

The Austrian welfare state – and its distributional outcomes



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Characteristics of the Austrian welfare state ...

- Conservative welfare state
 - Social insurance dominates
 - Care primarily a responsibility of families (→ women)
- Corporatist welfare state
- Regionalized welfare state

Characteristics ... and their implications for distributional outcomes

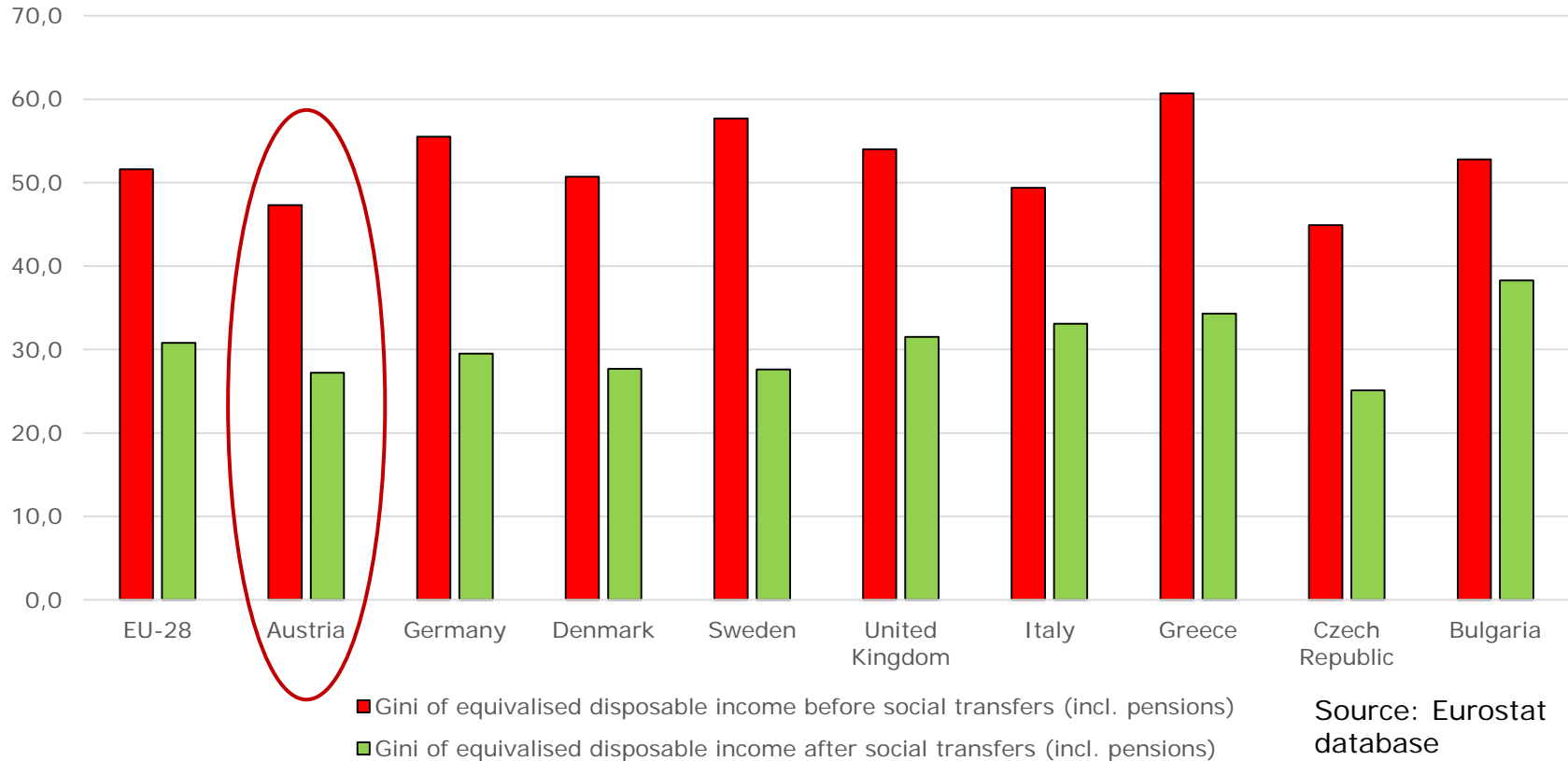
- Conservative welfare state
 - Social insurance dominates → inequality between groups
 - Care primarily a responsibility of women → inequality between men and women
- Corporatist welfare state → inequality between insiders and outsiders
- Regionalized welfare state → unequal provision across Austria

Evidence on inequality

- Distribution of incomes
 - Comparison of Gini coefficients (scale from 0 to 100) of equivalised disposable household income (Eurostat database)
- Distribution of wealth
 - Net wealth shares (of households) (OECD wealth distribution database)

Evidence on inequality

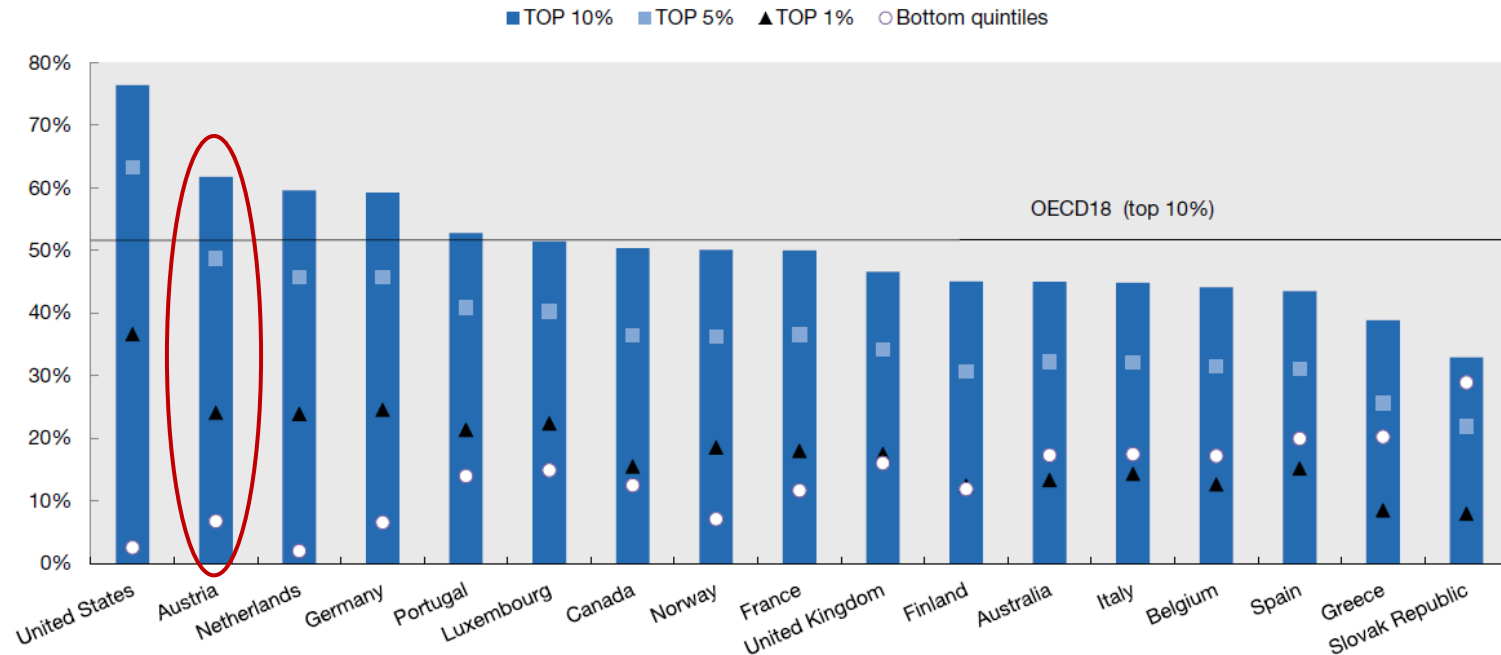
Gini coefficients of selected European countries - 2016



Source: Eurostat database

Evidence on inequality

Figure 2. **Wealth shares of top percentiles of the net wealth distribution in selected OECD countries**
2010 or last available year



Note: Countries are ranked from left to right, in decreasing order of shares of wealth owned by the top 10% of wealth distribution. The bottom quintile data refers to the share of quintile I, quintile II and quintile III in the total wealth.

Source: OECD Wealth Distribution Database.

Evidence on inequality

- Distribution of incomes → rather equal in comparison
 - Comparison of Gini coefficients (scale from 0 to 100) of equivalised disposable household income
- Distribution of wealth → rather unequal in comparison
 - Net wealth shares (of households)

Priorities for reducing inequality and ensuring social inclusion

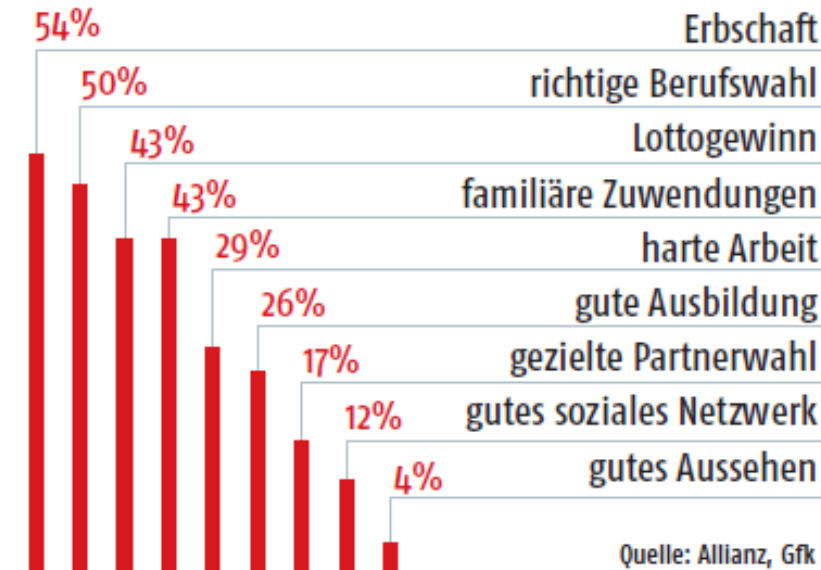
■ Priorities

- Wealth: redistribute wealth!
 - Tax policies (inheritance tax // capital gains tax)
 - Important prerequisite: more information on wealth (→ e.g. inclusion of Austria in WID)
- Income: combat poverty and intergenerational transmission of poverty
- Possible effects of a more equal income and particularly wealth distribution
 - Enhances incentives for economic activity (→ social inclusion)

Priorities for reducing inequality and ensuring social inclusion

- What makes people rich? (Trend, 06/2015)

Welche Faktoren begünstigen,
dass eine Person reich wird?



Hart arbeiten reicht nicht

Eine gute Ausbildung, ein attraktiver Job, harte Arbeit – an das Narrativ vom Reichtum aus eigener Kraft glaubt der gelernte Österreicher nur eingeschränkt. Erbschaften werden in einer aktuellen Allianz-Umfrage von 54 Prozent der Befragten als wichtiger Reichtumsbeschleuniger eingestuft – mehr als alle anderen Faktoren. Weitere 43 Prozent sehen in laufenden familiären Zuwendungen einen entscheidenden Grund. Immerhin die Hälfte meint, dass auch die richtige Berufswahl den Vermögensaufbau begünstigt.

Thank you!



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