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Austria: No bed of roses for the EU

The official final election results confirmed the clear victory of Sebastian Kurz and are likely to leave their marks on German coalition talks



Source: istock

According to the final results, the ÖVP came in as largest party with 31.5%, followed by its former coalition partner, the Social Democrats with 26.9%, and the FPÖ coming in with 26%. As the Greens did not make it into parliament, the national council consists of five parties. Now, with the final result on the table, coalition talks will start.

Today, Austria's President Van der Bellen will officially assign the most powerful party with the formation of the government. While an ÖVP/FPÖ coalition is still the most likely outcome, it is not yet set in stone. The two parties have major similarities when it comes to domestic politics such as taxes or migration policy, yet there are divergences on EU matters. Although previous talks about leaving the EU have calmed down markedly, the FPÖ still flirts with the anti-EU faction "Europe of Nations and Freedom" (ENF).

With a possible ÖVP/FPÖ coalition, yet another core Eurozone country would take a very hesitant and cautious stance towards further Eurozone integration

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According to the party's economic programme, a common currency is only of use if economies are similarly structured however the Eurozone's exit, however, did not make it into the party's platform. The ÖVP and Kurz propagate a pro-European stance, though with a clear nationalistic touch.

Instead, such a government would try to refocus on the EU's economic core competencies such as the completion of the Single Market or combating tax evasion.

Also, according to such a coalition, the restriction of access to the labour market, the reduction of welfare entitlements or family allowances for foreigners should not be a matter of the EU. While the Western Balkan's ambitions for EU membership should be accelerated, negotiations with Turkey are to be discontinued and sanctions on Russia slowly reduced.

Coalition talks have only started, leaving all options open. Austria itself is too small to impact the future of Eurozone and EU discussions substantially.

But if the next government sticks to its rigid stance on migration, foreign policy and the pursuit of its own interests, there will be emulators.

The Bavarian CSU for example, the sister party of Merkel's CDU, already gets some tailwinds from Kurz' campaign regarding its call for refugee ceiling. Also let's not forget that the country holds the EU's presidency in the second half of 2018, a window of opportunity to push forward Austria's interests on migration policy. No matter what, the next Austrian government will be no bed of roses for the EU.

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