



Collective Bargaining in Austria during the Covid-19 Pandemic

Country Report

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BARCOVID

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•• WageIndicator

CELSI

Central European
Labour Studies
Institute

 **Sant'Anna**
School of Advanced Studies – Pisa

BARCOVID

The BARCOVID project aims to improve knowledge about the content of collective agreements in Europe and to undertake research activities to enhance the collection of comparative information on collective bargaining outcomes. The project takes in account the Covid-19 impact on industrial relations in Europe, which is approached from different angles, such as government measures and occupational health and safety. Lead partner is the University of Amsterdam/AIAS. The Central European Labour Studies Institute (CELSI), Sant'Anna School of Advanced Studies and WageIndicator Foundation are the project's key actors.

University of Amsterdam/AIAS-HSI

AIAS-HSI is an institute for multidisciplinary research and teaching at the University of Amsterdam (UvA), the largest university in the Netherlands. AIAS-HSI has as its objective the coordination, implementation and stimulation of interdisciplinary research into the practice of labour law and social security law. Therefore it combines insights from the social sciences, legal dogmas and legal theories in its research.

Central European Labour Studies Institute (CELSI)

Central European Labour Studies Institute (CELSI) is a non-profit research institute based in Bratislava, Slovakia. It fosters multidisciplinary research about the functioning of labour markets and institutions, work and organizations, business and society, and ethnicity and migration in the economic, social, and political life of modern societies. CELSI strives to make a contribution to the cutting-edge international scientific discourse.

Sant'Anna School of Advanced Studies

Sant'Anna School of Advanced Studies is a public university institute - with special autonomy - working in the field of applied sciences: Economics and Management, Law, Political Sciences, Agricultural Sciences and Plant Biotechnology, Medicine, and Industrial and Information Engineering. The School promotes the internationalization of didactics and research with innovative paths in the fields of university education, scientific research and advanced training.

WageIndicator Foundation

WageIndicator Foundation collects, compares and shares labour market information through online and offline surveys and research. Its national websites serve as always up-to-date online libraries featuring (living) wage information, labour law and career advice, for employees, employers and social partners. In this way, WageIndicator is a life changer for millions of people around the world.



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Bibliographical information

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1. Introduction:

Austria has a consensus-oriented system of industrial relations since 1945 which is intentionally designed to avoid the profound pre-World War II social tensions by ensuring power sharing between different societal actors and a strong inclusion of interest groups in political decision-making (Pernicka and Hefler, 2015).

In terms of collective bargaining, this consensus orientation is guaranteed by the companies' compulsory membership of chambers of employee interest groups (13 chambers, out of which the Chamber of Labour (AK), the Chamber of Economy (WKO) and the Chamber of Agriculture (LK) are the most relevant). This results in an extremely high and stable bargaining coverage with around 98 percent of all workers in the private sector covered by collective agreements (officially collective agreements are not allowed in the public sector) (Glassner and Hoffmann, 2019).

Collective bargaining agreements (CBAs) are almost without exception negotiated at a multi-employer sectoral level between the (sub-units of) relevant chambers and trade unions. These CBAs are constantly re-negotiated based on standardized procedures, usually at an annual basis. If no agreement can be reached at a negotiation round then a CBA remains in force even after it has expired, until a new collective agreement has been concluded. This entails that the majority of CBAs provide for a starting date of validity, but not an expiration date and are valid as long as they have not been cancelled by either side of the negotiating parties, or have become replaced by an updated version in the collective bargaining process (Eurofound, 2023).

Overall, this consensus-oriented system allowed for an effective tripartite dialogue system even during the COVID-19 crisis, with collective bargaining only marginally being impacted by the pandemic. Eurofound reported that negotiations in Austria were unusually quick and conflict-free in comparison to other European countries (Allinger and Adam, 2021).

This short report aims to shed more light on the development of the collective bargaining process in Austria during the COVID-19 pandemic on the basis of data collected from relevant Austrian negotiating parties.

2. Collective Agreement Renewals during the Pandemic: Evidence from the CBA Database

Before the start of the Barcovid project, altogether 26 Austrian CBAs were collected in the database maintained by the Wageindicator foundation. Out of these 26 agreements concluded before 2019, 15 renewed agreements could be found and added to the database.

The remaining 11 CBAs were either not renegotiated after the outbreak of the pandemic (meaning that the original provisions continued to be in effect based on the Austrian Labour Law), were in the process of renewal or were previous versions of agreements that were renewed and thus excluded from the analysis (e.g. a 2016 version of a 2019 CBA – in this case, only the 2019 version and the renewed – post-COVID-19 – version of the CBA was analysed). Since Austria maintains a comprehensive online repository of all CBAs to which the relevant

researchers gained access therefore there is a minimal chance that a renewed CBA could not be identified and found.

These 15 pair of CBAs were complemented with another 35 pair of CBAs dated before and after the breakout of the COVID-19 pandemic, resulting in altogether 100 Austrian CBAs (50 before and 50 after the start of the pandemic in March 2020).

The 100 CBAs showcase a diverse set of sectors, covering mostly the following industries: transport, logistics and communication (24 agreements), healthcare, caring services, social work, personal services (14), agriculture, forestry and fishing (12), entertainment, culture and sport (10), publishing, printing and media (8), retail trade (6), etc.

Out of the 100 CBAs, only 16 agreements were concluded with a single employer, showcasing the Austrian bargaining system's reliance on multi-employer sectoral level bargaining. Due to the formalised negotiation procedure, there was no significant difference between signatories before and after the start of the COVID-19 pandemic.

3. Collective Bargaining and Industrial Relations during the Pandemic: Evidence from the Barcovid Negotiator Survey

3.1 Data collection: Negotiator Survey

We collected the data for this study through the *Barcovid Negotiator Survey*, which is an international survey conducted among negotiators and signatories of collective bargaining agreements in five European countries. The survey was conducted to investigate the impact of the Covid19 pandemic on industrial relations. We used an online questionnaire created using Qualtrics, and fieldwork was conducted between January and March 2023. The survey questions were designed to understand the renewal process of CBAs during the pandemic and the wider implications of the pandemic on relations between social partners.

To recruit respondents, we identified signatory parties (employee and employer organizations) for all collective agreements in the CBA Database for Austria – a similar process was undertaken in the case of France, Italy, The Netherlands, and Spain – and collected their email addresses via web search. If possible, information on individual negotiators (name and professional email address) was retrieved. We sent invitations to these organizations/individuals between January and March 2023, and we also sent reminders in February. Invitations were sent to only the first five signatory parties involved with a CBA, and only one negotiator was contacted in case multiple signatories/negotiators were listed for one organization.

For Austria, we sent out invitations to 174 signatories (or other negotiators or officials involved with the collective agreement) of 100 CBAs. In total, we received 42 completed responses (response rate 24%), with respondents involved in 27 different CBAs.

25 of the Austrian respondents (59.5%) were affiliated with a trade union or other organization representing employees, while 16 (38%) were affiliated with an employer or employer organization (1 respondent did not indicate affiliation). Additionally, the overwhelming majority of the respondents filled out the questionnaire for a sector-level CBA (38 respondent,

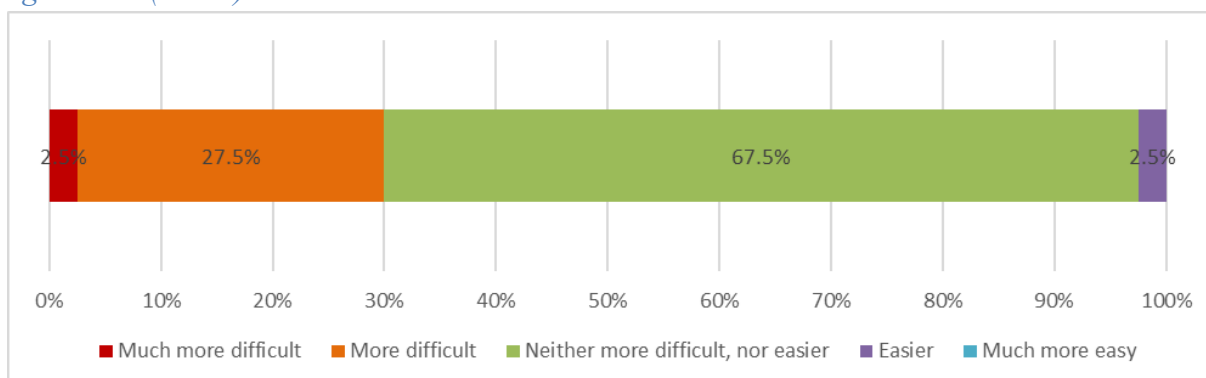
i.e. 90%) instead of a company-level CBA (10%). Out of the 27 CBAs reported in the survey, 2 were renewed once since the start of the Covid19 pandemic, 20 were renewed more than once, and 3 were not renewed (in the case of 2 CBAs, no information was provided).

The invitation emails and questionnaires were presented to respondents in their own language (German). More details about the data collection and the questionnaire can be found in the overarching report and the questionnaire appendix (English version).

3.2 The overall impact of the COVID-19 pandemic on collective negotiations

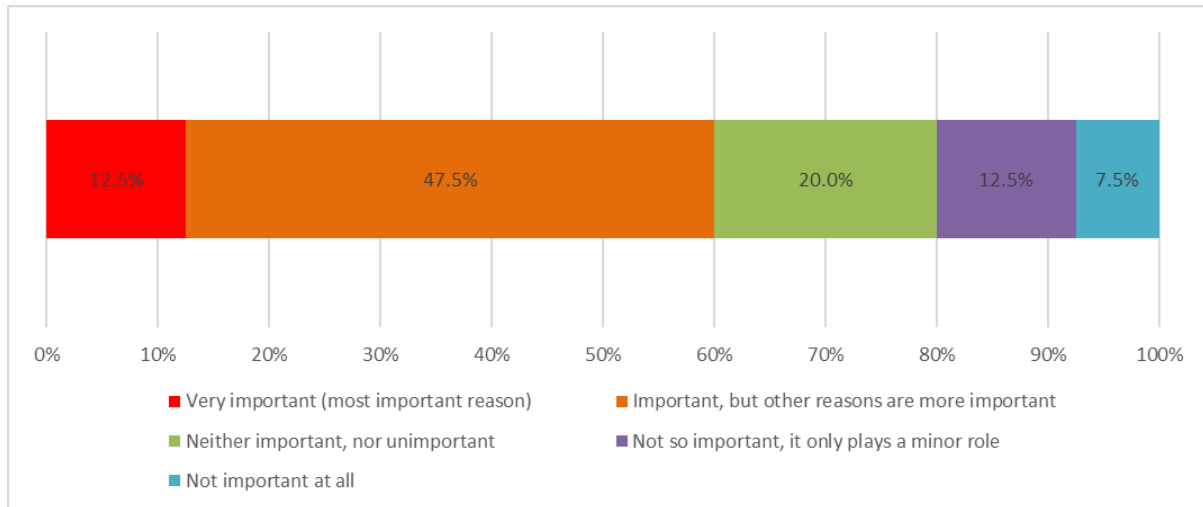
We start with the overall assessment of negotiators of the extent to which the COVID-19 pandemic made it more or less difficult to reach a new agreement during the negotiation rounds of 2020-22. The stability represented by the Austrian collective bargaining system – as mentioned in Introduction – is also visible in Figure 1: more than two-thirds of the negotiators thought that the COVID-19 pandemic had no significant impact on the bargaining procedures. In contrast, 30% thought that the epidemic crisis made the negotiation process more difficult (with only one person choosing the option “much more difficult”). Finally, there was one person confirming that the pandemic actually made the negotiations easier – interestingly, this negotiator came from the tourism and hospitality sector heavily hit by the lockdown and other COVID-related measures.

Figure 1. To what extent did the COVID-19 pandemic make it more difficult to reach an agreement (N=40)



For a deeper analysis we also asked respondents how important the COVID-19 pandemic was compared to other factors that affected the negotiation process. The results in Figure 2 showed that the negotiators were divided in assessing the importance of COVID-19. 40% altogether said that it was not important at all (7.5%), played only a minor role (12.5%) or was neutral in the end (20%). In contrast, almost half of the signatories (47.5%) confirmed that the pandemic was indeed important but other reasons were or could have been more relevant. Only 5 signatories (12.5%) were of the opinion that COVID-19 was the most important factor affecting the negotiation process, highlighting the marginal impact of the crisis in Austria.

Figure 2. How important was the COVID-19 pandemic compared to other factors that affected the negotiation process (N=40)



An open follow-up question was also asked from negotiators as to the reasons why the COVID-19 pandemic made it more difficult to reach on agreement. A few (9) negotiators gave an answer here, corresponding to the small share of signatories deeming the pandemic as a (very) important influence on the negotiation process. We found that the two main reasons why COVID-19 could have a negative impact on negotiations are i) economic in nature, i.e. signatory parties could not agree on specific clauses such as salaries due to economic hardships inflicted by the pandemic, or are ii) related to logistics, mainly the shift from physical to virtual negotiations. While the economic reasons are intertwined with other ongoing political and socio-economic factors, in particular the impact of the Russian aggression on Ukraine in 2022, the latter development towards online meetings is primarily caused by COVID-19 therefore is more worthy of further analysis.

Table 1. Characteristics of negotiation talks during the COVID-19 pandemic, and mean values for the ease of negotiations (N=42).

Frequency of negotiations	%	Online or offline negotiations	%
Weekly	10.0	Fully offline	25.6
Monthly	10.0	Mostly offline, sometimes online	25.6
Incidental	80.0	Both offline/online (about equally)	25.6
		Mostly online, sometimes offline	18.0
		Fully online	5.2
Change in negotiation frequency (vs. before the pandemic)		Changes due to quarantine¹	
Decreased	10.0	Never	42.5
Stayed the same	77.5	Seldom	37.5
Increased	12.5	Sometimes	20.0
		Often	0.00

¹ Responses to the questions “To what extent did COVID-19 or quarantine measures affect the availability of negotiators during the negotiations for this agreement? (For example, individual negotiators who were unable to attend, or changes in negotiation delegates)”

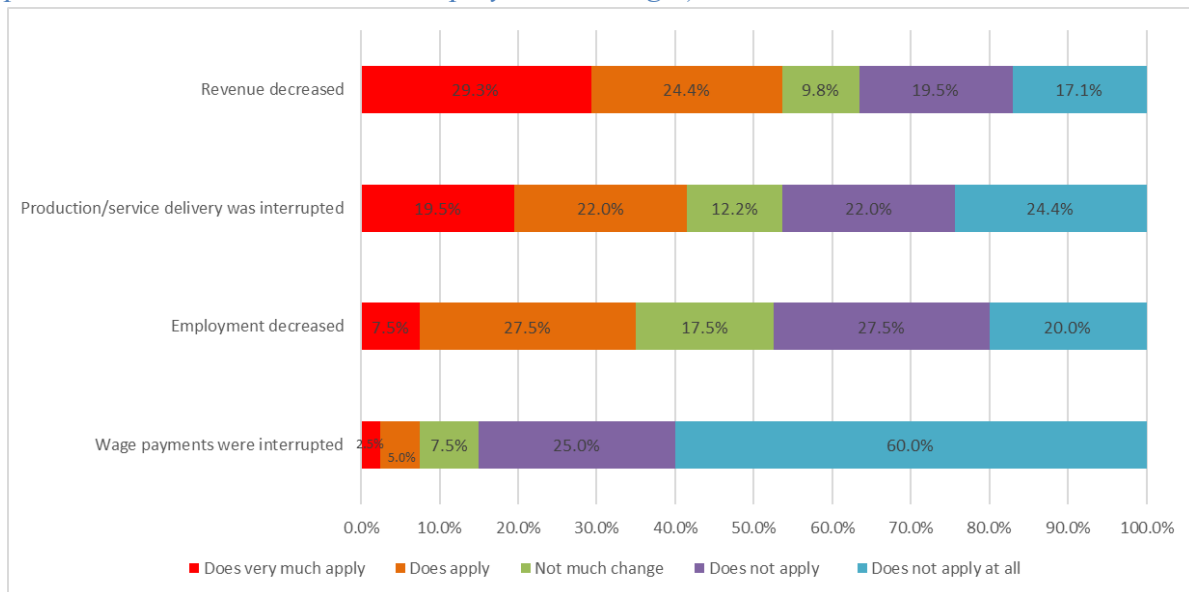
Table 1 summarizes the potential impact of COVID-19 on the way and methods of negotiations. As visible, we observe no changes in the negotiation frequency because 77.5% of signatories confirmed that this remained the same, almost exclusively incidental (less frequently than on a monthly basis). Interestingly, the way of negotiations is quite evenly spread, but it seems so that offline (physical) meetings remained relevant (with only about 23.2% of negotiators conducting bargaining mostly or fully online) in spite of the pandemic. This is underlined by the finding that the availability of almost half (42.5%) of the negotiators was never affected by COVID-19, and nobody reported a frequent or continuous problem with availability.

3.3. The impact of the COVID19-pandemic on the economic context of negotiations

Further questions were asked about the extent to which the COVID-19 pandemic and related measures affected the economic context of negotiations. Negotiators were asked to reflect on four statements concerning the impact of the pandemic on the sector or organization covered by the CBA: i) the interruption of production/service delivery, ii) decrease of revenue, iii) decrease of employment, and iv) interruptions in wage payments. Figure 3 shows that the most widely reported COVID-related impact on economy was a decrease in revenue (54%), followed by the interruption in production or service delivery (41%). Much fewer signatories stated a decrease in employment (35%) or an interrupted payment in wages (7.5%). Almost half of the respondents confirmed that decreasing employment was not an issue, coupled with 85% reporting about no interruptions in wage payments.

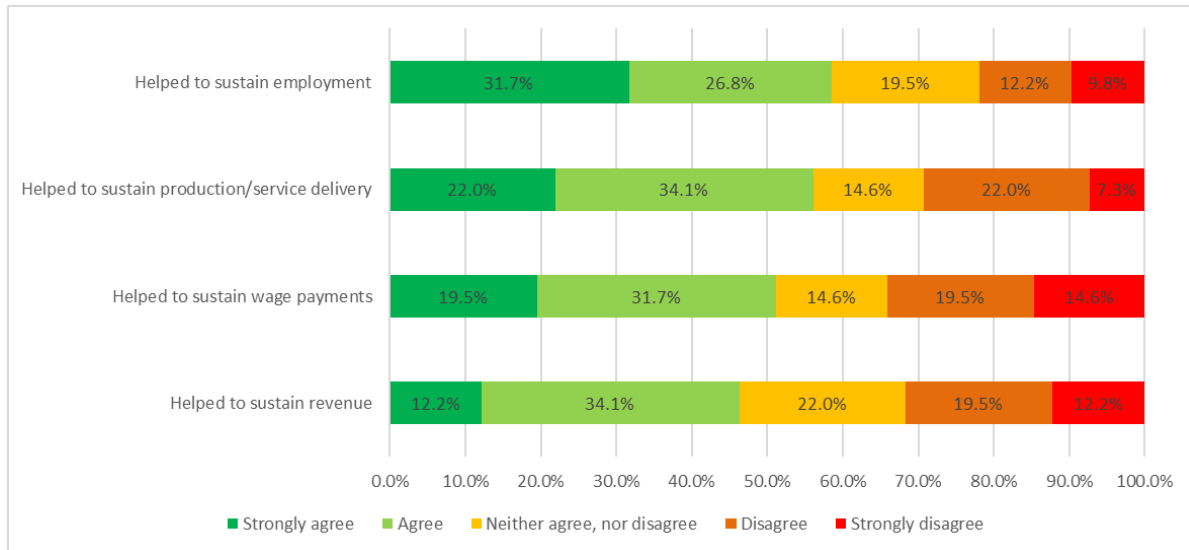
These high shares indicate that the economic measures, in particular the generous Austrian short-term work scheme was at least successful in mitigating the employment and wage effects on employees, while less effective in countering the revenue and production/value chain disruptions for employers (Ragacs and Reiss, 2021). We should however take into account the sectors and organisations involved in the survey: it might be that the most affected sectors, such as tourism or retail were not proportionally represented, which might skew our results towards more positive labour market outcomes.

Figure 3. COVID-19 impact on economy in the sector/organization of the CBA (N=41 – production & revenue; N=40 – employment & wages)



The Austrian government introduced multiple measures to counter the effects of the COVID-19 pandemic, among others economic stimulus packages, direct and indirect tax measures and employment-related efforts, including the short-time work scheme (KPMG, 2020). Signatories were also asked about their perceptions on the impact of support packages. Once again, four potential outcomes were examined, i.e. the extent to which support packages helped to i) sustain production/service delivery, ii) revenue, iii) employment, and iv) wage payments. Figure 4 shows that about one-third of the signatories (strongly) disagree that support packages were helpful, while around half of them (strongly) agree that support packages were helpful. In line with the previous findings on the economic impact of the pandemic situation, it seems so that the support packages were the most successful in mitigating the reduction in employment. Interestingly, however, the perception is different in the case of wages where the highest share of the respondents (34%) stated their dissatisfaction with the support measures and the share of negotiators deeming the support packages helpful (51%) was also lower than in the case of revenue or production/service delivery outcomes. This might showcase the high relevance attributed to wages by the negotiators since 85% of them did not consider the pandemic as having an impact on wage payments but still one-third of them considered the support packages unhelpful.

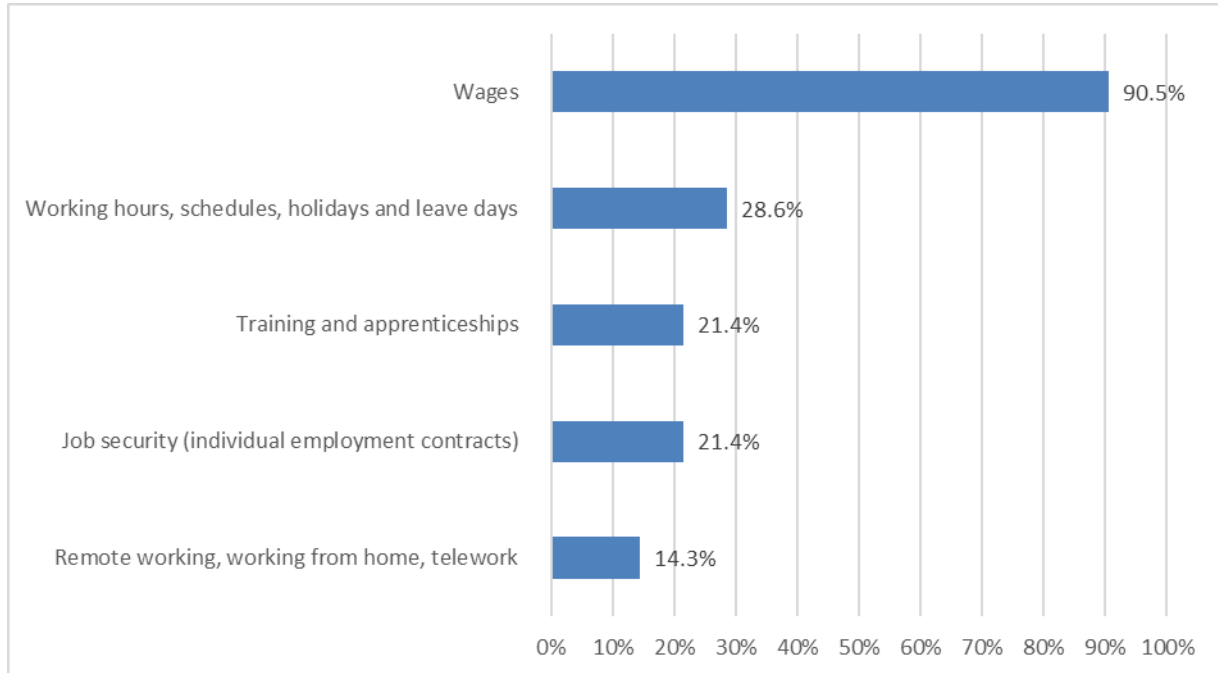
Figure 4. Impact of support packages by the government in the sector or organization of the CBA (N=41)



3.4 Most important topics during the negotiations

This section investigates which topics were most prevalent during collective negotiations at the time of the COVID-19 pandemic. To this end, negotiators were asked to list (up to) three topics that they considered the most important during the negotiations. The list of topics was derived from the thematic clustering in the Collective Agreement Database (Ceccon and Medas, 2022), although respondents had the opportunity to mention any other topics in an open question. Figure 5 shows that, nearly all negotiators (90%) considered wages to be most important, followed by working hours/schedules (29%), as well as job security and training and apprenticeships (21% each).

Figure 5. Most important topics during the negotiations (N=42)



When asked about the topics where they disagreed on, negotiators stated that working hours (45%) and wages (38%) were the greatest sources of disagreement. Interestingly, wages were considered a much more important topic but it seems that an agreement in this regard was easier to reach than in the case of working hours. In contrast, wages (59.5%) and training (28.6%) were mentioned as the topics in the case of which negotiators agreed upon the most, with working hours mentioned only by 12% of the negotiators. We can conclude that working hours seems to be the most debated topic in the negotiation rounds during the pandemic period.

3.5 Perceptions of changes in CBAs

As regards the changes in the characteristics of renegotiated CBAs we observe that in general there was no change in the coverage rate (83.8% of CBAs) or the number of signatories (94.6% of CBAs). However, there was an increase in wages in almost all renegotiated CBAs (89.2%) with only a few agreements having gone through wage reductions (see Table 2).

Table 2. Perceived changes in renewed CBAs compared to the previous CBAs (N=37).

	Decreased	Stayed the same	Increased	Don't know Don't want to say
Wages	5.4	5.4	89.2	0.0
Coverage	2.7	83.8	8.1	5.4
Number of Signatories	0.0	94.6	5.4	0.0

3.5 The Industrial Relations Climate

In this section, we delve into the relationships between social partners during the COVID-19 pandemic. We interviewed negotiators about the quality of their relations at the time of negotiations to renew collective bargaining agreements during the crisis. According to Figure 6, the relationships between social partners in Austria are generally considered (very) good, as reported by 67.5% of negotiators. Only a small minority (10%) indicated that the relations were (very) bad. Furthermore, there is little indication that relationships between social partners worsened during the pandemic.

Figure 6. Quality of relations between social partners at the time of negotiations (N=40)

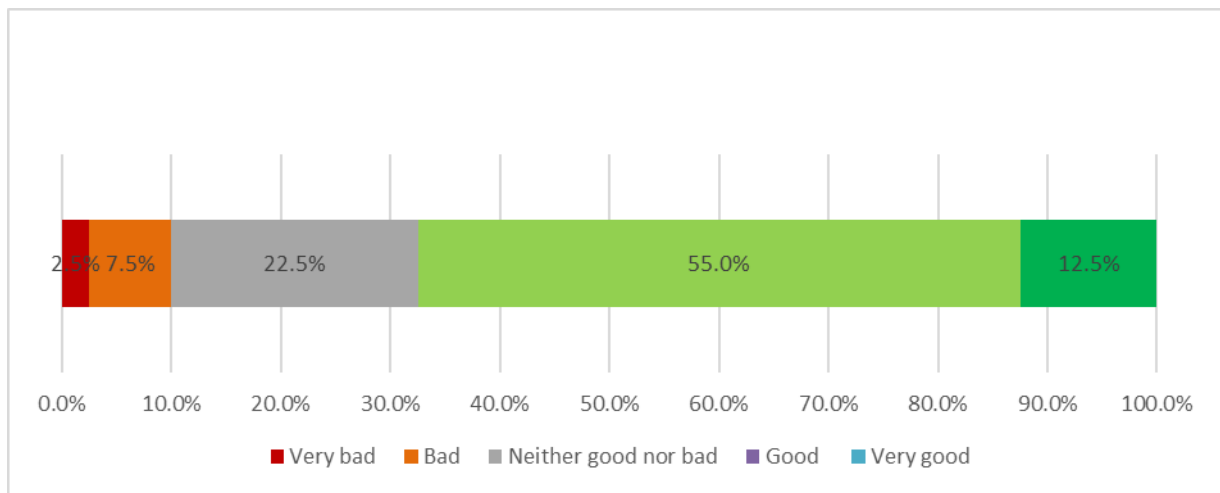
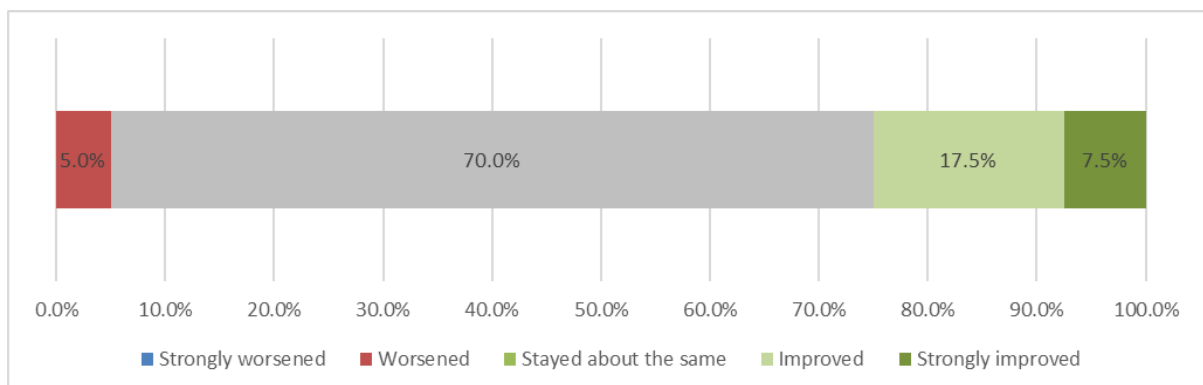


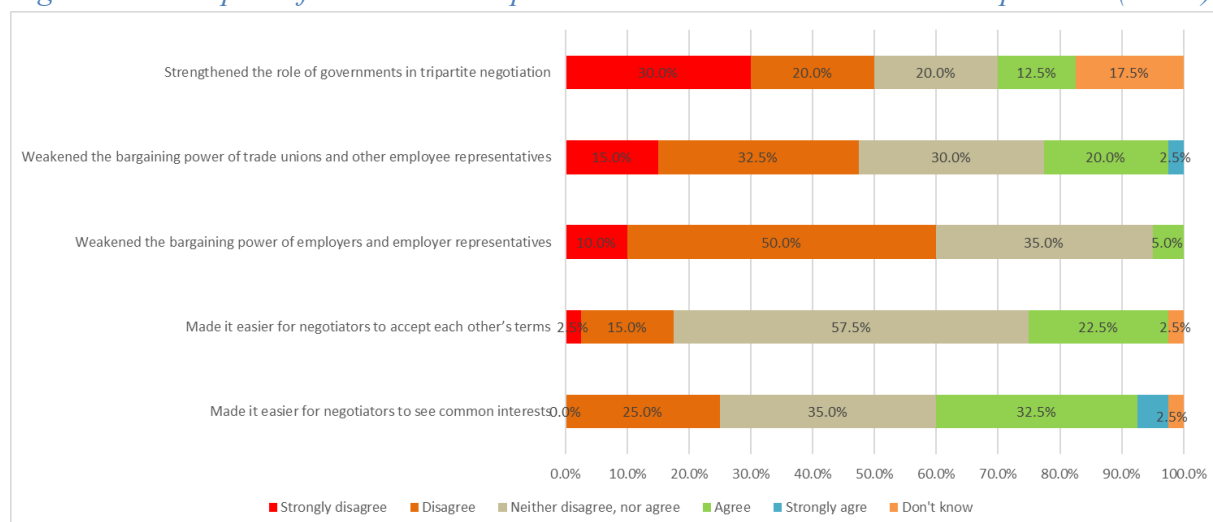
Figure 7 shows that the majority of negotiators in Austria believe that the quality of industrial relations has remained stable since the onset of the COVID-19 crisis (70% of negotiators). In fact, one-fourth of the negotiators also observed an improvement in relationships compared to the minority of respondents who observed a deterioration (5%).

Figure 7. Change in the quality of relations between social partners since the start of the pandemic (N=40)



In response to a more detailed query on negotiations (*To what extent did the COVID-19 pandemic make it more difficult to reach an agreement?*), respondents were offered five options enquiring whether the COVID-19 pandemic i) made it easier for negotiators to accept each other's terms, ii) made it easier for negotiators to see common interests, iii) weakened the bargaining power of trade unions and other employee representatives, iv) weakened the bargaining power of employers and employer representatives, or v) strengthened the role of governments in tripartite negotiations. As visible from Figure 8, the majority of the signatories disagreed with the notion that the COVID-19 pandemic strengthened the government or weakened the bargaining power of employers or trade unions (around or above 50% in each case), while there was a higher variation in terms of whether the crisis made it easier for negotiators to accept each other's terms or find a common ground. The majority of the negotiators (57.5%) neither agreed nor disagreed with the former statement, while a slight majority (35%) thought that the pandemic made it easier for negotiators to find a common interest.

Figure 8. The impact of the COVID-19 pandemic on relations between social partners (N=40)



As part of our assessment of the quality of industrial relations, we included questions about strikes related to the COVID-19 pandemic. Respondents were asked if there were any instances of strikes during negotiations, and if so, whether they were directly or indirectly related to the pandemic. Out of the negotiators involved in renegotiated CBAs, only 4 indicated that strikes or other forms of industrial action occurred during pandemic negotiation, but only 1 of them attributed to this to the COVID-19 pandemic (due to layoffs). We can therefore conclude that the crisis did not lead to widespread industrial unrest in the labour market in Austria.

4. Conclusions

The negotiators replying to the Wageindicator survey between January and March 2023 generally confirmed that the COVID-19 pandemic had no significant impact on the formalised – mostly annual – negotiation procedure of collective agreements in Austria. Most of them indicated that COVID-19 was not a problem at all or was not the main culprit affecting collective bargaining.

The minority of negotiators who reported COVID-19 as a significant problem mostly pointed towards two problems: economic, often sector-specific issues hindering negotiation, or the problem of moving towards online discussions. However, this virtual shift also did not seem to cause widespread problems with the collective bargaining process since the frequency of the negotiations did not decrease for the majority of agreements. It should be also noted that online meetings seem to be less prevalent as generally assumed as only about 23% of the respondents conducted their negotiations mostly or fully online. This might indicate a conservative view of the parties involved as to the value of face-to-face dealing of the most important topics.

These topics included wages, working hours and schedules, as well as training and apprenticeship, among which working hours seemed to be the most hotly debated topic in the focal point of discussions. Nevertheless, most of the negotiators considered wages a more significant issue. As regards the changes in the negotiation process, the majority of the signatories did not perceive a shift in bargaining power and there is ambivalence whether the pandemic made it easier for the negotiating parties to find a common interest or grounds.

As regards the economic impact of the pandemic, the majority of the negotiators agreed that the employer side suffered more severe consequences through the disruption of production or service delivery, as well as the loss of revenues; however, the inability of the state in mitigating wage decreases was considered the most serious shortcoming of the economic support packages. It seems so that negotiators were overall more satisfied with the effect of support packages with regard to preserving jobs than maintaining wage levels.

In general, negotiators in Austria did not perceive a significant impact of the pandemic on labour relations and collective bargaining and reported only about minor issues. The pandemic may have contributed to a slow but gradual shift towards online negotiations and the ability to negotiate effectively (faster and more efficient) under adverse economic conditions.

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