

tually leading to civil war in February 1934, when the Right, drawing its strength largely from the agricultural community and the *petite bourgeoisie*, crushed the strong Socialist movement based upon Vienna.

What followed were the semi-fascist regimes of Engelbert Dollfuss and Kurt Schuschnigg, which, in their unprepossessing way, sought to overcome class conflict by adapting to their needs Catholic social thinking dating back to the second half of the nineteenth century. Stripped of the authoritarian elements attached to it by "Austrofascism", Christian Social (not Socialist!) thought has become a crucial element in Austrian practice. But two new elements have been added: a willingness to compromise with the Socialists, who are secular rather than anti-clerical and who, in their turn, have largely abandoned their doctrinal dedication to Marxism; and a readiness to accept economic liberalism, albeit in a modified form.

Reconciliation

The reconciliation between parties that had been at each other's throats in the 1920s and 1930s found its most visible expression in the formation of a coalition government, the so-called Grand Coalition, which ruled Austria from the restoration of independence in 1945 until 1966. Though others also took part during the early years, the main pillars of this "black-and-red" coalition were the People's Party (*Oesterreichische Volkspartei* or OeVP) — successors to the Christian Social Party — and the Socialists.

It was a unity forged by the experience of German occupation and the realization that Austria, if it was to remain independent, could not afford to fall back into the conflicts of the interwar years. During the period of the Grand Coalition, the institutions of social partnership were perfected. When the Grand Coalition broke up, giving way to cabinets first of the OeVP and then of the Socialists (with the temporary adhesion of the smaller bourgeois Freedom Party), these institutions were not abandoned; on the contrary, their importance may have grown, since there was a strong feeling that national unity must survive the end of coalition government.

The origin of those institutions goes back to the third quarter of the nineteenth century, when the Austrian network of chambers of industry and commerce were set up. Unlike other countries, Austria made membership in these chambers compulsory upon industry and tradesmen. Their function was to be a certain self-

regulation of business, and to provide business with a means to make its voice heard by government. The chambers also delegated representatives to supervisory bodies of institutions such as the state-owned railways.

In the 1920s, similar representative bodies were set up for the farmers and labour. The latter, the *Arbeiterkammern* (chambers of labour) were not an alternative to the trade unions; to this day trade unions negotiate wages with employers who, for that purpose, are organized into a Federation of Industries. Like the chambers of commerce, chambers of labour and the chambers of agriculture were intended to represent the interests of their members as a class within the state; they provided, in effect, the skeleton of a corporate state. As long as the trade unions were in existence — that is, up to the present, except for the period from 1934 until 1945 — countervailing power prevented that skeleton from turning into the reality of a corporate state.

Worker participation

A second institutional element of social partnership is provided by worker participation, which dates back to the establishment of a *Betriebsrat*, or works council, for all but the smallest industrial enterprises. The councils are elected by white- and blue-collar employees, and have a right to consultation on all matters affecting the labour force. This includes the right of veto over mass dismissals, though that is rendered largely inoperative by being subject to outside arbitration.

The precise influence of a works council is very much a matter of local peculiarities, but it has been said that where a council is determined, it is almost possible to run an enterprise against the wishes.

During the current decade, the institutionalization of workers' participation has been completed by providing that, in larger businesses, one-third of the supervisory board are representatives of workers. They are, therefore, in a 1:2 majority *à-vis* the shareholders' representatives, a body that lays down long-term policy and appoints an executive board to run the business. Unlike the German works councils, those in Austria have preferred not to go for parity and for a seat on the executive board, arguing that such a structure would inevitably lead to conflict of interest.

Yet, given the wide spread of worker ownership in industry, the Socialists in practice, deeply involved in its re-

*Experience
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