

EGRUiEN Historical Background and Case Study Report

AUSTRIA

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PART 1. Political Economic History of Austria and Overview of Automotive, Energy Production, Long-term Care, and On-Demand Transport Sectors

1. BACKGROUND OF THE AUSTRIAN LABOUR MARKET AND INDUSTRIAL RELATIONS

1.1 Economic context and industrial relations history

Austria's economy since the mid-1990s

Austria is a social market economy and became a member of the European Union (EU) in 1995, integrating into the union's economic and labour market dynamics and regulations. Between 1999 and 2022, the country's population grew from approximately 8 to 9 million, while the working-age population increased by 11%, surpassing 6 million. This demographic development was also accompanied by a significant rise in employment (+27%). However, due to a marked shift towards part-time work, the average number of hours worked per person declined by 15% over the same period (Ragacs & Vondra, 2024: 19–20).

Like many other countries, Austria's economy has been significantly impacted by several significant events over the past few decades. These include the global financial crisis of 2009, the COVID-19 pandemic, and Russia's war of aggression against Ukraine in 2022 — all of which triggered recessions. Additionally, the Dot-com bubble burst in 2002, the European sovereign debt crisis, and Brexit negatively affected the Austrian economy (Ragacs & Vondra, 2024). Despite these challenges, Austria's real GDP grew cumulatively by 44% between 1999 and 2023, outperforming the euro area average of 38% over the same period (Ragacs & Vondra, 2024: 21). Table 1 presents the added value of Austria's various economic sectors in 2022, along with growth figures for each sector from 1999 to 2022.

Table 1: Supply side structure of Austria: sectoral shares in 2022 and sectoral real growth between 1999 - 2022

	Sectoral share in total value added in 2022 (%)	Sectoral growth 1999-2022
Total		46.7
Agriculture, forestry and fishing	1.3	26.9
Industry (except construction)	24.2	71.7
Construction	5.6	-15.3
Trade and transport	17.0	28.7

Accommodation and food service activities	3.8	5.9
Arts and recreation	2.6	17.2
Real estate activities	9.4	43.8
Information and communication	4.2	120.3
Financial and insurance activities	4.7	104.7
Scientific and technical activities	10.1	128.7
Public sector	17.2	30.0

Source: Ragacs & Vondra, 2024: 23; own presentation.

Driven by the broader influence of globalisation, the EU’s eastern enlargements, and Austria’s deeper integration into the EU, the country’s economy became increasingly interconnected with the global market. This is reflected in the rise in economic openness from 75% to 125% between 1999 and 2022 (Ragacs & Vondra, 2024: 26).

Social Partnership: Austria’s model of social dialogue

Austria is considered a coordinated market economy and a prime example of neo-corporatism. The predominant form of industrial relations and social dialogue in Austria is known as the Social Partnership (Sozialpartnerschaft). This system of interest mediation emerged in the context of the post-World War II economic reconstruction and became institutionalised through several agreements in the early 1960s. From the 1960s to the 1990s, the social partnership was a central force in Austrian politics, alongside the duopoly of the Social Democratic Party (SPÖ) and the Christian Democratic People’s Party (ÖVP) (Tálos & Fink, 2003: 197).

The Austrian Social Partnership consists of a distinctive pattern of interest mediation, involving four large umbrella organisations representing employers, namely the Chamber of Commerce (Wirtschaftskammer – WKO) and the Chamber of Agriculture (Landwirtschaftskammer - LKO) and workers/employees, namely the Chamber of Labour (Arbeiterkammer - AK) and the Confederation of Unions (Österreichischer Gewerkschaftsbund - ÖGB), alongside the government. The political weight of the chambers is tied to the principle of compulsory membership; all businesses, agricultural enterprises, and workers/employees are automatically members of their respective chambers. The Confederation of Unions (ÖGB) derives its political influence from its non-partisan status, uniting unions from all sectors and across various ideological factions.

The Social Partnership comprises “a broad and multilayered network of institutionalised, formal or informal interactions at the central level, both between the major umbrella organisations and between these organisations and the government” (Tálos & Fink, 2003: 200; own translation). These interactions may involve policy consultation, review, appraisal, or active participation in

policy formulation and implementation. While Social Partnership operated for a long time without a legal foundation, it was incorporated into Austrian constitutional law in 2008.

Furthermore, the Austrian model of social dialogue is characterised by negotiation, coordination, and compromise between employer and worker representatives. Frequently, this has taken the form of barter trades based on the logic of wage restraint in return for welfare-state compensation and political influence. Additionally, it includes the privileged involvement of these actors in policymaking and implementation processes. In terms of policy areas, social partnership arrangements have been especially influential in social, economic, income, and labour market policy, while playing a more limited role in other domains (Tálos & Fink, 2003: 202).

The development and endurance of Austria's neo-corporatist model have been supported by several factors: a high degree of centralisation and interest concentration (e.g. compulsory chamber membership for both workers and companies); the political privileging of umbrella organisations in policymaking; a shared focus on overarching macroeconomic objectives alongside the representation of particular interests; and close institutional and personal networks between interest groups and the two dominant political parties. Specifically, the Chamber of Commerce and the Chamber of Agriculture are closely associated with the ÖVP. At the same time, the Chamber of Labour and the Confederation of Unions maintain strong ties to the SPÖ. Additional contributing factors include the support for social partnership at the company level and broad public backing (Tálos & Fink, 2003: 198–199).

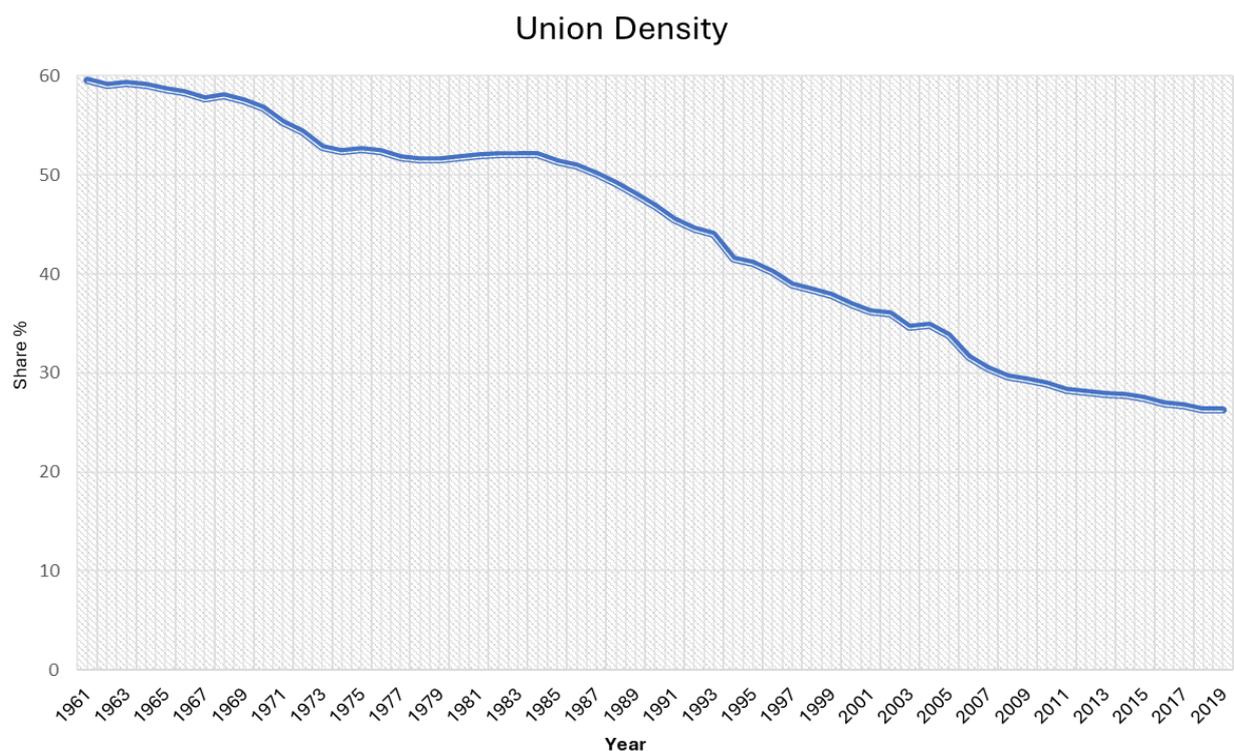
Both in general and specifically in the Austrian context, neo-corporatism has been considered to promote economic growth and function as a buffer against economic shocks and social conflict. Nevertheless, the social partnership arrangement has also faced criticism, particularly for functioning as a form of elite cooperation and for its limited direct democratic legitimacy. Moreover, while it has fostered political stability, it has also been accused of contributing to political stagnation.

1.2 Transformations and industrial relations

From the 1980s onwards, the Austrian political system underwent various changes. Among other developments, the duopoly of the Social Democratic (SPÖ) and Christian Democratic (ÖVP) parties ended, with new parties such as the Greens entering the political arena and the right-wing Freedom Party (FPÖ) increasing its voter share and political influence. In 2000, for the first time, the Freedom Party formed a government coalition with the ÖVP. Social movements and civil society organisations contributed to a further diversification of the political system. Austria's accession to the EU, the globalisation of the economy, and the spread of neoliberalism also transformed the country's political landscape. These altered political and economic conditions also affected Austrian neo-corporatism.

Social Partnership has lost political relevance and influence, to some extent, since its heyday from the 1960s to the 1980s. For instance, Figure 1 below shows an apparent decline in union density over this period. However, the institutional embeddedness of Social Partnership as a norm in Austrian industrial relations has remained remarkably resilient, albeit in a form that differs from a few decades ago. The resilience of social dialogue and collective negotiation norms in Austria, despite declining union membership and global pressures, is linked to the particularities of the country's industrial relations institutional set-up.

Figure 1: Union density in Austria over time (union membership as a share % of the workforce)



Source: OECD/AIAS ICTWSS database; own presentation.

Emerging new actors over time

Since the 1970s, civil society organisations, particularly in areas such as human rights, social issues, and environmental protection, have emerged and exerted new forms of political influence. In contrast to the social partners, they emphasise independence and non-partisanship and tend to be more sceptical towards the state. However, there are also areas of overlap between civil society organisations and social partners (e.g., the confederation of unions is a member of the NGO Attac) (Karlhofer, 2012). Other types of actors that have gained importance over the past few decades include non-university research institutes, as well as individual companies and interest groups from emerging sectors. It has been noted that the growing relevance of these actors is not solely the result of a decline in the influence of social

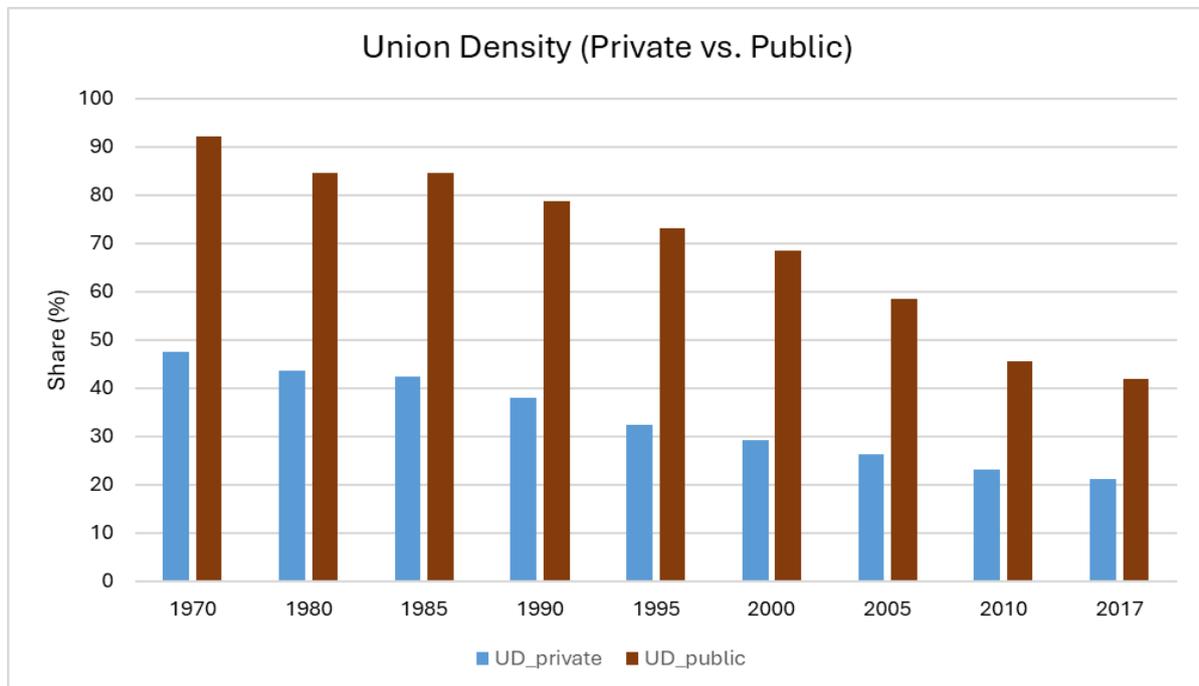
partners but also reflects the professionalisation of policy consultancy. Social partners, too, increasingly make use of research expertise and consulting services. As a result, interest mediation has become less corporatist and more pluralistic, particularly in policy fields such as education, foreign affairs, and science (Michalowitz & Tálos, 2007). Karlhofer (2007: 401; own translation) nonetheless concludes that, *“In their ‘natural’ domain of economic and social policy, the social partners remain the primary providers of policy advice, although not to the same extent as in the past.”*

Economic liberalisation and social dialogue in Austria

Since the 1980s, Austria’s grand coalition governments (SPÖ and ÖVP) pursued economic liberalisation, a trend reinforced by EU accession in 1995 and intensified between 2000 and 2006 under the ÖVP-FPÖ coalition. Despite these shifts, Austria’s coordination institutions and Social Partnership proved remarkably resilient. While some expected corporatism to weaken in favour of more pluralist interest politics, Falkner and Leiber (2004) found that EU membership had no major destabilising effect on Austria’s Social Partnership model in social and labour-market policy. However, it expanded opportunities for multilevel lobbying. Similarly, Heinisch (2001) argued that economic internationalisation and modernisation in the 1990s did not erode neo-corporatism but reoriented it towards supply-side corporatism, prioritising competitiveness, skills, and investment over income redistribution. As in other comparable European countries, the waves of liberalisation have affected union membership in the workforce (see Figure 1). Importantly, in Austria, there has also been a visible decline in union membership among public sector employees, previously a very well-organised employee group and a strong pillar of union power (see Figure 2). Even though Austrian public sector employment shares have been relatively protected from privatisation waves across the EU, employees in these sectors, which had been a reserve for union membership until the 1990s, have seen rapid declines in their membership rates. Such a decline is far sharper than the membership rates in the private sector, which is a non-negligible observation when looking at Austrian social dialogue structures.

It has been argued that the stability of Austria’s social partnership is rooted in its institutional foundations, including a multi-partisan commitment to the role of the social partners and a political culture of compromise (with the Freedom Party as a partial exception); the preservation of compulsory membership in the Chamber of Commerce and the resulting broad coverage of collective agreements; co-determination structures at company level based mainly on labour law; and the introduction of new models for dual apprenticeships (Pernicka & Hefler, 2015). Against this backdrop, Pernicka and Hefler (2015: 52) conclude that “labour and business actors have contributed to an institutional conversion of Social Partnership towards new purposes in an internationalised context.” However, the right-wing coalition between ÖVP and FPÖ also demonstrated that, beyond its institutional foundations, Austria’s corporatism relies on a normative commitment to the principles of Social Partnership.

Figure 2: Union density in Austria over time, by private and public sector employment



Source: OECD/AIAS ICTWSS database; own presentation.

The ÖVP/FPÖ coalition: Disruption of the Social Partnership

Austria's political landscape shifted markedly between 2000 and 2006, when a centre-right coalition of the Austrian People's Party (ÖVP) and the right-wing Freedom Party (FPÖ) assumed power. Unlike all post-1945 Austrian governments, which had consistently upheld Social Partnership and a political culture of compromise, this coalition adopted a confrontational stance towards concertation. The FPÖ even reiterated its long-standing call to abolish compulsory membership in the Chambers (AK and WKO), though no legal changes were ultimately made. Nevertheless, employee representatives saw their influence over public policymaking significantly curtailed during this period. While the government generally restricted both formal and informal avenues of influence for the social partners, employer organisations still maintained access and exerted pressure through their ties with the ÖVP. Consequently, neo-corporatist practices in social policy became rare, with ad hoc or exclusionary policymaking prevailing instead (Obinger & Tálos, 2006).

The financial crisis of 2008

From 2008 onwards, against the backdrop of the global economic crisis, a newly formed grand coalition of the Social Democrats (SPÖ) and the Austrian People's Party (ÖVP) reversed the trend of moderate liberalisation that had characterised Austrian policy in the 1990s and 2000s. Instead, the government actively opposed the dominant international trends of liberalisation, deregulation, and privatisation. Notable measures included the introduction of temporary part-time work schemes to prevent layoffs, the adoption of a youth guarantee for apprenticeships and the establishment of intercompany apprenticeship workshops, improved public procurement regulations to strengthen employment standards, the introduction of an anti-wage and social dumping law, the re-regulation of employment contracts, the creation of a higher, centrally regulated needs-based social assistance scheme aimed at reducing poverty, and the re-politicisation of the central government trust managing public corporate shares, reinforcing its accountability to the government (Lehner, 2017).

These measures, and the Social Partnership arrangements they relied upon, played a crucial role in mitigating the economic crisis's adverse effects on the most affected sectors and in preventing severe consequences for the labour market (Eichhorst & Weishaupt, 2016). Lehner (2017: 213) notes that "the period since 2008 is the only time since the 1970s in which de-liberalising policy measures have outweighed liberalising ones [...]. This was not the case in other Bismarckian welfare states such as Germany and Switzerland." The main explanation for this revival of Austrian neo-corporatism is that the 2008 ÖVP/SPÖ government included several members with previous roles in major interest organisations linked to social partners, strengthening the ties between government and organised interests (Lehner, 2017).

New policy fields: Climate change and digitalisation

It has been noted that the influence of social partners and the relevance of neo-corporatist arrangements in Austria vary across policy fields (Karlhofer, 2007; Michalowitz & Tálos, 2007). In this context, it remains to be seen which patterns of interest mediation will prevail in relatively new areas such as climate change and digitalisation. For climate policy, initial research suggests that despite general trends towards pluralisation, "a strong persistence of neo-corporatist advisory patterns" continues to shape decision-making (Hermann et al., 2015: 353). Some scholars have even argued that neo-corporatist structures in Austria have significantly contributed to stagnation in renewable energy production and to resistance against adopting more ambitious greenhouse gas reduction targets (Brand & Pawloff, 2014).

Research on the effects of digitalisation on neo-corporatism and the strategies of social partners in this area remains limited. One case that attracted significant public attention was the public employment service's (Arbeitsmarktservice) introduction of a software algorithm to stratify

access to further education and training measures. Although the social partners (government, employer, and worker representatives) hold equal representation on the public employment service’s board, worker representatives were unable to agree on a common position regarding the algorithm’s implementation and ultimately abstained from voting (Müller, 2022)—thereby forgoing the opportunity to shape how digitalisation would affect unemployed individuals. In another case concerning platform-based personal transport services, Pernicka (2022) found that neither the platforms nor the government succeeded in achieving the intended liberalisation of the sector. Instead, it was the social partners who played a decisive role in structuring the regulatory framework for this sector.

Having discussed the macro-level characteristics of Austria’s labour market and the transformed yet resilient institutions of social dialogue, we now turn to the sector-specific political economy dynamics across the four sectors we focus on in this project. Specifically, the following section maps sectoral structures, past and potential future disruption and transformation trajectories, and core governance and industrial relations patterns across automotive production, energy production, long-term care, and on-demand transport/taxi services.

2. OVERVIEW OF SECTOR-SPECIFIC DYNAMICS

2.1 Automotive production

Overview of the sector and key characteristics

The automotive industry is one of Austria’s most important industrial sectors, comprising the entire value chain from engineering services, metalworking, and metal processing to electronics manufacturing (Enderle, Nowak & Kvas, 2012). In terms of production, the industry remains heavily dependent on internal combustion engine (ICE) technology. Industrial policy interventions in Austria do not provide support for the “exnovation”¹ of the ICE but largely support electric cars (and mobility as a service) as an addition to the ICE (Pichler, Krenmayr, Schneider & Brand, 2021).

The Austrian automotive industry can be classified as a supplier industry, also known as an intermediate node or semi-periphery. There is only one company, the Magna Group, that produces complete cars in Austria. The other companies are either suppliers for Original Equipment Manufacturers OEMs (e.g., BMW, PSA) or are subsidiaries of large transnational supplier corporations (e.g. Bosch, ZKW). Almost 70% of employees in the automotive supplier

¹ The process of terminating a practice, or the use of a technology or product, within an organization, community, or society (Heyen et al., 2017)

industry work for subsidiaries of transnational corporations. Hence, the Austrian automotive industry is highly export-oriented and externally dependent, especially on the German automotive industry. Despite the high level of external dependency, Austria has a different position than similarly positioned countries due to its high R&D share (Pichler et al., 2021). More than 70% of supplier companies offer local R&D services (PwC, 2018). Although the Austrian automotive sector has strong, innovative companies and a qualified workforce, its supplier status limits its domestic decision-making power (Pichler et al., 2021). The industry is located in three geographical clusters: Upper Austria, Styria, and Vienna (including Lower Austria), supported by strong collaboration with universities in each cluster (Grillitsch & Trippl, 2014).

The Austrian automotive industry is a growing sector with high economic significance. Over the last 20 years, production volume has tripled, while employment has increased by about 55% since 2000. The Austrian automotive industry ranks fourth in the EU in terms of operating revenues, accounting for about 3.5% of total EU operating revenues (Pichler et al., 2021). In 2019, Austria's automotive industry employed approximately 35,700 people directly, contributing €9.2 million to the gross value added (8% of total industrial value). Including indirect employment, the sector supported around 212,000 jobs. The industry is highly export-oriented, with an export quota of about 90%, primarily serving European partner countries (Meyer, Friesenbichler & Hirz, 2021), especially for OEM Volkswagen. A recent study estimates that between 3,600 and 10,900 jobs are directly dependent on Volkswagen, with a most likely point estimate of 6,300 jobs (Devetak, Bartuska, Haussteiner, Heiler, Hess, Friesenbichler, Gerschberger, Picatto & Klimek, 2024). Furthermore, besides automotive suppliers, many other branches of industry are directly or indirectly linked to the automotive sector as an integral part of upstream and downstream production steps (e.g., the chemical, textile, and recycling industries) (Enderle, Nowak & Kvas, 2012).

Historical developments of the automotive industry in Austria

Austria has long been present in the automotive parts industry, starting at the turn of the twentieth century, first by individual private business people and later by the military during World War I (Blasi, 2017), and eventually expanding into both public and private manufacturing. The turning point in the industry's contemporary history came in the late 1980s. The automotive industry, as part of the overall manufacturing sector, experienced a crisis in the 1970s and 1980s due to overspecialization, fragmentation, a lack of cooperation, and a weak capacity for development adjustment. The region of Styria suffered considerably and was consequently labelled an 'old' industrial area. The industry managed to recover between 1986 to 1996 thanks to intensive restructuring via policy reform, sectoral institutional building, linkage formation and the development of a collective identity among firms that led towards more technology driven business models, during which period automotive became one of the most promising sectors of the Austrian economy with Styria as the fastest growing cluster (Lengauer, 2010; Tödtling & Trippl,

2003). By the early 2010s, the automotive industry had become the second-largest manufacturing sector in the country, after machine building (Grillitsch & Trippl, 2014).

EU integration in 1995 also helped the Austrian automotive industry better integrate into supply chains. However, with the Eastern enlargement, it also added competition pressures from the establishment of suppliers in Central and Eastern European Member States. In the 1990s, as part of the restructuring, Austria saw an increase in Tier 1 and Tier 2 suppliers, providing international OEMs with a wide range of automotive parts. Their portfolio changed over the years from the production of single components to complete systems and devices (e.g., driveline systems, engines), including in-house R&D activities. To preserve their competitiveness, they focused on specialised, niche areas of production, such as high-quality engineering and contract manufacturing.

In the 2000s, there was a further increase in the number of suppliers, which helped consolidate Austria's position as a stable semi-periphery, with 90% of the industry becoming export-oriented. Yet, due to their continuous development in diversification, technological change, integration of external knowledge sources, new (service-oriented) business models, as well as the emergence of Canadian-Austrian companies like Magna Steyr, which produces complete cars as contract manufacturers, they continue their growth as upper semi-periphery (Pichler et al., 2021; Szalavetz & Sass, 2023).

In the 2010s, the industry began shifting towards electrification and sustainability, with increased investments from companies like AVL and Magna in electric drivetrain components, battery technology, electric vehicle (EV) platforms, and hybrid systems. There has also been increased use of green technologies, with the focus shifting towards the production of lightweight materials, fuel efficiency, and low-emission production processes. Innovation has been continuously supported by strong cooperation with R&D centres, which have helped Austria maintain a skilled, engineering-focused workforce.

The main disruptions in the industry have been the global financial crisis that began in 2008-2009, which led to a sharp drop in vehicle demand, supply chain disruptions, and investment freezes. Likewise, the so-called "Dieselgate scandal" brought about consumer distrust and led to tougher testing and compliance measures (Baumgartinger-Seiringer, Fuenfschilling, Miörner & Trippl, 2022). The COVID-19 pandemic in 2020–2022 also brought severe production halts, labour shortages, and component supply issues (notably semiconductors). Finally, the recent inflation and rising energy prices since 2022 have strained profitability in the industry.

Industrial relations in the Austrian automotive industry

As of 2017, the overall trade union density in Austria was approximately 26.7%, with a slight increase to about 28% in subsequent years, but considering the high levels of unionisation in the manufacturing sectors, it can be assumed that the density could be higher in the automotive industry (ETUI, 2016). Collective bargaining coverage is estimated at 95-98%, primarily attributed to the Austrian sectoral-level binding collective bargaining system and the mandatory membership of employers in the Austrian Chamber of Commerce (Wirtschaftskammer Österreich, WKÖ) and the sector's alignment with the metalworking industry, which often leads to wage negotiations that influence agreements across related sectors. PRO-GE (the union for production workers) negotiates industry-wide collective agreements covering wages, working hours, and conditions for the metal and automotive sectors in Austria.

The main instances of industrial action in the last 30 years have been on typical collective bargaining issues such as pension reform and wage negotiations. The most significant example of collective action was the nationwide industrial action over the pension reform in 2003, which saw 1 million workers going on strike and demonstrating. These reforms aimed to increase the effective retirement age, lengthen the contribution period, and reduce future pension entitlements, particularly affecting younger workers, and were passed with minor revisions despite the high workforce mobilisation. In 2012, the metal workers went on a warning strike for the first time after 25 years to put pressure on employers on the percentage of wage increases for the following year. Other warning strikes occurred in 2018, organised by PRO-GE and GPA on behalf of the metal technology workers after wage negotiations broke down. More recent warning strikes were also organised by metal workers in 2023, again in support of their wage negotiations. In less contentious relations, one recent example of the cooperation between unions and employers in the automotive industry relates to the introduction of short-time work as a measure to mitigate short-term fluctuations in employment caused by temporary economic difficulties of the 2009 financial and economic crisis (Wöss, Reiff and Gruber, 2016), as well as again during the COVID-19 pandemic.

A key instance of industrial action in which job cuts were at stake involved the MAN Truck & Bus Österreich AG plant in Steyr, part of the Volkswagen Group. It was announced that the facility would close by the end of 2023, putting approximately 2,300 jobs at risk. The plant's closure was part of a broader restructuring plan by the Volkswagen Group, aiming to cut over 9,500 jobs across several countries, including Austria. The plan was announced in September 2020, and protests, strikes, and other forms of industrial action unfolded between 2020 and 2021 (ÖGB, 2020). In 2021, the unions organised a petition, and the company's works council entered negotiations to save the factory and defend workers' jobs. A takeover bid by an Austrian company, WSA Beteiligungs GmbH, was met with resistance from the workers. A ballot held in April 2021 showed that about 64% of workers rejected the proposal due to fears of wage cuts and job losses (Kemper, 2021). In June 2021, MAN agreed to sell the plant to WSA, finalising the

transfer by the end of August and renaming the factory to Steyr Automotive GmbH. The final agreement resulted in significant restructuring: roughly 1,250 to 1,500 workers were retained, while around 700 to 1,000 lost their jobs. A social plan was implemented to support those laid off, including a transfer bonus of up to 10,000 EUR or voluntary severance packages for those who did not want to transfer. However, the remaining employees also faced consequences, including wage reductions of 15% to net salary for blue-collar workers and 10% to gross salary for white-collar workers (Traktuell, 2021). Under Steyr Automotive, the plant shifted toward new projects, including contract production for MAN, the manufacture of plastic components, and the production of electric trucks for clients like Volta Trucks. While the transition involved painful concessions, it initially preserved a substantial portion (nearly two-thirds) of the workforce and allowed Steyr's long-standing truck production capabilities to survive in a new form focused on innovation and electrification (Ungerboeck, 2021).

Social Partnership and green transformation

The position of the Austrian unions towards environmental concerns has, until recently, been characterised by general opposition. However, there have been some initiatives, which, according to previous research, have primarily been directed towards ecological modernisation rather than social-ecological transformation (Brand & Niedermoser, 2019). Austrian trade unions' defensive-to-ambivalent attitudes towards progressive climate policies and strategies have been explained by "climate-political corporatism". This means that the corporatist model of social dialogue makes Austrian industrial relations more consolidated and stable. Still, in the case of climate policies, this becomes a deterrent, as employer and employee organisations tend to act together against new, binding climate policies that would reshape the sector (Brand & Pawloff, 2014). Such ambivalence or disinterest from the unions is explained by the framing of climate issues predominantly in terms of effects on 'humanity' and 'lifestyle' rather than 'modes of production', which, for unions, has made it a private issue rather than a labour rights matter. Resistance to the green transition, on the other hand, stems from the potential negative implications of green transformation for production and the workforce, including job loss, job (in)security due to retraining needs, and possibly the disappearance of industries (Soder, Niedermoser & Theine, 2018). Furthermore, trade unions' social-ecological competences and structures would require further development to improve their position and participation in public and political debates on climate policy (Brand & Niedermoser, 2019).

Zooming in on the automotive industry, unlike other industries, the automotive production sector is projected not to disappear but to be transformed. Based on extant work, conversion to production of new goods by suppliers in the industry is recommended (Götz & Hahne, 2019). Previous qualitative research finds potential and willingness among employees towards such changes and conversions to new goods in Austria, although initiatives to that effect are rarely embraced by management (Blöcker et al., 2020; Wissen et al., 2026).

Finally, in a study conducted by the Chamber of Labour (AK), such bridging of issues related to transformations is shown to be potentially a way that could serve as entry points for the union movement in Austria to include working time reduction and acknowledgement of the necessity to democratise the control of production (Keil, 2021). Another attempt to re-direct union rhetoric, for instance, has been shifting from ‘cars for all’ to ‘public transport for all’ statements and their ongoing resistance to the privatisation of public transport, which, considering the importance of the automotive industry in the country, is quite essential as a public stance by the unions when it comes to the future of work and production potential in the sector (Segert, 2017).

2.2 Energy production

Overview of the sector and key characteristics

Currently, Austria produces most of its electricity from renewable sources. As of 2023, hydropower dominated (55%), followed by wind (13%), solar (9%), and bioenergy (4%), while fossil fuels, particularly natural gas (16%), still play a role (Statistics Austria, 2023). Importantly, Austria does not have a large share of carbon-intensive energy production, yet it still relies on thermal power plants that use mainly coal and gas. The country had limited domestic brown coal resources, but production ended in 2006 (Euracoal, 2012)², and it currently meets its demand through imports from Poland and the Czech Republic. Likewise, although Austria is not a major producer of natural gas, it has domestic reserves used for energy production, while the rest is imported (Energy Policies of IEA Countries: Austria).³ Thus, Austria’s energy policy, by and large, is to diversify its imports and promote domestic energy production from sustainable sources.

Regarding reducing carbon emissions in production, Austria already has a large share of renewable energy, with almost 75% of its electricity coming from domestic sources. Hydropower is a traditional and well-established energy source. However, the share of hydropower has declined since the 1990s amid increased electricity demand and the expansion of other renewable energy sources (Energy Policies of IEA Countries: Austria). As the potential for large hydropower plants is largely exhausted, Austrian policy focuses on promoting “new” renewable energy sources, such as wind, biomass, and photovoltaics, and also supports small hydropower plants (Lofstedt, 2008). The conditions for wind power are somewhat unfavourable in most of Austria. Yet, the share of wind power is expected to increase in the future, and there are still unused areas suitable for the building of wind turbines (Gass et al., 2013). Although feed-in tariffs

² For the full report, see here: <https://public.euracoal.eu/download/Public-Archive/Library/Annual-Reports/EURACOAL-Annual-Report-2012.pdf>

³ For the full report, see here:

https://www.oecd.org/content/dam/oecd/en/publications/reports/2008/03/energy-policies-of-iea-countries-austria-2007_g1gh7edb/9789264030770-en.pdf

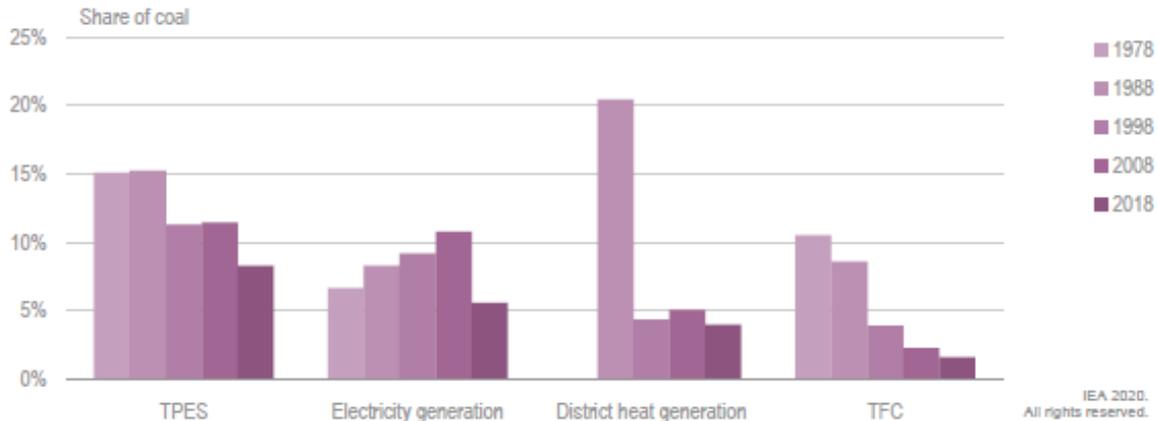
support wind turbine installations, the costs of wind power remain high. In addition to construction costs (which account for about 75% of the total investment), there are high operating and maintenance costs.

The share of solar power in electricity generation is even lower than for wind power. However, solar power is often used as a complementary heating source in residential buildings. One of the rapidly expanding resources is biomass, a by-product of the wood industry. A large part of Austria is covered by forests, creating favourable conditions for biomass production. In the last decades, the forest-based industry, strongly interconnected to biomass production, accounted for about 3% of GDP and 9% of exports (Schwarzbauer et al., 2013). However, to meet its 2020 targets, Austria needs to expand its biomass production, which is expected to make a considerable contribution to renewable energy sources. It is likely that there will not be enough waste wood to meet the energy sector's demand, which might lead to rising prices for wood products in Austria. Further agricultural biomass production is then necessary to reach Austrian policy goals. On the other hand, the Austrian wood industry is flexible enough to withstand even a severe global economic crisis and therefore has strong future potential (Schwarzbauer et al., 2013).

The coal phase-out and its consequences

After World War II, Austria experienced a systemic transformation of its energy mix. The shift away from coal was driven by the depletion of domestic coal resources and the need to reduce dependence on imported energy. Instead, the country increasingly relied on hydropower and other domestic energy sources. Hydropower, a renewable and environmentally friendly energy source, has been the cornerstone of Austrian energy policy since the 1970s and remains so today. In the post-war period, significant investments in energy infrastructure, especially in hydropower development, have been made. The construction of dams and the expansion of hydropower plants significantly strengthened the country's energy supply. At this time, domestic oil production also began to play a role, although most of the demand continued to be met through imports. Thus, from the 50s until the end of the 70s, the most critical transformation affecting energy production in Austria was the coal phase-out in favour of hydropower. In recent decades, coal's role in Austria's energy production has steadily declined, demonstrating a clear, gradual shift (see Figure 3).

Figure 3: Share of coal in different energy supplies, Austria (1978-2018)



Notes: TPES: total primary energy supply; TFC: total final consumption.

Source: IEA (2020), “World energy balances”, IEA World Energy Statistics and Balances Database

However, while the coal phase-out was underway, the increasing reliance on petroleum products during this period proved problematic. The oil crises of 1973 and 1979 revealed Austria's vulnerability due to its dependence on oil imports, prompting a pivotal shift in energy policy and debates. Perhaps the most illustrative example of this issue was the debate and the political “crisis” over the planned opening of the Zwentendorf nuclear power plant, which was rejected in a 1978 referendum. This decision marked a turning point and increased political and social pressure to expand renewable energies, especially hydropower. Historically, Austria was among the earliest countries to abolish nuclear power. There has been an active green lobby since the 1970s that managed to place the nuclear opposition under a nationwide law, which will be explored further below. Therefore, there is no active nuclear power plant or potential for the future in Austria, like the movements in the 1970s and 1980s in Switzerland and Germany (Lofstedt, 2008). Opposition to nuclear energy reflected the growing environmental movement and concerns about nuclear safety, while also highlighting multiple sides of the issue from the perspective of industrial relations actors.

Austria's nuclear power debate: The role of industrial relations, corporatism and the case of Zwentendorf

The Austrian rejection of nuclear energy in the late 1970s, culminating in the 1978 referendum that halted the operation of the Zwentendorf nuclear power plant, represents a historical case that illustrates the frictions between corporatist state structures, industrial actors, and an emerging civil society committed to participatory and ecological politics. The process reflected not only environmental concerns but also more profound institutional and political transformations within Austria's post-war democratic framework.

Austria's political landscape in the 1970s was dominated by strong neo-corporatism, i.e., consensus-driven governance between state institutions and organised interests, particularly the social partners: the Austrian Trade Union Federation (ÖGB) and the Federal Economic Chamber (WKO). These actors were integral to the formulation of economic and energy policy, and they largely supported nuclear development as a path toward modernisation, job creation, and Austria's energy independence (Pelinka, 1983). Along with the SPÖ spearheading and the ÖVP supporting (at first), this consensual alignment proved ill-equipped to respond to emerging societal concerns from the public movement opposed to nuclear energy. While a tripartite consensus seemed to have favoured nuclear energy in Austria politics via its Social Partnership model, the “closed policy-making” at the time is argued to exclude alternative voices and delayed the development of a more participatory political culture, which led to the tensions to grow, ultimately leading to the collapse of the project and loss of the public support (Gottweis, 1990).

From the trade unions and SPÖ's perspective, the industrial rationale behind nuclear power was tied to projections of increasing job prospects, which aligned with a pro-nuclear position advocating for the jobs and technological prestige associated with the plant. Yet, the trade unions and workers began to face internal divisions as rank-and-file concerns over health and environmental risks grew. From the employers' perspective, reducing Austria's energy dependency and meeting domestic electricity demand were favourable, as illustrated by the formation of the Gemeinschaftskernkraftwerk Tullnerfeld Gesellschaft (GKT) in 1970 by the national utility and provincial energy companies to construct and operate the Zwentendorf plant (Patterson, 1979).

The turn against nuclear power was underpinned not solely by technical debates but by the politicisation of knowledge, public mistrust, and the emergence of new social movements. Public opposition first crystallised around the area of the proposed second plant in Upper Austria, with local citizen groups collecting over 60,000 signatures against it as early as 1975 (Hirsch & Nowotny, 1977). The 1976 government-led information campaigns, "Informationskampagne Kernenergie", backfired, intensifying contestation rather than diffusing it. Critics perceived it as biased and top-down, exacerbating the sense that decisions had already been made by elites (Hirsch & Nowotny, 1977). Despite substantial state and industrial backing for the pro-nuclear campaign, the referendum was narrowly defeated, with 50.5% voting against the plant's activation. This result revealed deep fractures within Austria's traditional party-aligned electorate (Pelinka, 1983).

The referendum not only halted Austria's nuclear program but also signalled a structural transformation in its political culture. Gottweis (1990) notes that the anti-nuclear mobilisation catalysed broader challenges to the corporatist order, fostering new social movements and participatory democratic politics. This shift was institutionalised through the 1978 Nuclear Ban

Act and the 1999 Federal Constitutional Act for a Nuclear-Free Austria (OECD, 2003), formally embedding the socio-cultural anti-nuclear sentiment into Austria's legal and constitutional framework.

Privatisation of energy production: A new era in the energy sector and social dialogue

The 1990s marked the beginning of structural changes in Austria's energy sector. Liberalisation and privatisation of the electricity market began in 1998, in alignment with EU internal market rules. As part of the efforts to support renewable energy production, public subsidies were introduced to promote wind and solar power. Indeed, even before joining the EU in 1995, Austria began to align its energy policy more closely with European standards and guidelines. EU accession brought additional momentum for integration into the European energy regime. This presented new challenges, but also significant opportunities to further develop national energy supply and environmental protection goals. With integration into the EU, numerous European directives and regulations were also adopted, forming the basis for far-reaching reforms. One of the first and most significant changes came in 1996 with the EU Internal Market Directive for Electricity, which was transposed into national law in 1998 through the Electricity Industry and Organisation Act (ElWOG). This law led to the gradual liberalisation of the electricity market. In 1999, the electricity market was opened to wholesale consumers, a significant step toward greater competition and potential efficiency. Finally, on October 1, 2001, the electricity market was fully liberalised, making Austria one of the first EU countries to implement this comprehensive reform. This liberalisation led to increased competition, which benefited consumers by stabilising prices and improving service quality.

In the early 2000s, the Green Electricity Act (Ökostromgesetz) supported investment in renewable energy, and Austria increasingly focused on domestic production of these renewables. The Green Electricity Act promoted investments in wind, hydroelectric, biomass, and solar energy through fixed feed-in tariffs. In 2004, unbundling was implemented, separating grid, generation, supply, and sales. This measure enabled smaller providers to enter the market without being at a disadvantage compared to established companies. Independent regulatory authorities such as E-Control were also established to ensure fair market conditions and protect customer interests.

The liberalisation of Austria's energy production sector unfolded primarily between 1996 and 2005. While it was not synonymous with complete privatisation, it has brought market logics and competition pressures into the industry, leading existing energy producers to undergo profound structural changes. For instance, despite partial privatisation, the state retained significant ownership in firms like Verbund AG. Larger state-owned companies, such as Verbund AG, adapted to the new environment by expanding their renewable energy portfolios and operating in competitive EU-wide markets. Between 2001 and 2005, smaller municipal utilities (Stadtwerke)

either merged, formed cooperatives, or specialised in niche energy services to survive in the liberalised market. Overall, the introduction of competitive markets marked a clear departure from vertically integrated monopolies (Hofbauer, 2006; E-Control, 2003).

Privatisation and liberalisation triggered major restructuring across energy firms, leading to changes in employer structures and diversification, shifts in the workforce, and potential industrial relations challenges. Research showed that following the privatisation of the Austrian energy production sector, there were employment reductions, increased outsourcing, and the erosion of previously secure public-sector job protections. While unionised workers in large firms retained collective bargaining coverage, new entrants and subcontractors experienced precarious conditions (Hofbauer, 2006). Work intensification and managerial pressure increased, especially in formerly public sector jobs. In this respect, from the late 1990s to the early 2000s, ÖGB opposed job losses from restructuring and demanded employment protection clauses in energy law reforms. Likewise, AK published critical reports warning of rising inequality, job insecurity, and the replacement of state coordination by regional monopolies. Since 2005, industrial relations actors have evolved from resistance to conditional support, framing liberalisation as acceptable only when paired with equitable labour and social protections (Truger, 2017). As liberalisation was coupled with growth in renewable energy production, unions have also begun advocating for just transition measures and the retraining of fossil fuel workers. Cooperation of trade unions with the climate movement grew stronger during this period (WIFO, 2014).

Greening energy production in a privatised environment

The coupling of privatisation as a potential pathway for better climate mitigation measures is expected to lead to further structural shifts in the sector, which is why trade unions and AK bargain for re-evaluation of employment frameworks to support essential, decarbonised work (Hoffmann & Spash, 2021). Environmental NGOs and local governments emerged as new actors post-2015, supporting energy communities and regional autonomy in energy planning (Vogler & Wittmayer, 2024; Dobravec et al., 2021).

Privatisation also clearly reshaped Austria's corporate energy landscape. The Austrian Chamber of Commerce (WKO) initially strongly advocated liberalisation and praised market efficiencies, but expressed concern about rising regulatory burdens in the renewables era. Large incumbent companies like Verbund and EVN adapted by vertically unbundling and investing in renewable portfolios. Smaller regional utilities either consolidated or shifted to niche roles (Brand & Pawloff, 2014). Between 2001 and 2010, market volatility and EU market coupling increased pressure to modernise infrastructure and reduce costs. By the 2010s, most firms were engaging in green investments but faced barriers due to infrastructure limitations and regulatory uncertainty (Geyer et al., 2021).

For consumers, liberalisation brought limited immediate price advantages. Studies showed low switching rates until the mid-2000s, due to limited transparency and consumer inertia (E-Control, 2003). After 2010, decentralised initiatives such as energy communities offered more control and reduced costs for proactive users. However, energy poverty rose among vulnerable households, particularly in rural and low-income urban areas (Vogler & Wittmayer, 2024; Dobravec et al., 2021). Throughout the 2000s, AK (Chamber of Labour) studies criticised energy price volatility and urged stronger consumer protections (Steuer & Clar, 2015).

2.3 Long-term care services

Overview of the sector and key characteristics

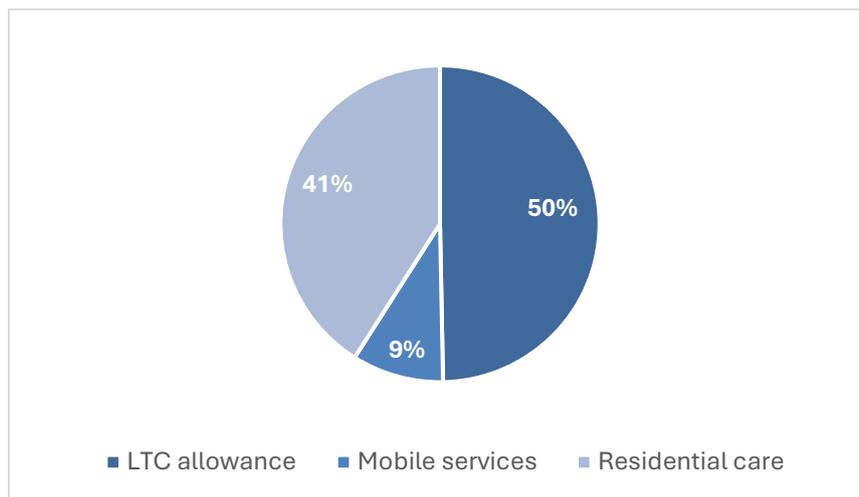
Describing the long-term care sector in Austria is complex due to fragmented legal frameworks, governance structures, and its relatively recent emergence as a latecomer in social policy development. However, the sector has seen a significant rise in importance and recognition, emerging as a distinct area between the long-established healthcare (social security-based) and social assistance-based social care since the 1990s.

In particular, the introduction of a universal, non-means-tested, long-term care allowance in 1993 contributed to rising awareness, facilitating individual support. The Independent Living Movement of Persons with Disabilities at Working Age promoted equal opportunities by streamlining LTC allowances across social assistance schemes and, for pensioners, based on the “war veterans scheme”. This cash-for-care policy aimed to compensate for the flat-rate benefit for care-related expenditures and to allow beneficiaries to purchase services or pay for care in residential facilities. Rather than investing in services and facilities, state policies to expand cash benefits assumed that beneficiaries’ purchasing power would incentivise providers to offer services responding to customers’ needs and expectations. However, this policy goal needed to be underpinned by additional incentives.

Building on the cash benefits pathway, the Austrian government signed a state treaty with regional governments, which are constitutionally responsible for social care, to increase the quantity and quality of long-term care services. In turn, the federal state would ensure funding of the LTC allowance from general taxes (Österle & Bauer, 2012). In the following years, however, this reform triggered a range of unforeseen consequences, both surprising and anticipated, given the political, cultural, and economic context of the Austrian welfare state. One contributing factor to such unintended consequences is that, over the past few years, there has been almost no change in the number of residents in care homes or in home care services. This was in stark contrast to the political rhetoric endorsing ageing in place and the expansion of community care. Today, half of public budgets continue to be spent on residential care (about 90,000 people per

year), while only 9% are spent on mobile services, which serve about 155,000 clients per year (Figure 4). Admittedly, large parts of the LTC allowance (41% of total public expenses) serve to support ageing in place for most of the 490,000 beneficiaries (2024), facilitated, however, by more than 900,000 unpaid informal carers (and by 56,000 paid live-in carers) with relatively low financial support from public budgets.

Figure 4: Structure of public expenditures for long-term care in Austria, 2023



Source: Authors' compilation based on Statistics Austria, Pflegedienstleistungsstatistik, 2025.

Other indicators show that the increasing expenditures are used only to maintain service delivery levels, rather than to strengthen the LTC system towards person-centred care in the community. Table 2 shows changes over recent years in service provision, staffing, and expenditure on mobile services and residential care. The Austrian care system remains dominated by cash benefits and a strong focus on residential care: 20% of those in need of care are living in care homes, 80% are living at home, around 40% of them supported by mobile services (on average, not even 2 hours per week), and about 6% by live-in personal carers.

Table 2: Key indicators of LTC service provision, changes from 2018 to 2023

Indicator	Change 2018-2023	2018	2020	2022	2023
Mobile services					
Hours of services provided	-4,2%	16 549 526	16 403 520	15 873 875	15 878 136
Care workers (FTE)	-0.1%	12 547.4	12 806.0	12 718.0	12 530.7
Clients per year	1.2%	153 486	151 582	150 947	155 338
Gross expenditures	20.6%	638 425 807	699 492 789	724 759 756	804 202 803
Out-of-pocket payments	5.6%	130 078 922	126 725 181	133 180 130	137 863 856
Other income	14.4%	80 876 941	86 806 253	88 834 227	94 487 077
Net public expenditures*	25.2%	427 469 945	485 961 355	502 745 399	571 851 870
Residential care					
Days charged	-1.0%	25 148 481	25 225 948	24 787 252	24 907 896
Care workers (FTE)	8.4%	35 379.6	36 558.4	37 625.7	38 619.9
Residents per year	0.4%	95 100	95 263	96 231	95 462
Gross expenditures	25.0%	3 166 287 167	3 536 875 076	3 779 699 556	4 220 324 361
Out-of-pocket payments	18.4%	1 274 053 557	1 376 912 744	1 432 863 272	1 560 913 382
Other income	32.9%	92 659 709	99 478 834	126 446 146	138 149 317
Net public expenditures	28.6%	1 799 573 901	2 060 483 497	2 220 390 138	2 521 261 662
LTC Allowance					
Beneficiaries	3.7%	459 333	467 136	468 942	476 228
Expenditures	16.5%	2 621 662 795	2 712 437 025	2 796 226 323	3 055 484 059

Source: authors' compilation based on Statistics Austria, Pflegedienstleistungsstatistik, 2025. Note: *) Net public expenditures are gross expenditures minus out-of-pocket payments by users/residents, and other income such as VAT refund.

One reason for these staggering, complicated dynamics of policy change is the shortage of workers and other key personnel in the LTC sector. Compared to the period of employment growth until 2017-2018, the number of LTC workers remained roughly stable, leaving many residential care providers to deal with staff shortages and closed wards, exacerbated by the COVID-19 pandemic. Importantly, given its tradition as a conservative and family-based welfare system, social services were historically underdeveloped and mainly provided by voluntary non-profit organisations, e.g., the Red Cross and others affiliated with political parties or churches. The leading provider of care has been families, in general, wives, daughters, and other next of kin. Implicitly, the LTC allowance thus became compensation for informal carers, in some cases even an incentive to quit the labour market (at higher levels, it can compete with an average wage).

According to recent projections, more than 50,000 additional care workers will be needed by 2030 and up to 120,000 by 2040 to compensate for retiring staff and address rising needs (Juraszowich et al., 2023). This forecast, however, does not account for the potential reduction in live-in care arrangements. Moreover, the sector has been declining over the past few years, a trend that is likely to continue as household incomes in the source countries of live-in carers are steadily rising (Leichsenring, 2024). To counter these developments, general recommendations and related measures include increasing the number of education and training spots, recruiting from third countries, offering higher wages to attract the workforce, improving the delivery of services, and strengthening preventive interventions. All these efforts, however, would require additional financial resources and investments that are also linked to ethical and environmental questions, e.g., regarding the situation in source countries of migrant care workers and the environmental costs of travelling (e.g., for migrant live-in carers).

Modernisation of LTC services over time and the emergence of social partnership in the social economy

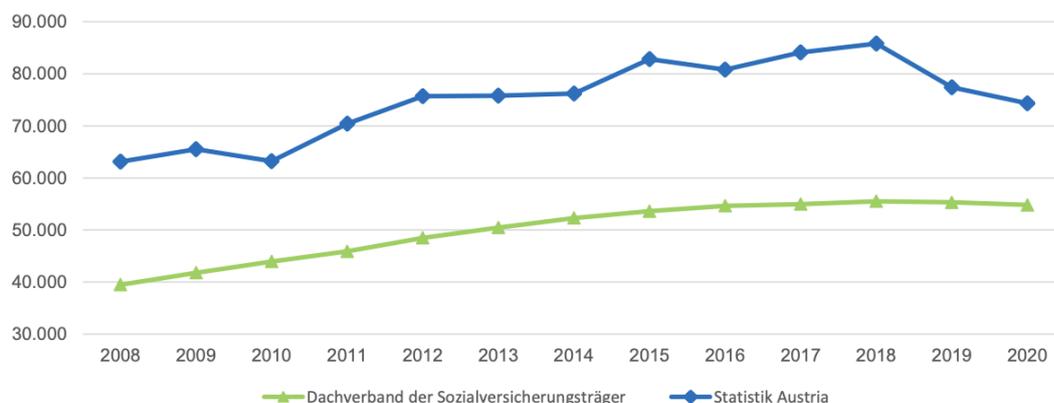
The LTC reform in the 90s created an atmosphere of sharp departure from the existing LTC services and the various non-profit organisations, with significant regional variations still evident. In the context of the “New Public Management” paradigm, funding arrangements and job and task descriptions became more structured, and new providers emerged as for-profit organisations, mainly in residential care. Non-profit organisations needed to adapt, modernise and disentangle their relations with political or church-based hierarchies, and tried to deal with new paradigms of choice and competition.

A complex process over many years eventually led to the gathering of more than 600 non-profit organisations in a joint employers’ organisation under the title “Sozialwirtschaft Österreich”. It was only then, in 1997, that they were able to enter the Austrian system of social partnership as a single voice of the “social economy” and negotiate a collective bargaining agreement with their union counterparts (vida and Union of Private Employees), which came into force in 2004. Although this agreement covered most employees in LTC, there were many other collective bargaining agreements in the sector, depending on the type of provider, e.g., public employees have specific contracts, or professions. These arrangements explain the relatively high unionisation rate of LTC workers in Austria. According to the NORDCARE survey in 2017 across three Austrian regions (n=1,024), about 40% of LTC workers registered as union members were employed in public and non-profit organisations, but this rate dropped to 24% in for-profit organisations (Bauer et al., 2018: 27).

Growing employment and a sector in high demand

Following consecutive reforms and the increasing need for LTC, there has been a steady rise in employment in long-term care until 2018, which is significantly above the average increase in employment (Figure 5; see also Table 3 by region).

Figure 5: Development of the number of employees in the long-term care sector, 2008-2020



Source: AMS (Public Employment Service), 2023.⁴

Table 3: Employees in long-term care services, full-time equivalents (FTE) and head count (HC), 2023

Province		Total	Mobile services	Day-/night care facilities	Residential care facilities
Burgenland	FTE	1 604	453	18	1 133
	HC	1 909	503	57	1 349
Carinthia	FTE	3 479	883	38	2 558
	HC	4 991	1 615	58	3 318
Lower Austria	FTE	7 963	2 876	23	5 064
	HC	10 283	4 030	35	6 218
Upper Austria	FTE	7 157	1 202	90	5 865

⁴ LTC services are assigned to both ÖNACE Q Health and social work and public administration (ÖNACE O). The umbrella organisation of social insurance institutions records employees according to the assignment of employers or companies to the corresponding sector. Another source of data is the labour force survey conducted by Statistics Austria, which records the workplaces of the persons surveyed and allocates them to the corresponding sectors. Both data sources therefore report different employment levels, but both show an above-average increase in employees in this sector over the past 10 years. Since 2008, the increase amounted to 39%, with a particularly significant rise in the care home sector, with +164% (total increase in employment 2008-20: +9.7%). Statistics Austria recorded around 74,300 employees in old-age and nursing homes (ÖNACE Q 877) and recorded around 74,300 salaried employees on average in 2020 (81% female). The increase in employment since the year 2008 was around 18%.

	HC	10 350	2 130	176	8 044
Salzburg	FTE	3 207	866	50	2 291
	HC	4 622	1 386	130	3 106
Styria	FTE	9 781	1 482	83	8 216
	HC	12 865	2 750	121	9 994
Tyrol	FTE	4 357	888	118	3 351
	HC	6 638	1 777	350	4 511
Vorarlberg	FTE	1 995	648	48	1 299
	HC	3 829	1 858	131	1 840
Vienna	FTE	12 766	3 554	159	9 053
	HC	14 640	4 487	208	9 945
Total	FTE	52 308	12 851	627	38 830
	HC	70 128	20 536	1 267	48 325

Source: Statistics Austria, 2024, Pflegedienstleistungsstatistik. Note: FTE: Full-time equivalent; HC: Headcount. Total excludes about 1,000 employees (HC) in other LTC services (e.g., alternative housing, case and care management) that are not systematically reported across regions.

As of 2024, the share of employees in the LTC sector is about 1.6% of the total labour force (Table 4) with dozens of different professional profiles and skills ranging from household chores (home help, cook, cleaner etc.) and administration to various forms of therapy as well as nursing assistance, advanced nursing, community nursing, social work, case management etc. Importantly, a characteristic of the Austrian LTC labour market is the presence of many self-employed personal carers (see Table 4 below) who are usually not counted as part of the LTC labour force, even though they almost outnumber professionals employed in the formal LTC sector.

Table 4: Share of the long-term care sector in the Austrian labour market, 2023

Total employed (population 15 years and over)	4 483 000
Total number of unemployed	240 900
Number of employees in the long-term care sector (headcount)	70 128
Number of employees in the long-term care sector (FTE)	52 308
Number of registered live-in care workers (personal carers)	56 918
Share of employees in the formal LTC sector (without personal carers)	1.6%

Source: Statistics Austria, 2024, Pflegedienstleistungsstatistik; WKO, 2025.

Rising out-of-pocket payments and the emergence of live-in care in the historical context

Even though the wages of LTC workers were largely protected from competition, from the perspective of the consumers of the services, the “care market” remained guided by the subsidiarity principle, i.e., based on subsidised prices of both services and facilities. This means that users continued to contribute to services with means-tested out-of-pocket payments. Since the LTC allowance was also counted as income, many users initially saw a relatively steep increase in out-of-pocket payments (OOP) and sought alternatives.

A few years before the Austrian LTC reform in 1993, the borders to neighbouring Central and Eastern European countries had become permeable. With the breakdown of the communist regimes, thousands of citizens from the Czech Republic, Slovakia or Hungary became unemployed or found themselves in poorly paid and insecure jobs. Many of them spoke German and used the opportunity to become hired as personal carers by Austrian families with an older person in need of care, or also directly by an adult with a disability at working age. Rather than paying OOP contributions for a few hours of home care or most of their income for a place in a care home, many middle-class families chose this solution to ensure long-term care at home. Usually, one family employed two carers who alternated on fortnightly shifts. This type of do-it-yourself care arrangement was unbureaucratic for both sides, and the services provided were undeclared work. Nevertheless, this so-called “24-hour care” model became increasingly popular for those who needed care.

This model of live-in care with 24-hour carers has been further developed as a significant pillar of the care system since its legalisation in 2007. With the “Home Assistance Act”, minimum legal standards for live-in care have been established – a unique legal framework in Europe (Winkelmann et al., 2015). Despite the legalisation, the employment model stipulated by the law (based on the older Domestic Helpers and Domestic Workers Act's working time regulations) was only implemented in very few cases involving live-in care workers. More than 99.8% of all personal carers (around 95% are female) have chosen the self-employment option, which is also permitted under this Act.

Self-employed personal carers are not subject to any working time regulations but must register with the Austrian Chamber of Commerce (WKO), which also registers approximately 900 placement agencies. Personal Carers heavily rely on these agencies, for which they also must pay corresponding contributions. In addition, subsidies were introduced at the federal level and in selected regions to offset the additional costs of social insurance contributions for these live-in carers. With these regulations, personal care became a successful model against undeclared work in this sector and a steady growth market.

The number of active personal carers reached its peak in 2019, with around 63,000 looking after beneficiaries receiving the long-term care allowance, representing around 6% of beneficiaries. In terms of countries of origin, as of 2024, personal carers from Romania had overtaken those from

Slovakia in proportion. Moreover, evidence also showed that the original 14-day rotation of personal carers was often replaced by a monthly or even three-monthly shift of carers per client, with respective challenges that became visible during the COVID-19 pandemic (Kadi et al., 2023). As of 2024, there were almost 57,000 personal carers active in about 28,000 families (see Table 5 for regional breakdown and total in Austria).

Table 5: Active Personal Carers and brokering agencies registered at the Austrian Chamber of Commerce, by region, 2024

Branch	BGL	CT	LA	UA	SBG	ST	TY	VBG	VIE	Austria
Self-employed Personal Carers	3 318	2 895	16 324	7 907	1 583	11 535	2 289	3 357	7 710	56 918
Organisation of Personal Care (agencies)	54	70	232	126	30	210	45	21	139	927

Source: WKO, 2025. Note: BGL=Burgenland, CT=Carinthia, LA=Lower Austria, UA=Upper Austria, SBG=Salzburg, ST=Styria, TY=Tyrol, VBG=Vorarlberg, VIE=Vienna.

Investments, rising costs and professionalisation in the sector

The number of beneficiaries of the Austrian LTC allowance has grown steadily from about 250,000 in 1995 to almost 480,000 in 2023, representing about 5% of the population. Therefore, public expenditure on this policy also increased at the federal and regional levels. For many years, the level of benefits had not been indexed, so beneficiaries' purchasing power declined significantly. For regional governments that expanded LTC services and facilities, this implied a double challenge – facing the so-called Baumol's cost disease in (care) services, and the reduced income from users' OOP contributions. Different instruments have therefore been introduced to mitigate these challenges:

- Eligibility rules for the LTC allowance were tightened, as well as the conditions for accessing residential care. Moreover, an "LTC fund" was established in 2011, funded by general taxation, to support the further development of service delivery.
- Investments were made by a waiver of the recourse on next-of-kin to contribute to out-of-pocket payments for residential care (2011) and on asset-based out-of-pocket contributions in residential care (2018). This latter decision, taken by the federal government, was eventually mitigated by compensatory payments to the regional governments.⁵

⁵ The same waiver was not applied to out-of-pocket contributions of mobile service users who continue to pay these contributions based on a means-test, including income (pension, LTC allowance) and clients' assets.

- Additional investments were made to support informal carers, e.g., by introducing family (hospice) care leave, paying for the pension contributions of informal care workers, and compensating substitute care.
- As of 2020, the federal government introduced an annual valuation of LTC allowances (in line with yearly pension adjustments) to mitigate beneficiaries' further loss of purchasing power. The ensuing period of high inflation and related pension indexation sharply increased expenditures. While the number of beneficiaries rose by only about 3.7% (from 2018 to 2023), expenses increased by about 16.5% in 2024 due to an extraordinarily high inflation rate.
- An important development has been the introduction of a new type of job profile: the professional social carer (Fachsozialbetreuer: in) with possible specialisation in care for older persons, working with families or persons with disabilities (Rubisch, 2003). The curriculum combines training in social skills and nursing assistance (2 years) and the possibility to conclude the training with a diploma after 3 years. This job profile is significant across all long-term care services and has the potential to cause disruptive change. However, since the first graduates entered the labour market around 2010, they have mainly been placed as nursing assistants, and to this day, they are not represented as a specific group in staffing regulations or collective bargaining agreements.

Altogether, despite significantly rising expenses, the share of public expenditure in total LTC expenditure has been stable, as shown in Table 6 (these data do not include additional private expenditures for live-in carers that are not fully covered by the LTC allowance). The share of LTC expenditures in total health expenditures has remained stagnant, while the share of LTC expenditures in GDP has increased slightly and is likely to continue to rise over the next few decades.

Table 6: Share of the long-term care sector within the Austrian economy as part of the health and social care system (System of Health Accounts), 1995–2023, in mio. Euro

	1995	2000	2005	2010	2015	2020	2023
Total expenditures on health	16 160	19 944	24 523	30 335	35 977	43 405	52 779
Public expenditures	12 033	14 855	18 118	22 589	26 482	33 164	40 461
in % of total expenditures on health	74,5	74,5	73,9	74,5	73,6	76,4	76,7
Private expenditures	4 127	5 089	6 405	7 746	9 495	10 241	12 318
in % of total expenditures on health	25,5	25,5	26,1	25,5	26,4	23,6	23,3
Total expenditures on health, in % of GDP	9,2	9,4	9,7	10,3	10,5	11,4	11,2
GDP	175 917	212 407	252 355	294 051	342 084	380 318	473 227
Total expenditures on long-term care	2 300	2 676	3 191	4 429	5 312	6 325	7 351
in % of total expenditures on health	14%	13%	13%	15%	15%	15%	14%

in % of GDP	1,3%	1,3%	1,3%	1,5%	1,6%	1,7%	1,6%
Public expenditures	1 896	2 155	2 547	3 460	3 976	4 839	5 579
in % of total expenditures on LTC	82%	81%	80%	78%	75%	77%	76%
Private expenditures	404	521	644	969	1 336	1 485	1 772
in % of total expenditures on LTC	18%	19%	20%	22%	25%	23%	24%

Source: Statistics Austria (2025).⁶

In addition to increasing public investment and growing workforce, the professionalisation of the sector can also be observed through the introduction of new job profiles (professional social care, case management, community nursing). However, these new job profiles have not yet gained strong influence on policies. In the specific area of live-in care work (mainly occupied by migrant workers from neighbouring countries, but also from Romania and Bulgaria), efforts to improve workers' situation are only at the initial stage of stronger representation. Currently, their strongest channel of collective action is a grassroots self-organisation called "Initiative for Justice in Personal Care" (IG24). IG24 was founded by Slovakian personal carers, who later joined forces with an initiative launched by Romanian carers, resulting in this organisation, which advocates for the improvement of the working conditions and employment status of live-in carers in Austria, regardless of nationality.

At the same time, a separate group developed within the trade union vida, named vidaflex, that claims to be Europe's first trade union initiative for one-person entrepreneurs. It has now positioned itself as the largest voluntary advocacy group for personal carers in Austria. vidaflex advocates combating bogus self-employment and enforcing workers' rights, for example, by ensuring that agencies do not lead carers to believe they are employed even when they have no employee status protections. Together with carers, vidaflex has developed a platform that brokers independent personal carers. The aim is to position vidaflex as a better placement agency and to use the platform to organise adequately trained carers through a direct contract between the carer and the person being cared for. vidaflex and IG24 represent the concerns of personal carers in the fight against bogus self-employment and precariousness, but with different strategies.

Overall, the Austrian LTC system has been established over the past three decades to address new societal challenges by introducing cash benefits, appropriate services, and residential facilities. LTC has slowly developed its own identity, with nursing professionals supported by less-trained social carers (mainly home helpers and nursing assistants).

⁶ Available at

<https://www.statistik.at/fileadmin/announcement/2025/01/20250130Gesundheitsausgaben2023.pdf>

2.4 On-demand transport/taxi services

Austria's taxi industry has undergone significant evolution and disruption since 1990. The two primary disruptions are platform-driven disruption post-2014 and ongoing efforts to mandate electrification in urban fleets, most notably in Vienna.

Overview of the sector and key characteristics

Austria's taxi sector comprises urban taxis, pre-booked hire cars, and specialised shuttle services. The Fachverband Beförderungsgewerbe mit Personenkraftwagen represents the industry within the Austrian Chamber of Commerce (WKO).⁷ According to WKO data from 2025, the sector includes approximately 12,000 registered firms, many of which are sole proprietorships. Currently, the sector employs around 22,000 drivers. Roughly two-thirds of firms operate in core passenger transport (taxis and hire cars), while the remaining third serve niche segments such as hotel guest transport, medical shuttles, or horse-drawn carriages. WKO estimates that the sector's annual revenue is roughly €1 billion. Workers' institutional presence in the sector is minimal: union density is exceptionally low, with the union vida reporting only 126 members among taxi drivers, representing just 0.98% of the employed workforce (Geyer, Prinz, & Bilitza, 2024).

Until the late 1980s, Vienna enforced strict limits on the number of taxi licences. This changed in 1989, when the city lifted the cap, leading to a sharp increase in the number of taxis in operation (Pernicka and Schübler, 2022). Despite this expansion, the sector remained highly concentrated. Two major dispatch firms, Taxi 40100 and Taxi 31300, both established in the post-war period, continued to play a dominant role (Pernicka and Schübler, 2022). These centres did not operate their own fleets; instead, they served as intermediaries, collecting referral fees from independent cab operators. Today, both firms remain central to the sector alongside digital platform companies such as Uber and Bolt (discussed below). Vienna currently has a relatively saturated market with approximately 1 cab per 390 residents (Pernicka and Schübler, 2022).

Platformisation: Disruption and Legal Retaliation (2014–2021)

Uber and Bolt's entry into the Austrian market via partnerships with hire-car companies marked a legal grey zone: Uber operated under the guise of Mietwagen regulation to avoid taxi licensing, fixed tariffs, and service obligations (Pernicka and Schübler, 2022). This asymmetry sparked outrage from taxi firms and labour. Protests followed in 2016 and 2018.⁸ Uber also began increasingly accumulating penalties from lawsuits. One of Uber's radio-dispatch competitors, Taxi 40100, sued them, leading to a 2018 court injunction in Vienna, which temporarily halted

⁷<https://www.wko.at/oe/transport-verkehr/befoerderungsgewerbe-personenkraftwagen/personenbefoerderungsgewerbe-mit-pkw->

⁸<https://www.vienna.at/taxi-demo-in-wien-mehrere-hundert-taxis-rollten-hupend-ueber-den-ring/4676083>; <https://kurier.at/chronik/wien/1000-taxler-protestieren-heute-am-wiener-ring-gegen-uber/400021648>

Uber's operations, citing unfair competition stemming from its use of hire-car services to bypass taxi regulations and later that year, the Enforcement Court imposed a €20,000 fine on Uber for violating the terms of the injunction.⁹ A subsequent judgment increased the penalty to over €120,000 for repeated non-compliance¹⁰

In 2019, the Austrian parliament passed the so-called "Uber-Gesetz," establishing a unified set of regulations for passenger transport and merging the previously separate taxi and hire-car trades. Initiated by the SPÖ and supported by the ÖVP and FPÖ, the reform retained key taxi regulations, such as mandatory service, fare obligations, and local knowledge tests, while eliminating the three-year employment requirement and the return-to-base rule for hire cars.¹¹ In 2020, the ÖVP–Green government introduced an amendment to the Gelegenheitsverkehrsgesetz exempting taxi services ordered by phone or app from strict fare regulation, a move viewed with suspicion by the SPÖ and FPÖ after the Federal Chancellor met with Uber's CEO in Silicon Valley the previous year (Pernicka and Schüßler, 2022). Ultimately, the legislation permitted Uber's model but also imposed new licensing and qualification requirements that the traditional taxi sector was bound by.

Labour's role in shaping the sectoral transition appears to have been relatively limited. Trade unions and labour institutions have struggled to organise platform drivers, who largely remain outside formal structures. The protests mentioned earlier were initiated by informal driver associations with no apparent affiliation to the WKO, Chamber of Labour (AK), or established trade unions, and were even met with disapproval from WKO representatives at the time. A study by Griesser, Risak, Herr, Plank, and Vogel found that while Uber and Bolt drivers in Austria have engaged in grassroots protests, demonstrations, and car convoys, their involvement with traditional unions such as Vida has been minimal, reflecting a broader disconnect between platform workers and institutionalised labour representation (2023).

Green Transition and the 2025 Electrification Mandate

From 1 January 2025, all newly registered taxis in Vienna must be fully electric, in line with the federal Mobility Master Plan 2030. Vienna has gone the farthest of any federal state by outright requiring it of its fleet.¹² As of early 2025, just 290 of Vienna's 8,400 registered taxis are fully electric, and drivers have complained that there is insufficient fast-charging infrastructure.

⁹<https://www.derstandard.at/story/2000084504796/gericht-verhaengte-20-000-euro-strafe-gegen-uber-in-wien>

¹⁰<https://www.salzburg24.at/news/welt/taxi-40100-erwirkte-weitere-120000-euro-strafe-gegen-uber-art-167701#:~:text=Taxi%2040100%20erwirkte%20weitere%20120,habe%20auf%20Basis%20mehrerer>

¹¹<https://www.awblog.at/Wirtschaft/freie-fahrt-fuer-uber-bolt-co#:~:text=Ebenfalls%20von%20der%20C3%96ffentlichkeit%20kaum,Menschen%20eine%20Taxifahrt%20nachfragen%2C%20als>

¹²<https://www.falter.at/morgen/20241212/e-taxis-warum-die-umstellung-auf-emissionsfreie-autos-fuer-spannung-sorgt>

As of April 2025, the issue remains unresolved, though limited pushback from labour has emerged. While policymakers claim that discussions around the electrification mandate have been ongoing since 2023 with the WKO and AK, unions such as vida have criticised the city for failing to consult labour groups meaningfully. They report that misinformation about health risks and vague rollout timelines contributed to confusion and anxiety among drivers. The Social Democratic Business Association of Vienna has called for a phased delay, proposing that hybrid vehicles remain permitted until 2030 to allow more time for infrastructure development.

Overall, Austria's taxi sector has experienced profound structural shifts over the past three decades. From deregulation in the 1990s to the platformisation wave after 2014 and the current push toward fleet electrification, the sector has repeatedly adapted to regulatory, technological, and environmental pressures. Union involvement remains weak, driver consultation has been inconsistent, and electrification goals risk being undermined by logistical constraints.

PART 2. In-Depth Historical Case Study

3. THE POLITICAL ECONOMY OF INTEGRATING DIGITAL CHANGE: DISRUPTION, BARGAINING, AND REGULATORY RE-EMBEDDING IN VIENNA ´S ON-DEMAND TRANSPORT SECTOR (2014-2024)

Authors: Elif Naz Kayran and Nikko Bilitza

Abstract

This case study analyses how Austria’s coordinated market economy responded to the disruption triggered by Uber’s entry into Vienna’s on-demand transport sector. Uber’s 2014 launch introduced a liberal, digitally mediated business model into a corporatist system traditionally governed by tariff regulation, licensing, and dense social partner institutions. Upon its entry into the market, Uber used regulatory asymmetries that destabilised existing national actors and raised questions of fair competition, legality, and institutional authority. Using a process-tracing approach and drawing on parliamentary debates, court decisions, press materials, social partner documents, and interviews, this study reconstructs how bargaining dynamics evolved between 2014 and 2024. The analysis shows that the conflict did not follow conventional labour-capital conflict lines but instead produced a cross-class coalition of taxi companies, self-employed and employed drivers, unions, and chambers against a transnational platform firm. A distributive bargaining dynamic dominated the initial phase of the process (2014-2018), played out through lawsuits, protests, and political confrontation, anchored in the national actors’ associational and institutional power in the labour market. Judicial rulings, grassroots mobilisation, and shared fairness narratives enabled the emergence of integrative bargaining in the second phase of the process (2018-2021), culminating in the 2019 reform that rectified the gaps in the existing governing regime. This “negotiated re-embedding” brought Uber under a common regulatory framework while preserving core elements of the corporatist model. However, this seemingly integrative compromise proved partial and fragile. Shifting political coalitions, competition policy interventions, and rising consumer demand for platforms reintroduced distributive pressures in the last phase (2021-2024), leading to the subsequent 2020 amendment that expanded pricing flexibility for digitally ordered rides. These developments illustrate how platformisation, driven by the entry of digital technology, reshapes power resources and actor perceptions, requiring continual renegotiation. Overall, Austria’s experience demonstrates that coordinated market economies can adapt to technological disruption through institutionalised compromise. Still, such equilibria remain contested and susceptible to incremental liberalisation, which triggered zero-sum distributive demands from specific actors. The case offers insights for future social dialogue and policymaking on technological transitions, highlighting the importance of power resources, actor trust, and iterative regulatory design.

3.1 Overview of the case: The Austrian on-demand transport sector and the Uber shock

This case study examines Austria's on-demand transport sector and the systemic shock triggered by Uber's entry as an illustrative tension between national regulatory corporatism and transnational liberal platform capital. The Austrian case allows us to analyse how long-standing corporatist institutions and actors respond to a digitalisation shock and whether they manage to channel it into a negotiated adaptation or fail to do so (Baccaro & Howell, 2011). Uber's launch in Vienna in February 2014 imported a liberal market logic of flexibility and price competition into a sector characterised by dense social partner networks, encompassing regulation, and sectoral bargaining. Against the backdrop of Austria's EU accession, the federal legal basis for on-demand transport had already been codified in 1996 through the Occasional Transport Act (Gelegenheitsverkehrsgesetz - GelverkG), which governed passenger transport, including the taxi sector. Earlier efforts to restrict taxi licences had been overturned by the Constitutional Court in 1989 on grounds of economic freedom, with the consequence that cities such as Vienna never imposed quantitative limits on taxis or hire-cars. This created a formally well-regulated but quantitatively open market into which new digital intermediaries could insert themselves (Johnston & Pernicka, 2021).

Within the 1996 GelverkG framework, two main segments existed: taxis (Platzfuhrwerksgewerbe) and "hire-cars" with drivers (Mietwagengewerbe). Taxis operated under locally regulated tariffs, were treated as part of local public transport, and had to fulfil public service tasks. They were bound to fixed tariffs, could use taxi stands, and accept street hails and bookings. Hire-cars, by contrast, could set prices according to supply and demand but faced stricter constraints on how they could operate: they had to comply with the return-to-base rule (Rückkehrpflicht) after each pre-booked ride and had no stand rights. National rules were implemented and refined via local operating ordinances (Betriebsordnungen), such as Vienna's Taxi-, Mietwagen- und Gästewagen-Betriebsordnung (Wiener LBO). Vienna's taxi tariff regulation, first issued in 1997 and periodically amended, set binding day/night rates and mandatory taximeter use. Drivers required a taxi driver's licence (Taxilenkerlaubnis), had to pass local knowledge and legal tests, and vehicles had to meet defined standards. Uber entered the sector through the hire-car category, bypassing the more tightly regulated taxi regime and exploiting the leeway created by the 1996 law.

The political economic context of Austria is that of a coordinated market economy with a strong tradition of tripartite cooperation and encompassing interest representation (Thelen 2018). Even under the ÖVP (Österreichische Volkspartei)- FPÖ (Freiheitliche Partei Österreichs) conservative-right-wing coalition governments (2000-2006; 2017-2019), which were sceptical of tripartism, Austria remained highly corporatist in economic and industrial policy. The WKO (Austrian Chamber of Commerce), the AK (Austrian Chamber of Labour), and the trade-union confederation (ÖGB), with sectoral representation by two unions, *vida* and GPA, retained substantial influence via social-partnership structures in the sector (Pernicka & Schübler, 2022). Before Uber's entry, taxi drivers typically worked long shifts under collective agreements and

were paid through mixed systems combining fixed wages and commission. Licensing and qualification requirements were perceived as costly entry barriers but also as guarantees of service quality and sectoral stability. The workforce was, and remains, overwhelmingly composed of first- and second-generation migrants, particularly Turkish-speaking drivers, which shaped both the social composition of protest and the societal reception of their claims later.

Commercially, Vienna's market was dominated by two large radio dispatch centres, Taxi 40100 and Taxi 31300, which formed a de facto duopoly in matching customers to drivers. Alongside employed and self-employed drivers, these intermediaries played a key coordinating role in the sector's day-to-day functioning and in its representation within WKO. Before Uber, digitalisation was already underway: MyTaxi (founded in 2009 in Germany) entered Vienna as an app-based booking intermediary operating under existing taxi regulations (Pernicka & Schübler, 2022), and the traditional radio dispatch centres began developing their own online ordering platforms. Drivers often welcomed these digital tools but criticised high affiliation fees and exclusionary practices by large radio dispatch centres. By 2019, Statistics Austria recorded 1,761 enterprises in ÖNACE 49.32 ("Taxi operation incl. hire-cars"), employing 7,890 workers (6,182 employees), underscoring the sector's economic weight and the stakes attached to regulatory change (Geyer, Prinz & Bilitza, 2024).

Theoretical Approach and Methodology

Analytically, we apply a process-tracing approach to reconstruct how social dialogue actors, public authorities, and platform companies interacted around Uber's entry, focusing on Vienna as the key local arena. The case covers the period 2014-2024, from Uber's launch to the early implementation of the post-reform regime. We identify the main actors, their interests and strategies, and their position within the bargaining structure. For analytical clarity, we divide the process into three phases: (1) Uber's entry and the resulting shock to the market (2014-2018), (2) strategies and negotiations culminating in the 2019 GelverkG reform (2018-2021), and (3) the post-reform amendment and its initial implementation period (2021-2024), during which the settlement is partially re-opened and contested. This periodisation also parallels the evolution from an initial distributive confrontation to a more integrative corporatist compromise and, later, to renewed distributive pressures under altered political and market conditions.

Our analysis situates the Austrian Uber conflict within two theoretical perspectives: Polanyian accounts of industrial transformation, understood through variations in bargaining strategies and outcomes (Kochan & Lipsky, 2003), and power-resources theory (Korpi, 1981, 1983; Schmalz, Ludwig & Webster, 2018; Wright, 2000). First, following Polanyi, we conceptualise the process as a "double movement" between forces of market expansion, embodied in digital platforms and liberalisation pressures, and counter-movements seeking to protect society from market dislocation (Curran 2023; Polanyi 2001). Previous research has characterised Austria's

response to Uber as a case of negotiated re-embedding (Pernicka & Schübler, 2022), in which corporatist actors harness institutional continuity and legal harmonisation to bring a disruptive platform model under public regulation. Building on this insight, we examine how negotiations unfolded between distributive and integrative strategies (Kochan & Lipsky, 2003) and how these outcomes were reached rather than other potential trajectories, such as full liberalisation or outright exclusion. To analyse these dynamics, we develop a power-resources lens and focus on the interplay of associational, institutional, structural, and symbolic power (Korpi, 1981, 1983; Schmalz, Ludwig & Webster, 2018).

We argue that the Austrian outcome can be attributed, to a significant extent, to a cross-class alliance between national worker and employer organisations holding a common position vis-à-vis Uber, to the judicialization of the conflict, to a strong grassroots movement rooted in an ethnically diverse taxi workforce, and to an unusual political coalition stretching from the left to the radical right, which adopted a protectionist stance against a global platform company. These factors jointly underpinned a negotiated re-embedding that brought Uber into a unified regulatory framework, rather than leaving the sector to liberalised competition or excluding platforms entirely. At the same time, as later periods in the process show, the settlement remained contested and was partially recalibrated in platforms' favour in the early 2020s, illustrating liberalisation "within constraints" rather than a simple restoration of the previous status quo. This also demonstrates how corporatism itself is not an automatic stabiliser in such cases of transformative shocks. More importantly, power balances among actors are indeed determinants of how bargaining outcomes will look.

Empirically, the analysis draws on minutes and transcripts from parliamentary debates, court decisions (2018-2020), press coverage and press releases by key actors (2014-2024), publications by social partners (WKO, vda, AK Wien, ÖGB), and semi-structured interviews with five key participants in the process. We also engage with existing research (Arbeiterkammer, 2023; Fairwork, 2022; Johnston & Pernicka, 2021; Kluge et al., 2020) to triangulate our findings. Table A1 in the appendix presents a detailed overview of the empirical material and data used in this analysis, as well as the corresponding interviewee number of each interviewed stakeholder.

The following section provides a detailed description of the negotiation and contestation processes among Austrian industrial-relations actors, public authorities, and platform intermediaries from 2014 to 2024, situating them within the country's corporatist governance structure and tracing how regulatory and bargaining institutions in the sector were transformed. An overview of the timeline of events and related bargaining dynamics is presented in Table A2.

3.2 Description of the social dialogue dynamics

The key actors in the social dialogue process for our case study include Austria's traditional social partner institutions and the sector's representative bodies. The WKO (Austrian Chamber of Commerce) acts as the employer-side coordinating institution, representing taxi companies, self-employed drivers, and, formally, also Uber. Unlike in many European countries, membership in WKO is compulsory for all businesses, which gives the chamber a legally guaranteed representational monopoly and formalised access to policymaking. On the labour side, the trade unions *vida* and GPA represent workers in the sector and consistently advocated for a level playing field as platforms expanded the hire-car segment, warning of social dumping and deteriorating working conditions. Although union density is extremely low in the sector, around 0.98% of employed drivers in 2023 (Geyer, Prinz & Bilitza 2024), Austria's system of mandatory collective agreement coverage empowers *vida* to negotiate CBAs. This characteristic of the system automatically binds the entire workforce, a feature distinct from voluntary bargaining systems elsewhere in Europe. The AK (Austrian Chamber of Labour), another compulsory membership institution unique to the Austrian model, additionally raised concerns about bogus self-employment and inadequate protections in platform-mediated work. On the employer side, the national-level "Professional Association for Passenger Transport Businesses with Cars" within the Federal WKO, as well as the WKO-Vienna branches, strongly promoted a legal merger of taxi and hire-car regimes to establish uniform rules on tariffs, licensing, and reliability checks, aligning itself with traditional taxi companies and self-employed drivers rather than with Uber.

A key feature of this case is that the primary conflict does not align with conventional labour-capital cleavages. Instead, the shock of digitalisation and platformisation generated a cross-class coalition of national actors, including taxi companies, self-employed and employed drivers, unions, and AK, against transnational platform firms. This configuration is characteristic of Austria's corporatist system, where chambers and unions routinely coordinate positions, but it is atypical in many European contexts where platform conflicts remain fragmented across firm-level or municipal actors. Here, the conflict centred less on wage distribution within the sector and more on regulatory asymmetries and market fairness between established domestic actors and an international entrant operating outside traditional corporatist norms. This reconfiguration of interests was also mirrored in party political alignments. What initially resembled a classic left-right divide between regulation and liberalisation increasingly shifted onto an axis of nationalism versus transnationalism as Uber's rapid growth was framed as undermining local businesses and exacerbating inequality. The rising discontent among traditional taxi drivers amplified this discourse and helped anchor "fair competition" and protection of national entrepreneurship as dominant political narratives, shaping the bargaining environment that followed.

Phase I: Platformisation of the Austrian on-demand transport sector and contestation (2014–2018)

When Uber entered Vienna in 2014, it immediately challenged the institutional and regulatory framework of Austria’s corporatist taxi sector regime. The company started operating in the hire-car segment (Mietwagengewerbe), partnering with existing rental-car firms, thereby circumventing strict taxi regulations, including tariffs and driver testing requirements (Johnston & Pernicka, 2021; Kluge et al., 2020). Through this entry, Uber’s model offered cheaper, dynamically priced rides in private cars, with a fixed per-ride price for customers, and licensed rental-car companies formally dispatching rides. Thus, Uber effectively undermined the tariff-based regulation of taxis, which ensured income predictability and sectoral fairness for taxi drivers. In Polanyian terms, this marked the disembedding of labour and service provision from their social and legal regulatory frame. From Uber’s perspective, the symbolic discourse of “innovation” served as a legitimising ideology, naturalising market expansion and change as technological inevitability. Regarding the critiques from social partners across the board regarding their misuse of the existing regulation, Uber’s position remained firmly that their activities were within the limits of the existing rules:

“Uber cooperates with fully licensed rental car companies in Vienna that have been operating for many years. They meet all legal requirements, including insurance coverage for drivers and passengers, even in the event of an accident... On average, Uber’s UberX service is now around 30 per cent cheaper than comparable transportation services in Vienna. This is made possible by modern technology that does not require a large back office. This isn’t a time-limited offer, but rather a long-term pricing policy that benefits both passengers and drivers.” Johannes Wesemann, General Manager of Uber in Austria (17 December 2014).¹³

However, hire-cars also had their own set of restrictions, including a “return-to-base” requirement, which meant that they could only accept transport orders from a closed group of participants that had been received at the company’s headquarters, which were requirements that Uber did not appear to follow (Johnston & Pernicka, 2021). An Austrian Competition Authority (BWB) study noted a disproportionate increase in hire-car licenses from 1,218 in 2014 to 2,839 in 2019, while taxi numbers remained stable. This expansion triggered public debate and conflict between traditional taxi companies and platforms. Traditional taxi operators and their social partner allies in AK, vida,¹⁴ and WKO Vienna framed the dispute as a struggle for “fair competition.” The WKO’s sectoral branch for passenger transport repeatedly called for “equal

¹³ https://www.ots.at/presseaussendung/OTS_20141217_OTS0148/uber-wien-kooperationspartner-voll-lizenziert

¹⁴ https://www.ots.at/presseaussendung/OTS_20170119_OTS0113/gewerkschaft-vida-hoechste-zeit-geschaeftsmodell-uber-einen-riegel-vorzuschieben

rules for equal services” and legislative clarification to close regulatory loopholes. Among the political parties, since the activities of Uber had begun, the most apparent opposition came from the right-wing FPÖ (Freiheitliche Partei Österreichs - Freedom Party of Austria), using the same argumentation but with strong nationalist rhetoric, with a sense of urgency and proposed severely distributive solutions such as halting Uber activities in Austria altogether. FPÖ’s strong position became even more pronounced and influential after it entered government from 2018 onwards. The issue also became increasingly salient in the Vienna City Council, which has been and continues to be dominated by the Social Democratic Party of Austria (SPÖ). In a 2017 speech, FPÖ city council member Anton Mahdalik criticised the city’s cooperation with Uber, characterising it as collusion with foreign “locusts” that exploit workers and avoid taxes.

“In your party branch and on 1 May at Rathausplatz, you rail against capital and the ‘locusts,’ but afterwards you cooperate with them, it is just pathetic...But Councillor Wiederkehr gave a really good speech today during the Current Affairs Hour. I do not remember exactly how he phrased it. He said, ‘morally rotten’ or ‘politically rotten... that is exactly my political accusation against you. Red and Green, you are politically rotten! Working together with Uber, which exploits people and pays no taxes! Cooperating not with our taxi drivers, but with Uber! These are the international locusts! And the SPÖ collaborates with them!” Anton Mahdalik, Vienna City Council, Verbatim Minutes, 30th Meeting (22 November 2017)

As a result of the initial shock of the market flooding with new Uber drivers operating under highly flexible regulations, rather than taxi drivers, the first series of large-scale demonstrations by Viennese taxi drivers took place in April 2016. This was the first of three large-scale demonstrations, organised by the grassroots taxi group (Taxi Club Wien). The protestors criticised Uber for bypassing the licensing and testing requirements that taxis must abide by. Traditional social dialogue institutions also began to view Uber’s market entry as a systemic threat to the regulated taxi regime.

“From our perspective, it was clear that if we didn’t change anything here, there would actually be an erosion of the old taxi industry, which operates in tariff areas, public services and the like, that we would be walking blindly into a situation that might ultimately look like no more restrictions on passenger transport, free trade, no more tariffs.” (Interview 4)

Furthermore, by avoiding registering itself as an Austrian company until 2019, Uber placed the company outside the WKO’s institutional framework and reinforced the perception that it was not adhering to the basic obligations of business registration that structure Austria’s corporatist system.¹⁵ While the Vienna WKO branch did not actively participate in the taxi protests, it held discussions with the protesting groups and maintained its public position and call for equal rules,

¹⁵ <https://www.derstandard.at/consent/tcf/story/2000114280991/uber-geschaeftsmodell-vom-ogh-als-rechtmaessig-bestaetigt>

regulations, and requirements for the same job.¹⁶ They also signalled that, rather than pursuing activism, they would pursue official and judicial routes. In this period, Taxi 40100, one of Vienna's largest dispatch centres, also pursued a series of legal complaints and fines against Uber for non-compliance with the return-to-base requirement and trade law, many of which it has won, culminating in hundreds of thousands of fines for Uber.

"In repeated cases, Uber drivers have made trips without confirmation from Uber's headquarters, thus continuing to clearly violate the GelverkG regulations. We must be allowed to document such serious anti-competitive violations for legal enforcement purposes." Christian Holzhauser, Taxi-40100 Managing Director, (23 July 2018).¹⁷

At the EU level, in December 2017, the European Court of Justice (ECJ) upheld its preliminary ruling, classifying Uber as "a service in the field of transport" rather than merely an information society provider or technological platform. While they put a distance between themselves and the protests, WKO still pressed for limitations in Uber's activities and firmly restated its position to create an environment in which all parties are playing by the same rules, and welcome this ECJ ruling:

"Legal grey areas resulting from rapidly advancing digitalisation must not lead to a distortion of competition. Just because Uber grew through the digital world doesn't mean that one can ignore real-world laws." Davor Sertic, Chairman of the Transport and Traffic Division at the Vienna, WKO (20 December 2017).¹⁸

These developments as a whole show typical distributive dynamics, i.e., competition over market share and the risks of price dumping, but also integrative moves, as the conventional corporatist social partners, such as WKO, sought eventual harmonisation rather than outright prohibition. Overall, at this stage, the actors' negotiation strategies included lawsuits against Uber (mainly by taxi companies), public demonstrations (by taxi drivers and grassroots organisations), and lobbying.

¹⁶https://www.ots.at/presseaussendung/OTS_20180419_OTS0110/wirtschaftskammer-wien-mit-taxi-demo-initiatoren-an-einem-tisch

¹⁷ https://www.ots.at/presseaussendung/OTS_20180723_OTS0113/weiterer-juristischer-sieg-von-taxi-40100

¹⁸ https://www.ots.at/presseaussendung/OTS_20171220_OTS0044/wk-wien-sertic-eugh-weist-uber-endlich-in-die-schranken

Phase II – Negotiations, unlikely alliances, and legislative reform (2018–2021)

Following a long series of successful judicial battles in Austrian courts against Uber, in April 2018, Vienna’s highest commercial court ruled that Uber systematically violated trade law by ignoring fixed taxi fares and return-to-base obligations, a decision upheld by the Austrian Supreme Court in October 2018. This judicial alignment significantly shifted power toward the traditional taxi sector actors, trade unions and the WKO, who have by now all jointly pushed for harmonisation in the sector and “unequal” and “unfair” market practices of Uber at the detriment of the local drivers became the principal discourse. As mentioned above, the FPÖ’s political push, which has made the issue a salient topic, has also heightened the sense of urgency around a solution to this conflict.

“...Uber does not comply with applicable laws, more and more taxi companies are facing ruin, and drivers are earning less... The fact is that different rules apply to rental cars, which Uber uses in Vienna, than to taxis. Rental car drivers must return to the company location after each trip... They are also not legally allowed to offer the same services as taxis. But neither Uber nor the car rental companies nor their drivers care about this. A war over driver wages has broken out here, and the taxi drivers are having to pay the price.” Toni Mahdalik, Vienna FPÖ transport spokesperson, parliamentary group leader (16 April 2018).¹⁹

Although Uber briefly suspended service in 2018, following a series of progressive fines and court rulings, it resumed operations, with the claim that their partner companies would now comply with all the relevant regulations and that Uber’s activities were legal and that the Uber app and its ability to connect passengers and rental car companies complied with the legal requirements in Vienna, placing much of the illegality of the practices to their partners.²⁰

The Austrian taxi sector's industrial dynamics, however, demonstrate that countermovement is not purely institutional and judicial but also social and highly political. In April 2018, over 1,000 taxi drivers, many of migrant background (predominantly of Turkish origin), protested in Vienna again, demanding uniform regulation and stricter enforcement. Protesters, who were mainly organised via Facebook groups and WhatsApp, were led by the Global Taxi Association and stated that they sought uniform regulations for passenger transport, stricter oversight of Uber, and to pressure both politicians and their own interest groups to act.

¹⁹ https://www.ots.at/presseaussendung/OTS_20180416_OTS0086/fp-mahdalik-volle-unterstuetzung-fuer-wiener-taxifahrer-und-unternehmer

²⁰ https://www.ots.at/presseaussendung/OTS_20171010_OTS0200/wienerinnen-und-wiener-koennen-weiterhin-von-bezahlbaren-fahrten-per-uber-app-profitieren

"The industry is suffering from revenue losses of up to 40 per cent...With our protest ride, we want to draw the public's and politicians' attention to our precarious situation." Irfan Kuna, representing the Global Taxi Association (19 April 2018).²¹

Formal union representation (vida) coexisted with grassroots migrant associations, which mobilised around fairness and equal treatment rather than classic class conflict lines between employed and self-employed individuals. The trade union vida attempted to channel these grievances into collective bargaining, while WKO incorporated them through chamber representation of self-employed drivers and taxi company owners. The overlapping roles of worker-entrepreneurs, simultaneously dependent and self-employed, blurred conventional labour-employer boundaries, producing cross-class coalitions (Pernicka & Schüßler, 2022). These coalitions demanded regulatory equality, safety, and predictable earnings rather than purely redistributive gains between parties. Important to stress that the local taxi workforce has long been composed predominantly of migrant-origin drivers, many from Turkish, Balkan, and Middle Eastern backgrounds. This demographic reality influenced how social dialogue unfolded and how the arguments for “equality” and just wages of local drivers and companies, and their well-being, gained traction among the public and, quite interestingly, have been picked up by the FPÖ.

In the meantime, a legislative solution began to take form. The Federal WKO’s branch for Passenger Car Transport Services had commissioned an expert opinion advocating a harmonised trade model (Einheitsgewerbe). In the period 2015-2019, an informal coalition of social partners, WKO, AK, vida, and traditional taxi firms had for the most part converged around this proposal (Interviews 1, 2, and 4). The ÖVP-FPÖ coalition government, despite its general scepticism toward corporatism, began to explore this legislative solution through consultation sessions organised by the Ministry of Transport (led by Norbert Hofer of FPÖ) to develop a unified framework for taxis and hire cars. During these meetings, key actors and social partners met and coordinated negotiations that produced the 2019 legislative reform merging taxi and hire-car services into a single regulatory category. Although it is difficult to identify a lobbying strategy from Uber or the other major platforms at the time, many stakeholders believe that Uber and Bolt pursued a more individual engagement with legislators (Interviews 2, 3, and 4), and they did not participate in the formal rounds of deliberations and bargaining (Interview 4).

The legislative process formally began in February 2019 with a resolution from a Social Democrat (SPÖ) MP calling on the then ÖVP-FPÖ government to pursue a harmonised trade model. The text specifically cited Uber’s business practices in Austria as grounds for the change (Austrian National Council 2019, 613/A(E), XXVI. GP). The resolution was then referred to the transportation committee of the National Council where it was supported by a majority made up of the SPÖ, ÖVP, and FPÖ, the passage was opposed by NEOS (Austrian liberal party), and Jetzt

²¹ https://www.ots.at/presseaussendung/OTS_20180419_OTS0110/wirtschaftskammer-wien-mit-taxi-demo-initiatoren-an-einem-tisch

Party (a fraction party from the Greens) members in the committee (Transport Committee Report, 640 Annexes XXVI GP, 2019). Austria's handling of the reform illustrates the broader claim that political alliances and institutional continuity reinforce social-partner influence and corporatist outcomes (Johnston & Pernicka, 2021). However, in this case, as observed in the pattern of public outcry by the FPÖ, the coalition had a strong interest and a long-standing strategy to take a restrictive stance towards Uber.

Furthermore, migrant-origin taxi drivers, while positioned at the periphery of formal corporatist structures, acted as grassroots agents of re-embedding and controlled the public discourse of the conflict firmly on equality of competition and fairness, containing the message at this time, which appeals to all social partners and not on working conditions, vulnerabilities of drivers, and other sectoral issues. Their protests in 2016 and 2018 mobilised moral authority around fairness rather than ideology, invoking local shared community values rather than class struggle (Johnston & Pernicka, 2021). This societal power, as alliances that link workers' claims to broader social projects, proved essential in legitimising policy change (Schmalz, Ludwig & Webster 2018). Furthermore, trade unions' strategic choice to ally with migrant driver associations marked a departure from traditional union gatekeeping and created not only a cross-class alliance between social partners but also reached across political party lines, aligning SPÖ, ÖVP, and FPÖ jointly in support of the protection of the local/Austrian entrepreneurs and employed drivers. Through protests and the frequent, consistent public statements of the relevant WKO branch in Vienna, the public debate focused on fairness, legality, and innovation. Thus, corporatist coordination, along with a strong unlikely ally in the government (FPÖ) and public support, has initiated the regulatory reform process, in which almost all national partners came together on the same side rather than engaging in unrestrained conflict among actors and against Uber at different fronts.

In July, shortly after the collapse of the ÖVP-FPÖ government and the appointment of a temporary expert cabinet, the SPÖ, ÖVP, and FPÖ's proposed legislation was introduced to the floor of the lower house. The sharpest criticism came from the NEOS, who argued that the initiative primarily served the interests of the WKO rather than consumers:

“With what you intend here or, let's be honest: what the Chamber of Commerce intends, and to whose line you have fallen for, because the Chamber elections are coming up and the taxi industry is, of course, a major constituency for the FPÖ, probably also a major one for the ÖVP, perhaps somewhat smaller for the SPÖ, but still present you thought: We have to do them a favour. And this favour is being carried out on the backs of consumers.”
(Schellhorn 2019, 86th National Council Session)

The ÖVP and SPÖ emphasised that they were not opposed to free competition or innovation, framing the initiative instead as a measure to create a level playing field for both. The FPÖ defended the legislation as the product of extensive social dialogue, with one member noting that

they had “[sat] down with all the stakeholders” and directly criticised Uber for orchestrating recent attacks on the legislation, stating:

“I am also somewhat annoyed with Uber because in recent weeks we have been subjected to a veritable wave of attacks regarding this merger of the trades, orchestrated by Uber, certainly with a clever media strategy and with the help of the NEOS. A great many falsehoods were spread; allegations of advantaging taxis, of creating a monopoly. That is simply not true! Do you know what the fact is with this law? The fact is that this law first makes the Uber model legal in the first place; in other words, we are legalising Uber through it.” (Hafenecker 2019, 86th National Council Session)

The reform was passed in the National Council with support from the ÖVP, FPÖ, and SPÖ, while the NEOS and the Jetzt Party (a splinter party from the Greens that was not represented in parliament at the time) opposed the legislation. Finally, the legislation also passed the upper house of the Austrian parliament with no opposition. With this, the National Council adopted a reform to merge the taxi and hire-car trades into a single category of “Passenger transport business with cars (Personenbeförderungsgewerbe mit Pkw).” Key changes included a five-year renewal for concessions with reliability checks, harmonised driver qualification via the new taxi driver licence, and the possibility for local governments to set binding tariffs or minimum/maximum ranges. The WKO and taxi companies strongly supported the merger, as a way to create fair play between taxis and Uber-used hire-cars, stressing uniform rules and regular reliability checks. Thus, at the local level, social dialogue in Austria’s taxi and ride-hailing sector functioned as an adaptive mechanism that mitigated the dislocating effects of digitalisation towards a seemingly integrative bargaining outcome. This embedded the newcomer into the new regulations rather than allowing full liberal rules or a complete exclusion, restricting their activities.

The period following the adoption of the reform and leading into early 2020 has been surprisingly controversial and conflictual, given the broad cross-party and cross-class alliances that underpinned the legislation and a seemingly integrative bargaining process. Inconsistent implementation of the reform regulations by Uber’s practices, and subsequent continued legal battles against Uber, have kept the conflict going, even though the bargaining concluded in line with the interests and positions of most national bargaining parties within the corporatist structures. In January 2020, a new ÖVP-Green government replaced the previous expert government. There had been significant discontent with the reform from NEOS and other liberal political groups, which opposed it as too strict and in violation of free-market rules in Austria, pointing to the ongoing turmoil vis-à-vis Uber activity.

“We see that the Chamber of Commerce is trying to eliminate competition from long-established taxi companies with planned fixed prices and excessive regulation- this is at the expense of consumers. Because when competition is prevented, prices generally rise, and quality standards are not exactly raised either! The people of Vienna are at a

disadvantage, as they are squandering their freedom of choice. In the age of digitalisation, this retro policy is completely incomprehensible." NEOS Vienna parliamentary group leader Christoph Wiederkehr (21 February 2019).²²

Phase III – Political dynamics, re-opening of conflict, and outcomes (2021–2024)

In September 2020, the Austrian Competition Authority (BWB-Bundeswettbewerbsbehörde) published a sector inquiry into the taxi and ride-hailing market, criticising the new amendment for creating a uniform system that stifles innovation, threatens online intermediary services like Uber and Bolt, and limits consumer choice. They wrote:

"The formal merger of the taxi and rental car industries into a single passenger transport sector essentially means nothing more than legally establishing the traditional taxi business as the sole business model and preventing innovative business models, such as the rental car industry with online platforms (e.g., Uber or Bolt), effectively pushing them (or at least their current business model) out of the market." (BWB 2020)

Furthermore, the BWB study revealed that customer preference for platforms had solidified, with nearly 40% of Vienna and Lower Austria residents preferring these services, which offer price transparency and surge-pricing benefits valued by over 95% of users (BWB 2020). Following these developments, in November 2020, just a few months before the planned implementation of the amendment, the new ÖVP-Green coalition government introduced a further revision to the 2019 reform in Parliament. The proposal modified earlier provisions by allowing parallel pricing systems. Street-hail and taxi-stand rides remained subject to the binding taxi tariff and mandatory taximeter use, while rides ordered via digital dispatch services were exempted from the binding tariff and could instead charge pre-agreed fares within a price band established by state governments. The social partnership coalition mobilised to oppose this but was taken by surprise given the last-minute nature of the change (Interviews 2 and 4). This was met once again with protests organised by drivers, such as on 1 December 2020, with the continued support of all social partners, who openly questioned the rationale for stepping back from the prior outcome of the social dialogue.

"It is completely incomprehensible to us why the tariff binding fares originally planned in the law, including for transport services ordered via online platforms, were removed from the amendment." Karl Delfs, a vida representative (1 December 2020).²³

²² https://www.ots.at/presseaussendung/OTS_20190221_OTS0141/neos-wien-wirtschaftskammer-zerstoert-wettbewerb-die-konsumenten-zahlen-drauf

²³ https://www.ots.at/presseaussendung/OTS_20201201_OTS0013/gewerkschaft-vida-unterstuetzt-taxilenker-protest-in-wien

At this stage, the ÖVP-Green coalition supported this relaxation of the fixed pricing rule, which clearly favoured Uber and similar platform companies. The social partnership coalition was only able to win minor concessions, namely allowing states to impose price bands rather than having completely free pricing and delaying the implementation by a few months (Interview 4). The Chamber of Labour (AK) warned that these changes would undermine efforts to combat undeclared work and argued that fares could be pre-calculated fairly using existing tariffs rather than this liberalisation of fixed pricing. The FPÖ criticised the amendment as a “death blow” to the taxi industry, blaming Chancellor Kurz and ÖVP for aligning with Uber and Silicon Valley, even with accusations of corruption in the party leadership.

“By amending the Occasional Transport Act and abolishing tariff binding fares agreements, the ÖVP and the Greens are further threatening the existence of thousands of domestic businesses, who are already suffering from 80 per cent revenue losses due to the government's anti-coronavirus measures,” FPÖ transport spokesman Christian Hafenecker (11 December 2020).²⁴

In sum, the changes passed in the 2020 legislative amendment still did not liberalise Austria’s passenger transport markets but instead reinforced existing taxi regulations, extended them to hire-car with driver services, and created a new flexibility point via limited dynamic pricing. By abolishing the distinction between taxis and hire-cars, the law indeed brought both services under a common regulatory framework. While it eliminated the return obligation for hire-cars, which now became obsolete, it introduced new requirements for all drivers, including the need to obtain a taxi license, pass a local knowledge test, and demonstrate basic language skills, while also maintaining state-level authority to regulate fares. Thus, the new law allowed federal states to introduce limited forms of dynamic pricing. However, compared to the fixed taxi tariff that still applies to rides initiated at taxi stands or by hailing on the street, this flexibility enables platforms to undercut prices for taxi drivers (by benefitting from the lower range allowed in the price corridor) or intermediary firms that do not use such platforms.

Following the reform, Vienna became the testing ground for implementing the new law, as social partners sought to shape the specifics of the Vienna taxi tariff, which sets the allowed price band and the conditions for digital pre-calculation. The tariff had last been adjusted in 2012, making the 2021 tariff a politically sensitive topic. In February 2021, the SPÖ-NEOS city government, together with the Vienna Chamber of Labour (AK) and the Vienna Chamber of Commerce (WKO), introduced a new taxi tariff that enabled pre-booked trips to be priced in advance within a ±20 per cent band around the calculated fare. The package also established a one-year observation phase in which the social partners would monitor implementation and evaluate the effects of the new model (City of Vienna, 2021). Only a few months later, the first signs of discontent with the

²⁴ https://www.ots.at/presseaussendung/OTS_20201211_OTS0139/fpoe-hafenecker-oevp-verrat-internationalrat-beschlossen-schwarz-gruen-liefert-taxibranche-silicon-valley-konzernen-aus

tariff manifested in a taxi demonstration against the newly enacted price band in April 2021 by a group of taxi drivers, who now openly expressed feeling unrepresented by the WKO.²⁵

In 2022, the City of Vienna commissioned an external evaluation of the new taxi tariff to assess its economic, operational, and regulatory effects on the sector (Kummer et al., 2022). Drawing on interviews with Taxi 40100, Free Now, Uber, and four smaller taxi operators, as well as price and operational data from pre-booked trips from Uber, Bolt, and Taxi 40100, the study found that the tariff had actually narrowed the price gap between traditional operators and platform-based services and had a notably positive impact on drivers previously working as rental car drivers for Uber and Bolt, whose fares had been significantly below that of taxi drivers driving under the taxi tariff. Nonetheless, qualitative interviews with intermediaries pointed to a continuing “race to the bottom” in pricing triggered by the introduction of the price band. The study further showed that although the tariff was theoretically adequate, price competition rendered diesel-based taxi operations unprofitable and left hybrid and battery-electric vehicles only marginally profitable. The analysis also presented how platforms perceived the new regulatory framework. Uber criticised the 20 per cent price band as too narrow, while Bolt, Free Now, and Taxi 40100 broadly supported trade unification in the sector.

In 2023, the City of Vienna, the Vienna WKO branch, and the Chamber of Labour (AK) announced a further adjustment to the taxi tariff. Their joint press release indicates that the working group established in 2021 had continued its work and, drawing on its negotiations and the 2022 evaluation (Kummer et al., 2022), concluded that a tariff increase was warranted (City of Vienna, 2023). The Vienna WKO cited a 16.6 per cent rise in inflation over two years and higher fuel costs as the central reasons for revising the tariff. Following negotiations convened by the City of Vienna, the social partners agreed to raise fares by an average of 15.2 per cent. However, the price band remains in effect. Their press release also flagged persistent concerns in the working group over wage and social dumping and unequal competitive conditions, but noted these as matters for federal reform, suggesting initiatives such as a mandatory fiscal taximeter with automated reporting for street-hail trips.

Despite the institutionalised consultation process and successive tariff adjustments, tensions continue to surface in the Vienna taxi industry. Persistent disputes over pay levels, workload intensity, subcontracting practices, and broader working conditions, together with ongoing controversy surrounding the 20 per cent price band, indicate that the post-reform equilibrium remains fragile. These frictions have also reinforced perceptions among segments of the taxi workforce and the FPÖ that the prevailing social partnership negotiated framework has proven unable to stabilise the sector.

²⁵ <https://taxi-times.com/unzufriedenheit-ueber-wiens-neuen-taxitarif/>

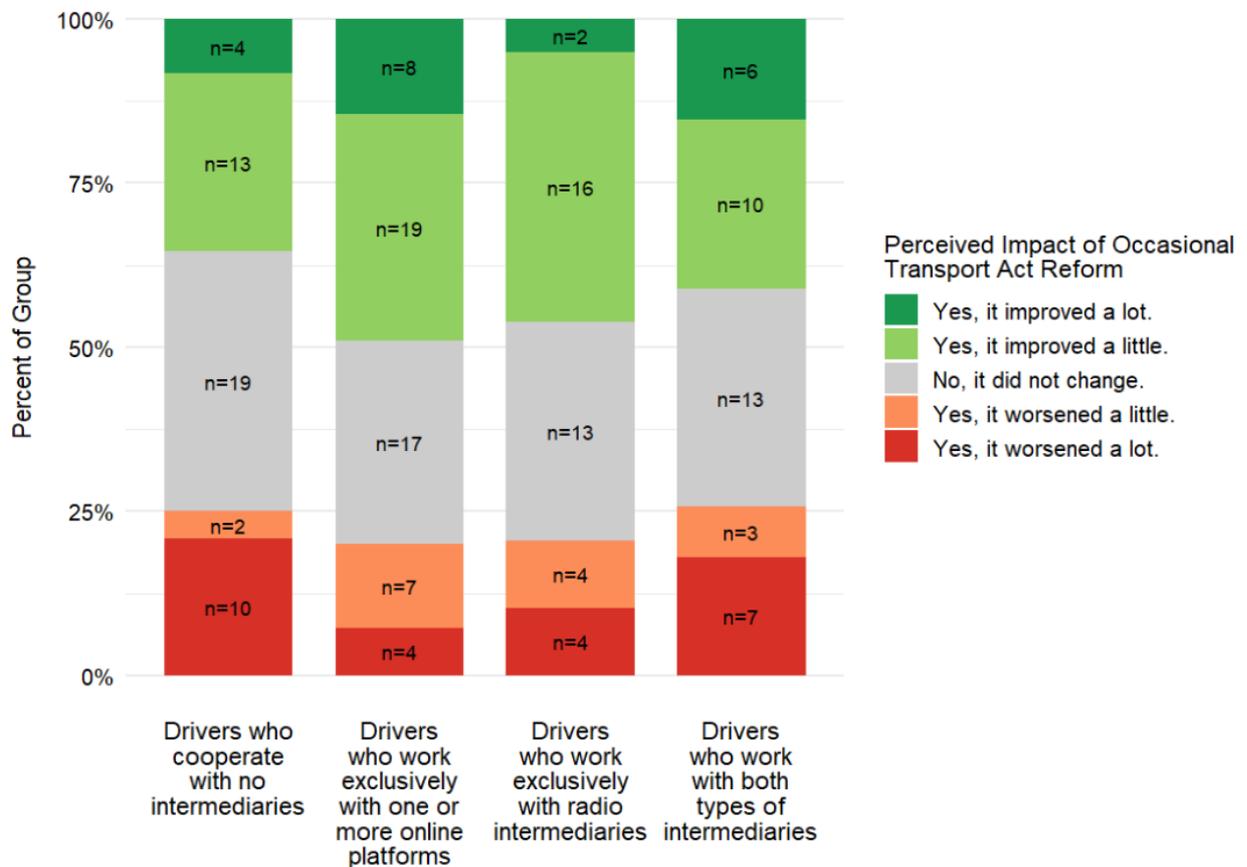
The “Driver Survey” project,²⁶ fielded in Austria, conducted an online survey from September 2023 to January 2024 to provide insight into the working conditions and attitudes of both platform and traditional taxi drivers in the post-GelverkG reform period (Geyer, Prinz, & Bilitza, 2024). Despite certain caveats regarding the size and composition of the sample, due to the difficulty of recruiting a representative sample from this sector, the project's findings revealed that taxi drivers widely acknowledge that both traditional radio dispatch operators and online platforms make it easier for customers to order rides, but they view such intermediaries critically. Large majorities of drivers believe that both, and especially online platforms, push fares downward (57% of the sample for radio operators, 91% for platforms).

Vienna-based drivers also viewed Vienna’s price band as granting digital platforms an unfair competitive advantage (Geyer, Prinz, & Bilitza, 2024). Platforms were perceived more negatively than conventional taxi intermediaries regarding their overall net positive impact on drivers' work. While 44% viewed radio dispatch centres as beneficial to their work, only 25% say the same about digital platforms. For Viennese drivers, the level of the local taxi tariff is one of the most important challenges they face, with 96% deeming it significant, often citing the combination of the 20% price band and referral fees. Importantly, the project also gathered data on respondents’ perceptions of the legislative reform to regulate Uber. The results are presented in Figure 6 below, disaggregated by their working intermediaries.

As shown in Figure 6, the perceived impact of the new law in its implemented form is broadly similar across driver groups, i.e., most drivers report either no change or a slight improvement. However, it is notable that across all groups, the largest share of responses reports no change in their personal situation, which, to a certain extent, indicates that the discontent and issues regarding Uber and other matters in the sector remained unresolved from the taxi drivers' perspective. Furthermore, as seen in the findings presented in Figure 6 and in the ongoing taxi driver protests, the law was not entirely satisfactory for all parties, particularly taxi drivers. Arguably, this is because it has focused only on the most salient and short-term effects of Uber and digitalisation in the bargaining process, leaving out other potential changes and shocks arising from this transformation.

²⁶ See <https://www.euro.centre.org/projects/detail/4545>

Figure 6: Perceived Impact of the Occasional Transport Act Reform on Drivers' Personal Situation by Driver Intermediary Cooperation



Source: Driver Survey project data; Authors' own visualisation.

Research focusing on how digital labour platforms collect and use worker data for algorithmic management, for instance, also showed that, with the introduction of digital platforms, drivers feel surveilled and express concerns about unnecessary long-term data storage (Geyer, Bilitza & Danaj, 2025). At the same time, digital monitoring has also been acknowledged as having certain advantages, such as increased safety through automated trip tracking, which can reduce the risk of robbery and the ability to demonstrate to tax authorities that they were not working undeclared.

Finally, lingering discontent with the post-reform status quo remains evident as of November 2025. The FPÖ in Vienna continues to criticise both the price band and the Vienna taxi tariff and, in June 2025, introduced a motion calling on the City of Vienna to abolish the 20 per cent band, which was rejected by all other parties (Vienna City Council, 2025). An independent taxi

association has likewise organised protests,²⁷ challenging the price band and denouncing the WKO leadership as unrepresentative of drivers' interests.

“All future discussions and negotiations must be conducted with a new, independent commission. And this commission must consist of actual taxi drivers and taxi operators who know the reality of working on the streets; people who know the reality, who work on the streets, and who really know what this industry needs. No more of the same people who caused this situation. Why are we here today? Because we are fed up with others making decisions for us. Because we know what our industry really needs. Because we are the ones who work and live for this industry every day, in all weathers.” (Taxi activist, 26 November 2025)

Overall, since the final legislation, competition and conflict in the sector have evolved from regulatory debates, protests, and judicial interventions to service differentiation and the integrated use of multiple services by drivers and taxi companies. Traditional taxi companies still emphasise reliability and local knowledge, using their symbolic and structural power, while platforms leverage user experience, fixed-price advantages, and software efficiency. As a post-reform epilogue, the Vienna tariff negotiations yield a mixed outcome: harmonised pricing and income gains for former hire-car drivers on the one hand, and continuing contention over pricing flexibility and representation on the other.

3.3 Analysis of local-level social dialogue dynamics: From distributive conflict to conditional integration

Starting our analysis, we look at the processes in Phase I, where the dynamics were dominated by distributive bargaining, even though some integrative attempts were already evident in the corporatist actors' framing. Uber's market entry via the hire-car segment and its strategy of undercutting tariff-regulated taxis with cheaper, dynamically priced rides immediately turned the conflict into a zero-sum struggle over market share, prices, and regulatory categorisation. Traditional taxi operators, Taxi 40100, migrant drivers, and their allies in WKO, AK, and vida interpreted Uber's model as “erosion of the old taxi industry” and a direct threat to existing income and regulatory protections. The FPÖ's rhetoric of “locusts” called to halt Uber's activities, and the sequence of lawsuits and fines against Uber exemplifies distributive action aimed at constraining or expelling a rival so incumbents can retain the existing pie.

Protests organised by grassroots migrant associations similarly mobilised around losses and the unfairness of Uber's business model. Yet even here, an integrative strand emerged where WKO

²⁷ <https://wien.orf.at/stories/3331492/>

and parts of the political spectrum do not demand a permanent ban, but “equal rules for equal services” and legal clarification. The ECJ’s decision classifying Uber as a transport service and the WKO’s insistence that “legal grey areas must not lead to distortion of competition” indicated a growing interest-based agenda. Actors began to explore how a disruptive entrant might be brought under a common regulatory umbrella, creating the conditions for a later “expanded pie” in which platforms operate but under shared obligations.

Next, Phase II represents the high point of integrative bargaining in this case, built on a cross-class, cross-status coalition that moves the conflict away from a distributive struggle between national actors and transnational digital platform companies. Judicial victories against Uber strengthened the bargaining position of taxis, unions, and WKO, but instead of re-monopolising the sector, these actors concentrated on creating a harmonised regulatory framework. Migrant drivers, grassroots associations, and formal institutions (vida, WKO, AK) articulated demands less as wage redistribution between employers and employees than as regulatory equality, safety, and predictable earnings vis-à-vis a transnational platform. This framing is integrative in two respects. First, it shifts the problem from “who gets how much” to “what rules can sustain fair competition and sectoral stability,” enabling trade-offs. Platforms gain legalisation and secure access to the market, whereas national traditional actors gain tariff frameworks, reliability checks, and qualification requirements. Second, the legislative process itself, with ministry-led consultations and a parliamentary coalition of SPÖ, ÖVP, and FPÖ, institutionalises joint problem-solving across ideological lines. Nonetheless, distributive elements never disappear. NEOS and others criticise the reform as favouring WKO and local companies at the expense of consumers, and, importantly, Uber and Bolt pursue parallel, more individualised lobbying strategies. The final merger of taxi and hire-car categories into a single on-demand transport category thus embodies a negotiated compromise in which an integrative re-embedding of the market that still allocates regulatory and market advantages asymmetrically, particularly towards national actors and licensed taxi operators.

Phase III revealed the fragility of that integrative compromise and a renewed layering of distributive bargaining on top of a settled framework. The ÖVP-Green government’s 2020 revision, which introduced parallel pricing systems and a price band for digitally ordered rides, reopened zero-sum distributional conflicts over who can undercut whom. The BWB’s critique of the initial reform and NEOS’ appeals re-inserted a liberal, consumer-oriented distributive logic, while FPÖ now openly accused the government of siding with Uber. Taxi drivers’ new protests, AK’s warnings about undeclared work, and Viennese drivers’ perception that the price band grants the platforms an unfair advantage all signal that the core distributive issue in the bargaining, i.e., relative earnings and competitive conditions between intermediaries and drivers, remains unresolved.

At the same time, the Vienna tariff process and the 2022 evaluation illustrate ongoing issue-specific integrative bargaining, as social partners and the city jointly design a tariff corridor,

monitor its effects, and later agree on a 15.2% fare increase based on inflation and cost calculations. The emergence of independent taxi associations calling for a “new commission” composed of actual drivers shows that the locus of distributive bargaining shifts inside the taxi field itself, challenging WKO’s representational role. Overall, the trajectory across the three phases demonstrates how an initially raw distributive conflict triggered by platform entry is channelled into an integrative corporatist settlement. However, that settlement leaves significant distributive tensions in pricing, workload, and representative voice only partially addressed, requiring continuous renegotiation.

Explaining shifts in bargaining logic: A power resources perspective

Interpreting these bargaining dynamics through a power-resources lens helps explain why distributive versus integrative bargaining becomes dominant in distinct phases, and why the integrative compromise proves both effective and fragile (Korpi 1981, 1983; Wright 2000). Austrian social dialogue does not simply “choose” integrative over distributive strategies; instead, the evolving configuration of associational, institutional, structural, and symbolic power among key actors channels the conflict in specific directions. In Baccaro and Howell’s terms, this is a case of liberalisation within constraints, where strong corporatist institutions and dense associational structures enable adaptation through negotiated re-embedding rather than outright deregulation, but where the outcome nevertheless shifts power and distributive patterns in ways that also benefit platforms (2011). Across the three phases, national social dialogue actors’ institutional and associational power enabled integrative bargaining, while Uber’s growing structural and symbolic power prevents a purely protectionist closure and gradually tilts the integrative settlement toward a more balanced outcome from the platform’s perspective. Examining power resources thus clarifies not only how the conflict is negotiated but why it took this trajectory.

Associational power is a critical precondition for moving from the raw distributive struggle of Phase I towards the more integrative coalition bargaining of Phase II, and it also helps explain the partial re-fragmentation in Phase III. In Phase I, associational power was rooted in both formal and informal organisations through WKO’s passenger transport branch, Taxi 40100, and other large operators, and through unions (vida/GPA), which represent companies and drivers within established corporatist structures, while grassroots migrant driver groups mobilise the rank and file. Even with exceptionally low union density among employed drivers, Austria’s compulsory chamber system embeds both employers and many self-employed drivers in organised interest structures. This allows discontent over Uber’s practices to be aggregated and articulated as sector-wide claims about “fair competition” and “equal rules for equal services,” rather than remaining isolated grievances.

The 2016 and 2018 protests, although outside formal corporatist institutions, were quickly channelled into these institutions via WKO and vida, through engagement with protest leaders,

and translated their demands into legal and legislative strategies. This associational infrastructure enabled, in Phase II, the formation of a cross-class, cross-status coalition uniting taxi companies, self-employed and employed drivers, unions, AK, and WKO around the unification solution. Here, associational power clearly underpins integrative bargaining in which organised actors representing different constituencies can jointly formulate a regulatory package that offers something to each side. Phase III, however, highlights its limits. Once the ÖVP-Green government reopens the settlement with the 2020 amendment, the same organisations mobilise again, but with reduced capacity to block change. New independent taxi associations questioning WKO's representativeness illustrate a fragmentation of associational power within the taxi field. This fragmentation reinforces distributive tensions, not only between taxis and platforms but also within the sector, by shifting part of the conflict into intra-field struggles over who legitimately speaks for drivers in future bargaining rounds.

Institutional power, anchored in Austria's corporatist arrangements, compulsory chamber membership, and encompassing collective bargaining coverage, shaped the move from Phase I's defensive distributive strategies toward Phase II's institutionalised integrative bargaining, and then limited but did not prevent the partial liberalising shift in Phase III. In Phase I, institutional power manifested primarily through courts and regulatory authorities. Taxi 40100's legal complaints, the series of fines, and the 2018 Supreme Court ruling that Uber systematically violated trade law show how incumbents can activate state institutions to defend existing rules. The ECJ's classification of Uber as a transport service further strengthened the basis for bringing platforms under sectoral regulation. These institutional victories shift the bargaining context in Phase II. Instead of a stand-off between a disruptive multinational platform and fragmented traditional national actors, the conflict was brought into legislative arenas through consultations organised by the Ministry of Transport, committee deliberations, and a broad cross-party vote in favour of the merger in the sector to create a single unified category of taxis. The institutional embeddedness of WKO, vda, and AK provided their claims with recognised channels of influence and enabled integrative solutions to be crafted within familiar corporatist procedures. The 2020 amendment, however, demonstrated that institutional power is not static. When the ÖVP-Green government responded to pressure from BWB and NEOS by introducing price bands and digital pre-calculation, social partners still secured constraints (price corridors, delayed implementation) but could not impose their preferred restrictive equilibrium. The same institutional framework thus enabled the initial integrative re-embedding but also structured the subsequent partial re-liberalisation. In both episodes, bargaining remains institutionalised, but the content of "integration" shifts with political coalitions.

Structural power within the economic and political structure also shifted across phases and interacted with associational and institutional power. In Phase I, taxi drivers and companies drew on structural power in classic ways by disrupting mobility and attracting public attention through demonstrations, and by the centrality of taxi services to urban transport, especially in Vienna. The duopoly of radio centres gave traditional operators significant leverage within WKO and vis-à-vis policymakers. At the same time, their structural power was weakened by the oversupply of new

Uber drivers, migrant dependency, and Uber’s model, which tapped into segmented, precarious labour via hire-car companies. This vulnerability helps explain why Phase I was heavily distributive since those most exposed to revenue losses have few options beyond defensive protest, legal escalation, and calls for prohibition. In Phase II, structural power was reconfigured. Judicial decisions and the threat of sectoral collapse increased the leverage of taxi interests. Moreover, FPÖ’s decision to champion taxi drivers and attack Uber as a foreign “locust” added political weight. SPÖ’s embeddedness in Vienna and AK provided additional, though less decisive, backing. This clustering of political and economic structural power around taxi actors and social partners made an integrative legislative solution both possible and attractive. It promised sectoral stabilisation and political gains while legalising Uber’s presence in a controlled form.

After 2020, structural power shifted. BWB’s sector inquiry highlights that strong consumer preferences for platforms and digital intermediaries have become a demand-side structural force that cannot be ignored. The new ÖVP-Green coalition re-weighed consumer choice and innovation relative to sector protection. As a result, integrative bargaining in Phase III now had to accommodate both the structural power of organised taxi actors and that of platforms and their user base. The Vienna tariff negotiations and subsequent evaluation showed that social partners continue to exercise structural influence (for example, in securing fare increases), but within a framework that systematically preserves space for dynamic pricing and platform competition.

Finally, symbolic power, i.e., the capacity to define the meaning of the conflict, legitimise claims, and shape public and political perception, was central in determining whether bargaining leans towards distributive exclusion or integrative accommodation. In early Phase I, Uber’s narrative as a “modern technology” provider offering cheaper, efficient, app-based rides granted it symbolic legitimacy. In this way, its framing of innovation and consumer benefit made outright prohibition difficult for mainstream parties. At the same time, FPÖ’s depiction of Uber as foreign capital exploiting workers and evading taxes aimed to erode this legitimacy and reframed the issue as one of national fairness and sovereignty. Taxi drivers, especially migrants, became visible symbols of unfair competition and the decline of local entrepreneurship, turning economic losses into moral claims for regulatory equality. This symbolic reframing underpinned the shift towards integrative bargaining in Phase II, where the unification reform could be presented not as protectionism but as restoring a “level playing field” and “fair competition,” and “legalising Uber” by giving its model a clear regulatory home. The broad parliamentary coalition behind the 2019 reform reflects this symbolic convergence.

Yet even this symbolic power and framing remained contested. NEOS and liberal critics continued to frame the reform as serving the Chamber of Commerce “on the backs of consumers,” while Uber and Bolt present themselves as victims of over-regulation and defenders of user-friendly services. In Phase III, BWB’s findings on platform preferences and the emphasis on price transparency and surge-pricing benefits bolstered platforms’ symbolic claim to represent consumer interest and innovation. NEOS’s language of “squandering freedom of choice” reinforced this. Social partners and FPÖ attempted to counter by reasserting narratives

of a “death blow” to domestic businesses and warning of wage and social dumping. However, the 2020 amendment indicates that symbolic power has shifted enough to justify recalibrating the compromise in platforms’ favour. The continued focus on fairness and competition, rather than on working conditions and algorithmic control, also reflects a selective Polanyian countermovement. At this stage of the conflict, markets were partially re-embedded around norms of equal competition, while digital surveillance and data-driven control remain only weakly problematised.

Taken together, these evolving configurations of associational, institutional, structural, and symbolic power explain why the Austrian Uber v. taxi conflict resulted neither in straightforward liberalisation nor in simple protectionist closure. Strong institutional and associational resources among social partners and taxi actors made integrative bargaining feasible and enabled the crafting and enforcement of the 2019-2020 re-embedding. At the same time, platforms’ structural and symbolic power was rooted in consumer demand, digital infrastructure, the innovation narrative, and national-level political dynamics, which prevented a one-sided settlement and later enabled a partial reopening of the compromise through the 2020 amendment and the Vienna price band. This interplay of power resources underpinned the pattern in which an initially raw distributive confrontation (Phase I) is channelled into an integrative corporatist equilibrium (Phase II), which then remains subject to renewed distributive struggles and incremental rebalancing (Phase III).

3.4 Conclusion

Uber's entry into Vienna's on-demand transport sector constituted a technological and organisational disruption that challenged the foundations of Austria's coordinated market economy. The introduction of algorithmic management, dynamic pricing, and app-based customer matching confronted a system built on tariff regulation, licensing requirements, reliability checks, and strong sectoral interest representation. Unlike traditional competitive pressures, Uber's model expanded the scope of liberalisation through digital infrastructures that could circumvent existing regulatory boundaries and destabilise expectations of fair competition. Vienna's open-entry market, dependence on tariff-setting for income stability, and highly migrant-origin taxi workforce made the city particularly sensitive to these disruptions. As a result, the technological transition was experienced not just as market innovation but as an external shock with significant distributive and institutional consequences.

This disruption altered industrial relations and social dialogue practices in ways that pushed the conflict beyond conventional employer-employee cleavages. Actors did not mobilise along class lines but instead around national versus transnational interests. Taxi companies, self-employed drivers, employed drivers, unions, and the Chambers (AK & WKO) formed a cross-class, cross-status coalition centred on restoring regulatory equality with a global platform perceived to be operating outside Austria's embedded institutional obligations. The scope and character of the

technological disruption thus shifted the bargaining configuration. This reorientation made social dialogue more political and publicly salient, with issues of fairness, legality, and national economic protection overtaking debates over traditional working conditions and collective bargaining provisions.

The trajectory of negotiation that unfolded over the decade reflects a dynamic interaction of power resources, bargaining strategies, and evolving actor perceptions. Initially, the conflict was marked by profoundly adversarial positioning. Traditional actors perceived Uber as threatening their regulatory foundations and economic survival, while Uber defended its practices by invoking innovation and compliance with the hire-car framework. This produced a bargaining environment dominated by distributive strategies such as legal cases, protests, public denunciation, and strong rhetorical boundary-drawing. In power resources terms, Austrian actors relied heavily on institutional power (courts, regulatory authorities), associational power (WKO, AK, unions), and symbolic appeals to national fairness. Uber, conversely, drew on structural and symbolic power derived from its technological model, consumer appeal, and liberalising discourse. These asymmetrical power deployments produced an environment in which trust was low, and actors struggled to perceive the conflict as one that could be resolved through collaborative adjustment. In negotiation theory, this reflects a form of negative attitudinal structuring, where perceptions of the other party as untrustworthy or adversarial make integrative bargaining difficult.

Over time, however, shifts in power resources and in actors' attitudes toward one another created the conditions for a more coordinated response. Judicial rulings clarified regulatory obligations, strengthening the position of traditional actors and reducing the legal ambiguity surrounding Uber's model. Grassroots mobilisation by migrant taxi drivers gave societal legitimacy to claims of unfair competition, enabling unions and chambers to articulate a shared narrative grounded in equality of obligations rather than protectionist closure. Political actors ranging from the SPÖ to the FPÖ adopted overlapping fairness framings, further consolidating the symbolic and political power of the national coalition. This convergence did not reflect harmonious relationships but rather a recalibration of how actors perceived their shared stakes. These shifts enabled the emergence of integrative bargaining, culminating in the 2019 harmonisation reform that merged taxi and hire-car regimes. The reform represented an institutionalised compromise. Uber was legally embedded within a unified regulatory framework, while incumbents secured consistent licensing, tariff, and reliability rules. This negotiated re-embedding aligns with Polanyi's account of counter-movements that restore social protections in the face of market-expanding disruptions.

Yet the settlement proved fragile. As consumer preferences shifted toward platforms and political coalitions changed, the underlying balance of power evolved again. The 2020 amendment reintroduced distributive pressures by reopening tariff structures and enabling price flexibility for digitally ordered rides. Platforms leveraged structural and symbolic power through user demand, innovation narratives, and competition policy arguments to reshape the negotiation agenda. Social partners, though institutionally embedded, found their associational and political influence partially diluted. Trust within the national coalition eroded as actors questioned each

other's strategies, and drivers increasingly challenged WKO's representational legitimacy. These developments illustrate that negotiated re-embedding is not a permanent equilibrium but instead requires sustained alignment of power resources and ongoing maintenance of actor perceptions. Where that alignment weakens, distributive conflict resurfaces, and institutional settlements become subject to liberalisation or re-emergence of discontents.

Several lessons for future social dialogue and policymaking emerge from this case. First, power resources matter, not only in shaping outcomes but in determining which bargaining strategies, integrative or distributive, are viable at different moments. Policymakers should recognise that digital disruptions redistribute power asymmetrically and should aim to design processes that prevent early imbalances from becoming structural inequities. Second, attitudinal structuring is not peripheral in social dialogue. As illustrated in this case, perceptions of trust, fairness, and legitimacy shape actors' willingness to engage in integrative bargaining and can either strengthen or erode institutional settlements. Early, transparent, and inclusive engagement is essential to stabilising expectations and preventing later fragmentation. Third, governments should anticipate that technological transitions require iterative regulation, with periodic recalibration as market dynamics evolve. Finally, addressing issues that remained marginal in the Austrian case, algorithmic control, data use, and subcontracting chains will be essential for building resilient regulatory frameworks capable of governing platform work in the long term.

In sum, the Austrian Uber case demonstrates that coordinated market economies can absorb technological shocks through negotiated re-embedding, but only when the interplay of power resources and actor perceptions sustains the possibility of cooperation. The digital transformation of on-demand transport thus reveals both the resilience and the vulnerabilities of corporatist governance in an era of platformisation.

3.5 Appendix

Table A1: Overview of empirical material and data used in the study.

Types of data	Use in the analysis
<p>(1) Semi-structured interviews</p> <p>5 interviews were conducted with representatives of key actors in the bargaining process: digital taxi company manager (Interview 1), trade union representative (Interview 2), taxi driver/activist (Interview 3), employers' association representative (Interview 4), business association representative at the local level, Vienna (Interview 5)</p>	<ul style="list-style-type: none"> • Collecting information necessary for reconstructing the sequence of bargaining episodes (2014–2024). • Gaining insights into organisational positions, internal strategies, perceptions, and the motivations of central actors.
<p>(2) Press releases, public statements, and news media</p> <p>Communications from WKO, AK, vinda/GPA, taxi associations, political parties, and Uber were searched and used through the digitised APA/OTS database (Austrian Press Agency Releases), which covers all relevant news outlets in Austria.</p>	<ul style="list-style-type: none"> • Capturing actor framings, strategic communication, and narrative contests. • Mapping public escalation points (protests, regulatory announcements, amendments). • Complementing timeline reconstruction and validating interview evidence.
<p>(3) Parliamentary minutes and transcripts</p> <p>Minutes from Austrian National Council debates (2017–2020) and Vienna City Council minute transcripts on taxi policy and Uber regulation.</p>	<ul style="list-style-type: none"> • Documenting public positions, argumentation patterns, framing of issues and political alignments. • Reconstructing institutional decision-making and identifying moments of consensus, conflict, or realignment.
<p>(4) Court decisions, legal, policy, and regulatory documents</p> <p>Austrian Supreme Court rulings (2018), Vienna Commercial Court decisions (2018), GelverkG (1996), 2019 reform act, 2020 amendment,</p>	<ul style="list-style-type: none"> • Establishing the legal context and identifying how judicial outcomes shifted bargaining power.

<p>Vienna Taxi Ordinance, and tariff documents (2021–2023)</p>	<ul style="list-style-type: none"> Analysing the substantive content and institutional implications of regulatory change.
<p>(5) Academic literature, secondary data from prior studies and sectoral reports</p> <p>Statistics Austria and WKO sectoral data, BWB (2020) sector inquiry, Driver Survey” project (2023–2024), GDPowerR project (2023-2025), and other references as cited in the report manuscript.</p>	<ul style="list-style-type: none"> Providing empirical indicators of market structure, price competition, and changing driver experiences. Documenting perceived impacts of reform on drivers’ working conditions and triangulating institutional narratives with quantitative evidence from secondary sources.

Table A2: Timeline of the events in the bargaining process and negotiations (2014-2024)

Phases / Key Events	Characteristics of the Negotiation Process
2014: Uber enters Vienna via the “hire-car” segment	In the initial shock to the corporatist regime, distributive bargaining dominated as Uber undercut tariffs and bypassed regulatory obligations. Social partners (WKO, AK, vida) framed Uber’s practices as an erosion of the regulated taxi system, initiating legal complaints and public criticism. Conflict constellations were formed as national actors vs. the transnational platform.
2014-2017: Rapid expansion of hire-car licences, protests, and public disputes	Market flooding by Uber riders intensified zero-sum competition over fares and legality. Grassroots migrant taxi drivers organised the first large protests (2016). FPÖ adopted a strongly protectionist, nationalist framing. WKO Vienna called for “equal rules for equal services,” signalling the first integrative inclination toward regulatory harmonisation rather than a ban.
2017-2018: ECJ ruling and Austrian court decisions against Uber	Judicial victories strengthened national actors’ bargaining position, shifting the power balance toward traditional actors. Legal clarity reinforced WKO, AK, and vida’s demand for harmonisation. Distributive conflict persisted, but the rulings created political space for integrative regulatory solutions.
2018: Large-scale migrant driver protests	Emerging cross-class coalition between taxi companies, employed/self-employed drivers, unions, and AK. Mobilisation grounded in fairness and national economic protection redefined the negotiations; protests gained symbolic legitimacy and intensified pressure for reform.
2018-2019: Ministry-led consultations and political alliance (SPÖ–ÖVP–FPÖ)	The conflict entered a formalised bargaining arena. Social partners and ministries converged around the unification proposal. Negotiations became integrative, focused on sectoral stability and levelling the regulatory framework. Platforms remained outside formal rounds.
2019: GelverkG reform adopted (merger of taxi and hire-car regimes)	Uber was legally embedded under a unified regime, and national actors secured reliability checks, licensing rules, and tariff-setting powers. At this stage, there was a negotiated re-embedding rather than liberalisation or prohibition. NEOS contested reform as anti-competitive, highlighting persistent distributive tensions.
2020: BWB sector inquiry, NEOS criticism, new ÖVP–Green coalition	Renewed liberalising pressure from competition authorities and political actors concerned with consumer choice and innovation. Platforms regained symbolic and structural power

Phases / Key Events	Characteristics of the Negotiation Process
	through strong user demand. The negotiation environment shifts toward reopening the settlement.
2020: Reform amendment allowing price bands	Social partners opposed the amendment, but have reduced leverage and power. The process became distributive again, with actors contesting who bears competitive disadvantages. A limited compromise was reached (price corridors, delayed implementation), but platforms gained more room for dynamic pricing.
2021-2023: Vienna tariff negotiations	Return to issue-specific integrative bargaining on the pricing issue. City of Vienna, WKO, and AK jointly designed a tariff band and later negotiated a 15.2% fare increase. However, drivers' protests of price bands signal enduring distributive tensions and challenges to WKO representation.
2023-2025: Ongoing dissatisfaction and emergence of independent driver activism	Fragmentation of associational representation led to new intra-sector distributive conflicts. FPÖ campaigned against price bands; drivers argue that existing institutions no longer reflect their interests. Equilibrium remains fragile, with continuous renegotiation around pricing, working conditions, and regulatory enforcement.

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