

Austria: Chancellor under investigation - The fish starts to rot from the head

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Many people have been waiting for something just like this: despite all the message control, the meticulously scripted speeches and the rhetorical tricks: the Federal Chancellor of Austria, Sebastian Kurz, is being investigated on suspicion of making false statements to the Ibiza enquiry committee. This committee was put in place to investigate claims of corruption in the Austrian Freedom Party, FPÖ, the former coalition partner of the Austrian People's Party, ÖVP, which Kurz leads.

A secretly filmed video was made public, showing the former vice-chancellor, HC Strache, admitting to several problematic and corrupt actions. The video was taken on vacation in Ibiza, hence the name. Now, other members of the last government are under investigation with suspicions ranging from involvement to complicity, including the chancellor himself. Since the revelation, the Republic has been preoccupied with the question of whether further developments could lead to new elections and what political perspectives this would entail.

On Tuesday, May 11, the Public Prosecutor's Office for Economic Affairs and Corruption, WKStA, notified Kurz that he personally was under investigation. The next day, he announced this to the public. The allegations of false statements relate to the appointment of the former Secretary General and Head of Cabinet in the Ministry of Finance, Thomas Schmid, as sole director of Austria Holdings plc, ÖBAG, which manages the state's holdings in listed companies, worth some €26.6 billion. The company was created by the last FPÖ/ÖVP coalition by restructuring the previously existing holding company.

As part of the investigation, Thomas Schmid's smartphone was seized in autumn 2019 and chat messages were reconstructed. These showed that Schmid was involved in the preparations for the restructuring and wanted to become the ÖBAG boss himself and even co-authored the job spec for the sole board member. He was also involved in the selection of the supervisory board members.

Looking to secure his appointment, he turned to the Finance Minister, Gernot Blümel, and Chancellor Kurz with requests. The latter wrote in a chat message to Schmid "You'll get everything you want anyway", including three kissing emojis. The WKStA now accuses Kurz of claiming in the committee of inquiry that he was not involved in the nomination of the sole board member, that he had no perceptions of the composition of the supervisory board and that he had no knowledge of certain agreements.

What is at stake

The investigation against the Chancellor could be followed by a criminal complaint, but this will take several months. The penalty for a conviction for making false statements can be up to three years in prison. However, the decisive question is whether a false statement was made intentionally. Kurz, of course, claims that he "consciously did everything to testify to the truth" and that he "did not intentionally

make a false statement". The opposition, on the other hand, uses "every little subtlety" to "construct false statements" with the goal: "Kurz must go". In fact, things are likely to get tight for the chancellor. An indictment would damage the image of Kurz and the ÖVP and put him under pressure, even though he has already announced that he does not plan to resign.

Political significance

The whole affair testifies to a wide-ranging network of post-fixing, philandering, corruption and the suppression of evidence in the ÖVP, which presumably extends far into the Ibiza scandal. However, this has been obvious at the latest since the "shredding affair", in which, shortly before the successful motion of no confidence against the first Kurz government (in which the right wing Freedom Party was the coalition partner), an employee of the Federal Chancellery had hard drives destroyed under a false name.

It is hardly surprising that these practices also exist in the "new ÖVP" as the Conservative 'People's' Party has rebranded itself. Corruption is common in bourgeois parties and in the bourgeois state, where politics is a big business run in the interest of some functionaries and capitalists. What is new and important about this case is that the ÖVP's young, rising star, Sebastian Kurz, is being investigated personally. This could not only blow up the current government, but, more importantly, put an end to the ÖVP's success over the last few years and significantly shift the political balance of power in Austria.

New elections?

While new elections hover like a question mark over the Austrian parliament, hardly any of the political parties really seem to want them. Kurz himself does not want new elections because the ÖVP would probably emerge weakened from them and because a new coalition under his leadership would be difficult to form, at least in the current balance of forces.

The Greens do not want new elections because they would probably emerge weakened and no longer as government partners and because they do not want to jeopardise important government projects. The Social Democrats, SPÖ, would have a hard time forming a coalition with Kurz, whose whole project was designed to break up the former grand coalition between them and the ÖVP.

Meanwhile, the Freedom Party, FPÖ, which is also criticising Kurz very harshly through Herbert Kickl, would also have a hard time because in the case of new elections it must fear an escalation of the dispute within its own leadership.

For the workers' movement, the key issue would be to oppose any suggestion of a new "grand coalition" led by Kurz. This would be a project to shift the burden of the crisis onto working people, the unemployed, women and young people, with the involvement of the trade unions. Instead, it is necessary to build an anti-crisis movement that organises the class struggle from below against the corrupt and exploitative capitalist system.

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