

Austrian grand coalition in crisis

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12 March 2008

Following months of conflict in the Austrian government coalition, a premature end of the coalition between the Social Democrat Party (SPÖ) and the conservative Austrian People's Party (ÖVP) seems increasingly likely. A debate has erupted within the SPÖ over how to deal with the extreme right-wing Freedom Party (FPÖ), with a layer of the social-democratic leadership now favouring a pact with the ultra-rightists.

Several high-ranking SPÖ representatives have spoken out for fresh elections. State Undersecretary Reinhold Lopatka (ÖVP) has already mentioned June 8 as a possible date for new elections. "We certainly cannot hold out until 2010 in the present form. This state of affairs is no longer acceptable," he told the Viennese *Standard*.

Previously, Chancellor Alfred Gusenbauer (SPÖ) and the influential Viennese SPÖ had expressed their regrets at the continuous climate of conflict and indicated that the coalition could face a premature end. While the conservative vice-chancellor, William Molterer, has officially called for a continuation of the cooperation between Austria's two main parties, the state leaders Josef Pühringer and Josef Pröll (both ÖVP) have declared that at present "all options are open."

The disputes between the SPÖ and ÖVP have increased enormously during the past few weeks. Both sides are threatening one other with committees of inquiry to investigate a series of scandals, such as the Eurofighter and Bawag affairs. These committees are a pure farce, under conditions where both parties are involved in obscure backroom manoeuvring in relation to both issues. The news magazine *Profile* quoted one SPÖ worker who retorted, "It would be like one cop blowing the whistle on another one."

The main point of dispute between the coalition partners is the planned tax reform. Gusenbauer and the

SPÖ want to ensure that the measure comes into force in 2009, while the ÖVP prefers to wait until 2011—after the official date for scheduled parliamentary elections. The reform contains some minor tax exemptions for small and average wage earners in line with promises made by the SPÖ in its election campaign in 2006.

In the 1980s and 1990s the grand coalition in Austria was the accepted form of government. Both parties represented similar policies and the social democrats, in alliance with the trade unions, had the job of keeping the working class in check along the lines of the country's system of "social partnership." The economic and social changes of the 1990s increasingly undermined such a form of politics, however. In response the ÖVP formed a coalition in 2000 with the right-wing Freedom Party led by Jörg Haider and the SPÖ went into opposition.

After six years of rule by the right-wing coalition the ÖVP was discredited and the Freedom Party deeply split and confronting financial ruin. Despite losses it was possible for Gusenbauer to re-establish the SPÖ as the party with the most electoral support. However, after entering once again into a grand coalition with the ÖVP, the SPÖ disillusioned its voters by allowing the conservatives to dictate policy. As a result the SPÖ broke all of its election promises, such as its plans to abolish student tuition fees and cancel the purchase of the Eurofighter.

This betrayal of the electorate rapidly accelerated the decline of SPÖ and led to a wave of resignations, with growing discontent characterising those who remained in the party. In local council elections held in Graz in February the SPÖ lost over 6 percent. With just 19 percent of the vote the SPÖ ranks only minimally above the Greens, and the SPÖ lost nearly 8 percent in last Sunday's state elections in Lower Austria.

While the SPÖ is quite correctly being punished by the electorate for its antisocial policies, the ÖVP, which

is nominally regarded as the junior partner in the coalition, has been able to profit from the situation—it has been able to dictate policy to the SPÖ. Any end to the coalition would certainly not entail a policy change on the part of the SPÖ. Chancellor Gusenbauer has affirmed on a number of occasions that his government would implement the demands put forward in its program. Any other coalition would carry out basically the same policies.

Up until the last parliamentary elections the Greens were considered the preferred partner of the SPÖ. But the lurch to the right by the entire political establishment in Austria has reshuffled the deck and in the meantime the Greens have switched their orientation primarily to the ÖVP. Coalitions between the Greens and conservatives already exist at the state level in Upper Austria and Bregenz and the same constellation is currently being put together in Graz—formerly a stronghold of the SPÖ and the Austrian Communist party. The ÖVP mayor Siegfried Nagl, along with many other party colleagues, sees in such a coalition “a new option at a state or federal level.”

Under these circumstances the SPÖ is increasingly looking towards the extreme right as a potential partner. While Gusenbauer has sought to officially evade the issue of possible cooperation with the Freedom Party, other SPÖ leaders have not been so reticent and have intimated that they would be prepared to entertain an alliance with the FPÖ—now led by Heinz Christian Strache.

The chairman of the SPÖ in Vorarlberg, Michael Ritsch, declared that “one should not rule out any option.... I leave an option open for cooperation with the Freedom Party in the federal elections of 2009, as well as the communal elections in 2010,” he stressed. And the state head of the Social Democrats in Steiermark, Toni Vulkan, declared that he was “open for discussions with all democratically elected parties.”

National council president Barbara Prammer explained that the SPÖ had to “re-evaluate” its relationship to the FPÖ after the next elections, and the SPÖ leader Josef Cap is alleged to have already explored the concrete possibilities of cooperation in internal discussions with Strache.

Accordingly, an increasing number of SPÖ politicians are calling for the abolition of the so-called

“anti- FPÖ resolution” passed by an SPÖ congress in 2004, which prohibited any co-operation with the FPÖ. In fact, this resolution was only window dressing because in the same year the SPÖ in Carinthia commenced collaboration with Jörg Haider at a regional level. But now any official impediment is to be done away with, and according to the SPÖ speaker on security issues, Rudolf Parnigoni, “No resolution lasts forever. Whether we change it will be up to the next Party Congress.”

Sections of the trade unions are also preparing to change course. Union official Josef Muchitsch told the *Standard*, “If we want more options in the future then this resolution is no longer up-to-date.” Since cooperation with the FPÖ works well at a district level, Muchitsch asked, “Why shouldn’t it also be possible at other levels?”

SPÖ speaker on constitutional affairs, Peter Wittmann, has even detected “a change taking place” within the FPÖ. In fact, the type of change became clear in recent weeks when the FPÖ transformed its election campaign in Graz into an anti-Islamic witch-hunt. Since splitting with the Alliance for the Future of Austria (BZÖ), which was formed by a more “moderate” wing of former FPÖ members, the Freedom Party has been even more dominated by ultra right-wing extremists and openly fascist elements.

For its part, the FPÖ has also made clear it is ready to cooperate with the Social Democrats. The division of labour between the two parties is quite clear. A government alliance consisting of the SPÖ and FPÖ would seek to steer increasing social discontent into reactionary nationalist and racist channels, with the Social Democrats channelling social protest with the help of the trade unions.

In 1999 the SPÖ denounced the ÖVP for forming a coalition with the former party of Jörg Haider. Now, just a few years later, they are ready to increase the influence of the extreme right and strengthen the most reactionary forces. There could be no clearer indication of the degree of decline and rotteness of this party.



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