COLLECTIVE BARGAINING IN EUROPE
AUSTRIA: FROM GRADUAL CHANGE TO AN UNKNOWN FUTURE
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TURI CONFERENCE, 20 MAY 2019
ASSUMPTIONS

- Austrian CB system comparably stable but dependent on institutional requirements and socio-cultural norms of cooperation and consensus-seeking

- Highly inclusive system (almost full CB coverage) but rather large wage differentials (sectors, employee groups) and growing labour market segmentation

- Institutional and political support is recently (politically) highly challenged. Thus, unions‘ strong reliance on institutional power resources should be supplemented by a strengthening of their organisational resources (organizing, membership-oriented policies)
INCLUSIVE INSTITUTIONS IN AUSTRIA…

- **Collective bargaining coverage** around 98% due to compulsory membership of most enterprises in national Chamber of Economy (WKO)

- **Collective bargaining at industry/branch level** and highly coordinated process of collective bargaining (within and between industries)

- **Unitary union system**, whereby Austrian trade union federation ÖGB comprises all political factions. ÖGB’s sectoral units negotiate collective agreements with industry associations of WKO.

- Formally dual channel system of employee representation but usually well functioning cooperation and coordination between trade unions and works councils/employee representatives.
COLLECTIVE BARGAINING COVERAGE, EU

## STABILITY OF INCLUSIVE INSTITUTIONS

<table>
<thead>
<tr>
<th>Key features</th>
<th>2016/2017</th>
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<tbody>
<tr>
<td><strong>Actors entitled to collective bargaining</strong></td>
<td>Sectoral units of ÖGB union and branch-level associations of Austrian Chamber of Economy (WKO), voluntary employer associations provided they cover a significant share of workers in the sector</td>
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<td><strong>Importance of bargaining levels</strong></td>
<td>Sector or industry level predominating, company agreements only in exceptional cases</td>
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<td><strong>Favourability principle / possibilities to derogate from (cross-) sectoral agreements</strong></td>
<td>Favourability principle/derogation clauses in sectoral collective agreements, negotiable at company/plant-level</td>
</tr>
<tr>
<td><strong>Collective bargaining coverage (in %)</strong></td>
<td>98</td>
</tr>
<tr>
<td><strong>Extension mechanism (or functional equivalent)</strong></td>
<td>Compulsory membership in national employer organisation WKO</td>
</tr>
<tr>
<td><strong>Employers’ Associations Density</strong></td>
<td>100</td>
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..BUT SIGNS OF EROSION

- Employers push for a differentialisation and decentralisation of collective bargaining: 2011 metal sector bargaining 'cartel' broke down and since then separate negotiations for 6 subsectors.

- Declining trade union density: 2000: 37%, 2016: 27%, wide variation between industries, e.g. metal ~ 70%, public sector ~ 50 %, commerce < 15 %

- Declining number of works councils, 64 % in 2006 – 49 % in 2016, in particular in SMEs.

- Break down of social partnership at macro-level since centre-right coalition government took office (Dec. 2017)
  - Social partners excluded from review procedure of laws
  - Review of working time regulation without social partners
  - Social partners not consulted in government‘s regulatory initiatives
TRADE UNION DENSITY 2007 AND 2016

Trade union density (adjusted, in %)
WORKING TIME FLEXIBILISATION – „12H/DAY“

Labour movement criticizes:

1. 12h/day was already possible, but employers had to pay overtime supplements

2. Works councils lose their right to participate in the decision to flexibilize/extend working time (power asymmetry) → individualisation

3. Experience shows that the guarantee that overtime is voluntary is of no use if employees are afraid to lose their job

4. In other countries with 12h day (see f.e. Denmark or Sweden) employees work less throughout the year (in Sweden 70h less)
AUSTRIAN LABOUR MARKET increasingly SEGMENTED, growing share of instably employed people, i.e. workers not constantly employed over one calendar year.

- Around one third of employees, i.e. 34 %, in unstable employment (2015). Strongest increase since 2011, when Austria opened its labour market for workers from CEE member states.

- Instable employment higher among migrant workers, low-qualified workers and young workers.

- Recent labour market reforms putting more pressure on long-term unemployed, migrants and other vulnerably groups.
COLLECTIVE BARGAINING BECAME MORE CONFLICTUAL

- While social partnership at macro-level came to a halt, collective bargaining still well-functioning.

- But collective bargaining rounds became more conflictual, protracted and

- collective bargaining used for mobilisation of members, e.g. strikes in metal sector in 2011, warning strikes in railways in 2018; company assemblies and threat of warning strikes in metalworking 2018; warning strikes in social services 2019.
CONCLUSIONS

- Relative stability of CB institutions but shifting power relations to detriment of labour both in terms of (material) distributional issues as well as legitimacy of social partnership and CB (symbolic power)

- Bargaining coordination still functioning due to strong norms of collective bargaining and consensus-seeking (bargaining autonomy)

- Logic of influence still dominates among Austrian trade unions whereas in times of eroding institutional power resources (‘borrowed stability’) a re-orientation towards membership-based approaches is needed

- Conservative-right-wing government‘s attacks on Chambers: discussion moved away from abolishment of compulsory membership to cutting revenues (i.e. membership fees) of Chambers

- Transnational dimension of challenges requires intensification of cooperation & exchange with unions from other European countries and forming alliance with other civil society actors.
HERZLICHEN DANK FÜR IHRE AUFMERKSAMKEIT

GERECHTIGKEIT MUSS SEIN

DIE KRAFT VON MEHR ALS DREI MILLIONEN
TRADE UNION DENSITY, BY SECTORS IN AUSTRIA

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Metal sector</td>
<td>&gt; 70 %</td>
<td>~ 70 %</td>
</tr>
<tr>
<td>Public services</td>
<td>~ 60 %</td>
<td>~ 50 %</td>
</tr>
<tr>
<td>Construction</td>
<td>~ 48 %</td>
<td>30-40 % (2017)</td>
</tr>
<tr>
<td>Banks/Finance</td>
<td>~ 25 % (2010)</td>
<td></td>
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<tr>
<td>Social services</td>
<td>~ 18 % (2017)</td>
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<tr>
<td>Commerce</td>
<td>~ 15 %</td>
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- **Spread of works councils**: share of workers in establishments with works council: 2006: 64 % - 2016: 49 %, by sectors: public services 90 %, industry/crafts 61%, commerce: 30%, tourism: 15 %;
DEVELOPMENT REAL WAGES 2010-2017

Real compensation per employee (2010=100, AMECO)

- Euro area
- Germany
- Austria
- Spain
- Italy
- Hungary
UNEMPLOYMENT RATE
IN PERCENT (SAISONALLY ADJUSTED)

Quelle: EUROSTAT