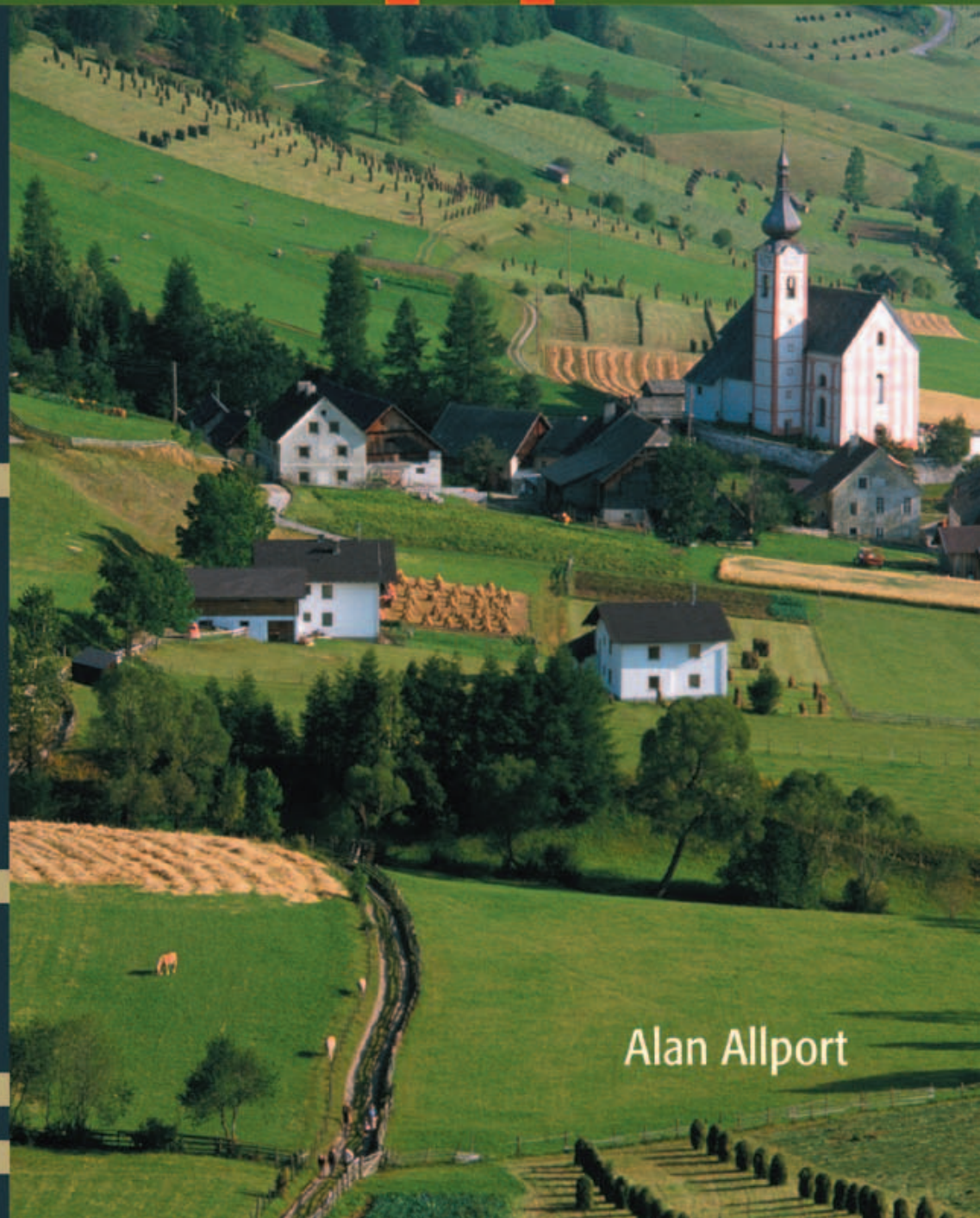




AUSTRIA



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The Austrian Republic

As we saw at the end of Chapter 3, modern Austria was forged from the German-speaking remnants of the old Habsburg Empire at the close of World War I. Since the Treaty of St. Germain in 1919, Austria has been a federal republic, governed by a president and parliament in Vienna but with important powers also delegated to its nine self-governing *Länder*, or provinces: Burgenland, Carinthia, Lower Austria, Upper Austria, Salzburg, Styria, Tyrol, Vienna, and Vorarlberg. To be more accurate, there have been two federal republics—the first lasting until 1938, when the country was absorbed into Nazi Germany, and the second beginning in 1955 and continuing to the present day. Despite this break in its political continuity, the Austria of today is still largely governed by the principles laid down in its 1920 constitution, with the most important amendments being made in 1929. To better understand

the often-turbulent story of the two republics, it would be useful to analyze the structure of the Austrian government more closely.

Austria's Political System

The Austrian head of state is the federal president, elected by popular vote every six years. This president nominally appoints the government and is commander in chief of the national armed forces. In practice, it is the president's chancellor—usually the leader of the largest political party at the time—who governs the country on a day-to-day basis, appoints a cabinet of ministers, and introduces new legislation in parliament. Parliament is composed of two houses, the lower chamber, or National Council (*Nationalrat*) and the upper chamber, or Federal Council (*Bundesrat*). The Nationalrat, which has 183 members and is elected by popular vote on a four-year basis, is the more important of the two, and although a new law must be approved by both houses before it becomes official, the Nationalrat can override the vote of the Bundesrat if it so chooses. Nationalrat elections are organized on the principle of “proportional representation,” or PR, meaning that the number of members each party obtains is roughly equal to its share in the popular vote. (Congressional elections in the United States are not conducted using PR, which means that there can sometimes be a discrepancy between the number of votes a party receives and the seats that it wins).

The Bundesrat's 64 members are appointed by regional assemblies, or *Landtags*, and its role is to safeguard the rights of Austria's provinces. Membership in the Bundesrat is apportioned according to the population in each province. Each province has a governor in its own right, appointed by the local Landtag, except for Vienna, where the city's mayor also acts as the governor. The Landtags are in turn elected by popular ballot. Each province has its own constitution and can raise taxes as well as organize the local police force, administer primary

education, run the region's health and housing services, and implement environmental-protection laws. The provinces fiercely guard their constitutional privileges, and throughout Austria's recent history there has sometimes been tension between the wishes of the federal government in Vienna and the local governors and Landtags.

Austria is a fully functioning modern democracy in which the powers of the government are monitored and, if necessary, restricted by an independent judicial system. The Constitutional Court, whose 13 members are directly appointed by the federal president, is the supreme legal authority in the country and, if need be, can overturn a parliamentary law if it is deemed to be contrary to the national constitution. A whole series of lower courts handle ordinary civil and criminal matters, although in situations involving fundamental liberties, an ordinary citizen may be able to appeal his case all the way to the Constitutional Court. Austria has a professional civil service, which is independent of party political allegiance and helps to administer the country efficiently.

The two most powerful political parties in the Republic are the Social Democratic Party (SPÖ) and the Austrian People's Party (ÖVP). Both can trace their origins to the Habsburg period, and they reflect the key ideological and geographical divisions within Austrian society. The SPÖ, a left-wing party espousing broadly socialist principles, has traditionally derived most of its electoral support from the working-class population of Vienna and other large cities. By contrast, the ÖVP is more politically conservative and is strongest in the small-town middle class and the mountainous western provinces. During their earlier history, these two parties were bitter parliamentary foes, even taking their conflicts onto the street with violent results, but nowadays their differences are more of degree than of kind. For example, modern Social Democrats tend to support Austria's heavily nationalized and state-controlled industrial system, while the People's Party is more skeptical about the

benefits of government intervention in the economy. Both parties have gone through name and image changes because of embarrassing associations with Austria's political past. During most of the postwar period, the SPÖ was officially called the Socialist Party, but it returned to its older Social Democratic title after the collapse of communism in Eastern Europe because it did not want to be too closely identified with the failed Soviet system. Similarly, the ÖVP started life as the Christian Social Party but abandoned this name after World War II because it had been tarnished by involvement with the Nazis.

The political mood of 21st-century Austria stands in marked contrast to the bitterness and rancor that characterized the First Republic. Both the Social Democrats and the People's Party have wanted above all to avoid the political instability that undid their country in 1938, and because the proportional representation system makes it difficult for one party alone to control the Nationalrat, they have often governed together in so-called Grand Coalitions. A policy of *Proporz* (proportionality) is used in such cases, whereby positions in government are tacitly allotted to each side in rough proportion to their electoral support. This discourages political infighting and has aided the country's peaceful postwar development, but critics have charged that it weakens the authority of parliament and has brought corruption into government. The rise of the right-wing Freedom Party of Austria (FPÖ) can partly be traced to dislike of the influence of *Proporz* in Austrian politics.

Another feature of Austria's political system is the so-called social partnership between the government, management, and labor, expressed in institutions like the Wage-Price Commission. This commission meets to negotiate changes in wages and prices between representatives of the state, employers, and trade-union leaders and is intended to keep the Austrian economy healthy through compromise and mutual agreement rather than competition. The social partnership reflects the determination of Austria's mainstream politicians to avoid

the destructive power struggles within their society that characterized the ill-fated First Republic. However, some Austrians have complained that the partnership is similar to the Proporz system, rewarding establishment favorites at the expense of the general public.

The First Republic (Up to 1938)

After 1919 the new Austrian nation was beset with problems. Food shortages and unemployment were rampant, and the local currency suffered massive inflation. The creation of a short-lived Bolshevik regime in neighboring Hungary brought fears of a Communist *putsch*, or revolt. Perhaps most serious of all, many Austrians lacked any unifying sense of allegiance to their new republic. In imperial times the Habsburg emperors had represented the symbolic center of patriotism; now, with no binding sentiment to keep the country together, what alternative focus of loyalty was there? Indeed, many people in Austria believed that the best course their country could take would be *Anschluss*, or unification, with their fellow German speakers to the north (in the postwar Weimar Republic). But the Entente Powers had specifically forbidden *Anschluss* between Austria and Germany in the terms of the Treaty of St. Germain, and in the immediate aftermath of World War I, neither country was in any position to defy that ban.

Politically there was little room for compromise between the Social Democrats and their Christian Social opponents. The Christian Social Party led a conservative coalition that ran the federal government from 1920 up to the end of democratic politics in the first Republic 14 years later, but it was never able to establish firm control over the parliamentary life of the country. Vienna, which had important state powers of its own, remained the stronghold of the Social Democrats, who implemented a series of ambitious social reforms during the 1920s. “Red Vienna,” as it became known, saw the construction of

large and elaborate housing projects for city workers that influenced urban planners across the world.

Conflict between left and right was expressed not only through political means but also by violence. Conservative radicals created the *Heimwehr*, a paramilitary force intended to suppress left-wing agitators that eventually became a fascist political party, while the socialists countered with a militia of their own, the *Schutzbund*. Both of these groups engaged in bloody street clashes with one another, and their existence served to undermine the already fragile democratic tradition in Austria. Ignaz Seipel (1876–1932), a former Jesuit priest and college professor who served as Austria’s chancellor throughout most of the 1920s, increasingly relied upon the Heimwehr to maintain political control. In July 1927, on a day later known as Black Friday, a demonstration by Viennese workers was brutally broken up by the authorities, and in the ensuing chaos nearly 100 people were killed and the Ministry of Justice Building burned down. Another troubling development on the political stage was the emergence of an Austrian National Socialist (“Nazi”) movement, mimicking the German organization under the leadership of Adolf Hitler.

In 1932 a new Christian Social politician, Engelbert Dollfuss (1892–1934), became federal chancellor. Dollfuss came to power shortly after the collapse of the Austrian banking system had ushered in a new economic slump. He believed that democratic politics had failed in Austria and that only an authoritarian regime could recreate stability in the country. In March 1933, taking advantage of a procedural problem in the Austrian government, Dollfuss suspended parliament and later that year announced the creation of the “Fatherland Front,” a coalition of conservative parties intended to keep the socialists from any chance of power. Although Dollfuss was now effectively a right-wing dictator—the period of his rule is sometimes called Austro-Fascism—he distrusted the Austrian Nazis and was as keen to suppress them as the communists. Dollfuss also feared

that Hitler, who had now become German chancellor, would try to seize Austria by force, and so he sought alliance with the Italian dictator Benito Mussolini. Although Mussolini would later ally with the Germans during the World War II, in 1933 he was eager to restrain Hitler's ambitious plans, and so he agreed to support Dollfuss on condition that the Fatherland Front crack down on the Viennese Social Democrats.

Tensions came to a head the following year when first the Social Democrats and then the Austrian Nazis revolted. The left-wing uprising in February 1934 was poorly organized, and the government was able to quickly regain control, although hundreds of working-class militiamen were killed and wounded in the fighting. In July the Nazis seized control of the chancellor's office in an attempt to overthrow the regime; Dollfuss was shot and died soon after, and it was left to a new leader, Kurt Schuschnigg (1897–1977), to reassert authority. Using the Heimwehr, Schuschnigg ordered the arrest and execution of leading Nazis; the putsch had failed. The outcome of the 1934 crisis was the forced dissolution of all political parties except the Fatherland Front. In 1935 Great Britain, France, and Italy came together in what was known as the Stresa Front in a demonstration of support for Austrian independence. It looked for a moment as if Austria might achieve some kind of diplomatic security.

Unfortunately for Schuschnigg, the unity of the Stresa Front was short-lived because Italy alienated Great Britain and France by invading Ethiopia in 1936. At home, by trying to fight the Social Democrats and the Nazis at the same time, Schuschnigg's government isolated and weakened itself. By early 1938 Hitler felt strong enough to renew German designs on Austria. Under pressure from Hitler, Schuschnigg agreed to bring some Austrian Nazis into the government, but clearly agitation for Anschluss was growing within the country and outside. On March 9 Schuschnigg attempted to forestall unification by announcing a referendum on the continued existence



Federal Chancellor Kurt Schuschnigg, shown in 1935. Schuschnigg's efforts to prevent German annexation of Austria were successful until he lost the support of Italian leader Benito Mussolini. Schuschnigg became a Nazi prisoner until 1945. After the war, he settled in the United States and taught at St. Louis University until his death in 1977.

of Austria. Hitler immediately demanded that he abandon this plan, and, defeated, Schuschnigg agreed. Two days later German troops invaded Austria in a bloodless occupation, and on March 15 Hitler appeared in Vienna to ecstatic crowds to announce the Anschluss. Austria's brief experiment with independence had ended—for the time being.

Reaction to the Anschluss was mixed. Many thousands of Austrians chose to leave their country rather than accept Nazi government, and Austria lost the talents of some of its most famous and gifted sons and daughters, including Sigmund Freud. Others disliked the arrangement, though they tolerated it. But for many people the desire for Anschluss had lingered ever since the creation of the Republic at the end of World War I; they were also attracted to the economic prosperity and stability that Germany seemed to promise. Although after 1945 Austrians sometimes pretended otherwise, at the time millions of them greeted absorption into Hitler's Third Reich with enthusiasm.

The group with the most to fear from the Anschluss was, of course, Austria's Jewish population, which was concentrated in the capital. Its local heritage was deeply rooted; there is evidence that Jews had been living in Vienna since Roman times, and in 1938 the city's Jewish community was around 170,000 strong. Austrian Jews had long experienced forms of official and unofficial anti-Semitism—some mild and some not so mild—but their community had also played a major role in Vienna's artistic, business, and professional life, and many of the city's wealthiest and most respected citizens were Jewish. The effects of the Anschluss were devastating. Tens of thousands hurriedly emigrated in the wake of Nazi rioting that was even more vicious than in Germany itself, and most of the 33,000 Jewish businesses in Vienna were broken up or forcibly taken over. Some 65,000 Viennese Jews would die in the ensuing Holocaust.

The Second Republic (1945 and After)

A little more than a year after the Anschluss, Hitler's Reich was at war with Great Britain and France. Soon the Soviet Union and, later, the United States joined the fight against Nazism. By 1945 Germany had been defeated, and—echoing 1918—the Allies once again had to decide what to do with Austria. The immediate decision was to partition the country

into four areas of occupation—American, British, French, and Russian—with Vienna additionally being divided into four areas and a central “international zone.” A provisional government was installed, led by Karl Renner (1870–1950), who had also been the first chancellor of Austria in 1918. Renner included former members of the Social Democrat and Christian Socialist parties, the latter now reorganizing itself as the Austrian People’s Party. But real authority remained in the hands of the occupying powers. The atmosphere of the immediate postwar period is captured in *The Third Man*, a well-known 1949 movie set in Vienna starring Orson Welles.

The onset of the Cold War between the western powers and the Soviet Union made progress on the Austrian question more complicated. Austrians feared that the division of their country into zones might become permanent, as had happened in Germany. The key to ensuring a continued unified Austria was to offer a guarantee of neutrality in the competition between East and West. In May 1955, the Austrian State Treaty was signed by the occupying powers, creating the Second Austrian Republic and returning the country to the status of an independent and sovereign nation. Austria had to agree not to attempt any further Anschluss with Germany, forego any political alliances with either side of the so-called Iron Curtain, and make hefty payments to the Soviet Union for the return of goods and property confiscated at the end of the Second World War.

During the 1950s and 1960s Grand Coalitions generally governed the country. In 1970, however, the socialists under Bruno Kreisky (1911–1990) won their own majority and proceeded to run Austria alone for the next 13 years. “King Bruno,” as he was known to many Austrians, dominated the political life of the country throughout the 1970s and early 1980s. His tenure as chancellor saw the extension of Austria’s generous social-welfare state and the democratization of important Austrian institutions like the university system. A political moderate, Kreisky worked to broaden the electoral

appeal of his party and also went to great pains to distance his socialist beliefs from those practiced in communist Eastern Europe. A series of financial scandals in 1983 dethroned the king, and he resigned under something of a black cloud.

The Freedom Party and the Legacy of Anschluss

By far the most contentious aspect of Austria's political life today has been the rise of a third party to challenge the Social Democrats and the People's Party, namely the Freedom Party of Austria, or FPÖ.

The FPÖ was formed in 1956 and attracted a motley crew of old-fashioned conservatives, extreme nationalists, and even former Nazis—who in some cases did not disguise their continued sympathies for National Socialism. Although at first a minor force, the FPÖ successfully tapped into popular resentment both of the corruption scandals that were plaguing Austrian politics in the 1970s and 1980s and of the increasing numbers of foreign-born immigrants to the country. Their first taste of power came in 1983, when Bruno Kreisky stood down. The socialists, who had suffered losses in recent elections, needed a coalition partner to retain control of the government and, in a surprise move, offered a place to the FPÖ. In 1986 the Freedom Party also gained an effective new leader, Jörg Haider (1950–). However, that year the socialists abandoned the alliance, and in 1987 they recreated the old Grand Coalition with the People's Party.

The reason for this sudden switch in tactics was the election to the Austrian presidency in 1986 of Kurt Waldheim (1918–), the Austrian Republic's most internationally well-known politician. Waldheim, the secretary-general of the United Nations from 1971 to 1981, was suddenly accused during his presidential campaign of covering up his involvement in Nazi atrocities during his wartime service in Yugoslavia. Waldheim's evasive responses to questioning deepened suspicion among many that he was being less than candid about his past.



Former U.N. Secretary General Kurt Waldheim was inaugurated as Austria's President in 1986. Controversy surrounded Waldheim regarding the extent of his involvement with the Nazis while serving in the German army during World War II.

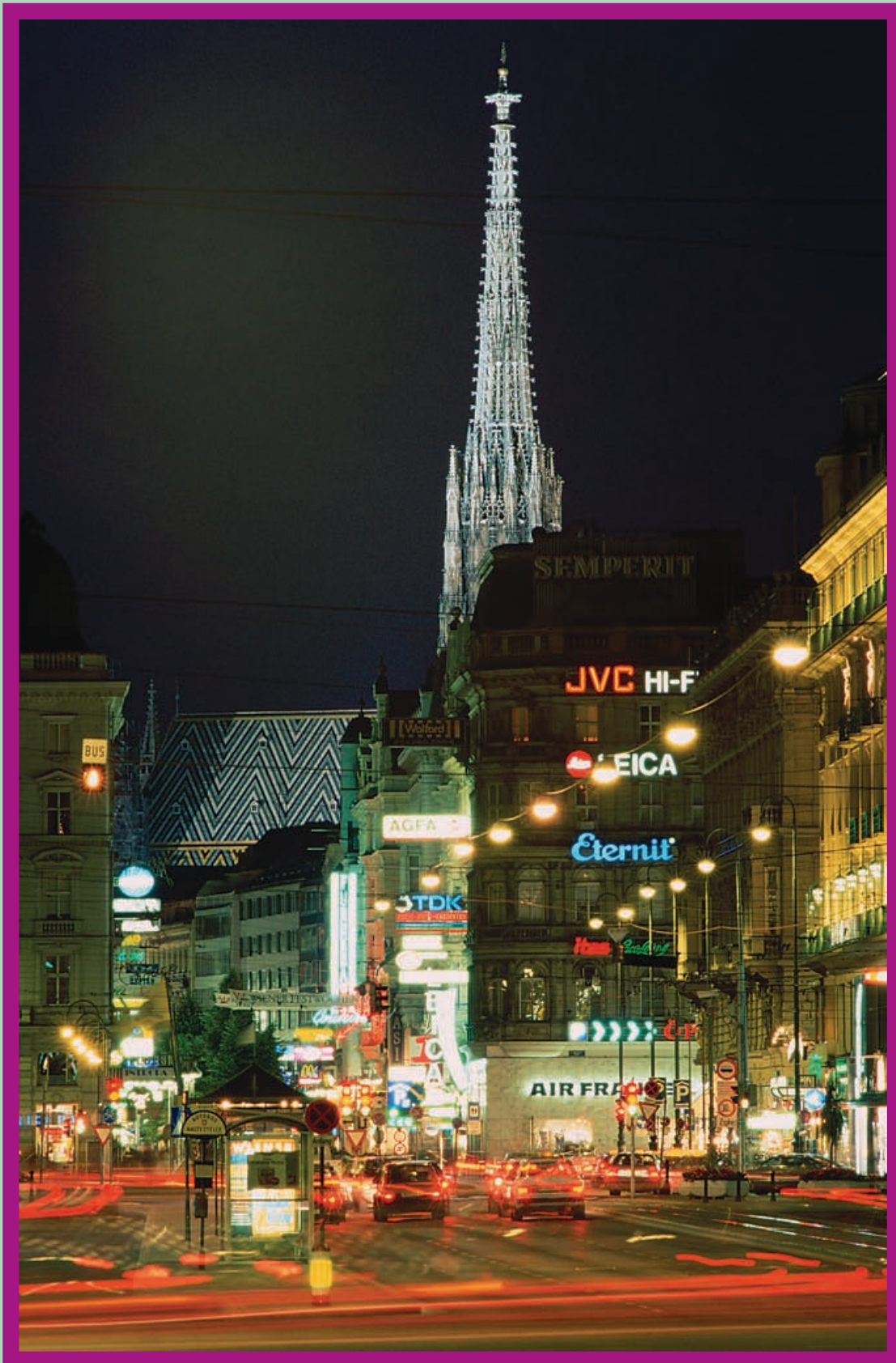
Waldheim's election set off a storm of protest across the international community, and the United States declared that the Austrian president was an "undesirable" who would not be allowed to enter the country—a major diplomatic snub. For the five years of Waldheim's term, Austria found itself effectively isolated.

Waldheim's election and the increasing success of the FPÖ touched a raw nerve within Austrian society. Was the president's hedging about his past representative of the Austrian attitude to the Third Reich—that the country had chosen to forget its

former enthusiasm for Hitler's regime by portraying itself as a victim of German policies rather than their executor? And did nostalgia for National Socialism continue to linger in Austria?

In recent years many Austrians have gone to considerable lengths to dispel this belief. In October 2000 the government finalized an agreement to pay compensation to 150,000 former slave laborers who were pressed into service during World War II, at a cost of over \$400 million. Plus in January 2001 Austria agreed to create a compensation program for the property stolen from its Jewish populace in the Nazi era. And as we saw in Chapter 4, postwar Austria has accepted huge numbers of refugees fleeing war or tyranny in their own countries—an act of generosity that ironically has served to embitter some native Austrians and foster the support of the Freedom Party.

The controversy made world news once again in October 1999 when the Grand Coalition of the socialists and the People's Party broke down, and after much parliamentary wrangling the People's Party offered Haider's FPÖ (which had won 27 percent of the popular vote in recent elections) a new role in government. This quickly became known as the "black-blue coalition"—black and blue being the respective colors of the ÖVP and the FPÖ—and it provoked hostility both inside the country and abroad. Massive demonstrations by protestors took place throughout Austria, and the European Union (EU), which Austria joined in 1995, implemented diplomatic sanctions against the new government in Vienna. The black-blue coalition denounced the sanctions as interference in Austria's internal affairs, but its leaders also agreed to sign a statement rejecting racial discrimination and allowed observers from the European Commission on Human Rights to report on the democratic state of Austrian politics. This report, as well as Haider's resignation as head of the FPÖ in February 2000, eased concerns somewhat, and the EU lifted its sanctions. But the continuing presence of the FPÖ in Austrian government remains a sore point in the country's relationship with the outside world.



Modern nightlife and ancient culture exist side-by-side on Vienna's Kärntnerstrasse.