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# FOREWORD

Austria is a small country in the heart of Europe, a member of the European Union, and based on a voluntary decision taken by its parliament it has given itself the status of permanent neutrality and has not joined any military alliance. In 1945, right after World War II, Austria adopted a democratic constitution; since then, trade unionists have played a key role in building up the country's economy and social fabric. Employees, regardless of their ideological and political background, gathered under the roof of a single organization in 1945: the Austrian Trade Union Federation, or ÖGB.



A non-partisan and democratic body based on voluntary membership, it defends the interests of workers, strives to preserve and enhance the independence and democratic standards of our country, and is committed to peace and human rights everywhere. We, from the Austrian Trade Union Federation support an equitable distribution of wealth and prosperity.

Today, Austria ranks among the wealthiest countries on a per-capita basis worldwide. This is an accomplishment made possible, inter alia, by our workers, the trade unions representing them, and a well-functioning and widely accepted system of social dialog that we refer to as “social partnership”.

The global dominance of neo-liberalism in economic policy has posed considerable challenges for the Austrian trade union movement in recent years. More often, in order to represent and stand up for the interests of workers, industrial action is required. The Austrian trade union movement is armed for such action – and, at the same time, is constantly searching for new ways of improving its structures and workflow so that its strength and tactical efficiency are not inhibited.

Erich Foglar  
President

# THE HISTORY OF TRADE UNIONS IN AUSTRIA

The origins of the Austrian trade union movement date back to the Habsburg monarchy. The first workers' associations were founded in the 1840s, and in 1870 the so-called Coalition Act established the legal basis for trade unions.

The first trade unions had a distinctly local organizational setup. It was only in the late 19th century that a union organization reaching across industries and regions gained widespread acceptance. Thanks to their strength, the unions successfully fought for fundamental social rights, such as a ban on Sunday work, the introduction of health and accident insurance, ten-hour



*Schwieriger Beginn ...  
A difficult beginning ...  
Des débuts difficiles ...*

working days, a ban on nighttime work for women, etc. Furthermore, the increasing number of collective agreements helped regulate working hours, minimum wages, overtime compensations, and many other achievements now taken for granted.

The end of the monarchy was marked by considerable unrest and discontentment among lower social classes, and spawned a radicalization of the workers' movement (such as on-the-spot creations of workers' and soldiers' councils). Milestones marking social policy during the First Republic were the Works Councils Act (1918), the Collective Agreement Act (1919), and the establishment of chambers of labor (1920). Further accomplishments up to 1934 included the introduction of the eight-hour working day and of unemployment benefits. While the trade unions were already organized across regions and industries, they remained fragmented in political terms. Social Democratic, Christian, and German National unions often worked against each other, resulting in a weakening of the entire movement. An additional problem was caused by the so-called "yellow trade unions"—as organizations directly dependent on the company, they mainly acted as strikebreakers.

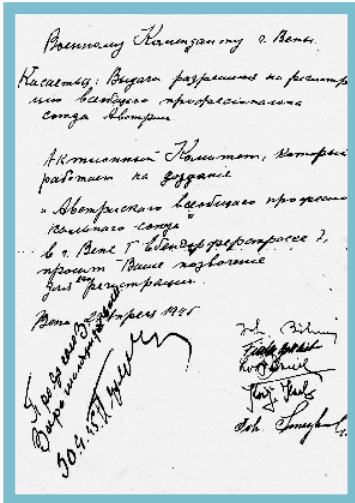
## BAN ON TRADE UNIONS – A DARK CHAPTER

Since the 1920s, conservative and aristocratic elites had striven to curtail hard-fought democratic and social rights. In 1933 the Christian-Socialist government paralyzed parliament and in 1934 the military was used to attack protesting workers. A short but bloody civil war put a temporary end to the independent workers' movement in Austria. The Austro-Fascist government abolished free unions and introduced a ban on strikes. It founded a single union whose representatives were appointed by the ministry of social affairs.

In 1938, when troops from Fascist Germany entered Austria, the demise of Austria as a state exacerbated the situation facing trade unions even more. Austrian workers, often by force, came to be represented and organized by the "German Labor Front" whose main task

was to motivate workers to contribute to wartime production. Any resistance was severely punished. Many dedicated Austrian unionists perished in the concentration camps of the Nazi regime.

## FOUNDATION OF THE AUSTRIAN TRADE UNION FEDERATION IN 1945



ÖGB-Gründungsurkunde 1945  
ÖGB Founding document 1945  
Acte officiel de fondation de 1945

Already during World War II, trade union activists had planned the foundation of a unitary trade union organization as soon as Austria would reclaim its independence. This decision has to be seen against the backdrop of the negative experiences gained with the separate political unions during the First Republic. Far from safeguarding workers' rights, this "union pluralism" had actually weakened the workers' movement in the face of the threats posed by fascism and war.

As early as April 1945, in the middle of the ruins of war and destruction, Social Democratic, Christian-Socialist, and Communist officials founded the Austrian Trade Union Federation, which is still in existence today. Only a few European countries have succeeded in building up and maintaining a unitary trade union organization representing the interests of all its members. At the ÖGB, the rapid increase in membership rolls proved how much this idea took hold among the workers in Austria. Seen in a global context, the ÖGB has a very high share of members among the working population.

# REPRESENTING THE **AUSTRIAN WORKERS** TODAY

In line with the eventful history of the Austrian workers' movement and changing political conditions, a complex system has evolved that ensures proper representation of workers. It is based on the following three pillars:

## 1. WORKS COUNCILS

At company level, the interests of employed persons are represented by works councils or—in the public sector—by staff representatives. For companies having more than five employees the Labor Constitution Act stipulates that a works council or staff representative be elected. All employees are entitled to vote, not just trade union members. Works council members have special protection from dismissal. At company level they have clearly defined participation, information, intervention, and supervision rights. Under the collective agreements negotiated annually by individual industry unions, they conclude agreements with their companies which may exceed—but not fall short of—the levels laid down by collective bargaining. Shop stewards are entitled to seek the assistance of their trade union representatives for their deliberations. Today more than 80% of all members of works councils are ÖGB members. It is through them that unions learn more about the problems and concerns of employees and thus are able to respond appropriately when collective bargaining takes place.

## 2. AUSTRIAN TRADE UNION FEDERATION

Founded in 1945, the Austrian Trade Union Federation (ÖGB) is the only Austrian organization representing the interests of workers based on voluntary membership.

The ÖGB is non-partisan although in its efforts to achieve its goals, it does influence politics. It is also possible for trade union leaders to run for office for political parties and become members of parliament. During the Second Republic, trade unionists have held government posts (notably as ministers for social affairs) or various other official functions.

Members, should they so wish, may join various ÖGB platforms with a certain political or ideological focus. The largest ones of these currently existing platforms are the group of Social-Democratic and Christian trade unionists; apart from these, there are also Communists, Green and other groupings.

Trade union members are entitled to legal advice and legal representation in court as well as many other benefits. They profit from the host of collective agreements negotiated by the ÖGB trade unions at industry level. This dense network of collective agreement, which benefits all blue- and white-collar workers in Austria, regulates, i.a., working hours, holiday and Christmas bonuses, supplements, overtime compensation, etc. Annual wage and salary increases are also covered by collective agreements.

The ÖGB has a major function in the development of new laws: it not only initiates the drafting of bills but also provides political reviews of and comments on bills submitted by other bodies which are then incorporated in the decision-making process.

## STRUCTURE OF THE ÖGB

The highest body of the Austrian Trade Union Federation is the National Congress, which takes place every four years. The National Congress establishes priorities for the next four-year period and elects the President, one male and one female Vice-President, the members of the ÖGB Executive Board and the Audit Commission.

The supreme decision-making body in between National Congresses is the National Executive Board, consisting of Presidium members, representatives of unions and of the ÖGB's women's, youth, and pensioners' departments.



ÖGB-Präsident Erich Foglar beim Bundeskongress 2009  
ÖGB President Erich Foglar at the 2009 National Congress  
Le président de l'ÖGB Erich Foglar lors du Congrès fédéral en 2009

The Presidium, made up of the President, Vice-Presidents, the Chairpersons of the Trade Unions and the Executive Secretaries, coordinates the ÖGB's daily political work. Activities carried out at company and industry levels are reserved mostly to trade unions which negotiate wage increases, assist works council members in elections, legal issues and other concerns.

At its foundation in 1945, the ÖGB had 16 member unions which have meanwhile been streamlined, through mergers, to the current level of seven (status as of 2009):

- » GPA-DJP: Union of Salaried Private Sector Employees and of
- » Printers, Journalists and Paper Workers
- » GÖD: Union of Public Services
- » GdG-KMSfB: Union of Municipal Employees, Art, Media, Sport and Freelance Workers
- » GBH: Union of Construction and Woodworkers
- » vida: Transport and Service Union
- » GPF: Union of Postal and Telecommunications Workers
- » PRO-GE: Union of Production Workers



## 3. CHAMBERS OF LABOR

Already in the 19th century, the state had founded chambers of commerce to represent the interests of entrepreneurs. For workers comparable institutions were not set up until 1920 – the Chambers of Labor, one for each of Austria's nine provinces, for blue- and white-collar workers. In contrast to trade unions, in which membership is voluntary, the Cham-

bers of Labor rely on mandatory membership of all dependently employed persons (excluding those working for the public sector); this principle, incidentally, also applies to the chambers for entrepreneurs and the self-employed.

The Chambers of Labor are funded by the so-called Kammerumlage, or chamber contribution. This levy is to guarantee the independence of the institution concerned. Officials are elected by members every five years. Chambers of Labor and trade unions are closely cooperating, both at the political and staff level.

The Chambers for Labor fulfill the following functions:

- » introducing and reviewing proposals for legislation relevant to employees;
- » pursuing basic research on economically and socially relevant issues;
- » participating in government commissions and advisory councils;
- » offering member services (counseling in the areas of labor and tax law, unemployment and social insurance, consumer protection);
- » involvement in social partnership institutions.

The Chambers of Labor do not negotiate collective agreements and do not represent their members internationally – these duties are exclusively performed by the trade union movement.

## ACTIVITIES

### COLLECTIVE BARGAINING

As part of its collective bargaining mandate, unions within the ÖGB conclude more than 500 agreements annually. These are applicable to all companies and all workers employed in a particular industry (not just union members). According to the OECD, Austria has a collective agreement coverage of more than 95%, which has contributed to considerable income security for those employed and a level competitive playing field for companies – a unique feature of the Austrian system. In addition to achieving satisfactory income levels that reflect economic development and rising prices, the ÖGB through its collective bargaining policy aims to create a positive legal framework for workers.



*Start der Metallerlohnrunde, 2006.  
Beginning of collective bargaining in the metal sector, 2006.  
Négociations des salaires des travailleurs métallurgiques, 2006.*

## SOCIAL PARTNERSHIP

Economic and social partnership" is a typical Austrian institution. It refers to the voluntary and informal cooperation of employers' and employees' associations in economic and social policy with a view to striking a compromise that both sides can live with. Essentially, it is a bipartite system which, if need be, may also contain tripartite elements (by involving the government).



*Dialog der Sozialpartner  
Social Partnership dialogue  
Dialogue des Partenaires Sociaux*

The Austrian model of social partnership was born out of the commitment of political and economic leaders in the post-war era following 1945 to build up the country's war-ravaged economy and infrastructure through a national consensus. Thanks to their support of social dialog, unilateral economic liberalism, which had triggered workers' protests in 1950, was "nipped in the bud". In subsequent years, this mechanism for finding the right balance between the

interests of employees and employers was also extended to other areas, and soon addressed other key social issues such as economic growth, full employment, and monetary stability.

Austrian accession to the European Union in 1995 was prepared by a concerted effort on the part of the social partners and the government. In an "Agreement on Europe" the government undertook to involve the social partners in decisions and policies of a European dimension. Based on this agreement the ÖGB and the Federal Chamber of Labor operate liaison offices in Brussels.

Social partnership is comprised of the following four associations:

- » Austrian Trade Union Federation
- » Federal Chamber of Labor
- » Austrian Federal Economic Chamber
- » Conference of Presidents of the Austrian Chambers of Agriculture

Most compromises are struck informally. However, there is also a formal body called the "Parity Commission" made up of social partners and members of the federal government. The commission has four subcommittees:

- » the advisory council for economic and social issues (its research findings are the basis for recommendations made to the government);
- » the subcommittee on wages in charge of coordinating and approving collective agreements;
- » the subcommittee on international affairs;
- » the subcommittee on competition and prices.



The quick economic recovery achieved by post-war Austria can be contributed, amongst other things, to the system of social partnership. Today, as ever, Austria is a business location characterized by high stability which, in turn, is attributable to this tradition of social dialog and social peace. Throughout the past years, the social partners have developed joint concepts on various issues that were then taken up by the government to form them into new laws.

## CAMPAIGNS AND ACTIVITIES

Traditionally, Austrians prefer consensus and negotiated solutions. As evidenced by our strike statistics, Austria is a country with very few walkouts. An exception to this rule was 2003. The ÖGB mobilized about one million people on June 3 throughout Austria to demonstrate against the pension reform planned by the government. The industrial action was a success: the government was forced to back-track from the proposed piece of legislation and incorporate numerous changes in the new law.



*ÖGB-Aktion für höheren Mindestlohn  
ÖGB campaign for higher minimum wages  
Action de l'ÖGB pour une augmentation du salaire minimum*

Obviously, there are always occasions for the ÖGB to protest and initiate campaigns. The ÖGB launches campaigns whenever it wants to disseminate information and sensitize the public. One such effort was the works council campaign that ran from November 2005 through the summer of 2006. The object was to initiate the creation of new works councils. The consequence was numerous new works councils and almost a thousand new ÖGB members joining from the ranks of the works councilors. The ÖGB is also organizing campaigns with non-governmental organizations: examples would be the STOP GATS campaign or activities to introduce a new financial transaction tax.

# THE AUSTRIAN TRADE UNION MOVEMENT AND INTERNATIONAL RELATIONS



*IBFG-Kongress in Wien, 1955.  
ICFTU Congress in Vienna, 1955.  
Congrès du CISL à Vienne, 1955.*

From the vantage point of a trade union that comes from a small country heavily impacted by economic developments occurring at European and global levels, international cooperation has always been crucial. Hence, the ÖGB's international ties are highly diverse.

In 1945 the Austrian Trade Union Federation joined the only global trade union association existing at the time, the World Federation of Trade Unions, or WFTU, headquartered in Prague. In 1949 it switched over to the newly established International Confederation of Free Trade Unions, or ICFTU, headquartered in Brussels. While this shifted the international focus of the ÖGB, it was able, due to its commitment to Austria's permanent neutrality laid down in the State Treaty of 1955, to maintain close ties with the WFTU member organizations in Eastern Europe. It can thus be argued that the Austrian union movement contributed to the policy of détente on the European continent.

For years the ÖGB, mindful of its country's own history of split unions before World War II, was outspoken in its criticism of the competition existing between two global trade unions, and therefore supported the foundation of a new international movement made up of member organizations of the two dissolved associations WCL and ICFTU, as well as of others with no international affiliation yet. The decision to hold the Founding Congress of the new International Trade Union Confederation (ITUC) in Vienna on November 1, 2006 was made in recognition of our dedication to greater unity.

The ÖGB is a founding member of the European Trade Union Confederation, or ETUC, created in 1973. Even though the ETUC plays a key role in representing the interests of trade unions in its interactions with the European institutions, it has never served organizations solely from the member countries of the European Economic Community (EEC) and, later on, the European Union (EU), but always oriented itself on the geographic borders of Europe.

Naturally, the priorities of the ÖGB as regards international solidarity have changed over the decades. In light of the decolonization movement of the early 1960s, cooperation with trade unions from newly independent African countries became a priority task for the ICFTU and thus also for the ÖGB. Later, the ÖGB was directly involved in solidarity campaigns launched against dictatorships in Chile, Portugal, and Spain, against the Vietnam War, and against the Apartheid regime in South Africa. In the 1970s, it focused its activities on the widening gap between industrialized nations and developing countries.

Since 1990, cooperation with the unions in the Central and Eastern European transition countries has intensified, especially with our neighboring countries Czech Republic, Slovakia, Hungary, and Slovenia. In 2004 the ÖGB concluded a legal protection agreement with the six Hungarian confederations that provides legal counseling and assistance for migrant workers with a trade union affiliation in the other country. In compliance with ETUC statutes, several Interregional Trade Union Councils were set up in the border regions. ÖGB regional organizations participate in cross-border activities together with their partner organization in Switzerland, Liechtenstein, the Federal Republic of Germany, the Czech Republic, the Slovak Republic, Hungary and Slovenia.

## TRADE UNION RESPONSE TO GLOBALIZATION

Now that Austria has joined the European Union and its economy has opened itself up to neo-liberal globalization, we are faced with new major challenges. The right response can only be a truly global dialog as well as stepped-up international cooperation with trade unions. Therefore, the ÖGB embraces the following international agenda:



*IGB-Gründungskongress in Wien, 2006  
ITUC Congress in Vienna, 2006  
Congrès du CIS à Vienne, 2006*

- » respecting the principles of international law and of the UN Charter, strengthening the peacekeeping role of the United Nations, and opposing unilateral actions taken by powerful nations or military alliances;
- » establishing a Europe without nuclear weapons, from the Atlantic to the Urals;
- » converting the European Union into a “union of peace” and countering an increasingly militarized Common Foreign and Security Policy;
- » protecting global public goods such as health, education, an intact environment, and social justice;
- » reforming international institutions such as the World Bank, the International Monetary Fund, and the World Trade Organization so as to ensure transparency, democratic legitimacy, full participation of “developing countries”, and the involvement of civil society;
- » introducing debt relief for the least developed countries, as well as transparent and IMF-independent debt settlement procedures;
- » effectively monitoring financial markets, such as by introducing a global foreign exchange transaction tax (Tobin tax) earmarked for social projects;
- » establishing viable rules to prevent countries or regions from competing against each other for attracting business by means of social dumping, eco-dumping, and tax exemptions;
- » abolishing market-distorting agricultural subsidies in the North while opening up the European agricultural market to products from the South; promoting fair trade.

## **OUR GOALS**

*(Excerpt from the Policy Statement of the 17th ÖGB National Congress, June/July 2009)*

Contrary to the promises of neoliberal ideology it has been found that the market economy is inherently instable and consistently requires interference from the state. For economic policy the key issue is to secure employment by stabilizing demand. To this end, it is necessary to take budgetary action in order to stimulate private consumption and investment.

By itself, the market economy achieves neither social justice nor social security. It does not guarantee sufficient employment nor educational opportunities for everybody or any just distribution of property. As a consequence, the ÖGB is fighting for welfare state intervention and regulation. To this end, it is necessary to define a clear limit and framework, both at national and EU level, for economic competition, so as to achieve social welfare and social justice in a society in which all people can live and work a self-determined life equal before the law. Discrimination must not be given any place in our society. Statutory provisions thus must be designed and implemented so as to achieve the goal of a non-discriminating society.

### **STRONG TRADE UNIONS**

Over the past years, trends in wages and salaries have improved the competitive edge of our businesses. While Austria is in the medium to upper half when it comes to labor costs, it certainly ranks at the top internationally when it comes to productivity. Unit labor costs in manufacturing have been declining since 2003, both absolutely and compared to competing countries. The great advantage of the Austrian collective bargaining system, greatly envied by many countries, is that it is foreseeable for all participants.

The ÖGB advocates solidarity in wage policies, with the objective that all workers participate in productivity growth and the rise in affluence. Solidarity in wages and incomes aims to guarantee positive income developments also for the weaker parts of the community, thanks to the muscle of trade unions. A policy of equality is a key concern for a strong trade union, so that more participation for women needs to be encouraged. Gender mainstreaming is a fixed part of collective bargaining.

### **A STRONG AND SOCIAL EUROPE**

The ÖGB advocates a Europe of the Future in which social union becomes reality. Europeans do not reject the grand project of a European Union – but they are no longer willing to accept without any resistance a biased policy to the detriment of the working people, such as was in the past years pursued by a majority of member states and the European Commission. A union that is perceived by its citizens to be chiefly working for deregulation, extending full priority to the internal market, unrestricted competition, and neglecting social interests, will not be popular nor will it become an economic and life sphere that is sustainable in its success.

## RULES FOR THE GLOBAL ECONOMY

There is no doubt about it: globalization is crisis-prone. The ÖGB therefore calls for new rules for the global economy which limit the freedom of capital movement and give greater attention to social and environmental concerns. One measure necessary to stop the global dismantling of the welfare state is to introduce an international financial transaction tax.

The Austrian trade union movement calls upon governments and multinationals to fully respect all human rights and union rights, and to comply, without any qualifications, with ILO's fundamental principles and rights at work. It is necessary to put a stop to the stealthy advancement of poverty worldwide, by equitable prices for raw materials, eliminating protectionism and competition-distorting practices in industrialized and threshold countries, and by removing the causes of the debt crisis.

Ultimately, peace and security can be achieved globally only when we manage to sustainably improve living conditions. The ÖGB therefore also advocates disarmament of nuclear and conventional weapons and a peace-focused foreign policy by Austria based on a proactive policy of neutrality.



*Teilnahme an EGB-Demonstration in Brüssel, 2005.  
Participating in ETUC rally in Brussels, 2005.  
Participation à la manifestation du CES à Bruxelles, 2005.*

DER ÖSTERREICHISCHE GEWERKSCHAFTSBUND  
**AUSTRIAN TRADE UNION FEDERATION**  
FÉDÉRATION SYNDICALE AUTRICHIENNE  
FEDERACIÓN DE SINDICATOS DE AUSTRIA

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