

- and the possibility for individual arrangements through a broad spectrum of variants to choose from (from daily reductions to weekly, monthly up to annual units of leisure time)

To increase the employment level the Advisory Council therefore recommends to intensify the access to part-time employment under the pre-conditions mentioned above. The social partners on company level are therefore called upon to create and work out possibilities for part-time employment attractive for both employer and employee.

Models linking part-time work with partial benefits out of the social security system (e.g. flexible retirement, part time parental leave) should also be discussed with regard to their employment effects. The possibility of flexible retirement, available in Austria but only rarely claimed, is to be reconsidered in view of the low factual retirement age.

#### 2.2.5. *Working Time and Employment in Industry and Trade*

The wish for more attractive working time schemes for employer and employee together with the necessity of strengthening the competitiveness hitherto often resulted in – partially not legally founded – agreements on working time regulations between management and works council.

The Advisory Council therefore welcomes the legal possibilities of flexible working time agreed between the social partners and recommends the rapid implementation of regulations on collective bargaining level taking into account the flexibilization needs of both sides and guaranteeing a fair accommodation of conflicting interests.

#### 2.2.6. *Employment Effects through Liberalization of Shop Hours*

The liberalization of shop hours that went hand in hand with a legal protection of quality of leisure time of the employees, should enable an increase in the employment level in trade, particularly through part-time jobs.

The number of persons employed in trade increased in the first three months of 1997 by 6,575 persons (+ 2.9%) compared to the same period of last year, thus stopping the negative trend (the comparison January 1995 – January 1996 still showed a reduction of 0.56%). Particularly the bigger retailing chains in preferred shopping areas and shopping centers led here. However, over  $\frac{2}{3}$  (4,447) of this increase are so-called „geringfügig Beschäftigte“ (marginally employed: employees working no more than 8 hours per week and earning no more than a certain amount per month, thus being excluded from social security), the rest of 2,128 are both full-time and part-time employees. An evaluation of the net employment effect will therefore also have to take into account possible undesired effects through this liberalization such as involuntary regression into part-time jobs below subsistence level, division of full-time jobs into marginally employed and undermining of the financial base of the social insurance through marginal employments.

The Advisory Council welcomes the liberalization steps negotiated between the employer and employee representations of interests and proposes similar steps for other branches of the service sector, provided a more detailed evaluation reveals sustainable positive employment effects. Also there it will be important to secure the acceptance by the employees.

For a general assessment of part-time work see chapter 2.2.4.2. – Part-time Work

### *2.2.7. Working Time Models to Prolong Employment in Seasonal Branches*

Branches in which an economic activity, due to the weather situation or similar conditions, is limited to certain periods of the calendar year, carry the problem that the majority of the employees in these sectors face unemployment during the off-season. Apart from other measures to extend the employment season, the possibilities of working time schemes for reducing the respective periods of unemployment should therefore also be analyzed and utilized.

Particularly promising seems the concept of compensating overtime through leavetime at the end of the employment period instead of money, thus prolonging the period of official employment and reducing the time of unemployment. According to the current legal position, above all four models are conceivable: compensation through leisure time instead of overtime payment; working extratime to accumulate free days in connection with holidays; a longer settlement period for working time defined in collective agreements; and mandatory consumption of parts of the annual leave in the non-employed period.

To find acceptance for such models it is important to create incentives both for employers and employees. Among other things it will be necessary to find fair compensation in both the social insurance and labour legislation sectors.

Such models prolonging employment are particularly important for the construction and tourism sectors. The Advisory Council refers to the successful conclusion of a collective agreement in the construction industry and strongly recommends to also conclude such an agreement in tourism.

## **2.3. New Fields of Employment**

In this study the Advisory Council concentrated on the service sector, as in this sector the most significant employment increases are to be expected and as other aspects regarding Austria as an industrial location or economic policy measures beyond that have been dealt with in other studies („Austria's Competitive Position as an Industrial Location“; Social Partners' Agreement „Maßnahmen für eine beschäftigungspolitische Offensive“ – „Measures for an Employment Policy Initiative“).