

**Committed
to social justice**

Austrian Trade Union Federation

OGB

Österreichischer
Gewerkschaftsbund
www.oegb.at

Dear Colleagues,



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; and we are prepared, if need be, to launch far-reaching campaigns to make our demands and voices heard.

Austria ranks among the wealthiest countries on a per-capita basis not only in Europe but also 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".

Dear Colleagues,

The global dominance of neo-liberalism in economic policy and the turn to a conservative government in Austria from 2000 to 2006 have 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. For this reason, we have carried out an organizational reform of our trade union federation so that we can eliminate structural shortcomings and focus on our priorities. We will increasingly involve our members in decision-making processes and pool our resources with a view to demonstrating our efficiency, determination, and strength.

Erich Foglar
President

The History of Trade Unions in Austria



Südafrikanischer Gewerkschafter als Gast der Gewerkschaftskommission, 1926.

Clements Kadalie, South African trade unionist, visits Austrian comrades, 1926.

Les syndicats Sud Africains, invités de la commission des syndicats, en 1926.

Sindicalista de África del Sur, invitado por la Comisión Sindical en 1926.

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 organi-

zational 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 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.

1938, the year of the Anschluss, saw troops from Fascist Germany entering Austria—a move applauded by parts of the population. This 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, while others died as soldiers during World War II.

Foundation of the Austrian Trade Union Federation in 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



Neubeginn: Bundeskongress 1948.

A new beginning: ÖGB Federal Congress 1948.

Nouveau départ: Congrès Fédéral en 1948.

Nuevo comienzo: El Congreso Federal en 1948.

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, Social Democratic, Christian-Socialist, and Communist officials founded the Austrian Trade Union Federation, which is still in existence today.

Only few European countries succeeded in building up and maintaining a unitary trade union organization representing the interests of all its members. The rapid increase in membership shows how much this idea took hold among the workers in Austria. Two years after its foundation, the ÖGB already had more than 1.2 million members and thus a union density of almost 70 %.

Representing the Interests of 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 employees. 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 every four years. 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 trade union 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. Chambers of Labor

Already in the 19th century, the state had founded chambers of commerce to represent the interests of entrepreneurs and ensure their say in drafting pertinent legislation. 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 Chambers 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. Trade unions strive to fill all top positions in the Chambers of Labor with candidates having union affiliation.

The Chambers for Labor fulfill the following functions:

- introducing and reviewing proposals for legislation relevant to employees;
- devising fundamental economic and social policy strategies;
- participating in government commissions and advisory councils, such as those dealing with apprentices and master craftsmen;
- 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 unions.

3. Austrian Trade Union Federation

Founded in 1945, the Austrian Trade Union Federation is the only Austrian organization representing the interests of workers based on voluntary membership. The number of members is now approximately 1.4 million, i.e. roughly 40 % of all those employed.



Betriebsräte: Interessensvertretung vor Ort.
Works Councils: Defending workers' interests on enterprise level.
Conseils d'entreprise:
Représentation des intérêts sur place.
Comités de empresa: defensa de intereses de los trabajadores in situ.

The ÖGB is non-partisan and non-denominational 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 Green and Communist groupings.

Trade union members are entitled to legal protection and many other benefits. At industry level, trade unions negotiate a wide variety of collective agreements applicable to all blue and white-collar workers. Major accomplishments include the holiday and Christmas bonuses (13th and 14th salaries) that are taken for granted by many nowadays, as well as various protection provisions, leisure-time entitlements, supplements, overtime compensations, etc. Annual wage and salary raises are also covered by collective agreements.

The ÖGB is committed to job and income security, equal opportunities and gender equality, environmental protection, and economic growth achieved through a productivity-oriented wage policy – in short, to a social model based on solidarity. In our

world of globalization, precarious jobs, and social hardship, this is more necessary than ever before.

Structure of the ÖGB

The highest body of the Austrian Trade Union Federation is the National Congress, which takes place every four years (most recently in 2007). The National Congress establishes priorities for the coming four-year period and elects the members of the ÖGB Presidium and the Audit Commission.



*Branchengewerkschaften:
Vorbereitung der Kollektivverhandlungen.
Planning for collective bargaining on branch level.
Branches syndicales:
Préparation des négociations collectives.
Sindicatos de sectores, preparando las negociaciones del convenio colectivo.*

The Presidium, made up of the President, the Vice-Presidents, and the Executive Secretaries, coordinates the ÖGB's daily work.

In January 2007, Rudolf Hundstorfer, former chair of the Union of Municipal Employees (GdG), was elected as ÖGB President. The supreme

decision-making body in between National Congresses is the National Executive Board, consisting of Presidium members, representatives of unions (depending on their number of members), as well as the ÖGB's women's, youth, and pensioners' departments.

For activities carried out at company and industry levels, there are individual trade unions that act autonomously in their areas of interest and have partial legal personality. In the wake of mergers, their number has decreased in the past few years; this streamlining process will continue as part of ÖGB's organizational reform. As of winter 2007, the following nine trade unions are organized under the umbrella of the ÖGB:

- GPA-DJP** Union of Salaried Private Sector Employees and of Printers, Journalists and Paper Workers
- GÖD** Union of Public Services
- GdG** Union of Municipal Employees
- GKMSfB** Union of Art, Media, Sport, and Freelance Workers
- GBH** Union of Construction and Woodworkers
- GdC** Union of Chemical Workers
- vida** Transport and Service Union
- GPF** Union of Postal and Telecommunications Workers
- GMTN** Union of Metal, Textile and Food Workers

Activities

Collective Bargaining

As part of its collective bargaining mandate, the ÖGB, following negotiations by unions, concludes more than 700 agreements annually. These are applicable to all workers employed in a particular industry; company-level collective agreements are an exception. This way, the ÖGB ensures appropriate employment contracts throughout Austria, including provisions on minimum wages and ongoing adaptations of wage levels. According to the OECD, Austria has a collective agreement coverage of more than 95 %, which has contributed to considerable income security. Low strike rates demonstrate that the right approach to represent the interests of all those involved and to conclude collective agreements is one based on partnership.

In addition to satisfactory income levels, the ÖGB's goals include a high rate of employment and economic growth. This presupposes stable domestic demand, as well as appropriate macro, education, technology, and research policies. At a level above industry-wide collective agree-

ments, there are so-called general collective agreements. Their statutory role is to regulate important matters across industries at national level. Regular working hours currently in force in Austria (38.5 hours per week), for example, are covered by such a general collective agreement.

Collective agreements in Austria have a so-called non-member effect, i.e. they are applicable to all companies and all workers in a given industry – not only to union members. Above-mentioned 95 % collective agreement coverage is another trademark of the Austrian system.

Campaigns and Strikes

Not all demands can be imposed by negotiations and agreements. A time-honored method of protest is public campaigning and awareness-raising. The ÖGB launches campaigns whenever it wants to disseminate information, sensitize the public to deplorable situations or aberrant developments, or call for demonstrations provided no solution has been found by way of negotiations. A recent example is the action taken



*Menschenkette gegen Pensionsverschlechterung.
Human chain protesting pension cuts.
Chaine humaine contre la restriction des retraites.
Cadena humana contra reducciones de las pensiones.*

by the European Trade Union Confederation against the Services Directive proposed by the European Commission, resulting in satisfactory solutions found in some areas. In view of the fact that Austria had the EU

presidency in the first half of 2006, ÖGB campaigns launched in this connection drew considerable publicity.

In some campaigns we do not oppose a certain policy; we speak in favor of it, such as in our works council campaign that ran from November 2005 through summer 2006. It led to the creation of many new works councils, and almost 1000 works council members joined the ÖGB. 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. And we were successful! The government was forced to backtrack from the proposed piece of legislation. In this record-breaking year 10.4 million strike hours accumulated—more than twice the amount of the previous record of 1962.

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).

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



*Sozialpartnerschaft – eine österreichische Institution.
Social partnership – an Austrian institution.
Le partenariat social – une institution autrichienne.
Los Interlocutores Sociales – una institución austriaca.*

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. The Austrian accession to the European Union in 1995 was prepared by concerted action taken by the social partners and the government. In an “Agreement on Europe” the government undertook to involve the social partners, including employees’ associations, in decisions and policies of a European dimension (for example through offices in Brussels). Based on this agreement the ÖGB and the Federal Chamber of Labour 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 questions (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. Even today, Austria is a business location characterized by high stability which, in turn, is attributable to this tradition of social dialog and social peace.

The Austrian Trade Union Movement and International Relations

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, the latter, due to its commitment to Austria’s permanent neutrality laid down in the State Treaty of 1955, also maintained 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. The faction of Christian unionists within the ÖGB is also a member of the World Confederation of Labour, or WCL.

For years the ÖGB has been outspoken in its criticism of the competition existing between two global trade unions, and has 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 fact that the Founding Congress of the new International Trade Union Confederation (ITUC) took place in Vienna on November 1, 2006 is 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 primordial 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. This cooperation takes place centrally, at the level of industry unions, and by involving territorial organizations along the borders. 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.

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.



*WVA-Hauptausschuss 1972 in Baden bei Wien.
WCL World Council meets 1972 in Austria.
Conseil Mondial de la CMT à Baden, en 1972.
1972: El Consejo Mundial de la CMT en Baden.*

Therefore, the ÖGB embraces the following international agenda:

- respecting the principles of international law and of the UN Charter, strengthening the peace-keeping role of the United Nations, and opposing unilateral actions taken by powerful nations or military alliances;
- establishing a Europe without nuclear weapons, stretching 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, nature, 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;
- stopping negotiations on the General Agreement on Trade in Services, or GATS, to take stock of the liberalization steps already taken and evaluate their social repercussions;
- introducing debt relief for the least developed countries, or LDC, as well as transparent and IMF-independent debt settlement procedures (insolvency law);
- 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

Full Employment and Fair Wages

The main demand made by the ÖGB in the area of economic and social policy is full employment. This demand ties in with necessary measures to combat unemployment – all persons capable of gainful employment must be given the chance to earn



ÖGB-Frauen protestieren vor dem Parlament.

ÖGB women protest in front of Parliament.
Les femmes de l'ÖGB protestent devant le parlement.

Demostración de mujeres de la ÖGB delante del parlamento.

their living by means of work. In June 2006 the unemployment rate in Austria stood at 6.9 % according to national calculations and at 5.0 % according to Eurostat.

An economic policy modeled on the needs of workers must aim at enhancing purchasing power within the country and, hence, at stimulating investments.

For this, economic policymakers need to tap into existing potentials. Sadly, since 2000 the government has imposed many constraints on employees in Austria,

diminishing their purchasing power and curbing corporate investments.

Policies pursued at federal level to jumpstart the economy have proven to be futile or have come too late. Politicians have devoted all their attention to austerity measures and the “zero deficit” – to the disadvantage of workers. We believe that the following measures should be taken to boost the economy:

- an additional one billion euro spent on policies urgently needed to improve the infrastructure;
- reducing the wage tax by one billion euro, lifting the burden notably from low- and medium-income earners;
- increasing public funds for an active labor market policy.

Autonomy rather than Dependence

This is the slogan espoused by the ÖGB's women's department to make sure that women can lead independent lives.

Autonomy means that there must be equal pay for equal work – this is a demand which, unfortunately, still needs to be made. Differences in income between women and men are considerable in Austria. There are several reasons for this. For one, typical “female jobs” still pay less than traditional “male jobs”. Additionally, the number of female part-time workers is a lot higher than that of men and there are far fewer women in top positions. Gender equality policy must clearly focus on improving women's employment situation. Only women who have a reasonable income at their disposal are empowered to decide independently how they want to lead their lives. The concept of autonomy also relates to measures to help women better reconcile family and working life, i.e. by providing appropriate and affordable child-care facilities with customer-oriented opening hours, as well as to the right to part-time work for parents until their children reach schooling age.

Another concern is to create a working environment in which women are given the same opportunities as men to attain top positions. Promoting female executives means to invest in productive, innovative, and successful business policy. Also within the Austrian Trade Union Federation, we must ensure, by taking the proper organizational measures in human resources management and training, that the share of women in each of our committees is at least commensurate with female membership, and that more women move up to high-ranking positions.

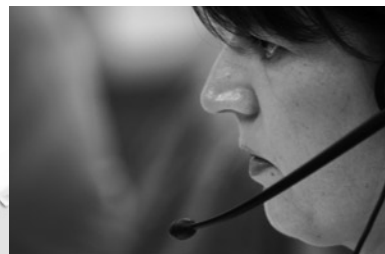
Other priorities include an equitable assessment of work, an income policy based on and inspired by the principle of solidarity and more rights granted to part-time workers and atypical employees. Furthermore, women's autonomy presupposes the provision of independent old-age pensions and of means-tested minimum income.

Avoiding the Pitfalls of Atypical Employment

More Austrians than ever before are atypical employees – almost half a million, excluding part-time workers. While this is not much compared to other countries, the numbers are rising.

The fact that we are living in an increasingly informal business environment and society is disconcerting and compels us to take action. For an increasing amount of workers, labor legislation does not provide sufficient social protection, they are not covered by any collective agreement, and they have no unemployment insurance. Protection from dismissal is a concept unknown to them, as is the law on working hours. Employees are expected to think like entrepreneurs, they are expected to accept flexible working hours, and they are expected to be mobile; the risks normally borne by entrepreneurs are increasingly borne by their employees.

Many of the unemployed are faced with just two options: long-term unemployment or (involuntary) self-employment. That is why atypical employment often entails insecurity, gaps in CVs, as well as considerably less pay.



*Herausforderung atypische Berufe.
Precarious jobs: Today's challenge for trade unions.
Un défi: les professions atypiques.
Un desafío: las profesiones atípicas.*

The ÖGB therefore supports the following:

- So-called “atypical employees” must be protected from exploitation. This means that we need to define the category of employees such that all people in Austria that are economically dependent on an individual or a company can fully benefit from the protections granted by social legislation, labor law, and collective agreements. This also involves a modernization of the labor law as a whole and the elimination of unfair employment contracts.
- Means-tested minimum income throughout Austria wherever income-based protection systems are insufficient. This requires a reorganization of our social assistance programs such that they offer standardized benefits and help people maintain their livelihood.

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