



# Austria Report

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Sustainable Governance  
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## Executive Summary

Incorporating a broad swath of interests into the policymaking process has traditionally been a strong point of the Austrian political system. However, the system has proven less capable of expanding the scope of political and social participation and has been even less successful at adapting effectively to new social and economic challenges. This pattern has continued throughout the period under review.

Both voter turnout and political-party membership rates are now lower than ever before. At the same time, electoral volatility has increased as voting behavior grows increasingly less predictable, with the success of some new parties demonstrating the system's adaptability. There has been serious debate in recent years over instruments of direct democracy such as popular initiatives, which could enhance the roles played by citizens in the policymaking process.

As a consequence of globalization and migration, social-partnership networks have lost some of their significance. Labor unions are playing less of a role in the economy, while globalization has meant the loss of traditional industries. As the Austrian economy is less and less an island led and controlled by Austrian institutions – ranging from the government to the neocorporatist social partnership – the situation is indubitably changing. Compared to other European countries, Austria is still quite efficient in its capacity to accommodate and reconcile divergent interests, but less so than in the past. A growing number of young people, in particular those without higher education, are finding it increasingly difficult to access the labor market, while migrants often feel isolated and unable to improve their position within society.

A clear negative correlation between innovation and the accommodation of interests has been evident in recent years. Interest accommodation in Austria still involves powerful veto players being able to satisfy the basic expectations of important clients. Organized labor may not be as strong as it used to be, but it is still strong enough, for example, to prevent any significant reform of the school system. Unionized teachers have an interest in defending the status quo, and the government has not proven able to push forward with any wide-reaching reforms in this area. Despite increasing pressures associated with the effects of demographic change, unions in general have prevented significant

reforms of the pension system by vetoing a meaningful increase in the retirement age. In respecting these veto powers, the government may be strengthening social peace, but it does so at the cost of innovation.

Austria also features contradictory tensions with regard to interest accommodation and societal participation. A significant number of Austrian political parties have proved reluctant to criticize the xenophobic attitudes articulated by some influential print-media publications. Fears of losing votes have trumped concerns regarding participation, which has left Austria without an effective integration policy.

Austrian society and its political system are changing. Long considered to have one of the most stable party systems in Europe, Austria is growing increasingly subject to political polarization and voter volatility. Policymakers have yet to respond credibly to these developments, which underscores the fact that the risks of growing instability are not being taken seriously.

## Key Challenges

If the Austrian government's performance is to be improved overall, it must examine and debate specific institutional and policy features more thoroughly.

From an institutional perspective, strengthening the authority of the central executive would be of significant help in improving government efficiency. Within Austria's parliamentary system, this would involve the Federal Chancellery, not the office of the federal president. However, because this would effectively strengthen a single coalition partner, any such move would be controversial within today's coalition environment. Thus, in order to achieve this reform, the electoral system itself, which de facto does not allow any single party to win a majority on the federal level, must be reformed. In recent years, there has been some debate over the possibility of abandoning the proportional system in favor of a single-member constituency system as in the United Kingdom or France. This would make it possible for one party to win an overall majority in parliament, ending the necessity for coalition cabinets.

Another strategic option to improve the response to new challenges would be to follow a model like that found in Switzerland: Establish legally a permanent coalition of all major parties with significant improvements for the direct participation of voters. The first would guarantee government stability, the second would provide the possibility of correcting the decisions made by a cartel-like government structure.

For its part, the parliament's efficiency could be improved by giving the opposition the right to monitor government activities. With the exception of the vote of confidence (which of course has to be largely the right of the majority) all oversight competencies can and should become minority rights. The 2014 investigating committees reform, which made it possible for a minority to establish such a committee, must be seen as a significant improvement.

Current imbalances between the federal and the state levels of government could be improved through a better separation of competences. There are two options: either to allow the states to raise their own taxes, which could result in decreased spending but also potentially unfavorable tax competition among very small jurisdictions, or to increase centralization. Moreover, the current sharing of responsibilities in fields such as education or the public health system should be replaced by a more clearly defined separation of powers.

A number of specific policy issues could also be far better addressed than is currently the case. For example, a more coherent migration policy - an increasingly urgent subject giving the recent mass migration movements affecting Austria - would allow the government to better manage the challenges and benefits associated with migration, many of which are not fully acknowledged. Migration policies that define who to attract and how to facilitate their integration into Austrian society are a must these days. Improved management of asylum applications is also needed if this cultural and legal achievement is to be sustained and social cohesion fostered.

Another issue concerns unemployment, which has grown in recent years. In a context of a growing influx of migrants, improving labor market policy is all the more important.

In terms of education, Austria's school system could benefit from a coherent reform of its two-track system which determines an individual's educational and vocational trajectory at an early age. Moreover, a new university-system structure is needed so as to secure adequate funding for universities and students. Access to the tertiary sector for students from the middle and lower social strata should be improved.

Environmental policies must be updated and better enforced, with a particular focus on a significant reduction of CO<sub>2</sub> emissions by vehicle traffic and industry. This would be best combined with policies facilitating research and production of more green technologies within Austria. Finally, public resources should be more fairly allocated and balanced among the older and

younger generations, especially with respect to retirement policies and the health care sector.

In all cases, the European dimension of these reforms is evident. A migration policy is only feasible if coordinated within the European Union, for example, while any reform of the educational system must draw from the lessons provided by other, significantly more successful European school and university systems. Austria has to accept integration into the European Union with all its consequences, including weakened national sovereignty. If government structure and efficiency is to be sustainably improved, Europeanization must be accepted as the country's only feasible answer to globalization.

# Policy Performance

## I. Economic Policies

### Economy

Economic  
Policy  
Score: 7

The Austrian economy has remained in good shape despite a difficult European context. A significant part of that success is due to the presence of social partners, which are responsible for negotiating institutional and other reforms, and which thus ensure a comparatively peaceful and cooperative relationship between the country's various economic players. A substantial part of Austrian economic policy is prepared by the social partners. As in other EU countries, however, an ever-more-significant portion of economic policy falls under the European Union's jurisdiction, thereby creating an increasingly harmonized European economic framework.

The Austrian export industry has contributed significantly to the country's overall success. Austria's economy has profited from the inclusion of former communist East-Central Europe into the European single market. However, Austria's financial sector in particular suffered significant losses in Eastern Europe during the financial crisis due to its substantial exposure to these markets. The Austrian finance (banks, insurance) and construction industries play an important role in the four Visegrad countries and in most of the former Yugoslav republics.

A process of fiscal consolidation is currently under way, with the goal of keeping the government deficit below 3% of GDP. Other programs include a restructuring of the Austrian banking system to reduce the risk it poses to the national economy. Future burdens may rise from the ever-more-significant redistribution of resources to the generation of people 50 years old and above (to the disadvantage of the younger generations), a trend that clouds the outlook for the young generation and the future of Austria's economy more generally. In addition, there is considerable uncertainty associated with the public transfers that will be needed in managing the recent influx of migrants.

Austria's rise to become one of the most prosperous countries in Europe, a development with its roots in the early 1950s, is still reflected in its comparatively high rankings in terms of per-capita income and employment. However, the country fares less well on rankings of inequality and equality of opportunity; according to a study done by the European Central Bank and published in April 2013, private property in Austria is distributed in an extremely unequal way. The richest 5% of the households in Austria own 37.2% of the overall property in Austria, while the top 50% own 94% of the country's property. Among the members of the eurozone, only Germany has a more unequal distribution of property.

This seems to contradict the traditional view of Austria as having one of Europe's most stable social-welfare systems. But these data underline the fact that the Austrian economic success story is not one of increasing equality; indeed, just the opposite is true.

### Labor Markets

Labor  
Market  
Policy  
Score: 7

Austrian labor-market policies are comparatively successful, if the reference is to labor markets in other European (especially other EU member) states. In recent years, Austria's unemployment figures have persistently been among Europe's lowest.

One factor contributing to these rather successful labor-market outcomes is the social partnership between the Austrian Trade Union Federation (Österreichischer Gewerkschaftsbund, ÖGB) and the Austrian Economic Chambers. Many labor-market policies in Austria are effectuated through the Public Employment Service, another institution key to the country's employment successes. The Austrian dual system of vocational education, in which young people receive on-the-job vocational training while still attending school, has also been successful, and is increasingly drawing international attention.

Nonetheless, unemployment rates have risen significantly in Austria over the last 20 years. Both neoliberalism and globalization have been cited as decisive factors in this regard. Neoliberalism is cited in explaining job losses associated with privatization, a trend that could arguably be reversed if decision makers would act more decisively to secure a stable labor market with better opportunities for employment. Globalization, however, involves the decline of traditional state power as a result of increasingly open global markets and is therefore not subject to control by any single national government. The shifting of public resources in favor of older generations has also been cited as a cause of rising youth-unemployment rates and declining international competitiveness for the highly skilled.

Labor-market policies are traditionally influenced by organized labor, represented by the Austrian Trade Union Federation. Like other European trade unions, the ÖGB has

seen its ability to attract members decline, but still enjoys a comparatively high membership density.

Austrian labor policy suffers from the fact that most political actors and society at large are hesitant to adopt a transnational outlook with regard to the labor market. The free movement of goods and people within the EU Single Market is seen by too many as a threat rather than an opportunity, and there is no consistent policy approach to managing inflows of migration (whether legal or illegal) from outside the EU. Open borders, liberalized Austrian labor markets and the influx of foreign workers and migrants have also contributed to a decline of real incomes among lower-wage Austrian blue collar workers over the last years.

As pension reforms have lengthened Austrians' working lives and continued immigration has increased the labor supply, a concerted effort to tackle the unemployment problem is crucial, in particular with respect to defeating populist parties and policies.

Citation:

For real incomes see -> Rechnungshof Einkommensbericht 2014:  
[https://www.google.at/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&cad=rja&uact=8&ved=0ahUKewjk6orgzdVJAhUmZ3IKHR-NCsUQFggIMAE&url=http%3A%2F%2Fwww.rechnungshof.gv.at%2Fberichte%2Fansicht%2Fdetail%2Feinkommensbericht-20141.html&usg=AFQjCNHIBx5DmSnDkTzJHE769MsZDnO2Sg&sig2=W5ntGzu-\\_UZOZxWU1ze5uA](https://www.google.at/url?sa=t&rct=j&q=&esrc=s&source=web&cd=2&cad=rja&uact=8&ved=0ahUKewjk6orgzdVJAhUmZ3IKHR-NCsUQFggIMAE&url=http%3A%2F%2Fwww.rechnungshof.gv.at%2Fberichte%2Fansicht%2Fdetail%2Feinkommensbericht-20141.html&usg=AFQjCNHIBx5DmSnDkTzJHE769MsZDnO2Sg&sig2=W5ntGzu-_UZOZxWU1ze5uA)

## Taxes

Tax Policy  
Score: 5

Austrian tax policy is characterized by a significant bias, as the source of tax revenue is overwhelmingly skewed toward the personal income of the working population. As employees and self-employed individuals pay the maximum tax rate beginning at a level of income considered to be only middle class, and the country has virtually no property taxation and no inheritance taxes, the system of taxation as a whole is unbalanced.

The Austrian tax system - compared to transfers - has a rather minimal redistribution effect. As the maximum income tax rate is today paid by a significant and increasing proportion of income-tax payers, the tax system seems to be less responsible for any redistributive effect than are the welfare system and other direct transfers designed to reduce inequality and improve the living standards of the poor.

According to the most recent OECD data for the 2012-14 period, the tax burden for economically rather weak actors such as single parents with two children has continued to increase.

The tax system and its supposed imbalances have become a controversial political issue. Politically conservative actors have sought to reduce the income tax generally, while politically leftist and economically more interventionist actors are promoting a shift from the income tax to greater reliance on property and inheritance taxation.

Taxation has become a hot-button issue within the grand (Social Democratic Party of Austria, SPÖ - Austrian People's Party, ÖVP) coalition cabinet. The social democrats – in alliance with the unions – favor a significant shift away from the burden employees have to bear. The conservatives as the party of “fiscal discipline” are very skeptical of any changes as long as the budget cannot be balanced, and are generally against any form of property or inheritance taxes.

### Budgets

Budgetary  
Policy  
Score: 7

Most of Austria's decision-making elite agree on the need to reduce the country's budget deficit. However, given the robust nature of the Austrian economy, at least in the European context, and the broad consensus across the two governing parties regarding social policies, there is comparatively little incentive to limit expenses. The political parties are reluctant to confront their specific clienteles (farmers and public servants for the Austrian People's Party (ÖVP), and unionized workers and retirees for the Social Democratic Party of Austria (SPÖ)) with policies that might undermine their particular interests. The budget consensus – the long-term focus on eliminating the deficit – is hardly ambitious; under current plans, this point will not be reached before the end of the decade, and even this depends on assumptions outside the control of Austrian policymakers.

In the past, Austrian budgetary policies have followed a biased Keynesian approach: In times of low growth, the government has engaged in extra spending regarded as investment in the improvement of growth. In times of high growth, however, available funds have not been used effectively to prepare the government for worse times.

Austria recently enacted a new Federal Medium-Term Expenditure Framework Act (BFRG), which enables the government to plan the budget over the medium term. The BFRG prescribes binding ceilings on expenditures for four years in advance, on the basis of five categories that correspond to the main functions of the federal government. This multi-year approach should help improve the sustainability of the federal budget.

As hopes of future significant economic growth have grown increasingly out of reach, the contradicting interpretations of Keynesian policies have become sharper within the government: The SPÖ prefers using the deficit as an instrument to boost economic growth; the ÖVP argues that in the long run, deficit spending will result in disaster. But the gap between the main actors is still not dramatic.

## Research and Innovation

R&I Policy  
Score: 5

Public research in Austria is mainly university centered. However, this is a challenging environment, as universities are overburdened by huge numbers of students, while researchers in some disciplines are overwhelmed by teaching obligations. The Austrian Academy of Sciences is in a critical situation, plagued by insufficient funding. The Austrian Science Fund (Fonds zur Förderung der wissenschaftlichen Forschung) is tasked with coordinating academic research, but has shown only partial success in this task. Research funded by private corporations has little tradition in Austria, and at least in the near future, offers little hope of improving this situation. The deficiencies in public-funded research cannot be counterbalanced by privately funded operations. The whole sector is in acute need of more funding, but the budgetary situation and the growing shift of public funds from the young toward older generations, a trend driven by demographic change, make the outlook quite dire.

This does not prevent excellent research from being conducted in some fields. Important and significant innovations in disciplines such as biological science and medical research are still possible in Austria.

More broadly, links between industry and science are sound, and a high share of public research is funded by industry. In contrast to basic research, industry-sponsored research is mostly aimed at the applied sciences and does not necessarily affect universities. Integration within international networks is strong, and a high share of the labor force is occupied in science and technology-related occupations. Business R&D is particularly strong in niche markets, often performed by specialized small and medium-sized enterprises (SMEs). Other pillars of Austrian business research include large companies, affiliates of foreign corporations, and the medium- to low-tech manufacturing sector. Although Austria does not feature any of the world's top 500 corporate R&D investors, there are – according to OECD data – some dynamic startups on the Austrian market. These startups, however, are not a direct result of Austrian research policy.

## Global Financial System

Stabilizing  
Global  
Financial  
Markets  
Score: 7

As a member of the European Union, Austria's economy is closely linked to the other members of the EU single market. Austria has nevertheless sought to defend special national interests against the implementation of general standards such as banking transparency. The mainstream of public opinion in Austria regards bank secrecy (Bankgeheimnis) an important privacy asset. To its critics, this secrecy is a cover for the storing of untaxed money, and breeds corruption.

Austria has come under pressure from the United States and fellow European Union members to open its financial system according to standards widely acknowledged and respected by most other financial actors worldwide. Thus, Austria has effectively been forced to give up banking secrecy from 2018 onwards.

Austria has been particularly engaged in the promotion and implementation of an EU-wide tax on financial transactions. In January 2013, 11 European countries agreed to introduce such a tax, but actual implementation remains uncertain.

## II. Social Policies

### Education

Education  
Policy  
Score: 6

The Austrian educational system does not perform to its potential. Considering Austria's economic position, the country should have a significantly higher number of university graduates. The reason for this underperformance is seen by research institutions and experts such as the OECD to lie with the early division of children into multiple educational tracks, which takes place after the fourth grade. The result is that parents' social status is reflected in students' ability to access higher education, more so than in comparable countries. A citizens' initiative that called on parliament to correct this negative process of selection failed to produce significant reform, at least in the short term. This state of affairs violates the concept of social justice, and at the same time fails to exploit the national population's talents to the fullest.

The hesitancy to engage in reform results in part from the considerable veto power held by specific groups, including the teachers' union and the Austrian conservative party. Both appear to be first and foremost interested in defending the special status of high-schools and their teachers, and appear worried that this status will be lost if the two-tier organization of schools is changed.

Recent reforms of teachers' educational tracks aim at improving the first three years (BA) of teachers' training to meet higher standards. In the medium term, this will result in better-trained teachers for primary and secondary schools, the "Hauptschulen" in particular.

The Austrian dual system of vocational training, involving simultaneous on-the-job training and classroom education, receives better marks. This system is primarily aimed at individuals who want to take up work at the age of 15, but is accessible up to the age of 18.

Access to the Austrian university system has become significantly unequal in recent years, with children of parents holding tertiary education degrees and/or having higher incomes enjoying massively better odds of successfully graduating from university.

Citation:

For the effect of parents' education on childrens' educational odds see: <http://www.gerechthebildung.jetzt>

### Social Inclusion

Social  
Inclusion  
Policy  
Score: 7

Austria's society and economy are rather inclusive, at least for those who are Austrian citizens. The Austrian labor market is nevertheless not as open as it could be. For those who are not fully integrated, especially younger, less-educated persons and foreigners (particularly non-EU citizens), times have become harder. The global and European financial crisis had less impact in Austria than most other countries. Nevertheless, competition within the rather well-protected system of employment has become significantly tougher. This can be seen in the rise in the country's unemployment rate, which is now higher than Germany's unemployment rate.

Outside the labor market, the inequitable outcomes within the educational system and the remnants of gender inequality perpetuate some problems of inclusiveness.

Social divides continue to exist along generational, educational, citizenship, and gender cleavages. Moreover, governments at the national, provincial and municipal levels have shown a decreasing ability to counter these trends, as their policy flexibility has been undermined by debt and low revenues. Income inequality has persistently risen in recent years, with the richest quintile growing always richer and the poorest quintile growing poorer. The income differential between men and women is also widening: Correcting for part-time work, women earn around 13% less than men. The number of people living in poverty has declined in recent years.

According to recent OECD data, the distribution of wealth in Austria has grown increasingly more unequal in recent years. According to the OECD, efforts for fiscal consolidation after the crisis have contributed to an ever-more unequal distribution of wealth, resulting in a dire outlook for future economic growth.

During the period under review, the prospect of gender quotas for management positions in the business sector were debated. Advocates of this idea say it would help bring women into the most attractive and best-paid positions the economy has to offer.

Citation:

IMF, Fiscal Monitor October 2012, Washington D.C.

## Health

Health  
Policy  
Score: 7

The Austrian health care system is based on several pillars. Public health insurance covers almost all persons living legally in Austria, while a competitive private health-insurance industry offers additional benefits. However, major inequalities in health care have arisen, particularly between those able to afford additional private insurance and those who cannot.

The public insurance system differs in some aspects – sometimes considerably – between different professional groups. The various public insurance organizations work under the umbrella of the Association of Austrian Social Insurance Institutions (Hauptverband der Sozialversicherungsträger).

A second complexity in the system is produced by the division of responsibilities between the federal and state governments. Public health care insurance is based on federal laws, but the hospitals are funded by the states. This state-level responsibility affects both publicly owned and privately owned hospitals.

The complex structure of the Austrian health care system is in part responsible for the rise in costs. However, in recent years, cooperation between the insurance-providers' federation, the Federal Ministry of Health, and individual states seems to have succeeded in arresting the explosive rise in health care costs.

The development of the health care environment in Austria has echoed overall EU trends. Life expectancy is rising, with the effect that some costs, especially those linked to elderly care, are also going up. This implies ongoing debates but the principle of public health care is still undisputed.

The cap placed on the maximum number of working hours allowed for doctors in Austrian hospitals has exposed just how difficult conditions in Austrian hospitals can be. Many doctors are overworked and - in comparison to their counterparts in other EU countries - underpaid. Young doctors in particular are leaving the country for jobs in Germany, Switzerland or elsewhere. Other factors driving this brain drain include an excessive bureaucracy and weak practical training for young doctors in Austrian hospitals.

Citation:

Report of the Austrian Audit Court dating 12-2015

<http://www.rechnungshof.gv.at/berichte/ansicht/detail/medizinische-fakultaet-linz-planung.html>

## Families

Family  
Policy  
Score: 7

Both the Austrian government and mainstream public opinion accepts that the model of a traditional nuclear family, defined by stable and clearly divided gender roles, cannot be seen as the reality for all families in the second decade of the 21st century. Access for married women to the labor market is not seriously disputed. Nevertheless, the provision of child care is still overwhelmingly left to families themselves, which de facto means that primary responsibility is left to mothers. Public child care centers exist, but despite some recent improvements, fail to satisfy demand. Child care facilities for children aged zero to two are almost completely lacking outside the capital Vienna, while facilities for children aged three to five do not always manage to serve working parents' needs. Thus, the disproportionate burden borne by women within Austrian families is seen as an aspect of de facto gender discrimination. Also, Austrian welfare transfers for mothers are designed in a way that keep mothers out of the labor market, an outcome that stands in stark contrast to those associated with policies promoting allowances in kind.

“Family” is still a highly ideological term in Austria. But despite contradicting programmatic positions (conservative insistence on a traditional mother-father-child family, progressive ideas of breaking any kind of gender barrier), the Austrian political system was and still is able to implement compromises which are flexible enough to adapt to new social developments and challenges.

Patchwork families and families based on same-sex partnerships are gradually accepted in Austrian society. Austrian law provides an institutional framework for same-sex partnerships, though they are not identified as marriages, and are not endowed with the same rights as those granted to a heterosexual marriage.

## Pensions

Pension  
Policy  
Score: 6

Within the short term, Austria's pension system is still considered to be reliable and secure. However, the system's ability to respond to demographic changes is open to question. The population is aging and the birth rate declining, yet the logical response – prolonging the period a person has to work before being entitled to a pension – is politically difficult to implement. Austrians still retire early by international comparison; nevertheless some progress has been made in terms of increasing the effective retirement age in the last years.

Thus, while the pension system itself is still considered stable, more efficient responses to the coming demographic changes must be found. Longer life expectancies have not yet found an equivalent in longer periods of working. This represents a significant burden for future generations, as pension expenditures consume a

significant amount of government resources, to the disadvantage of the younger generations. According to recent calculations by the Austrian audit court, by 2015 pension payments will consume around 47% of net state tax income. In comparison, state expenditures for schools and universities (primary, secondary and tertiary education) amounted to around 18% of net tax income in 2012. The system therefore largely fails to achieve the objective of intergenerational equity.

The different interests behind the different positions remain the same: Employers and right-of-center parties argue that without a significant increase in the statutory pension age, the outlook for the next generation is dire; labor unions and left-of-center parties argue that individuals who have worked hard for decades should be guaranteed the best-possible quality of life in their later years and without having to work significantly longer.

### Integration

Integration  
Policy  
Score: 6

Austria's integration policy has been the focus of recent reforms aiming to pave the way toward a new "welcoming culture" in the country. Despite these remarkable efforts it continues to be deficient in two key ways: First, there is still too little formal recognition that Austria is a country that has been and will continue to be defined by immigration. Though not a feature of official government policy, the slogan "Austria is not a country of immigration" continues to be invoked by parties such as the far-right Freedom Party (FPÖ).

Second, and compared to other EU member states, acquiring citizenship in Austria is still difficult for non-nationals (despite some prominent figures such as opera performers, athletes and billionaires).

These shortcomings are reflected in education outcomes. Education in urban areas has to deal with the challenge posed by the children of first-generation migrants, in school systems with constrained resources. This means that children from migrant families have a more difficult task in qualifying for higher education, and are often stuck in the lowest type of school, called a special school (Sonderschule), undermining their chances for future labor-market success. Special support policies for such children have been recently put in place, but it remains to be seen how successful these policies will turn out to be in the short and medium term.

With respect to the labor market more broadly, the Austrian government is only halfheartedly welcoming employees newly arriving from foreign countries. Its policies (including the "red-white-red card") are neither well received by economic actors nor are they succeeding in attracting highly skilled professionals. The indirect, undeclared alliance between organized labor (which defends the short-term interests of union-protected laborers, and is usually linked politically to the left) and the far right (which

exploits xenophobic resentments, especially in the case of the Freedom Party) creates a political climate that sometimes breaks into open hostility, particularly against migrants coming from Muslim countries. This alliance between right-wing populism and organized labor is still an obstacle to the development of a more distinct integration policy.

In 2015, Austria, like a number of other European countries, became the site of a mass migration of refugees into its territory. While many refugees traveled on to countries such as Germany and Sweden, many others remained in Austria to seek asylum. Unlike many other, in particular eastern European states, Austria has not closed its borders and has acted mostly in compliance with the Geneva convention and its humanitarian tradition, accepting the refugees. In 2015 alone, close to 100,000 refugees requested asylum in Austria, a figure more than triple the number of requests in 2014.

The government has responded by introducing more stringent asylum rules. Asylum is to be granted on a temporary basis only and is to be reviewed after certain periods of time. These legislative measures may function as a disincentive to integrating migrants into Austrian society. However, migration in such amounts has also clearly overburdened the Austrian system and society, and made action imperative. A solution to the evident intra-European migration imbalances will be possible only on an European level.

Citation:

New legal provisions: [https://www.parlament.gv.at/PAKT/VHG/XXV/ME/ME\\_00166/index.shtml](https://www.parlament.gv.at/PAKT/VHG/XXV/ME/ME_00166/index.shtml)

### Safe Living

Safe Living  
Conditions  
Score: 8

Internal security is comparatively well protected in Austria. The crime rate is volatile, rising in some areas such as criminal assaults, while falling in others such as break-ins and car thefts. Internet crime is an increasingly significant problem, and the Austrian police forces are seeking to counteract it through the creation of special task forces. The incidence of economic fraud is also rising due to the growing share of transactions over the Internet.

Police-force budgets and personnel counts have risen over time, an indicator that the police are viewed as the appropriate instrument to provide internal security.

The open borders guaranteed by the European Union and the Schengen agreement have made it easier for organized crime to cross borders, leading some to criticize Austria's EU membership status. And although some parties (e.g., the FPÖ) do so for political purposes, the data shows that, despite recent increases concerning burglaries and car theft, there is no significant increase in crime as such.

Citation:  
 Stats from the interior ministry:  
[http://www.bmi.gv.at/cms/BK/publikationen/krim\\_statistik/2013/2732014\\_KrimStat\\_2013\\_Broschuere.pdf](http://www.bmi.gv.at/cms/BK/publikationen/krim_statistik/2013/2732014_KrimStat_2013_Broschuere.pdf)

### Global Inequalities

Global  
 Social  
 Policy  
 Score: 5

Austria often gives rhetorical support to agendas seeking to improve the global social balance. However, when it comes to actions such as spending public money to improve development in poor countries, Austria is often slow to fulfill its promises.

As an EU member, Austria's position concerning tariffs and imports is defined by the EU's position. This body also represents Austria in the World Trade Organization. To prevent certain agricultural products from entering the Austrian market, the Austrian media and political parties (including agricultural interest groups) use environmental rather than specifically trade-focused arguments.

The gap between political rhetoric and political activity with respect to equal socioeconomic opportunities in developing countries has grown even wider during the period under review. Austrian politics and Austria's public discourse have reacted to the ongoing volatile economic and fiscal situation by concentrating even more than before on internal demands. The debate regarding the EU-U.S. negotiations concerning a transatlantic free trade agreement has been dominated by a parochial outlook with little room for global arguments. According to this view, Austria's standards are the highest and any free trade agreement will result in a decline of quality for the consumer.

Recent discussions have focused on the humanitarian situation in refugee camps outside of Syrian territory. Austria, as a member of the EU, has pledged increased payments to these camps via the United Nations. The next year will show if these promises will be kept.

## III. Environmental Policies

### Environment

Environment  
 al Policy  
 Score: 6

Austria's government has sought to establish a policy course balancing economic growth and protection of the environment. In reality, this is very often seen as a contradiction. Environmental policies may have significant effects for employment and even for economic growth in the long run, but in the short run – and the Austrian

government, like any democratic government, is first and foremost focused on short-term effects – traditional economic incentives are given priority most of the time, at the cost of environmental protection.

However, this has changed little by little in recent decades, as public opinion has slowly accepted the need for environmental protection. Ecological values have been embraced by virtually all political parties, not just the Greens, and as long as protecting the environment is not in immediate conflict with economic growth, the government has promoted environmental policies. But the ambiguity remains, as well as a tendency to think within traditional frameworks that favor economic growth over environment protection. A recent scandal in the state of Carinthia (Kärnten), however, where large areas of land have been polluted with hexachlorobenzene by a local cement plant, has put government under pressure to foster and safeguard environmental standards.

In part for this reason, Austria is one of the very few EU countries that has failed to meet the objectives of the Kyoto Protocol. To this day, Austria's greenhouse gas emission levels are very high for a country of its size.

A significant share of CO<sub>2</sub> emissions in Austria (28.4% in 2013, taking second place behind industrial emissions) is due to vehicle traffic. Indeed, CO<sub>2</sub> emissions related to vehicle traffic increased by 61.4% between 1990 and 2013. This increase in CO<sub>2</sub> emissions is overwhelmingly due to the rise in goods transportation, which accounted for 42% of vehicle-traffic CO<sub>2</sub> emissions in 2010. A total of 30.5% of vehicle-traffic CO<sub>2</sub> emissions are due to the export of fossil fuels (defined as transit traffic and “petrol-station tourism” by non-Austrians).

Partly due to EU laws (the so-called Eurovignette directive), and partly due to the failure to make railroads a more attractive way to transport goods, Austria has completely failed to decrease vehicle-traffic CO<sub>2</sub> emissions.

Industry and commerce are responsible for the second-highest increase in total CO<sub>2</sub> production, and remain the largest contributor to CO<sub>2</sub> emissions in full with 45.6% of total greenhouse gas emissions. Economic growth and cheap carbon-market certificates for CO<sub>2</sub> can be seen as the principal reasons for the increase in CO<sub>2</sub> emissions in this sector. In part due to strong lobbying by economic actors, the Austrian government has failed to control the supply and prices of tradable CO<sub>2</sub> certificates, contributing to a significant fall in certificate prices.

Citation:

New data on CO<sub>2</sub> emissions stemming from: Klimaschutzbericht 2015, Umweltbundesamt, 2015, <http://www.umweltbundesamt.at/fileadmin/site/publikationen/REP0555.pdf>

### Global Environmental Protection

Global  
Environment  
al Policy  
Score: 5

Austria's approach to global environmental policy is full of contradictions. Rhetorically, Austria (the government, political parties, media) paints itself as a frontrunner in global governance, from Kyoto to Copenhagen. In practice, however, the country's efforts do not support this conclusion. Austria is still proud of its 1978 decision not to use nuclear energy, one of the first countries to do so worldwide. This has become a kind of national narrative, in which Austria is proud to be in the vanguard of enlightened environmental consciousness. Austria tends to lecture others, including its neighbors in Europe, about the need to improve ecological standards. But when has come to the practical job of reducing CO2 emissions, Austria has fallen behind its peers. The real power of special interests (such as the automobile associations, goods transporters, and industry) has thus far proven too strong to overcome.

# Quality of Democracy

## Electoral Processes

Candidacy  
Procedures  
Score: 10

The Austrian constitution and the laws based on the constitution are consonant with the framework of liberal democracy. They provide the conditions for fair, competitive, and free elections. Parties based on the ideology of National Socialism are excluded from participation, but there has never been an attempt to exclude other parties considered to be outside the accepted mainstream of democracy (such as the Communist Party). Persons younger than 16 years of age cannot vote or stand for office.

There is ongoing debate on how best to handle the system of proportional representation that is enshrined in the Austrian constitution. The system contains a 4% electoral threshold; parties must receive at least this share of the national vote in order to gain a parliament seat, a policy ostensibly designed to minimize the deconcentrating tendency of proportional representation systems. Nevertheless, critics of the system argue that proportional representation as implemented in Austria prevents clear majorities, thus making it difficult to obtain a direct mandate to govern from the voters. Coalitions are a necessity. A system based on single-member constituencies would increase the possibility that single-party governments could be elected, but at the cost of limiting smaller parties' chances for survival. Thus, though the current system is criticized for undermining the efficiency of government, it is considered to be more democratic than the alternatives.

The outcomes of Austrian elections are broadly accepted, and there is practically never any dispute over who or which party has won.

Media Access  
Score: 7

During electoral campaigns, all parties with parliamentary representation have the right to participate in non-biased debates hosted on the public broadcasting system. This can be seen as an obstacle to new parties, which are not covered by this guarantee.

There is no such rule for the private media, either print or electronic. While political parties today rarely own media organizations outright, print-media organizations more or less openly tend to favor specific parties or their associated political positions.

Political parties have what is, in principle, an unlimited ability to take out print advertisements, as long as the source of the advertisement is openly declared. This gives established parties with better access to funding (especially parties in government) some advantage.

However, the access to present a party's perspectives depends on its financial capacity. Despite rules, recently implemented to guarantee some balance, it became publicly known that some parties have significantly overspent during the electoral campaign of 2013 and therefore clearly violated the rules.

Voting and  
Registrations  
Rights  
Score: 9

Voter registration and voting rights are well protected. Registration is a simple process, taking place simultaneously with the registration of a residence. Citizens must be at least 16 to vote. The country has made efforts to allow non-resident citizens to vote from overseas.

The relative difficulty in obtaining citizenship, and thus voting rights, represents a more problematic aspect of the political culture. According to some mainstream interpretations of democracy (e.g., following Robert Dahl), all legal residents should have the right to vote and therefore the right to citizenship. However, Austria's system does not provide most long-term residents with a simple means of obtaining naturalization and voting rights.

Party Financing  
Score: 7

Political-party financing in Austria has been characterized by unsuccessful attempts to limit the ability of parties to raise and spend money. Austrian electoral campaigns are among the most expensive (on a per-capita basis) in the democratic world, thanks to the almost uncontrolled flow of money to the parties. These large flows of money create dependencies, in the sense that parties tend to follow the interests of their contributor groups, institutions and persons.

However, some improvements have been made in recent years, for instance by making it necessary to register the sums given to a party. An amendment to the Austrian act on parties made it mandatory for parties to declare the sources of their income, beginning in 2012. Additionally, parties are required to keep records of their accounts and publish a yearly financial report. This annual report must include a list of donations received. Therefore, and for the first time, policymakers have sought to render the flow of private money to parties transparent. The yearly reports are subject to oversight by the Austrian Court of Audit, and violations of the law can be subject to penalties of up to €100,000. The fact that some parties violated set limits during the 2013 campaign has prompted a new debate regarding stronger oversight and sanctions.

This regulatory structure does have loopholes, however, as parties do not need to identify the sources of donations below the amount of €3,500. As long as parties can spend money without oversight or limitations, it can be assumed that they will find ways to raise money outside the system of official scrutiny.

A system of public political-party financing on the federal, state and municipal level was established in the 1970s. This can be seen as moderating the dependencies established by private funding, but has not significantly changed the these private flows.

Citation:

Hubert Sickinger, "Politikfinanzierung in Österreich". Vienna 2009 (Czernin)

Popular Decision-  
Making  
Score: 5

Plebiscites (referendums) are obligatory and binding when the matter concerns constitutional issues. This has been the case only once, in 1994, when Austria had to ratify the treaty of accession to the European Union. Plebiscites are possible (and binding) if a majority of the National Council (the lower house of the two-chamber parliament) votes to delegate the final decision on a proposed law to the voters. This also happened only once, in 1978, when the future of nuclear power in Austria was decided by referendum. There is also the possibility of a non-binding consultational referendum. Thus, in 2013, a non-binding referendum was organized concerning the military draft system. The governing parties and parliament treated the decision – in favor of keeping the existing universal draft – as binding. The small number of direct-democratic decisions made in the past are the consequence of a constitutional obstacle: Except for the case of the obligatory plebiscites, it is the ruling majority that ultimately allows referendums to take place, and therefore controls access to direct-democratic decision-making.

Citizen initiatives are proposals backed by a qualified minority of voters (a minimum of 100,000 individuals, or one-sixth of the voters in at least three of the country's nine provinces). These initiatives are not binding for parliament, which has only the obligation to debate the proposals. Most citizen initiatives have not succeeded in becoming law.

Reformers have argued that the use of plebiscites should be expanded, possibly by allowing citizen initiatives with very strong support (e.g., backed at least by 300,000 voters) to go to the ballot in the form of a referendum in cases of parliament's refusal to make the proposal law. This seemingly endless reform will continue into the future and reflects the erosion of trust in the established party system.

### Access to Information

Media Freedom  
Score: 7

Media freedom is guaranteed by the constitution. There is no censorship in Austria, and new electronic or print-media organizations can be freely established. Limits to the freedom of expression in the media are defined by law, and the courts ensure that these limits are enforced.

The federal and regional governments use public money to promote specific policies in various print publications. This tradition has been criticized by the Austrian Court of Audit and by media organizations, but has not stopped. Due to the pluralistic structure of Austria's political system (no single party has ever simultaneously controlled the federal government and all state governments), the impact of this practice is typically diffused, but this financial relationship necessarily reduces the credibility and the freedom of the media. A mutual dependence has developed, in which political parties try to influence the media and media try to influence political parties. A clear separation needs to be established, in which media organizations do less to start or support political campaigns or otherwise put pressure on politicians, and political parties do not use means such as financial incentives to have an impact within the media.

The Austrian Public Broadcasting (Österreichischer Rundfunk Fernsehen, ORF) company dominates both the TV and radio markets. The ORF is independent by law and is required to submit comprehensive reports on its operations. All parties in parliament are represented on the ORF's oversight body (the Stiftungsrat). A number of (real or imagined) cases of political influence over the ORF by various political parties have been alleged. However, the ORF in general fulfills its mandate quite well, particularly in international comparison.

There is an imbalance between the ORF and TV and radio stations beyond the ORF. The ORF is financed mainly by public fees, which everyone who owns a TV or radio device has to pay. Other TV and radio broadcasters have to finance their structures and activities through advertisements. The ORF and the government justify this imbalance by referring to the ORF's specific educational task, which private companies do not have to fulfill.

The impact of social media has not yet been fully analyzed in Austria. It can be seen as a counterweight to the highly concentrated traditional media market, in which a single daily newspaper (Die Krone) is read by more than one-third of newspaper consumers, and in which the ORF is still the dominant force in TV and radio. Social media use is highly skewed toward the younger generations, but are also responsible for a new means of access to information.

Given Austria's small size and its shared language with Germany, the country particularly dependent on German media (print and electronic), which is not subject to oversight by Austrian policymakers.

Citation:

Ingrid Thurnher: "Politik und Medien - eine unheilige Allianz?" In: Andreas Khol et al. (eds.): "Österreichisches Jahrbuch für Politik 2011." Vienna 2012, pp. 339 - 348.

Media Pluralism  
Score: 5

The Austrian media system features a distinct lack of pluralism in both the broadcast- and print-media sectors. The TV and radio markets are still dominated by the public Austrian Broadcasting Corporation (ORF). By law, the ORF is required to follow a policy of internal pluralism, which in practice translates primarily into a reflection of the various political parties' current strength in parliament. Thus, interests and movements not yet established in the political system may occasionally suffer a disadvantage.

The print-media sector is highly concentrated, with a single daily paper (Die Krone) accounting for a 40% market share on a circulation basis. This paper carries political weight insofar as politicians of various parties seek to please its editor and staff, a situation that erodes the fair and open democratic competition of ideas and interests. Print-media organization are no longer owned by parties or organized interest groups, and the concentration can be seen as a consequence of market forces and the small size of the Austrian market.

Regional monopolies also pose a threat to media pluralism. In some federal states, a single daily paper dominates the market. Once again, the small size of the Austrian media market is largely responsible.

Despite these problematic aspects to the market from the point of view of media pluralism, ORF fulfills its mandate of providing independent and comprehensive coverage well, and is therefore able to serve as a balance to pluralistic shortcomings.

Access to  
Government  
Information  
Score: 8

Citizens can access government information, but certain restrictions apply. The principle of privacy protection is sometimes used as a justification – at times, only a pretext – to prevent academic research and other inquiries. The Austrian bureaucracy still appears tempted to consider access to information a privilege rather than a right. However, despite these practical shortcomings, the principle of transparency is enshrined in the Austrian constitution, and generally enables access to information by citizens.

Indeed, the overall trend is favorable, with practices of information access becoming progressively more liberal. For example, the police and courts have

now established structures (offices and officers in charge) responsible for information. This seems in part to be a result of generational change within the bureaucracy.

Despite ongoing discussions, Austria has not yet adopted an encompassing Freedom of Information Act, of which all citizens are informed and able to use. There are too many caveats in the law (defined as state-relevant “secrets”) to protect government acts from public access. A draft for an Austrian Information Act is currently being discussed in parliament.

### Civil Rights and Political Liberties

#### Civil Rights

Score: 7

The rule of law as well as basic civil rights are guaranteed in Austria, at least for Austrian citizens. This is less so the case for non-citizens (and especially non-EU-citizens). Austrian laws concerning naturalization are extremely strict, which leaves hundreds of thousands of persons living legally in Austria excluded from political rights. Recent cases documented by NGOs have shown members of the Austrian police to have used cruelty and violence in interactions with non-citizens (especially migrants without a residence permit).

Right-wing populist parties, especially the Freedom Party of Austria (FPÖ), instrumentalize social and economic anxieties among the broader population to blame migrants and refugees for any kind of negative development, ranging from crime to unemployment. Mainstream political parties have sometimes been reluctant to insist that the guarantees provided by human-rights declarations signed by Austria (such as the Council of Europe’s Declaration of Human Rights) cover refugees and migrants, and must be implemented without reservation.

The European Court of Human Rights has been especially critical of the way Austrian courts implement the freedom of speech. There is a tendency within Austria’s administration and judiciary to define this freedom in a more restrictive way than the court believes is correct.

With respect to religious freedom, all major denominations enjoy the status of officially recognized religious communities. This status enables access to the public-education system in form of religious instruction in schools, paid for by the government; a privileged way of “taxing” members of religious communities (through the church tax, or Kirchensteuer); and other entitlements. As a consequence of these various financial links and other relationships, there is no clear separation between religious denominations and the state. However, the religious denominations (especially the still-dominant

Roman Catholic Church) have resisted identification with any specific political party.

Two groups of Austrians are disadvantaged by this system of officially recognized denominations: members of the small denominations that lack official recognition, and atheists (or agnostics) who may feel that religion as such is privileged in Austria compared with non-religion. Access to the courts in Austria has become increasingly difficult as a result of legal fees that have reached exorbitantly high levels, particularly in the civil branch of the judiciary system.

While the state does in some cases provide financial assistance, in many cases, the fees required for access to the Austrian judicial system constrain or altogether block access for people with limited means. In practice, this has fed the growth of a legal-insurance sector. People who cannot afford to pay for legal-insurance policies find the high court fees a significant obstacle to defending their rights in the Austrian court system.

Political Liberties  
Score: 9

As human rights, civil and political liberties are guaranteed effectively by the Austrian constitution. The Austrian standard of recognition accorded to such liberties and rights is very high. For religious liberties, Austria has developed a special system of official recognition. Officially recognized religious denominations, which include all major Christian denominations, Islam, Judaism and Buddhism, enjoy specific privileges such as the right to provide religious instruction in public schools.

The freedom of speech is sometimes seen as constrained by Austrian courts' interpretation of libel. The European Court of Human Rights (ECHR) has overturned decisions by Austrian courts in numerous cases, as the Strasbourg court considers the Austrian interpretation as too narrow. The judicial system has in consequence adapted to the rulings of the ECHR.

The only legalized limitation to political freedom concerns any activity linked to National Socialism. As a consequence of Austria's past, the Austrian system does not allow political activities based on the doctrine of National Socialism, including Holocaust denial. While the principle itself is widely supported, its interpretation in practice sometimes leads to controversy.

The existence of an apparently very small in number but internationally well-connected network of radical Islamists represents a new challenge to political liberties in Austria. Some Austrian citizens have been recruited to fight for the "Islamic State" militia, for example. This has resulted in a debate about the limits of political liberties, but has not yet led to any significant legal action being taken.

Non-discrimination  
Score: 6

Austrian law bars discrimination based on gender, religion, race, age or sexual orientation. In practice, despite the institutionalization of an anti-discrimination policy, discrimination is evident within Austrian society. This includes indirect discrimination directed against women, who are still underrepresented especially at the level of management in the business sector; discrimination against dark-skinned persons, in some cases by the police; and gays and lesbians, whose position has improved, but still features structural disadvantages. Particularly with reference to sexual orientation, Austrian policies retain a rather conservative orientation, limiting the legal institution of marriage to heterosexual partnerships. Although legal substitutes exist for gays and lesbians, the bureaucratic reality makes life for heterosexual partners considerably easier.

#### Rule of Law

Legal Certainty  
Score: 8

The rule of law in Austria, defined by the independence of the judiciary and by the legal limits that political authorities must respect, is well established in the constitution as well as in the country's mainstream political understanding. The three high courts – the Constitutional Court (Verfassungsgerichtshof), which deals with all matters concerning the constitution and constitutional rights; the Administrative Court (Verwaltungsgerichtshof), the final authority in administrative matters; and the Supreme Court (Oberster Gerichtshof), the highest instance within the four-tier judicial system concerning disputes in civil or criminal law – all have good reputations. Judicial decisions, which are based solely on the interpretation of existing law, can in principle be seen predictable.

The role of public prosecutors (Staatsanwälte), who are subordinate to the minister of justice, has raised some controversy. The main argument in favor of this dependency is that the minister of justice is accountable to parliament, and therefore under public control. The argument to the contrary is that public prosecutors' bureaucratic position opens the door to political influence. To counter this possibility, a new branch of prosecutors dedicated to combating political corruption has been established, which is partially independent from the Ministry of Justice. However, this independence is limited only to certain aspects of their activities, leading some to argue that the possibility of political influence remains.

The rule of law also requires that government actions be self-binding and predictable. And indeed, there is broad acceptance in Austria that all government institutions must respect the legal norms passed by parliament and monitored by the courts.

Judicial Review  
Score: 8

Austrian laws can be reviewed by the Constitutional Court on the basis of their conformity with the constitution's basic principles. According to EU norms, European law is considered to be superior to Austrian law. This limits the sovereignty of Austrian law.

Within the Austrian legal system, all government or administrative decisions must be based on a specific law, and laws in turn must be based on the constitution. This is seen as a guarantee for the predictability of the administration. The three high courts (Constitutional Court, Administrative Court, Supreme Court) are seen as efficient watchdogs of this legality. Regional administrative courts have recently been established in each of the nine federal states (Bundesländer), which has strengthened the judicial review system.

The country's administrative courts effectively monitor the activities of the Austrian administration. Civil rights are guaranteed by Austrian civil courts. Access to Austrian civil courts requires the payment of comparatively high fees, creating some bias toward the wealthier portions of the population. Notwithstanding the generally high standards of the Austrian judicial system, litigation proceedings take a rather long time (an average of 135 days for the first instance) with many cases ultimately being settled through compromises between the parties rather than by judicial ruling. Expert opinions play a very substantial role in civil litigations, broadening the perceived income bias, since such opinions can be very costly to obtain. The rationality and professionalism of proceedings very much depend on the judges in charge, as many judges, especially in first-instance courts, lack the necessary training to meet the standards expected of a modern judicial system.

Appointment of  
Justices  
Score: 9

Judges are appointed by the president, who is bound by the recommendations of the federal minister of justice. This minister in turn is bound by the recommendations of panels consisting of justices. This usually is seen as a sufficient guarantee to prevent direct government influence on the appointment process.

The situation is different for the Constitutional Court and the Administrative Court. In these two cases, the president makes appointments following recommendations by the federal government or one of the two houses of parliament. Nonetheless, members of the Constitutional Court must be completely independent from political parties (under Art. 147/4). They can neither represent a political party in parliament nor be an official of a political party. In addition to this rule, the constitution allows only highly skilled persons who have pursued a career in specific legal professions to be appointed to this court. This is seen as guaranteeing a balanced and professional appointment procedure.

Corruption  
Prevention  
Score: 8

Corruption has become a major topic of discussion in Austria. In recent years, scandals concerning prominent politicians (including former cabinet members) and industries dependent on government decisions have been exposed in increasing numbers, and thoroughly investigated. In consequence, a special branch of the public prosecutor's office dealing especially with corruption (Korruptionsstaatsanwaltschaft) has been established. This office is seen as a significant improvement on the earlier system, although it remains far from perfect with respect to political independence. The more proactive approach taken by government, represented for example in the activities of the Korruptionsstaatsanwaltschaft, have yielded positive results.

# Governance

## I. Executive Capacity

### Strategic Capacity

Strategic  
Planning  
Score: 6

The strategic capacity of the Austrian executive is limited by the lack of clear majorities in the federal parliament and in most of the state (provincial) parliaments. With some exceptions, no party can claim to have a mandate to implement a set of policies agreed to by a majority of voters and members of parliament. Rather, coalitions must be formed, a process with clear advantages and clear disadvantages. On the one hand, executive responsibility is blurred, as the presence of too many veto players prevent the development of consistent strategic capacity. On the other, coalitions enable a more inclusive government. Political decision-making in Austria is still characterized by a tendency to prefer a maximum of consensus, even at the price of postponing necessary decisions and shying away from taboos identified with the interests of special groups (such as public service unions or organized agrarian interests).

Strategic-planning units and bodies consisting of public officials do exist within the ministries. The Federal Chancellery can be considered the principal strategic-planning unit, as it is responsible for coordinating the government's various activities. However, it lacks the specialized personnel that would enable it to work as a comprehensive strategy unit, and has no power to give instructions to other ministries.

After the 2013 general elections, the two biggest parties decided to once again re-establish their coalition government despite electoral losses. As a further decline of their strength in future elections seems likely (which means that the formation of government coalitions of only two parties is becoming increasingly unlikely), the new coalition could have been an opportunity (possibly the last one for the foreseeable future) to create new (i.e., more efficient) structures in the political system that will help the country address

Scholarly Advice  
Score: 5

emerging challenges. But the governing parties have to date not met expectations in this respect.

Due to the fragmented structure of the cabinet, there is no coherent pattern of using scholarly advice. The extent to which each ministry seeks systematic academic advice is up to the individual minister.

Economic and financial policy is the only area in which general scholarly advice is commonly sought and available. Two institutions, established respectively by the social partners (the Austrian Institute of Economic Research (Österreichisches Institut für Wirtschaftsforschung)) and through a mix of public and independent funding (the Institute for Advanced Studies (Institut für Höhere Studien)) regularly articulate specific opinions such as economic forecasts. Governments typically take these two institutions' work into account when making policy.

The Institute for Advanced Studies now faces financial problems that threaten its existence and the overall system of scholarly advice provided to the government.

#### Interministerial Coordination

GO Expertise  
Score: 5

Two aspects of Austria's governance system limit the efficiency of interministerial coordination. First, members of the cabinet ("Ministerrat," which is officially translated as the Council of Ministers but is essentially a cabinet) all enjoy the same legal status. The federal chancellor, who chairs the cabinet, is only first among equals. He or she has no formal authority over the other members of the council. Secondly, with the exception of the years between 1966 and 1983, Austria has been governed by coalitions since 1945. This further reduces the authority of the head of government, as another member of the government – typically the vice-chancellor, is head of another part in the coalition. The result is a significant fragmentation of strategic capacities. Responsibility within the government is distributed among highly autonomous ministers and among political parties linked by a coalition agreement but nevertheless competing for votes.

The Federal Chancellery does have a department called the Legal and Constitutional Service (Verfassungsdienst), which is responsible for checking the constitutionality of policy proposals coming from the various ministries. Another instrument of oversight is the evaluation of policy effects (Wirkungsorientierte Folgenabschätzung, WFA) that as of 2013 must be integrated into every policy proposal. Under this policy, every draft law has to include an evaluation of its effects in financial, social and other terms, thus enabling other members of government to evaluate its consequences. The

cabinet is de facto a collective leadership, complicated by the conflicting interests of coalition partners.

The 2013 elections and the resulting coalition government, which consists of the same two parties, have not led to any significant changes regarding interministerial coordination.

GO Gatekeeping  
Score: 5

Although the chancellor chairs cabinet meetings, his or her office is not in practice able to control meeting agendas. The cabinet is a body of equals and must reach unanimity in its decisions. The chancellor is first among equals only. In advance of each formal cabinet meeting, coalition parties internally coordinate issues within their party. In a second step, issues identified as potentially subject to opposition or veto by other coalition parties are sent for discussion to an informal group usually comprised of one cabinet member from each party. If agreement concerning a specific proposal does not seem possible, the item will not be placed on the cabinet's agenda.

The Chancellor's Office's only true gatekeeping privilege involves its capacity to oversee the constitutionality of policy proposals. The Legal and Constitutional Service of the Chancellor's Office is widely respected for pursuing a nonpartisan agenda. If this department identifies a proposal as a potential violation of the constitution, the proposal is either put aside or sent back to the originating ministry for revision.

Apart from constitutional matters, the chancellor's gatekeeping powers are restricted to his or her own party. As head of government, the chancellor can informally return materials within his or her own party's cabinet faction, as can the vice-chancellor within his or her cabinet faction.

The chancellor's position may have been strengthened by the following recent development: The Treaty of Lisbon has reduced the numbers of national participants at the meeting of the European Council to one. Within the context of a coalition cabinet such as that currently in place in Austria, the single Austrian representative – the chancellor (currently a social democrat) gains political visibility and this can be interpreted as eroding the political significance of the foreign minister (currently a conservative).

Line Ministries  
Score: 3

As all ministers are equal, the autonomy of line ministries is substantial. The chancellor cannot determine the outlines of government policy and does not have to be involved in the drafting of legislation. Normally, however, proposals are coordinated by the prime minister's office. Formally, the Federal Ministry of Finance can offer its opinion as to whether a proposal fits into the government's overall budget policy, even if such consultation is not required. The Ministry of Finance thus has a kind of cross-cutting power.

Cabinet  
Committees  
Score: 5

There are no regular (or permanent) cabinet committees. In rare cases, ad hoc committees are established to deal with a specific matter. As coalitions are the rule in Austria, such committees usually consist of members of both coalition parties in order to ensure an outcome acceptable to the full cabinet.

Ministerial  
Bureaucracy  
Score: 5

Austria's federal bureaucracy is characterized by structural fragmentation. Each federal ministry has its own bureaucracy, accountable to the minister alone and not to the government as such. Each minister and his or her ministry is regarded as having a party affiliation according to the coalition agreement. Policy coordination is possible only when the ministers of specific ministries agree to establish such a specific coordination. As fitting in the government's ministerial structure of the government, individual ministers fear loss of control over their respective bureaucracies, and thus lasting and open contacts are possible only between the (politically appointed) personal staff of ministers belonging to the same political party.

Because the Austrian bureaucracy is organized along the lines of a (British-style) civil service system, the different ministerial bureaucracies are stable in their political makeup and therefore immune to short-term political influences. Specific ministries are generally dominated by one party over the long term (e.g., the Ministry of Labor and Social Affairs (social democratic) and the Ministry of Agriculture and Environment (conservative)).

Informal  
Coordination  
Score: 6

Existing coordination mechanisms – the weekly informal meetings within each Cabinet factions and the cabinet as a whole, as well as the regular informal meetings between the chancellor and vice-chancellor – are efficient. They do not in any way guarantee a smooth decision-making process based on consensus, but do allow the cabinet to make a realistic assessment of what collective decisions are either possible or impossible. Informal coordination mechanisms are also used to seek compromise when a proposal from one party's minister is unacceptable to the other coalition party. Each party nominates one cabinet member to a small group tasked with finding this compromise. There is no regular policy coordination, whether formal or informal, on the level of civil servants.

Initially, informal coordination within the SPÖ-ÖVP coalition seemed to function smoothly as evinced by the introduction of two separate commissions for tax and educational reform. These commissions have enjoyed relative seclusion from the press, which has allowed the coalition partners to reach joint compromises more readily. Recent developments with regard to the refugee crisis and the marketing of the tax reform have, however, cast doubt on the coalition's capacity for informal coordination.

### Evidence-based Instruments

RIA Application  
Score: 8

Under the recently published 2013 federal budget law, the government and its ministries are obliged to assess the impact of legislative proposals with respect to the public budget and on the basis of financial, economic, environmental, consumer-protection and employment issues. In addition, in order to avoid overregulation, the government's legislative proposals must be assessed regarding their regulatory impact. Other detailed regulatory impact assessment (RIA) requirements exist in further decrees.

The results of RIA studies are published in the preface to each legislative proposal. In Austria, RIA is a very recently established, but nonetheless a rapidly evolving tool for legislators and parliamentarians. With the 2013 reform, RIA can now be considered an important component of the country's legislative process.

Quality of RIA  
Process  
Score: 5

RIAs must be attached to every legislative proposal. The publication of draft laws for public assessment (while previous publication is legally required in many cases, in practice virtually all draft laws are published before they are voted upon) allows stakeholders within the public to comment, a frequent occurrence. Trade unions and economic chambers in particular, but other institutions as well are regularly invited to provide comment on draft laws.

However, RIAs are not written by sectoral experts, but rather by the ministry or department preparing the draft law. As a result, expertise may in some cases be limited to the sectoral expertise of the body preparing the draft law. Currently, there is no independent body that evaluates RIA quality.

Sustainability  
Check  
Score: 8

The potential environmental effects of legislative proposals have to be evaluated as a part of regulatory impact assessments, as do effects on employment. Various degrees require that financial and other issues be assessed. Analysis may focus on the short, medium or long term according to specific RIA legal requirements, but is commonly focused on a period of five years.

The country does feature an overarching sustainability strategy, but this is still relatively underdeveloped. The government tends to give much lip service to the ideas behind sustainability but violate its rhetoric in practice by giving in to special interests.

### Societal Consultation

Negotiating  
Public Support

The Austrian political system is quite inclusive, but is receptive primarily to particular interests. The corporatist network established after 1945, consisting

Score: 8

of government, business and labor representatives, still functions. This allows the government to obtain information about the formation of societal interests, and to use this information to adapt its decision-making process. However, this explicit social partnership permits the appeasement of certain interests while excluding other groups that are not as efficiently organized as the major economic interest groups.

The system of officially recognized religious denominations provides another means of societal consultation. All major Christian churches as well as the Islamic, Jewish and Buddhist communities are included in decision-making processes for issues relevant to their faiths and activities.

The role played by these specific economic and noneconomic interest groups has been legally formalized: The government must consult with these groups on all draft bills before sending the proposal to parliament.

In 2014, the government proposed a new legal basis for the Islamic community in Austria. This proposed legislation has not yet passed parliament, but it has the potential to improve consultation mechanisms with a fast-growing religious community.

### Policy Communication

Coherent  
Communication  
Score: 5

The cabinet uses occasional, informal policy-coordination meetings to define the general direction of government policies. Following such meetings, the government holds press conferences to provide the public with information about what has been decided. These are typically led by the chancellor and the vice-chancellor, representing the two government coalition parties.

Government communication is overwhelmingly dominated by the individual ministries. This communication is usually also seen as an instrument for the promotion of one of the coalition parties' agendas (and of the specific minister belonging to this party), rather than the agenda of the government as such.

An interesting example of communication deficits could be observed in 2014: The cabinet (in particular the ministers for European and international affairs and integration) drafted a bill regarding the legal status of Austria's Islamic community. What could have been seen as an attempt to improve the legal standing of a rather fast-growing minority was instead understood by the Islamic community as an attempt to isolate and treat their community according to different standards. As a result, the draft was criticized by the Islamic community immediately once it became known.

## Implementation

Government  
Efficiency  
Score: 7

The evaluation of policy success in Austria strongly reflects the reality of coalition governments. Following the formation of a government, coalition parties agree on policy priorities. Implementation success is used as a vehicle to promote party agendas, rather than the government overall, while each coalition party typically blames the other in cases of failure. This can be regarded as a kind of oppositional behavior within the government: One party acts almost like an opposition regarding the agenda of the other party.

This said, if the coalition partners agree on a policy, it is most likely to be adopted, given the high degree of party discipline in parliament and the limited influence of the second chamber.

Given that the majority held by the two still-governing coalition parties has decreased in 2013 and a (likely) further decline would render this coalition an impossibility after the 2018 election, the current term could be a final opportunity of this government to implement policies on the basis of a broad political and social consensus. At the moment, the government is not making use of this opportunity. It has, for example, dropped the ball on a long-overdue comprehensive reform of the educational system. Similarly, the coalition has promised but not yet implemented a systematic reform of the military draft system. These are just two cases of the government failing to take advantage of the potential held by a stable governing majority.

Ministerial  
Compliance  
Score: 6

Ministers are primarily concerned with the agendas of their parties, rather than with that of the government as such. Ministers are selected by the head of each party – typically the chancellor and vice-chancellor. Their first loyalty is thus to party rather than to government. For this reason, ministers have incentives to implement the government's program only as long as this is identified with the program of his or her party. Nonetheless, there are a number of informal mechanisms that help commit individual ministers to the government program. For example, the parties in the current government have worked out a lengthy coalition agreement. The two partners have therefore reached compromises on the most important policy issues, and agreed on procedures for dealing with conflicts should they arise during the legislative period. For example, the governing parties have agreed not to vote against one another in important parliamentary votes, and have agreed not to support referendums against government policy. The coalition government, re-established after the 2013 general elections, has given priority to presenting a more unified image at the cost of promoting open debates. As a result, several decisions have been blocked by conflicting interests and positions within the cabinet.

Monitoring  
Ministries  
Score: 6

The main instrument for monitoring ministry activity is the Austrian Court of Audit (Rechnungshof). Constitutionally, this is a parliamentary institution, and its president is elected by parliament for a term of 12 years. The Court of Audit has the reputation of being wholly nonpartisan.

Within the government itself, there is no specific institution for monitoring ministries, though the coalition's party leaders have significant influence over the individual ministers affiliated with their party. The Federal Chancellery is tasked with coordinating line ministries' activities rather than monitoring them per se. However, this coordination does allow it to monitor ministry activities, particularly regarding implementation of the coalition agreement.

Monitoring  
Agencies,  
Bureaucracies  
Score: 9

Ministries are responsible for monitoring the bureaucratic structures individually subject to them. All bureaucracies (except those within the judicial branch) are legally bound by instructions issued by their ministers (according to Art. 20 of the constitution), and have to report regularly to the ministries. The Austrian Court of Audit is the only institution aside from the parliament that monitors the government and its bureaucracies on a broader, cross-ministerial basis. Opposition parties now have the opportunity to establish investigating committees in parliament – even against the will of the ruling majority. This development represents a broadening of the scope of political oversight and potentially involves the need and opportunity to monitor bureaucracies more thoroughly.

Task Funding  
Score: 8

Under Austria's federal system, individual federal states are constitutionally weak as compared with individual states in other federal systems. Yet politically, the federal states enjoy significant power due to the principle of federal or indirect administration and the federal structure of all major parties. Successful party leaders on the state level often determine the fate of their party's national leadership.

In part because of this ambivalent power structure, responsibilities shift and are shared between levels. In some cases, this functions well: In the case of the most recent health reform, for example, state administrations and the federal government, working closely with the umbrella organization of public insurance companies, together developed a formula that is expected to limit increases in care costs. In other fields, such as the school system, the conflicting structures and interests of the state and federal governments have led to inefficiencies and finger-pointing.

The Austrian constitution mandates that tasks delegated to regional or municipal governments must be adequately funded, although this does not always entail 100% national funding. This principle is in most cases effectively implemented, with some exceptions on the municipal level.

Constitutional  
Discretion  
Score: 8

The competences of the federal states and municipalities are limited by the constitution. However, national administrative tasks are often carried out by subnational agencies, which gives the federal states considerable (de facto) political power.

Hence the main challenge lies in the contradiction between the fact of constitutionally weak states and a constitutionally strong national government, and a political environment that renders the states quite influential and the national government quite weak. Although the national government has a de facto monopoly on the power to raise taxes and other revenues, state governments have considerable leverage in financial negotiations over how these funds are to be distributed.

Thus, in general terms, the Austrian political system ensures that subnational self-governments are able to utilize their constitutional scope of discretion quite effectively. Examples include health and education policies and the relative authority held by states (Länder) in these areas, which successfully precludes the central government from taking on a stronger role.

National  
Standards  
Score: 6

The national and state governments share responsibility for many issues, including schools and health care. Each side tends to blame the other for specific implementation shortcomings. In most cases, the parties governing on the national level also control the state governments. Party alliances do not prevent the emergence of conflicts deriving from this structural division of power, but the conflicts are somewhat muted by party links. In parallel with overall growing voter volatility, political majorities in the nine states have grown subject to greater volatility, which has prompted officials at the federal and state levels to demonstrate greater political openness toward each other.

The national government has relatively few instruments by which to make state governments comply with its formal policies. Oversight of municipalities, by both the states and the federal government, is more effective.

Conflicts between state and federal governments have to be brought to the Constitutional Court.

### Adaptability

Domestic  
Adaptability  
Score: 6

The Austrian government has adapted domestic structures to international developments, but with reservations. While the EU political agenda is generally accepted, the government has proved reluctant to implement specific policies, for example by defending the principle of bank secrecy. Contributing to this hesitancy is the fact that the government is often internally divided, for

reasons both constitutional and political: First, the cabinet consists of autonomous ministers who cannot be forced to accept a general agenda. The position of the chancellor as first among equals means there is no clearly defined leadership by a head of government. Second, governments since 1983 have been coalitions. Coalition parties tend to work on a specific party agenda, and have limited interest in the agenda of the government as such.

In many cases, one governing party tends to favor implementation of international and especially supranational (EU) policies more than the other. Alternately, some parties seek to mobilize populist sentiments against the international or supranational level, identifying their own party as the defender of Austrian interests against foreign encroachment.

Austria's hesitancy in participating in an all-European policy regarding the Russian-Ukrainian conflict reflects a lack of adaptability. Austrian political actors tend to use the country's neutrality status as a pretext for staying aloof.

International  
Coordination  
Score: 6

Within the European Union, the government is obliged to collaborate with EU institutions. This collaboration is rarely controversial. In other matters (e.g., within the framework of the WTO, the Bretton Woods institutions, and the United Nations), the Austrian government tends to play a rather low-key role, usually trying to follow a general EU policy if such a policy exists. In some fields (e.g., environmental protection), the government tends to promise more on the international level than it is willing or able to implement at home.

### Organizational Reform

Self-monitoring  
Score: 4

There is no regular monitoring within the executive branch of the government. Due to the fragmented structure of the government and comparatively weak position of the chancellor, the ability to engage in oversight from within the central government is very weak. However, a monitoring effort is currently ongoing with respect to reform of the Austrian administration (Verwaltungsreform), based on proposals made by the Austrian audit court.

Core government actors are first and foremost legitimized by the political parties. Though officially appointed by the president, the cabinet consists of individuals chosen by the political parties on the basis of post-electoral coalition agreements. Civil-service personnel are in many cases also indirectly linked to one of the political parties. In recent years, short-term appointments within the civil service has bolstered this latter trend, undermining the principle of a professionalized civil service. Individual cabinet members (federal ministers, including the chancellor and vice-chancellor) have increased the size of their personal staffs. This has created a mixed system, partially echoing the model of the British civil service, in which civil servants

work under ministers irrespective of their own political links, and partially following the U.S. model of a politicized civil service with party-political links between cabinet members and their staff.

This blend of two contradictory principles undermines the reform capacity of the Austrian system. The government and its individual cabinet members can neither depend on the full loyalty of a partisan civil service, nor be sure of a complete civil-service impartiality.

In general, the structural conditions for monitoring institutional arrangements are suboptimal. A substantial debate concerning principal structural innovations did not take place.

Institutional Reform  
Score: 5

The government usually promises more innovation at the beginning of a legislative period than it can deliver in fact. Desired improvements are often prevented by constitutional limitations (such as the collective character of the Austrian cabinet) and by internal rivalries within the coalition governments. The government’s overall strategic capacity is for this reason suboptimal.

A very good example can be seen in the field of education, where no headway has been made in two key areas: dismantling the socially exclusive effects of the school system and improving Austrian universities’ international standards. The governing parties agree in principle on what needs to be done, but veto powers successfully blocked meaningful reforms during the legislative period.

## II. Executive Accountability

### Citizens’ Participatory Competence

Policy Knowledge  
Score: 6

A minority of Austrian citizens are well informed, but the majority is informed only within rather narrow limits. In large part, this is because political parties (and the government) do not provide full information on decision-makers’ debates and strategic thinking. However, a majority of Austrians show limited interest in politics, a characteristic perhaps reinforced by the comparatively minimal opportunity for direct participation within the political system.

One thread of political discourse in Austria has focused on increasing citizens’ direct role within decision-making processes, a discussion that helped lead to the popular referendum in 2013 over the future of the military draft. In this, a majority opted for keeping the draft system rather than creating a professional

army. In spite of the non-binding character of this consultation, all political parties agreed that the result should be respected.

### Legislative Actors' Resources

Parliamentary  
Resources  
Score: 7

The two-chambered Austrian parliament, in which the National Council (Nationalrat) or lower house holds more power than the Federal Council (Bundesrat), is divided along two main cleavages. First, the strength of political party groupings within the parliament reflect the results of direct national elections (in the National Council) as well as indirect provincial elections (in the Federal Council). Second, the formation of coalitions creates a government and a parliamentary opposition.

All party groups that have at least five members in the National Council can use infrastructure (office space, personnel) paid by public funds and provided by parliament. All party groups are represented on all committees, in proportion to their strength. In plenary sessions, speaking time is divided by special agreements among the parties, typically according to the strength of the various party groups.

Individual members' ability to use resources independently of their respective parties has improved in recent years. Members of parliament can now hire a small number of persons for a personal staff that is funded by parliament and not by the party. This improves members' independence. However, this independence is still limited by the strong culture of party discipline, which is not defined by explicit rules but rather by the party leadership's power to nominate committee members and electoral candidates.

A significant step was taken in 2014 to improve the National Council's capacity. The right to install an investigating committee, which has been the prerogative of the ruling majority, has now become a minority right. Considering the rather strict party discipline in Austria's parliament, this must be considered a significant improvement of parliamentary democracy.

Obtaining  
Documents  
Score: 9

In government documents obtained by recently called investigative committees, significant portions were redacted, ostensibly for the purpose of protecting privacy. This demonstrated that committees are entitled to obtain documents, yet that the government can create significant limitations in access to parts of these documents.

Currently, all parliamentary committees have the power to ask for any kind of document. However, documents deemed "secret" can only be consulted in a special parliamentary room, and cannot be copied.

Summoning  
Ministers  
Score: 8

The legal ability to summon ministers is in practice limited by the majority that the government parties have in all committees. As the majority party groups tend to follow the policy defined by the cabinet, there typically is little interest in summoning cabinet members, at least against the minister's will.

While this de facto limitation can be seen as part of the logic of a parliamentary system in which the government and the parliamentary majority are essentially a single political entity, it is given additional influence by Austria's high level of party discipline.

However, in February 2015, for the first time in Austria's parliamentary history, opposition parties made use of the 2014 National Council reform and established a committee to investigate the Hypo-Alpe-Adria bank affair – against the will of the governing majority.

Summoning  
Experts  
Score: 10

Parliamentary committees have no formal limits in terms of summoning experts. Every party, including the opposition (i.e., the committee's minority parties), can nominate or invite experts it deems qualified. Expert hearings are held quite regularly.

However, this opportunity is not used in the best possible way. The twin factors of party discipline and cabinet dominance over the parliament's majority mean that independent expert voices do not ultimately have great influence.

Task Area  
Congruence  
Score: 8

Though parliamentary committees outnumber ministries, the task areas of parliamentary committees are identical to the tasks of the ministries with only minor exceptions.

Audit Office  
Score: 10

The Austrian Court of Audit (Rechnungshof) is an instrument of parliament. The office reports regularly to parliament, and parliament can order it to perform specific tasks. As a consequence, the parliamentary majority determines how to handle audit reports, and in cases of doubt, the majority inevitably backs the cabinet. Thus, the main vehicle by which to force the government to react in a positive way to audit reports is public opinion. If a specific audit report formulates a specific criticism, the government's primary incentive to respond is its interest in preserving its public reputation.

The president of the Court of Audit is elected by parliament for the period of twelve years. This gives the president a certain degree of independence. At the moment of election by the National Council, he or she is the product of the majority. But as this figure cannot be reelected, and as parliamentary majorities often change in the course of 10 years, the president and his or her office in fact enjoy a significant degree of independence.

Ombuds Office  
Score: 10

The Court of Audit has become outspoken in the debates concerning political oversight. For example, when in 2014 it became known that a number of parties had violated legal financial limits during the 2013 electoral campaign, the Court publicly pointed to its limits in looking into such matters and called for this to be improved.

The Austrian Ombudsman Board (Volksanwaltschaft) has three chairpersons, with one nominated by each of the three largest party groups in parliament. Parliament is required by law to select these nominees. This prevents the ombuds office from being run solely by persons handpicked by the ruling majority. The Ombudsman Board is a parliamentary instrument and reports regularly to the legislature. The chairpersons are elected for a period of six years.

### Media

Media Reporting  
Score: 7

The freedom of the press in Austria is guaranteed by European and national law. Nevertheless, two problems are relevant:

- The Austrian media lack pluralism. The publicly owned Austrian Broadcasting Corporation (ORF) dominates the radio and television broadcast markets, although competition by foreign and privately owned media is growing. In response to criticism of this dominance, the ORF offers guarantees of internal independence and internal political pluralism. The ORF is impartial by law and fulfills its mandate reasonably well, making up for deficits existing elsewhere in the media environment.

- The country's print-media market is highly concentrated. One daily paper, Die Kronen Zeitung, serves more than a third of the country's readership, and uses this dominant position to issue biased political information, often in a simplified manner. Moreover, the expanding role of freely distributed print media, more or less dependent on funds for commercial or political promotion is problematic insofar as it makes it more difficult for readers to distinguish propaganda from information. High-quality political information is available from daily and weekly papers with more limited circulation, but high-quality media face considerable financial difficulties.

### Parties and Interest Associations

Intra-party  
Democracy  
Score: 5

The Austrian party system is in an ongoing process of deconcentration. The traditionally dominant parties – the Social Democratic Party (Sozialdemokratische Partei Österreichs, SPÖ) and the conservative, Christian-democratic Austrian People's Party (Österreichische Volkspartei,

ÖVP) have experienced an almost uninterrupted decline since 1980. In 1979, the two parties were able to win a combined total of more than 90% of votes; in 2013, they were down to a combined total of about 50%. The other half of voters either preferred another party or failed to turn out.

As voters have looked elsewhere, the right-wing Freedom Party (Freiheitliche Partei Österreichs, FPÖ), the center-left Greens and a variety of newer parties, sometimes with very short political life expectancies, have been the beneficiaries.

In general, all parties have spent little time developing intra-party democracy, and have focused instead on appealing to specific groups considered necessary to win elections. The younger generations have proved critical in this regard, as they are significantly less predictable in their political behavior. However, the younger generations are also much less inclined to go to the polls at all. Electoral turnout is in decline, but is still quite high compared with other European democracies.

Age, education and to a lesser extent gender are critical in explaining electoral behavior in Austria. The SPÖ and ÖVP are the parties still preferred by older voters. The FPÖ is disproportionately supported by younger (especially male) voters without higher education, while the Greens are supported by younger voters with higher education. The success of a new party, the NEOS, in the 2013 general election and in the 2014 European elections have underlined the generation gap: The NEOS, which have a center-right pro-European agenda, are popular in particular among the younger electorate.

Association  
Competence  
(Business)  
Score: 8

The role of economic interest groups is still very strong in Austria: Significant associations include the Austrian Economic Chambers (Wirtschaftskammern) and the Federation of Austrian Industry (Die Industriellenvereinigung) for business and employers; the Austrian Trade Union Federation (Österreichischer Gewerkschaftsbund) and the Austrian Federal Chamber of Labor (Arbeiterkammern) for employees; and the Chamber of Agriculture (Landwirtschaftskammern) for farmers. These groups' ability to shape politics may have been reduced as a result of Austria's integration into the European Union, but within domestic politics, their influence remains very strong. Though formally independent of political parties, the groups have various individual links to the parties, especially to the Social Democratic Party and the Austrian People's Party. Moreover, their influence is enhanced by their practice of acting in a coordinated, neocorporatist way through the social-partnership network.

Some observers underline the ambivalence of associations' strong role: On the one hand, they help stabilize the democratic system as such; on the other, they

Association  
Competence  
(Others)  
Score: 6

can be seen as limiting the authority of parliament and government.

Along with economic interest groups, organized religious communities, particularly the officially recognized denominations, have a formalized role within the decision-making process. Like the economic interest groups, they are consulted before the cabinet approves the draft of a law. This is a critical stage of the process, as most cabinet-approved drafts are also approved by parliament.

It must be emphasized, however, that not all draft proposals are subject to consultation procedures. Recently, important bills (e.g., those regarding asylum regulations) have been passed without any formal consultation.

A number of other groups occasionally exert notable influence, including the physicians' chamber, various environmental groups (such as Greenpeace) and some human rights organizations (such as Amnesty International).

The recent proliferation of various special interest groups involves a certain polarization of interests as traditional interest groups with a broader reach are weakened.

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