

COUNTRY BACKGROUND: AUSTRIA

> National Context

> Legal and Industrial Relations Context

Austria demonstrates a strong commitment to fostering harmonious cooperation, evident in the establishment of collective interest organizations that represent both employers and employees. These organizations transcend political party affiliations and operate independently from rivalry. They work in collaboration with the government to address various social and economic issues through negotiation, with the aim of reaching consensus-based solutions. The government specifically invites a select group of social partner organizations to engage in these negotiations, while also providing the framework within which labour market parties regulate employment terms and conditions. As a result, social dialogue in Austria is well-developed and holds significant relevance in policy-making. Although this system faced explicit challenges during the conservative-populist coalition's reign from 2000 to 2006 and 2017 to 2019, the subsequent installation of the labour-friendly Green Party in 2020, coupled with the successful social dialogue concerning COVID-19, indicates that Austria's well-established social partnership system is functioning effectively.

> National Legislation

The Labour Constitution Act ("Arbeitsverfassungsgesetz" - ArbVG) governs the representation of collective interests on both the employer and employee sides, including beyond the company level. It also regulates collective bargaining. The right to establish and join a trade union is protected by various laws in Austria, including the 1867 Basic Law, the Associations Act, and the 1950 European Convention of Human Rights. The latter is considered part of Austria's constitutional law. The Federal Arbitration Board, established as a joint body within the structure of the Federal Ministry of Labour, holds the authority to recognize or withdraw recognition of voluntary collective interest organizations as parties engaged in collective bargaining.

> Legal Acts

Minimum wage	no	Leave provisions	yes	Maternity, paternity	yes
Contr. requirements	yes	Health & welfare	yes	Sick leave	yes
Working time	yes	Pensions/ Old-age	yes	Vocational training	yes



COUNTRY BACKGROUND: AUSTRIA

> Actors

> Trade Unions

- > The right to establish and join a trade union is protected by the 1867 Basic Law, the Associations Act, and the 1950 European Convention of Human Rights, with no exclusions based on sectors or worker categories. These rights are enshrined in constitutional law in Austria.
- > The Federal Arbitration Board, established within the Federal Ministry of Labour, holds the authority to recognize or revoke recognition of voluntary collective interest organizations as participants in collective bargaining.
- > While there is no explicit legislation addressing the concept of "representativeness," the Labour Constitution Act (ArbVG) outlines certain prerequisites for voluntary collective interest organizations. These conditions are generally associated with the organization's ability to effectively negotiate a collective agreement. Factors such as financial independence, broad membership covering various occupations and regions, and significant economic importance in terms of member numbers and business activities are considered.

- > The Austrian Trade Union Federation (ÖGB) is the sole trade union confederation involved in collective bargaining through its affiliated unions. The ÖGB also participates in public policymaking through its involvement in various bodies and committees, although its role is primarily informal.

> Coverage

Number of members (in 1000s)	1004 (2019)
Density (%)	26.3 (2019)

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> Actors

> Employer Organizations

- > There are two primary cross-industry employer organizations in Austria: the Austrian Federal Economic Chamber (WKO) and the Federation of Austrian Industry (IV). Membership in the WKO is compulsory for all companies and entrepreneurs holding a business license, while membership in the IV is voluntary.
- > The WKO is actively engaged in collective bargaining, typically through its subunits. However, the IV does not participate in collective bargaining and voluntarily relinquishes its right to conclude agreements.
- > Since membership in the WKO is obligatory, the organization is considered fully representative. There is no available information regarding the IV's representativeness or any legal framework specifically governing it. However, it is likely that the IV must also fulfil the conditions outlined in the Labour Constitution Act (ArbVG).

> Coverage

Number of members (in 1000s)	663,534 [WKO]; 4,500+ [IV] (both 2019)
Density (%)	100% [WKO] (2019); unavailable for IV

> Workplace-Level Employee Representation

- > In the private sector, employee representation at the workplace level is primarily carried out by the works council (Betriebsrat). According to Austrian law, any establishment with 5 or more workers must have a works council. The works council holds the legal right to consultation and co-determination within the workplace and is elected by the workforce for a minimum term of five years. The number of council members is determined proportionally based on the size of the workforce. The employer is legally obligated to engage in regular discussions with the works council and provide them with relevant information. Works agreements, which are negotiated between the works council and management, serve as the key instrument for exercising co-determination rights. These agreements have gained significance in regulating employment terms and conditions, reflecting the trend of "organized decentralization" in collective bargaining since the 1980s.
- > In the public sector, specific rules and legal provisions govern employee representation bodies for major employers such as the federal, regional, and local governments, as well as public enterprises. These employee representation bodies closely resemble the works councils found in the private sector.

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> Collective Bargaining

> Nature of Collective Bargaining Laws

The Federal Arbitration Board, established as a collaborative entity within the Federal Ministry of Labour, holds the authority to acknowledge or withdraw recognition of voluntary collective interest organizations as participants in collective bargaining. This recognition is primarily granted to parties operating at levels beyond the company level, with only a few exceptions. As a result, collective bargaining agreements (CBAs) are predominantly negotiated at the multi-employer sectoral level.

> Levels of Collective Bargaining

National	Yes, existing
Sectoral	Yes, dominant
Company	Yes, existing

> Involved Parties

Bipartite

> Coverage

Density (%)	98 (2019)
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> Duration

- > There does not appear to be a law governing the duration of a CBA. However, according to the Labour Constitution Act, when a CBA reaches its expiration date, it continues to remain in effect until a new agreement is reached. Most CBAs do not have a predetermined expiration date and remain valid as long as they have not been terminated by either party or superseded by a revised agreement. In theory, it is possible to terminate a CBA one year after its conclusion, but in practice, this rarely occurs.



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> Data Sources

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