## Social Democrats suffer historical defeat in Upper Austria

## Markus Salzmann 3 October 2009

As in neighbouring Germany, the Austrian Social Democratic Party (SPÖ) suffered a historic defeat in recent state elections. The SPÖ received just 24.5 percent of the votes cast, its worst showing since 1945. Never before has the SPÖ vote fallen so sharply in a state election—over 13 percent compared with its previous result.

The winner on election night was the right. The conservative Austrian People's Party (ÖVP) gained slightly, reaching 46.7 percent, while the extreme rightwing Freedom Party of Austria (FPÖ) nearly doubled its previous result; the FPÖ vote rose from 8.4 to 15.3 percent. The Green Party was unable to profit from the collapse of the SPÖ. The Greens received 9.1 percent of the vote, or about the same as in 2003. It is expected that the ÖVP, under the leadership of the current state premier, Josef Pühringer, will again form a coalition with the Greens in the state legislature.

Thus continues the freefall of Austria's Social Democrats under the current Austrian chancellor, Werner Faymann. Two weeks ago, the SPÖ reached a new low in the state elections in Vorarlberg, dropping to 10.1 percent, its worst result in the province since the end of the Second World War. The SPÖ had recently experienced similar debacles in state elections in Salzburg and Kärnten, as well as in the European Union elections.

As in Vorarlberg, where the SPÖ did little to counter the racist and anti-Semitic campaign of the FPÖ, the Social Democrats seemed to steer voters toward the right. With his demands for tougher immigration laws, Upper Austrian SPÖ chief Erich Haider was in lockstep with the FPÖ. Haider proposed that immigrants be "contractually" bound to undertake steps towards integration into Austrian society. Alongside language classes, he called for immigrants to sign a written commitment that they would observe the basic rules of "social life": to pursue employment and to allow family members unimpeded access to education. Penalties, the most severe being deportation, would result from the "breaking" of these obligations.

Haider's resignation two days after the election-night debacle does not signal a shift in the SPÖ. On the contrary, his resignation is meant to ease cooperation with the conservative ÖVP. Haider has declared that his resignation will "create a new foundation for cooperation between the SPÖ and ÖVP." Since the ÖVP leadership has long regarded Haider as a red rag, the ÖVP had worked together closely with the Greens in the last legislative period.

As was to be expected, SPÖ leader Werner Faymann spoke out against a political reorientation. "I'm no flag in the wind," he declared, going on to affirm the party's anti-social right-wing politics.

After the dismal electoral results many high-ranking SPÖ politicians want to push the party further to the right. Josef Cap, leader of the Social Democrats in the Austrian upper chamber, the National Council, called for the party to more clearly address the issue of immigration. Cap wants the party to undermine the FPÖ's far right-wing base of support by largely adopting the same racist and xenophobic positions.

Defence Minister Norbert Darabos had already announced that the SPÖ would develop a new "integration concept" before the 2010 party convention. This should lead to a proposal concerning "concepts, projects and experiences" on the theme of integration at the party convention. It is already clear that a tougher stand on immigration, asylum and the rights of foreigners can be expected, and that the demands of nationalist circles will be incorporated into the proposal. Faymann said that the SPÖ must show Austrian citizens that it was serious about implementing a "policy of integration, rules and order."

It should come as no surprise that the Social Democrats, despite the disastrous electoral results, sinking membership and inner-party conflict, stubbornly cling to and seek to intensify their present political course. The effects of the economic crisis are becoming ever more apparent in the Alpine republic. The SPÖ, like all the other parties, is determined to lay the burden of burgeoning public debt, rising unemployment and economic decline on the backs of working people.

The latest economic analyses point towards an explosion in deficit spending this year as a result of the crisis. Economic research institutes predict a deficit of 4.5 percent of gross domestic product this year and 5.5 percent in 2010.

There has been a tremendous decline in tax revenues. Income tax revenue alone has fallen this year by  $\notin$ 725 million, or 5.3 percent. Value Added Tax (VAT) also brought in less funding up to August. In the first eight months of 2009, VAT amounted to  $\notin$ 14.13 billion— $\notin$ 278 million, or 1.9 percent, less than during the same period in 2008.

This is also reflected in the number of unemployed, which was 27.7 percent higher at the end of September than the year before. The official unemployment figure now stands at 223,000. However, this does not include those now in job training and other "make-work" schemes.

Further layoffs are expected in many branches of the economy. After the takeover of the German automaker Opel by Magna, for example, no further orders from Chrysler and BMW will be sent to Graz, the centre of the Austrian car industry, where there are already speculations about the cutting of 700 jobs.

The ruling grand coalition between the SPÖ and ÖVP is reportedly pursuing further privatisation of the postal service and railways. "A lot of blood" will have to flow before the formerly state-run postal service is "competitive" on the market, Austrian daily Die Presse recently declared.

The Wifo economic institute, along with other business-friendly organisations, has called for the crisis to be used to implement a "change of course." They propose deeper cuts in spending on welfare, education and health. Günter Leiner, president of the European Health Forum Gastein (EHFG), warned of the dangers of deterioration in the health system resulting from the economic crisis. "Without rapid and systematic countermeasures, noticeable negative consequences for the population of the European states will be unavoidable," he noted.

Leiner called on the government to push ahead with harsh attacks on health services for wide layers of the population. "In view of the current economic situation, there must be an end to the continuing opposition to long-overdue reforms, cost-cuts and efficiency increases," he said.

The SPÖ-led coalition in Vienna will certainly heed such calls. Soon after the defeat in Upper Austria, Chancellor Faymann announced that he would push forward with his "bold course." That can only be understood as a warning.



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