



PISM | POLSKI INSTYTUT SPRAW MIĘDZYNARODOWYCH
THE POLISH INSTITUTE OF INTERNATIONAL AFFAIRS

BULLETIN

No. 138 (1384), 7 October 2019 © PISM

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Austria after Early Parliamentary Elections

Łukasz Ogrodnik

On 29 September, the Austrian People's Party (ÖVP) won the elections to the lower house of parliament, the National Council. Early elections were held after the collapse of the ÖVP-Freedom Party of Austria (FPÖ) coalition in May. Sebastian Kurz's return as chancellor means he will build his cabinet with the FPÖ, the Social Democratic Party of Austria (SPÖ), or the Greens. A coalition with the latter, the most likely option, will translate into growing divergence in the EU forum between Austria and Poland, especially on climate policy.

In Austria's elections to the lower house of parliament, no party won a majority (the upper house—the Federal Council—is elected by the parliaments of the federation states). The National Council elections were won by the Christian Democrats (ÖVP) with 37.5% of the vote, 6 percentage points (p.p.) compared to the 2017 elections. In second place, but with its worst result ever, was the Social Democratic Party of Austria (SPÖ) with 21.2% (a decrease of 5.7 p.p.). Extreme-right-wing FPÖ lost 9.8 p.p. from the previous elections, garnering just 16.2%. The Greens, however, achieved their best result since their founding, coming in at 13.9%, keeping them in the National Council. The New Austria and Liberal Forum (NEOS) won 8.1% of the vote, an increase of 2.8 p.p. In the 183-seat lower house, 71 mandates will fall to ÖVP, 40 to SPÖ, 31 to FPÖ, 26 to the Greens, and 15 to NEOS.

Since 3 June, the interim technocratic government of Chancellor Brigitte Bierlein has held power, the result of Austria's first post-war vote of no confidence in the government, which lost its parliamentary majority after FPÖ left the coalition. That is why Kurz resigned as chancellor and was replaced by the shortest acting chancellor in Austrian history (Hartwig Löger from ÖVP, 6 days) and then by Bierlein, the former president of Austria's Constitutional Court. The coalition broke up over Kurz's pressure on FPÖ to settle accounts in the wake of the "Ibiza scandal" that broke in May this year and which involved recordings of conversations between the then-chairman of the FPÖ, Heinz Christian Strache, and a supposed investor interested in buying 50% of the largest daily newspaper in Austria, *Kronen Zeitung*. In exchange for press backing before the 2017 parliamentary elections, the investor, claiming to be the niece of Russian oligarch Igor Makarov, was to obtain, among others, conveniently arranged contracts in the construction industry. In addition to the "Ibiza scandal", the party was harmed immediately before the elections by allegations against Strache and his wife about the misuse of party funds.

Kurz's Coalition Possibilities. The election results confirm ÖVP's strong position. This will ensure Kurz's return as head of the government. In addition to the electoral victory—made possible by ÖVP's significant takeover of the FPÖ electorate—the Christian Democrats enjoy relatively high coalition capacity. This stems from their programmatic centrist position and rich experience of co-governance with both the far right and the left. In the new composition of the National Council, a coalition under Kurz with the FPÖ, SPÖ or Greens gives it a parliamentary majority. The ÖVP leader has not excluded a minority government if coalition talks fail; however, this option would raise the risk of subsequent early elections.

Kurz's preferred partner in talks about the future government is new FPÖ leader Norbert Hofer. This is due to their coalition experience, as emphasized by the ÖVP and FPÖ leaders during the campaign, and programme similarities. Kurz's condition is that Herbert Kickel, the former interior minister who also was responsible for FPÖ's finances at the time of the scandal, remain outside the future cabinet. However, after seeing the extreme right's position weakened in the elections, the party's leaders have declared it will reconstruct itself in the opposition. This reduces the likelihood of a repeat of the right-wing coalition of 2017–2019.

Another cabinet option is the return to a coalition of the two largest parties: ÖVP and SPÖ. Such an agreement is limited by the weakening of Social Democracy in the new parliament as a result of a shift to the Greens. Both parties have significant programmatic differences, such as on increasing the minimum wage, proposed by SPÖ.

Due to the weakening of the FPÖ's and SPÖ's positions, an ÖVP-Greens coalition is the most likely scenario. Although it already exists in several federal states, it would be unprecedented at the federal level. As in Germany, the Greens are effectively building public support through demands to combat climate change. Such a coalition would, however, require significant compromises, especially in fiscal and social policy, and a significant portion of the Christian Democratic electorate is sceptical of it. According to a survey by public broadcaster ORF, only 20% of ÖVP voters want a coalition with the Greens. Such a cabinet would, however, improve Kurz's image in the EU after the period of rule with the far right, especially after the "Ibiza scandal", which revealed corrupt practice on the part of FPÖ's leader.

European Policy. Budget, migration, and climate remain priority areas for the ÖVP. At the EU level, these are managed by the European Commission (EC). In the first of these areas, budget, the Christian Democrats propose restrictive policies. First, Kurz points out that, in the face of Brexit, Austria, a net payer, should not be asked to increase its contributions to the EU, rather the budget should be reduced. Second, he wants to punish euro-area countries that have excessive budget deficits. Third, he favours linking EU funding to compliance with the rule of law, which corresponds to the assumptions of the Finnish presidency of the EU Council. The nomination of an Austrian as the next Commissioner for Budget and Administration in the new EC composition indicates the importance of this country in the discussion on the future EU budget.

In migration policy, ÖVP advocates strengthening the EU's external borders, countering people smuggling, and increasing Frontex staff to 10,000. This would optimally take place by 2024. In addition, Kurz has announced Austria's opposition in the European Council to mandatory migration quotas if such a solution returns in EU deliberations.

Unlike the Greens, ÖVP as a party does not favour the introduction of national CO2 emissions charges. In return, Kurz supports the internationalisation of combating the effects of climate change through an EU CO2 tax on goods from third countries that do not meet climate standards. According to Kurz, one such solution, the [Border Carbon Tax \(BCT\)](#) would additionally protect domestic food producers. In the eyes of the ÖVP, the rejection of the [EU-Mercosur agreement](#) would contribute to the same end. This proposal is also part of the Greens' programme, which highlights the ecological and social consequences of adopting the agreement.

Conclusions and Perspectives. The election results to the National Council confirmed the dominant position of the Christian Democrats. The declines noted by Social Democracy and the far-right has made those parties more interested in rebuilding their positions in the opposition. The success of the Greens—the ÖVP's most likely coalition partner—indicates an increase in public interest in ecology over migration, which dominated 2017 parliamentary campaigns.

Kurz's restrictive EU fiscal policy corresponds to the approach of the V4 countries, which show high budgetary discipline. At the same time, the call for tying the budget to compliance with the rule of law in EU countries is at odds with the Polish government's position on the matter. Hungary and the Czech Republic have an ambiguous stance on it. ÖVP's demands correspond closely to the policy of the V4 countries on migration issues. Austria could be an ally in rejecting mandatory relocation quotas if the concept is reconsidered in the EU. However, if an ÖVP coalition is formed with the SPÖ or with the Greens, Kurz will be forced to liberalise the government's overall approach to migration policy compared to when it was in coalition with the FPÖ.

The differences of opinion between Austria and Poland in the area of climate policy are likely to increase, especially if the Greens join the government. However, regardless of the composition of the cabinet, Austria will continue to support the assumptions aimed at achieving EU climate neutrality by 2050. The assumptions are in line with the policy of most EU countries but comprise a different position than those of the governments of Poland, Hungary and the Czech Republic.