



Central European
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Discretion and (de)centralization in wage bargaining in the construction, hospitality, urban transport and waste management sectors:

A study on Austria



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BARWAGE



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BARWAGE Report No. 3

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Abstract

This report identifies and analyses the wage setting practices in Austria, focusing on four specific sectors – construction, hospitality, urban transport, and waste management. As part of the BARWAGE project,² the report seeks to understand how exactly wage is setting in these sectors, with a focus on low-wage workers (if relevant) is occurring, which actors are involved, what is the starting point of this process and where does it lead to in terms of institutional stability or change of the wage setting institutions.

The findings show that in the highly coordinated bargaining system in Austria, wage setting at the centralized level leaves little discretion for negotiating wages at the company level. Even if wage levels vary across firms and sectors, the way in which parts of the wage are subject to individual discretion or company-level bargaining are determined by centralized procedures. In turn, Austria is more resilient to bargaining decentralization than other countries; and even if some processes within wage bargaining are shifted to the company level, this shift is highly coordinated.

Keywords: wage setting, collective bargaining, statutory minimum wage, industrial relations

Disclaimer

This report reflects the views of the authors only; the European Commission or any other funding agency or consortium partner cannot be held responsible for any use that may be made of the information contained therein.

² BARWAGE – The importance of collective bargaining for wage setting in the European Union, funded by European Commission. Directorate-General for Employment. Social Affairs and Inclusion – 101052319.

BARWAGE

BARWAGE investigates the potential of collective bargaining as a tool for ensuring adequate minimum wages in the European Union. It explores the size of four wage-setting arenas across EU countries and industries: the national or peak level, sector-level collective bargaining, firm-level collective bargaining, and individual (non-collective) negotiations. BARWAGE uses microdata to identify what share of the workers are earning under 110% of the statutory minimum wage are covered by sectoral or enterprise collective bargaining. Using coded data of 900 CBAs from 9 EU countries, the presence and nature of pay scales in the sectoral and firm-level collective bargaining agreements (CBAs) are analyzed. To deepen the insight into the impact of collective wage bargaining, national level data will be used to detail the wage arenas in 2 EU countries (Netherlands and Italy). The project lasts 2 years (2022-2024) and includes 6 work packages.

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Introduction

Wage setting belongs to core issues in collective bargaining (CB). As part of the BARWAGE project,³ this report seeks to shed more light on the actual wage setting processes in Austria. Besides general country-level wage setting institutions, the report focuses on four sectors with a relatively high incidence of low-wage work to analyse the levels at which the workers' wages and their components are negotiated. The report aims at understanding how exactly wage is setting occurring, which actors are involved, what the starting point of this process is; and where it leads in terms of institutional stability or change of the wage setting institutions.

The broader context for the report is to question how collective wage setting in Europe is changing, or shifting, towards more individualized/discretionary wage setting mechanisms; how collective and individual wage setting co-exist and interact with each other, and whether discretion over wage setting is undergoing a shift, e.g. from collective to more individual discretion of employers and workers. The following wage setting levels/arenas are considered in the current report:

- Wage setting regulation – legislative regulatory tools (e.g., law on minimum wage)
- Collective and solidaristic wage setting for a broader labour market segment – collective wage bargaining (at various levels, e.g., sectoral or regional)
- Collective wage setting with greater employer discretion – wage bargaining at the company level (yet still with organized interest representatives on the workers' side)
- Individualized wage setting – with the highest discretion of the employer over determining wages

The report is structured to provide general information about the Austrian wage setting bargaining system and wage levels. This general information is extended with insights into particular sectors and a comprehensive conclusion on interrelated wage bargaining arenas.

This report is based on desk research and semi-structured research interviews with selected sector-level social partners in Austria. Two interviews were conducted by both authors in person at the respondents' offices in Vienna, and one interview was conducted online. All interviews were conducted in German,

³ BARWAGE – The importance of collective bargaining for wage setting in the European Union, funded by European Commission. Directorate-General for Employment. Social Affairs and Inclusion – 101052319.

which increased the comfort of the respondents to respond in their mother tongue. The interviews were transcribed using the Sonix software. The total number of approached interview respondents was higher, the authors contacted in each subsector representatives of trade unions as well as employers in each subsector. However, the sectoral bargaining system and wage setting in Austria is highly organized and transparent, and labour market data are accessible. Therefore, the fact that not all respondents responded to the interview request did not limit the analysis, since the authors collected data via desk research.

Table 1. Information on interview respondents

Interview code	Organisation	Position	Interview date
AT01	Gewerkschaft BAU-HOLZ (construction sector trade union)	Coordinator of collective agreements	15.12.2023
AT02	Gewerkschaft VIDA (Trade union VIDA)	Coordinator of section Tourism and Services	18.1.2024
AT03	Wirtschaftskammer Österreich, Verband Gastronomie (Austrian Chamber of Commerce, Employers' association for the hospitality sector, subsection restaurants and catering)	Head of employers' organisation	24.1.2024

1. Basic features of wage setting in Austria

In Austria, wage setting is a structured and collaborative process involving various stakeholders, particularly social partners like the Economic Chamber and trade unions. Fundamental features of the wage bargaining in Austria include the following characteristics. First, Austria does not have a statutory minimum wage. Second, wage negotiations are handled through a well-established system of collective bargaining between social partners, without a direct state intervention.

Collective agreements (*Kollektivverträge*) are central to the wage setting process. These agreements cover a broad range of issues and go beyond wage stipulations. Bargaining occurs at the sector level, supplemented by additional company-level recommendations. Wage negotiations are conducted between the Austrian Trade Union Federation (ÖGB) and the Austrian Federal Economic Chamber (WKÖ). Most collective agreements are concluded at the sector level and are negotiated separately for different employee groups, such as white-collar and blue-collar workers. In the production sector, negotiations are based on the internal sectoral structure of WKÖ and ÖGB.

Austrian collective bargaining structures contribute to uniform wage standards. This helps prevent wage disparities that could arise if agreements were negotiated individually by companies with varying levels of productivity and market orientation. Wage setting is influenced by the so-called Benya Formula, which stipulates that wage increases should be the sum of the rise in consumer prices over the last twelve months plus the medium-term growth in overall economic production per hour worked. Despite the extensive coverage of collective agreements, a distinct divide between public and private sector wage bargaining has not emerged in Austria. Both sectors follow similar frameworks for wage negotiations.

About 98% of employees in Austria's private sector are covered by collective agreements. Non-unionized workers are covered if their employer is part of the organization signing the agreement. The high bargaining coverage places Austria in a different position vis-à-vis the European Directive on Adequate Minimum Wages, which encourages Member States to reach a minimum bargaining coverage of 80%. For many Member States, especially in Central and Eastern Europe, this is an extremely challenging target to meet and the Directive is seen as an important trigger for changing bargaining practices and coverage. Such processes are not visible in Austria, where the Directive does not trigger major changes in wage setting strategies.

2. Wage bargaining across sectors

In Austria, there is no statutory minimum wage due to a very stable wage-setting system. Wage negotiations are conducted by social partners without state intervention. The Economic Chamber and trade unions agree on collective agreements that regulate wages and other working conditions such as wage increases, job classifications, seniority increments, holiday and Christmas bonuses, working hours, breaks, holiday entitlements, and anniversary bonuses (Marterbauer & Schürz, 2022, p. 147).

Typically, collective agreements focus on quantitative issues, while qualitative aspects are addressed through "betriebliche Mitbestimmung" (co-determination at the company level), which involves the participation rights of works councils (Adam, 2017: 10-11). The Benya formula guides collective wage bargaining policy, stating that wage increases should reflect the rise in consumer prices over the past twelve months plus the medium-term growth in overall economic production per hour worked (Marterbauer & Schürz, 2022: 147).

Approximately 98% of employees in Austria's private sector are covered by collective agreements, with about 450 such agreements in place (Marterbauer & Schürz, p. 147-148). Most collective agreements are concluded at the sector level and are negotiated separately for different employee groups, such as white-collar and blue-collar workers, and in production for "Industrie und Gewerbe" based on the sectoral structure of the Austrian Federal Economic Chamber (WKÖ) and the Austrian Trade Union Federation (ÖGB) (Adam, 2017: 8). As of 2018, Austria's bargaining system exhibits high vertical coordination at the sectoral level and high horizontal coordination across worker types (Bhuller et al. 2022: 34).

All bargaining unions are part of the ÖGB, and most industry-specific employer counterparts are subunits of the WKÖ. While most collective agreements apply nationally, some are specific to certain federal states. Company-level agreements, where an individual employer negotiates with the union, are rare (Adam, 2017: 8).

The high coverage rate is due to several factors. Firstly, even non-unionized workers are covered if their employer is part of the organization making the agreement. Secondly, collective agreements remain valid (ultra-active) post-expiration until a new agreement is reached. Thirdly, all businesses in the private sector, except farming and certain professions, must be members of the WKÖ and its units (Adam 2017: 9).

Austrian trade unions, which are strong and influential, negotiate not only minimum wages but also actual wage growth rates for workers not directly affected by minimum wage settlements. Often, higher growth rates are negotiated for minimum wages to reduce wage disparities (Adam, 2017: 11).

While there is a standard model of industrial relations in the private sector, significant differences exist across sectors in the presence of interest groups, union organization, and bargaining structures (Adam, 2017, p. 7-8). The collective bargaining wage policy benefits both employees and companies by providing predictability in wage increases and labour costs, while also allowing flexibility as only minimum wages are determined, with actual wages often being higher, especially in industry. Wage rounds are typically conducted annually (Marterbauer & Schürz 2022: 149).

There is no consensus on whether there is general pressure to change Austrian wage policy. While some literature suggests a slight pressure from certain companies, particularly in the metal industry, to move

towards more decentralized negotiations, the majority of entrepreneurs support the current model of collective agreements (ibid.).

In general, Austrian collective bargaining structures contribute to uniform standards. Without them, agreements would vary more significantly between companies with high productivity growth and those geared towards exports with a high degree of organization (Marterbauer & Schürz: 2022: 150).

2.1 Construction

The construction sector embraces the NACE Rev. 2 categories F41 (Construction of buildings), F42 (Civil engineering), and F43 (specialized construction activities). This distinction is relevant in Austria, because diverse collective agreements regulate wages in diverse subsectors. Within the sector, the production of plastics subsector (*Kunststoffgewerbe*) will be the focus of this report, due to the lowest wages in this subsector in the overall construction sector, and due to a comparatively lower unionisation level, which accounts for differing quality of the collective agreement (see Table 2). The evidence provided on the construction sector is largely based on the AT01 in-depth interview with a representative of the Bau-Holz trade union.

In Austria, collective agreements dominate the labour market because there is no statutory minimum wage. The system is based on social partnership and cooperation, with constant interaction between unions and employers at the heart of this relationship. Company agreements can only improve wages but cannot fall below the collective agreement wages.

The main goal of the union in the construction and wood sector is to negotiate collective agreements to ensure fair wages and stable working conditions. Collective agreements in Austria automatically apply to the entire industry. The head of the collective agreement department at the Bau-Holz union is responsible for planning, preparing and organizing the negotiations.

The wage-setting mechanism is benchmarked to inflation, with the aim of increasing wages above inflation. Collective agreements in the construction industry are usually concluded for two years, with the inflation of the first year serving as a basis. In practice, the system is stable and successful, which is why there are no efforts to decentralize it. In total, there are 23 collective agreements in the wood industry, although there are differences between different branches and industries. Table 2 shows the overview of collective agreements in the sector and the achieved wage increases. In 2023, the wage

increases roughly corresponded to inflation levels, measured by the consumer price index in the same year, for all subsectors of the construction industry. In 2024, the collective agreement stipulated marginal wage increases, which differed across subsectors, but these differences were marginal. The stipulation includes a target for all non-core occupations to reach the minimum wage level of 2,300 EUR by 2025.

Table 2: Collective agreements in the construction-wood sector concluded for 2023- 2024

Agreement	Consumer price index 2023	Agreement 2023	Current minimum wage	Agreement 2024
<i>Bauindustrie und Baugewerbe</i>	9,46%	9,50%	2.532,00 €	VPI März 23 - Februar 24 plus 0,35%
<i>Holz- Säge und Faserspanindustrie</i>	9,46%	KV 9,80 % IST 9,70%	2.119,00 - 2215,00	VPI Februar 23 - Jänner 24 plus 0,5% KV und IST
<i>Stein- und keramische Industrie</i>	9,46%	KV 9,80 % IST 9,70 %	2.344,00 Durchschnitt	VPI März 23 - Februar 24 plus 0,5% KV und 0,4% IST
<i>Tischlergewerbe</i>	9,46%	KV 9,90%	2.118,00 ab 1.5.2024 2.300 Euro	VPI März 23 - Februar 24 plus 0,5%
<i>Holzbaumeistergewerbe</i>	9,46%	KV 9,80%	2.438,00 €	VPI März 23 - Februar 24 plus 0,6%
<i>Kunststoffgewerbe</i>	9,46%	KV 9,80%	1819,00 ab 1.5.2024 2.000 Euro	to be negotiated
<i>Karosseriebau</i>	9,46%	KV 9,90%	2044,32 ab 1.5.2024 2.200 Euro	to be negotiated
<i>Bauhilfsgewerbe</i>	9,46%	KV 9,80%	2.180,53 €	VPI Februar 23 - Jänner 24 plus 0,4% am KV
<i>Brunnenmeister</i>	9,46%	KV 9,80%	2.368,10 €	VPI Februar 23 - Jänner 24 plus 0,4% am KV
<i>Bodenleger</i>	9,46%	KV 9,80%	2.193,65 €	VPI Februar 23 - Jänner 24 plus 0,4% am KV
<i>Pflasterer</i>	9,46%	KV 9,80%	2.460,90 €	VPI Februar 23 - Jänner 24 plus 0,4% am KV
<i>Steinarbeiter</i>	9,46%	KV 9,80%	2.039,61 €	VPI Februar 23 - Jänner 24 plus 0,4% am KV
<i>Dachdecker</i>	9,46%	KV 9,80%	2.074,88 €	VPI Februar 23 - Jänner 24 plus 0,4% am KV
<i>Glaser</i>	9,46%	KV 9,80%	2.076,70 €	VPI Februar 23 - Jänner 24 plus 0,4% am KV
<i>Maler</i>	9,46%	KV 9,80%	2.074,88 €	VPI Februar 23 - Jänner 24 plus 0,4% am KV
<i>Tapezierer</i>	9,46%	KV 9,80%	2.054,36 €	VPI Februar 23 - Jänner 24 plus 0,4% am KV
<i>Hafner- Platten- Fliesenleger</i>	9,46%	KV 9,80%	2.260,50 €	VPI Februar 23 - Jänner 24 plus 0,4% am KV
<i>Keramiker</i>	9,46%	KV 9,80%	1.789,07 €	VPI Februar 23 - Jänner 24 plus 0,4% am KV
<i>Betten- und Knopfindustrie</i>	9,55%	KV 9,70% IST 9,55 %	1.800,00 €	to be negotiated
<i>Wildbach- und Lawinenverbauer</i>	9,46%	KV 9,50 %	2.540,00 €	to be negotiated

Für das Baunebengewerbe gilt: Arbeitsgruppe mit Ziel Mindestlohn 2.300 Euro brutto bis spätestens 2025

Source: Bau-Holz trade union, December 2023.

In the industry, collective agreements are crucial for providing a baseline wage and minimizing internal competition. Employers value the predictability this brings, especially for long-term projects. Additionally, a joint fund manages holiday pay and other benefits, ensuring both parties share common goals, which reduces conflicts.

Wage levels

The construction sector overall as such cannot be considered a low-wage sector. In the construction sector, most workers are full-time, with part-time work being rare and often a source of wage and social dumping. Although bogus self-employment (*Scheinselbständigkeit*) still exists, particularly with posted workers, strict controls have reduced its prevalence. Overall, part-time work and bogus self-employment are less problematic in this sector compared to others.

The lowest wages within the sector are paid in the plastics sector. This subsector is small, with around 12,000 workers across numerous small, specialized companies. While in other subsectors the unionization rate reaches close to 100%, in the plastics sector it is about one-third. The unions are simply not as well organized there, which is why the collective agreement also regulates only basic provisions. The strength of a collective agreement often correlates with the number of union members in a sector, which is low in the plastics industry, thus leading to less favourable agreements. However, even in this sector, much is regulated at the national level, leaving little discretion to individual companies.

For workers in the plastics subsector, the collective agreement provides, for Austrian standards, relatively basic stipulations only, covering basic elements like hourly wages based on qualification, overtime, and night/holiday work premiums. The agreement lacks provisions for Sunday and shift work bonuses, as well as additional allowances such as danger or hardship pay, and has limited regulations on workplace health.

Despite the lower minimum wage stipulated in the collective agreement, actual wages are typically higher due to the high-tech nature of the work, which requires more skilled labour. It remains however difficult to quantify how much workers actually earn above the collective agreement's minimum wage. The collective agreement sets the baseline, but in reality, workers often earn more. Wages in this sector range from €1,819.7 to €2,235 gross per month, with additional payments for overtime, shifts, and the standard Austrian 13th and 14th-month salaries. The focus of the union remains on raising the minimum wages through the collective agreement, rather than the actual wages, which often exceed these minimums.

The bargaining process and interaction between wage setting levels

Both the employee representatives and employers usually meet two to three months before a collective agreement is negotiated to discuss their demands. The union considers how much of a wage increase to request, based on factors like inflation, and what improvements are desired in the collective agreement, such as higher bonuses or overtime rates. The employers also consider their needs, typically aiming for more flexible working hours. These demands are then documented, and each side sends the other a "demand paper" before negotiations. The union handles this at the office level without much media attention, unlike the metalworkers in Austria, who pursue the same steps with a lot of publicity. By the time negotiations start, both sides have a clear idea of their goals. It is common to have preliminary discussions to gauge potential compromises, which often allows the social partners to reach an agreement in the first round of negotiations, typically within a few hours. The agreed result is then presented to the media together. Afterward, new wages are calculated in the union, the collective agreement is revised if necessary, and it is submitted to the ministry for public record, as it plays a role in wage and social dumping checks.

The effects of wage increases in collective agreements can trigger three types of follow-up actions. The rarest is that actual wages are not discussed and therefore do not need to be increased. More commonly, there are two approaches. One is to specify how much the actual wages should increase, in addition to the collective agreement wage rise, often resulting in a slightly lower percentage increase for actual wages. For example, in the wood industry negotiations in 2023-2024, the collective agreement increased by 9.8%, while actual wages increased by 9.7%. This approach is used when many workers receive wages above the collective agreement. The second approach is called "parallel adjustment," where the wage increase is proportional to maintain the wage differential. For example, if the collective hourly wage is €10, and an additional €2 is paid, making the total wage €12, and the collective wage increases by €1 to €11, the total wage must increase by €1 to €13 to maintain the €2 differential. This results in a smaller percentage increase in actual wages.

The difference in wages is often not explicitly stated, but a parallel adjustment ensures that any increase in the collective wage is reflected in the actual wage. The exact increase depends on the original wage level.

The union strategically approaches negotiations by first engaging with the employer most likely to agree to favourable terms. Once an agreement is reached, the union uses it to leverage negotiations with others. This process varies each year and depends on the relationship with each negotiation partner.

In bargaining in the plastics sector, the unions also compare collective agreements across other sub-sectors. The Bau-Holz union conducted a ten-year analysis since 2013, showing how differently collective agreements in various subsectors, signed by Bau-Holz, evolved (see Table 3). The data show that sectors with more union members tend to secure better agreements in terms of wage increase above the inflation level. The analysis also highlights that lower-paid wages progress more slowly because, ideally, weaker collective agreements should be raised more significantly to align with better ones. However, this does not happen often, largely due to the varying capacities for industrial action.

Table 3: Collectively agreed wage increases in construction and its subsectors, 2013 - 2023

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Bau	3,10%	2,20%	2,10%	1,40%	1,50%	2,60%	3,35%	2,55%	2,10%	4,20%	9,50%
Bauneben	3,10%	2,20%	1,90%	1,50%	1,56%	2,50%	3,35%	2,90%	2,10%	4,00%	9,80%
Bodenleger	3,10%	2,20%	2,00%	1,50%	1,56%	2,50%	3,35%	2,90%	2,10%	4,00%	9,80%
Maler	3,10%	2,20%	1,90%	1,50%	1,56%	2,50%	3,35%	2,90%	2,10%	4,00%	9,80%
WLV	3,10%	2,20%	2,10%	1,40%	1,50%	2,60%	3,35%	2,55%	2,10%	4,20%	9,50%
Steinkeram. Industrie	3,20%	2,40%	2,00%	1,30%	1,75%	2,60%	3,35%	1,70%	2,10%	4,10%	9,80%
Holzindustrie	3,20%	2,35%	1,95%	1,55%	1,76%	3,15%	3,45%	1,60%	2,10%	4,11%	9,80%
Tischlerei	2,85%	2,45%	1,95%	1,50%	1,56%	2,95%	2,56%	2,20%	2,10%	4,00%	9,90%
Holzbau	3,10%	2,20%	1,90%	1,50%	1,35%	3,00%	2,61%	2,20%	2,10%	4,00%	9,80%
Kunststoff	2,50%	2,20%	1,95%	1,45%	1,50%	2,55%	2,56%	2,00%	1,80%	4,00%	9,80%
Durchschnitt	3,04%	2,26%	1,98%	1,46%	1,56%	2,70%	3,13%	2,35%	2,07%	4,06%	9,75%

Source: Internal statistics of the Bau-Holz trade union.

Sectoral challenges and priorities

The top priority of the union is to conclude collective agreements. A recent survey, conducted by the Bau-Holz union, shows that over 90% of union members value this most, as it directly impacts their decision to join the union. Improving labour laws at the political level is the union's second priority, particularly in issues like working time laws and combating wage and social dumping. While some members have individual requests like discounts or vouchers, these are less important for the overall union priorities.

Another long-term goal is to reduce standard working hours, but currently the union prioritizes wage increases. If given a choice between a wage increase or reduced hours, the union prioritizes a wage increase, reflecting the members' preferences. However, the demand for flexibility, such as a four-day workweek, is growing, particularly among younger workers. A four-day week was introduced into collective agreements in 2020, and it has been well-received.

Employers face challenges due to a shortage of skilled workers, especially as the baby boomer generation retire. While employers expect workers to put in more hours, they also need to offer attractive terms, such as shorter workweeks, in order to retain employees. The trend is moving towards fewer working hours, but this creates difficulties in balancing workforce supply and demand.

Although members have varied interests, the union strives to balance them. For example, during high inflation, the focus is on raising wages for lower-income workers, who struggle the most. The union conducts surveys before negotiations to align with the needs of members, helping the social partners to reach fair compromises.

The stability of collective agreements in Austria, driven by strong union membership, ensures fair wages. Although non-union members benefit from these agreements, it remains crucial to maintain high membership levels to avoid weakening the unions' position. In the eyes of the social partners, this system is unique and effective, unlike in other countries.

Wage adequacy in Austria is determined by the outcomes of collective bargaining, influenced by union density in each sector. Sectors with more union members tend to secure better agreements over time, while those with fewer members see less favourable outcomes. Fairness is subjective, and every worker often feels underpaid.

Although nearly all sectors are covered by collective agreements, the union continues to address emerging labour markets, such as gig workers and couriers, to ensure they are also protected. The EU's increased focus on employment regulation, e.g. via the Minimum Wage Directive, is a positive development, aligning with the goals of fair working conditions across Europe. Yet, for the Austrian highly coordinated bargaining system, meeting the benchmarks defined by the Directive, especially concerning the bargaining coverage of 80%, does not create extra pressures or challenges. Therefore, the Austrian social partners also do not need to revise the bargaining system, or are not pressurized to revise it, in the light of the Directive.

2.2 Urban Transport

Liberalization and privatization in Austria have led to a decrease in the number of companies in the urban transport sector. Austria has a significant number of companies in the sector. Market shares in Austria vary substantially. A few large companies in Austria dominate around 90% of the market. Hundreds of small companies in Austria collectively account for no more than 10% of the market.

In general, exclusive market access and multiple markets can result in multiple monopolies. Municipal transport companies traditionally have exclusive access to urban transport markets. Multiple markets exist in Austria, with limited competition. Competition for the market is expected to increase in Austria. There are public as well as private companies, but public companies usually dominate the markets (Brandt & Schulten 2007: 38).

Before privatization and liberalization in Austria, public employees' labour relations were determined by public law employment. Wage setting was embedded in national frameworks and defined at the firm level. Privatization and liberalization measures led to a fragmentation of former public transport companies, wage settings, and collective bargaining structures in Austria. The impact on traditional collective bargaining structures in Austria has been significant, resulting in a "fragmented LRR."

In Austria, a clear public/private divide in collective bargaining has not occurred. Bargaining coverage is still very high. Wage levels and differences between collective agreements are crucial in analyzing competition based on lowering wages (Brandt & Schulten 2007: 39).

Competitive tendering is used in local public transport in Austria. Major players include Wiener Linien AG, which has 8,000 employees, ÖBB Postbus GmbH with 3,950 employees, and Dr. Richart with 1,350 employees. Public transport services in large Austrian cities are mainly provided by municipal companies. Vienna's local public transport company was reorganized in 1999 and became subject to private law. ÖBB Postbus GmbH, originally owned by Austria Post, dominates regional public bus services with an 85% market share.

Union density is around 80% in municipal companies and Postbus but only up to 40% in private companies. Works councils exist in both public and larger private companies. Employer density is 100%. On the employer's side, bargaining actors include Postbus AG, municipalities, and the Austrian Federal Economic Chamber, particularly the "Fachverband" for bus companies. Workers in local public transport are represented by various unions, including the Postal Workers' Union (Gewerkschaft der Post- und Fernmeldebediensteten), the Municipal Workers' Union (younion), and the Transport and Services Union

(VIDA). Employees of the same company can be represented by different trade unions.

Table 4: Overview of employment in the transportation sector

Values (2021)	Number of companies	Total employed	Persons in dependent employment	Total employment costs in thousands of EUR	No. of female employees	No of self-employed	
Urban transport (H4931)	84	20716	20642	1240513	2901	74	
	Structure of workers - total	Total workers	Total interns	Total workers with minimum work hours	Part-time workers	Full-time equivalent	Total hours worked
	10912	9321	409	154	1420	20129	33274638

Nahverkehr zu Lande (Personen) <H4931>
Anzahl der Unternehmen
Beschäftigte - insgesamt

Personenbeförderung im Nahverkehr zu Lande (ohne Taxis) H4931

Unselbständig Beschäftigte insgesamt

Anzahl der Unternehmen (rechtliche Einheiten) im Berichtsjahr.

Die Beschäftigten umfassen die selbständig Beschäftigten und die unselbständig Beschäftigten. [im Jahresdurchschnitt]

Zu den Unselbständig Beschäftigten insgesamt gehören Angestellte, Arbeiter und Lehrlinge, welche in einem aufrechten Arbeitsverhältnis zum Unternehmen gestanden sind und von diesem Lohn oder Gehalt (bzw. Lohn- oder Gehaltsfortzahlungen im Krankheitsfall) bezogen haben. Einzubeziehen waren z.B. auch Teilzeitbeschäftigte, Kurzarbeiter, geringfügig Beschäftigte, Saison- und Aushilfsarbeiter, Feriapraktikanten, Urlauber, Erkrankte, im Mutterschutz befindliche Frauen, Personal auf Bau- und Montagestellen und vorübergehend im Ausland Tätige (solange die Bezugsauszahlung vom Unternehmen erfolgte). [im Jahresdurchschnitt]

Personalaufwand in 1 000 EUR Beschäftigte - weiblich
Selbständig Beschäftigte - insgesamt
Angestellte - insgesamt

Der Personalaufwand umfasst die Bruttogehälter der Angestellten, die Bruttolöhne der Arbeiter, die Bruttoentschädigungen der Lehrlinge, die Heimarbeiterentgelte, die gesetzlichen Pflichtbeiträge des Arbeitgebers sowie die sonstigen Sozialaufwendungen.

Die weiblichen Beschäftigten umfassen die weiblichen selbständig Beschäftigten sowie die weiblichen unselbständig Beschäftigten. [im Jahresdurchschnitt]

Zu den selbständig Beschäftigten insgesamt zählen tätige Inhaber sowie mithelfende Familienangehörige. Diese Personen beziehen weder ein(en) Gehalt/Lohn, noch sind sie als unselbständig Beschäftigte sozialversichert. [im Jahresdurchschnitt]

Angestellte sind alle Gehaltsempfänger, die der Versicherungspflicht als Angestellte und damit dem ASVG unterliegen. Sie zählen zur Gruppe der unselbständig Beschäftigten.

Arbeiter - insgesamt
Lehrlinge - insgesamt

Arbeiter sind alle Lohnempfänger, unabhängig von der Lohnzahlungs- und Lohnabrechnungsperiode, die der Versicherungspflicht als Arbeiter gemäß ASVG unterliegen (einschließlich auszubildende Arbeiter, jedoch ohne Lehrlinge).

Lehrlinge weiblich sind Auszubildende, welche sich einer beruflichen Ausbildung als Angestellte/Facharbeiter unterziehen und einen entsprechenden Lehr- oder Ausbildungsvertrag haben.

Geringfügig Beschäftigte - insgesamt

Geringfügige Beschäftigung liegt vor, wenn unselbständig beschäftigte Arbeitnehmer bei regelmäßiger Beschäftigung (Dienstverhältnis für einen Monat oder für unbestimmte Zeit) im Monat oder bei fallweiser Beschäftigung (Dienstverhältnis kürzer als ein Monat) nicht mehr als den gesetzlichen Maximalbezug verdienen.

Teilzeitbeschäftigte

Teilzeitbeschäftigung liegt vor, wenn die normale Tages-, Wochen- oder Monatsarbeitszeit kürzer als die reguläre (kollektivvertragliche, tarifliche) Arbeitszeit ist (z.B. Halbtagsbeschäftigung, Beschäftigungen an einem, zwei oder drei Tagen in der Woche). Vom Vorliegen einer Teilzeitbeschäftigung bei einer kollektivvertraglichen Arbeitszeit von weniger als 35 Stunden ist auszugehen, wenn die Normalarbeitszeit weniger als 90% der kollektivvertraglichen Arbeitszeit beträgt. Zu den Teilzeitbeschäftigten zählen auch die geringfügig beschäftigten Arbeitnehmer.

Vollzeiteinheiten

Die Anzahl der Lohn- und Gehaltsempfänger:innen in Vollzeiteinheiten ist die Gesamtzahl der Lohn und Gehaltsempfänger – umgerechnet in Vollzeiteinheiten. Die Zahl der Teilzeitbeschäftigten (inkl. geringfügig Beschäftigte) wurde dabei unter Zugrundelegung der Arbeitszeit eines Vollzeitbeschäftigten im Unternehmen auf Vollzeitäquivalente umgerechnet.

Geleistete Arbeitsstunden

Bei der Gesamtzahl der von den Lohn- und Gehaltsempfänger:innen geleisteten Arbeitsstunden handelt es sich um die Summe der tatsächlichen Arbeitsstunden, die für die Produktion der Erhebungseinheit während des Berichtszeitraums erbracht wurden.

Source: Statistics Austria (STATCube), retrieved June 21, 2024.

Legal framework changes in publicly owned companies following privatizations led to adjustments in labour relations acts, reducing workers' co-determination rights. The local public sector in Austria deviates from the national bargaining norm, characterized by various regulations including civil servant pay schemes, sector, and company collective agreements. Liberalization has introduced different regulations within the same firm.

Public-sector employees were previously part of municipal-level bargaining. Private firms were mainly covered by the collective agreement for employees in private bus companies, and some were covered by the private railways collective agreement. Liberalization resulted in public firms having both civil servant pay schemes and company collective agreements, especially for new employees entering after a specific date. There is one branch-level collective agreement for private bus companies and another for private railways. The two largest companies, Wiener Linien and Postbus AG, have their own company-level collective agreements.

From a sector-specific perspective Austria exhibits a highly fragmented industrial relations regime (LRR) due to privatization and outsourcing measures in the transport sector. The fragmented bargaining structure poses challenges in establishing a common level playing field for competition. Competition in local public transport often hinges on reducing labour costs (Brandt & Schulten 2007: 45).

In 2003, there were 667 companies in Austria. Urban public transport services were primarily based on municipal companies, while regional transport was provided by the publicly owned company "ÖBB Postbus GmbH," which held an 85% market share, and by private bus companies (ibid.).

The "Austrian Federal Economic Chamber" has a special section dedicated to private bus companies and is responsible for collective bargaining. Union density is about 80% in municipal companies and Postbus, but only up to 40% in the private sector.

In terms of workplace representation, publicly owned companies have public servant representatives and works council representatives, while private companies have works councils in larger firms.

The bargaining structure for public-sector employees previously involved public-sector bargaining at the municipal level and for postal and railway workers. The current bargaining structure is highly fragmented, with civil servant pay schemes, sector agreements for private companies, and company agreements

coexisting, sometimes even within the same firm.

Bargaining coverage is 100%, but there are often different agreements within the same company. Additionally, civil servants are regulated by specific laws, which constitute another form of sector-specific labour relations.

Employment and wages

About 50% of employees in public companies hold a civil servant status or a similarly privileged employment status. With the transformation into independent profit-oriented companies, new employees no longer have civil servant status. Special collective company agreements for new employees often offer less favourable employment conditions than those for older workers.

At Wiener Stadtwerke and ÖBB-Postbus, the company agreement applies to all employees hired after 2001, resulting in lower salaries compared to those based on civil servant pay schemes. For instance, in Wiener Linien, the salary difference between civil servants and new employees is 13%.

New employees are no longer covered by company agreements (Betriebsvereinbarungen). For example, in Innsbruck, outsourced bus service employees earn 20% less than their older counterparts in the publicly owned "Innsbrucker Verkehrsbetriebe" due to the absence of company agreements for new employees (Brandt & Schulten 2007: 61).

Conflicts in the sector affecting wage setting

On May 14, 2002, the Austrian government decided to sell 33% of Postbus, a major regional bus service provider, to private bus companies, affecting 871 employees. Between May 2002 and June 2004, several one-day strikes occurred, leading to a social plan by December 23, 2004.

The sale of the 33% was accepted by representatives, with a focus on securing job guarantees for the entire staff, especially those directly affected by privatization. ÖBB-Postbus GmbH was created from the merger of Postbus and Bahnbus, with a third of routes given to private transport companies, while 73% remained publicly owned.

Conflicts also arose during privatization and reorganization, particularly between different unions and their members, due to different pay schemes, retirement ages, and other factors. The presence of different unions in the same workplaces fuelled conflicts between unions repeatedly (Brandt & Schulten 2007: 65).

2.3 Hospitality sector

The hospitality sector embraces the following activities by NACE Rev.2 categorisation:

- 55.1: Hotels and similar accommodation
- 55.2: Holiday and other short-stay accommodation
- 55.3: Camping grounds, recreational vehicle parks and trailer parks
- 55.9: other accommodation
- 56; Food and beverage service activities

Evidence on wage bargaining summarised in this section is based on desk research, including the valid collective agreements for the sector and specific amendments related to wage levels and structuring, as well as two interviews conducted exclusively for this project – one with a representative of unions, and one with the head of the Employers' association section of hospitality within the Austrian Chamber of Commerce (EO).

From the perspective of wage setting, the sector is structured in two subsectors – gastronomy and hotels. The EO negotiates agreements with two unions – VIDA for the majority of workers (the service sector union) and GPA (*Gewerkschaft der Privatangestellten*) representing administrative staff.

In total, the sector, covering both hotels and gastronomy, reported 240,700 workers in December 2023 (source: Interview AT03). They work in roughly 50,000 restaurant/catering companies, and 20,000 hotels (ibid.).

Austria has a unified collective agreement for the hotel and restaurant sectors to prevent discrepancies in wages and conditions, which might arise if different agreements were used. Despite this, regional differences still exist, such as higher wages in Vienna's hotel industry compared to gastronomy for similar work. A major challenge in tourism is the lack of robust works council structures, especially in smaller establishments where forming a works council requires a minimum number of employees, which is a criterion often difficult to meet. This hinders wage negotiations at the company level, where local economic conditions could justify higher wages. According to the union representative interview, overpayment is common in tourism, often through lump-sum overtime pay, leaving little discretion for individual negotiation, particularly for unskilled workers.

The goals, missions, and main activities of the union Vida are focused on improving the working conditions of employees in the sector, especially wages, working conditions, working hours and the kind

of interactions between the workers and employers. The main activity is negotiating collective wage agreements and coordinating nationwide campaigns to boost union membership.

Within the trade unions, the wage setting process is internally coordinated, from formulating demands to participating in collective bargaining negotiations. The union structure is divided between officials and full-time staff, with the political direction set by the officials, who are also active in the industry and support the workers there. The wage-setting mechanism is straightforward, based on rolling inflation to ensure that workers don't lose out. However, in tourism, boosting purchasing power is a key focus, as there is significant room for improvement.

The actual collective bargaining process in Austria is very standardized and stable. There are usually three or more negotiation rounds, depending on the need, where sector-level social partners meet and discuss and align their positions. Available data plays a critical role in these negotiations.

Wages, in particular sectoral minimum wages, are collectively negotiated, and wage supplements can be determined at various levels. The collective agreement sets the legal minimum, though employees often earn more, with undeclared wages being an issue. A challenge in tourism is that overpayments often include overtime lump sums. There's a perception of being overpaid, but this depends on the current labour market, where demand for workers can influence individual wage arrangements. Wage structures in tourism allow some flexibility at the individual and company levels, especially in hotels, however, in the gastronomy this is far more challenging. According to the union, seasonal employment often sees 48-hour contracts, which do not necessarily pay more yet give the appearance of higher pay.

Identifying low-wage work in the sector

Identifying the lowest-paid jobs was challenging for the union interviewed, claiming that wages in tourism are highly fragmented. There are unskilled workers and those with vocational training diplomas. Whether talking about a service employee, a bar staff member, or a kitchen worker, the key factor is whether or not someone has a vocational training diploma and the number of years worked in the profession. For simplicity, unskilled workers in tourism are those with the lowest pay. This is the only wage category that is consistent across all Austrian states in the collective agreement, due to the historical consolidation of state wage tables, though wage differences still exist. This is particularly noticeable in Vienna, where hotel workers earn more than those in gastronomy, despite doing similar work.

The current gross monthly salary of unskilled workers in 2024 is around €1,800. This includes all workers without vocational training. It remains challenging for these workers to negotiate higher wages on their

own, although there is sometimes room for improvement, depending on the location. Company agreements often attempt to raise wages because €1,800 gross leaves little after taxes, and the cost of living continues to rise.

The collective agreement is the central tool and the highest authority for wage setting in the hospitality sector. There is a consensus between social partners to negotiate these agreements together. However, there are instances where there is no counterpart or where collective agreements are terminated, leaving workers without a collective agreement.

In Austria, certain aspects of wages, like overtime pay (set at a 50% premium) and additional hours pay (25%), are legally regulated, though collective agreements can modify these. The law provides a baseline, while collective agreements offer room for negotiation, potentially leading to better conditions, such as increasing overtime pay beyond the legal minimum. Within the trade unions, collective agreements are negotiated by works councils, who handle company-level agreements. The union maintains that insights gained from company data and specific workplace issues often lead to different goals in company agreements compared to broader collective agreements.

Wages are negotiated annually for the whole sector, aligned with rolling inflation rates, which provide the basis for further wage setting discretion at the company level. For example, McDonald's and JuFa Hotels have supplementary agreements. Most businesses follow the general collective agreement, with some benchmarking influence from specific agreements like those in the fast food sector.

The collective agreement generally takes effect on May 1st each year. While some industries, like metalworkers, negotiate two-year contracts with predetermined adjustments for the second year, this is not common in the hospitality sector. Given the high inflation rates, the actual wage increase often ends up being relatively small. Wages determined by collective bargaining are structured according to three factors:

- Federal state where work is performed (differences between the capital and other states)
- Occupation (5 wage levels, starting at support staff level 5, staff of 2 years after relevant vocational education or still in training at level 4, skilled staff at level 3, and managerial staff at levels 2 and 1)
- Years of experience (5 categories)

The differences between the two closest scales for the same occupation according to the years of experience is always 2,5%. This means that the first tariff, for workers with experience up to 5 years, is 100%, the second tariff, for workers with 6-10 years of experience, is 102,5%. The highest regulated tariff is for workers with more than 20 years of experience equals 110% of the base wage for workers in the lowest experience category (0-5 years). This structure is the same across all occupations and all federal states, with the exception of the occupational category 4 that does not specify wage differences per years of experience.

The last wage amendment via the sectoral collective bargaining is valid from May 2024, but already stipulates wage increases from November 2024, allocated in the same structure of occupations, states and experience (see Annex for the wage tables in the HORECA sector).

According to regulation § 124b Z 447 lit a) EStG (BGBl I Nr. 200/2023), a separate amendment to the sectoral collective agreement stipulates decisions regarding wage bonuses, also on an annual basis. For 2024, workers are entitled for a payroll tax free bonus up to 3,000 EUR. The decision on the bonus allocation is also stipulated in the collective agreement, namely:

- In companies where works councils operate, an agreement between the management and the works council decides over the bonus allocation. The workers are entitled to be informed about the outcome of the negotiation and the content of the agreement.
- In companies without a works council, the bonus allocation can be decided in line with legislation iSd § 124b Z 447 lit a) letzter Satz EStG where the agreement with workers' representatives can be substituted with a general stipulation valid for all workers.

Both amendments to the sectoral collective agreements – on wage scales and on bonus regulation – are included in the Annex.

Stability of this bargaining system is highly ensured, which both the union and the employers' federation appreciate because it allows for continuity. This stability enables the social partners to revisit and renegotiate certain issues every year, gradually making progress in negotiations over time. For example, the union pays attention to the situation of the lowest wage earning groups in the sector. If someone earns €1,800 gross and receives about €1,400 net, this is below the poverty line in Austria. The union maintains that this is far from adequate for persons working 40 hours a week under harsh conditions, facing physical challenges and extreme heat, often on weekends and at night, yet still not reaching the point where they can say they live above the poverty line.

The specificity of the sector is seasonal work. According to the EO, the wage conditions for seasonal workers are the same as for long-term workers, the issue is that seasonal workers expect to earn a higher income in a shorter time. Therefore, workers are eager to work overtime. However, neither the hotels/catering subsector's collective agreement nor company-level agreements stipulate a higher overtime pay than the statutory minimum standard of 50%. The pandemic significantly affected the sector, and although the state offered generous support, the sector lost many workers and faces shortages as well as workers' preferences to work part-time.

Coordination of wage setting between the sector-level and the company-level is limited. The sectoral collective agreements set the minima, and while actual wages are often higher, the sectoral social partners do not attempt to gain influence on company-level practices. For the EO, it is the rule of the market that individual employers are able to negotiate additional supplements or bonuses in addition to the sectoral agreement. Employers do have this possibility, yet are not obliged to use it, they only have to respect the sectoral collective agreement.

The current agreement stipulates, besides the basic wage levels, also bonuses for working for the same company for a long time, and flexible working time regulations for workers who work for the whole year and for seasonal workers.

Challenges and priorities

One of the challenges is the diversity of workforce. People from many countries and diverse backgrounds are employed in the tourism industry. It's challenging to keep everyone informed about their rights and the regulations in collective agreements, especially since some employees do not speak German. To address this, the union has multilingual representatives who work alongside our regional secretaries to visit workplaces and provide native-language information on collective agreements and Austrian labour laws.

Therefore, the union maintains it is challenging to address all the diverse interests of employees. The union strives to identify and prioritize the most pressing concerns of the workforce. To better align with members' needs, the union is increasingly incorporating participatory processes in collective bargaining, directly asking employees about their priorities. The union's priorities are generally met, although this

can vary from year to year. Collective bargaining is an intense process, particularly when trying to improve benefits, and such changes can take five to six years to achieve.

The Chamber of Commerce also fulfils its priorities in the current bargaining structure. In the unions' perception, the preferences of employers are coordinated by clear strategic priorities at the sectoral level. These include, for example, hesitations to include a sixth week of vacation or measures reducing working hours. These preferences emerge from the lack of skilled labour and high turnover rates and seasonality in the sector.

The largest challenge is tipping, which plays a crucial role in tourism, often supplementing low wages and serving as a key motivator for workers. However, reliance on tips as a wage supplement is problematic in the eyes of the workers' representatives, as it is not counted towards pension contributions or benefits like sick pay and 13th/14th month salaries. Tips should rather be viewed as a bonus for exceptional service, not a substitute for fair wages. The reliance on tipping to justify lower pay is a significant issue that requires attention of social partners in a coordinated way, beyond the workplace level. While for unions it would be important for tips to contribute to social security contributions, currently it is not possible because tips are considered a bonus and not part of the regular wage. Moreover, the union clearly states that tips should *not* be considered part of the wage. Therefore, employers cannot keep official wages low and expect tips or bonuses to make up the difference. This is partly because not all tourism workers receive tips. For example, kitchen staff typically do not receive tips, and if someone is earning the sectoral minimum wage of €1,800 for one of the toughest jobs, like dishwashing, where they see no tip money, the debate over tips becomes irrelevant. This issue mainly concerns service staff and, to some extent, housekeeping. The union wage bargaining strategies cover the sector as a whole, rather than individual groups of workers. Some employers have internal policies where tips are pooled and distributed among all employees. It is common in service roles to share tips with the kitchen, but this is not a universal attitude. When employers manage such tip pools, the union views this critically, as it can lead to informal redistribution and potentially undeclared income.

Next, social partners cooperate to combat undeclared employment, which remains a significant issue in tourism. Sector-level social partners strive to make sure that workplace practices align with the collective agreement; yet there are cases beyond their capacity and attention. For example, addressing the issue of illegal work is challenging because of lacking control capacities.

Another challenge is the employee rights regarding accommodation and meals, for which there are no specific regulations in the collective agreement. According to the interviewed trade union representative, there were rules about how much employers could charge for these, but they were removed from the collective agreement. The union was informed about cases where workers earning the minimum wage of €1,800 were charged €600 for employee accommodation. There is a lot of room for manipulation, and the union advises workers to carefully review their employment contracts, especially when offered room and board, as these costs can be hidden.

Given the prevalence of part-time work in tourism, another key union demand is to equalize the additional hours and overtime premiums for part-time and full-time workers at 50%. Another important demand is to establish a universal night work allowance, which currently only applies to the hotel industry, and a Sunday work bonus, addressing the specific demands of the tourism sector. While holiday pay at 100% is legally guaranteed, the inclusion of additional benefits like hard work allowances for female employees, determined by caloric expenditure, is also significant.

Finally, the sector's structural challenges, like high employee turnover and seasonal work, make it difficult to build and maintain union power. High turnover is partly due to poor working conditions, and the industry's reliance on recruiting cheaper labour from the Global South is a worrying trend that needs to be countered by improving working conditions locally. There is no significant pressure to change the current negotiation system. However, the level of worker organization within tourism is crucial for effective bargaining.

To sum up, the sector-specific wage setting in Austria is stable and highly regulated, yet still some challenges remain regarding company-level practices beyond the coordinated efforts of social partners that see value in the stability of the current system. The collective agreement is rather detailed regarding wage levels and categorisations, and also regarding how bonuses should be determined at the company level, although not directly stipulating bonus levels. The stability of the wage setting system leaves little motivation for social partners to look for other successful bargaining systems in other sectors or countries. The union occasionally looks to other countries for inspiration in collective bargaining, but not frequently. It has various collaborations with other European trade unions, mainly to learn how to attract new members rather than for collective agreement negotiations. It is crucial to maintain a high coverage of collective agreements. While there are few gaps in tourism, there is still room for improvement in some areas of regulation.

2.4 Waste Management

Austrian waste management is influenced by various international and European agreements. European Union (EU) regulations, particularly related to the free movement of goods, freedom to provide services, and competition law, impact the deregulation and liberalization of the European waste market. Waste that can only be disposed of, as opposed to being recovered, is not classified as goods and is not subject to the regulations on the free movement of goods and commodities (Adam, 2017, p. 71).

Waste management in Austria is organized on a federal level. Since the 1970s, municipalities have been obligated to manage the orderly collection of household waste. Larger cities, as exceptions, may handle waste collection through municipal-owned operations. In smaller municipalities, private companies typically undertake waste collection contracts, as small municipalities usually cannot afford to establish their own waste management infrastructure.

The Federal Waste Management Act of 1992, which has been repeatedly amended, redefined the distribution of responsibilities between the federal government and the states in Austria. Municipalities were mandated to introduce waste collection and separation systems for household waste (Adam, 2017, p. 72). Due to the challenges faced by municipalities in handling this new task, municipal associations were formed in several states to fulfil waste management duties on behalf of the municipalities.

As the disposal of household waste in Austria is part of the "services of general interest," the municipalities have a so-called "obligation to deliver" to households, which varies from federal state to federal state. Collection and disposal of business waste are not part of the municipalities' sovereign tasks and are regulated through the free market.

Besides managing the collection and disposal of recyclables and residual waste, private waste management primarily deals with the collection and disposal of specific commercial wastes. The annual revenue of private waste management is more than three times that of municipal waste management. Market liberalization in Austria is generally implemented in all waste management segments outside the sovereign responsibilities of municipalities, excluding areas covered by the duty to accept waste, which varies from state to state (Adam, 2017, p. 73).

Industrial relations

The industrial relations system in waste management is highly fragmented in terms of both actors and collective agreements. Four unions play a significant role in representing employees in the sector:

- YoUnion for municipal employees,
- PRO-GE for workers in waste management areas originating from manufacturing,
- VIDA for employees of outsourced municipal companies and those connected to the service sector, and
- GPA-djp (*Gewerkschaft der Privatangestellten – Druck, Journalismus, Papier*) for administrative staff.

These unions vary in their strength within the industry. While membership within the Vida union is likely low, Younion boasts an exceptionally high membership in the sector. Although the unions coordinate with each other, facilitated by their shared affiliation with the Austrian Trade Union Federation (ÖGB), a cohesive negotiation strategy (vis-à-vis FER on the employers' side) has not been evidently established.

On the employer side, the Association for Waste and Resource Management is the statutory representative body for the waste and wastewater industry, which had 7,523 members as of December 31, 2022 (WKÖ, 2023). Established in 2000 as the Fachverband Abfall- und Abwasserwirtschaft, it was integrated into the structure of the Austrian Federal Economic Chamber (WKÖ). The late founding of the association reflects the relatively recent development of the waste management sector, transitioning from the public sector.

For bargaining purposes, there is only one comprehensive organization with bargaining rights within the Austrian Business Chamber (WKÖ) structure, namely the *Fachverband Entsorgungs- und Ressourcenmanagement* (FER). However, FER has not yet been a signatory of a collective agreement in the waste management sector. Due to the lacking sector specific agreement, many employees in the industry are covered by "non-industry-specific" collective agreements, and some, unless they are public servants in municipalities, are not covered by any collective regulations. In May 2015, the association changed its name to FER to align with the shift in focus from waste disposal to recycling and waste processing. FER represents companies involved in waste collection, disposal, and processing, as well as other related areas such as street cleaning, sewage treatment, snow removal, and more. FER's membership is diverse, covering a wide range of businesses in the sector. The heterogeneity of FER's membership poses challenges for aggregating interests within the association and reaching consensus on a consistent negotiation strategy, both in terms of product market interests and labour market interests (Adam 2017: 76).

The fragmentation of the collective regulatory system is closely linked to the highly heterogeneous structure of the waste management industry. Changes in legal conditions have led to an increasing role of outsourcing waste management operations from public municipal administration and public tender processes, especially due to the financial constraints of many municipalities. Outsourcing often results in a diversification of the workforce structure within a company, as new hires enter private-law employment relationships, while existing employees maintain their public-law employment relationships.

In cases such as Linz and Salzburg, waste management was outsourced and integrated into holding companies owned by the respective cities, leading to the negotiation of in-house collective agreements for new hires. In Vienna, the municipal waste management system largely remains within the framework of the municipal administration, with the MA 48 forming its own administrative unit. Employees of MA 48 fall under the Vienna Civil Service Law for public servants, and only certain commercial waste components are collected and disposed of by private companies in Vienna (Adam 2017: 74).

Attempts to establish a sector-specific collective agreement for the private sector of the waste management industry have been ongoing since 2005 but have been unsuccessful so far. The failure of negotiation efforts is attributed to the heterogeneous nature of the industry's structure. Interestingly, the initiative for a sector-specific collective agreement did not come from the employees but from the *Fachverband Entsorgungs- und Ressourcenmanagement* (FER). FER envisions the collective agreement to have modest minimum standards for payment and working conditions, which would be significantly below those of most existing collective agreements.

The potential beneficiaries of such a collective agreement (typically workers involved in simple tasks of waste sorting and processing in smaller companies) are often not well-organized in unions, while more organized employee groups might stand to lose from a new collective agreement. Originally, both negotiating parties intended to include employees in the scope of the planned collective agreement. However, disagreements over the existing collective agreement for employees in crafts and trade, which includes biennial salary increments, led to the withdrawal of the GPA-djp negotiation team from the table. This development did not contribute to reaching an agreement, leading to a suspension of negotiations until at least December 2015, when a discussion was scheduled for a potential resumption of negotiations. The outcome remains uncertain.

Employees of MA 48, whether civil servants or contract employees, are subject to the respective Vienna Civil Service Law and are represented by Younion. In outsourced companies of cities and municipalities, the Civil Service Law for public servants (hired before outsourcing) applies, while new hires after a certain

date have private-law employment relationships. Public servants continue to be represented by Younion, while new hires are generally represented by Vida.

Workers in waste management are covered by various collective agreements for the transportation or logistics sector are represented by Vida (Adam, 2017, p. 75). Employees in the waste management sector who work in companies that have been spun off from the metal or chemical industry or are still part of these economic sectors are generally represented by PRO-GE and are covered by the collective agreement for the metal or chemical industry. Workers on landfills, often originating from gravel pits, are usually represented by the Construction and Wood Union (Gewerkschaft Bau-Holz), and the collective agreement for the construction industry applies.

GPA-djp represents the few white-collar employees in the industry, who are usually covered by the collective agreement for employees in crafts and trade (Adam 2017: 76).

Conclusions: Uprating of wages in a cross-sectoral view and institutional change

Wage setting in Austria emerges from a stable and hierarchic structure of sector-level wage bargaining and supplementary wage bargaining at the company level. The system is stable across all studied sectors and considered transparent by the involved social partners. At the same time, there are several trends within this system, which raise question on the interaction between various wage setting levels.

First, the existence of sector-level collective agreements does not mean that wage levels are similar even in the same occupation. Differences emerge by regions, years of experience, and also by the fact that the sectoral wage levels are just minima. The actual wage embraces a component determined at the company level, and this is where large gaps can potentially emerge. The actual wage thus depends on the employers' willingness to pay beyond the wage determined by sectoral collective bargaining, the strength of unions, the number of union members in a particular occupation (e.g., in the construction sector, the lowest paid workers are those whose collective agreement is also relatively thin in terms of its regulatory scope). Last but not least, the wage earned, including bonuses, also depends on the skills shortages in the sector and the market situation including high seasonal fluctuations in demand and supply for labour.

While the above analysis points at stability and there are no significant pressures for major changes in the Austrian wage setting system, there are some indications of potential decentralization. However, this decentralisation is organised, and coordinated from the sector level. In some sectors (e.g. hospitality), the sectoral agreement instructs how wage supplements should be decided about at the company level. At the same time, the policy of the employer organisation at the sector level is not to overregulate the developments at the company level, leaving a harmonic relationship between the regulatory scope of the sectoral wage bargaining and individual employers' bargaining and discretion to make further amendments to the sectoral standards according to the market situation. Decentralisation can also occur due to changing ownership structures and company mergers/splits, as in the waste management and public transport sector. Here, like the hospitality sector, the decentralisation of wage setting, or rather just reorganisation, is highly coordinated from the sector level.

To conclude, the stability of the Austrian wage bargaining system rests on the commitment of social partners. This currently cannot be reverted by EU-level regulations, including the Directive on Adequate Minimum Wages stipulating a bargaining coverage of 80%. The Austrian structure of industrial relations yields a coverage close to 100%, yet even this high coverage facilitates differences in the actual wage levels, emerging from the fact that sectoral bargaining still leaves discretion for company-level policies and wage supplements.

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Annex

Annex 1 – Collectively bargained pay scales for the hospitality sector, 2024

BEILAGE A

Gehaltstabellen für die Angestellten der Hotellerie und Gastronomie

ab 01. Mai 2024

	100%	102,50%	105%	107,50%	110%
	0-5 Jahre	6-10 Jahre	11-15 Jahre	16-20 Jahre	über 20 Jahre
Hotellerie Wien					
BG 0	2.798,00	2.868,00	2.937,90	3.007,90	3.077,80
BG 1	2.547,00	2.610,70	2.674,40	2.738,00	2.801,70
BG 2	2.351,00	2.409,80	2.468,60	2.527,30	2.586,10
BG 3	2.135,00	2.188,40	2.241,80	2.295,10	2.348,50
BG 4	1.970,00				
BG 5	1.910,00	1.957,80	2.005,50	2.053,30	2.101,00
Cafes, Gastronomie Wien					
BG 0	2.678,00	2.745,00	2.811,90	2.878,90	2.945,80
BG 1	2.547,00	2.610,70	2.674,40	2.738,00	2.801,70
BG 2	2.131,00	2.184,30	2.237,60	2.290,80	2.344,10
BG 3	2.041,00	2.092,00	2.143,10	2.194,10	2.245,10
BG 4	1.970,00				
BG 5	1.910,00	1.957,80	2.005,50	2.053,30	2.101,00
Ho/Ga NÖ, Bgld, Stmk, OÖ, Ktn					
BG 0	2.500,00	2.562,50	2.625,00	2.687,50	2.750,00
BG 1	2.400,00	2.460,00	2.520,00	2.580,00	2.640,00
BG 2	2.108,00	2.160,70	2.213,40	2.266,10	2.318,80
BG 3	2.035,00	2.085,90	2.136,80	2.187,60	2.238,50
BG 4	1.970,00				
BG 5	1.910,00	1.957,80	2.005,50	2.053,30	2.101,00
Ho/Ga Sbg, T, Vbg					
BG 0	2.798,00	2.868,00	2.937,90	3.007,90	3.077,80
BG 1	2.427,00	2.487,70	2.548,40	2.609,00	2.669,70
BG 2	2.196,00	2.250,90	2.305,80	2.360,70	2.415,60
BG 3	2.135,00	2.188,40	2.241,80	2.295,10	2.348,50
BG 4	1.970,00				
BG 5	1.910,00	1.957,80	2.005,50	2.053,30	2.101,00

ab 01. Nov. 2024

	100%	102,50%	105%	107,50%	110%
	0-5 Jahre	6-10 Jahre	11-15 Jahre	16-20 Jahre	über 20 Jahre
Hotellerie Wien					
BG 0	2.854,00	2.925,40	2.996,70	3.068,10	3.139,40
BG 1	2.597,00	2.661,90	2.726,90	2.791,80	2.856,70
BG 2	2.398,00	2.458,00	2.517,90	2.577,90	2.637,80
BG 3	2.178,00	2.232,50	2.286,90	2.341,40	2.395,80
BG 4	2.010,00				
BG 5	1.950,00	1.998,80	2.047,50	2.096,30	2.145,00
Cafes, Gastronomie Wien					
BG 0	2.732,00	2.800,30	2.868,60	2.936,90	3.005,20
BG 1	2.597,00	2.661,90	2.726,90	2.791,80	2.856,70
BG 2	2.178,00	2.232,50	2.286,90	2.341,40	2.395,80
BG 3	2.084,00	2.136,10	2.188,20	2.240,30	2.292,40
BG 4	2.010,00				
BG 5	1.950,00	1.998,80	2.047,50	2.096,30	2.145,00
Ho/Ga NÖ, Bgld, Stmk, OÖ, Ktn					
BG 0	2.560,00	2.624,00	2.688,00	2.752,00	2.816,00
BG 1	2.450,00	2.511,30	2.572,50	2.633,80	2.695,00
BG 2	2.155,00	2.208,90	2.262,80	2.316,60	2.370,50
BG 3	2.078,00	2.130,00	2.181,90	2.233,90	2.285,80
BG 4	2.010,00				
BG 5	1.950,00	1.998,80	2.047,50	2.096,30	2.145,00
Ho/Ga Sbg, T, Vbg					
BG 0	2.854,00	2.925,40	2.996,70	3.068,10	3.139,40
BG 1	2.477,00	2.538,90	2.600,90	2.662,80	2.724,70
BG 2	2.243,00	2.299,10	2.355,20	2.411,20	2.467,30
BG 3	2.178,00	2.232,50	2.286,90	2.341,40	2.395,80
BG 4	2.010,00				
BG 5	1.950,00	1.998,80	2.047,50	2.096,30	2.145,00

Annex 2 – Collectively agreed regulation for determining bonuses at the company level, hospitality sector, 2024

Zusatzkollektivvertrag für Arbeiter:innen und Angestellte im Hotel- und Gastgewerbe über die Gewährung der Mitarbeiter:innenprämie

I. Geltungsbereich

Zusatzkollektivvertrag zu den Kollektivverträgen für Arbeiter:innen und Angestellte im Hotel- und Gastgewerbe, abgeschlossen zwischen dem Fachverband Gastronomie und dem Fachverband Hotellerie, beide 1045 Wien, Wiedner Hauptstraße 63, einerseits und der Gewerkschaft vida, 1020 Wien, Johann-Böhm-Platz 1 und der Gewerkschaft GPA, Wirtschaftsbereich Glücksspiel/Tourismus/Freizeit 1030 Wien, Alfred-Dallinger-Platz 1 andererseits.

II. Mitarbeiter:innenprämie

- a. Arbeitgeber:innen können für das Kalenderjahr 2024 eine Mitarbeiter:innenprämie gemäß § 124b Z 447 lit a) EStG (BGBl I Nr. 200/2023) in Höhe von max. 3.000 Euro steuer- und abgabenfrei zur Auszahlung bringen.
- b. In Betrieben mit Betriebsrat ist darüber eine Betriebsvereinbarung abzuschließen. Die Arbeitnehmer:innen sind über den Inhalt dieser Betriebsvereinbarung nachweislich zu informieren.
- c. In Betrieben ohne Betriebsrat kann die Betriebsvereinbarung durch eine vertragliche Vereinbarung iSd § 124b Z 447 lit a) letzter Satz EStG für sämtliche Arbeitnehmer:innen des Betriebes ersetzt werden.
- d. Dabei sind folgende Kriterien einzuhalten:
 - i. Teilzeitbeschäftigte Arbeitnehmer:innen haben zumindest Anspruch auf eine Mitarbeiter:innenprämie in aliquoter Höhe im Verhältnis zu Vollzeitbeschäftigten.
 - ii. Gesetzwidrige oder unsachliche Differenzierungen sind unzulässig. Bezüglich der sachlichen Differenzierung sind die Richtlinien des BMF heranzuziehen.
 - iii. Die Arbeitnehmer:innen sind über die getroffenen sachlichen Differenzierungen durch die Arbeitgeber:in spätestens mit der Auszahlung zu informieren.
- e. Die Vereinbarung gemäß Punkt 2 oder Punkt 3 kann längstens bis 31.12.2024 gelten und hat alle Mitarbeiter:innen zu umfassen, die im Geltungszeitraum der Vereinbarung beschäftigt werden. Eine Vereinbarung kann innerhalb des Kalenderjahres der nächsten folgen. Endet das Arbeitsverhältnis vor Ende der Gültigkeitsdauer der Vereinbarung, ist die Mitarbeiter:innenprämie entsprechend zu aliquotieren, bei späterem Beginn des Arbeitsverhältnisses innerhalb der Gültigkeitsdauer der Vereinbarung kann die Mitarbeiter:innenprämie ebenfalls aliquotiert werden.
- f. Eine gänzliche oder teilweise Rückzahlung einer bereits erhaltenen Mitarbeiter:innenprämie ist ausgeschlossen. Das gilt nicht im Falle einer schuldhaften Entlassung bzw. eines unberechtigten vorzeitigen Austritts.
- g. Arbeitnehmer:innen, welche durch eine Mitarbeiter:innenprämie nachweislich eine andere, in Summe günstigere Leistung (wie z.B. Stipendien, Beihilfen, etc.) verlieren würden, können auf die Mitarbeiter:innenprämie durch schriftliche Erklärung verzichten. In Betrieben mit Betriebsrat ist dieser unverzüglich von derartigen Erklärungen von dem/der Arbeitgeber:in zu informieren.
- h. Bei der Mitarbeiter:innenprämie muss es sich um eine zusätzliche Zahlung handeln, die üblicherweise bisher nicht gewährt wurde, diese kann auch in Teilbeträgen erfolgen.

- i. Diese Vereinbarung stellt einen integrierenden Bestandteil des Kollektivvertrages für Arbeiter;innen im Hotel- und Gastgewerbe und des Kollektivvertrages für Angestellte im Hotel- und Gastgewerbe dar. Diese Vereinbarung tritt rückwirkend mit 01. Jänner 2024 in Kraft und gilt bis 31. Dezember 2024.

Wien, am 27. Februar 2024

FACHVERBAND GASTRONOMIE

Mario Pulker, Senator h.c.
Obmann

Dr. Thomas Wolf
Geschäftsführer

FACHVERBAND HOTELLERIE

KommR Johann Spreitzhofer
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