

## Conservative coalition faces widespread unpopularity

# Outcome uncertain on eve of Austrian elections

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According to recent opinion polls, the outcome of the Austrian National Council elections due to be held October 1 is entirely unpredictable. The current conservative government consisting of a coalition of the Austrian People's Party (APP) and the Alliance for Austria's Future (AAF), a splinter group formed by Jörg Haider following a split in the ultra-right Austrian Freedom Party (FP), has recorded virtually unprecedented levels of unpopularity amongst Austrian voters.

During previous election campaigns, the various parties usually gave some indication of their favoured coalition partner. This time round, however, all of the parties involved—conservatives, social democrats, right-wing parties and the Greens—want to keep all their options open.

What is clear is that in the course of the past four years, the established parties have undergone a considerable shift to the right, with very little to choose among them in terms of economic and social programme.

Following the last election four years ago, Austrian Chancellor Wolfgang Schüssel (APP) decided in favour of further cooperation with the right-wing populist Freedom Party, originally led by Jörg Haider, and to thereby consolidate the lurch to the right undertaken by the APP in 2000. The new government agreed on an extensive package of cuts and savings and initiated wide ranging "reforms."

Amongst the measures carried out by this government was the sale of the last remaining state-owned enterprises, the introduction of study fees, and drastic cuts in the country's health system. In addition, it agreed on a reform of the pension system, involving substantial losses for pensioners, that led to one of the country's biggest protest actions of the last 50 years.

Predictably, these policies encountered stiff resistance from the population, expressed in a series of defeats for government parties in local elections and bitter infighting within the coalition parties themselves. Such tensions led to a split in the Freedom Party, with Haider quitting the party and forming his own new AFF with his closest supporters.

The AFF remained as a junior partner in the government and continued its right-wing policies. Now, the party faces complete collapse. In the Viennese state elections, the AFF

notched up a miserable result and confronts being reduced to fringe status. The organisation is expected to win just 2 percent of the vote in the upcoming National Council election.

In order to win at one direct mandate, the AFF launched a racist campaign just prior to the elections directed against the country's Slovenian minority. In the state of Karnten, where Haider heads the local government, his party wrote pieces in newspapers calling for Karnten to "switch to a single language." According to the Austrian constitutional court, direction signs in the state should be provided in two languages. But Haider defied the law and gave the go-ahead for two communities to put up signs with German names only. Two years ago, Haider had already tried to attack the rights of minorities in the country, which have enjoyed such rights for the past 50 years.

For its part, the People's Party did nothing to disassociate itself from the right-wing policies of the Freedom Party and the AFF. For the past six years, the APP has allowed itself to be driven along by such forces up to the point when it took up and then implemented the Freedom Party's rightist policies.

The television duel between economics minister Martin Bartenstein (APP) and the leader of the AFF, Peter Westenthaler, was characteristic in this respect. A programme that had been intended to provide a venue for debate between representatives of different parties became a platform for both men to praise the performance of the government and declare their readiness for further cooperation. Both men tried to out-trump one another with proposals for even tougher immigration measures and restrictions.

Chancellor Schüssel made clear in the election campaign that he intends to stick to his course of the last few years. He has established the APP as a law-and-order party that barely differs in terms of policy from its coalition partner. Schüssel announced that he would take tougher action against "foreigners unwilling to integrate" and that he will not allow Austria to be turned into a "mini-Istanbul."

The APP has also adopted a slogan popularised by the FP: "Life sentences for child abusers." The leader of the APP parliamentary group, William Molterer, declared his party's

intent to drastically tighten up criminal law, with plans to double the sentences for offences such as kidnapping and abuse.

Based on the unpopularity of the government parties, an election victory for the Social Democrats (ASP) was regarded as a safe bet just a year ago. According to some opinion polls, the Social Democrats had a 10-point lead over the People's Party. Everything changed, however, following the scandal known as the Bawag affair.

The thoroughly dubious investment business practices of investment banker Wolfgang Flöttl brought the trade union-owned Bawag bank, which is steeped in tradition, to the edge of bankruptcy. A dense network of nepotism and corruption emerged, implicating leading trade union and Social Democratic functionaries. The leaders of the Austrian trade union federation had gone so far as to invest its strike fund in an effort to rescue the ailing bank.

As soon as the bank scandal became public, the Social Democrats fell behind the APP in opinion polls for the first time in three years. The latest revelations over the Bawag and the role of the ASP will only serve to intensify this trend. According to new information, funds obtained by Flöttl in the course of his obscure business deals landed in the accounts of the ASP, at the express wish of former Bawag boss Elsner, backed by ex-chancellor Franz Vranitzky.

Flöttl's own statements have not been confirmed, but there are indications that the Social Democrats did indeed receive financial support from the Bawag. From 1997 onwards, Vranitzky was employed as an advisor to the west German Landesbank and in this connection had already been implicated in another affair involving perks he had received, in particular free air travel.

The Bawag affair underlines the fact that the Social Democrats had already severed any sort of links to its supporters amongst workers and pensioners by the 1990s. During this period, the ASP had gone into a coalition with the People's Party and directly implemented social and welfare cuts. For the last six years, the party has done nothing to oppose the new austerity measures pushed through by the current coalition in Vienna.

Just as is the case with the APP, the Social Democrats led by Alfred Gusenbauer unreservedly represent the interests of Austrian big business and the rich. The decision by the ASP leadership to enter the elections in an alliance with the Liberal Forum (LIF) speaks volumes about the party's social orientation.

The Liberal Forum was founded in 1993, when several deputies quit the Freedom Party in dissatisfaction over the party's ultra-right-wing line under Jörg Haider, who had taken over the leadership of the FP in 1986. The LIF is comparable to the free-market Free Democratic Party in Germany. It demands complete privatisation and deregulation of the economy along with other radical reforms called for by Austrian big business

circles.

A guarantee by the ASP to assist the LIF in securing mandates has been met with hostility inside the party. In addition, the ASP decided to exclude any trade union leaders from its list of candidates and so dissociate itself from the trade unions. As a result, the open advocates of neo-liberal economic policies now dominate its electoral list.

The Austrian Greens are expected to emerge out of the elections as the third-biggest political party. It has indicated in its election campaign that it regards the both the APP and the ASP as potential coalition partners.

The leader of the Greens, Alexander van der Bellen, had already sought a coalition with the APP in 2002, but was rebuffed Schüssel. The APP feared that a coalition with the Greens at that time could have led to conflicts within the ranks of the Greens and threaten the work of the government. Van der Bellen has since brought his party into line. The last vestiges of resistance to a coalition between the conservatives and the Greens disappeared at the end of 2003, when precisely such a coalition came into being in the Austrian state of Upper Austria.

The election campaign has once again confirmed that there are no major differences between the Austrian Greens and the other two main political parties. In the sphere of social and economic policy, the Greens support the course already taken by the current government. With regard to immigration policy and the party's criticism of the policies of the APP and AFF the Greens adopt an entirely pro-business standpoint, calling for increased opportunities for well-qualified immigrants to work in Austria.

The speaker of the Green Party on security issues, the former Pabloite and self-proclaimed "Marxist" Peter Pilz has already announced his interest in taking up the post of defence secretary in a future Green-APP coalition. The former member of the Pabloite Revolutionary Marxist Group declared that on many points the Greens had more in common with the APP than with the Social Democrats.

The only condition laid down by the Greens for a coalition with Schüssel and the People's Party is the withdrawal of the government's plans to purchase 24 Eurofighters. No one should conclude, however, that Pilz is opposed to the Austrian military. He is a longtime advocate of a strengthening of both Austria's and Europe's military competence and favors a professional army. His opposition to the Eurofighter purchase is based purely on economic considerations. According to Pilz, military operations could also be carried out with airplanes that have simply been leased.



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