

Info sheet: new government in Austria and their plans for 2017-2022

Deregulation – restriction in migration policy – backwards orientated social policy

General information:

On 15th October 2017, elections were held in Austria to vote a new Parliament. The conservative New Austrian People's Party (ÖVP) became the strongest party (31.5 %), followed by the Social Democratic Party (SPÖ) (26.9 %) and the populist right-wing Freedom Party (FPÖ) (25.9 %). The Green Party dropped out, their spin-off "Liste Pilz" (4.4 %) and the neoliberal "NEOS" (5.3 %) are smaller parties represented now in the Parliament.

Two months later the new government was sworn in, a **coalition of ÖVP and FPÖ**. These two political camps have already formed coalitions between 2000 and 2006, a period in which privatisation and restrictive reforms, in particular in the field of social security, took place. Usually, Austria was governed by ÖVP and SPÖ, balancing the interests of economy and work. Within ÖVP there has been a shift of power (established by the former Foreign Minister and new chancellor, Sebastian Kurz): a neoliberal agenda took the place of Christian Social values and social partnerships. Therefore, it is expected that the new coalition might change fundamental concepts and political structures in Austria.

Their 182 pages **government programme** remains vague in many aspects, but the tendency and some projects are quite clear. As trade unions, we oppose many ideas, as it is obvious that the industry dictates policies. Many specifics will only become tangible when the government presents their measures, however, we can give an overview of their neoliberal programme.

Government programme:

- **Deregulation and "ReFit á la Autriche" on a large scale:**
 - **No gold-plating:** whole existing legislation shall be reviewed, aiming to abrogate regulations that are higher than EU standards; in the future, Austrian regulations must not be of higher standard than EU
 - **Sunset-clause:** (EU) regulation shall end automatically after a certain period of time
 - **One-in-one-out:** new regulations can only be made if an old one is removed
- **In favour of EU "doing less more efficiently" with more subsidiarity:** The government favours Juncker's scenario 4 in his White Paper on the future of Europe, doing less more efficiently. They also emphasise more subsidiarity and want to stress this during the Austrian EU presidency; it however remains uncertain how this shall be defined.
- **No solutions for combatting wage and social dumping:** In contrast to campaign rhetoric, there are no proposals to fight wage and social dumping. On the contrary, the proposal (restricting the definition of remuneration to basic wage – e.g. unpaid overtime would not be accusable anymore) will worsen the situation.
- **Decentralisation and individualisation instead of collective agreements:** works agreements in a company can arrange more flexible regulations than set by the collective agreement (e.g. rest time)
- **Legal increase of maximum working time:** facilitating daily up to 12 hours, weekly up to 60 hours; normal working hours in law and collective agreements remain untouched
- **Reform of social insurance system:** merging 21 social insurance agencies into 5, limiting their self-administration, limiting competences of existing institutions etc.

- **Reduction of incidental wage costs:** mainly a cost shift from the employers' side to the employees
- **Deteriorations for unemployed, poor and granted asylum:** in particular for long-term unemployed and other groups far removed from the labour market
 - **Unemployment:** benefit amount to be degressive; jobs that are 1,5-2 hours from the living place have to be accepted;
 - **Poor:** minimum benefits to be capped at € 1500 within family; entitled only if lived 5 out of the last 6 years in Austria
 - **People granted asylum:** minimum benefits to be capped at € 365 per month; plus a potential "integration bonus" (depending on fulfilment of integration agreement) mainly payment in kind
- **Refocusing active labour market policy:** more business aid than benefits for people
- **Indexation of family allowance:** When family allowance is paid to a child living in another EU country, it will be indexed to the country's cost of living, though this is not in accordance with the EU (meaning: more money for children living in Switzerland, less money for children living in e.g. Slovakia)
- **More restrictive refugee and migration policies:** hand over of cash when making application for asylum, also of mobiles to track route and personal data; reduction of basic supply: only contribution in kind; curfew; no individual housing, but concentrating asylum seekers in camps;
- **Weakening "Arbeiterkammer":** "The Chamber of Labour" ("Arbeiterkammer") is, beside and in cooperation with the trade unions, the legal representation of workers and consumers, fighting for better legal protection and representing employees legally. It is the government's aim to weaken "Arbeiterkammer", in a first step by calling on it to reduce its budget. There probably will follow further steps.
- **Weakening representation of interests:**
 - Reducing the number and resources of workplace representatives by restricting the right to establish works council bodies for separate employee groups in a company;
 - So far, young employees have been represented by a youth works council ("Jugendvertrauensrat") in their company – this is to be abolished.
 - The students' representation ("Österreichische Hochschülerschaft") shall limit their activities to service and must not act politically.
- **Weakening labour inspection**
- **Cut public servant staff**
- **Pensions:** The equalisation supplement will be increased, but paid as special aid, meaning that people living in other EU countries cannot receive it. In addition, it will become more difficult for long-term unemployed and for ill people to go on pension/receive a decent pension (only 2 years of unemployment will account for the period of insurance).
- **Tax reduction:** e.g. on corporate tax, value added taxes for overnight stays, land transfer tax
- **Reducing penalty fees for companies:** Administrative criminal law shall be changed so a company cannot be sanctioned for cumulated breaches (e.g. regarding working time, workers' protection)
- **Education system even more selective:** only children with little language skills in German are obliged to go to kindergarten for two years; increase of tuition fees
- **Weakening rights of tenants, aiding proprietorship and hire purchase**