



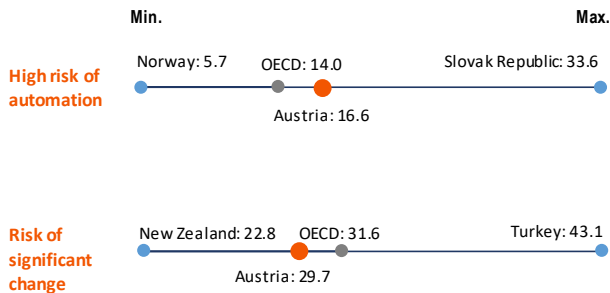
THE FUTURE OF WORK

How does AUSTRIA compare?

OECD Employment Outlook 2019



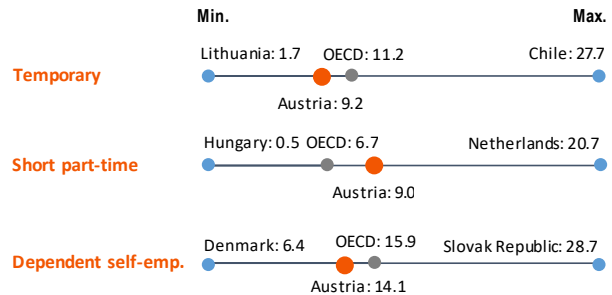
Figure 1. Jobs at risk of automation



Note: High risk of automation corresponds to a likelihood of automation of 70% or more. Jobs at risk of significant change are those with likelihood of automation between 50 and 70%. Percentages. Data refer to 2012 or 2015, depending on the country.

Source: OECD Employment Outlook 2019: The Future of Work, <https://doi.org/10.1787/9ee00155-en>.

Figure 2. Non-standard forms of work



Note: Temporary employment as a % of dependent employment. Short part-time (i.e. working 1-19 hours per week) as % of dependent employment. Dependent self-employment: incidence of own-account workers who generally have one dominant client as a % of total self-employment. Data refer to 2017.

Source: OECD Employment Outlook 2019: The Future of Work, <https://doi.org/10.1787/9ee00155-en>.

The quantity of jobs may not fall, but job quality and disparities among workers may worsen

Despite widespread anxiety about job destruction driven by technological change and globalisation, a sharp decline in overall employment is unlikely. While certain jobs may disappear (14% are at high risk of automation in the OECD; see Figure 1), others will emerge, and employment has been growing overall. However, transitions will not be easy. There are concerns about the quality of some of the emerging new jobs and, without immediate action, labour market disparities may grow, as certain groups of workers face greater risks than others.

- Austria is no exception. About one in six jobs are at risk of automation and another three in ten jobs are likely to change significantly.
- Austrians with low skills and low wages face the highest risk of their jobs being automated.
- Many of the people who will lose their jobs do not have the right skills and competencies for the new jobs that will be created.

Young workers and those without tertiary education face the most significant risks

The labour market experiences of many young people and of those with less than tertiary education have worsened over the past decade. In fact, young people with less than tertiary education have been

particularly affected, with more of them being under-employed, non-employed or receiving low pay. Women are particularly at risk, but increasingly men are also being affected.

- In the past decade, Austria saw an increase of more than 15 percentage points in the share of young people with middle education who are found in low-pay employment.
- The share of workers in under-employment went up slightly in the past decade and, at close to 7%, is larger than the OECD average.
- The rise in under-employment has been driven by a rise in the number of Austrians, particularly women, working 20 or less hours per week.

A key challenge is to extend labour law protections beyond standard employees

Labour market regulation plays an important role in protecting workers, but many non-standard workers are weakly covered or not covered at all. Non-standard work is widespread in OECD countries (Figure 2). The rights and protections of non-standard workers can be strengthened by tackling false self-employment, including scaling back tax incentives to misclassify workers; extending protection to workers in the grey zone between self-employment and dependent employment,

including many platform workers; and addressing excess market power of certain employers.

- In Austria, 9% of work is temporary, another 9% is of short part-time nature and 14% of self-employment is false self-employment. Overall, close to one-third of all work is non-standard, similar to the OECD average.
- The trend in the number of independent contractors is an example of the success of effective regulation: after a reform in 2008 which matched social contributions for this group of workers to those of the standard worker their number fell sharply.
- Austria is also one of the few OECD countries that protects low-pay workers by banning non-compete covenants for these workers.

Collective bargaining, though under strain, can help shape the future of work

Collective bargaining can help workers and companies define new rights, adopt and regulate new technologies and foster labour market security and adaptability. Yet it is challenged by increases in non-standard work, on top of a decades-long weakening of union representation leaving employers without a clear counterpart. Better including non-standard workers calls for tailored adaptation of regulations and stronger efforts by social partners.

- Austria has taken steps recently to address the challenges to collective bargaining that arise from the lower rate of unionisation of non-standard workers.
- New vehicles to represent workers' interests are developing such as worker co-operatives that facilitate co-operation between traditional and new forms of organisation.

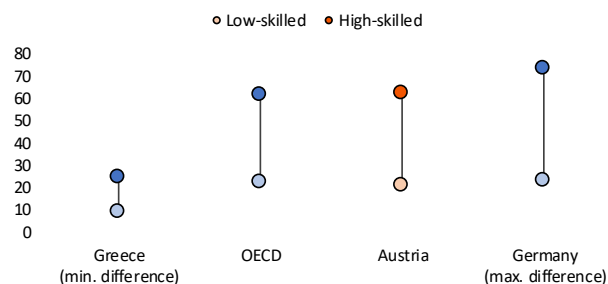
Adult learning is key to help the most vulnerable navigate a changing labour market

Adult learning is becoming increasingly important to help individuals to maintain and upgrade their skills throughout their working lives. Yet most adult learning systems are ill equipped for this challenge. 40% of adults train in a given year on average across the OECD, but those who need training the most, including non-standard workers, train the least and training is not always of good quality (Figure 3).

- Four in ten Austrians participate in formal or non-formal adult learning and 88% of firms with at least 10 workers provide continuing vocational training to their workers.

- Low-skilled and older adults participate much less in training, with both the age and the skills gap being particularly large in Austria.
- Temporary workers in Austria participate more in training than permanent workers.

Figure 3. Adult training fails to reach the low-skilled



Note: Share of adults who participated in training over the previous 12 months, in percentages. Data refer to 2012 or 2015.

Source: OECD Employment Outlook 2019: The Future of Work, <https://doi.org/10.1787/9ee00155-en>.

Accessing social protection can be very difficult for non-standard workers

Social support may not be available to workers in less secure forms of employment. In some countries, workers engaged in independent work or short-duration or part-time employment are 40-50% less likely to receive any form of income support during an out-of-work spell than standard employees. Unless access gaps are closed, further increases in non-standard employment will have negative consequences for inclusiveness and equity.

- Austria's social protection system provides comparatively good access to out-of-work support for non-standard workers. The self-employed can choose to have unemployment insurance and have mandatory coverage for all other areas of social insurance.
- Benefit levels provided, however, are more modest than in many other OECD countries and the generosity of payments is typically lower for non-standard workers.

To sum up: The mega trends in our societies such as digitisation, globalisation and population ageing are posing challenges to Austria's labour market. Austria is not unique in this. Some labour market institutions in Austria make the country relatively well prepared to cope with the challenges, in particular the strong social bargaining culture. Certain developments, however, such as the more precarious situation of non-standard workers require a stronger government response.

