

ANNEX

Progress in structural reform

Promoting growth

Past recommendations	Actions taken
Further reduce the labour tax wedge for low-income earners by partly or fully waiving social security contributions, financed by a broadening of the tax base and increases in consumption, environmental and recurrent property taxes (ES, GfG).	Besides the measures taken as part of the tax reform entering into force in 2016 that reduced the tax rate of the lowest tax bracket, payroll taxes will be cut progressively in 2016-2018: the employer contribution to the Family Burdens Equalisation Fund is reduced by 0.4 percentage point in 2017 and by another 0.2 percentage point in 2018. Companies that employ more elderly than on average in their sector are eligible for an additional 0.1 percentage point cut in 2018.
Align the official retirement age for women with that for men. Eliminate all remaining subsidised avenues to early retirement. Tighten eligibility to disability pensions also for those above 50 and help partially-disabled workers to better use their remaining work capacity. Reflect changes in life expectancy more directly in the parameters of the pension system (GfG).	No action taken (In line with 1992 legislation, the statutory retirement age for women will be raised by six months each year starting in 2024; accordingly this process will be completed by 2033).
Reduce barriers to competition in services by easing entry regulations, removing restrictions on capital shares and voting rights of foreign investors and strengthening the investigation power of competition authorities (ES, GfG).	In July 2016 the Recognition and Evaluation Act (AuBG) entered into force. It facilitates and harmonises procedures for the recognition and evaluation of professional qualifications obtained abroad. A recent amendment to the competition law improved the National Competition Authority's powers of inspection (concerning electronic data, saved e.g. on external servers or in a cloud). The Competition Authority's budget will increase by EUR 2 million in 2017.
Make schools and educational tracks more inclusive. Strengthen the early socialisation as well as language and cognitive development of children from disadvantaged backgrounds to improve their intergenerational education mobility (ES).	To ease the transition from kindergarten to school, an exchange of data on learning needs between the relevant institutions has been legislated in 2016 ("Bildungskompass"). Since 2016 a child day care counselling is compulsory for parents and their children, who do not attend kindergarten. Between 2016 and 2018 significant extra funding is being provided for additional teachers, social workers and school psychologists to support language learning and integration of refugees in school and to offer specific courses in adult education. "Inclusive Model Regions" have been introduced in three provinces (Styria, Carinthia, Tyrol), particularly focussing on the inclusion of children with special needs. In 2017, a national strategy for improving the social dimension and inclusion in Higher Education has been launched.
Encourage municipal mergers to exploit economies of scale. Align spending and financing responsibilities at different administrative levels by increasing the tax autonomy of sub-central governments (ES).	The 2017 fiscal equalisation act stipulates inter-municipality co-operation. The tax autonomy to raise the housing subsidy contribution (<i>Wohnbauförderungs-beitrag</i> , currently 1% of payroll) is transferred from the central government to the <i>Länder</i> with effect in 2018.
Allow universities to re-introduce general tuition fees in order to finance quality improvements in the provision of tertiary education. Accompany such fees by a comprehensive grant and income-contingent student loan system to avoid socioeconomic segregation (GfG).	No action taken.

Note: ES = 2015 OECD Economic Survey of Austria; GfG = 2017 Going for Growth.

Promoting gender equality

Past recommendations	Actions taken
Spur investment in high quality childcare facilities. Enhance the availability of full-day schools and care centres. Consider introducing legal entitlements for these services (ES, GfG).	The “Education Investment Law”, adopted in 2017, will provide another EUR 750 million for the expansion of full-day schooling until 2025. For the period 2014-17, the federal government has considerably increased earmarked subsidies to <i>Länder</i> for financing child day-care.
Reduce the implicit taxation of transition from marginal and part-time to full-time employment and replace the sole-earner tax deduction by targeted transfers to families in need (ES, GfG).	No action taken since the 2015/16 tax reform.
Transform childcare allowance and parental leave schemes into a unique childcare account that allows parents to allocate subsidised absence from work flexibly over time. Reserve a sizeable part of this account, at least 33%, for the exclusive use of fathers (ES).	Since March 2017 the new system of flat rate childcare allowance can be taken flexibly within the duration of 456 and 1063 days. 20% is reserved exclusively for fathers (before: 16.5%). The Partner Bonus entitles parents who claim child care allowance almost equally (i.e. the period during which child allowance is received must be distributed either 50:50 or up to 60:40) to a one-time payment of EUR 500 each. Working fathers who take care of their families directly after the birth of a child, are entitled to the “family time bonus” (about EUR 700).
Raise awareness by publicising more information on innovations in study area choices of schoolgirls and schoolboys, earlier return to full-time work of mothers, and fathers’ participation in care and household duties (ES).	Several initiatives to mitigate gender stereotypes in educational choices have been undertaken. For example, the possibility to choose between different types of handicraft courses has been abolished in order to avoid reproduction of stereotypes. The new paternity leave entitlement (see above) has the potential to change mind-sets towards more equal sharing of care responsibilities. The campaign “Time for your child” and so-called freecards were designed to raise awareness for fathers in parental leave and draw fathers’ attention to this topic.
Develop a comprehensive database on social transfers or a comprehensive panel survey to assess the impact of alternative family policy schemes on labour supply, child care use and net budget costs, and adjust policy packages in the light of this information (ES).	No action taken.

Note: ES = 2015 OECD Economic Survey of Austria; GfG = 2017 Going for Growth.



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