



Myths and facts: the Austrian experience

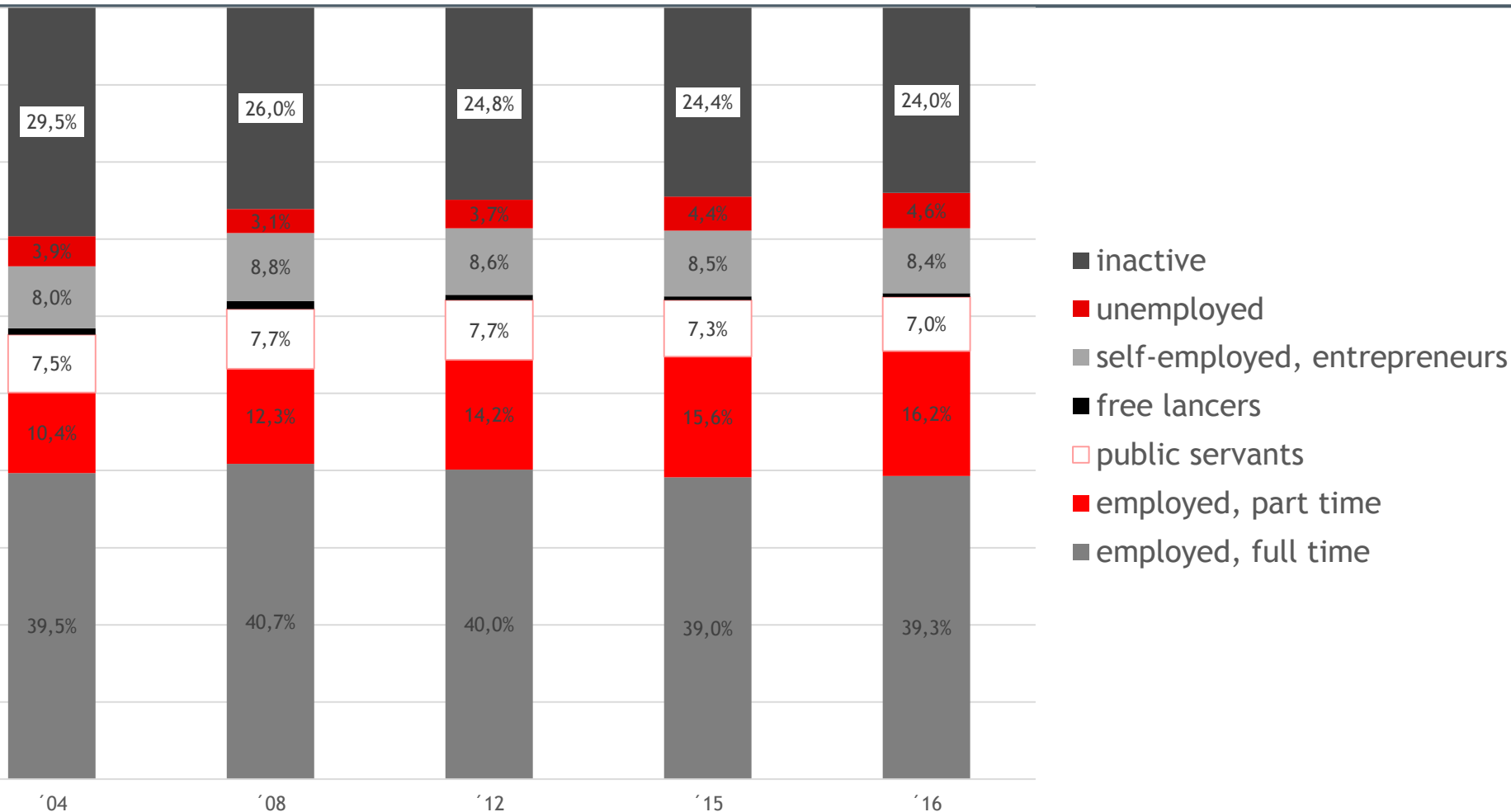
How to make the job security and job quality compatible with flexibility needs?

Alternative forms of employment are increasing: How can welfare systems support individuals in the future?

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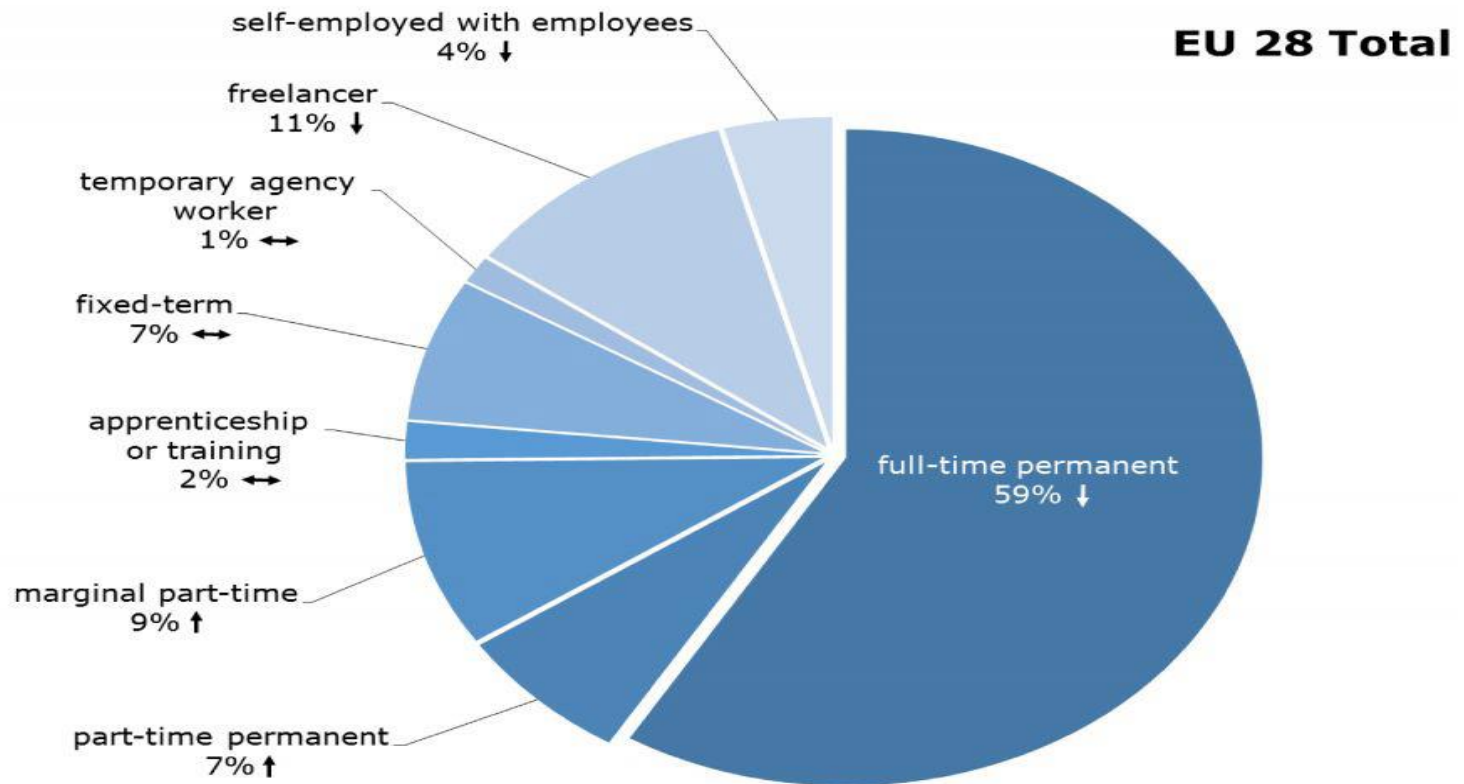
Do non-standard forms of employment increase in Austria?



Statistics Austria, Austrian Labour Force Survey

Do non-standard forms of employment increase in the EU?

Precarious
Employment
in Europe,
European
Parliament
(2016) p. 31



➡ „The only main category of non-standard employment that has grown since the recession is **part-time work**.“

Eurofound: Non-standard forms of employment: Recent trends and future prospects (2017), p.19

Atypical = precarious = poor?

- At risk of poverty in Austria: total 14%, part-time 11%, unemployed 38% (EU-SILC 2016)
- *“In-work poverty is strongly associated not so much with low pay as with single-earnership and low work intensity at the household level...” „No noticeable rising trend in in-work poverty since 2000.” (Precarious Employment, EP, p. 67, 68)*
- What triggers poverty? (Source: OECD 2008)

OECD	Family structure	Fewer workers	Earnings	Public transfers	Capital + other incomes	Unidentified
- 17	30.6%	5.8%	13.1%	12.0%	5.9%	32.6%

➡ private factors and unemployment are more important than non-standard employment

Is part-time precarious?

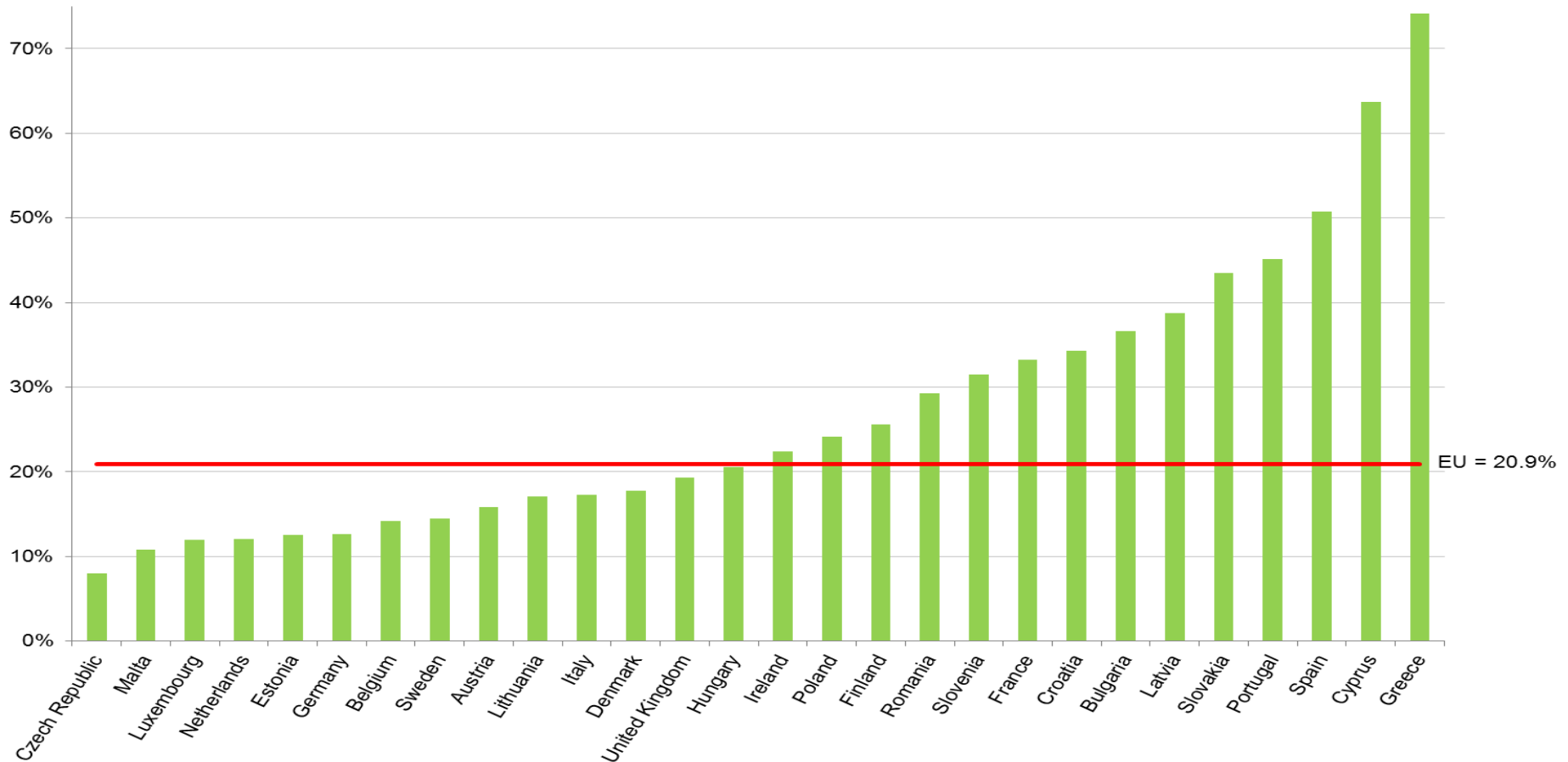
„Open-ended full-time contracts and open-ended part-time contracts are at a relatively low risk of precariousness.“

“However, the risk of precariousness for marginal and involuntary part-time workers is of a relatively medium level.“

Precarious Employment, EP, p.11, 70

Underemployed part-time workers in the EU Member States, 2016

(as % of all part time workers aged 15-74)



ec.europa.eu/eurostat 

➡ When jobs are lacking, many people work part-time involuntarily (cf. Eurofound, p.10)

Part-time employment in Austria

- Share 1992 12.6%, 2002 18.9%, 2016 27.8%
- that way reduction of average working time, which relieves the labour market, because it is agreed, not imposed!
- Part-time 87% voluntary; demand much higher than supply due to many incentives:
 - exemption from income tax and social contributions
 - subsidized part time models
 - social transfers are not paid above a certain threshold of income
 - lack of childcare facilities

Marginal part-time employment in Austria

- Limit € 415 per month
- share compared to standard employment
1997 5.4% 2008 8.1% 2016 9.6%
- Reasons for boom:
 - no social security contributions, no payroll tax
 - goes together with unemployment benefits, early retirement, childcare allowance, scholarships
- Study from 2012: high satisfaction, 80% do not want a standard working relationship; partly problematic!

➡ Part-time work is in demand because the state makes part-time attractive!

Social protection of atypical forms in Austria

- compulsory social insurance for all forms
 - also applies to self-employed; even insured against unemployment, if they were formerly employees
 - freelancers are equal to employees in social law
 - BUT: labour law, collective agreements and minimum wages apply only to employees (incl. part-time + temporary work)
 - principle of flexicurity
- ➡ 85% of self-employed in Austria are satisfied

Non-standard employment & labour market

- Atypical forms often provide the flexibility that is lacking in normal employment relationships, e.g. concerning working time in Austria - trade-off.
- *"There's no better way to get people who have a hard time getting it into work than temporary work."* Wolfgang Clement, German Minister of Labor and Economics 2002 - 2005
- *"The foundation for the German Employment Miracle was laid, among other things, by flexible forms of employment and moderation of wages."* Christoph M. Schmidt, Chairman of the German Council of Economic Experts

Conclusion

- non-standard employment raises employment
- non-voluntary part time is reduced, if unemployment is reduced
- more flexible employment regulation reduces the attractiveness of non-standard forms
- Flexicurity is an option
- A range of forms corresponds to a diverse economy and society.

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