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Track #5 Verteilung von Arbeit: Zeit und Geld

The ‘Solidaritätsprämie’ as a missed opportunity?

Reasons and remedies for low participation in an Austrian working time reduction policy

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Within the discourse around a social-ecological transformation, a myriad of scholars stress the need to go beyond economic growth (Asara et al., 2015; D’Alisa et al., 2016; Jackson, 2009; Kallis, 2011, 2018; Paech, 2012; van den Bergh, 2011; Victor, 2008) in order to combat ecological deterioration and social repercussions. The *productivity trap* (Jackson & Victor, 2011) describes the structural dependence of the socio-economic system on continuous economic growth with respect to (un)employment. Hereby, economic growth is necessary to maintain a given level of working time in an economy (Richters & Siemoneit, 2019, p. 133). Working time reduction (WTR) policies represent a possible solution to tackling the productivity trap (Jackson & Victor, 2011, p. 103). Moreover, sophisticated WTR policies might significantly contribute to decreasing environmental impacts resulting from economic activity, while furthermore increasing individuals’ wellbeing and reducing unemployment rates (Frayne, 2016, p. 198). Hence, they are one of the most prominently discussed policy approaches in contemporary literature on a social-ecological transformation (Frayne, 2016; Kallis et al., 2013; Knight et al., 2013; Pullinger, 2014; Zwickl et al., 2016). In that regard, WTR policies are currently as relevant as ever, especially given the soaring unemployment figures resulting from the COVID-19 crisis.

To draw relevant conclusions for the design of future policies within this field, it appears relevant to scrutinise existing WTR measures. This research project thus aims to analyse a particular Austrian policy combining WTR with an active labour market policy (ALMP), namely the *Solidaritätsprämie*. The policy entails the reduction of the working time of willing employees, while formerly unemployed persons and non-corporate apprentices are hired to compensate for the reduced working hours. Thus, the Solidaritätsprämie creates employment opportunities and redistributes work between the overworked and the unemployed. Despite its manifold societal, firm and employee-specific benefits, participation in the Solidaritätsprämie has been relatively low. Therefore, we seek to shed light on the underlying reasons for this lack of participation and investigate possibilities for the policy’s improvement. Moreover, our findings contribute to a better understanding of effective policy implementation in the spheres of WTR and ALMP.

The paper starts with a literature review on the Solidaritätsprämie, WTR and ALMP. Based on the literature review, we formulate an array of hypotheses concerned with the issue of employer participation. In order to “test” our hypotheses, we conduct semi-structured interviews with experts from relevant Austrian institutions. Using *Framework Analysis* (Gale et al., 2013), the qualitative data is structured and summarised, allowing for a systematic examination of the hypotheses.

We find that participation in the Solidaritätsprämie is thwarted by four factors: (i) absence of direct financial benefits for employers; (ii) firm-specific characteristics, particularly the firm's size; (iii) employees' reluctance towards WTR due to low wages as well as prevalent work norms; and (iv) lack of information and promotion leading to a lack of awareness of the Solidaritätsprämie among employees, labour unions and works councils (Betriebsrat). To increase participation, we thus propose the following measures: (i) introduction of direct financial benefits for employers; (ii) modification of the eligibility criteria, e.g. enabling employees to transition from short-time work into a WTR model as part of the Solidaritätsprämie; and (iii) information and promotion campaigns to inform stakeholders of the existence and the benefits of the Solidaritätsprämie.

WTR policies represent focal policy strategies to advance a social-ecological transformation. Given the steady rise of labour productivity, we would certainly be well advised to translate this trend into more leisure time rather than facilitate the expansion of the economic system. This is by no means a new notion but has already been put forward by John Maynard Keynes in 1930. As Keynes reminds us: "The difficulty lies, not in the new ideas, but in escaping from the old ones, which ramify, for those brought up as most of us have been, into every corner of our minds" (ibid., 2018, p. vii). Currently, the Solidaritätsprämie clearly represents a missed opportunity to tackle some of the most pressing issues of our time. Indeed, we should not let this opportunity go to waste.

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