, Kleinkindbetreuung und Spielgruppen Vienna: Kindertagesheimgesetz und –verordnung

Source: Author's own compilation

### 3. The Current Organizational Structure

As stated above, most of the benefits cover the families and are paid in cash to them. Just recently, an increase in service provision started. It depends on the province, how much the family has to pay for a childcare place, the introduction of the compulsory pre-school year in kindergarten lead to a free year. Nevertheless, the distinctions do not only occur between provinces but also within provinces. In cities, the services are more accessible and reach a higher coverage, especially for younger children, whereas in rural areas, most of the kindergartens still offer services for older children and have short opening hours and long holidays in summer.

Most of the childcare facilities do not cater to parents, who engage in full time employment. Nearly half of the institutions are open for less than 8 hours on an average day. They open early in the morning, but at least a third close before 4 pm in the afternoon. In addition, many institutions close during school holidays; thus, parents have to cover up to nine weeks in summer, two weeks at Christmas time, one and a half weeks during Easter, and one week between winter and summer term. Comparing mothers' employment and province, one can only summarise that early closure times, long closed periods and low official hours contribute to a high ratio of mothers working part time. However, that does not lead to a higher employment rate of mothers.

**Table 8: Childcare Facilities and Opening Hours**

	Official hours (%)		Closed Periods		Opening time (%)		Mother's employment*		
	below 8	8 and more	av. days	Index	open bef. 7.30 am	closed bef. 4 pm	part time	full time	not empl
Austria	44	56	30.2	100	79	36	37	25	37
Burgenland	36	64	39.5	130	62	30	42	26	31
Carinthia	42	58	35.8	118	70	27	43	29	26
Lower Austria	42	58	33.7	111	82	44	38	29	33
Upper Austria	41	59	35.3	117	69	56	51	16	33

Salzburg	45	55	30.8	102	77	37	50	21	28
Styria	48	52	56.1	186	91	57	46	20	34
Tyrol	48	52	44.0	146	62	62	50	13	37
Vorarlberg	47	53	50.1	166	49	64	48	11	40
Vienna	38	62	3.9	13	93	1	13	38	47

Source: Author's own compilation based on data from Statistik Austria (2012)

\*missing per cents to 100 unknown employment status

As childcare services are up to the provincial and local government, the accessibility of services highly depends on the place of residence. Nevertheless, within the last 15 years many provinces started to invest. Now, five out of nine provinces offer childcare services for at least 90 per cent of the three- to five-year-olds (and two almost), in comparison to none in 1995 and one province in 2000. In contrast, the services for the younger ones are still rarely available for parents in certain regions. Only Burgenland and Vienna cover for more than a quarter of zero to two-year-old children.

In most of the provinces, childcare services are provided by the public. The main responsibilities are born by local communities, where more than 60 per cent of all childcare services are located. Private providers only hold a small part of the services in all provinces except Salzburg and Lower Austria. In addition, childcare services are not accessible through an employer. Upper Austria has a lower provision in public childcare, but provides services via the Catholic church (almost a third) and associations, which are not allowed to make a profit.

**Table 9: Coverage of Childcare Places According to Province and Age Group**

	1995		2000		2005		2010	
	0-2	3-5	0-2	3-5	0-2	3-5	0-2	3-5
Vienna	16.9	75.9	24.3	79.6	22.1	81.4	28.1	91.3
Lower Aus	2.8	81.4	4.7	86.6	6.4	88.7	16.7	95.2
Burgenland	6	88.3	8.8	94.4	13.4	96.4	26.9	98.8
Upper Aus	2.4	71.4	4.1	70	5.3	83.2	10.3	91.3
Styria	1.3	61.9	2.1	69.7	4.5	77.6	8.8	85.3
Carinthia	1.3	52.3	1.7	63.6	10.1	72.8	15.3	83.2
Salzburg	2.3	67.5	6.8	76.8	8.5	82.7	13.7	89.0
Tyrol	1.1	64.4	2.4	73.2	10.4	83.9	16.8	89.8
Vorarlberg	0.3	63.5	3.0	70.5	8	79.7	17.0	91.3
Austria	4.6	70.6	7.7	77.6	10.2	82.7	17.1	90.7

Source: Author's own compilation based on data from Statistik Austria (2006, 2011b)

The planning of the supply much depends on the individual municipality and the province. The national framework legislation introduced a minimum level, which has to be reached, but leaves details to the provincial and local level.

**Table 10: Provider of Childcare Services (except total in per cent) for 2011**

	Total	public	private	national	province	local	work- place	associa- tion	catho- lic	protes- tant	private	others
Austria	8.057	60.88	39.12	0.34	0.40	60.15	1.10	24.34	10.36	0.46	1.04	1.81
Burgenland	287	89.20	10.80	1.05		88.15		2.44	7.32		0.70	0.35
Carinthia	447	43.18	56.82	0.22		42.95		32.66	18.34	1.79		4.03
Lower Aus	1.492	84.85	15.15	0.13	0.87	83.85	2.82	6.37	1.81	0.07	2.35	1.74
Upper Aus	1.137	50.31	49.69	0.44		49.87	0.18	18.12	30.17	0.70	0.53	
Salzburg	466	68.24	31.76	0.21	1.93	66.09	1.29	18.24	6.65	0.64	4.72	0.21
Styria	900	68.67	31.33	1.00	0.44	67.22	2.11	11.22	8.89	0.33	1.11	7.67
Tyrol	688	64.10	35.90	0.73	0.44	62.94	1.45	27.18	4.51		0.73	2.03
Vorarlberg	403	68.98	31.02	0.25	0.74	67.99	0.25	26.55	1.24		0.50	2.48
Vienna	2,237	43.05	56.95		43.00		0.40	45.91	9.61	0.63	0.09	0.31

Source: Author's own compilation based on data from Statistik Austria (2011b)

### 3.1. The Division of Labour Within the State

As stated in the country profile, the current division of labour within the state slightly favours the federal government. Up to 2008, it was solely the responsibility of provinces and local communities to provide for and cover the costs. The federal government now requires a minimum of access to care in all provinces and supports the provinces accordingly, which are obliged to build up a minimum provision of childcare facilities. The agreement between federal government and the provinces also requires the fulfilment of qualitative benchmarks. Local municipalities and welfare organisations (some of them church related) mainly deliver the services, and in some provinces companies provide care facilities as well. The training is based on a minimum requirement on the national level and specific legislations at the provincial level, the degree depends on the profession.

The costs for the parents are partially covered by the state: the childcare allowance, family benefits and tax reduction for the parents. The provinces and local governments cover the larger part of childcare costs and charge some cash contributions from the parents, but that is up to the provincial and local level to decide. Nowadays, the last year of kindergarten before schooling is free of charge for parents. Private care facilities can be very expensive compared to publically subsidised care facilities.

**Table 11: The division of labour within the state in childcare services**

Phases	Central/ Federal	Regional/ Lander	Municipal/ Local	Sub-municipal
Legislation/regulation	15a Agreements between Provinces and Federal Government about quantity and quality of childcare services and free year of kindergarten			
Funding	Split funding for new places of above 3 year olds, and full funding by the federal state for under 3 year olds (initial funding)			
	Funding for innovative parent's associations, company daycare and child-minders (education)	Split of costs of daycare between provinces, local governments and parents, specific regulation for the final year, which does not cost anything for the parents, each province varies		
Programming/planning	15a Agreements between Provinces and Federal Government about quantity and quality of childcare			
		provincial legislation	municipal legislation	

Production/delivery			Local governments	welfare organisations, for-profit organisations, companies, child-minders
Monitoring/evaluation	statistics on federal level	monitoring and evaluation on provincial level		

Sources: Author's own compilation based on Richtline zur Förderung der Vereinbarkeit von Familie und Beruf durch Ausweitung der Kinderbetreuung, GZ: 42 1100/0053-II/2/2009, provincial legislation and Baierl and Kaindl (2011), Art. 15a Vereinbarung Bund - Länder Einführung der halbtägig kostenlosen Kindergartenbetreuungseinrichtungen, Art. 15a Vereinbarung Bund-Länder Ausbau des institutionellen Kinderbetreuungsangebots

A tax rebate for 'professional care' should help to transform informal childcare towards formal childcare services. Close relatives have to take a few hours of training (extended family) and others have to attend longer hours of training before they can apply for this tax rebate. If they fulfil this requirement, parents can reduce their taxes by 'officially' paying for that service (i.e. grandmother).

### 3.2. The division of labour among providers

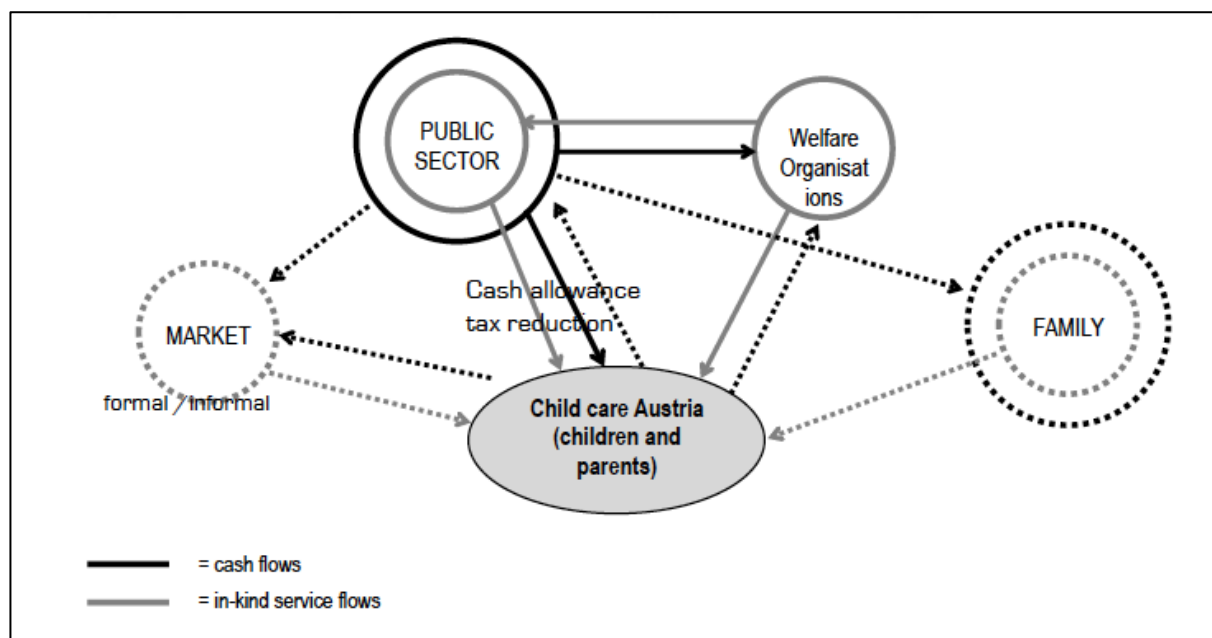
The funding depends now on all three levels, as due to the agreement between the federal state and provinces certain money is also reallocated to childcare services from the federal level to the provinces. The provinces together with the local level are responsible for the bulk of costs and the programming and planning. Nevertheless, it is the provincial decision, how much parents have to co-pay for the services offered and what additional support is delivered. The production and delivery is based on services located at the municipal level, whereby local communities and non-profit organisations, many of them church related, provide services. The market does not play an important role in any of the provinces. The monitoring and evaluation is at the provincial level, but also the national government and the local municipalities have responsibilities.

**Table 12: The division of labour among providers in childcare services**

Phases	State (at which scale)	Market		Non-profit		Family/users
		For profit organisations	Hired help	Organisations/ associations	Voluntary workers	
Legislation/regulation						
Funding: cash transfers services user's contribution	national province/ local					X
Programming/planning	national/ province /local					
Production/delivery	local	(X)		X		
Monitoring/evaluation	national /province /local					

Source: Richtline zur Förderung der Vereinbarkeit von Familie und Beruf durch Ausweitung der Kinderbetreuung, GZ: 42 1100/0053-II/2/2009, provincial legislation and Baierl and Kaindl (2011), Art. 15a Vereinbarung Bund - Länder Einführung der halbtägig kostenlosen Kindergartenbetreuungseinrichtungen, Art. 15a Vereinbarung Bund-Länder Ausbau des institutionellen Kinderbetreuungsangebots



**Figure 3: The division of labour among providers in childcare services**

Source: Lyon and Glucksmann (2008)

#### 4. The impact of the restructuring and the crisis

The recent increase of services has an impact on gender and equal opportunities in general. Not only for mothers, who can enter the labour market earlier, but also for children with language barriers or difficulties in obtaining enough support at home, as the compulsory pre-school kindergarten year should assist all children. The territorial cohesion, as presented above, is still not given, and it depends very much on the effort of each province and city to build up certain childcare services.

As Austria still supports families with benefits in cash, distinctive disadvantages cannot be adjusted by services. The stratified up-take of different models of Parental Leave Benefit and the reduction for single parents and low income stratify further. Nevertheless, the high amount of parental leave benefits result in a low percentage of mothers entering employment early and exacerbate part-time employment. In addition, the opening hours and closure days enforce part-time employment. The impact of the crisis has not altered the effect of the recent childcare expansion programme; nevertheless, as the service development has not finished, the outcome cannot be fully evaluated yet. In addition, low birth rates in recent years also contribute to a better coverage rate in Austria, which partially explains the success in expansion.

As in other fields of social services, the federal level attempts to unify the provision and quality of childcare services and has introduced a framework regulation, which has been accepted by all provinces. That framework agreement between the federal state and the provinces mainly concerns the quality and quantity of pre-school care. However, in contrast to Germany, parents



are not entitled to a childcare services and still depend on the implementation on the local level, which very much varies between urban and rural areas.

Cash benefits are still regulated on the national level and ensure an enduring familization of childcare due to long period and the on-going territorial gaps in childcare coverage. However, due to the long period of low birth rates, recent efforts show some success in increasing childcare services.

The quality of employment for people in childcare depends on the organisation that they work for. Minimum wage and collective bargaining agreements are regulated on the provincial and for different organisations. In 2000, a boost in collective agreements has provided a regulation for employees in private social care services, but distinctions between employees of provinces and local communities and not-for-profit or for-profit organisations

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## Appendix

**Table 1: Definitions and classifications**

German	English	Description and Regional Legislation	Entitlement
<b>Cash Benefit</b>			
Kinderbetreuungsgeld	Parental Leave Benefit	Nearly universal Parental Leave Benefit, five options, for both parents, national regulation	yes
Beihilfe zum pauschalen Kinderbetreuungsgeld	Support for the flat rate Parental Leave Benefit	General means-tested benefit for low income parents, top-up for Parental Leave Benefit in first year, national regulation	yes
Familienbeihilfe	Family Benefit	Universal benefit for children (depending on the age and number of children in household), national legislation	yes
Erhöhte Familienbeihilfe	Increased Family Benefit	Needs-tested higher family allowance in case of child's disability	
AlleinverdienerInnen/AlleinerzieherInnenabsetzbetrag	Single-earner/-parent tax allowance	Tax deduction for single earner and single parent families (depending on the number of children), national legislation	yes
Kinderabsetzbetrag	Child tax allowance	Tax deduction for children (depending on the number of children), payment in cash to support low income families as well (below the income insurance threshold), national legislation	yes
Kinderfreibetrag	Child tax allowance	Tax deduction for children (depending on the number of children), only reduces tax load on income above the insurance threshold, national legislation	yes
Unterhaltsabsetzbetrag	Child maintenance tax allowance	Tax deduction for parent paying alimony	yes
Familienhärteausgleich	Family hardship allowance	Needs- and means-tested one-time payment in case of severe hardship (death, illness), it can be subject to repayment, national regulation	no
Familienzuschuss der Bundesländer	Family support of provinces	Some provinces provide support for low-income families as well, general mean's test	yes/no
<b>Social Services</b>			
Tagesmütter/-väter (Tageseltern)	Childminders	Zero up to 14 years old depending on province Bgld: Jungedwohlfahrtsgesetz Carinthia: Kinderbetreuungsgesetz Lower Austria: Kinderbetreuungsgesetz und Verordnung für Tagesmütter/-väter Upper Austria: Kinderbetreuungsgesetz Salzburg: Kinderbetreuungsgesetz und Tagesbetreuungsverordnung Styria: Kinderbildungs- und Kinderbetreuungsgesetz Tyrol: Kinderbildungs- und Kinderbetreuungsgesetz und Verordnung über die Voraussetzung zur Tagesbetreuung von Kindern Vorarlberg: Kindergartenengesetz Vienna: Tagesbetreuungsgesetz und –verordnung	no
Krippen, Krabbelstuben	Daycare	Zero up to 3 years – depending on province Bgld: Kinderbildungs- und Kinderbetreuungsgesetz Carinthia: Kinderbetreuungsgesetz Lower Austria: Tagesbetreuungsverordnung Upper Austria: Kinderbetreuungsgesetz Salzburg: Tagesbetreuungsverordnung Styria: Kinderbildungs- und Kinderbetreuungsgesetz Tyrol: Kinderbildungs- und Kinderbetreuungsgesetz Vorarlberg: Richtlinien f. Kinder-, Kleinkindbetreuung und Spielgruppen	no

Kindergarten	Kindergarten/ nursery school	Vienna: Kindertagesheimgesetz und –verordnung	
		From 3 to school entry (in some 2.5 years) Bgld: Kinderbildungs- und Kinderbetreuungsgesetz Carinthia: Kinderbetreuungsgesetz Lower Austria: Kindergartenengesetz Upper Austria: Kinderbetreuungsgesetz Salzburg Kinderbetreuungsgesetz Styria: Kinderbildungs- und Kinderbetreuungsgesetz Tyrol Kinderbildungs- und Kinderbetreuungsgesetz Vorarlberg Kindergartenengesetz Vienna: Kindertagesheimgesetz und –verordnung	year before school entry compulsory
Horte	After-school care club	children in compulsory schooling Bgld: Kinderbildungs- und Kinderbetreuungsgesetz Carinthia: Kinderbetreuungsgesetz Lower Austria: Kindergartenengesetz Upper Austria: Kinderbetreuungsgesetz Salzburg: Kinderbetreuungsgesetz Styria: Kinderbildungs- und Kinderbetreuungsgesetz Tyrol Kinderbildungs- und Kinderbetreuungsgesetz Vorarlberg: Richtlinien f. Kinder-, Kleinkindbetreuung und Spielgruppen Vienna: Kindertagesheimgesetz und –verordnung	no
		Children from 1.5 up to 15 years old) Bgld: Kinderbildungs- und Kinderbetreuungsgesetz Carinthia: Kinderbetreuungsgesetz Lower Austria: Tagesbetreuungsverordnung Upper Austria: Kinderbetreuungsgesetz Salzburg: Tagesbetreuungsverordnung Styria: Kinderbildungs- und Kinderbetreuungsgesetz Tyrol Kinderbildungs- und Kinderbetreuungsgesetz Vorarlberg: Richtlinien f. Kinder-, Kleinkindbetreuung und Spielgruppen Vienna: Kindertagesheimgesetz und –verordnung	no
Alterserweiterte Gruppen	Groups without age restrictions	Child care organised by parents or an association Carinthia: Jugendwohlfahrtsgesetz Vienna: Tagesbetreuungsverordnung, other provinces without regulation	no
Kindergruppen, freie Kinderbetreuungseinrichtu ngen	Free children's groups	An Au pair is between 18 and 28 years old, 20 hours of work in a family and simple household chores regulated by the federal state (Ausländerbeschäftigungsverordnung, ASVG, Festsetzung des Mindestlohn tariffs für Au-Pair-Kräfte)	no

Source: Author's own compilation based on various official sources



The working paper describes the recent trajectories of the Austrian childcare system – it covers both services and cash benefits. The Austrian childcare system relies heavily on benefits in cash, we also define the diverse forms of cash support, one could even call them a ‘jungle’ of benefits and tax deductions, most of which are regulated on the national level. In contrast, the childcare services are subject to provincial legislation as defined in the constitution; however, in 2008 the provincial governments and national government agreed to harmonize and provide a minimum level of services. The territorial cohesion is still not given, and it depends very much on the effort of each province and city to build up certain childcare services.

Due to the reliance on cash, distinctive disadvantages cannot be adjusted by services. The stratified up-take of different models of Parental Leave Benefit and the reduction for single parents and low income increase social inequalities further. The high amount of parental leave benefits result in a low percentage of mothers entering employment early and exacerbate part-time employment. The impact of the crisis has not altered the effect of the recent childcare expansion programme; nevertheless, as the service development has not finished, the outcome cannot be fully evaluated yet.

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