


Austria in Europe — Introduction

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Austria in Europe

Approach path to Europe

(OEEC 1948, Council of Europe 1956, EFTA 1960, Free Trade Agreement 1972)

Austria's relationship with Europe and European integration can be understood only against a broader historical background. As early as the 1920s Richard N. Coudenhove-Kalergi, of Austro-Hungarian descent, promoted the pan-European idea. The Paneuropean Union had its headquarters in the Hofburg in Vienna. In the absence of realistic alternatives, Federal Chancellor Ignaz Seipel championed the concept of 'Mitteleuropa'. As the successor state to the Danube monarchy, Austria was in no way an underdeveloped country on the fringes, but rather an industrialised state in the very centre of Europe. In the aftermath of the Second World War, the issue of its recovery and continued political existence was, however, at first an open one.

The United Nations Relief and Rehabilitation Administration (UNRRA) and the European Recovery Program (ERP) contributed assistance and funding which did much to further the economic reconstruction of Austria and the process of political consolidation. The ÖVP gave its agreement to the nationalisation of industry sought by the SPÖ, while the SPÖ was prepared to approve Marshall Plan aid, which was posited on acceptance of private property. Consensus within the Grand Coalition was the precondition for Austria's successful foreign and European policy after 1945. Its main concerns were release from external political isolation, reactivation of foreign trade and reintegration in the community of Western states: the Organisation for European Economic Cooperation (OEEC), created in 1948, of which Austria was a founding member and which provided for intergovernmental cooperation, provided an ideal forum in which to give resonance to the country's foreign and European political interests. It was via this organisation that ERP funds were allocated.

Austria's choice of neutrality in 1955 was interpreted by critical contemporaries as a 'detour on the way to Europe'. Lujó Tončić-Sorinj, who would later become Foreign Minister (1966-1968) and Secretary General of the Council of Europe (1969-1975), addressed this theme as early as the summer of 1958 at the 'Vienna Europe Discussions', recalling that Austria was prepared to make this 'sacrifice', that is to stand for a greater Europe 'thereby helping to bring about the inclusion in the great European community of the peoples living to our East.

As a country occupied by the Soviet Union and yet a party to the Marshall Plan and recipient of ERP funds (1948-1953), Austria constituted a 'special case'. Austria's 'perpetual neutrality' then became, in 1955, the 'annus mirabilis', 'the price to be paid for Soviet troop withdrawal'. By the same token Moscow did not oppose Austrian accession to the Council of Europe on 16 April 1956 — which, unlike the 'Swiss model', actually went ahead. The motives that led to Austria's Council of Europe accession also underpinned its signature, on 13 December 1957, of the 1950 European Convention on Human Rights (ECHR) of the Council of Europe — ratification took place on 3 September 1958.

Austria sought also to arrive at an arrangement with the European Coal and Steel Community (ECSC); this it succeeded in doing when it concluded a customs and trade agreement on 8 May 1956, supplemented by a protocol on an anti-dumping clause. These were followed, on 24–25 July 1956, by an exchange of letters between the High Authority and the Federal Government determining special arrangements and providing for the creation of a permanent joint commission to address pricing disputes. The announcement on 23–24 October 1956 of a 1957 ECSC candidacy was a declaration of intent to cooperate with an eye to the 'Common Market'. For Austria the EEC was of greater importance than the ECSC. The Federal Government had, in this context, sought to assess the extent of its freedom to pursue an integrationist policy; with the accession application it had announced for 1957, it had gone to the furthest limit of what could be attempted. Steel prices were, however, too high in the ECSC, some 20 % to 30 % higher than domestic prices, which were heavily subsidised in support of manufacturing and which, in the event of accession, would have undergone a corresponding increase, with a knock-on effect on prices and wages in other sectors of the economy. The events in Hungary in the wake of the second Soviet intervention, on 4 November 1956, also played their part in ensuring that the announcement of an Austrian ECSC candidacy was not taken any

further.

In so far as Austria's 'independence' did not allow the country to look beyond a continued Western economic orientation, its renunciation of European integration can be seen as in part imposed, in part voluntary. And yet, even in 1958, Federal Chancellor Julius Raab and Foreign Minister Leopold Figl (both ÖVP) were still considering integration in the European Economic Community (EEC accession). Vice-Chancellor Bruno Pittermann (SPÖ) did, however, oppose not only economic reservations but also the arguments labelled 'neutrality' and 'Switzerland'.

The great free-trade zone project, first put forward by Great Britain in 1956, and membership of the European Free Trade Association (EFTA) could detract neither from the principle of sovereignty nor from that of neutrality. The resulting small free-trade zone was, however, viewed as second-best. Industrial associations, export-oriented economic sectors and influential entrepreneurs were dissatisfied with EFTA membership. Farmers' representatives judged the emerging EC agricultural market positively and regarded their exclusion from it as a disadvantage. While ÖVP politicians tended to view EFTA as no more than a transitional solution, SPÖ representatives found much more to be said in its favour. In the course of the 1960s the Kremlin declared its opposition to EEC associate status, let alone Austrian accession. The EFTA option expressed the absence of alternatives. It was a decision of convenience, not an affair of the heart. For many, it served to improve the chances of building a bridge to the EEC, a prospect which did however prove illusory. From an Austrian viewpoint, the EFTA was in no event meant to function as a rival to the EEC but rather as a platform that would allow connections to be established between the two economic zones.

The 'Common Market' never slid entirely from view. From December 1961 to January 1963, Austria, together with Switzerland and Sweden, sought EEC associate status. From February 1963 onwards Austria steered a 'lone course', causing the Commission to consider various customs union projects and forms of association and to come up with a more precise formulation of the rather vague Article 238 of the EEC Treaty.

It was Bruno Kreisky (Foreign Minister, 1959–1966) who placed particular weight on an integration policy jointly determined with Switzerland. His rival, Trade Minister Fritz Bock (ÖVP), preferred to steer the 'lone course' to the EEC; in doing so, he was to face serious obstacles. The debate on whether Austria should remain in the EFTA, founded in 1960, or whether it should go for a possible EEC associate status was more intense and more extensive than the discussions in the 1950s concerning 'Europe'.

In Austria no particular interest group carried sufficient weight to be able, on its own, to impose an EEC 'arrangement'. There were powerful forces, fuelled by nationalised industry, that were opposed to accession, but there were also powerful forces, such as the Association of Austrian Industrialists/VÖI, in favour; these opposing forces were evenly balanced. Until the political transformations in Eastern and Central Europe and the fall of the Berlin Wall in 1989, the decisive factor was always the external political constellation, that is to say: the veto stance adopted by the USSR, but also the spurning of Austria by the EC Commission and by EEC founder members France and Italy, which had reservations concerning the Austrian efforts to move closer to the Community, reservations which came to expression in the Italian veto policy (a veto arising also out of the South Tirol issue).

By 1959–60 the South Tirol issue was already foreshadowing the conflict between Austria and Italy which would escalate as from 1966–67, leading to a total blocking of the negotiations with Brussels (1967–1969). If Austria's 'lone course' to Brussels failed in 1967 after eight rounds of negotiation, the explanation was not to be found in objections coming from the USSR — Moscow took the Federal Government seriously but did not prevent it negotiating with the EEC/EC Council — but rather in Italy's opposition and growing reticence on the part of France, the only EEC power that was also a signatory of the Austrian State Treaty, prompted if only in part by its awareness of the reserved Soviet stance.

The relatively high proportion of trade with Eastern European countries — between 15 % and 20 % in the years 1950 to 1962 — was one factor shaping Austria's integration policy. Particular attention had to be paid to the interests of the Soviet Union and its satellites. But resistance to overly formal ties with the Brussels

institutions emanated not only from Moscow but also from Paris. Austria's external trade with the EEC was heavily weighted towards the Federal Republic of Germany; this trade relation accounted for an average of between 30 % and over 40 % of Austria's imports and 20 % to 30 % of its exports between 1951 and 1968. A comparison with the figures for external trade between Austria and the EEC put the imbalance into even sharper focus. This above all frightened French diplomacy, bringing back traumatic memories of the 'Anschluss'. The primary concern was no doubt to prevent a strengthening of the Federal Republic of Germany through the incorporation of over seven million more German-speaking citizens and a reinforcement of its influence along the Danube, that is to say in South-East Europe.

In the 1950s and 1960s domestic political resistance to EC accession was greater than in the 1980s and 1990s. Bruno Pittermann and Bruno Kreisky, advocates of neutrality, took a relatively tough line on the accession issue. Speaking as Vice-Chancellor in 1959, Pittermann (SPÖ) referred to the EEC as a 'reactionary bourgeois bloc'. Mindful of the nationalised industries in his charge, he did however attach the greatest importance to ensuring Austria held on to its not insubstantial trade with the East. When Pittermann stepped down as party chairman in 1967, the SPÖ leadership evolved towards a greater willingness to entertain closer ties with the EC. The KPÖ was alone in maintaining consistent opposition to any kind of closer links, let alone membership, a position it continued to defend through to EU accession in 1995.

The 'lone course' pursued under Federal Chancellor Josef Klaus (1964–1970) produced various advances which could later be incorporated in agreements with Brussels. An Arrangement for which Austria had worked jointly with Sweden, Switzerland and other EFTA countries came into force in the form of customs and trade agreements with the EEC and the ECSC. On 22 July 1972, Federal Chancellor Bruno Kreisky and Trade Minister Staribacher concluded a series of customs and trade agreements with the two (out of three) Western European 'part' communities (EEC, ECSC) which allowed Austria to maintain its obligations as a neutral state while taking part in the integration process. The Interim Agreement with Austria provided for the reduction in customs duties to be brought forward by six months — the *Wiener Zeitung* saw this concession as a sort of 'loyalty prize' awarded by the Community, while subsequent research has viewed it as 'reward' for Austria's 'lone course'.

The 1989 letter to Brussels and EU accession in 1995

During the Bruno Kreisky era (1970–1983), the fortunes of integration policy waned under the impact of alleged 'eurosclerosis'; the focus was now on an Austrian foreign policy of internationalisation and globalisation (OECD, CSCE and Middle-East policies, involvement in the North-South conflict), though without ruling out scope for dynamising the EFTA-EC relationship.

This trend was in the main confirmed during the Small (SPÖ-FPÖ) Coalition led by Federal Chancellor Fred Sinowatz and Vice-Chancellor Norbert Steger (1983–1986). It was only with the advent of the Grand Coalition (from 1987) that the pendulum swung once more in the direction of accelerated integration policy, under the influence of external developments relating to adoption of the Single European Act (SEA), the goal of an EC internal Market and the incipient demise of the Cold War, together with internal constraints arising out of an escalating crisis in the nationalised industries and the need for domestic reforms on the institutional and social fronts. The outcome was the second 'lone course' towards the EC and the accession candidacy of 17 July 1989.

In its pursuit of integration policy, Austria paved the way for other states and in particular the neutral countries. In the course of the 1980s and 1990s the key figures in Austrian integration policy were Foreign Minister Alois Mock (ÖVP) and Federal Chancellor Franz Vranitzky (SPÖ), the latter still having a certain amount of persuading to do within his own party.

In 1989 and the years that followed, as in previous periods, the force driving Austria's integration policy was a sense of impending isolation and the fear of what might be lost. Austria's policy of emulation and cooperation fed into a transition in which the project of a European Economic Area (EEA) provided a springboard for a qualitative leap in integration.

From 1989–90 onwards, the East-West conflict having come to an end and Mikhail Gorbachev having given clearance for Austria's EC ambitions, the opportunity for full accession arose without the need, as previously, to take Soviet views into account. In the years 1989 to 1995 the path to Brussels went not only via Moscow — that would have been to overstate the USSR's veto position — but also and in particular via Paris and Rome. With the spectre of the 'Anschluss' no longer appearing an insuperable obstacle and the dispute settlement declaration on the South Tirol question having been deposited with the UN (1992), the door to the internal market was now wide open.

The Federal Republic of Germany, a traditional promoter of Austrian integration interests, and more specifically the Chancellor, Helmut Kohl (CDU), widely regarded as a friend to Austria, as well as the Foreign Minister, Klaus Kinkel (FDP), threw Germany's political weight into the balance, enhanced as it was within the Community by the impact of unification. This support was particularly important in view of a measure of reticence in the other EC states. It has to be said that Austria's efforts were met with little enthusiasm in Brussels: the Member States and Commission President Jacques Delors were for the time being focusing on the 'deepening' of the internal market. The response among France's diplomats and in Belgian political circles thus came somewhere between coolness and downright rejection.

There were various motives driving the accession candidacy. Trade and economic cooperation and the securing of peace were prominent among these, although it was emphasised explicitly that Austria's interest in accession was based 'not only on economic considerations'. In the period from 1987 to 1995, the forces shaping the political and economic agenda came out in favour of Austrian EC/EU accession. In the 1994 government campaign for EU accession, the parties making up the Grand Coalition stood united while very broad pro-accession sentiment could be discerned among all significant societal and interest groups.

Virtually the entire media community voiced support, in 1994, for Austria's EU membership. Support from the country's largest circulation daily, the *Kronen-Zeitung* was instrumental in securing widespread public support for accession to the Union. This powerful surge in support occurred against the background of a government publicity campaign that persuaded many Austrians to cast a 'Yes' vote. Both the ÖVP and the SPÖ were pro-European parties as such, even if in the years 1987 to 1989 even more work had had to be done among the socialists to win the argument in favour of accession. The Church, with leadership from the pro-European cardinals König and Schönborn, also spoke out clearly in favour of EU membership.

The Austrian population having expressed undiminished attachment to the maintenance of neutrality, the government, in its pre-EU referendum publicity campaign, deliberately evaded the security policy implications. The result on 12 June 1994 was an overwhelming 66.6 % of votes in favour.

The FPÖ led by Jörg Haider manoeuvred its way from a pro-accession stance which, in the period 1986–92, was still very marked, to a eurosceptic and critical position in the years 1992–1993; while this further expanded the FPÖ's constituency, the major parties managed to counter its impact and curb support for its line by an ostentatious show of solidarity prior to the 1994 EU referendum.

The piercing of the Iron Curtain by Foreign Minister Alois Mock and his Hungarian counterpart Gyula Horn on 27 June 1989 and again with the Czechoslovakian Foreign Minister Jiří Dienstbier on 17 December 1989 sent a clear message and created a favourable psychological and political context for the Austrian candidacy and for the 1993–94 accession negotiations. There can be no doubt that the ending of the East-West confrontation in Europe in 1989–90 substantially improved Austria's chances of joining the Community, particularly as it proved possible in the years 1989–91 to soften what initially was still a rigorous Soviet veto stance.

Further context for this change in attitude towards the 'European heartland' was the growing recognition among Austria's political elite of the need for structural reforms; this generated an increasingly urgent requirement to act and more intense political pressure to move closer to that heartland, which was now viewed as a vehicle for modernising the crisis-ridden Austrian economy which, with its escalating budgetary problems, growing national debt, corruption affairs and megascandals was sorely in need of reform. Another factor was the issue of the Federal President, Kurt Waldheim (1986-1992), who in view of alleged, though

even today unproven, war crimes in the Balkans while serving in the German Wehrmacht, found his invitations limited to Jordan, Pakistan and the Vatican; the Waldheim issue certainly weighed on, if it did not limit, Austria's freedom of action on the international front. In the efforts to eliminate and overcome these failings, weaknesses and inadequacies, the EU heartland seemed to offer something firm to hold on to, a promising anchorage and some very welcome encouragement to go through with the necessary restructuring. A measure of nostalgia and sentimentality was also at play, as an outlet was found for the old longing, the long concealed or suppressed wish to belong once again to a large, powerful economic area, a sort of Habsburg model bis. Finally, and above all, there was Austria's fear of enduring exclusion from an economically more dynamic heartland Europe.

The EU Accession Treaty was eventually signed on 24 June 1994 on the island of Corfu. Its status was that of a new State Treaty in view of its constitutional impact; the existing Treaty did however retain its validity with the exception of those Articles declared obsolete. Compliance with that Treaty remained and still remains necessary in respect above all of the provisions protecting the rights of minorities. The 1955 State Treaty stood also and still stands for Austria's sovereignty and independence. Because the EU Accession Treaty has greater present-day relevance and hence carries more political weight, it tends, along with the Amsterdam (1997, in force: 1999), Nice (2000, in force: 2002) and the future EU Reform Treaty (in the event that it comes into force), to overshadow the old State Treaty of 1955. It remains a historical truth and a political fact that without that State Treaty Austria would have been unable to attain neutral, independent status. Independence was in turn a condition for accession to the European Union; the State Treaty and the EU Accession Treaty are in that sense connected. With the State Treaty, Austria became a player on the international stage, applied as an independent state for EU membership and acceded as a sovereign state to the European Union.

The Austrian accession process alone took almost six years (1989-1995). Having once joined the community of European states, the country was far too busy dealing with its domestic problems – on the one hand the political liabilities inherited from Grand Coalition and the far-reaching reforms that had never been carried through, and on the other hand the very consequences of Union accession – to be able to look outwards with confidence and self-assurance and pursue a correspondingly ambitious line.

Austria in the European Union from 1995

In the first years of membership, Austria pursued the task of adjustment to the Union structure and adoption of the rules of the Community game. Franz Fischler (ÖVP) became a member of the European Commission with responsibility for agriculture. Austrians assumed, as MEPs, significant missions in the Parliament.

Austria committed itself fully to joining the most basic constituent of integration, namely Economic and Monetary Union (EMU), in place from 1995, and the Euro, introduced in the Union in 1999. The country met the Maastricht convergence criteria, thereby demonstrating its resolve to be part of the 'Eurozone'. The same went for the Schengen Agreement, with its removal of internal borders and strengthening of controls at the external frontiers.

Accession provided the Austrian economy with something of a shake-up, leaving it in better shape to face the competition; gross national product grew faster than in the years before 1995 and prices fell. Productivity rose and advances were made on the budgetary reform front. The national budget was consolidated and generally placed on a sounder footing in reforms clearly linked to EU accession. The country grew in importance as a market but also as an economic player and outlet for foreign investors. But the more intense competition and the tougher battle for the distribution of wealth produced not only winners, but losers too: the flip-side included rising unemployment, insolvencies, redundancies, company buy-outs, closures, receding Austrian ownership in companies in favour of even greater penetration of German capital, etc.

A rising volume of trade within the EU and economic expansion were attributable to Austria's admission to the internal market. All in all, the Austrian economic system achieved relatively rapid integration within the EU.

With accession to the EU, Austria's international competitiveness improved. Its economic growth could boast some impressive statistics. Behind only Sweden, France and the Federal Republic of Germany, Austria could point, at 2.3 %, to one of the lowest inflation rates in the EU. The number of exporters and importers has more than doubled since it joined the EU. Following accession exports have evolved rather more dynamically than imports. Both rose.

The challenge of EU membership failed, however, to elicit a convincing response at the legislative and constitutional levels. Following EU accession there was a chance to undertake comprehensive, systematic constitutional reform but that chance was not taken. The basic position remained the same: an impenetrable web of laws, regulations and other dispositions.

The outstanding event on the European political stage in this period, accompanied by a wealth of gatherings and happenings and by a series of meetings at the highest levels of government, was the EU presidency, which Austria assumed in the second half of 1998. It did so with the self-confident, routine manner of a long-standing Member State and minor heavyweight of European diplomacy. The German federal elections of 1998, which saw the victory of Gerhard Schröder (SPD) against long-serving Chancellor Helmut Kohl (1982–1998) of the CDU did however limit the prospects of success for the Austrian presidency. The Vienna summit of December 1998 thus marked up few successes in relation to the programme known as 'Agenda 2000' and the now pressing task of agrarian reform.

The long shadow of neutrality continued to be felt post-accession. The government was unable to obtain more than WEU observer status and participation in the NATO cooperation programme Partnership for Peace (PfP). The SPÖ–ÖVP coalition, in power from 1987 to 1999, failed not only to achieve deep structural reforms but also to secure a consensus on a new model for security policy. While the ÖVP, the traditional pro-Europe party, favoured entry into NATO, the more wait-and-see, integration-shy SPÖ sought to maintain neutrality. Even today Austria is no full military partner in the sense of a commitment to a common European or transatlantic security and defence policy (CFSP, NATO, ESDP, ESDU). The report on security policy options, the so-called 'Options Report', proved a non-starter in 1998 despite the support for the 'military intervention units' of the Amsterdam Treaty. Nor was any breakthrough achieved in the course of the ÖVP–FPÖ(BZÖ) coalition (2000–2006). A 'tacit coalition' between the ÖVP and the SPÖ failed to materialise. The issue of the purchase of Eurofighter planes was a continuing source of conflict. The SPÖ and the Greens in particular have succeeded to the very end in preventing Austria's full military integration. This detracts from the EU's ability to act in the security policy arena. Until the end of the 1990s Austria managed to evade responsibilities under the second pillar of the 'new' integration process (GASP, ESVP).

The sanctions against the federal government, announced by the 14 EU partners on 31 January 2000 and imposed on 4 February as it became clear that an understanding between Wolfgang Schüssel (ÖVP) and right-wing populist Haider's FPÖ was taking shape. When the FPÖ then joined the government, a new strain was clearly placed on Austria's European and international political relations. The 14 EU states tried a preventive strike but this in fact produced a boomerang effect.

The political image projected by Austria has suffered as a result. It has come to be seen by European public opinion as an unpredictable partner in matters political, especially as regards enlargement policy. The anxiety and concerns elicited by the FPÖ, given extreme expression in Europe in February 2000, were not unfounded historically and politically; imposition of sanctions was however excessive and counterproductive. Despite their being lifted in September 2000 on the recommendation of a Council of Wise Men, Austria's prospects within the EU were less promising than previously. Austria's search for 'strategic partners' among the Central and Eastern European countries, prompted by its period of isolation in 2000, produced little by way of results.

In the year of sanctions, which drove the two major parties totally apart and completely poisoned the atmosphere, Foreign Minister Ferrero-Waldner argued that NATO membership would have spared the country the misery of isolation; she did however backpedal in the 2004 presidential elections. With his 'Active for peace and neutrality', Heinz Fischer (SPÖ) held the winning card. The ÖVP henceforth returned

to neutrality — it had no choice.

The relative weights of the large and small EU states have shifted, at the latest since the ‘sanctions’ against Austria, in the context also of the contentious enlargement summit at Nice in December 2000. Austria continues to share the lot of the small EU states, in that all integration policy orientations will in the future, as in the past, depend on a fundamental understanding between the large Member States, or at least Great Britain, France and Germany, and the EU Council. Since the time of the EU 14 sanctions Austria has carried even less weight than previously. On the transit issue it was completely alone. The 1992 Transit Treaty (incorporated in the EU Accession Treaty) was not extended. Austria’s isolation in 2000 limited its range of action in the European political arena; it brought home too the fact that Austria, with its neutral status and the remains of its particular historical role, was no longer in a position to successfully influence European politics.

Austria’s road to EU Europe was very long, and hence also correspondingly time-consuming and exhausting. The country focused primarily, from the time of its EC candidacy, on Western Europe. Central and Eastern Europe were lost from sight, which explains why it was only rather late in the day that attention was paid, but then effective attention in terms of impact on public opinion, to the Beneš Decrees and to the contentious Temelin nuclear power station.

Those who lost ground following EU accession, the victims of rising competitive pressure and rapid privatisation, called on the SPÖ for support; the ÖVP’s clientèle, on the other hand, tended by and large to be on the winning side. The SPÖ sought to maintain the social and welfare state, while the ÖVP saw the EU as a lever with which to push through long-standing structural reform objectives; with a ‘black-blue’ line-up this now seemed achievable for the first time.

Though ‘sanctions’ were at an end, no ‘partners’ were to be found among the Central and Eastern European states. The ‘strategic’ partnership advocated by Ferrero-Waldner and criticised by the SPÖ had to be rebaptised ‘regional’ partnership. Austrian membership of the Visegrad Group (the Czech Republic, Hungary, Poland and Slovakia) was, for the states concerned, out of the question. And while Chancellor Schüssel introduced the concept of the ‘medium-sized’ state, Austria shared the lot of the small states. EU policy orientations were and are dependent on a fundamental understanding among the large states.

Outlook for the future

It had already become clear in preparing for the 1998 Council Presidency that national foreign policy would be absorbed by collective European policy. Austria’s foreign policy turned into its EU policy. EU accession signified the end of an autonomous and sovereign foreign policy. When the Foreign Ministry took leave of the Ballhausplatz after a 286 year presence to take up new quarters at Herrengasse-Minoritenplatz, this was simply a belated effort to catch up with reality, as was the renaming of the ‘BMaA’ (Federal Ministry of Foreign Affairs), which in 2007 became the ‘BMeiA’ (Federal Ministry of European and International Affairs). Austrian ‘external’ became European ‘internal’ policy (agricultural, budgetary, employment policy etc.). At the same time, (common) foreign trade, energy, financial and monetary policies or again European security strategy and neighbourhood policy opened up and continue to offer new fields of action which, thanks to the EU, provide a route back to the global context. That said, achievements in immediate and more distant neighbourhood policy were limited. The year-2000 isolation led to the realisation that Austria neither belonged to a ‘friendship group’ (Benelux, the Northern and Southern Europeans) nor could it look to reliable partners — even Germany could not be counted on. This forced closer cooperation with small and medium-sized states but the latter was in turn constrained in the years 2000–2005 by the lack of domestic political consensus. As regards inward communication of EU issues, the Ballhausplatz and Minoritenplatz pursued their rather unsuccessful path, convinced that the politics of national interest always make the biggest noise. Both parties acted much the same — Gusenbauer (SPÖ), learning the ropes as opposition politician, opted for anti-EU populism; Schüssel, while still head of government, criticised the ECJ in the matter of access to higher education, even though the Court was only doing its job. The SPÖ extended its opposition to the black-blue coalition’s foreign and European policy. The questionable Lisbon Strategy (the EU to become the world’s most competitive economic area by 2010), the controversial Turkey issue and the

crisis over ratification of the Constitutional Treaty did little to reduce conflict levels and encourage the government (ÖVP) and opposition (SPÖ) parties to stand shoulder to shoulder; meanwhile both were criticised and countered by their own MEPs. The role of 'honest broker' for the 2006 EU Presidency did not really seem on the cards, particularly in the prevailing atmosphere of self-seeking party politics. And yet despite the odd blow below the belt, a climate conducive to the pursuit of Treaty reform was achieved. Austria's EU policy sought a mediating role as one of the small and medium-sized EU Member States. It saw South-Eastern Europe as a European responsibility, albeit the 'Western Balkans' are just part of a larger problem. The Special Coordinator for the EU Stability Pact for South Eastern Europe, from 2002 to 2008, was former Austrian Vice-Chancellor Erhard Busek (ÖVP), who in that role pursued a comprehensive policy. He had already, at the end of 1996, been appointed Coordinator of the South-East European Cooperative Initiative (SECI). Ferrero-Waldner, in contrast, has hitherto failed, as EU Commissioner, to propose a convincing overall concept for an integrated EU neighbourhood policy.

Since 2006 Austria has once again been governed by a Grand Coalition, led by Alfred Gusenbauer (SPÖ) and Wilhelm Molterer (ÖVP). And for 2009-10 Austria has applied to serve as a non-permanent member of the UN Security Council, following its earlier stints in 1973-74 and 1990-91. Its continuing neutral status, from which the new EU Reform Treaty does not detract, may help the EU position itself as a partner in a new cultural dialogue and may also help Austria recover its earlier role as human rights advocate and mediator beyond the EU. Austria is currently 'discovering' Africa — hitherto there was no policy consensus in this area nor was policy pursued with any consistency. On the Middle-East, the ÖVP has cautiously assumed the SPÖ's traditional role, while the latter has been sharpening its focus on Central Europe. The cards are to some extent being reshuffled and this is likely to continue. 'Peacekeeping', which fell from grace in the black-blue years, has reemerged and can be expected to push 'intervention forces' as a future option firmly into the background. With the EU military mission to the Chad there is scope for connecting with certain traditional aims of Ballhausplatz diplomacy from the 1960s (the Congo!) and 1970s, and in particular the idea that a united Europe should be a force for peace and for the easing of international tensions, contributing in this way to stability and security policy. This assumes national and governmental consensus. Heads of State and Government have for a long time now determined EU policies and have demoted their Foreign Ministers to a secondary role. Under Chancellor Schüssel, Benita Ferrero-Waldner (ÖVP) and Ursula Plassnik (ÖVP) confirmed this ranking through the tightest coordination and through personal ties and loyalties. EU external policy having acquired a much higher profile and carrying much greater prestige than in the past, the need for coordination is that much greater. Plassnik has diplomatic experience and is versed in foreign policy matters — Gusenbauer, as the new Chancellor, is head of government. The issue now is no longer Austria's EU accession but rather the EU's role on the world stage.

Austria was and is located at the centre of Europe. Until 1995 it appeared, from an integration policy viewpoint, of rather peripheral importance and yet, on the economic front, it managed to stay in touch with the Communities. Following completion of EU enlargement on 1 May 2004 and with Austria now firmly at the heart of Europe in economic and investment policy terms, it is well placed to function as a bridgehead for the new EU states as they commence the process of integration and pursue the westernisation already under way.