agreements are often made between individual employers and works councils; these, however, do not constitute collective agreements under the law and do not have the same binding force.

Since 1957 the Wage-Price Commission, with labor, industry, and Government representatives, has been in existence and has taken a broad overview of prospective wage and price increases with regard to their inflationary consequences. Originally a temporary and voluntary organization, in 1958 it was given more permanent status and greater legal authority over price setting.

During the years 1947–51, five pacts were negotiated on a national basis which not only increased wages but adjusted many other economic variables in a sort of national economic planning via bargaining among the three main economic interest groups: industry, labor, and agriculture. By these pacts wages, prices, taxes, subsidies, public utility rates, and (on one occasion) pensions were all adjusted in a bargaining process so as to be in a relation to each other which was acceptable to the three interest groups.

Contracts

The provisions of contracts apply to all employers who are members of the body making the agreement. They also apply to all workers in the enterprises concerned, whether union members or not. Agreements made between individual workers and employers are not valid unless their terms are more advantageous to the worker than the relevant collective agreement.

Collective bargaining and disputes legislation

The Collective Agreements Act of 1947 provides for the conclusion of agreements by either the statutory bodies representing the interests of workers and employers or by the voluntary associations of workers and employers. The act also requires comprehensive factory rules in all enterprises employing more than 20 persons and the approval of these rules by the works council.

The Works Councils Act of 1947 requires an election of shop stewards every 2 years in enterprises employing more than 20 persons; these shop stewards make up the works council. The council supervises the collective agreement, sees that employment legislation is observed, assists in safety, etc. Legally, the form is one of codetermination, but in practice the role of labor is reported to be much more limited.

In the Collective Agreements Act, conciliation boards were established. They are tripartite, consisting of worker and employer representatives and independent chairmen (usually judges). They mediate disputes arising from collective agreements when requested to do so by either side or by the Government. They do not arbitrate unless both sides request them to do so.

There is no provision in the legal code which specifically guarantees or restricts the right to strike. There have, however, in recent years, been attempts by the courts to distinguish legitimate and illegitimate strikes; in 1954 the Vienna Conciliation Board ruled that a strike called for a purpose not recognized by law was illegal.

Government wage policy

Immediately after the war the Government maintained comprehensive wage and price controls. These proved extremely ineffective, marked inflation ensued, and the direct controls were replaced with the system of national bargaining already described. Since 1951 Government wage policy has been less comprehensive and more informal.

Minimum wages are set by conciliation boards in cases where collective bargaining does not exist (e.g. homework). No overall minimum wage exists.

Employment policy

There is a national employment service and private employment agencies are illegal; the employer, however, is free to hire through any channel he chooses. To combat a very high level of seasonal unemployment, the Government has in recent years concentrated its construction activity in the slack season, the winter.

Price control

Extensive direct controls were employed in the field of consumer goods in the dire circumstances immediately after the war. The system broke down, though, because the farmers did not consider agricultural prices high enough and coerced the Government by reducing deliveries to the city; also industrial prices and credit were never significantly controlled. The outcome was the national price-wage agreement, the first of which, in 1947, was accompanied by a drastic monetary reform.