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SUSPENSIONS OF UNEMPLOYMENT BENEFIT PAYMENT AND RECLAIMS OF UNDULY RECEIVED BENEFITS IN AUSTRIA 1995-2001

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Section I below describes the current legal regulations of unemployment benefit (“Arbeitslosengeld”) and unemployment assistance (“Notstandshilfe”) in Austria, as well as the most important changes (since 1995) with reference to entitlement, penalties (in case of unwillingness of work, rejections of employment-offers etc.) and reclaims in case of unduly received benefits. Section II evaluates the administration of legal regulations with regard to sanctions carried out by the employment centre (Arbeitsmarktservice) in practice. Section III looks at the statistical data on sanctions and reclaims and section IV concludes. The information is based on (regrettably few) reports of experts, empirical studies and statistical data.

1 Current legal regulations of unemployment benefit and unemployment assistance and important changes since 1995

1.1 General rules

Unemployment insurance benefit (cf. AK 2001, 141) shall offset the loss of income of employees following unemployment. Entitlement to unemployment benefit exists if a person is at the employment exchange’s disposal (thus is able and allowed to take up paid employment) as well as employable, willing to work and unemployed.

The entitlements for the receipt of unemployment benefit became more strict on 1st May 1996. As additional condition besides employability, willingness to work and unemployment was required, namely that the claimant is at the employment exchange’s disposal (§ 7 (1) AIVG [law for unemployment-insurance]). This means among other things, that persons with care-duties or unemployed who attend a vocational training (which is not financed by the employment centre) or prepare for self-employment are no longer entitled to unemployment benefit (Ertl/Öllinger 1998).

The qualifying period depends on whether the benefit is claimed for the first time: For first-time eligibility it is 52 weeks of unemployment insurance during the past 24 months. On further spells of unemployment this changes to 28 weeks during the past 12 months.

In the case of the shorter qualifying period the minimum duration of employment was increased from 20 to 26 weeks on 1st May 1995, and from 26 to 28 weeks on 1st January 2001 (§ 14 (2) AIVG).

Depending on insurance duration and age, the duration of receipt is limited from 20 up to 78 weeks. The base amount of unemployment insurance benefit amounts to 55 % of the previously received daily net earnings. Possible family- and other supplements are added. In addition to the receipt of unemployment benefit the unemployed person is allowed to receive employment income, if it does not exceed the limits for so-called “minor” or “marginal” employment. Minor employment is defined by legal regulations on the basis of the amount of salary received (2002: not more than € 301,54 per month).

Unemployment assistance (cf. AK 2001, 148) is a benefit for unemployed (also financed by unemployment insurance contributions) after the entitlement to unemployment insurance benefit is exhausted. The recipient of unemployment assistance has to be at the employment exchange’s disposal, employable, willing to work and unemployed. In addition, unemployment assistance is subject to a means test. The income which is deducted from the base amount of the benefit includes any income of the unemployed and his/her spouse or partner sharing the same household. However, income of the unemployed below the limit for minor employment, as well as income of the spouse/partner below a certain exemption limit is disregarded. Unemployment assistance is granted up to a maximum of 52 weeks, but subsequent applications can be made after that and will be successful as long as the conditions described above are still met. Subject to the setting-off of the income of the unemployed person and that of his/her spouse or partner the base amount of unemployment assistance amounts to 92-95 % of the base amount of the unemployment insurance benefit.

1.2 Willingness to work and “reasonable” jobs

Willingness to work is defined by the following conditions:

- to accept a “reasonable” employment which is mediated by the employment centre or
- to be willing to be trained or re-trained for the purpose of vocational training or
- to participate in programs towards re-integration into the labour market or
- to make use of any other provided job-opportunity and
- to undertake any appropriate efforts to get an employment (§ 9 (1) AIVG).

An employment is defined as “reasonable” if it

- meets the physical abilities of the unemployed person,
- does not put at risk his/her health and morality,
- is remunerated suitably (at least at the standard of the collective contract, even if the remuneration does not reach that of the last employment) and
- does not render future employment in the profession of the unemployed person substantially difficult (§ 9 (2) AIVG).

Thus the AIVG considers the previous profession of the unemployed person and in that acknowledges a kind of „weak protection of profession“ (Brodil/Windisch-Graetz 1996, 132). However, the last condition of “reasonable occupation” does not count if the entitlement to the receipt of unemployment benefit is exhausted (i.e. once unemployment assistance is applied for or received) and no prospect exists that the unemployed person finds an occupation in his/her profession in foreseeable time.

An employment outside the place of residence of the unemployed person is also reasonable, if it does not put at risk the support for his/her family members, for whose upkeep he/her is obliged and if suitable facilities of accommodation are available on the place of employment, in case a daily return to the place of residence is not possible (§ 9 (3) AIVG).

An employment mediated by the employment centre is also reasonable if the unemployed person has previously been promised re-employment by a former employer or if the unemployed person is contractually obliged to take up a specific occupation in the future (§ 9 (5) AIVG).

1.3 Sanctions/Suspensions of benefit payment

Sanctions resulting in a suspension of payment of unemployment benefit or assistance are regulated in three separate regulations (each such section of a law is called “paragraph” in Austria, symbolised as §) of the AIVG. Basically, the sanction according to § 10 AIVG is supposed to improve the willingness of a job-seeker to accept mediation offers that – even though they will be in line with the legal definition of “reasonable” jobs – may, of course, not match his/her preferences:

The unemployed person loses entitlement to unemployment benefit for the duration of the refusal, but at least for six weeks (in case of recurrence for eight weeks) (§ 10 (1) ALVG) if he/she:

- refuses to take on reasonable employment allocated by the employment centre or sabotages employment (i.e. the unemployed person by his/her behaviour attempts not to be recruited by the relevant employer), or
- without a relevant reason refuses to meet an order for training or re-training or by his/her fault hinders the success of the (re)training, or
- without a relevant reason refuses participation in a measure for re-integration into the labour market or hinders the success of the measure, or
- is not willing or able to accredit sufficient efforts to get an employment (no active participation in job-seeking).

On 1st May 1996 the duration of the suspension of benefit payment was increased from four to six weeks (in case of repeated cases from six to eight weeks).

§ 11 ALVG regulates the sanctions in the case of the termination of employment: The unemployed person, whose employment contract ends due to his/her own fault or on his/her own decision, does not receive unemployment benefit for four weeks.

*Until 31st December 2000 the mentioned sanction only applied to unemployed persons whose employment contract ended due to his/her own fault or on his/her own decision without a **relevant reason**. In other words, since 1st January 2001 the suspension of benefit payment is also effective in cases of (i.e., after the expiration of) temporary employment contract or in cases where employment is ended in consensus with the employer.*

Affected by this more restrictive regulation are, for instance, persons with temporary jobs (e.g. substitution for parental leave), employees in the tourism and building industry (seasonal workers), but also persons in the arts- and culture-sector as well as persons in new labour market segments (e.g. IT), where temporary employment contracts are common.

Furthermore, employment contracts are increasingly offered temporary, as employers use to arrange probation periods for some months. However, a guarantee for an extension of the

contract does not usually exist. Due to the sanction following expiration of temporary employment contracts a kind of “trap” is created for job-seekers: If they refuse to take on a time limited occupation, they will receive a sanction according to § 10 ALVG because of refusal to accept a reasonable job offer. If they take the job and the working-contract expires without renewal, they will be subject to a suspension of payment of unemployment benefit for four weeks according to § 11 ALVG. Despite the existence of all requirements of entitlement and the occurrence of the insured event without the unemployed person’s fault, the benefit will be refused (AK 2000, 18).

§ 49 ALVG provides suspension of payment of unemployment benefit or assistance if the unemployed person does not keep a requirement to report at the employment-centre. In this case he/she forfeits the entitlement to unemployment benefit or unemployment assistance from the day of the neglected requirement to report onwards until asserting further receipt of benefit.

An additional regulation since 1st May 1996 specifies, that if the period between the day of the neglected requirement to report and asserting further receipt of benefit contains more than 62 days, the unemployed person does not receive unemployment benefit or assistance for the exceeding period.

*Since 1st January 2001, the unemployed person must report personally to the employment-centre at least once a **week**; (before: **monthly**). Both before and after 1st January 2001 – depending on the situation on the labour market – the employment centre was able to reduce or raise the number of requirements to report.*

1.4 Reclaims of (unduly) received benefits

Reclaims of (unduly) received benefits can be made as a consequence of a violation of obligations to reveal facts which would lead to cessation of the entitlement to unemployment benefit or assistance or would lead to a re-assessment: e.g. take-up of any employment by the unemployed person, changes in the amount of income of the unemployed person or his/her relatives living in the same household or other changes in personal or economic circumstances (illness, marriage, relocation etc.). The details are regulated in § 25 ALVG:

In these cases, the recipient has to pay back the received benefits, if he/she precipitated the receipt through false statements or through concealment of essential facts or if he/she must have realised, that the benefit he/she received was received in contravention of the relevant rules. Received unemployment benefit also has to be paid back if the continuation of employment was ascertained, as well as in all cases where the existence of employment is ascertained or arranged retrospectively (§ 25 (1) AIVG).

Furthermore, unemployed persons who have taken up work but did not immediately notify the employment centre are assumed by law to be remunerated above the minor employment limit described above. In this case the received unemployment benefit or assistance has to be paid back for a period of at least two weeks (§ 25 (2) AIVG).

Two amendments to the law were enacted since 1996. Until 30th April 1996 the unemployed person had to report an employment exceeding minor employment within three days. Otherwise the entitlement to unemployment benefit or assistance was suspended for four weeks following the termination of the concealed employment, irrespective of the reclaim of received benefit.

On 1st May 1996 the regulations were tightened in two ways: first, any employment of benefit recipients not reported without delay was assumed to be above the minor employment limit. Second, the suspension period was extended from four to eight weeks.

The constitutional court (Verfassungsgerichtshof) has off-set the latter passage with effect from 1st January 2001: As the employment centre needs not provide evidence that the employment is remunerated above the limit of minor employment, a suspension of the receipt of benefit for eight weeks would represent an undue and no longer justifiable sanction. Since the law allows for receipt of unemployment benefit while working up to the limit of minor employment, a person not reporting such an employment would not be in a different position to the one in case of proper report. Even if the unemployed person continues with the relevant occupation, the entitlement to the receipt of benefit perpetuates, since the remuneration is below the limit for minor employment (FCG 2000, 2).

Overall, the amendments to the law in recent years led to a tightening of the eligibility rules concerning unemployment benefit and (as a result) unemployment assistance. Furthermore,

the pressure on job-seeking persons to accept “reasonable” job offers was increased via an intensification of several sanctions.

2 Administration of the legal regulations regarding sanctions by the employment-centre according to reports of experts and empirical studies

The legal framework, which underlies the mediation- and sanction-practice and defines the limits of willingness to work and reasonable jobs, is fixed in broad legal terms¹ that make available a large scope of potential opportunities for applying sanctions. Further instructions on how to deal with job-seeking persons in the case of mediation problems exist only in form of unpublished remittals (Mazal 2000, 40).

An explicit guideline exists regarding persons with care-duties for children („Guideline for the support of job-seeking persons with care-duties for children“). Basically a certain period is taken into account, during which the unemployed person is supported in finding a job while being able to organize suitable care for his/her child/children (cf. AMS Österreich 2001; AMS Vorarlberg 2000).

*The reference of the legislator in the context of the reasonableness to the support of his/her family members (cf. § 9 (3) AIVG above) means that in the case of employment **outside the place of residence**, the employee (despite the time he/she needs to get to the workplace) must still have sufficient opportunity to be able to provide necessary care services for the family members (shopping, cooking, nursing etc.). In general, the law assumes – following a decision of the constitutional court – that there is no willingness to work in case the unemployed person does not take a job because of child-care; thus, there exists no entitlement to unemployment benefit or assistance.²*

*This means that even if mothers with care-duties (or other unemployed persons) wish to be placed on part-time-employment, the placement on full-time-employment **on the place of***

¹ For example in practice there also exists a broad scope of judgement with the protection of profession (§ 9 (2) AIVG): In the case of the placement of an unemployed person as an unskilled employee the real impact on the chances, to come back into the learned profession can be verified. If no negative impact is ascertained, the occupation is reasonable (Brodil/Windisch-Graetz 1996, 132; Lechner/Reiter/Riesenfelder 1997, 93).

² In any case only the family-orientated benefit “Sondernotstandshilfe” (from 2002 onwards “Kindergeld”) respective social assistance comes into consideration.

residence is reasonable according to law. The refusal of the acceptance leads to a suspension of payment of unemployment benefit or assistance, regardless of care-duties. However, in order to balance the strict legal requirements with the interests of the unemployed persons and to soften foreseeable conflicts, the Austrian employment centre has fixed the following procedure:

Phase 1: In an agreement the unemployed person is allowed to express a restricted placement wish (e.g. employment between 2 and 5 p.m.) for a certain period (around three months). During that period a sanction is only possible in the case of the refusal to take an employment that matches the replacement wish agreed upon.

Phase 2: If in Phase 1 no occupation is found, the person is obliged to extend the placement wish on the (general) regulations for reasonable jobs. However, also during this phase the unemployed person is granted a certain period to organise an institutional childcare. A suspension of benefit payment will be imposed, if nothing is done to solve the care problem on the unemployed person's own initiative.

Phase 3: After termination of phase 1 and phase 2 exists the obligation, to take any employment that is reasonable according to § 9 AIVG.

However, in practice in the majority of cases the employment centre concludes agreements with the job-seeking persons, that – because of their abstract nature – do not enable the unemployed person to foresee his/her rights and duties due to his/her agreement. The outcome (as demonstrated by the decisions of the constitutional court) is that, in many cases, the legal security of the AIVG is not ensured. Rather, the outcome may frequently simply depend on the “personal” relationship between the unemployed person and/his her job counsellor. As result, solutions to the advantage or disadvantage of the unemployed persons obtained this way would sometimes have to be described as unlawful (Mazal 2000, 40).

Thus the daily interaction in the employment centre runs between two extreme points: full exploitation of the legal regulations of reasonable jobs and strict use of the statutorily provided sanctions on the one hand; and, on the other hand, “costumer orientation” with consulting and placement practices that take into account individual requests, personal and

social circumstances and potentials (qualification, professional experience) of the unemployed person.

Concerning to the practical administration of the provided sanctions according to § 10 AIVG (suspension of payment because of unwillingness to work or refusal/hindrance to take up employment) a study for the employment centre Styria was undertaken. This study is based on analyses of 2.340 cases of suspension of benefit payment, that were imposed in the regional offices of the employment centre in the provinces Salzburg, Styria and Vienna in 1994 (amounting to approx. 86 % of all cases of suspension of benefit payments in these provinces in 1994) (Lechner/Reiter/Riesenfelder 1997). With respect to the probability for a job-seeking person to be subject to a suspension of benefit payment, large regional differences were found. While in Styria and Vienna there were 1,7 sanctioned persons per 100 registered unemployed persons, in the case of Salzburg the ratio was 12,1.³

The suspension of benefit payments according to § 10 AIVG affects a rather inhomogeneous target group with considerable differences in the structure of their previous careers. Persons with rather short employment histories are as much affected as persons with medium and long employment histories. However, younger persons, persons with foreign citizenship and persons with low degrees of vocational training have a higher probability to obtain a suspension of benefit payment.

On the basis of qualitative analyses⁴, the authors concluded that, as a rule, placement practices of job counsellors are not strictly determined by the relatively rigorous legal frame (§ 10, § 7-9 AIVG), as a placement-strategy that exhausts this frame rather obstructs the cooperation between the job-seeking person and the job counsellor and suppresses the intrinsic motivation of the unemployed person. The daily consulting and placement-practice follows an individual rating of sanction possibilities and its limits by the job counsellor that is based on his/her personal experience and attitudes.

³ A possible explanation for these differences could be, that also the possibilities to impose a suspension of benefit payments due to unwillingness to work are strongly limited, if there are not many employment offers and thus not many test opportunities to verify the willingness to work. As a matter of fact, Salzburg displayed by far the slightest figure of job-run in comparison with the other provinces. However, on the regional office level no significant impact of the figure of job-run on the possibility of the imposition of a suspension of benefit payments was found.

However, the job counsellor is not decisive on his/her own. Role-expectations and specifications of colleagues and superiors do also have a substantial impact on the consulting and placement practice. A special pressure on the job counsellors to impose a suspension of benefit payment emerges as a result of complaints from employers that occur above all in the case of insubordinate behaviour of unemployed persons during the job interview.

By and large the wide legal frame concerning suspensions of benefit payments was virtually never exceeded. Nevertheless, there were some doubts expressed in the study whether the placement strategies follow the aspects of customer orientation in all cases.

In about 11 % of the analysed suspensions-cases the unemployed person was placed in an employment or in a trade with low fit. The field of activities, the professional skills and the professional experience had little in common.

In about 4 % of the analysed suspension-cases an employment with unsuitable working-time was placed. This concerned in most cases female single parents with several children whose request for a part-time job was not met or where the starting time of work did not match with the opening hours of the child-care institution.

In about 3 % of the analysed suspension-cases the qualification of the unemployed person (due to vocational training and professional career) and the requirements of the vacant employment had little in common.

The results of the analyses suggest that the interacting with the job-seeking persons varies a lot. Thus there exists no equal probability to encounter a suspension of benefit payment according to § 10 AIVG. This might also explain the huge differences between the provinces.

Concerning the administration of suspension of benefit payment according to § 11 AIVG (suspension of benefit-payment after termination of an employment), in practice judgement takes places widely schematic according to the termination of the work contract. This provides dissatisfying results at least to some extent, as a notice of termination of employment

⁴ Study of the data on hand out of 120 files drawn of the § 10 AIVG-cases, that was remedial complemented by interviews with involved persons from firms, training-institutions, concerned job-seeking persons and concerned job counsellors/superintendents from the employment centre.

by the employee, a notice of termination of employment in consensus with the employer and the expiration of a temporary employment contract is often associated with unwillingness to work in an unfounded way.

3 Statistical Data

3.1 Statistical data on sanctions

The number of sanctions (suspensions of benefit payment) according to the AIVG increased from about 50.600 in 1996 to about 64.100 in 2001 (cf. table 1). The huge rise in the number of sanctions from 2000 to 2001 (+ 7.700) is primarily attributed to the fact that the suspensions of benefit payments according to § 11 AIVG (termination of employment) were extended to terminations in consensus with the employer and expirations of temporary employment contracts on 1st January 2001. On the other hand, sanctions according to § 10 AIVG (unwillingness to work or refusal/hindrance to take up employment) decreased from 2000 to 2001 (- 1.400). With respect to sanctions according to § 49 AIVG (omission of keeping a requirement to report) huge increases can be seen particularly in 1997. Sanctions in default of disposability were first imposed in 1996 (modification § 7 AIVG).

Table 1: Sanctions according to AIVG (unemployment benefit and assistance)

	1996	1997	1998	1999	2000	2001
Rejection in default of willingness to work	168	109	84	76	63	47
Discontinuation in default of willingness to work	350	331	443	454	343	308
Refusal/hindrance to take up employment	11.111	10.595	11.151	11.151	10.888	9.538
Sum § 10 AIVG	11.629	11.035	11.678	11.681	11.294	9.893
Termination of employment (§ 11 AIVG)	23.377	22.143	21.640	21.695	23.431	33.469
Discontinuation because of omission of keeping a requirement to report (§ 49 AIVG)	15.284	19.733	21.205	19.754	21.201	20.306
Rejection in default of disposability (§ 7 AIVG)	338	488	510	553	499	451
Total sum	50.628	53.399	55.033	53.683	56.425	64.119

Source: AK Wien, Sozialdatenbank

In order to interpret those figures, they have to be related to the handled benefit applications for unemployment benefit and assistance.⁵ The latter reached their peak within the observed

⁵ The handled benefit applications for unemployment benefit and assistance seem to be adequate reference figures, as like the sanctions they represent totalised year-values. Furthermore they were preferred to adjudications of unemployment benefit and assistance as reference figures, as on the one hand the sanctions also include cases of rejection and on the other hand no published figures with regard to the split-up of handled

period⁶ in 1998. Before that year a continuous increase took place and after that year a decrease (cf. Table 2).

Table 2: Handled benefit-applications for unemployment benefit and assistance

	1996	1997	1998	1999	2000
Handled benefit-applications (adjudications and rejections)	809.909	812.606	815.816	799.393	760.576

Source: AMS Österreich, div. volumes

Measured as share of the handled benefit-applications for unemployment benefit and assistance an increase of the sanctions according to the AIVG is shown within the observed period. The highest increase by far took place in 2000. In the case of sanctions according to § 10 AIVG, percentages remained roughly stable between 1996 and 1998 but increased thereafter.

The sanctions according to § 11 AIVG hit their low mark in 1998 and increased since then. The sanctions according to § 49 AIVG reached their peak – just like the other sanctions – in 2000 (after a decrease in comparison to the previous year in 1999). The sanctions according to § 7 AIVG rose continuously from 1996 until 2000 (cf. table 3).

Table 3: Sanctions according to the AIVG in % of handled benefit-applications for unemployment benefit and assistance

	1996	1997	1998	1999	2000
Unwillingness to work, refusal/hindrance to take up an employment (§ 10 AIVG)	1,44	1,36	1,43	1,46	1,48
Termination of employment (§ 11 AIVG)	2,89	2,72	2,65	2,71	3,08
Discontinuation because of omission of keeping a requirement to report (§ 49 AIVG)	1,89	2,43	2,60	2,47	2,79
Rejection in default of disposability (§ 7 AIVG)	0,04	0,06	0,06	0,07	0,07
Sanctions according to AIVG in total	6,25	6,57	6,75	6,72	7,42

Source: AK Wien, Sozialdatenbank; AMS Österreich, div. volumes; own calculations

This statistical analysis suggests that not only the legal regulations in the AIVG regarding suspensions of payment of unemployment benefit and assistance were intensified over the past years, but also in practice sanctions were imposed accordingly more often.

benefit-applications into adjudications and rejections are available for 2000. In the years 1996-1999 the adjudications account for 96-97 % of the handled applications.

⁶ Figures for 2001 are not available yet.

3.2 Statistical data on reclaims

Prior to the analysis of the statistical data on reclaims, it should be underlined, that reclaims cannot automatically be interpreted as cases of “misuse” of the unemployment benefit system. This results already from the legal regulation in the AIVG (e.g. cases where the existence of employment is ascertained or arranged retrospectively; see section 1.4). In addition, a lately report of taking up an employment or other changes in the incomes situation is also possible due to organisational reasons, without the intention of a misuse of social benefits.

The statistics on cases and amounts of reclaim relate to benefits according to the AIVG and the Arbeitsmarktservicegesetz (“employment service law”). They are published as average figures per month and include besides unemployment benefit and assistance also other benefits like parental leave-allowance (Karenzgeld).

According to an information by Horst Friedrich of the employment centre Austria, the shares of unemployment benefit and assistance in all cases of reclaim within the AIVG and the Arbeitsmarktservicegesetz amounted to 83 % in December 1999 and to 82 % in December 2001. The respective shares of outstanding amounts were 84 % and 85 %. Those percentage shares have been applied in table 4 below, where the values for 1999 have been assumed for the years 1996-2000.

Under this assumption, both the cases of reclaim and the outstanding amounts of reclaim reached their peak within the observed period in 1997, to decrease continuously afterwards (cf. table 4).

Table 4: Open cases of reclaim on the average per month and outstanding amounts of reclaim on the average per month of benefits according to the AIVG and the Arbeitsmarktservicegesetz

	1996	1997	1998	1999	2000	2001
Open cases of reclaim of benefits on the average per month	24.288	26.259	26.251	24.539	23.263	20.312
Thereof unemployment benefit and unemployment assistance (assumption 1996-2000 83 %, 2001 82 %)	20.159	21.795	21.788	20.367	19.308	16.656
Outstanding amounts of reclaim of benefits on the average per month in Mio. öS	180	197	193	185	169	155
Thereof unemployment benefit and unemployment assistance (assumption 1996-2000 84 %, 2001 85 %) in Mio. öS	151	165	162	155	142	132

Source: Horst Friedrich (AMS Österreich)

Also those figures have to be related to reference-figures. For the cases of reclaim the average stock of recipients of unemployment benefit and assistance were chosen in this respect⁷. It reached its peak within the observed period⁸ in 1998. Before that year a continuous increase took place and after that year a decrease. In the case of the outstanding amounts of reclaim the expenses on unemployment benefit and assistance incl. the social insurance contributions present itself as a reference-figure.⁹ Within the observed period¹⁰, they reached their peak (just as the average stock of recipients) in 1998 (cf. table 5). Among other things, the according decrease of the expenses can be attributed to the decrease of the retention period of the unemployed persons in the status of unemployment and the corresponding modification of the law (intensification of entitlements to the receipt of benefit and intensification of the sanctions; cf. Chapter 1).

Table 5: Average stock of recipients of unemployment benefit and assistance and expenses for unemployment benefit and unemployment assistance incl. social insurance contributions per month

	1996	1997	1998	1999	2000
Average stock of recipients	209.169	212.495	215.715	203.390	182.884
Expenses unemployment benefit and assistance incl. social insurance contributions in Mio. öS per month	2.586	2.558	2.644	2.633	2.455

Source: AMS Österreich, div. volumes; own calculations

The share of cases of reclaim of unemployment benefit and assistance in the average stock of recipients increased in 1997 and then decreased until 1999. In 2000 it rose to its peak with 10,6 %. Measured in per cent of the expenses incl. the social insurance contributions per month, with the outstanding amounts of reclaim of unemployment benefit and unemployment assistance one can observe a synchronous development until 1999. However, in 2000 a continuous decrease (to the low mark of 5,8 %) is shown (cf. table 7).

⁷ Like the cases of reclaim, the average stock of recipients of unemployment benefit and assistance represents a mean value.

⁸ Figures for 2001 are not available yet.

⁹ To obtain a value per month, the were divided by twelve.

¹⁰ Figures for 2001 are not available yet.

Table 7: Open cases of reclaim of unemployment benefit and assistance on the average per month in % of the average stock of recipients and outstanding amounts of reclaim of unemployment benefit and assistance on the average per month in % of the expenses incl. social insurance contributions per month

	1996	1997	1998	1999	2000
Open cases of reclaim of unemployment benefit and unemployment assistances on the average per month in % of the average stock of recipients	9,64	10,26	10,10	10,01	10,56
Outstanding amounts of reclaim of unemployment benefit and unemployment assistance on the average per month in % of the expenses incl. social insurance contributions per month	5,85	6,47	6,13	5,90	5,78

Source: AMS Österreich, div. volumes, Horst Friedrich (AMS Österreich); own calculations

Taking both measures together, no major changes can be ascertained within the observed period.

4 Conclusions

Reviewing the modifications in the Austrian law for unemployment insurance (ALVG) since 1995, two general developments can be detected, which aim in the same direction: First, the availability of unemployment insurance benefit and unemployment assistance benefit was made more difficult through a tightening of entitlement conditions (e.g. additional conditions such as that the unemployed person is at the employment exchange's disposal; increase of the minimum duration of employment in the case of the shorter qualifying period). Second, among other things the sanctions in case of unwillingness to work or refusal/hindrance to take up employment were intensified and thus the pressure on job-seeking persons increased to accept an employment described as "reasonable". Simultaneously the regulations and sanctions with regard to an unduly receipt of unemployment benefit and assistance were intensified, but partly rescinded by the constitutional court because of excessiveness.

There is a large degree of liberty with regard to the application of sanctions by the employment centre in practice. This is because of the relatively vague terms of law, especially concerning the limits of willingness to work and definition of reasonable jobs. According to available reports from experts and empirical studies, as a rule it depends on the job counsellor's personal attitudes as well as on his/her experience of specifications of colleagues and superiors to what extent certain sanctions are imposed.

Statistical data with regard to suspensions of payment of unemployment benefit and assistance for the period 1996-2000 can be interpreted with all due caution to that effect, that not only the legal regulations were intensified, but also in practice the sanctions provided by the law were imposed accordingly more often. The ratio of suspensions of benefit payment to handled benefit applications rose from 6,25/100 in 1996 to 7,42/100 in 2000. The suspensions of benefit payment due to unwillingness to work or refusal/hindrane to take up employment on their own remained static around the value of 1,4 per 100 handled benefit applications until 1998, and increased afterwards until 1,48 per 100 in 2000.

Relating statistical data on unduly received unemployment benefit or assistance to a number of reference figures, no major changes can be ascertained during the observed period. Thus in 1996 (lowest value) 9,64 open cases of reclaim related to 100 recipients, in 2000 (highest value) 10,56. On the other hand, the outstanding amounts of reclaim of unemployment benefit and assistance in per cent of the expenses including social insurance contributions reached their peak in 1997 with 6,47 and then dropped down to 5,78 in 2000. However, in the light of these figures it has to be remembered that this is from the outset not a matter of “misuse”, as an unduly receipt can also be ascertained retrospective (with complete guiltlessness of the unemployed person) or can also have simple organisational reasons (e.g. unintended late reporting of taking up an employment).

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