

## **ELECTION BRIEFING NO 31 EUROPE AND THE NATIONAL PARLIAMENT ELECTION IN AUSTRIA OCTOBER 1 2006**

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### **Key points**

- In the 2006 general elections in Austria, the Austrian People's Party-led centre-right coalition came to an end. The growing unpopularity of the government's neo-liberal policies and the intra-party confusions of the People's Party's coalition partner were the major reasons for this development.
- In 2005, the right-wing populist Freedom Party of Austria, which had taken part in government since 2000, split because it was not able to continue its vote-maximising politics of the past. A new party, the Alliance for the Future of Austria, was formed, which from then on became coalition partner of the People's Party.
- In spite of the government troubles, the Social Democratic Party of Austria, the major opposition party, seemed not to be able to use the opportunity to win the elections, after a major bank, owned by the Social Democrat-dominated trade unions, almost went bankrupt.
- Yet, contrary to predictions of opinion polls, the Social Democrats led a successful campaign, relying on social issues, and overtook the People's Party, which failed to mobilise voters with its 'feel good' campaign.
- European issues did not play a decisive role in the elections, except for the issue of the EU accession of Turkey, which was used by the Alliance for the Future of Austria and the Freedom Party to attract voters as part of a general anti-foreign and anti-EU course.
- As neither a centre-right nor a centre-left coalition reached a parliamentary majority, the Social Democrats and the People's Party revitalised a tradition of the country and formed a 'grand coalition' after the elections.

### **Background/Context**

The general elections for the First Chamber of the Austrian national parliament (Nationalrat), on 1 October 2006, brought down the incumbent centre-right coalition government. Opinion polls as well as the results of provincial elections had indicated long before that the two

governing parties, the liberal-conservative Austrian People's Party (Österreichische Volkspartei, ÖVP) and the Alliance for the Future of Austria (Bündnis Zukunft Österreich, BZÖ), would almost certainly lose their parliamentary majority.

It was above all the state of the Alliance for the Future of Austria, the smaller coalition partner, which spoiled the chances of the government for re-election. The Alliance was founded in April 2005, when the government members, as well as the great majority of the Members of Parliament, of the Freedom Party of Austria (Freiheitliche Partei Österreichs, FPÖ), at that time coalition partner of the People's Party, left their party and formed a new one, i.e., the Alliance.

The Freedom Party had been in government with the People's Party since February 2000. Because of the allegedly right-wing extremist character of the Freedom Party, the governments of the other 14 EU member states (consisting of right-wing, conservative and liberal as well as social democratic parties at that time) introduced diplomatic 'measures' (referred to as 'sanctions' in the Austrian debate) against the new government. However, they were lifted in September 2000 after a commission of three 'wise men' had reported to the EU-14 that the Austrian government 'is committed to the common European values'. The problem with the 'measures' was not only that they lacked a legal basis in the EU treaties, but also that they turned out to be counter-productive as they stirred up national feelings against foreign 'intervention' in Austria and bound the two governing parties together even more strongly.<sup>1</sup>

However, international concerns about government participation of the FPÖ subsided rather quickly; at the latest after the general elections of November 2002, in which the People's Party's support increased by 15.4% to 42.3%, while the Freedom Party's support was reduced from 27.9% to only 10%. In spite of the fact that an internal Freedom Party crisis (originating from the basic incompatibility between the party's heritage as a populist, anti-establishment movement and its new governing responsibilities) had prompted the resignation of half of its cabinet members - which, in turn, had led to the break-up of government in September 2002 - People's Party chairman and Chancellor Wolfgang Schüssel renewed the People's Party-Freedom Party ('black-blue') coalition in February 2003.

The major reason for the Freedom Party's electoral disaster in November 2002 (as well as for the break-away of the Alliance for the Future of Austria in April 2005) was that the spoils of government office had been distributed unevenly between the two governing parties ever since the establishment of their government partnership. While the People's Party had gained votes and parliamentary seats in six of the nine provincial elections held up until the beginning of 2005, the Freedom Party (with one exception) had always lost votes, in some cases dramatically. The only exception was the provincial election in Carinthia 2004, where the incumbent Governor, former Freedom Party chairman Jörg Haider, was able to maintain a relative Freedom Party majority and to defend his position as government chief. The Freedom Party had to pay the electoral price for many unpopular decisions of the government, which had pursued an essentially neo-liberal course (including, for example, a major pension reform in 2003 and other social security cuts), because it was incapable of defending the interests of the 'small man in the street', for whom the party had fought so loudly during its opposition years.

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<sup>1</sup> See: Franz Fallend (2001), 'Political Data Yearbook: Austria', *European Journal of Political Research*, 40, 3-4: 245-8.

As a consequence, intra-party conflicts in the Freedom Party between the ‘populist’ wing (pointing to the party’s ‘roots’, and supported by the majority of the provincial leaders and the rank-and-file) and the ‘pragmatist’ wing (consisting, above all, of its government and parliament members) intensified. The ‘populists’ blamed the co-operative and submissive politics of the party leadership towards its coalition partner, the People’s Party, for its shrinking public support. The intra-party split also strengthened the traditional German-national wing of the party, which regards Austria as part of a bigger ‘German national and cultural area’ (‘deutscher Volks- und Kulturraum’). Most ostensibly, one of its representatives, who ran as candidate in the third position of the Freedom Party list, ousted the official top candidate in the 2004 elections for the European Parliament by attracting more than two times as many preference votes; and, as a result, he won the only seat that the Freedom Party was able to hold in these elections. He and his followers saw the neglect of the party’s former anti-EU stance as one of the main reasons for its defeat in these elections.<sup>2</sup>

The strengthening of the intra-party critics during and after the 2004 EP elections constituted one of the final blows for Freedom Party unity. In order to get rid of the ‘destructive’ forces, the leadership decided to re-invent the party anew and founded the Alliance for the Future of Austria. Haider was designated chairman of the new party, which chose orange as its official colour (reminiscent of the 2004 ‘Orange Revolution’ in the Ukraine). In spite of the Freedom Party cataclysm, Chancellor and People’s Party chairman Schüssel tried to continue business as usual, rating the split as a ‘Mickey Mouse problem’ for his government. The opposition parties, the Social Democratic Party of Austria (Sozialdemokratische Partei Österreichs, SPÖ) and the Greens, questioned the legitimacy of the ‘new’ government, and demanded new elections. The People’s Party and Alliance, however, pointed out that they still had a parliamentary majority and rejected these claims.

Contrary to hopes of the Alliance (and also the People’s Party) leaders, the ‘new’ party plane did not take off, though. Right from the start the programmatic profile of the party remained unclear. According to opinion polls, only between 2-4% of the electorate supported the new party, making it rather unlikely that it would be represented in parliament after the next general elections at all (the electoral system contains a 4% threshold). As a consequence, the opposition parties, as well as the ‘rump’ Freedom Party, continuously accused the Alliance of being nothing more than a ‘stirrup holder’ (‘Steigbügelhalter’) for the People’s Party.

In March 2006, the so-called ‘BAWAG scandal’ hit the news headlines and seemed to damage the chances of the Social Democrats to win the elections in the autumn, which had seemed so bright because of the Freedom Party/Alliance quarrels. The BAWAG, a bank owned by the Social Democrat-dominated Austrian Trade Union Congress (Österreichischer Gewerkschaftsbund, ÖGB), had lost about 1 billion euros in speculative bargains in the Caribbean Sea (the prosecutors even spoke of 1.5 billion euros in their charge in September). Moreover, Congress President Fritz Verzetnitsch had signed a guarantee for the debts in order to save the bank (and his organisation) from a bad public image. As a result, the Congress itself ran into debts (more than 2 billion euros). As Verzetnitsch had informed neither the executive nor the supervisory board of the Congress about his action, he was sacked by the new Congress leadership after nineteen years as president. The other parties, especially the governing People’s Party and Alliance, exploited the events as proof of the Social Democrats’ low moral standards and their economic incompetence. In contrast, the government used the opportunity to present itself as saviour of the 1.3 million savers of the bank, by initiating a law

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<sup>2</sup> For a report on the 2004 EP elections, see: Franz Fallend (2004), The European Parliament Election in Austria, June 13 2004, *European Parties Elections and Referendum Network 2004 European Parliament Election Briefing No 13*, at <http://www.sussex.ac.uk/sei/documents/epern-ep2004-austria.pdf>.

guaranteeing a 900 million euro public commitment for the bank. As a consequence of the BAWAG scandal, the Social Democrats, which - up to this point - had had best prospects to win the forthcoming general elections, dropped back to the second place behind the People's Party in opinion polls.

The intra-party turmoil of the Freedom Party and the BAWAG scandal made it difficult to predict the results of the general elections and the party composition of the next government. The insecurity grew further when Hans-Peter Martin, an MEP whose list had won 14% in the 2004 elections with a populist campaign, announced that he would also run for the national elections. His candidacy presented a threat, above all, to the smaller parties, which feared that they would lose votes - or even (in case of the Alliance), fail to enter parliament - because of the new competitor.

## **Campaigns**

Never before had the parties spent so much money on their election campaigns. As a consequence of the predicted close race between People's Party and the Social Democrats for first place, and the doubts whether the Alliance for the Future of Austria and List Martin would gain seats at all, the campaigns of all the parties (except the Greens) were characterised by a hitherto unknown extent of negative campaigning. A leading Social Democratic strategist had announced his party's 'napalm' campaign, and this word was cited over and over again in the weeks before the elections.

The People's Party campaign - which centred on its top candidate, party chairman and Chancellor Wolfgang Schüssel - hinted at Austria's good economic performance and cited the appraisals of the government's economic policy by the international media. The national media and political opponents accused the People's Party of leading a simple 'feel good' campaign (with 'Austria - Remains better' as one of its major slogans), devoid of substance and ignoring the country's existing problems. That the problem of financing geriatric care ranked high among these (unresolved) problems, the People's Party had a painful experience when it turned out that even Schüssel's mother-in-law had been attended to by a nurse from Slovakia without a legal working permit. Officially, the People's Party denied resorting to 'dirty campaigning'. However, one of the party's constituent organisations, the Workers' and Employees' League (ÖAAB), distributed posters on which the Social Democrats were accused of being responsible for the BAWAG scandal and of general economic incompetence. As far as possible coalitions after the elections were concerned, the People's Party obviously did not count on the Alliance any more. Schüssel stated clearly that he had no intention of passing over the ministry of the interior (responsible for immigration) to the Alliance, a position the party claimed in a new government. The Freedom Party was denounced as band of hooligans, not acceptable for government participation. The People's Party announced that it would not begin any coalition negotiations with Freedom Party and the List Martin.

The Alliance for the Future of Austria, the smaller coalition partner, put up the former chairman of the Freedom Party's parliamentary group, Peter Westenthaler, as its top candidate. He had left politics in September 2002, in protest against the intra-party rebellion (led by former Freedom Party chairman and now Alliance leader Haider) which brought down the first People's Party-Freedom Party cabinet. Realising that only a small part of the former Freedom Party's supporters had followed them after their split from the party, the Alliance leaders tried to win back these voters by placing the designation 'The Freedomites' on the party's election posters. The Freedom Party, however, secured a court ruling that the Alliance

had to remove this designation from their posters because of the danger of confusion with the Freedom Party. As a matter of fact, the Alliance's major campaign issues (immigration, law and order, families) resembled those of the 'old' and 'new' Freedom Party: Westenthaler promised to expel 300,000 foreigners (i.e., about one third of them) - according to his claims this corresponded to the share of foreigners being criminals, unwilling to integrate themselves into the Austrian society, and abusing the right of asylum. In addition, he wanted to have people convicted of child abuse placed under surveillance for the rest of their lives and to increase the (already rather generous) welfare benefits for families. To demarcate itself from the Freedom Party, the Alliance emphasised that - in contrast to its enemy - it had constructive ideas and was prepared to take over government responsibility. At the same time, however, in order to secure a desperately needed basic mandate for the Alliance in his province, the Carinthian Governor Haider tried to mobilise anti-Slovenian fears among the German-speaking population by refusing to put up more bilingual place-name signs in mixed communities. (Haider placed advertisements in newspapers announcing 'Carinthia will become mono-lingual'.) Bi-lingual signs are prescribed by the State Treaty of 1955, which restored Austria's national independence after the Second World War, and their deployment had been ordered recently by the Constitutional Court. The Alliance's campaign lost momentum when the most popular member of the party's government team, the Minister of Justice Karin Gastinger, announced her departure from the party a few days before the elections. Since her inauguration in June 2004, Gastinger had gained a reputation as a competent government member, who had never surrendered unconditionally to the party line. She declared that the Alliance proposal to expel 300,000 foreigners (which was, however, public knowledge since June) as the principal motive for her resignation.

The 'new' (or 'rump') Freedom Party under its new chairman Heinz-Christian Strache, hitherto chairman of the Viennese party organisation, copied the traditional campaign issues of the 'old' party (during its opposition years under chairman Haider): immigration, criminality and security. Two of its most prominent slogans were 'Daham [At home] instead of Islam' and 'German instead of understanding nothing'. The Freedom Party advocated the expulsion of criminal asylum seekers and those unwilling to integrate themselves. Furthermore, it wanted to exclude foreigners from social benefits, such as those for families, and to close the borders for new immigrants. Consequently, the accession of Turkey to the European Union (the negotiations had started in October 2005) was unmistakably opposed by the Freedom Party. The chairman of the Jewish Community (Israelitische Kultusgemeinde) in Vienna warned the electorate that a vote for the Freedom Party would mean a vote for a party whose background is 'right-wing extreme until national-socialist'.

The biggest opposition party, the Social Democrats, suffered from the modest popularity of its top candidate. While the incumbent Chancellor Schüssel was supported by 29% of the respondents in a representative survey, only 16% preferred Social Democratic chairman Alfred Gusenbauer as government chief.<sup>3</sup> The Social Democrats' campaign concentrated on social issues and stressed the alleged 'social coldness' of the People's Party. Using harsh slogans ('Stop lying! The country needs new fairness'), they vehemently attacked Schüssel in TV spots and newspaper adverts for broken promises of full employment, tax reductions, secure pensions and a modernisation of the education system. Instead, the Social Democrats promised to: introduce a basic income, reduce youth unemployment by 50%, increase pensions, eliminate the 'two-classes' health-care system, lift tuition fees for students and stop the purchase of interceptor planes (the so-called Euro-fighters). Political opponents reproached the Social Democrats for making excessive promises, without pondering much

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<sup>3</sup> See: *Der Standard*, 11 September 2006.

how to finance them. The Social Democrats denied any involvement in the BAWAG affair, and in contrast to previous elections did not reserve seats for the leaders of the trade unions on their candidate list. Accusations that the Social Democrats had received illegal party financing by the BAWAG were dismissed as dirty campaigning, organised by the People's Party; public prosecutors investigating the case were blamed for doing the party's job for it, politicians (above all from the People's Party) repeating the accusations were sued. At the same time, the Social Democrats offered a parliamentary seat for the chairman of the Liberal Forum, obviously in order to broaden their electoral appeal. The Liberals, who had split from the Freedom Party in 1993 because of its anti-foreigner and anti-EU stance, had been thrown out of parliament in 1999. The Social Democrat offer triggered heavy intra-party criticisms in the Liberal party, which prompted media commentators to speak of the final self-dissolution of the party. Coalitions with the Alliance, Freedom Party and List Martin were ruled out (more or less clearly) by the Social Democrats.

The other opposition party, the Greens, relied on their party chairman, the university professor of economics Alexander van der Bellen, as their top candidate. Their campaign was focussed on the fight against poverty (proposing to introduce a basic income of 800 euros per month) and against the discrimination of women. Furthermore, they demanded a 'turn' in energy policy (with the goal of increasing the share of renewable energy in energy consumption) and a new education policy (introducing a comprehensive school for all pupils between 6 and 14 years old). Like the Social Democrats, they wanted to abolish tuition fees for students and to stop the purchase of the Euro-fighters. Both claims were presented as indispensable conditions for a coalition. Also like the Social Democrats, they renounced any coalition with Alliance, Freedom Party and the List Martin.

The competition among the smaller parties was intensified by the candidacy of the MEP Hans-Peter Martin. Similar to his campaign for the 2004 EP elections, where he had attacked the alleged privileges of the MEPs (e.g., concerning re-compensation for travel expenses) achieving a remarkable 14% of the votes, Martin tried to address critically-minded voters by criticising the unresponsiveness and collusion of traditional party politics. Besides, he wanted to strengthen direct democracy (by holding obligatory referendums when 500,000 people signed a popular initiative). He precluded any collaboration with Alliance or Freedom Party after the elections.

The last party to be mentioned here, the Communists (Kommunistische Partei Österreichs, KPÖ), called for a redistribution of wealth from the rich to the poor (through a basic income of 1,300 euros), the abolishment of the national army and voting rights for foreigners. However, right from the start, it was clear that they had no chance of surmounting the 4% threshold for entering parliament.

## **The (Non-)Impact of European Issues**

European issues did play a certain role in the election programmes of the parties, but they did not dominate their campaigns. The People's Party, the Social Democrats and the Greens wanted to revitalise the debate on a new constitution for the European Union, which had come to an end after the negative referendums in the Netherlands and France (in May and June 2005, respectively). The Social Democrats and the Greens pleaded for a re-structuring of the EU into a 'social union' as a strategy against globalisation. Not surprisingly, the Alliance for the Future of Austria and the Freedom Party acted as the most Eurosceptic parties. The Alliance wanted to introduce an exit clause into the EU constitution and to re-nationalise

several EU policies. The Freedom Party (like the People's Party, by the way) called for a reduction in Austrian contributions to the EU budget.

However, the most prominent European issue on the parties' agenda was Turkish EU accession. Negotiations between the EU Commission and the Turkish government had started in October 2005. The Austrian public was, to a high degree, opposed to Turkey becoming an EU member. In the Eurobarometer survey conducted in autumn 2005, 78% of the responding Austrians were of the opinion that 'the cultural differences between Turkey and the EU Member States are too significant to allow for this accession'<sup>4</sup> - the highest level of all member states. Aware of this negative public attitude, the government had pleaded to extend the negotiation mandate by the explicit formulation that 'alternatives' to full membership should be considered as well. As a consequence, the 'absorption capacity' of the EU (which had already been mentioned in the original mandate by the Council, though) was given some stress.<sup>5</sup> During the election campaign, in particular the Freedom Party and the Alliance used the Turkish issue to underline their anti-foreigner policy; both parties were strictly against EU membership for Turkey. The People's Party declared that the Austrian public would get the chance to say Yes or No to Turkey's EU accession in a national referendum. The Social Democrats said No indirectly, demanding that the EU's capacity to act had to be strengthened before any further enlargement. Only the Greens defended the EU decision to start the negotiations as an open process, which could lead to full membership of Turkey if the country meets the relevant criteria.

## Results

The election results disproved almost all the opinion polls that had been carried out since March 2006. After the BAWAG scandal had broken out, the chances of the Social Democrats replacing the People's Party as the strongest party in the general elections (and to lead the next government) seemed to be ruined once and for all. According to opinion polls, public support for the People's Party constantly lay between 2-4% above that for the Social Democrats.<sup>6</sup> In the end, as Table 1 shows, the Social Democrats secured first position and surprised opinion pollsters as well as political opponents - although with 35.3% the party received only 1% more than the People's Party.

One of the major reasons for the defeat of the People's Party, which lost 8% of the votes, was the (for Austrian standards) low voter turnout. Presumably as a result of the 'dirty' campaigns of all the parties (except the Greens), voter turnout declined from 84.3% cent in 2002 to 78.5% and reached its lowest point after 1945. Both major parties lost previous voters. The People's Party was only able to mobilise 72% of its 2002 voters, while 172,000 of them stayed at home. The Social Democrats were at least able to bring 80% of their 2002 voters to the polls, but they also lost 143,000 voters.<sup>7</sup> In addition, 26% of the voters changed their preference and voted for another party than in 2002; it was above all the Social Democrats

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<sup>4</sup> See: European Commission (2006), *Eurobarometer 64: Public Opinion in the European Union*, June (Fieldwork: October 2005), 140 at [http://ec.europa.eu/public\\_opinion/archives/eb/eb64/eb64\\_en.pdf](http://ec.europa.eu/public_opinion/archives/eb/eb64/eb64_en.pdf).

<sup>5</sup> See: Franz Fallend (2006). 'Political Data Yearbook: Austria', *European Journal of Political Research*, 45, 7-8: 1049.

<sup>6</sup> See: Wiener Zeitung (2006), *Umfragen zur Nationalratswahl 2006* at <http://www.wienerzeitung.at/DesktopDefault.aspx?TabID=4639&Alias=wahlen>.

<sup>7</sup> See: SORA (2006), *Wählerstromanalyse Nationalratswahl 2006* at <http://www.sora.at/de/start.asp?b=382>.

who profited from this.<sup>8</sup> Most of the new Freedom Party voters, as well as of the Greens, moved over from the People's Party.<sup>9</sup>

The second question that the media highlighted continuously referred to the 'race' between the Freedom Party and the Greens for third place. Both parties stood for opposite positions in many policy fields (especially immigration), and the question of who would cross the target line first was attributed high symbolic value. Finally, the Greens, who achieved their best result (11.05%) in the history of national general elections, got 532 votes more than the Freedom Party. The latter, however, was satisfied that with 11.04% support it almost won three times as many votes as its rival within the 'Freedomite' camp, the Alliance for the Future of Austria.

The question how many parties would be represented in the new parliament was of major interest too - as it would affect the relative strength of the parties as well as their coalition options after the elections. With 4.1% the Alliance, until the elections the People's Party's coalition partner, almost failed to enter parliament. Since its foundation in April 2005, the party had not been able to build up an effective organisation on the ground, and remained concentrated on its members in government and parliament. It did not succeed in getting the direct mandate that it had hoped to win in the province of Carinthia. However, with 4.1% nationwide it was able to surpass the threshold for representation (which lies at 4%) marginally. The List Martin (2.8%) and the Communists (1%) did not play a significant role.

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<sup>8</sup> See: Wiener Zeitung (2006), *Nach allen Seiten ausgeronnen*, 3 October 2006 at <http://www.wienerzeitung.at/DesktopDefault.aspx?TabID=4682&Alias=wahlen&cob=252177&currentpage=0>.

<sup>9</sup> See: SORA (2006), *Wählerstromanalyse Nationalratswahl 2006* at <http://www.sora.at/de/start.asp?b=382>.

**Table 1: General Elections to the Austrian Parliament (*Nationalrat*, First Chamber) 2002 and 2006**

Party	2002		2006	
	Percentage of Votes	Number of Seats	Percentage of Votes	Number of Seats
ÖVP	42.3	79	34.3	66
SPÖ	36.5	69	35.3	68
FPÖ	10.0	18	11.0	21
Greens	9.5	17	11.1	21
BZÖ	-	-	4.1	7
Martin	-	-	2.8	
KPÖ	0.6	-	1.0	
LF	1.0	-	-	-

Note: Only parties that gained at least 1% of the votes are included in the table.

Abbreviations:

ÖVP	Austrian People's Party ( <i>Österreichische Volkspartei</i> )
SPÖ	Social Democratic Party of Austria ( <i>Sozialdemokratische Partei Österreichs</i> )
FPÖ	Freedom Party of Austria ( <i>Freiheitliche Partei Österreichs</i> )
Greens	The Greens – The Green Alternative ( <i>Die Grünen – Die Grüne Alternative</i> )
BZÖ	Alliance for the Future of Austria ( <i>Bündnis Zukunft Österreich</i> )
Martin	List Dr. Martin – For Democracy, Control and Justice ( <i>Liste Dr. Martin – Für Demokratie, Kontrolle und Gerechtigkeit</i> )
KPÖ	Communist Party of Austria ( <i>Kommunistische Partei Österreichs</i> )
LF	Liberal Forum ( <i>Liberales Forum</i> )

Source: Federal Ministry of the Interior ([www.bmi.gv.at](http://www.bmi.gv.at)).

The voting motives for the different parties varied. According to the (People's Party-aligned) Fessel-GfK institute, 43% of the People's Party voters wanted to prevent the installation of a 'red-green' (Social Democrat-Green) government with their vote. Chancellor Schüssel, on whom the party's election campaign had focussed, was a decisive voting motive for only a quarter of People's Party voters.<sup>10</sup> Contrary to the People's Party's hopes, the Social Democrats did not suffer much from the BAWAG scandal. According to the (independent) SORA institute, 55% of trade union members supported the Social Democrats. As a matter of fact, the Social Democrats won the issue competition: measures against unemployment, in particular youth unemployment (86%), the creation of jobs (84%) and the security of pensions (80%) were the most important issues for the voters, and also the most important motives to vote for the Social Democrats. Freedom Party voters were foremost attracted by the party's restrictive immigration policy (60%) and its position against Turkish EU accession (24%). Likewise, its anti-foreigner stance was the key motive for most Alliance for the Future of Austria voters, though to a lesser degree than for the Freedom Party voters (33%); the person of Haider was deemed important by 22% of Alliance voters. So, the 2006 elections proved, once again, that parties which rely primarily on anti-foreign or anti-European attitudes have

<sup>10</sup> See: Wiener Zeitung (2006), *Nach allen Seiten ausgeronnen*, 3 October 2006 at <http://www.wienerzeitung.at/DesktopDefault.aspx?TabID=4682&Alias=wahlen&cob=252177&currentpage=0>.

an appeal to around 15% of Austrian voters. For Green voters, ecology (42%) was by far the most important issue.<sup>11</sup>

## Consequences

In spite of the fact that the People's Party and Social Democrats had violently attacked each other in their campaigns, the results of the general elections of 1 October 2006 almost left no other alternative than to form a Social Democrat-People's Party coalition. Neither a People's Party-Alliance for the Future of Austria nor a Social Democrat-Green coalition were arithmetically possible. An extension of a People's Party-Alliance coalition to include the Freedom Party was politically impossible because of the recent split between Freedom Party and the Alliance and the personal frictions between the leading figures of both parties. Besides, Chancellor and People's Party chairman Schüssel would have had great problems in justifying publicly a renewal of a centre-right coalition after the recent Freedom Party/Alliance turmoil, which made a stable government very unlikely.

However, the controversies between the Social Democrats and the People's Party continued after the elections when the Social Democrats, together with Greens and the Freedom Party, installed two parliamentary committees, in order to investigate the Euro-fighter purchase and the role of the supervision of the BAWAG by the ministry of finance. Both investigative committees were seen by the People's Party as affronts, not apt to build up trust to the Social Democrats. So the coalition negotiations moved on very slowly but, ultimately, the Social Democrats and the People's Party agreed on a coalition pact. On 11 January 2007, the new government was sworn in. Austria has a certain tradition of such 'grand coalitions' as the People's Party and the Social Democrats had already ruled the country in the years from 1947 until 1966 and from 1987 until 2000.

The portfolios in the new Social Democrat-People's Party coalition were distributed evenly (both parties got seven ministries), but the fact that the People's Party received the most important ones (finances, economics, interior, foreign affairs) was interpreted by the media as a defeat of the Social Democrats. Moreover, the Social Democrats had to give in on two of their most important electoral promises: the abolition of the tuition fees for students and the cancellation of the purchase of the Euro-fighters. Intra-party protest rose in the Social Democrats, and party chairman and new Chancellor Gusenbauer was accused of sacrificing his party's credibility for his personal career ambitions. It became a common description in the media that the People's Party had lost the elections, but had won the coalition negotiations - the party's team in the negotiations had been led by Schüssel, who had stepped down as party chairman and Chancellor, but remained chairman of the parliamentary group of his party.

It may be too early to evaluate the performance of the new government. However, at the time of writing (March 2007) it seems as if the two parties, in spite of a comprehensive government programme, lack common perspectives. Every day the media are full of stories of conflicts between ministers of the two parties, and the popularity of the new government is rather low. The People's Party (in spite of its defeat at the polls) does not seem to have any intention to change its major policies, and the Social Democrats and their Chancellor are not (yet) able to direct the government boat. On the other hand, any coalition between two major

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<sup>11</sup> See: SORA (2006), *Analysen zur Nationalratswahl 2006* at [http://www.sora.at/images/doku/sora\\_analysen\\_nrw\\_2006.pdf](http://www.sora.at/images/doku/sora_analysen_nrw_2006.pdf).

parties entails long negotiations and complicated deals. So only time will tell whether the two parties will finally make it.

*This is the latest in a series of election and referendum briefings produced by the European Parties Elections and Referendums Network (EPERN). Based in the Sussex European Institute, EPERN is an international network of scholars that was originally established as the Opposing Europe Research Network (OERN) in June 2000 to chart the divisions over Europe that exist within party systems. In August 2003 it was re-launched as EPERN to reflect a widening of its objectives to consider the broader impact of the European issue on the domestic politics of EU member and candidate states. The Network retains an independent stance on the issues under consideration. For more information and copies of all our publications visit our website at <http://www.sussex.ac.uk/sei/1-4-2.html>.*