
The Long Shadow of Corporatism: Scope and Limits of Think Tank Activities in Austria

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Abstract

The article examines to what extent the partial retreat of corporatist actors from the policy-making process offers opportunities for think tanks to fill the gap that has emerged. In a European perspective Austria has an above-average number of think tanks and think-tank-like institutes, albeit many of them rather small. It is argued that corporatism has lost ground, yet not necessarily at the benefit of alternative patterns; in many cases, the new providers meet demands that did not exist before, thereby not competing with the established institutions. In particular in their genuine core businesses economic policy and social policy the social partners are still undisputed agenda setters and providers of policy advice.

Introduction

In the bulk of the literature on corporatism Austria, together with the Nordic countries, has been ranking at the top of the various scales (cf. the overview by Dell’Aringa and Lodovici 1992; Molina and Rhodes 2002). Some twenty years ago, Lehmanbruch and Schmitter stated “strong reasons to place Austria first on the scale of neocorporatism, since it ranks high on all relevant dimensions” (1982: p. 16). In a more recent study by Siaroff (1999: p. 198), covering 24 democracies, Austria achieved the maximum of 5.000 scores

(followed by Sweden and Norway with 4.625 each). Indeed, a couple of factors back and support the effectiveness of corporatist arrangements in Austria: a small number of labour and employer organisations holding a monopoly in representing their respective socio-economic groups; a high degree of organisational concentration and centralisation; a high degree of autonomy of the elites from the rank-and-file; coordination and control of sectoral collective bargaining by the national peak organisations; inter-organisational networks of interest representation allowing for stable and calculable political exchange (Karlhofer, 2006). Although some of these properties have been challenged in recent years, they still provide the basis for cooperative relations between the actors involved in socio-economic affairs.

Given the strong role the labour market parties play in Austrian industrial relations, we can assume that, with regard to socio-economic issues, they also exert some control over the provision of policy advice to political decision-makers. The question that arises is to what extent a weakening of corporatist policy-making structures (what is, albeit to a lesser extent, the case in Austria, as elsewhere) has an effect on the government's openness to the advice provided by associations, too. And, furthermore, are there newly emerging, independent think tanks which manage to bridge the gap that has opened up with the—more or less enforced—retreat of corporatist actors?

Addressing these questions this article proceeds in three stages. Section one provides an overview over the growing number of think tanks in Austria, hereby distinguishing between academic think tanks, contract researchers, advocacy think tanks, and political party think tanks. The second section deals with the nature of corporatist policy advice restricting the access of “independent” think tanks to policy-making processes in social and economic questions. In section three the broader context of the recent changes in the relevance of corporatist decision-making for

the legislative process, and the scope and limits for “independent” think tank activities resulting from this, are discussed.

1. The landscape of think tanks: expansion of independent think tanks

In a recent comparative study on think tanks in Europe (Boucher, 2004), Austria stands, somehow surprising, in the forefront: It ranks third with regard to the number of think tanks and the total number of staff (behind Germany and Great Britain), and even second (behind Germany) with the total number of researchers (Table 1). The study quoted here focuses on think tanks with an explicit European orientation concerning research and commitment. Yet, given the author’s own definition of think tanks¹, the coverage for Austria (11 think tanks)² is incomplete, and must be supplemented.³

¹ According to Boucher “think tanks (1) are permanent, (2) specialise in the production of public policy solutions, (3) have in-house staff dedicated to research, (4) produce ideas, analysis, and advice, (5) put emphasis as their primary aim on communicating their research to policymakers and public opinion (and therefore have a website), (6) are not responsible for government operations, (7) aim to maintain their research freedom and not to be beholden to any specific interest, (8) are not degree granting and training is not their primary activity, (9) seek, explicitly or implicitly to act in the public interest” (2004: 3).

² Boucher (2004: p. 124) enumerates the following think tanks: Institut für Europäische Integrationsforschung (EIF), Österreichisches Institut für Europäische Sicherheitspolitik (ÖIES), Europainstitut der WU Wien (Jean Monnet Centre of Excellence), Interdisciplinary Centre for Comparative Research in the Social Sciences (ICCR), Institut für Höhere Studien (IHS), Europäisches Zentrum für Wohlfahrtspolitik

Table 1: Euro-oriented think tanks in the EU (first 3 out of 25 countries)

Member State	No. of think tanks surveyed	Total number of staff	Total no. of researchers	Country population (m)
Germany	23	1925	1065	82.1
Great Britain	16	366	175	59.7
Austria	11	348	271	8.1
EU total	149	4950	2784	453

Source: Boucher, 2004: p. 17.

In the following (the list is not exhaustive as well), the Austrian landscape of think tanks is described based on the typology provided by Weaver and Stares (2001: pp. 14-16) who distinguish four types: (1) academic think tanks, (2) contract researchers, (3) advocacy think tanks, and (4) political party think tanks.⁴

und Sozialforschung, Österreichisches Institut für Internationale Politik (OIIP), Wiener Institut für Internationale Wirtschaftsvergleiche (WIIW), Zentrum für angewandte Politikforschung (ZAP, dissolved in 2005), Österreichisches Institut für Wirtschaftsforschung (WIFO), Austria Perspektiv (dissolved in 2005). Cf. also Day (1993: 19-29).

³ Though, the same can be assumed for other countries, too—due to the variety of think tanks, the actual number can only be estimated (cf. Thunert, 2003: p. 30-1).

⁴ Cf. also Gellner (1995), Thunert (2003; also his article in this volume), Boucher (2004: p. 4).

(1) Academic Think Tanks

Such as in Germany and Switzerland (see the respective contributions in this volume), most institutions are academic think tanks. Most prominent are the leading economic research institutes IHS (Institut für höhere Studien—Institute for Advanced Studies) and WIFO (Österreichisches Institut für Wirtschaftsforschung—Austrian Institute of Economic Research). Although, by the way, IHS and WIFO put more than two thirds of the total number of researchers indicated in Table 3, their size is considerably smaller than that of comparable institutes in Germany, such as Ifo and DIW.

The IHS, founded in 1963 with financial support from the Ford Foundation, is in this context only to a certain extent relevant since its original purpose is primarily that of a postgraduate school in social sciences. Over the years, however, with its staff of nearly 100 researchers and lecturers, the institute has gained some importance as a socio-economic think tank being regularly consulted by the government, and working out and presenting, together with the WIFO, the annual economic outlook for Austria.

The WIFO, established in 1926 by Friedrich August von Hayek and Ludwig Mises, has also a staff of about 100, with the difference that the personnel deals exclusively with research, thus its capacities for think tank activities are considerably stronger. The WIFO operates the largest economic database in Austria and claims (with reason) to be the leading provider of economic research and policy advice. Today, the institute is jointly financed by the government and the social partners who altogether contribute two thirds of the revenues; one third results from independent business activities (total budget in 2005: 9 million Euro). The close relationship with the social partners is expressed in the fact that the chair of the WIFO's supervisory board is held by the president of the Federal Economic Chamber. In return, the

WIFO is the only external institution holding a permanent seat in the social partners' Economic and Social Council.

Another economic research institute, the WIIW (Wiener Institut für Internationale Wirtschaftsvergleiche—Vienna Institute for International Economic Studies) was founded in 1973. The WIIW has a staff of about 40 and focuses on Central, East and Southeast Europe. Its budget is based half on public funding and half on contract research.

One of the few Austrian think tank institutes affiliated directly to a university is the Europainstitut at the Vienna University of Economics. The institute was, in 1990, launched as a Research Institute for European Affairs and, in 2004, renamed Europainstitut. According to its mission, the institute “aims to contribute in an active way to the creation of an integrated, free, democratic, and prosperous Europe”. The institute has a staff of about 20 researchers and is financed through EU grants (Jean Monnet Centre of Excellence) and project funding.

With regard to the research focus rather similar, however not university-affiliated, is the Institute for European Integration Research of the Austrian Academy of Science. The institute has a staff of 10 researchers and concentrates on topics such as European Governance, European Public Sphere, and European Citizenship, thereby claiming not just to do research but also to provide national and supranational policy advice. The institute is financed through Academy funding and projects.

In recent years, following a Europe-wide trend of outsourcing expertise, the Austrian government established several regulation institutes with private involvement. Most notably is the Austrian Research Centers GmbH (ARC) with the government holding a share of 51 per cent and private business holding the remaining 49 per cent. Comprising 10 units, around 850 employees and a budget of 109 million euro (2004), ARC, founded 2001 (previously Forschungszentrum Seibersdorf), is the largest non-

university research organisation in Austria, understanding itself as a “think tank and network node in the Austrian research, technology, regional and environment policy”.

A similar case is the Austrian Council for Research and Technology Development (in short: Austrian Council) which was founded in 2000. Composed of eight members with scientific background, the body is in close contact with experts and institutions, and provides strategic guidelines for the improvement of research and innovation. In order to contribute substantially to an innovative R&D policy the Austrian Council addresses, in its own words, “all players from the world of politics, business and research” with the aim of “shaping an innovative Austria that understands how to make use of its varied potential for the future”.

The Vienna-based European Centre for Social Welfare Policy and Research is an academic think tank with a clear international orientation: Founded in 1974, the Centre is a UN-affiliated intergovernmental organisation with national liaison officials in 19 European and non-European countries with about 20 researchers alone in Vienna. One of the institution’s core functions is to be “a platform initiating future-oriented public policy debates on social welfare issues within the UN-European Region”. Despite its intergovernmental nature, the Centre regards itself as independent (cf. Boucher, 2004: p. 40).

(2) Contract Researchers

The boundaries between publicly and privately financed academic think tanks are not entirely clear. All of the institutes described below are formally independent; at the same time, many of them rely almost exclusively on direct public funding or on contract research for public institutions. The business of recently established independent think tanks is mostly based on a mix of public and private revenues.

The OIIP (Österreichisches Institut für Internationale Politik—Austrian Institute for International Affairs) is a small institute with 6 researchers and 5 affiliated researchers. Founded in 1979 on the initiative of Bruno Kreisky, the OIIP is financed by Austrian governmental bodies and the European Commission; its aim is to develop “realistic approaches to international problems and conflicts”. Unlike the OIIP, the Austrian Institute for European Security Policy (AIES), founded in 1996 by the former Foreign Minister Alois Mock (ÖVP), has no research staff; instead, external contributors provide publications and working papers.

The Institute of Conflict Research (Institut für Konfliktforschung—IKF), established in 1976, has a staff of around 12 researchers. “The Institute's objective is to carry out scientific research in political, social and individual conflicts and their possible solution on an interdisciplinary basis as well as to provide relevant support for decision-making.” The IKF provides contract research, primarily for public clients.

The ICCR (Interdisciplinary Centre for Comparative Research in the Social Sciences) regards itself as a research institute “specialised in strategic policy analysis” with the aim “to improve societies through high quality research and efficient dissemination”. Founded in 1986, it has a staff of around 20 researchers carrying out projects for public institutions. Likewise, the ZSI (Zentrum für soziale Innovation—Centre for Social Innovation) carries out projects for Austrian and European public clients. Its mission is to be “a multifunctional social-scientific research institute which aims to reduce the gap between the needs and the potentials of modern information and knowledge societies by systematically bridging between knowledge generation and knowledge application processes”. The ZSI was founded in 1990 and has a staff of around 40 researchers.

The Forschungs- und Beratungsstelle Arbeitswelt FORBA (Working Life Research Centre), founded in 1991,

has a staff of 20 researchers carrying out research on labour market questions both for public clients and interest associations. “FORBA’s consultancy activities focus on supporting practitioners such as works councils and workers’ representatives in the area of information technology and working conditions. Both research and transfer of knowledge by way of consultancy and training are meant to contribute to a better understanding of changes in working life and to the improvement of working and employment conditions”.

(3) Advocacy Think Tanks

The type of advocacy think tanks in Austria is closely linked with corporatist actors, mostly in the form of scientific departments of the statutory chambers and free associations. In-house departments dedicated to economic and social research are established in the big chambers for business, labour, and agriculture. In particular the Vienna Chamber of Labour operates a most prestigious department for economic policy research. With a staff of about twenty economists and statisticians providing data and analyses for the Chamber and also for the Trade Union Federation, the department has for long enjoyed the reputation of being not only the think tank of labour but a trustworthy institution for non-labour organisations, too. A resembling department operated by the Federal Economic Chamber was, in 2000, dissolved in the course of an internal reform.

Unlike Germany and Switzerland (not to speak of Anglo-Saxon countries), there exist just a few business-oriented think tanks in Austria. Basically, there are only two tiny discussion fora under the Federation of Industry’s umbrella which regard themselves as think tanks, but can actually not really be classified as such: neither the so-called Föhrenbergkreis nor the Höldrichmühle (both named after the locations where the meetings take place) has an infrastructure, let alone a scientific staff. The answer why

there seems to be no room for a neoliberal think tank like ISNM in Germany or Avenir Suisse in Switzerland might be found right in the fact that the corporatist actors maintain their scientific departments which, moreover, have worked together for decades. In particular the Economic and Social Council, a joint think tank composed of experts by business and labour to be described in detail below, has for a long time contributed to bridge divergent interests in a cooperative manner.

(4) Political Party Think Tanks

Party think tanks are of only minor interest in our context, since they would not exist unless they were not entirely financed by the state. Think tanks of this type exist only in Germany, Austria, Holland and France (Thunert, 2003: pp. 31-2; Boucher, 2004: p. 58). In Austria the party think tanks are called “party academies” (Parteiakademien). The history of party academies traces back to 1972 when a law was passed according to which every party with at least five seats in the national parliament is entitled to receive public funding provided it has an academy. As a consequence every party established an academy: 1973 Karl-Renner-Institut (SPÖ), 1973 Politische Akademie (ÖVP), 1973 Freiheitliche Akademie (FPÖ), 1987 Grüne Akademie (Grüne). In 2004, the academies received in total 8.5 million Euro.

The party academies apply themselves to political education thereby focussing on topics such as current political debates, ideology and values, economy, future societal trends, etc. In doing so the academies are on the one hand part of the party’s administration, on the other hand they fulfil to some extent independent think tank tasks.

2. Corporatist policy advice

2.1 The role of socio-economic interest groups

As mentioned above, Austria has been ranking first on Siaroff's scale for *integrated economies* defined as "a long-term co-operative pattern of shared economic management involving the social partners and existing at various levels such as plant-level management, sectoral wage bargaining, and joint shaping of national policies in competitiveness-related matters (education, social policy, etc.)" (1999: p. 189). The capacity to meet the criteria of a highly integrated economy is closely attributed to Austria's extraordinary extensive chamber system covering virtually all people in employment except for public officials.

The chambers are established as self-governing statutory corporations with compulsory membership. Their broad functions can be categorized as: 1. Those of an autonomous nature, such as services to members, 2. The function expressed as the right to give opinions on draft laws in the legislative process, 3. Quasi-public and judicial functions in which the chambers are represented on the decision making apparatus of the State (commissions, committees, advisory panels, courts, insurance institutions, etc.) as well as those in which they perform direct State functions (constituting foreign trade delegations, etc.) (Sweeny, 1996: pp. 58-9). All things considered, the chambers have far-reaching competences including the control over the social security system, the involvement in social and economic legislation, and the participation in public administration. In combination with the Works Constitution Act (*Arbeitsverfassungsgesetz*) the chamber system forms the basic framework for corporatist politics in

Austria (Flecker and Hermann, 2005).⁵ Most relevant as coporatist actors are the following:

The Economic Chamber (Wirtschaftskammer) and the Chamber of Labour (Arbeiterkammer) are the interest representations for business and labour, covering about 300.000 employers and 2.5 million employees. Both chambers are, in an international perspective, special cases. Economic chambers with compulsory membership exist in most European countries, yet the Austrian chamber is the only one which is exclusively entitled to conclude collective bargaining agreements with labour organisations. Chambers of labour exist, apart from Austria, in Luxembourg and in two German provinces (Saarland, Bremen). Outstanding feature of the Austrian chamber, however, is its by far higher financial endowment (compulsory membership fee amounts 0.5 percent of the gross income) allowing for extensive activities in service, education, and research.

In addition to the chambers there are voluntary associations for business and for labour: the Austrian Federation of Industry (Industriellenvereinigung–IV) and the Austrian Trade Union Federation (Österreichischer Gewerkschaftsbund–ÖGB). In this mixed system of organisations the chambers represent the steady pillar, all the more as there is no competition between statutory and voluntary associations. As for the Chambers of Labour, they are in close relation with the ÖGB whose functionaries are at the same time delegates to the chamber’s assembly. From the very beginning the chamber has been an instrument of the union, attending to expertise and services, and thereby providing most helpful “external” support for union power, both organisationally and financially. On the employers’ side it is different since the Economic Chamber covers the whole

⁵ Constitutional experts tend to classify the distinct Austrian social autonomy (Sozialautonomie) as a particular case in international perspective (cf. Pernthaler 1994: 19-91).

business community while the IV is confined to industrial enterprises. In practice, however, the IV has control over the Chamber's industry division.

The three big chambers (for business, labour, and agriculture) are governed by political factions on the basis of periodical elections: the ÖVP holds the majority in the Economic Chamber and in the Chamber of Agriculture, while the SPÖ is dominant in the Chamber of Labour. Akin, the Trade Union Federation is composed of political factions, with the SPÖ holding the majority and the ÖVP as the strongest minority. The Federation of Industry is formally independent, but is informally closely related with the ÖVP.

The interdependency between associations and political parties finds its expression in the composition of legislative bodies at all levels (Table 2). In the late 1970s, more than 50 percent of the members of the Austrian National Council (Nationalrat) were at the same time high-ranking functionaries (including the presidents) of the big labour market organisations. Since then, however, the number has significantly decreased to less than 15 percent, none of the presidents has a seat in Parliament.

Table 2: Share of association representatives in the Austrian National Council (in percent)

	Employees	Employers	Farmers	Total
1978	31	13	13	56
1987	25	10	9	44
1991	21	7	6	34
1998	12	5	4	21
2000	7	5	2	15

Source: Karlhofer and Tálos, 2000: p. 388.

To sum up, chambers and party influence are certainly not exclusively Austrian properties. It have rather been the comprehensiveness of the chamber system and the

scope and intensity of the parties' influence that have given rise to attribute the Austrian political system with the terms *Kammerstaat* (resp. *Verbändestaat*) and *Parteienstaat*.

2.2 The Economic and Social Council: a think tank Austrian-style

For an international audience it may be puzzling to find an economic and social council considered in detail in a list of think tanks as is done here. Indeed, in the international scenery of advisory councils it is rather difficult to find a pendant for the Austrian council. Although the name suggests a relationship with the economic and social councils (ESCs) being in existence in most European countries, the analogy must be qualified: In many cases, ESCs were established by—and are, therefore, more or less under control of—the government which frequently by itself delegates representatives to the committee. ESCs of this kind may be useful instruments for interest intermediation between the groups involved, yet can hardly contribute to agenda-setting processes, as the Austrian WSB does.

The Austrian Economic and Social Council (*Beirat für Wirtschafts- und Sozialfragen*, WSB) was set up in 1963 as the third sub-committee of the Parity Commission⁶, in addition to the already existing sub-committees for prices and wages. The idea was to establish an advisory board, composed of experts from among the four social partners

⁶ The Parity Commission for Prices and Wages (*Paritätische Kommission für Preis- und Lohnfragen*), has over decades been the core of the Austrian model of corporatism. Founded in 1957, it is composed of the Austrian Trade Union Federation, the Federal Economic Chamber, the Federal Chamber of Labour, and the Presidents' Conference of the Chambers of Agriculture, each of them sending an equal number of delegates to the assembly.

involved, whose function was to prepare policy recommendations on the basis of scientific research, to be addressed to the government resp. other economic and social policy-makers.⁷

Starting point for the setup of the WSB was a slow-down in economic growth associated with an upsurge of prices in the early 1960s. However, aside from the efforts to cope with the economic challenge, a fundamental paradigm shift in economic thinking took place in Austria: In that time, the social partners' capacities for macroeconomic analyses were, at least temporarily, superior to those of governmental institutions. The Vienna Chamber of Labour relied on the expertise of its own economic department, established in 1957; the Federal Economic Chamber followed in 1962. These departments produced a small but vivid group of experts playing a significant role in the economic modernisation process. From the reformers' point of view the council should, first and foremost, overcome the backlog in adopting modern methods in the economic policy-making process (Seidel, 1993: pp. 10-14). The verve with which the modernisers pursued their goals was, in a study on the council's activities, referred to as a "technocratic revolution" of an "elitist avantgarde" (Marin, 1982: p. 273).

⁷ "The council shall elaborate proposals for an improved coordination of economic and social policy measures, and attend to basic questions concerning these areas. It shall investigate economic and social topics in a macroeconomic perspective. It shall work out proposals on measures contributing to the stabilisation of purchasing power, to steady economic growth, and to full employment. The council shall draw upon objective factual data, and consider the development and changes in the Austrian economy. In doing so it shall seek the support by the Austrian Institute of Economic Research, the Austrian Federal Bank, and the Austrian Central Statistical Office. If necessary, the opinion of external academic and practical experts shall be requested." (Article of agreement, November 18, 1963)

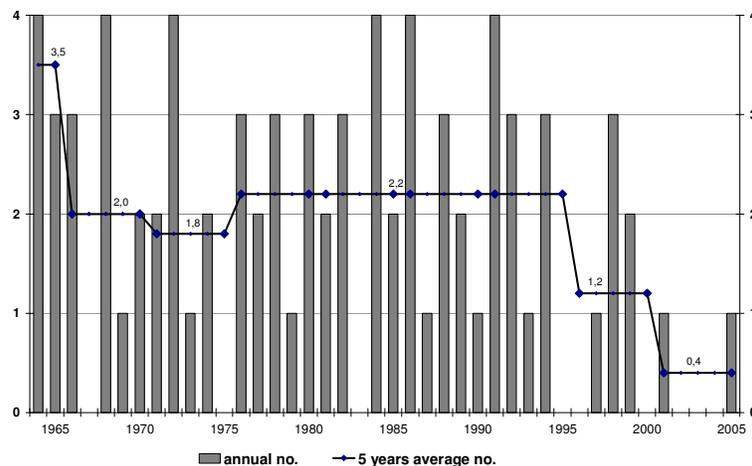
In the more than 40 years of its existence the WSB has been part and parcel of the ups and downs of corporatist politics in Austria. Already in the first half year the council held 55 meetings, established 5 working groups, and drafted five reports on incomes policy, budget, and capital market. Despite some objections from the employers' side which worried about predetermination through council activities, the WSB managed to work out jointly supported policy recommendations to the government of which a good deal was adopted by the decision-makers (Lachs, 1978: pp. 68-73). The WSB's mode of operation is, by the way, cost-saving and efficient: Its members (chaired by two directors who are delegated by the Economic Chamber and the Chamber of Labour) are chamber employees acting within the scope of their regular job. External experts, mostly from university institutes, use to contribute free of charge to the preparation of council studies.

In any case, the 1970s marked the heyday of a demand-side oriented corporatism based upon Keynesian economic policy (cf. Traxler, 1995). By the end of the decade the WSB had produced a number of studies on topics such as budget forecast, business cycle, labour market development, and structural policy, mostly concluding with policy recommendations. The social partners' expertise enjoyed a high reputation all the more as it had a quasi-monopoly in policy advice.

In the 1980s and 1990s the WSB lost ground due to decreasing demand for concerted policy recommendations. In 1993, on the occasion of its 30th anniversary, the council released a paper stating "that the traditional all-embracing council report is not in every case the best means to achieve the goal: due to the shift of problems to the micro-level analysis and problem-solving frequently require corporate level information what demands for some discretion, too [...]" Therefore, the WSB's future mode of operation will focus more on a dialogue with decision-makers, both on the macro-

and the micro-level, rather than on the provision of extensive reports with policy recommendations” (Beirat 1993: 12). As a matter of fact, however, the council continued to lose ground, not least because the Economic Chamber’s interest in this body gradually decreased.⁸

Figure 1: Economic and Social Council – number of reports released to the public



Source: Figures by Economic and Social Council, Vienna.

Concerning the output of published reports (in total 80 between 1964 and 2005), the WSB had its last heyday in the first half of the 1990s when Austria was preparing to join the European Union, an enterprise in which the social partners played a strong supporting role, assisted by the WSB which contributed with studies on Internationalisation (1989), Opening of Central and East Europe (1992), Austria

⁸ The Chamber of Labour complains that the Economic Chamber changed the director delegated to the council six times alone between 1992 and 2005, inevitably affecting the continuity of work. (Interview with WSB-Director Thomas Delapina (Chamber of Labour), 2 Nov. 2005)

as an Investment Place (1994), and European Economic and Monetary Union: Effects on the Austrian Economic and Financial Policy (1994). Immediately after the accession the output decreased significantly (see Figure 1), and again sharply after the political turn in 2000. Since then only two reports—about Digital Economy (2001) and the EU Lisbon Strategy (2005) have been released, none of them was considered by the government. Another indicator for the WSB's dwindling influence is the fact that it has become difficult to motivate external experts for contributing to council reports.

3. Socio-economic policy-making and associational influence

3.1 Declining impact of corporatist policy advice

Associations understand themselves in a sense as think tanks and, for this reason, implicitly as “natural” policy advisors (Mai, 2006: p. 271). In Austria's political system this has been expressed in the fact that numerous high-ranking officials, even state secretaries and ministers, started their careers in the research departments of the chambers of business and of labour which served as pools for the recruitment of experts.⁹ As a result, the links between public

⁹ Under the social democratic government the WSB served as a springboard for political careers. Between 1970 and the mid-1990s, a number of high-ranking politicians had formerly been WSB members: 1 Federal Chancellor (Vranitzky), 1 Vice Chancellor (Androsch), 7 federal ministers, 6 state secretaries, and 1 provincial governor. Moreover, many former staff members of the chambers crossed over to ministries or other public institutions thereby making the public administration

bodies and associations have been close, while there has been persisting scepticism about independent advisors and think tanks. As a rule, since both business and labour are involved, advisory bodies are usually established with regard to political equilibrium and mutual consent (Pregernig, 2005: p. 281).

Concerning the influence on the legislative process the social partners can become active both at the parliamentary and the pre-parliamentary sphere. At the pre-parliamentary stage of a draft process the so-called Presidential Talks (i.e., of the social partners' presidents) are, provided there is mutual consent, processed by the government administration. In addition, due to the social partners' involvement in numerous commissions, a good deal of economic and socio-political draft laws come about as the result of negotiated arrangements between associations and ministerial administration.

There are also possibilities to exert influence on policy formulation after a draft bill has been forwarded to the parliament, be it in the form of negotiations in committees, or be it in the form of hearings with experts of the social partners. In case a statutory chamber pursues particular interests it can assert its claim by referring to its constitutional right to comment on a draft law. And certainly, most common practice is to make use of the political interconnections between interest associations and parliamentary parties (Karlhofer and Tálos, 1996: pp. 32-3). The ideal case of policy-making, notabene from the associations' point of view, is a process in which a joint proposal of the social partners is adopted as it stands, and is finally passed by Parliament.

gradually independent from external advice (Kienzl, 2005: pp. 41, 45). In a sense, the WSB became a victim of its own success—it “produced” experts, and, at the same, lost the exclusive control over the production of expertise.

Without question, the associations' influence on the legislative process is extraordinarily strong. A closer look at the scope of action, however, gives reason to qualify the finding: There are, on the one hand, policy fields in which the influence is naturally strong, in particular economic and social policy. As for the latter, between 1945 and 2000, the access to decision-makers was ensured by the usance that the Ministry of Social Affairs was held by representatives of the trade union federation. On the other hand, there is a broad range of fields—justice, education, defence, etc.—with only marginal involvement of the social partners.

In an extensive survey on legislative processes, covering more than four decades, Talos and Kittel (2001) arrive at the conclusion that the role of the social partners has in fact been considerably weaker than generally agreed. In practice, a privileged treatment of the peak associations is the exception rather than the rule. In the end, the authors point out that only in the field of social policy corporatist networks set the tone. In economic policy the impact is already much less clear, while in other policy fields the number of actors involved is a priori higher (Tálos and Kittel, 2001: pp. 227-9). However, given that the social partners hold a good deal of the seats in parliament (see Table 2) there are enough opportunities to exert influence from within the legislative body. Though, the decreasing share of association representatives has naturally an effect on the relevance of corporatist policy-making. In addition, the decomposition of the two-party system of SPÖ and ÖVP, paralleled by a severe crisis of the chamber system in the 1990s, had a negative impact on the relations between political parties and associations. With the rise of the populist FPÖ and the Greens as a new party entering parliament in the mid-1980s, the share of unanimous vote sharply declined from 79 to 26 percent by the end of the century (see Table 3). Under the pressure of increased party competition the then grand

coalition was no longer prepared to allow for time-killing negotiations with, resp. among, the social partners.

Table 3: Voting constellations in the Austrian National Council 1971–2005

Legislative period	Parties in government	Number of bills adopted	Vote			
			Unanimous vote	Majority vote of parties in government	Majority vote of other constellations	Total
1971–1975	SPÖ	573	85%	7%	8%	100%
1975–1979	SPÖ	325	79%	9%	12%	100%
1979–1983	SPÖ	348	75%	15%	10%	100%
1983–1986	SPÖ/FPÖ	278	79%	20%	1%	100%
1986–1990	SPÖ/ÖVP	218	41%	22%	38%	100%
1990–1994	SPÖ/ÖVP	173	27%	26%	47%	100%
1994–1996	SPÖ/ÖVP	42	34%	15%	51%	100%
1996–1999	SPÖ/ÖVP	153	26%	34%	40%	100%
1999–2002	ÖVP/FPÖ	165	42%	41%	16%	100%
2002–*)	ÖVP/FPÖ	140	54%	34%	12%	100%

*) Date of survey: June 2005.

Source: Figures from Tálos and Stromberger, 2005: p. 102.

The government change in 2000 marked a spectacular break in the relations between associations and

the state. At least in the first years after the political turn, the development had little in common with the traditional understanding of social partnership. Due to its excellent performance throughout the Second Republic, Austro-Corporatism had always enjoyed a high reputation. Self-governance of the chambers, the embeddedness of associations in policy-making structures, and an underlying assumption of parity between capital and labour had been the basic principles of its mode of operation. All the three elements were now fundamentally disputed. When the centre-right coalition took office in February 2000, the “reform of social partnership” was declared a priority objective. Effectively, government policy aimed at reducing the social partners’ influence; contrary to the past, their expertise was now less demanded¹⁰, and repeatedly the chambers’ formal right to give an opinion on a draft law was bypassed. In general, legislative action tended to override the principle of parity at the expense of labour thereby making the latter to a fierce opponent of the government. In 2003 the conflict culminated in a wave of strike activities that hit the post-war peak by far.

3.2 The broader context of change

Aside from the political turn, there were other forces at work responsible for the declining demand for corporatist policy advice: First and foremost, it was the opening of the Austrian market—a process that started in 1973 when Austria signed a free trade agreement with the European

¹⁰ “[...] some commentators suggest that such consultations may have been offered by the government for the sole reason of appeasing the social partners, and, in the case of the unions, to prevent further industrial action” (cf. European Industrial Relations Observatory: 2003 Annual Review for Austria, <http://www.eiro.eurofound.ie/2004/country/austria.html>).

Community, and found its completion with the entry into the European Union in 1995. The logic of corporatist action is no longer demand-side but supply-side oriented, i.e., in accordance with the imperative of backing the country's competitiveness (cf. Traxler, 1995). The coalition which came to power in 2000, put the focus from the very beginning on a genuinely "anti-corporatist" goal: zero budget. Later on, the government committed itself to the Brussels consensus on macroeconomic stabilisation policies thereby, once again, foiling the corporatist logic of operation (Marterbauer, 2005).

Second, in the 1990s the Austrian chamber system suffered from a severe loss of legitimacy which, in the end, challenged its future existence. Basically, the chambers, as organisations with compulsory membership, are not faced with density problems, as free associations are, since there is no exit option for members. Thus it is not associability but the turnout in elections that must serve as an indicator for organisational stability. It was right the turnout that decreased in all chamber elections, most dramatically in the Chamber of Labour which, between 1984 and 1994, registered a decline from 64 to 30 percent. In order to cope with the crisis, all chambers started extensive reform processes which, all things considered, put the focus on the improvement of services for members (cf. Pelinka and Smekal, 1996; Muhm, 2002). By the late 1990s the crisis was overcome, the members' confidence could be regained, turnout increased again. One consequence, however, was a gradual shift from the "logic of influence" towards the "logic of membership" (following the terminology introduced by Schmitter and Streeck, 1999), making the chambers less reliable actors in terms of social partnership (Karlhofer, 2004).

Third, the mere extension of actors in decision-making bodies (and in the civil society, as well) had an effect on the formerly almost exclusive position of corporatist actors in a number of fields. One field in which advocative

think tanks (cf. Thunert, 2003) have gained in importance is certainly environmental policy which is mostly a matter of economic policy, too.

Fourth, the policy style in Austria has markedly shifted from consensus democracy to conflict democracy (cf. Pelinka et al., 2000). Certainly, the year 2000 with the relations between government and the social partners (strictly speaking: the labour side) souring from one day to the other, marked an unprecedented rupture in the history of the Second Republic. However, as can be gathered from Table 2 and from the evidence of other research, the basics of consensus democracy had been become unstable already long before the political turn (cf. Plasser and Ulram, 1992).

Given the international drive of continuing decentralisation with the centre of gravity of industrial relations shifting from the macro- to the meso- and the micro-level, the foundations of corporatist policy-making have eroded thoroughly (cf. e.g. Streeck, 2005). With some time-lag, the “winds of change” have been blowing in Austria, too. During the 1990s, social partnership came increasingly under stress, mainly due to the limited scope for action coming along with Europeanisation and economic structural change. The process of interest concertation and problem solving was more and more complicated through divergent interests and orientations of the social partners. It became clear that Austro-Corporatism, in a historical sense, had already passed its zenith. Notably the Parity Commission on Prices and Wages, formerly the core of social partnership, does not exist any more, at least has not been convened since 1998.

The associations, yet without withdrawing from the negotiating system as such, set out to extend their strategic repertoire. Namely the employers’ motives have become ambivalent: While the Economic Chamber has still an interest to cooperate with labour organisations, the Federation of Industry regards itself meanwhile as a lobby

organisation rather than a social partner (Karlhofer, 2004: pp. 369-71). (The latter, having had a strong influence on the centre-right government, was supposed to be the spiritus rector of the neoliberal turn in social and economic policy).¹¹

Corporatism appears to be no longer the one and only way of interest representation; instead, a parallelism of both corporatist and lobbyist practices has become the rule. The trend in Austria seems to confirm the change of paradigm mirrored in recent comparative research on interest groups: The increasing differentiation of societal interest intermediation pluralises corporatist arrangements, thereby confronting the actors with an increasing diversity of interests, interest representation, collective action, and political strategies (cf. von Winter, 2003). As a matter of fact, there is no continuous pattern of interest intermediation in Austria; rather, the boundaries between “corporatist” and “pluralist” forms of interest representation have become indistinct (Tálos and Kittel, 2001: p. 231).

4. Conclusions and outlook

In the light of the changes described above it is evident that the big interest associations are no longer privileged providers of advice to political decision-makers. It is not just decreasing demand for their expertise, it is, moreover, increasing nonconformity among the social partners themselves that makes them lose ground. The Economic and Social Council has, in a sense, become asymmetric after the Economic Chamber has abandoned its

¹¹ A recent evaluation of six years center-right government (2000–2005) comes to the result that, in retrospect, despite a couple of far-reaching changes, in particular with regard to the privatisation of the state-owned industry, major alterations in the institutional framework of interest representation remained undone (Butschek, 2005: p. 195).

economic policy department. Labour representatives complain about the weak mandate of employers' delegates making it difficult to arrive at an agreement.

Significantly, the Economic Chamber made an attempt to establish a think tank of its own: In 2002, following the model of *Avenir Suisse* in Switzerland, an institute named *Austria Perspektiv* was set up which was jointly financed by the Chamber and private sponsors. Three years later, however, the institute had to be dissolved due to mismanagement and frictions among the financiers.

Given the shadowy existence the WSB plays today, and the Economic Chamber's failure with *Austria Perspektiv*, it stands to reason that there are good conditions for independent think tanks activities. Indeed, as indicated above, a number of institutions have emerged in recent years. Most of them, however, are rather tiny think tanks with little capacities right in economic and social policy matters. On closer examination it appears that Austria has only one institution meeting the standards and the size associated with the term think tank in an international perspective: the Austrian Institute for Economic Research WIFO. But the WIFO is, as mentioned above, co-financed by the social partners and hence in close contact with its sponsors.¹²

What will the future bring as regards think tank activities in Austria? Quite contrary to the impression one can receive from Boucher's overview (cf. section 1), independent policy advice is still low developed in Austria. It is correct that the development of think tanks "was made easier by the decline of the social partners which for many years had monopoly control over governmental consultation" (Boucher, 2004: 46). However, there are good reasons to

¹² Most recently, in October 2006, the WIFO's leading role was strengthened through an agreement of the social partners according to which the WIFO had to elaborate a White Paper on "Economic Growth and Employment in Austria" and later on periodically evaluate the social partners' activities.

doubt whether this “created a gap which independent organizations were able to fill” (ib.), for two reasons: First, as mentioned above, policy-makers tend to put an emphasis on negotiation and mutual consent, and therefore are sceptical about independent advisors. Second, there is no distinct tradition of private sponsoring in Austria; no small number of institutes rely to a considerable degree on public funding, mostly to a minor part complemented through contract research (Pregernig, 2005; Lederer and Neugschwandtner, 2006).

Hence, it would be false to conclude from the loss in importance of a general demise of corporatist policy advice. The constitutional right to evaluate draft legislation, to make proposals for amendments, and to participate in the implementation of relevant laws secures the social partners’ influence further on. The chamber crisis of the 1990s did, contrary to the expectations of some (e.g., Crepaz, 1995), not lead to a breakdown of the system. Nor could the centre-right government (2000-2006) abolish the principle of compulsory membership, since this would have required a two-thirds majority in parliament.

Given that “coordination is still a dominant feature of the Austrian model” (Flecker and Hermann, 2005: p. 2), any newcomer has to consider the institutional persistence of the established actors. Certainly, the social partners on their part will have to cope with the growing demand for expertise that can no longer be exclusively provided by themselves. As a matter of fact, the corporatist actors have lost ground in policy fields (e.g. education, science, foreign policy, etc.) that never have belonged to their core businesses. The vacuum has been partially filled by small but flexible think tanks as were listed above, mainly those who have specialized in EU-related questions. In the traditional fields of economic policy and social policy, however, the social partners are still strong, albeit slightly declining agenda setters and providers of policy advice. As long as the foundations, in particular

Austria's unique chamber system, remain intact (and there is no demise in sight) corporatist policy-making will prevail, all the more, as some of the new think tank institutes carry out contract research on behalf of corporatist clients.

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