Chapter 4: The mainstream and the far right in Austria

Political parties in Austria

The party system in Austria has remained largely unchanged since World War II. The post-war political system featured three camps, known as *Lager*: the right-wing ÖVP (*Österreichische Volkspartei*, Austrian People's Party), left-wing SPÖ (*Sozialdemokratische Partei Österreichs*, Social Democratic Party of Austria), and the pan-German-nationalist VdU (*Verband der Unabhängigen*, League of Independents). In 1955, the VdU merged with the new FPÖ (*Freiheitliche Partei Österreichs*, Freedom Party of Austria).

The mainstream left and right

The SPÖ has its roots in a pre-World War I tradition of leftism, though the present incarnation was founded in 1945. The party's name changed from the Socialist Party of Austria to the Social Democratic Party of Austria in 1991, reflecting its commitment to more moderate-left ideals than before. Like its left counterpart, the ÖVP was founded in 1945. Until the 1970s, the ÖVP held the position of Chancellor, either as part of a coalition or as a single-party government. The People's Party has historically been a confessional party as well as the party of farmers; both of these bases have been mostly replaced in the decades since the war.

Election campaigns always involve both the SPÖ and ÖVP attacking one another, despite the frequency with which the parties are made to cooperate in the aftermath of the voting.

The far right

The German nationalist *Lager* was not allowed to contest the 1945 election, but the VdU did run in the next election, held four years later. Many former members of the pre-WWII German nationalist camp had become supporters of National Socialism; all members either explicitly or implicitly supported Germany during the war. The VdU leader, Herbert Kraus, put forth a vision of Austria as part of a united Europe, where German culture played a major role, but shied away from explicit pan-Germanism (Sully 1981: 100). Kraus had served in the German army but had not been part of the National Socialists. In contrast, Anton Reinthaller, a former Nazi who served in the Austrian government formed just after the *Anschluβ*, formed the Free Party (*Frei Partei*, FP) in 1955. Reinthaller's party soon after merged with the VdU to form the FPÖ, which he led.

Until Norbert Steger became FPÖ leader in 1980, the FPÖ and its leaders were tainted by the fascist past. Friedrich Peter, who led the FPÖ from 1958 until 1978, had attempted to build bridges between his party and the Bruno Kreisky-led SPÖ in the 1970s, but many in the SPÖ disapproved of this relationship (Sully 1981: 103). Steger, unlike his predecessors, was not followed by allegations of war crimes or fascism, as he was born in 1944. Further, Steger came from the liberal wing of

the FPÖ, so SPÖ members could more easily swallow the idea of partnership with the FPÖ.

The weakness of the FPÖ, compared to its senior partner, hastened the internal dissatisfaction with Steger as leader. Many within the FPÖ were unhappy with the party's move to the left (and move to relative acceptability) and with the lack of clear policy successes won by the party in government. At a party meeting in 1986, Steger won just under forty percent of the vote for FPÖ leadership, compared to nearly sixty percent by Jörg Haider. Haider immediately steered the party back to its prior course – criticism of the government, nationalism, and soon, opposition – and the party remained outside the coalition for fourteen years.

Coalition formation

Unique to Austria, grand coalitions have been the government of choice since World War II.[1] Left and right were brought together in their fight against the occupying German forces, as both were oppressed by the Nazis. Consensus politics – with the common enemy of national socialism – was the state of affairs after war's end. The dominant sentiment in Austria was that a broad-based coalition was best suited to deal with the aftermath of the war, and that important decisions should be made with support of a large majority from both the left and the right of the political spectrum. Alongside the broad-based political coalitions, Austria is home to the "social partnership," a system of cooperation between business, labor, and the government. As a result, both the SPÖ and ÖVP have their "own" banks, trade unions, and so forth.

Table 1: Austrian cabinets since the 1980s

Cabinet	Installed	Election	PM Party	Other Parties
Faymann	12/2/08	2008	SPÖ	ÖVP
Gusenbauer	1/11/07	2006	SPÖ	ÖVP
Schüssel II	2/28/03	2002	ÖVP	FPÖ[2]
Schüssel I	2/4/00	1999	ÖVP	FPÖ
Klima	1/28/97	-	SPÖ	ÖVP
Vranitzky V	3/12/96	1995	SPÖ	ÖVP
Vranitzky IV	11/29/94	1994	SPÖ	ÖVP
Vranitzky III	12/17/90	1990	SPÖ	ÖVP
Vranitzky II	1/27/87	-	SPÖ	ÖVP
Vranitzky I	6/16/86	1986	SPÖ	FPÖ

[1] While grand coalitions have formed in other countries – in Germany, for example, between the right-wing CDU and left-wing SDP from 2005-09 – Austrian grand coalitions are unique for their commonality.

[2] The BZÖ governed with the ÖVP after 4/17/05.

Sinowatz	5/24/83	1983	SPÖ	FPÖ

From the 1945-1966, Austrian governments were all grand coalitions; this tradition was broken by the single-party ÖVP government of Klaus II in 1966. Following the second Klaus cabinet, the SPÖ headed four successive single-party governments, Kreisky I-IV, from 1970 until 1983. The first government to include a party other than the ÖVP and SPÖ was the Sinowatz cabinet, 1983-86, which was led by the SPÖ with help from the FPÖ. Under Steger's leadership, the FPÖ was seen as more acceptable. This came at a time when Austrian electoral volatility was as high as it had been in the post-war period, with about nine percent of voters changing allegiances in 1983 (Sully 1990: 14-15). The SPÖ remained the largest party in the country but lost the absolute majority it held throughout the 1970s. Though not free of scandal, the SPÖ-FPÖ "coalition of losers" (as nicknamed by the ÖVP, due to the sharp drop in support for both parties – the FPÖ received its lowest vote total ever) lasted until Haider's takeover of the FPÖ in 1986. New Chancellor Franz Vranitsky refused to deal with an FPÖ that had taken an "unacceptable shift to the right" and called new elections, wherein his party lost ten more seats and then formed a renewed grand coalition, which lasted until 2000 (Sully 1990: 64).

By all accounts, the grand coalition worked best when the two major parties – the ÖVP and the SPÖ – held an overwhelming majority of parliamentary mandates, and when major issues confronted the country, such as EU accession. Austrian MPs noted that such issues called for broad support, which was best delivered through a grand coalition. The dominance of the two major parties began its decline in the early 1990s, as third parties attracted an increasing share of the vote in national elections. Minority governments, while common in Scandinavia, have never been viable options in Austria; such arrangements have historically been both unstable and short-lived.

Table 2: The SPÖ and ÖVP seat shares, 1945-2008[3]

	SPÖ	ÖVP	Total	Total %
2008	57	51	108	59.02
2006	66	68	134	73.22
2002	69	79	148	80.87
1999	65	52	117	63.93
1995	71	52	123	67.21
1994	65	52	117	63.93
1990	80	60	140	76.50
1986	80	77	157	85.79
1983	90	81	171	93.44
1979	95	77	172	93.99

[3] The Austrian parliament had 165 seats before 1971, and as of the 1971 election, 183 seats.

1975	93	80	173	94.54
1971	93	80	173	94.54
1970	81	78	159	96.36
1966	74	85	159	96.36
1962	76	81	157	95.15
1959	78	79	157	95.15
1956	74	82	156	94.55
1953	73	74	147	89.09
1949	67	77	144	87.27
1945	76	85	161	97.58

1999: A shifting of mainstream strategies

For the first time in the post-war period, three parties received roughly equal shares of the vote: the SPÖ won the election with 33.2 percent, and the FPÖ and ÖVP found themselves in a virtual tie, each with 26.9 percent of the vote (separated by just 415 votes, out of a total of 4.6 million votes cast). The SPÖ's victory was a bit hollow, as the party received its lowest vote share in history. The ÖVP was, prior to the election, expected to drop to record-low vote shares, so the sting of their third-place finish was made more tolerable by the loss being smaller than anticipated. The FPÖ was the clear winner in the 1999 elections, improving to its best-ever vote share and a second-place finish, albeit an incredibly close finish.

As is tradition, the largest party – the SPÖ – started the coalition-negotiation process, and did so with its usual partner, the People's Party. Negotiations between the SPÖ and ÖVP ultimately failed when the two parties were unable to agree on the ÖVP's condition of union leadership signing the governmental agreement. However, the parties disagree on the interpretation of these events. ÖVP MPs argue that formal union support of the government's plan was important for the social partnership, and SPÖ MPs contend that the ÖVP knew all along that the unions would never sign, providing them an easy out to begin negotiations with the FPÖ.

The ÖVP, after the termination of negotiations with the SPÖ, began talks with the FPÖ; the SPÖ believes these negotiations actually overlapped with the ÖVP-SPÖ negotiations. Schüssel believed the FPÖ should not be allowed to sit in opposition indefinitely, criticizing the government and attracting an ever-increasing number of voters. Haider feared that another term in opposition would be costly in the next election, as FPÖ voters wanted the party to take action (rather than remain in opposition for another several years), and understood that the time was ideal for entering government. The potential benefit to the FPÖ's remaining in opposition was that the party would have more time to stabilize its internal problems – problems that quickly emerged once the party entered government – but Haider believed the benefits of government outweighed the costs.

Table 3: Electoral results, 1983-2008 (% - first row is vote share, second is seat share and seat total, with 183 total seats in parliament)

	2008	2006	2002	1999	1995	1994	1990	1986	1983
SPÖ	29.26	35.34	36.51	33.15	38.06	34.92	42.78	43.12	47.65
	31.15 (57)	36.07 (66)	37.7 (69)	35.52 (65)	38.8 (71)	35.52 (65)	43.72 (80)	43.72 (80)	49.18 (90)
ÖVP	25.98	34.33	42.30	26.91	28.29	27.67	32.06	41.29	43.22
	27.87 (51)	37.16 (68)	43.17 (79)	28.42 (52)	28.42 (52)	28.42 (52)	32.79 (60)	42.08 (77)	44.26 (81)
FPÖ	17.54	11.04	10.01	26.91	21.89	22.5	16.63	16.63	4.98
	18.58 (34)	11.48 (21)	9.84 (18)	28.42 (52)	22.4 (41)	22.95 (42)	18.03 (33)	18.03 (33)	6.56 (12)
BZÖ	10.70	4.11	.	.	.	.	.	.	.
	11.48 (21)	3.83 (7)	.	.	.	.	.	.	.
Grüne	10.43	11.05	9.47	7.40	4.81	7.31	4.78	4.82	.
	10.93 (20)	11.48 (21)	9.29 (17)	7.65 (14)	4.92 (9)	7.1 (13)	5.46 (10)	4.37 (8)	.
LIF	2.09	.	0.98	3.65	5.51	5.97	.	.	.
	0 (0)	.	0 (0)	0 (0)	5.46 (10)	6.01 (11)	.	.	.
Other	4.00	4.14	0.73	1.99	1.44	1.64	3.74	1.03	4.15
	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)

The 1999 Austrian election is a clear example of how pre-election coalitional statements are often not carried out, sometimes because there is no situation in which the statements' pledges can be maintained and a government formed. Prior to the election, the SPÖ vowed never to work with the FPÖ. The ÖVP made no such promise, but Schüssel did insist that his party would enter opposition if the party came in third. Given that the ÖVP did come in third, were the party to enter opposition, the only possible majority coalition was an SPÖ-FPÖ partnership. The ÖVP was much more willing to abandon its promise than was the SPÖ, in this situation.

2002: The return of Schwarz-Blau

Although Haider was not part of the Austrian cabinet and had stepped down as FPÖ chairman, he was, for all intents and purposes, the true leader of the FPÖ. As a result, his unseemly actions – such as a visit with Saddam Hussein in 2002 – hastened the already-present tensions within the party. To the disappointment of many FPÖ members, the ÖVP-FPÖ government had proposed purchasing new fighter jets while it delayed dealing with tax reforms. In summer 2002, after Susanne Riess-Passer (Haider's successor as party chair and the then-Austrian Vice-Chancellor) refused his 'offer' to resume the position, Haider (through supporters)

forced a party conference in Knittelfeld, ostensibly to regain power. In the lead-up to this meeting, Haider's faction demanded the FPÖ leadership take new positions.[4] Namely, they called on Riess-Passer's team to withdraw support for the jets, re-introduce tax cuts, and take a harder line on EU enlargement. Riess-Passer and most of her team resigned several days later, and after refusing to deal with the "Knittelfeld rebels," as they have since been named, Schüssel called early elections for November 2002 (originally set for the following year).

In these elections, the ÖVP saw its best result since the early 1980s (more than 42 percent of the vote). The FPÖ, on the other hand, lost more than half of its 1999 seats. With the FPÖ in disarray, the ÖVP invited the Greens to enter into coalition negotiations, which the Greens accepted. Although a Black-Green coalition seems unlikely to form, the two parties have worked together in subnational governments in Upper Austria, and some younger, more environmentally-minded ÖVP MPs find such a partnership attractive, even at the national level.

Once ÖVP-Grüne negotiations stalled, re-forming the Black-Blue coalition of the previous few years was the obvious decision. Having broken free of the grand coalition pattern, the ÖVP was not in a hurry to resume partnership with the SPÖ. Though the FPÖ's stability was uncertain, the ÖVP would be the overwhelmingly dominant partner in a renewed ÖVP-FPÖ coalition, and could therefore extract sizable policy concessions from the junior FPÖ.

Party relations since 2006

In April 2005, the fissures between wings of the FPÖ became too great, and the FPÖ split into two. Haider, with the consent of the chancellor, formed the Alliance for the Future of Austria (*Bundnis Zukunft Österreich*, BZÖ), alleging that some within his party had "irreparably damaged" the FPÖ name (Luther 2007: 11). The leadership, 16 of 18 members of parliament, and the entire Carinthian wing of the FPÖ joined Haider's new party. The newly-divided FPÖ (now led by Vienna party leader Heinz-Christian Strache) and BZÖ split the potential far-right vote share in 2006, with about fifteen percent of the national vote, combined. This was an improvement over the FPÖ's ten percent in 2002, its lowest vote share under Haider's leadership.

The two parties refused to work together, which made coalition formation even more difficult. The SPÖ-ÖVP grand coalition entered government after the 2006 election; some in the ÖVP would have preferred to work – again – with the BZÖ, but as the smaller of the two major parties, did not begin the negotiation process. Further, without the support of either the FPÖ under Strache or the Greens – both impossibilities, but for different reasons – the ÖVP and BZÖ did not command enough seats for a majority.

By 2008, after early elections precipitated by the ÖVP, the two main Austrian parties had grown mutually, and entirely, dissatisfied with the grand coalition. SPÖ

[4] The meeting was brought about by a party statute that required an extra-ordinary conference to be held if one-third of eligible party delegates signed a petition.

elites Alfred Gusenbauer (then Chancellor) and Werner Faymann (tapped to be the next party leader) wrote a letter to the *Kronen Zeitung* in June 2008, wherein they promised to hold popular referenda on all future EU treaties. Citing this as a clear reversal in policy, ÖVP leader Wilhem Molterer called new elections in July, which took place two months later. The bitter campaigning resulted in sizable gains for the FPÖ and BZÖ as well as an eight-percent loss for the ÖVP. The unhappy marriage of left and right was to continue, as no other options existed.

Party positions on immigration

Forthcoming – analysis not yet completed

Theory testing

My dissertation makes two key contentions: first, that the presence of the far right divides mainstream parties into two camps, each behaving differently with respect to positional and coalitional responses to the far right, and second, that the combination of these positional and coalitional strategies have significant impact on far-right vote share, on public opinion, and on government policy.

The Austrian case illustrates all pieces of my theory: that the mainstream is divided into pragmatist parties and ideologue parties, that these parties have different responses to the far right. With respect to coalition formation, my theory expects that all parties focus first on numbers – they look at all possible constellations of parties that form a non-surplus majority, removing the impossible options – and then how much they are able to accomplish in each of the remaining options. An ideologue party will, in the first step, remove any coalitions that include the far right, while a pragmatist party will at least consider them in the second step.

Austrian ideologues and pragmatists

The SPÖ has, since Haider's takeover of the FPÖ in 1986, been an ideologue party. This is perhaps most clearly illustrated by Chancellor Vranitzky abandoning the SPÖ-FPÖ coalition he formed with Norbert Steger, continuing the coalition initially formed by Chancellor Sinowatz in 1983, in 1986. Vranitzky felt the FPÖ under Haider was too far removed from the FPÖ under Steger – an assessment made by many scholars, as well – and that his party could no longer work with the Haider-led FPÖ.

Alfred Gusenbauer became chancellor and led the SPÖ in the first post-FPÖ grand coalition, which took office in January 2007, but his tenure was short-lived. Scholars point to his stated openness to working with the FPÖ as a major reason why his party quickly turned on him, leading to Gusenbauer's replacement by Werner Faymann in late 2008. Only a handful of SPÖ members believe this combination is acceptable, but the percentage is still non-zero.

The ÖVP started the Haider period as an ideologue party, but gradually became warm to the idea of working with the FPÖ. Wolfgang Schüssel took over Erhard Busek's role as ÖVP party leader (and, therefore, Vice-Chancellor) in 1995

during the fourth (and final) Vranitzky cabinet. The transition from ideologue to pragmatist party is seen in Schüssel's statements about possibly cooperating with the FPÖ. However, the pragmatist ÖVP leadership still needed to win over its more ideologue members, who were vehemently opposed to an ÖVP-FPÖ coalition; they have since converted to a pragmatist viewpoint.

We can see hints of this warming in the 1989 provincial elections, after which the ÖVP was non-committal about supporting an SPÖ candidate for governor of Carinthia. The alternative candidate was Haider, who eventually received the ÖVP's support – in the face of thinly-veiled threats by the SPÖ national leadership that new elections may have to be called if the ÖVP did not support its candidate – and the ÖVP, third in the provincial elections, took the position of deputy governor (Sully 1990: 149-51).

As explained in Chapter 2, far-right parties are themselves not immune to divides. Indeed, many FPÖ elites felt the party was still unprepared to govern in 2000, including Haider's deputy, Susanne Riess-Passer, but were ultimately swayed by Haider's insistence that failure to capitalize on the opportunity would cost the FPÖ dearly in the next election (Luther 2011: 459). This was precisely the opposite prediction of the ÖVP leadership, yet both Haider and Schüssel argued for the same end.

Two steps of coalition formation

My theory predicts that the major parties – the only parties with the ability and seat share to begin negotiations – first consider all viable non-surplus coalitions. "Viable" coalitions are those with enough seats for a majority and where all involved parties are willing to work together. A non-viable coalition might include two parties that are fundamentally at odds, such as an ideologue and a far-right party, or two parties resulting from a party split.

In coalition formation, numbers rule the day – parliamentarians from all five of the main Austrian parties said politicians want to avoid both minority coalitions and surplus coalitions; surplus coalitions include at least one party that is not necessary for the coalition to hold a majority of mandates. There is no consensus on three-party governments, with some MPs realizing that the days of a dominant grand coalition – both in terms of possible size and desirability among ÖVP and SPÖ members – has passed. Others maintain that two-party coalitions are difficult enough in Austria, and three-party coalitions are therefore unlikely to be attempted. Consistent with my theory, all parties think in terms of numbers first, and look at the possible constellations of parties with enough mandates to form a majority in parliament.

Parliamentary history of the Second Republic shows that Austrian parties do not, in fact, form surplus coalitions. All coalitions have been two-party coalitions, with both required for a parliamentary majority. After every election in this period, one or both of the two major parties has been required for a parliamentary majority; this has severely limited the number of viable coalitions for the SPÖ and ÖVP to consider.

Could the FPÖ have been included in government (after 1986), in an alternative arrangement to the grand coalition? With 183 parliamentary mandates, a coalition needs 91 seats to have a majority; I do not consider situations of minority coalitions, given all parties' reluctance to form such coalitions. The 1986 coalition, originally between the SPÖ and FPÖ, had 98 total seats; the replacement SPÖ-ÖVP coalition in 1987 had 157 seats, and no other coalitions were possible. After the 1990, 1994, and 1995 elections, all of which resulted in grand coalitions, the only alternative formations would have been either SPÖ-FPÖ or ÖVP-FPÖ coalitions. As noted above, the ÖVP was not yet a pragmatist party (it became one after the 1995 elections), and the SPÖ has never been a pragmatist party, so we would not expect any coalitions involving the FPÖ to form during this period, even though they were, numerically possible alternatives. The unwillingness of both major parties to work with the FPÖ made them non-viable.

Grand coalitions were feasible while the FPÖ governed with the ÖVP after the 1999 and 2002 elections, though no other formations would have provided a governmental majority. MPs from the SPÖ and ÖVP alike expressed their growing disenchantment – in some cases, actual opposition to – the grand coalition, yet admit that it continues to form because there are no other viable options. Once the FPÖ exited office, the animosity between it and the BZÖ made any coalitions that included both parties impossible; Haider was apparently working to bridge this gap with Strache in 2008, but his death shortly after the election brought an end to any potential collaboration. The grand-coalition-alternatives in 2006 and 2008 all required three parties; both SPÖ and ÖVP MPs indicated their unwillingness to form three-party coalitions. MPs from the smaller parties were non-committal about the idea, often saying it would depend on the exact combination of parties. The alternative possibilities in 2006 and 2008 are in Table 4, below.

Table 4: Alternatives to grand coalition, 2006 and 2008

2006

Parties	Seats
SPÖ-Grüne -FPÖ	110
ÖVP-FPÖ-Grüne	108
ÖVP-BZÖ-Grüne	108
SPÖ-FPÖ-BZÖ	96
ÖVP-FPÖ-BZÖ	94

2008

Parties	Seats
SPÖ-FPÖ-BZÖ	112
SPÖ-Grüne-FPÖ	111
ÖVP-FPÖ-BZÖ	106
ÖVP-FPÖ-Grüne	106
ÖVP-BZÖ-Grüne	105
SPÖ-Grüne -BZÖ	98

Once parties have ruled out non-viable coalitions, they then adjudicate between the remaining options by determining how beneficial each option will be to the party in the short-term.[5] Potential benefits involve several factors: the ensuing

[5] If only one viable option remains, even if it is less-ideal than a non-viable option, it will be formed.

government's likely policy positions (and how close those are to the party's ideal point, particularly on key issues), whether the party is a junior partner or is the senior partner (thereby holding the premiership), and how popular an option the coalition would be. A party is unlikely to form a coalition if a majority of its members are opposed, or if doing so would prompt defection from a sizable number of voters. Yet, I expect that parties, and in particular, party elites, are concerned chiefly with the upcoming legislative term and the next round of elections; they are thinking only one stage ahead in a long-term game.

The consensus from interviews was that there is no consensus on what factors are (or should be) most important when deciding between possible coalitions. For some, particularly those MPs poised to take up a leadership position, senior versus junior coalition status may receive the greatest weight. For the bulk of the party members, policy goals and the ability to come as close as possible to stated preferences is more important. Everyone agreed that their party should not enter into coalitions that will be electorally costly (by alienating voters), but differed on which coalitions they believed would cost their party some of its voters.

Most of the SPÖ does not consider how much it could accomplish in partnership with the FPÖ, neither through holding the chancellorship nor through policy achievements – while a handful of individual MPs from the SPÖ may think about such arrangements, the majority of the party believes the FPÖ beyond the pale. In the post-Haider period, the SPÖ has resigned itself to grand coalitions. With only one option on the table, the desirability of the ÖVP as a partner is largely irrelevant. For the ÖVP, however, willingness to consider working with the FPÖ after 1995 has presented the party with a decision that needs to be made in Stage 2.

ÖVP members see overlap with the FPÖ on social issues – less on economic issues, though they noted that the FPÖ has seldom adhered to a consistent economic policy in the past, making this less of a concern than it might otherwise be – and very little overlap with the SPÖ on any issue. The SPÖ MPs, in turn, agree that there are few commonalities between their party and the ÖVP, but, with just a few exceptions, rule out any overlap with either the FPÖ or BZÖ. The party's officials largely prefer a coalition with the Greens, but the Greens have never won enough mandates to be the sole coalition partner of the SPÖ. MPs from the SPÖ were quick to insist that the primary goal is not to help the Greens become a larger force in parliament, but to ensure their own party regains some of its former support. For a party that dominated Austrian politics for much of the 1980s and 1990s, recent electoral performances are nothing short of disappointing.

The 1999 and 2002 elections – and their resulting coalitions – are clear examples of how parties decide from among possible coalition formations. The ÖVP eventually formed a coalition with the FPÖ, but only after negotiations with the SPÖ failed (for the two sides to this story, see the above section on the 1999 election). Both the ÖVP-SPÖ coalition and the ÖVP-FPÖ coalition had enough seats to form a parliamentary majority, and the ÖVP leadership had purposefully left open the possibility of working with the FPÖ; the SPÖ does not appear to have seen this as a credible threat until its negotiations with the ÖVP started to fall apart.

Given the two possible coalitions, a luxury of choice seldom experienced by either major party, the ÖVP needed to decide which option would be more beneficial

to its electoral success in the next national election. Party members agreed that there was scant overlap between their party and the SPÖ, but did not agree on the resulting implications. Some ÖVP members – perhaps, most importantly, Schüssel and other party elites – welcomed the idea of working with the FPÖ, and, in some cases, strongly preferred this coalition to another grand coalition. Partnering with the FPÖ meant that the ÖVP could become the senior partner, and therefore hammer out a government policy much closer to their ideal points than any program emerging from compromises with the SPÖ. The ÖVP had not held the Austrian chancellorship since the 1966-70 period, and MPs report that Schüssel was eager to take up this role. Elite opinions were not dominant, however, and the ÖVP was split between members reluctant to work with the FPÖ, fearing the party too unfit for government, and those taking Schüssel's side.

In the end, of course, the pragmatist side of the party won out, and the FPÖ entered the government as a far-right party for the first time. It is, perhaps, a testament to Schüssel's negotiating skills that he navigated from third place in the votes to the chancellor's seat. In this process, the ÖVP also favorably negotiated with the FPÖ on key policy issues. Some observers point to Schüssel's desire to "castrate" the FPÖ by bringing it into government (see Luther 2003); ÖVP members recall their leader's concern that failure to make Haider accountable, through governmental participation, would potentially increase his party's support to a level that returned Haider as chancellor after the next election.

The ÖVP again had multiple options in 2002, though the SPÖ, licking its wounds, was not as likely a potential partner for a renewed grand coalition as it was in 1999. With more than forty percent of the vote, heretofore-impossible coalitions were suddenly viable, and, as discussed earlier, the ÖVP flirted with the possibility of a coalition with the Greens. Once again, however, the FPÖ entered government with Schüssel as chancellor. Even if the destabilizing elements within the FPÖ remained, the party was drastically weakened – allowing the ÖVP to demand even more concessions than in 2000 – and the government's policy program would again be closer to the ÖVP's ideal points than would the alternatives.

Although those members involved with the 1983 coalition negotiations, which resulted in the FPÖ's only pre-Haider governmental involvement, could not be interviewed, accounts of this coalition suggest that the SPÖ made a similar calculation at the time. It was not strong enough to again govern on its own, and the then-FPÖ positions (combined with the party's relatively small size) would allow the SPÖ to achieve a program much closer to its ideal positions than would another grand coalition.

Today, the ÖVP is not opposed to working with the FPÖ again in the future, though some party elites express concern about Strache's trustworthiness and whether he would, actively or otherwise, allow dissenting members of his party to essentially bring down another ÖVP-FPÖ coalition, as the Knittelfeld rebels did a decade ago. Some within the SPÖ share this view, though it is certainly a minority position, and unlikely to become more dominant within the party. FPÖ MPs would not rule out any partners. When asked, MPs from the two major parties and the Greens stated they did not expect the BZÖ to retain its seats after the next election; Haider's party presently hovers just over the five-percent electoral threshold

needed for the awarding of parliamentary mandates. At the same time, none of the parties explicitly ruled out working with the BZÖ in the future, were the party to remain in parliament.

Mainstream impact on far-right vote share

Forthcoming – analysis of both coalition and policy strategies

Conclusion

Since the FPÖ's inclusion in government in 2000, several long-standing features of the Austrian party system have changed. Namely, the FPÖ has become, for some voters and members of other parties, a feasible governing option. Although not all Austrian MPs have been persuaded by the allure of a three-party government, the idea is taken more seriously than ten years ago. The desire to leave the FPÖ out of government is only partially responsible; the decline of the two-party dominance in Austrian political life is the key driver. To this end, the country has experienced governments that were neither single-party nor grand coalitions, and some members of the electorate (as well as members of parliament) now prefer such arrangements. Given that a single-party majority cabinet seems nearly impossible, a renewed ÖVP-FPÖ coalition is preferable for many in the ÖVP, when faced with the alternative of the SPÖ as partner.

Despite predictions, the FPÖ's electoral appeal remains today. The party overcame its post-incumbency drop-off, and is poised to make sizable gains in the next election (expected in late 2013). Based on current polls and the 2010 provincial elections – the FPÖ received more than a quarter of the vote in Vienna, for example – Strache's party may well match its all-time high of 26 percent. It is clear that the FPÖ's devastating losses in 2002 were temporary, and that governmental inclusion does not destroy support for the far right among the electorate, even if it does damage the far right party in question.