Vision 2:
Social security - adapt benefits, uncouple financing from earned income

Increasing flexibility, new qualification requirements for employees and economic structural change induced by the digital transformation are likely to lead to greater demands on social insurance benefits, in particular from unemployment insurance contributions. Together with the expected “uncoupling” of work and the expected further segmentation of the labour market, erosion of the income from social insurance contributions is to be expected.

Therefore the key question is: How can financing, standards of benefits and cover ratio of the social security system be maintained in Austria?

Vision:
A comprehensive social security system based only in part on contributions from earned income, for unemployment, illness and old age must be created which allows those in gainful employment to cope with the increasing challenges to their flexibility. Insurance against the social risks named above must remain based on solidarity and at a level that avoids the risk of poverty.

The digital transformation is expected to bring massive job losses, according to some estimates. Others point out that the effects on employment of the looming fourth technological revolution is not dependent on a theoretically possible substitution of human labour with machines, but depends at least as much on developments in the organisation of work. However, all forecast more intensive segmentation of the labour market into a (smaller) segment of employment possibilities with a good income, working conditions and opportunities for development and a (larger) segment with generally vulnerable employment conditions.

Furthermore, a high level of uncertainty is linked with the Internet as a labour market (for example for employment options such as crowdworking or micro-jobs), whether, and if so who, has to pay contributions to and earn benefits on which basis of assessment and to what extent in order to finance the social security system.

The greater flexibility of labour relations which indicates more unstable employment and with the difference between classic paid employment and self-employment becoming more blurred, it will become increasingly more difficult to link the amount and length of social security contributions to previous periods of employment.

A social insurance system in combination with financing and benefits linked only to earned income seems to be less well suited to ensure social security for those in gainful employment to the extent necessary in a potentially global labour market with highly flexible forms of employment and employment relationships and with great pressure of competition.

The aim should be to establish a social security system financed in particular from the value created by the employment of capital and which does not put fiscal pressure on incomes from paid employment, or only to a small extent. In any case, the level of benefits should guarantee extensive par-
icipation in social and cultural life and allow people to maintain their lifestyle or prevent them from falling into poverty.

Questions for research

- Development of alternatives to the current method of financing social security systems (tax on value creation, etc.)
- Development of requirements for welfare state regulations at EU level - volume of benefits, preconditions for claims, equalisation of financing
- Guaranteed employment, minimum wage, basic income: Analysis and evaluation as the basis for developing recommendations/strategies oriented to specific interest groups in view of changes/acceleration of the global segmentation of labour, changes to the Austrian system of employment and increased atypification and more vulnerable employment conditions

Vision 3: Working hours – shortening and limiting

Key question: **What effects** on the conditions and extent of working hours are expected from the digitisation of production and provision of services? How can the digitisation of production and provision of services be used to organise **working hours in the interests of employees** and how can the political scope for distribution and the expected productivity gains be used to **shorten working hours**?

**Vision:**

Clear rules for organising work in companies prevent restrictions on working hours from being dismantled and ensure uninterrupted leisure and rest periods. More flexible ways of organising working hours as a result of the digital transformation give employees more autonomy over their time. The current political scope for distribution and the productivity gains achieved through the digital economy result in a clear reduction in working hours and compensatory wages for those in paid employment. The minimum incomes for those in paid employment are regulated collectively at a level which ensures that employees are financially able to enjoy sufficient leisure and rest periods.

The digital economy is expected to bring about a significant **rise in productivity** – estimates talk of up to 30% increases in productivity. At the same time studies and experience show that the digitisation of production and services also poses the risk of dismantling restrictions on working hours – with all the concomitant negative effects on health, social and labour policies.

The expected increases in productivity must be **distributed appropriately between capital and labour**; otherwise we would be threatened with an increase in economically absurd inequalities that endanger social cohesion, and the impoverishment of further sections of the population.