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Responses on the Crisis

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CONTENTS

ESSAYS

- Toma Burean, Csongor-Ernö Szöcs and Gabriel Badescu
The long-lasting effects of the economic crisis on political culture 7–24
- Ladislav Cabada
**Neo-liberal, neo-Keynesian or just a standard response to the crisis?
Clash of ideologies in Czech political, scientific and public debate** 25–51
- Matevž Tomšič and Lea Prijon
Ideological Profile and Crisis Discourse of Slovenian Elites 53–74
- Sylvia Kritzinger and Karin Liebhart
**Austria and its Experience with European Parliament Elections:
Evidence since 1996** 75–95

BOOK REVIEWS

- Helena Bauerová
The Politics of European Integration 97–100
- Hana Kubátová
The Holocaust in the East: Local Perpetrators and Soviet Responses 101–105

- GUIDELINES FOR AUTHORS 106–110

ESSAYS

The long-lasting effects of the economic crisis on political culture¹

TOMA BUREAN, CSONGOR-ERNŐ SZŐCS AND GABRIEL BADESCU

Abstract: *This paper evaluates whether individuals' experiences during the global recession of 2009 have long-term effects on their view of the political system. Using data from the 2010–2013 wave of the World Values Survey (WVS), we ask if members of societies that have experienced a large increase of youth unemployment, as well as members of societies with a large decline in GDP growth, become more likely to have low levels of political tolerance and political trust. We found that members of societies with a larger drop in GDP growth tend to display lower levels of tolerance than the rest of the respondents. At the same time, we found that in countries that suffered a relatively large decline in the GDP growth, younger people tend to be more tolerant compared to older people than in countries with smaller decline in GDP growth, and that the level of institutional trust among older people in countries with large GDP decline tends to be relatively high compared to those of younger people.*

Keywords: *GDP growth, youth unemployment, institutional trust, intolerance, economic crisis*

Introduction

As the world economy is recovering from the deepest recession since the Great Depression, attention is shifting from the immediate effects to the long-term impact of the crisis. Beyond the economic effects, economic crises have been shown to have several lasting effects on peoples' attitudes, values and norms. The experience of the Great Depression helped forge the social beliefs and attitudes that sustained a political system for many years (Strauss and Howe 1991). Following the economic crisis of the Great Depression of the 1930 s and the oil crisis of the 1970 s democratic political systems were shaken and some collapsed. Giuliano and Spilimbergo analyzed how economic shocks have

¹ This research was supported by a Romanian National University Research Council grant (PN-II-ID-PCE-2011-3-0578 CNCS).

affected the attitudes of different generations in the US (Giuliano and Spilimbergo, 2009). They found that the effects of a severe recession are large when the individual is between the ages of 18 and 24, the formative age during which social psychologists think most social beliefs are formed. They also claim that these effects are permanent because attitudes of recession-stricken individuals remain significantly altered many years after the severe recession ends. Their finding that age is important for political socialization is consistent with the results of a recent study by Yair and Gelman, based on several hundreds of thousands of survey responses and new statistical software to estimate how people's preferences change at different stages of their lives (Yair and Gelman 2014). Yair and Gelman show that the political events of a voter's teenage and early adult years, centered around the age of 18, are enormously important in the formation of these long-term partisan preferences, events at age 18 being about three times as powerful as those at age 40. Focusing on the financial market and using nationwide shocks, Ulrike Malmendier and Stefan Nagel (2009) show that birth cohorts that have experienced high stock market returns throughout their life report lower risk aversion, are more likely to be stock market participants, and, if they participate, invest a higher fraction of liquid wealth in stocks.

There is clear evidence that the global economic decline in the late 2000s produced significant political turmoil (Friedrichsen and Zahn 2010, Uslaner 2008). Political parties and coalitions were forced out of government for not being able to handle the economic recession in 30 countries since 2008. In countries affected by a radical decline, people resorted to unconventional forms of contestation, abandoned conventional forms of political participation or chose to support anti-system parties (Kriesi 2012). We also know that in the first years of a crisis the political right tends to be more successful, and that this phase is followed by a period when the left becomes more popular (Lindvall 2012).

Our research studies the impact of the global recession of 2009 on political culture. We know that several countries were largely unaffected by the economic crisis, such as Afghanistan, Moldova, Poland or Uzbekistan, whereas other countries, especially the United States and European Union member states, were severely affected. At the same time we witnessed fluctuations of political support for democratic institutions. Although Eastern European countries maintain their low levels of political support during the crisis, irrespective of how the incumbents govern, in Southern Europe political trust and satisfaction with democracy declined dramatically (Bureau and Badescu 2014).

The aim of this paper is to evaluate empirically the effect of the economic crisis on institutional trust and tolerance with the help of the 2010–2013 wave of the World Values Survey (WVS). This cross-national data set allows us to evaluate the effect of two aspects of economic performance – GDP Growth and youth unemployment – on values that help maintain democratic systems.

Political Culture

Irrespective of whether political culture is viewed as a prerequisite for a democratic system (Huntington 1993: 13) or as a set of attitudes created and nurtured by new democratic institutions (Rose 1997, Schmitter and Karl 1993), it is what a sustainable democracy depends on. Almond and Verba (1963, 1980) are among the first that build a framework for understanding the links between political culture and democracy. The attitudes they survey include participation, sense of empowerment and trust. Inglehart and Baker (2000) added tolerance, conventional participation and political activism to explain political support. Others consider that political culture consists of values encompassing the respect for the independence of mass media and elevated political interest (Booth and Richard 1998, Inglehart and Wezel 2003). Many of the findings on how political culture is formed and how it affects political systems are drawn from research on new democracies (Tessler and Gao 2009). This research focuses on political support and how the values surrounding political culture stabilize political systems. One of the attitudes linked to the process of legitimation and stabilization of regimes is political support (Fukuyama 1995, Ross and Escobar-Lemmon 2009, Sztompka 1997). Political support can refer to the political community, regime principles, performance, institutions and actors. The political support of institutions measured through trust is beneficial for a consolidating political system (Mihaylova 2004, Mishler and Rose 1995, Putnam 1993). Trust offers leeway for leaders to take decisions that bear significant social costs (Mishler and Rose, 1995). Such political trust is affected by institutional practices of the past and cultural habits (Mihaylova, 2004). For example, communist systems affected trust among people by creating forced community groups (Nichols, 1996). Social ties were disrupted and distrust legitimized a clan type of social capital that relies on distrust of official networks. The new political regimes then had citizens with exacerbated individualistic attitudes (Haerpfer and Rose 1994, Mishler and Rose 1995, Seligman 1992). Others claim that institutional trust is built on improved government performance and positive prospects of national economic prosperity (Mishler and Rose, 1995 or Kolankiewicz, 1996). Following these authors, this paper treats institutional trust as a dependent variable. Next we detail the importance of studying this concept as a component of political culture.

Institutional Trust

Support for institutions is a central element of political legitimacy (Almond and Verba 1963, Easton 1965 and 1975, Norris 1999). These attitudes maintain support for a political system but ultimately do not depend on it (Levi and Stoker, 2000). Short of viable alternative political systems, there is considerable

evidence that citizens offer support for democracy in both Eastern and Western European countries (Evans and Whitefield 1995, McDonough 1995, Mishler and Rose 1995). Institutions that are trusted are considered reliable by citizens (Levi and Stoker 2000). Trust is amenable to change, however, if it refers to trust in government that is often dependent on the performance of those who govern. Trust in government increases immediately after the elections reducing in the subsequent years without necessarily affecting trust in the political system (Camoës 2003 and Hetherington 1998). Trust in institutions of representation, such as political parties, parliament and president, changes to a less significant degree. Trust in police, courts and army refers more to the *implementation side of trust* (Rothstein and Stolle 2008) and is remarkably high and stable although these institutions are significantly less transparent and accountable. The latter are consequently often excluded from the analysis of political trust (Rothstein and Stolle 2008). Some consider only trust in government a valid measurement of political trust (Camoës 2003 and Hetherington 1998), although trust in government confuses ‘institutional trust’ with trust in those who govern (Torcal 2014), which is a more personal type of trust.

There are three theories that explain the variations relating to political trust: cultural, performance based and democratic deficit explanations. The first view trust-building as a grassroots process in which voluntary associations (Tocqueville 1863) have the function to create institutions that are trusted by the people (Putnam 1993). If there is no previous culture of trust in institutions the prospect for new institutions to be trusted is slim. The second approach considers institutional trust a process in which citizens match their expectations to practical outcomes (Easton 1965 and Citrin 1974). Institutional trust is an outcome dependent on institutional performance (Berman 1997, Tarrow 1996, Kumlin and Rothstein 2005), the infusion of legitimacy in the new institutions achieved by improving institutional performance. Provided by the availability of data, performance is measured by individual economic indicators or perceptions of the national economy, both prospective and retrospective, or, at aggregate level, measured by national economic indicators. If institutions do not perform their functions then citizens’ trust levels start declining. If, on the other hand, institutions perform well institutional trust increases with spill-over effects on the legitimacy of the entire political system. The third approach stems from theories of representative government and states that the decrease of institutional trust is accounted for by the performance of the elected representatives. Trust in parliament, politicians and political parties will be affected most when the political system enters into a crisis (Torcal 2014). The economic crisis that started in 2008 tested the capacity of democratic institutions to deliver legitimate solutions to the failing standards of living of many Europeans. This context seems more than favorable to test what impacts institutional trust when political systems are faced with a crisis situation. Following Torcal (2014), we

suspect it is more likely that trust in institutions will decrease when economic conditions worsen. *We state that when economic growth and GDP decrease, trust in institutions will decrease. Conversely, when GDP and economic growth increase we should experience an increase of institutional trust.*

Alternative approaches (Norris 1999, Rosanvallon 2008) view low levels of political trust as a sign that citizens are alert, paying attention to how institutions function, and dissatisfied with their outcomes. They are “better citizens” in terms of being vigilant supervisors of how democratic institutions function. More recent work (Marien and Hooghe 2010) relates low levels of political trust to an inclination to support illegal behavior, concluding that political trust infuses legitimacy in institutions and laws.

Political Intolerance

Intolerance is defined as “antipathy based on a faulty and inflexible generalization” (Allport 1954, p. 9), while one of the key determinants of intolerance is threat (Gibson 2006). Intolerance is manifested by negative attitudes towards the members of a group (Bäckström et al. 2005) and variations of intolerance are explained through two competing theories: the ethnic competition theory (Coenders and Scheepers 1998) and group-threat theory (Kunovich, 2004). The first views intolerance as an outcome of competition for scarce resources by ethnic groups often with equal social status (Coenders and Scheepers, 2003). Research in this area has focused on ethnic group competition for jobs during times of economic crisis, Beck and Tolnay (1990) noticing the link between the price of cotton and the frequency of lynching African Americans between 1882 and 1930. They found a positive correlation between the numbers of lynchings when the price of cotton was declining as an effect of inflationary practices. The second theory defines intolerance as inter-group hostility and a multitude of punitive reactions and attitudes towards the perceived threats of groups that are viewed by the majority as subordinate (King and Wheelock, 2007). When economic conditions worsen the competition for scarce resources becomes acute and manifestations of intolerance increase. At the same time, during an economic crisis, the perceived threat coming from other groups increases the frequency of punitive attitudes by the majority (King and Wheelock 2007). Both theories agree that the frequency of intolerant attitudes increases when economic circumstances deteriorate. Other authors confirm this view. Zick, Pettigrew and Wagner (2008 and 2011) elaborate in a literature review on studies of intolerance and find this phenomenon is present in Europe but relatively understudied.

Economic conditions, when poorer, have a greater impact on intolerance (Kunovich 2002, 2004) than the ratio of migrants in a country. Similarly, it has been found that economic threat enhances anti-minority views. Research on

European countries has revealed that prejudiced attitudes increased with East European nations joining the EU (Zick, Pettigrew and Wagner 2008 and 2011). The “least-liked” approach (Gibson 1992) is utilized for measuring intolerance. There is a six-item scale (Sullivan, Piereson and Marcus 1979) measuring attitudes towards the most disliked group named by respondents. We will use the term “intolerance” as an unwillingness to extend civil liberties to out-groups (outsiders), with the emphasis on the civil liberties of sexual minorities. The conceptualization we use is in line with other studies, Inglehart (1997) claiming the rejection of homosexuality is a reliable and valid measurement of intolerance.

The following section reviews three categories of factors that were shown to have an effect on institutional trust and intolerance: economic indicators, political factors and socio-demographics.

Economic Factors

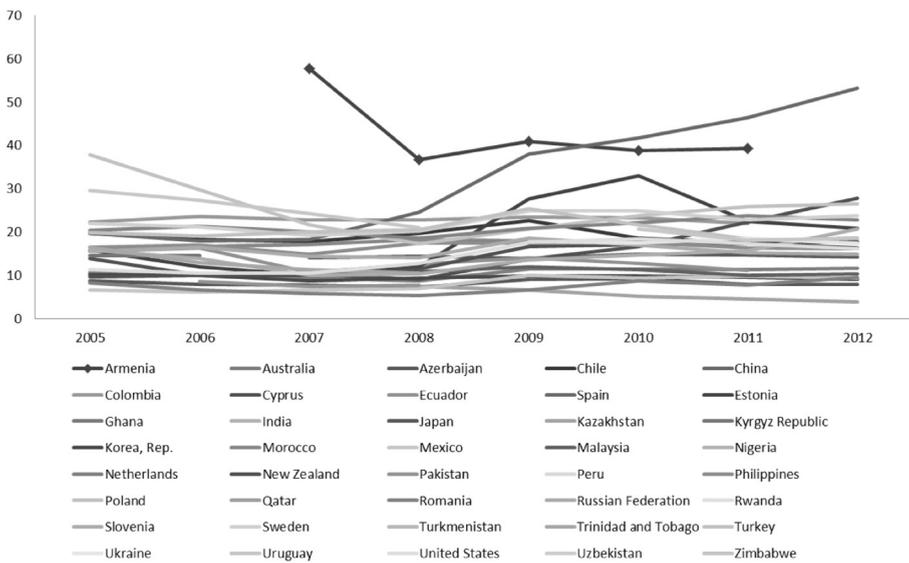
One of the important tenets of how a political regime is evaluated is whether it produces favorable economic outcomes for its citizens. Support for political institutions and satisfaction with democracy are influenced by several determinants at the individual level. One of the most important is economic performance (Kotzian, 2010). Good economic results ensure political support and legitimacy for the political system and electoral support for the incumbents (Lewis-Beck and Stegmaier 2000, Criado and Herreros 2007). Institutional performance is very important in consolidated democracies. Confidence in institutions is affected by low economic performance, political scandals (Bowler and Karp, 2004) and wars or economic crisis and elections (Kaase 1988).

Youth unemployment

The 2008–2012 financial crises dramatically affected youth (Scarpetta, Sonnet and Manfredi 2010). The unemployment rate among 15 to 24 years old increased dramatically in most countries in the two years after the start of the economic breakdown. In the 25 countries that are included in our analysis and have data available on youth unemployment, its median value increased from 11% in 2007 to 17% in 2009, and has remained about the same since then (Figure 1). In the context of this study, job scarcity among youth would be a suitable indicator of the evolution of the economy, since the labour market can be interpreted as a real link between citizens and the economy: people observe changes in the wealth-being of the nation based on their personal income, closely linked to employment status. When job offers are scarce and competition among job-seekers is fierce young people are mostly affected because they lack experience. This process can have long-term negative consequences. Beyond the unfavorable impact on future wages and employability, long periods of unemployment create

permanent scars that affect happiness, job satisfaction and health (Scarpetta, Sonnet and Manfredi 2010). The percentage of youth on the verge of losing contact with the labour market constitutes a great indicator of how severe the crisis has hit a specific country. Choudhry et al. (2012) found that financial crises have an impact on the youth unemployment rate that goes beyond the impact resulting from GDP changes; and the effect on the youth jobless rate is greater than the effect on overall unemployment. The results suggest that financial crisis affects the youth unemployment rate for five years after the onset of the crisis; however, the most adverse effects are found in the second and third year after. Also Verick (2010) concludes that economic downturns have more adverse implications for vulnerable segments of the population such as youth. Data reveals that young people are indeed hit hardest by crises as reflected by rising unemployment rates, which persist long after the economy begins to grow again. Hudson, J. (2006) in his empirical study reveals that unemployed people trust institutions less: not only do they have lower trust in the main economic institutions – such as government and the Central Bank – but also in other state institutions like the police and courts. *We expect youth unemployment to have a negative effect on youth institutional trust and increase intolerance.*

Figure 1: Youth unemployment across 25 societies between 2005 and 2012



Source: World Values Survey 2012

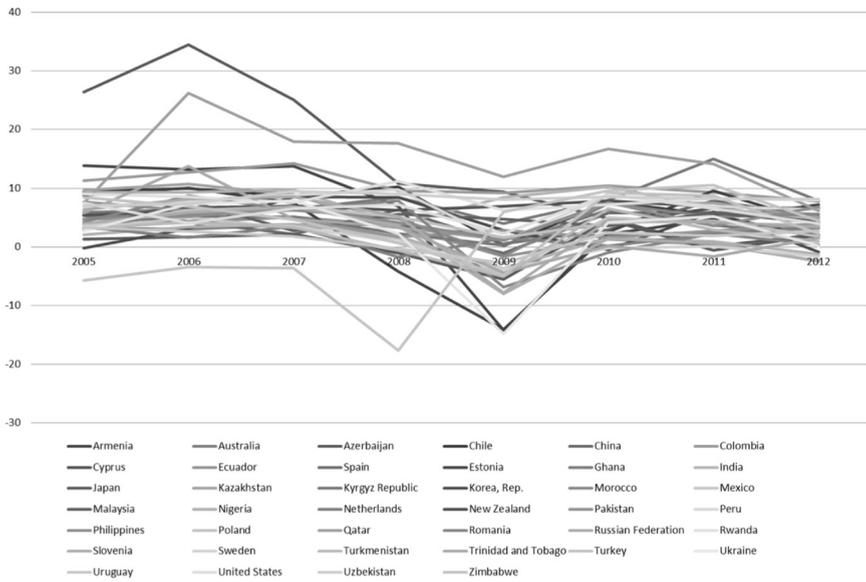
GDP growth

First developed by Simon Kuznets for a US Congress report in 1934 and becoming the main tool for measuring economies after the Bretton Woods conference in 1944, GDP is still considered the primary indicator to judge the health and evolution of a country's economy (Coyle, 2014). Representing the total market value of all goods and services produced over a specific time period in a particular country, GDP, despite several criticisms, has widespread usage for comparing economies. However, for these comparisons to be relevant, it is necessary to take into account the different price- and income levels of countries. This obstacle is overcome in this study by comparing the evolution of GDP with the historical performance of the same country (Mathewson, 2014). The indicator annual GDP growth reflects how the economy has evolved in comparison to the previous year. J. S. Mill (1848) hypothesized almost two centuries ago that trust matters for the economic performance of nations while Zak and Knack (1998) analyze the impact of trust on economic performance using trust data for 40 market economies from the World Values Surveys (WVS). They show that low trust environments reduce the economy's growth rate and that very low trust environments can be caught in a poverty trap. GDP is often regarded as a measure of well-being. Hudson (2006), in his empirical study based on Eurobarometer data covering 15 countries of the European Union, finds that institutional trust has a positive impact on well-being measured by a standard set of socio-economic variables. Knack and Keefer (1997), meanwhile, conclude that trust is stronger in nations with higher incomes. If a country performs well for a longer time then the regime receives diffuse support (Chu et al. 2008). However, if a country is confronted with scandals or fluctuations of economic development then support is affected (Kotzian, 2010) or could even lead to the fall of the democratic regime (Rose and Shin, 2001 and Welzel, 2007). Figure 2 represents the evolution of GDP growth in the 40 countries that are included in our analysis.

During economic crisis we expect a decrease in the level of institutional trust and tolerance during crisis. GDP growth will increase institutional trust and increase tolerance. Conversely, a decreased GDP growth is associated with less tolerance and decrease in institutional trust. We expect stronger effects on age groups 18 to 30.

Compared to socio-demographic factors we expect that economic factors would take precedence in explaining tolerance and institutional trust.

Figure 2: GDP growth across 40 societies between 2005 and 2012



Source: World Values Survey 2012

Sociodemographics

Education to have a positive effect on political trust (Nie et al. 1996, Schlozman et al. 2012). People that have more years of education tend to be tolerant and some embrace diversity as well as trust institutions.

Younger citizens are considered to be more discontent than older generations (Dalton, 1988). The economic crisis affected youth with unemployment rising to up to 50% among young workers in Spain and Greece (One Europe, 2014). Therefore we expect sharp changes in trust and tolerance among youth age categories compared to older citizens where we expect more attitudinal stability.

Finally, we decided to use as control variables religiosity, gender, subjective social class position, and society level modernization, as measured by the Human Development Index.

Data Analysis

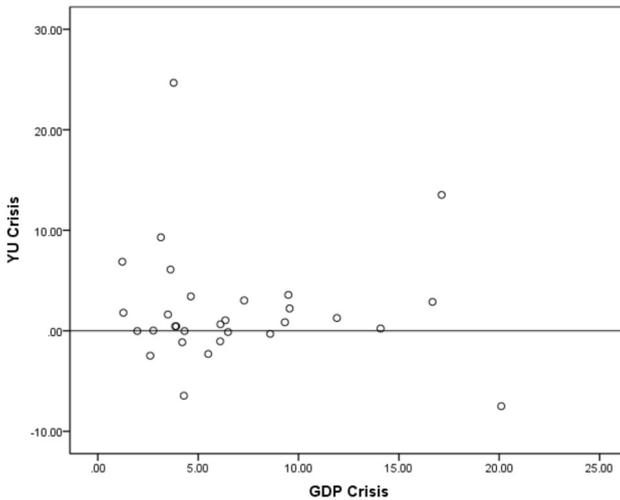
In order to test empirically our hypotheses we match individual-level data on citizens' estimates of political culture with data on variance on two measures of

the extent of economic crisis: (1) the difference between the mean value of GDP growth between 2005 and 2012 and the minimum of GDP growth over the same period (GDP crisis), and (2) the difference between the mean value of youth unemployment between 2009 and 2012 and the mean value of youth unemployment between 2005 and 2008 (YU crisis). Our individual-level survey data on citizens comes from the 2010–2013 wave of the World Values Survey (WVS).

The index that estimates intolerance counts how many times the respondent selects a category he/she would not like as neighbours from the following list: drug addicts, people of different race, people who have AIDS, immigrants, homosexuals, people of different religion, heavy drinkers, unmarried couples living together, people who speak a different language (0 – no intolerance, 9 – maximum intolerance). The variable measuring political trust is built as an index of trust in central government, political parties, parliament and civil service (0 – minimum trust, 1 – maximum trust).

Our empirical analysis examines the impact of GDP crisis and YU crisis on the levels of tolerance and institutional trust across 40 societies. Figure 3 shows that GDP Crisis and YU Crisis describe two distinct aspects of the economic crisis, with almost no correlation ($r = -0.076$).

Figure 3: GDP Crisis and YU Crisis



We estimate both individual-level and macro-level effects with a hierarchical linear model, using the full maximum likelihood algorithm of the HLM6 software. Table 1 represents the explanatory models of Intolerance and Institutional trust, with YU Crisis, GDP Crisis and HDI as level-2 variables².

Table 1: Multilevel models of Intolerance and Institutional trust with YU Crisis, GDP Crisis and HDI as level-2 variables

	Intolerance			Institutional trust	
	Coefficient	P		Coefficient	P
HDI	-0.01	0.009		0.00	0.059
YU Crisis	-0.01	0.665		0.01	0.639
GDP Crisis	0.09	0.005		-0.04	0.358
Religiosity	-0.02	0.156		-0.06	0.000
Sex	-0.03	0.437		0.06	0.181
Age	0.01	0.000		0.01	0.004
Education	-0.08	0.000		0.04	0.145
Unemployment	-0.10	0.138		-0.22	0.002

Number of level-1 cases=31216; number of level-2 cases=27. All individual-level variables are centreed at their country mean; the level-2 variables centreed at its grand mean. The intercept is assumed to have random residual variance at level-2. All other coefficients are estimated as fixed.

Table 1 shows that only one measure of the extent of economic crisis, GDP Crisis, has a statistically significant effect on a measure of political culture: members of societies that had a larger drop in GDP growth tend to display lower levels of tolerance than the rest of the respondents. The effects of both GDP Crisis and YU Crisis on Institutional trust are not statistically significant.

2 The summary of each of the models represented in Table 1 is the following:

Level-1 Model

$$Y = B_0 + B_1*(Religiosity) + B_2*(Sex) + B_3*(Age) + B_4*(Education) + B_5*(Unemployment) + R$$

Level-2 Model

$$B_0 = G_{00} + G_{01}*(HDI) + G_{02}*(YU_Crisis) + G_{03}*(GDP_Crisis) + U_0$$

Table 2 represents the explanatory models of Tolerance and Institutional trust, testing the effect of GDP Crisis as a level-2 variable interacting with Age³.

Table 2: Multilevel models of Intolerance and Institutional trust with GDP Crisis as a level-2 variable interacting with Age

	Intolerance			Institutional trust	
	Coefficient	P		Coefficient	P
HDI	0.00	0.046		0.00	0.175
YU Crisis	-0.01	0.665		0.01	0.639
GDP Crisis	-0.06	0.142		0.02	0.429
Religiosity	0.01	0.235		-0.07	0.516
Sex	0.00	0.879		-0.04	0.249
Age	0.00	0.001		0.02	0.000
Education	-0.07	0.000		0.10	0.000
Unemployment	0.04	0.123		-0.13	0.002

Number of level-1 cases=58365; number of level-2 cases=39. All individual-level variables are centred at their country mean; the level-2 variables centred at its grand mean. The intercept is assumed to have random residual variance at level-2. All other coefficients are estimated as fixed.

The models represented in Table 2 show that GDP Crisis influences the effect of Age on each of the two measures of political culture. Thus, in countries that suffered a relatively large drop in GDP growth younger people tend to be more tolerant compared to older people than in countries with a smaller decline in GDP growth. At the same time, the level of institutional trust among older people in countries with large GDP decline tends to be relatively high compared to those of younger people.

³ The summary of each of the models represented in Table 2 is the following:

Level-1 Model

$$Y = B_0 + B_1*(Religiosity) + B_2*(Sex) + B_3*(Age) + B_4*(Education) + B_5*(Unemployment) + R$$

Level-2 Model

$$B_0 = G_{00} + G_{01}*(HDI) + G_{02}*(GDP_Crisis) + U_0$$

$$B_3 = G_{30} + G_{41}*(GDP_Crisis)$$

Discussion

We investigate empirically whether individuals' experiences of macro-economic outcomes have long-term effects on their view of the political system, as suggested for the generation that experienced the Great Depression. Using data from the 2010–2013 wave of the World Values Survey (WVS), we ask if the individuals who live in societies that have experienced a large increase of youth unemployment or in societies with a large decline in GDP growth, are less likely to have low levels of political tolerance and political trust. All results are estimated using hierarchical linear models, controlling for age, gender, education, unemployment status, religiosity and the society's level of human development.

Our estimates indicate that only one measure of the extent of economic crisis, GDP Crisis, has a statistically significant effect on political attitudes: members of societies that had a larger drop in GDP growth tend to display lower levels of tolerance than the rest of the respondents. The effects of both change in GDP growth and change in youth unemployment on institutional trust are not statistically significant. At the same time, we found that GDP Crisis influences the effect of age on each of the two measures of political culture. Thus, in countries that suffered a relatively large drop in GDP growth younger people tend to be more tolerant compared to older people than in countries with a smaller decline in GDP growth. It is surprising that the corrosive effect has been smaller on youth, given that attitudes tend to change faster among younger people, and explaining this result would require further investigation. At the same time, the level of institutional trust among older people in countries with large GDP decline tends to be relatively high compared to that of younger people.

Economic events have been shown to have long-lasting non-economic effects. It is too early to know if the last severe recession has had a permanent effect on political culture, but our analyses suggest that the erosion of political tolerance may be significant and enduring.

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Neo-liberal, neo-Keynesian or just a standard response to the crisis? Clash of ideologies in Czech political, scientific and public debate¹

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Abstract: *The Czech Republic belongs among those nations that might be understood as rather less affected by the economic crisis in the European Union. In the period after 2010 average real incomes were growing or at least stable and the unemployment rate was growing only moderately; the national currency strengthened against the Euro and kept its position next to other major currencies; inflation was growing in the frame given by the euro-criteria and surveys of poverty repeatedly present the country as the least affected by this phenomenon among all the countries of EU-27. Nevertheless, the crisis was used by all relevant political actors in the Czech Republic as an important theme of politicization and mobilization of social groups. Led by Prime Minister Petr Nečas, the parties in a government that declared it reformist presented reforms characterized by savings as necessary to keep the stable position of the country. Opposition parties and other important political actors (the new President Miloš Zeman, the labour unions) criticized the reforms as “neo-liberal” and as deepening the crisis. Along with other issues, such as a “clash of ideologies” and the labelling of opponents as “neo-liberal” or “neo-Keynesian”, this strongly influenced the parliamentary debate, social dialogue and, also, the first direct Presidential elections in January 2013. The aim of the article is to analyse the Czech discourse on crisis in the period between its start in early 2008 and half of 2013, when the “reformist” Nečas government resigned and the “Presidential” government of Jiří Rusnok was created. We will focus especially on the government, its relations with the opposition and its inclusion of other relevant actors in the debate, such as labour unions and civil society organizations.*

Keywords: *Czech Republic; neo-liberal approach; neo-Keynesian approach; discourse of crisis; welfare state; social (in)justice; political manifestos*

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Introduction

Discussion concerning the status and future of the welfare state has been under way in Western countries since the 1970 s. Based on the processes of democratisation, economic transformation, Europeanization and globalisation, such debate was then shifted into the so-called new democracies in Central and Eastern Europe (CEE). These countries developed during the non-democratic period following the Second World War, these countries have progressed along distinctively different lines also in regard to welfare issues. On one hand, we must to mention the applied and, by the non-democratic state, violently enforced concept of full employment in most of these countries (with the important exception of Yugoslavia) and also the inclusive social network in these states (imposed on all citizens apart from regime critics and, more generally, all non-conformists). On the other hand, all relevant data shows that such “quasi-welfare” states were able to provide social services only to a limited extent, being economically weak and producing products unable to compete, while extensively using semi-feudal instruments of production (exploiting sources of cheap labour such as students, soldiers, prisoners etc.). Nevertheless, in the (post)transitional and contemporary political debate the issue of the “socialist welfare state” still plays an important role. Naturally, economic instability and crisis intensifies such debate and in the combination with the anti-crisis measures of both the national and international actors (regional, European or global) creates conditions for new debates, rifts and clashes within society.

The aim of our contribution is to analyse the most important moments and actors in the Czech political, scientific and public debate on the crisis after 2008. Our analysis will be developed from a theoretical framework stressing the (needed) changes of a “classical” welfare state and based on the debate between two important ideologies that have influenced the debate – neo-liberal and neo-Keynesian. From this debate we will derive the fundamental terms including the issue of new social risks and possible responses to this challenge for the (post) modern society in a globalised world. In the second part of this contribution we will then use the presented terminology and theoretical framework to focus on the Czech case. Our analysis will include the main political actors and bodies (parliament, government and president; political parties; tripartite; influential scholars and think-tanks etc.).

Welfare state, its limits and prospects

Beginning with the debate about the welfare state, we would like to express our believe that because of many important reasons the “traditional” welfare state that expanded after the Second World War developed towards the limits of its growth. ‘The economic crises in the 1970 s and 1980 s, the intensifying of global

economic competition, dynamism in the development of the technological basis of the economics, permanent structural changes and demand for flexibility in labour markets, differentiation and specialisation tendencies in society alongside demographic changes, led to the shaping of “new social risk”. All of these factors brought new preconditions for the working of welfare state that were characterised as “permanent austerity”. The reaction was the retrenchment of the social state, reduction of inclusive social policy and general pressure on the restriction of public social expenditures. Add to this privatisation of several spheres of social security and the directing of the state’s help towards precisely defined reduced social groups. “Nevertheless, the further development showed that although the previous fast growth of expenses was stopped, the social state was in fact not reduced and, what’s more, that the social state was stabilised (Sirovátka – Winkler 2010: 9–10, cf. Castles 2004).

Also, one of the most popular critics of neoliberalism in Czech academic environment, influential professor of sociology Jan Keller, agrees that the starting point for the “de-construction” of the post-War welfare state is the economic crises in the 1970 s. ‘Oil shocks in the 1970 s and the acceleration of inflation rates and unemployment led to the questioning of Keynesian politics based on demand support and opened the way to the starting of monetarism with its emphasis on the struggle against the inflation... Large firms in particular changed over to net structure and utilise a relatively small core of more or less stable workers and a branched periphery of suppliers and sub-suppliers with different forms of non-fully-fledged working contracts” (Keller 2011: 15).

The oil crisis and, above all, globalization is by the majority of contemporary critics considered the most important causes of changing the welfare state into another type of state. One either wholly different or else modified in the style of a welfare state. ‘The simultaneous strengthening of globalisation alongside rising unemployment, and wage growth being behind the growth of productivity (at least by some sorts of workers) are strengthening the conviction that globalisation is the cause of unemployment growth and declining wages’ (Svetličič 2008: 8). Nevertheless, as the same scholars continues: ‘The share of wages in GDP is becoming smaller, unemployment is growing, the earnings of the non-qualified are falling; but also the prices – and generally the welfare are growing’ (Svetličič 2008: 22).

In our opinion, the deep-rooted changes within Western societies and politics were provoked by the mixture of partial transformations that characterise the complex shift from modern to post-modern society. As Beck (2004, cf. Sirovátka – Winkler 2010: 8) shows, in recent decades the complexity of production technologies and societal institutions influencing our work and life has rapidly expanded. More often than ever before, people are confronted with technological or institutional failures in various spheres of societal life. The development from industrial towards information society has been accompanied

by the discussion of the (new) role of the state in the globalised world and also with the debate about the position and future of a welfare state in the new situation. This debate is also, and above all, the debate about the new social risks that have appeared in this period.

New social risks deeply interconnected with the social insecurity existing in (post)modern societies can be identified as follows: 1) the weakening of stable patterns of working life connected with the demand for qualifications alongside salary differentiations and the risk of job loss during the whole productive age; 2) pressure on qualified work related to the need for life-long learning; 3) the relative and absolute growth of the number of seniors in the population and the widening of pensions and health care costs (Sirovátka – Winkler 2010: 13–14). As for the concrete impact of these new risks on the individual, we should mention the changes in the working power structure (sector changes in agriculture and industry, growth of the self-employed sector), changes in the employer relations structure (abandoning the lifelong employee status, the widening of wage differences) and also the general re-commodification of risks, when employers (including the state) often transfer the market risks onto the employees (Klimplová 2010: 32–36).

New risk groups in society are relatively heterogeneous and as such comprise a minority group, their interests often contradictory and not overlapping with the established political parties (Sirovátka – Winkler 2010: 16). As the most important of such new risk groups, young people, the low-skilled and women are often mentioned (Klimplová 2010: 27). Additionally, it is not only in CEE countries that we should factor in the over-60 s. Seniors represent the strongest generation group in the politics of some European states, being strongly affiliated with certain parties (either single-issue or with more complex agendas).²

Based on the critics of neoliberal answers to the challenges in new “post-Fordian age” (Wacquant 2010: 216), the new social risks became the source of the new state’s pressure on the above mentioned new-risk groups. ‘Old social risk was rooted in the fact that the man, the head of the family, was not able to sustain the family from one wage. The new social risk means that the home can easily end up at the brink of poverty, although both spouses are employed. Old risks were to a considerable extent dependent on individual dispositions, but they were solved more or less systematically. Conversely, the new social risks (the disqualifying poverty) are systemically produced but should be handled individually’ (Keller 2011: 39 and 44). In fact, such critics are surely at least partly justified as far as the “new” or “post”-welfare states are often not able to find systemic and almost inclusively applicable solutions of new societal problems

2 Let us mention the examples of Slovenian Democratic Party of Pensioners or the Communist Party of Bohemia and Moravia, finding both its membership and electoral support among people aged 70 or more.

and risks. On the other hand, the one-sided critic presents the contemporary Western state as an antipode of the welfare state, which is far from the truth. In addition, contemporary Western states are clearly welfare states, but naturally different in comparison with the situation during the 1950 s-1970s.

Surely then, we must fully accept scientific typologies which bring the term (classical or /neo/Keynesian) welfare state into a confrontation with the “new” type of state that is often equated with one of the key liberal thinkers – Joseph Alois Schumpeter. It is worth mentioning here the interesting binary typology of Bob Jessop. Jessop (1999, 2002) differentiates two ideal-types of welfare-state regimes. On the one hand he mentions the (post-war) Keynesian welfare national state and on the other the Schumpeterian workfare post-national state. The first dominated during the 1960 s and 1970 s and Jessop equates this type with the Fordian model of economic growth and full employment. The latest has been developing since the 1980 s based on new strategic goals – flexibility of working power and strengthening of systemic competitiveness (Jessop 2000: 356; Mandič 2008: 12).

Jessop and other authors are talking about a universal shift from the first, ideal-typical, position towards the second, provoked by new challenges for welfare systems. As such, key challenges for the social security system we could define are as follows:

- the changing structure of working power markets with new risks and uncertainties regarding employment conditions
- globalisation and global wage competition, questioning the mode of social security funding
- the ageing process in developed societies (falling natality, prolongation of life expectancy etc.) and the deterioration of relations between the active and non-active generation
- changes in the private sphere (families with only one parent, one-person homes etc.) (Kopač Mrak – Rakar 2010: 13).

Nevertheless, we could see in Jessop’s typology that also the “new” type of Western state should be understood as a welfare state, but with different characteristics – the Keynesian welfare state has to shift towards the Schumpeterian workfare state, the ‘compensatory welfare state’ develops towards ‘activation of the welfare state’ (Geldof 1999, cf. Kopač Mrak – Rakar 2010: 14).

Indeed, in a critical author’s opinion such changes dramatically change the basic principles of the contemporary Western state that loses its welfare character and becomes a new type of (neoliberal) state where the principle of equality is dramatically suppressed. According to this author there are only two ways – a return to the traditional welfare state or a new, neoliberal state. Naturally, according to this view neo-liberalism is fully non-acceptable. It is worth drawing attention here to Wacquant’s position:

‘The concurrent decline of the manual working class, the rise of financial capital, spread of new technologies of communication, and a liberalisation of economic flow across national borders has ushered in a “short-termist, pure-market, constraint-free form of capitalism”. The emerging “terms of the neo-liberal consensus” include the “universal abandonment of Keynesian policies” and bring about “the hollowing out of the state and the privatisation of more and more of its functions”’ (Wacquant 2012: 69; cf. Crouch 1997: 357–359).

‘Neoliberalism originates in a double opposition, on the one side, from collectivist solutions (first socialist and later Keynesian) to economic problems and, on the other, from the minimalist and negative vision of the “watchman state” of classic liberalism. It wishes to reform and refocus the state so as to actively foster and bolster the market as an ongoing political creation” (Wacquant 2012: 71–72). ‘Neoliberalism is a *transnational political project* aiming to remake the nexus of market, state, and citizenship from above. This project is carried by a new global ruling class in the making, composed of the heads and senior executives of transnational firms, high-ranking politicians, state managers and top officials of multinational organizations (the OECD, WTO, IMF, World Bank, and the European Union)’ (Wacquant 2010: 213).

Even more critical is Keller (2011 and 2011a): ‘Modernization or reform of the social (welfare) state is under way in all European states. Above all it is related to the survival of public social care systems and the consequences of attempts to privatize these systems... Those who are victims of the risks outlined, have almost no – or only very limited – representation in political arena’ (Keller 2011: 7–8). Keller derives from this basic – and reducing – description of (neo)liberal reforms that the most important issue of the economic crisis and the political response offered by (neo)liberalism is ‘the ethically very sensitive theme of “economically unviable persons”’ (Keller 2011: 8). Keller (2011: 9) claims that ‘neoliberal reforms are not inspired by the effort to reduce the social problems, or even to prevent the diffusion of new social risks... New social risks should be managed by the same mechanisms that cause them.’

‘Transition from the class society towards the risk society (including the individualisation that is destroying the family dimension in the same way as the class dimension) is fully in the interests of the income and power elite. Namely, it serves to maintain the climate of people’s resignation on higher equality (smaller level of inequality, respectively) because they are fully absorbed by the anxiety of securing at least minimal security for themselves and their families’ (Keller: 2011: 27).

These general criticisms Keller worked up in his article concerning the Czech case, where he likens neoliberal thinkers and politicians to members of an organised crime syndicate. ‘The substance of neoliberal the model is the ‘mafianisation of economics.’ A mafia offers the protection for remuneration in a situation where risks exists and, simultaneously, where there is an absence of

trust that such risk could be managed by the public sector services. The insecurity is maintained by two means: 1) in the labour market via non-fully-fledged working contracts and an erosion of employees rights; 2) in the sphere of social care, with the reduction of a social state and citizens social rights.”

Keller understands the welfare state as a right and every reduction, rationalisation or saving in the state’s production of welfare is then, for him, a violation of this right. Let us give one example targeting development in the Czech Republic: ‘Topolánek’s government cut the state budget incomes with the flat rate and repeated insurance reduction. The wealthy were absolved from a considerable part of their tax duties (Keller 2011a).’ We can see that Keller, as one of the most prominent critics of (neoliberal) economic reforms in Czech Republic, understands progressive taxation as the precondition of a welfare state. Such opinion is very popular also among the Czech left and centre-left oriented political parties. Nevertheless, it is at least questionable if we as scholars could accept such conditionality that would strongly reduce the democratic, economic and political debate not only in the Czech Republic but also in the CEE. Let us emphasise that neither Keller, nor others among the prominent critics of (neoliberal) reforms of the welfare state, discuss demographic issues (such as ageing of the population and low natality) that strongly influence the financial capacities of state budgets, especially as regards social security, pensions and health care. Their basic answer is that the welfare state should not be reduced, but they do not offer alternatives or answers as to where the additional financial resources might be found. Basically, they answer that should the unethical and corruptive (neoliberal) leadership of Western states be removed, the “restored” neo-Keynesian leaders will then ensure the “complete” welfare state. Naturally, such one-sided and unbalanced criticism is in step with the rhetoric of those political actors that oppose neo-liberalism (leaning mainly to the left ideologically). On the other hand, regarding the most visible consequence of such politics, based on postponing and/or denying the welfare state’s reform, we should also mention the deepening of budget deficits. It is the opinion of this author that it is not necessary to extensively discuss all the negative impacts of this growing indebtedness on the state and society in this contribution.

Let us summarize that the welfare state concept came in the 1970 s and 1980 s before the major challenge presented by the changing nature of society, changing international conditions, and also the changed economic conditions produced by both the domestic (demographic development, the crisis of health and pension systems etc.) and external (liberalisation of world market, pressure on production flexibility and greater competitiveness etc.) milieu. Despite the ideological background of political actors discussing the new challenges – at least in this author’s opinion – being clear that the fundamental discussion of state capabilities must be held among political and economic actors at all levels of multi-level governance, undoubtedly the crisis must be politically and also

scientifically accentuated in the relation to the phenomenon of new social risks. These risks strongly influence not only the economic, but also broader cultural sphere of contemporary (post)modern societies.

Types of welfare state and the issue of East Central Europe

The most influential contemporary typology of welfare-state regimes originates from Gøsta Esping-Andersen (1990). He evaluated 17 Western countries, placing them in three different groups based on their typical social characteristics. In the first “liberal” group the welfare provision is modest, aimed towards those groups with the lowest income, groups that are often stigmatised; the basic role in such a welfare-state is playing the market. Mostly Anglo-Saxon states (USA, United Kingdom, and Australia) are placed into this group. In the second “conservative” or “corporatist-statist” group, social rights were/are bound together with class, church or other collective entities within the society. Countries such as Germany, Austria, France and Italy are placed into this group. The third “social democratic” group is identified with the “Nordic” countries. In this group the universalist/inclusive approach is (still) applied and respected and the welfare regime also incorporates the middle class (Esping-Andersen 1999; cf. Filipovič – Rakar 2008: 223–24; Mandič 2008: 9–11). Later on, Esping-Andersen slightly modified his initial typology, putting aside a sub-group of “Mediterranean” countries within the “corporatist-statist” group of states.³³

Naturally, regarding East Central Europe, the basic question that must be asked is how far such typology is (fully) applicable to the group of states that underwent transition from a state-planned economy towards a free market (eventually social free market) economy. Surely, among the ECE states we could also find noticeable differences regarding the issue of “protecting the achievements of previous period” – it is worth mentioning the strong role of the tripartite and corporatism in Slovenia on one side, and the quietly ambitious (neo)liberal reforms in Estonia, Slovakia and, partially, in the Czech Republic as well. Nevertheless, in all mentioned countries we cannot talk about a broad consensus on the issue and often, with the change of political actors in the government, the main reform vectors are also changed. In this sense we could generally pronounce that the reform of re-assignment of the welfare state in CEE countries is an unfinished process. On the other hand, the welfare state in Western countries is also under way with seemingly very different approaches and results. Common for both groups of states are the external preconditions given by globalisation, Europeanization and crisis. In addition, there is also

3 Some authors use different terminology based on the same assumptions. For example Kolarič, Črnak-Meglič and Vojnovič (2002), or Filipovič and Rakar (2008), use the term “Catholic welfare-state regimes” for the group of “Mediterranean” states (Spain, Portugal, Italy).

the mutual feeling that the welfare state is reduced, although the extent of this reduction is in different states very distinct.

As regards the CEE states, interesting typology of welfare state was evaluated by Kolarič, Črnak-Meglič and Vojnovič (2002: 60). Especially interesting is how the authors included the specific case of (post)Communist countries in their typology. The authors distinguish the specific category of “state-socialist” welfare-state regimes where the role of state was dominant. The state was the most important – or rather the only – owner, investor and supervisor of all institutions offering the utilities. Where the state did not dispose with sufficient financial sources and the non-profit organisations, including the church, were weak or (for ideological reasons) almost non-existent, the greater part of social care was secured within the family. Following a period of transition and change, in terms of which category of “western” welfare-state these systems have gravitated towards we cannot be absolutely clear. (The transition of welfare regimes is not finished yet; and the so-called post-Communist states strongly differ as regards the accepted and asserted solutions). ‘Nevertheless, we could easily say that these countries are still protecting some of the main characteristics of the former welfare-state regime’ (Filipovič – Rakar 2008: 25). With certain simplification we could say that we often observe a specific mixture of all three basic approaches (ideal types of welfare-state regimes) based on the non-existence of societal and political consensus on the “finality” (the final image of the welfare-state) and also on the actually dominant political actors. This is surely also the case of the Czech Republic, where in the public debate the (neo)liberal approach competes with the social democratic version, while in reality many of the pre-1989 arrangements are still playing an important role within the welfare system.

With respect to the fact that in the “West” there does not exist a single fully accepted type welfare regime but a plurality of such types, the strategy of CEE states in the process of transformation towards a new type of welfare system has not been not universal. In some cases we might observe that governments have preferred a fairly strong liberalisation (Czech Republic 1992–1997; Estonia; Slovakia after 1999), while in other cases we observe a more gradual development with the emphasis on broad social consensus (Slovenia, Poland); and in further cases we might identify the absence of the system along with the effects of the economic populism of political actors (Hungary, Rumania, Bulgaria). Nevertheless, in all of these cases, more than two decades of transformation cannot be understood as entirely continuous and we often observe quite significant turns in development brought about by internal factors (elections and change in government; and, in some cases, also serious economic upheaval connected mostly with public dissatisfaction; also external factors and institutions). In relation to these internal factors connected with government change, we should mention the different ideological approaches and political strategies by different politi-

cal actors; put simply the difference between the “left” and “right”. We should not forget that in many CEE countries these terms and ideologies are rooted only weakly in the political parties and also in society.⁴ On the other hand, in this sense with Westernisation and Europeanization processes the differences between the “West” and “East” are becoming smaller.

Czech economy in the last decade – a short overview

‘The Czech economy experienced a phase of economic expansion during the years 2003 to 2007; GDP growth increased from 3.8 to 5.7 per cent per year. However, this favourable development came to a halt in 2008 due to the global economic crisis. The first stage of the crisis that affected the financial sector worldwide did not leave any substantial traces in the Czech Republic, as Czech banks remained cautious when granting loans during this period. In 2008, however, due to dampened foreign demands upon which an open, small economy depends considerably, economic growth slowed down, and the dynamics of all expenditure items in the GDP structure decelerated; indeed, on a yearly basis, household spending on final consumption grew by only 2.3 per cent. This significant slowdown in expenditure growth can also be attributed to a rapid increase in consumer prices, which grew by 6.4 per cent on average. Reduced investment activities were evident in the decline in gross capital generation by minus 3.2 per cent... On the contrary; a relatively favourable development persisted in the labour market. The average rate of registered unemployment reached 6.62 per cent in 2007 and in 2008 it slightly decreased. However, by the end of 2009, the impact of the economic crisis was also evident in the labour market, average nominal wages continuing to grow at the already rapid rate of 7.8 per cent in 2008, before starting to accelerate in 2009’ (Veverková 2012: 50–51).

It is easy to agree with Veverková that the critical point occurs in the year 2009. This matter of fact is apparent also from the statistical data presented in the following set of tables.

Table 1: GDP Growth in Czech Republic 2004–2012

2004	2005	2006	2007	2008	2009	2010	2011	2012
4.7	6.8	7.0	5.7	3.1	-4.5	2.5	1.8	-1.0

Source: <http://www.finance.cz/makrodata-eu/hdp/statistiky/vyvoj-hdp/> (1 August 2013).

4 As an example, French political scientist Jacques Rupnik labelled the Czech Civic Democratic Party led by the “Thatcherian” V. Klaus, as the typical Western social democratic party.

Table 2: Unemployment Rate in Czech Republic 2004–2012

2004	2005	2006	2007	2008	2009	2010	2011	2012
8.3	7.9	7.1	5.3	3.1	6.7	7.3	6.7	7.2

Source: Czech Ministry of Labour and Social affairs, <http://www.finance.cz/makrodata-eu/trh-prace/statistiky/mira-nezamestnanosti/>; Eurostat, http://europa.eu/rapid/press-release_STAT-13-70_en.htm (1 August 2013).

Table 3: Budget Balance in Czech Republic 2003–2012 (% of GDP)

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
-4.3	-2.8	-3.2	-2.4	-0.7	-2.2	-5.8	-4.8	-3.3	-4.4

Source: OECD, http://www.oecd-ilibrary.org/economics/government-deficit_gov-dfct-table-en (1 August 2013).

The tables show that 2009 was the year the crisis fully affected the Czech economy, but in comparison with the majority of other CEE (and many other European) countries not as vigorously. As we can see, the Nečas government was able to stop the rise of state debt and, for a short time (2011), also the rise of unemployment. On the other hand, the GDP growth did not reach a suitable level comparable with the situation from the mid-2000 s (the first real growth in comparison with the period before 2009 was registered in the first half of 2013). One of the reasons may be found in the deep interconnectedness of the Czech and German economies – where the German economy grows the Czech economy joins it. ‘Germany is by far the most important economic partner of the Czech Republic. More than 30 % of Czech exports and more than 25 % of imports are linked with Germany. No later than since the Czech EU Presidency Germany has been valued as the most important and in most cases also the most responsive EU-Member State.’ (Handl 2012). Handl discusses the closeness of economic cultures in both countries: ‘aiming towards a balanced budget, low inflation, strengthening the competitiveness of pro-export economy and achieving the foreign trade surplus.’

Nevertheless, let us return to the year 2009. In this year ‘GDP contracted by 4.7 per cent; this decline was the greatest since the establishment of the Czech Republic in 1993. This negative growth rate was primarily due to declining exports, but the slump was also caused by other GDP components, not including expenditures in government final consumption that grew by 2.6 per cent in order to stabilize the Czech economy. The downward trend in economic performance continued throughout the year, but from mid-2009 certain stabilizing effects became evident, for example the slight growth of foreign trade and industry. Export sectors profited mainly from the improvement in Germany’s business

climate; in particular, the introduction of the car scrappage premium (the *Abwrackprämie*) in Germany increased that country's demand for Czech cars. In 2009, the imbalance in the labour market deepened and the registered unemployment rate increased dramatically to 7.98 per cent. The aforementioned development was accompanied by the worsening of other labour-market characteristics, in particular by the plummeting of job vacancies. With regard to salaries, the volume of paid wages was lower. As dismissals mostly affected low-qualified employees, i.e., the low-paid, the average wage kept growing, albeit significantly more slowly than in previous years. In the fourth quarter of 2009 minor improvements began to appear, and then followed by obvious signs of recovery in 2010, GDP growth returning to positive figures as a consequence of the improvement in external conditions. Nevertheless, the Czech economy remains affected by structural dependencies that make it highly vulnerable to the development of the economic cycle abroad and have an impact on its overall international competitiveness. Over time, the rise in the unemployment rate became evident, reaching 9.01 per cent in 2010 mainly due to the decrease in labour demand, especially in the construction industry. In line with overall economic development, the growth in nominal wages slowed down and the inflation rate remained low' (Veverková 2012: 51).

As we mentioned earlier, Topolánek's government declared in 2007 a set of reforms intended to place the Czech Republic among the competitive nations regarding knowledge economy. Nevertheless, such reform went unrealized due to internal clashes in the government and its weak majority in the Chamber of Deputies. In fact, the crisis brought for Topolánek and his reform efforts new impulse. Topolánek's government and the National Economic Council presented at the beginning of 2009 a number of proposals and measures against the crisis:

- 'Short-term measures, including the determination of the day of adoption of the Euro, coordination of the policies of the Government and of the Czech National Bank with the aim of granting credit, promoting exports, and implementing the Insolvency Act; maximizing the utilization of EU Structural Funds; accelerating existing State investment programmes; actively stimulating demand via public tenders; strengthening an active employment policy by focusing on re-training and on the mobility of the workforce; promoting tourism, and so on.
- Mid-term measures, which included amendments to the Labour Code allowing for more flexibility on the labour market, the reduction of entrepreneurs' administrative burden, and the promotion of research and development.

- Long-term measures, including the reform of the state administration to improve its functioning and reduce operational costs, a reform of the school system in order to change methods and principles of education, as well as the reform of healthcare, pensions, social policy, etc.' (Veverková 2012: 52).

Nevertheless, these measures were not implemented by Topolánek's government, terminated after a no confidence veto in March 2009 after which Fischer's caretaker government emerged.

Czech political debate on welfare state issues before the crisis

Even before the “big-bang” EU-Enlargement in 2004, the financial problems of many CEE countries (growing budget debts, growing pressure on health and pension systems, growing unemployment, low working productivity, low rate of tax collection etc.), along with external influences (Europeanization with Copenhagen criteria, globalisation and the pressure on sustainable development and competitiveness, international rating agencies etc.), had already boosted the debate concerning the welfare state (not only) in CEE countries. In this author's opinion, one of the most important actors was the rhetoric of new centre-left leaders in Western countries (B. Clinton, T. Blair, G. Schröder, L. Jospin) stressing the importance of knowledge economy and competitiveness, embodied at EU-level within the Lisbon Strategy (2000). Many of the key ideas of this “Third Way” (the stress on individual effort and responsibility, the issue of human capital and lifelong learning, the preference of individual freedom and motivation in the economic sphere etc.) also influenced the Czech right (especially the Civic Democratic Party led by Mirek Topolánek); left-leaning parties meanwhile continued to promote the traditional socialist formulas. In fact, the so-called neoliberal approach of the Czech political right presents a specific mixture of “Third Way” (competitiveness, non-inclusive social system providing services only for those in need, strong state within selected economic sectors such as energy, etc.) and neoliberal attitudes (flat income rate, preference of non-direct taxes, /semi-/privatisation of some sectors within the traditional welfare state etc.). Such development shows that in the Czech case the political right accentuated the problems within the EU sooner than the left.

The debate over economic issues, including the “welfare extent”, became one of the key issues of the electoral campaign before the parliamentary elections in 2006. The key actors were the strongest opposition party, ODS led by Topolánek and emphasizing the need for reform, including the debate over the financial participation of patients within the health system, pension reform including the introduction of voluntary pension saving, reduction of social support, especially for those who “avoid work”, introduction of a flat income

rate, implementation of tuition fees at public universities, etc. The leader of left-wing camp – the Czech Social Democratic Party (ČSSD) led by populist leader Jiří Paroubek (“Bulldozer” as he labelled himself) – challenged all such proposals as unnecessary, saying that the missing financial resources might be gained by new taxes on the rich, with property confiscation when dealing with “fraudsters”. Paradoxically, ČSSD was the single (1998–2002) or dominating (2002–2006) party in government.

After the elections, the left (Social Democrats, ČSSD; and the Communist Party of Bohemia and Moravia, KSČM) occupied half of the seats in parliament (100); the second half was divided among the ODS and two small centrist parties (the Christian Democratic Union – KDU-ČSL and the Green Party – SZ). After more than 5 months, Topolánek, the leader of ODS, was able to create a coalition government with these two small centrist parties; naturally, the reformist program of ODS was strongly limited within the coalition. In fact, it was reduced “only” on the implementation of a flat income rate⁵ and the implementation of a so-called regulation charge by physicians. This policy might be evaluated as the first neoliberal reform step in Czech Republic. The regulation charge was determined at 30 Czech crowns (approx. 1,20 €) in 2007, children under 18 years not paying⁶. The analyses show that this regulative step led to a significant reduction of the demand on the health system as regards visits with trivial illnesses and also prescription of medicines on such illnesses financed from the public health insurance.

The government repeatedly stressed that the savings might be used for the treatment of serious illnesses. Nevertheless, the regulation charge was misused by the Social Democrats as the symbol of “unsocial reforms of a neoliberal government” during the electoral campaign for the regional parliaments in 2008. The negative campaign, using the illegal promise of reimbursement for the regulation charges from regional budgets, was very successful (ČSSD promised in the campaign that should the party create the regional executive after the elections, it will reimburse the regulation charges; in some case it really happened, but the Constitutional court later find such behaviour gong against the law). Concerning this political episode it is worth documenting that there is a lack of willingness to communicate and search the consensus among the main Czech political actors. Due the fact that in the period 2006–2013 the right-wing parties with neoliberal tendencies were in power, the Social Democrats profiled themselves as anti-reform opposition and rather than bringing

5 15 per cent from the so-called super-brutto wage, i.e. wage + 35 % that the employer has to pay in addition to the state budget (health and pension insurance); i.e. approximately 19,5% from brutto-wage. In fact, from 135 Czech crowns the employer releases (100 to the employer and 35 to the state) the employer receives 63,75, the state 71,25.

6 There are also other exceptions from the charge duty, but we do not feel the necessity to present the whole list here.

positive program and reform alternatives offered instead the unclear rhetoric of pro-growth measures based on deepening the debt. As the most important co-worker of ČSSD, the labour unions must also be mentioned. In the Czech Republic the labour unions are permanently tied with the ČSSD (union leaders are used as party candidates in the elections etc.). The ties between the ČSSD and the labour unions strongly diminished the tripartite cooperation between the governments led by ODS (2007–2013) and the labour unions.

Topolánek's government repeatedly raised issues before the problematic growth of mandatory expenses in the Czech state budget, calling for more fundamental reform. In the Czech state budget for the year 2013 (i.e. after all savings made by the "neoliberal" government of Petr Nečas – see below) the share of mandatory (social insurance, pensions, social payments such as unemployment benefit, child benefit etc., state subsidies on pensions and building society accounts transfers to international organisations etc.) and quasi-mandatory (expenditures of active employment policy, military, foreign aid, public sector employee wages etc.) expenses in the Czech state budget comprise the absolute majority of all budget expenses; for any government there remains little space for the realisation of its own programmatic priorities, including budget reform and savings in general. In the year 2013 mandatory expenses constituted 58.6 % of state budget expenditure (in 2007 it was 50.8 %), while factoring in quasi-mandatory expenses inflates the amount to 85 % of all budget expenditure (*Zpráva k návrhu zákona o státním rozpočtu ČR na rok 2013*).

Nevertheless, the reformists in Topolánek's government did not win enough support in the parliament⁷ – in both small coalition parties, the KDU-ČSL and the Green Party, there was fairly strong opposition towards the neoliberal rhetoric (in the Green Party a left-oriented and "leftish" faction). In the ODS as well there were desertions from government support based on opposite reasons (the reforms of the government were deemed to be unsatisfactory). Based on these factors, Topolánek's government did not survive the vote of non-confidence in March 2009. This incident happened in the course of the Czech EU-Presidency and also during the financial crisis and – in this author's opinion – deeply affected Czech discourses on the crisis. In fact, the government was removed exactly in the period of deepest slump, but the caretaker government (that should govern in the few months till the extra-ordinary elections, but in fact was in office for 16 months) was not able (and perhaps also not prepared) to make any clear anti-crisis decisions.

7 But the government also suffered from scandals involving some government members, mostly corruption affairs. This was also the case of Petr Nečas's government, but here there was an important difference – in Topolánek's government the scandals did not lead to the resignations of affected members of government, while Nečas at least partially excluded such dubious members from his government.

In fact, the frequent rotation of government during the crisis might be understood as one of the important reasons for an absence of consensus on the basic anti-crisis measures. The ideological clash among political parties and other actors along with the permanent electoral campaign did not create a milieu for pragmatic debate. In the Czech Republic there have been four governments in the last four years.⁸ Between two conservative Premiers (Mirek Topolánek and Petr Nečas, both from the Civic Democratic Party), Jan Fischer's caretaker government took office after a no confidence vote forced Topolánek to resign in early 2009. After the resignation of Petr Nečas (June 2013) President Miloš Zeman decided not to respect the parliament and nominated a "presidential" government led by Jiří Rusnok. The government did not win enough votes in the confidence vote on 7 August, but the President decided to maintain the government over the next months. Because this government presented only a very general manifesto, we could include it in the analysis only marginally.

How to respond to the crisis?

'The global financial crisis that since 2008 spilled over from the United States of America and Western Europe to the new EU Member States from Central and Eastern Europe (CEE) was the harshest since the post-1989 transitional recessions. The GDP and industrial production slumps, the rise in unemployment, and the impoverishment of the population were results of a severe credit crunch and falling international orders, and of years of postponed structural reforms that aggravated the region's vulnerabilities. Such an emergency required not only decisive executive action, but also the concentration of short- and long-term anti-crisis measures between governments, organized labour, and employers' organizations... Most governments enacted harsh fiscal consolidation measures. Even though the region started with low public debt levels, tax revenues fell faster than GDP due to falls in imports, the declining asset base, weak compliance and, sometimes, lower taxes. Budget deficits that had been triggered by anti-crisis measures and increased public borrowing to recapitalize banks led to near-defaults of countries such as Latvia' (Guardiancich 2012: 1 and 4). As regards individual countries, Guardiancich evaluates Bulgaria and Czech Republic as "intermediate cases", i.e. these countries were not affected so strongly by the economic crisis as Poland and Slovenia (Guardiancich 2012: 1).

Guardiancich and his co-authors emphasize that the governments of European countries reacted to the global crisis firstly with short-term measures, later on (in the second phase) starting to look for mid- and long-term strategies. 'The

8 To this we should also add the Presidential election of January 2013 that strongly divided the political arena and society as new President Miloš Zeman was elected, the former ČSSD-Prime Minister and strong activist with neo-Keynesian rhetoric. One of his ideas is that "the Czech Republic must heavily invest to overcome the crisis".

Czech road for drafting anti-crisis measures was not as smooth as in Bulgaria, owing partly to the unstable political environment. Under the premiership of Mirek Topolánek, both the unions and employers were critical of the National Anti-Crisis Plan on procedural grounds: the plan was proposed at an extraordinary meeting of the tripartite, i.e. the Czech Council of Economic and Social Agreement (RHSD), in February 2009 and sent to Parliament two days later, leaving no time for the social partners to comment on it. The plan contained various incentives, but the reduction in contributions and other tax-related interventions attracted the criticism of the unions. Conversely, employers were satisfied with the support given to firms, channelled through measures such as amortization acceleration and lower tax prepayments. Succeeding Topolánek, the caretaker government under Fischer committed to continuous negotiation with the social partners. After several failed attempts, the social partners involved in the RHSD agreed on a list of 21 measures to reduce the 2010 deficit. Most were incorporated in the document *Ways Out of the Crisis – 38 Common Measures of the Government, Trade Unions and Employers* representing the pinnacle of Czech tripartism in 2008–10 and including provisions to fight corruption and cut red tape for business' (Guardiancich 2012: 13).

As already mentioned, the tripartite – especially relations between the government and labour unions – were diminished by the long-term cooperation of unions and the ČSSD that was in opposition from 2007. The discrepancies were softened after the formation of Fischer's caretaker cabinet, when the broader consensus was found. After the 2010 elections 'tripartite consultations deteriorated after the centre-right Government headed by Petr Nečas took office in mid-2010. The Government refused to fully implement the document "Ways Out of the Crisis", which had been agreed together with the social partners less than a year earlier. By 2012, the situation had degenerated: the unions abandoned the RHSD extraordinary meetings and organized a vociferous "Stop the government" campaign, mainly because their proposals were entirely overridden by the Finance Ministry, which foresaw harsh austerity measures' (Guardiancich 2012: 14).

The tripartite crisis should not be understood as a specifically Czech manifestation of missing consensus on the anti-crisis measures. As Guardiancich (2012: 15) concludes, the crisis arises from the uncertainty of all important actors. 'The social partners and governments in Central and Eastern Europe have come under extraordinary stress, rendering the negotiations ever more difficult. Neither the unions nor employers responded adequately. The long-term trend in union density decline coupled with negative labour market conditions (and some isolated legitimacy problems) probably contributed to the radicalization of the social partners' attitudes and their entrenchment in positions that allowed little compromise. Employers became plagued by company insolvency and low competitiveness, experienced representativeness problems and, in

several instances, were concerned only with their own narrow issues (e.g., the reduction of social benefits at the expense of workers)' (Guardiancich 2012: 15).

Also worth mentioning is the specific situation of unions in the CEE, including the Czech Republic. After the transition, unions lost a significant proportion of their membership while the remainder are mostly strongly politically involved. 'Especially younger workers in the CEE often consider the labour movement as a relic of the communist era, rather than an indispensable component of modern market economies and excessive politicisation of labour unions' (Ladó – Vaughan-Whitehead 2003: 69). As regards the Czech Republic, unions connected with the ČSSD (and since January 2013 also with the new president Miloš Zeman) create a specific antipode of 1.5 million small entrepreneurs (mostly family firms) that are powerfully linked with the ODS. Since the mid-1990 s, these two socio-political camps have formed along the socio-economic rift and represent the most important actors, together with the third similarly strong “pillar” – senior citizen who are often aligned with the nostalgic and only partly reformed Communist Party.

After the 2010 parliamentary elections the new government coalition was formed with a predominance of right-wing parties with a neoliberal (TOP09) or liberal-conservative (ODS) agenda. These two parties were accompanied in the coalition by new “niche party” Public Affairs (Věci veřejné) with an unclear, somewhat vague party manifesto. The government announced it had refused the strategy of Fischer’s government that had found consensus with the labour unions in exchange for stopping the cuts and preparing the state budget for the year 2010 with the debt higher than 5 per cent. The new government announced the need for deep reforms arising from the crisis (as a short term reason) and the worsening of budget stability (a long term or permanent structural problem). In the government manifesto, a wide-ranging set of reforms was foreseen including:

- The reform of public financing with the aim to slow down public debt growth and achieve a balanced budget by 2016.
- A pension system reform that ensures long-term financial sustainability and that copes with the demographic challenge of the Czech Republic.
- A set of reform measures which modernize the healthcare system and increase its efficiency.
- The reform of tertiary education.
- Measures to substantially improve transparency in public contracts and reduce corruption in the public sector, thereby rendering public financing more stable and efficient (Veverková 2012: 58; *Programové prohlášení Vlády České republiky*, 4 August 2010).

Since the very beginning both the strongest opposition party ČSSD and the labour unions linked to this party, strongly opposed all the above mentioned priorities of the new government. In his first reaction to the new government, Chairman of ČSSD Bohuslav Sobotka mentioned: 'The most important party in the government will be TOP09, who will determine the financial policies, work and social affairs, foreign affairs and health policy. This party will be in charge of ministries where the government will make the most important reform and budget steps. and mostly the conservative and neoliberal program of TOP09 will be implemented. The most important person in the government will be the Finance Minister for TOP09 Miroslav Kalousek.'⁹ Nevertheless, such evaluation was too general, in as far as within ODS critics were continually strengthening, showing that the main person in the government was not Prime Minister Nečas, but the Finance Minister Kalousek. The same rhetoric was also used by President Zeman, introducing "his" (Rusnok's) government on 7 August 2013; Finance Minister Kalousek (also in the same position in Topolánek's government) became "public enemy".¹⁰

Such evaluation is fully in accordance with the general assessments regarding the crisis and the changing role and importance of Finance Ministries. As Guardiancich (2012: 11) mentions, during the crisis the dominance in the government shifted from social affairs towards finances. 'As the crisis unfolded, most new Member States experienced severe external pressures to restructure their public finances (the Council of the European Union issued several Excessive Deficit Procedures). These austerity plans were mostly prepared by the Ministries of Finance, which held during the crisis a more powerful portfolio than the Ministries of Labour (responsible for the initial short-term anti-crisis packages). Finance Ministers often overrode the demands of organized labour. Hence, CEE countries did not experience only political instability, but also abrupt changes in personnel and orientation of politicians combating the economic emergency. In fact, the deterioration of social partnership that followed coincided with the fiscal consolidation measures in the region. However, despite the evident stalemates, the tripartite bodies were still used as debate forums by all of the countries under examination' (Guardiancich 2012: 11).

The social partnership also deteriorated in the Czech Republic; the position of labour unions and the government so different that the discussion was dis-

9 Sobotka (ČSSD): Vznikající pravicová vláda není kompetentní. *Parlamentnilisty.cz*, 30 June 2010, <http://www.parlamentnilisty.cz/arena/politici-volicum/Sobotka-CSSD-Vznikajici-pravicova-vlada-neni-kompetentni-169231?diskuse & parent=46024 & beta=enter> (1 August 2013).

10 On the other hand, it is worth mentioning that both the ODS and TOP09 accepted the idea that the most important "reform ministries" in the government would be reserved for TOP09. ODS hoped that the public would punish the reformists in the next elections and that it would strengthen their own position. TOP09 was hoping to strengthen the party's position with successful reforms. Later we will evaluate the reforms as quiet successful and TOP09 as the "winner" of this intra-government clash.

rupted and finally the labour unions left the negotiations and started to openly cooperate with the opposition. As Veverková (2012: 47 and 59) mentions, 'relations between the social partners and the government have changed, depending on the government's political orientation and its level of willingness to accept the social partners' proposals. It may be argued that the most important tripartite response to the crisis was the document titled, *Ways out of the crisis – 38 common measures of the Government, trade unions and employers*, in which the government and social partners agreed on 38 measures which could help the Czech economy mitigate the effect of the crisis. However, this document was not accepted by the new right-wing government which took office after its election in 2010... The social partners, trade unions in particular, criticized the reforms; not only did the economic conditions worsen, but the social partners and the government held very different opinions on what measures would restart economic growth. One of the consequences of these disagreements was that since 2011, the relationship between the employer organizations and the unions, as well as between the social partners and the government, significantly deteriorated. The union left the tripartite and started the initiative "Stop the Government". The third actors in the tripartite – the employers – were quietly passive in this clash, tending to support the government as regards the issue of minimum wage (the unions repeatedly proposed the increase) and more contractual freedom. On the other hand, employers were the most important actor asking for a final date of euro-adoption saying that the Czech crown was too strong and negatively affecting export.

The real effects of the reforms could be observed from the beginning of 2012 when a set of new legislative acts came into force, the most relevant being:

- 'The new amendment to the Czech Labour Code, submitted to the social partners for comments, entered into force on 1 January 2012. It aims to provide employees and employers with more contractual freedom and increase labour market flexibility.
- The VAT increase, to cover the costs associated with the pension reform.
- The lower VAT rate, rising from 10 to 14 per cent, with the basic rate remaining at 20 per cent; starting from 2013 a single uniform VAT rate of 17.5 per cent will be adopted, without exceptions. Other taxes and contributions should be affected as well (an increase in Personal Income Tax and in the contributions for health insurance). However, tax reform is still at the preparatory stage and will probably not become effective before 2014, while the only innovation in direct taxes is a tax on gambling

- Beginning in January 2012 the eligibility rules relating to unemployment benefit entitlement have been tightened, while neither the standard length of fruition, nor the amount of support are supposed to decrease. The eligibility restrictions, according to the Minister of Labour and Social Affairs Jaromír Drábek (TOP 09 party), shall result in greater activation of the unemployed, in the reduction of illicit work, and in greater public appreciation of employment mediated by labour offices and unemployment benefits in general.
- The reforms also affected social benefits: parental allowances will be lower, but with a simplification of the eligibility rules, beginning in January 2012 when employment offices will disburse all social benefits, whereas in the past the municipal authorities were also in charge” (Veveřková 2012: 59).

Such reforms maintain all important attributes of the welfare state or, in other words, “four basic pillars of a new empowering politics of the welfare state in CEE:

- guaranteed minimal income for the most at-risk groups
- basic income for the children
- basic, from tax financed pensions
- public investments in education and human capital formation” (Cerami 2008).

The reforms, however, were only halfway, especially because of government in-fighting, the most visible effects of the reforms being savings and cuts and increases in (indirect) taxes. Frankly said, it was also the implementation of reforms that highlighted many problems, especially concerning those in need (disabled people, children etc.); and many administrative problems occurred. It is not enough to say, however, that these problems only provoked very strong public dissatisfaction against the government. Conversely, it must be mentioned that from outside sources the reforms were often considered successful. The review *Emerging Markets* rated the Finance Minister Kalousek repeatedly (2008 and 2011) the best finance minister in the group of thirty developing countries in Europe, Asia, Latin America and Africa.¹¹ In addition, at the EU-platform the Czech reforms were viewed as largely successful and stabilising the country. The evaluation of rating agency Moody’s, the Moody’s Investors Service, rated the reform steps of Nečas’ government as successful: ‘The Czech

¹¹ Kalousek je nejlepším ministrem financí ve střední a východní Evropě. *idnes.cz*, 24 September 2011, http://ekonomika.idnes.cz/kalousek-je-nejlepsim-ministrem-financi-ve-stredni-a-vychodni-evrope-1jh-/ekonomika.aspx?c=A110924_102507_ekonomika_cen (15 August 2013).

government has demonstrated a continued commitment to enacting forceful measures to narrow the deficit. The ratings firm said these measures have been key in preserving fiscal-policy credibility and creating fiscal space ahead of a government transition. Last year, Czech authorities over-complied with consolidation targets for the third consecutive year despite a very unfavorable macroeconomic environment and political tensions that have led to the collapse of the governing coalition. The Czech Republic's contagion from the euro-area debt crisis has been limited. the country's key credit strengths include a very liquid and well-capitalized banking system that provides a stable funding pool and thereby decreases the government's reliance on non-resident financing and provides insulation from volatility in financial markets. prudent policymaking has also been an important factor in suppressing funding-cost increases. The country's financial system remains healthy, with banks operating under a traditional business model that focuses on deposit-funded lending. As a result, contagion through the financial system is unlikely. Moody's maintained its stable outlook on the country' (*Moody's Affirms Czech Republic Rating on Fiscal Consolidation 2013*).

Nevertheless, the Nečas government terminated its existence with the resignation of Prime Minister Nečas on 16 June 2013. The reason was the "spy-affair" of the chief (and close friend) of Nečas' office; though the resignation was not related to the vote of no confidence against the government nor with its loss of parliamentary support. Nevertheless, President Miloš Zeman decided not to use the platform of the existing coalition and decided to nominate the "technical" government led by Jiří Rusnok. In fact, the government was created by individuals often associated with the non-parliamentary party SPOZ (The Party of Miloš Zeman Friends), as the "presidential party". The government gained the support of parties on the left, but not the confidence (the majority of deputies voted against the government on 7 August 2013).

The president nevertheless decided to keep the government in the next period. It is a development and decision we could understand as a "neo-Keynesian turn" in Czech politics. Namely, Rusnok belongs among the most influential economic experts (as well as other activities, he was a member of the Zeman and Špidla's government in 2001–2003 and also a member of the National Economic Council /NERV/, the advisory board created by the Topolánek government; he also acted in NERV during the Nečas government's term in office). In his first interview as prime minister Rusnok presented his basic visions: 'The main priorities will be employment and economic growth. We are going to invest in pro-growth measures. Resources will not be used either for the state consumption, or for public consumption. They will be used for infrastructural investments, but also for issues related to science, research and schooling.' The new prime minister also promised to use approximately 15 billion Czech crowns from the state company Czech Forests (*České lesy*) for short-term employment

in the sector (cleaning, maintenance, etc.).¹² Such concrete promises are in essential opposition to the very common impression of the Program Manifesto the new government presented at the beginning of August, 2013. It also shows that the new government is opting for short-term solutions – on a one-time basis using the saved resources from state owned companies. Such policy should be regarded as populist, with a clear orientation towards winning public support for the coming parliamentary elections.¹³

Owing to the fact that we evaluate only the program document of the new government and not the concrete steps¹⁴ our evaluations are scientifically limited. Nevertheless, we share the opinion of B. Pečinka (2013) that the government created under the patronage of the most important symbol of neo-Keynesianism in Czech politics – President Miloš Zeman – will prefer traditional heavy industry and support large state investments (transport networks, energy, etc.). Important representatives of this industrial branch became members of the government, especially from the northern Moravia region. As Pečinka wrote, 'it is a question whether, behind the declarations about “effective industry”, there is not hidden the effort to only temporarily help this region, whose heavy industry is anyway impossible to maintain.' For the pro-growth measures of Rusnok's – and also the next – “political” government there will be enough revenue from taxes enlarged by the Nečas “neoliberal” government.

Conclusion

The Czech public and political debate on the crisis was framed by the long-term ideological debate about basic economic rules and priorities. Such debate started with the economic transition at the beginning of 1990 s and remains unfinished until now. Although we miss basic consensus among the important political and socio-economic actors, almost every change in government brings new “reform” to the Czech Republic. Such “reforms” are, basically, mostly realized only partially because of weak governments (coalitions winning minimum votes, with mostly 101 from 200 deputies, or minority governments), as the case of Topolánek's government in our study demonstrates. On the other hand, the Nečas government succeeded in implementing more reform measures than

12 Premiér Rusnok: Je tu práce jako na kostele. Přesuneme miliardy. *Parlamentnilisty.cz*, 30 July 2013, <http://www.parlamentnilisty.cz/arena/monitor/Premier-Rusnok-Je-tu-prace-jako-na-kostele-Presuneme-miliardy-280537> (1 August 2013).

13 The majority of members of the “technical” government were asked by the “presidential party” SPOZ to candidate for the party in the extraordinary parliamentary elections in autumn 2013.

14 The government failed to win the confidence vote on 7 August 8 August 2013. Nevertheless, the first economic step was already done; the new government increased the guaranteed minimal wage from 8.000 to 8.500 Czech crowns.

expected, although many of them should be considered “mere” savings.¹⁵ After 2010, strong opposition to the government and reforms was established by the left, the newly elected President Miloš Zeman, the labour unions, and also other important players¹⁶ With Rusnok’s government this group of neo-Keynesianists and traditional socialists (along with non-reformed Communists), with the tendency to support the fully inclusive strong welfare state, gained the opportunity to realize their vision of economic policy.

The ascension of Rusnok’s government coincides with the newest softly optimistic prognosis regarding the moderate recovery of important European economies, with Germany’s in first place. The same optimist prognosis also accompanied the creation of the new Czech government led by the Social Democrat Bohuslav Sobotka in February 2014 that was formed after the extraordinary parliamentary election in late October, 2013. The government is based on the cooperation of Social and Christian Democrats and the newly formed ANO 2011 led by the oligarch Andrej Babiš.¹⁷ Should this economic revitalisation positively influence the Czech economy, the most important issue will be whether such economic prosperity will be accompanied by necessary reform of the welfare system and also by budget balance policy. This seemed to be the most important

15 In a reaction to the state budget proposal for the year 2013, the Vice-Chairman of ČSSD, Lubomír Zaorálek, dubbed Finance Minister Kalousek as “the Cut Minister”. Kalousek proposed a budget cut to 41bn Czech crowns, asking coalition deputies to support tax reform including the increase of a lower rate of VAT and the implementation of a new income tax for individuals earning more than 100.000 Czech Crowns (about 4.000 €) per month. In his response to Zaorálek’s declaration, Kalousek considered that the savings would negatively influence the development of the Czech economy and that it would be better to modestly tax consumption and enable pro-growth investments. ‘But this government is deeply convinced that it is impossible to generate economic growth in exchange for an increase in debt. Social Democratic Ministers generated hundreds of billions in debts in the periods of HDP growing by 5 per cent. Now we are seeing the consequences’. Otázky Václava Moravce, *Czech TV*, 7 October 2012, <http://www.ceskatelevize.cz/ivysilani/1126672097-otazky-vaclava-moravce/212411030501007/titulky/> (3 August 2013).

16 Let us as an example mention the influent President of Constitutional Court Pavel Rychetský. The Constitutional Court is often asked by the political parties to decide about the constitutionality of reforms legislature. President of Czech Constitutional Court – and former prominent leader It is worth mentioning the influential president of the Constitutional Court Pavel Rychetský. The Constitutional Court is often asked by political parties to decide the constitutionality of reforms legislature. The president of the Czech Constitutional Court – and former prominent leader of the Social Democrats and member of the Czech government – Pavel Rychetský rejects ‘the way of aggressive neoliberalism in some European countries, including the Czech Republic, leading to the social insecurity and the deepening of social fissures, the dismantling the social state and privatisation of public functions of the state legislature.’ Otázky Václava Moravce, *Czech TV*, 7 October 2012, <http://www.ceskatelevize.cz/ivysilani/1126672097-otazky-vaclava-moravce/212411030501007/titulky/> (3 August 2013).

17 Babiš represents the nomenclature cadre from the 1970 s and 1980 s. After the democratic change he became one of the important players in the privatisation process and, generally, the economic transformation. In 2011 he decided to enter politics, his movement succeeding in the populist attack against the political elite. After the elections he became the finance minister (as we showed in our analysis, the finance portfolio is the most important as regards the debate about social services and the welfare state in general). In addition to his companies he has also built a media group; thus we describe him as “oligarch”.

mistake after 2003 when the left-centre government did not use the strong GDP growth for savings; on the contrary, in a period of clear prosperity it was producing large budget deficits¹⁸ (consult Table 1 and Table 3). There can be no doubt then, that the demographic development and strengthening interdependence in a globalised world will push (not only) the Czech economy towards important reform. The German experience of a mixed knowledge and industrial economy has to be a good example for the Czech Republic as well.

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¹⁸ Nevertheless, the large investments and “pro-growth” plans of the new government – and, basically, of the Social Democrats – should not be accompanied by any tax reform. In fact, the government hopes to spend more money without searching for new revenue sources (the new finance minister vaguely promises more effective tax collection). Thus, the first estimations expect that the public debt of the Czech Republic will start to increase again under the new government.

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Ideological Profile and Crisis Discourse of Slovenian Elites

MATEVŽ TOMŠIČ, LEA PRIJON

Abstract: *This article deals with the nature of crisis discourse concerning the Slovenian political, business and academic elite and the ideological orientations that determine it. The authors claim that the ideological profile often related to their 'vested interests' strongly determines the common perception of crisis in Slovenian society. The crisis in Slovenia that derives from deficiencies of its developmental model, labelled as "gradualism", is strongly related to configuration of political and other elites, i.e. a high level of elite reproduction and corresponding ideological hegemony exercised by one of the elite factions.*

Keywords: *elite, crisis, discourse, transition, Slovenia*

Introduction

The crisis that appeared five years ago and affected societies all over the world is not only about facts and numbers as measured by different indicators (like GDP decline, loss of jobs, budget deficits) it is also about interpretations. Attitudes toward the crisis, explanations of its extent and causes, as well as its solutions, are affected by different factors. Neither are they determined solely by economic and social parameters, i.e. the extent of crisis in a particular society and its ability to overcome it. They are strongly related to key values and ideas advocated by political protagonists, business leaders, intellectuals and other opinion-makers.

The global crisis has befallen the new EU member countries in a very diverse situation. It does not apply only to differences between them in terms of resilience of their economies to the crisis but also in terms of prevailing interpretations of it. At the beginning of the process of comprehensive societal transformation, different strategic choices were made by the hands of political and other social actors in terms of selection of particular institutional framework, resulting in different "types of capitalism" that were established in these countries, with liberal versions on one side and coordinated versions on the

other (Adam et al. 2009; Buchen 2007; Bohle and Greskovits 2007). In the sense of socio-economic regulation, these variations were significantly determined by the cultural character (values, ideas, sentiments) of the main actors responsible for taking decisions on the nature of reforms. In this regard, interpretations of political, economic, social etc. developments are a result of specific constellations of different cultural elements.

Slovenia, the small EU country that used to be considered a post-communist 'success story', has been affected by the crisis in a severe way. Due to its financial problems (high indebtedness, 'immobilised' banking sector and increasing budget deficit), it came under the spotlight of European Union institutions. The crisis uncovered profound structural weaknesses of the Slovenian model of socio-economic regulation that led to development of its version of 'crony-capitalism', characterised by entanglement of political, business and other elite segments. It also sparked debate and controversy concerning any future developmental model.

The aim of this article is to analyse the crisis discourse in Slovenia and the integral role of political, business and academic elites in it, and, in doing so, highlight the part played in this discourse by their ideological profile. With an ideological profile often closely linked to "vested interests", it is fair to say that such a profile as belongs to these elites strongly determines the common perception of crisis in Slovenian society. Derived from deficiencies of its developmental model ("gradualism" as it is termed), the crisis in Slovenia arrives closely related to the composition of political and other elites, a particular situation characterised by a high level of replication and corresponding ideological hegemony, exercised by one of the elite factions. The change in relations between elite factions and in prevailing ideological orientations is thus a precondition for adoption and implementation of a new, more feasible model of socio-economic regulation.

Elites in times of social change

When we deal with the position and role of elites in relation to the social-historical context, the complexity of this mutual relationship needs to be emphasised. Both the character of the elites and their social position depend on cultural-historical circumstances, especially the relationship to the past institutional structure, and also relationships with the other social groups (Eisenstadt 1973: 34). The behaviour of elites is deeply rooted in the political culture which is itself a product of complex historical development and factors: traditional styles of management, knowledge of past conflicts, the existence of actual or imagined common interests, the capability of realistic political actions, the level of tolerance by the political leaders in the relationship with their own followers etc. (Daalder 1966: 69). But this dependence of elites on

existing social structures and predominant cultural forms is only present in a state of relative stability.

During times of intensive social change elites, especially political, exert the biggest impact on the way individual institutions operate and thus also influence the nature of the newly formed social organisation. In this case, the elites are not the object but rather the subject or holder of social processes, thus being able to fully realise their creative potential.

In the context of processes of social (system) change it is plausible to define the political elite as 'those individuals and groups that create and control social institutions' (Kaminski and Kurczewska 1994: 136). This definition of the political elite does not only include members of the ruling structure, since a leading position in society (or an important segment of it) can in certain circumstances be occupied by groups which are not rooted in the ruling structure. But in the case of a successful overthrow, these usually do also occupy the formal centres of power.

We can see that the nature of political elites has changed with the processes of the structural and functional differentiation of Western societies. We cannot, however, claim that the role of elites in contemporary societies has decreased. Having said that, the relationships between the elites themselves have changed, as have the relationship of the elites with the rest of society, with consequential changes in the way the elites operate. This is especially the case with the political elite – since the mode of social regulation and management of policies has changed fundamentally, political actors are faced with new tasks which require more knowledge and competence. Because the political elite has a major influence, especially in turbulent times, on the nature of the regime and the shaping and functioning of the key institutions, it is important to know its essential characteristics or which faction within it is the one that gives it the key accent.

Gradualism as a type of socio-economic regulation

When Slovenia began its process of transition, from authoritarian regime to a democratic political system and from a centrally planned to a market oriented economy, it adopted the so-called gradualist model of transition (see Pezdir 2008; Tomšič and Prijon 2012; Prijon 2012a). The gradualist approach aims for slow and piecemeal change and on-going state intervention in the economy (see Hall and Elliott 1999). The Slovenian model can be 'considered as a leading example of a gradualist approach to transition', although, at the beginning of the transition period, some foreign advisers (like the IMF) had suggested the shock therapy approach (Lovrač and Majcen 2006: 2). It was characterised by a slow and gradual process of institutional transformation, particularly in terms of the economy but also in some other social areas (Ferfila and Le Loup 1999; Adam and Makarovič 2001). Post-communist transition implicated the adop-

tion and implementation of a new institutional setting which, in the field of economy, caused conflict between the defenders of the shock therapy approach and gradualism, mostly regarding privatization¹¹ as a key process of economic transition (together with a restructuring process). There were two possible ways of privatisation: the first, gradual, decentralised and amortized; and second, quick, centralized and distributive (Mencinger 2000: 31–32). The adopted gradual privatisation implied a small number of foreign investments, which were somehow accelerated after 2000 with the abolition of major and crucial administrative barriers for its inflows (Pezdir 2008). Despite this, Slovenia is nowadays still characterised by the lowest share of foreign investments compared with other new member states of the European Union (see Drozg 2007; Tomšič and Prijon 2012; Prijon 2012a). Reluctance toward foreign investments is typical characteristic of the gradualist model of transition (see Mencinger 2004; Šušteršič 2004).

Gradualism enabled and maintained monopolies and the restriction of foreign competition, and also allowed long-term maintenance of the state's role in the economy (reflected in the regulation of prices, attempts to promote exports through constant minimal depreciation etc.) (Tomšič 2002). At the same time, there was no interest for foreign capital, which was administratively constrained until 2000. Afterwards however, foreign direct investments were limited due to policies based on the 'ideology of national interest' (see Pezdir 2008; Rojec and Šušteršič 2010). Its advocates championed domestic ownership of companies (at least those in strategically important branches) claiming that this would bring more beneficial societal outcomes since local owners are more attached to the community and are thus more socially responsible than foreigners who care only for profits (Adam and Tomšič 2012: 63). The process of privatisation was delayed and did not establish an effective ownership structure by itself (Šušteršič et al. 2008) since the state remained the owner of some crucial companies, something which had enabled the political market to directly influence and dominate the economic one (Turk et al. 2010). There

11 The privatization process officially began with the adoption of the *Law on Ownership Transformation* (1992), with the aim of reducing the national debt and the role of the government in the economy, as well as increasing the economy's competitiveness and the introduction of market principles in the public sector and the possibility of small investors in the ownership process (Giorgino and Tasca 1999). The *Law on Ownership Transformation of Companies* was primarily focused on regulating the ownership's transformation of enterprises with public capital into private companies (with determined owners). In terms of corporate governance the *Act on enterprises* (1993) is also crucial, being implemented with the aim of property rights as the foundation for the management of legal entities (Bohinc 2000). In the field of small private companies, which were in bad condition at the beginning of the '90 s (e.g. operating at a loss), a restructuring in terms of ownership and size, financial, organisational, technological and human resources occurred (Lazarević and Lorenčič 2008). The adoption of the *Act on development of small business* (1991) and the *Crafts law* (1994) enabled a mass emergence of new businesses, while on the other hand the number of old ones had begun to diminish.

are many reasons for the lack of effectiveness in the privatisation process; the most important certainly relates to weak mechanisms for the consolidation of ownership, the lack of necessary resources, expertise and long-term interests of large shareholders, who could otherwise be the “strategic shareholders” for corporate restructuring. Among the most important reasons was also the unevenly distributed ownership in most companies, between groups with opposing interests (internal and external owners). Such ‘stalemate’ significantly complicated the decision-making process, relevant for necessary restructuring of the economic sphere (Šušteršič et al. 2008). During the transition process some sectors were marked by the avoidance of exposure to foreign competition; since the latter was almost non-existent, the banking sector was (and still is today) owned by the state and it has not experienced the necessary differentiation. There was a slow restructuring of the enterprise sector where state owned enterprises had become the key players on many markets (see Pezdir 2008; Lovrač and Majcen 2006). The labour market was rigid as well; the pension system and health financing reform lagging behind in restructuring.

Selection of the gradualist type of socio-economic transformation was related to the general social and economic conditions in Slovenia at the beginning of the transition period. Here the communist regime was – at least at its end – ‘softer’ than in the majority of other East-Central European countries. The country’s relative openness towards the West and its more market-oriented economy together with some degree of political and, especially, cultural autonomy (which was not the case in the Baltic countries) during the time of socialist Yugoslavia made the change in the socio-economic formation less traumatic. This led to the prevalence of the notion of the relative compatibility of the Slovenian institutional setting with the West, which rejected a deep and sudden break with the past, arguing for a ‘soft transition’, in other words, piecemeal and gradual institutional changes in order to preserve social stability (Adam et al. 2008). It was, however, the configuration of elites and their cultural profile that determined the selection of this developmental model.

Elite reproduction and ideological hegemony as the basis of gradualism

The political sphere in post-communist Slovenia is characterised by a bipolar division into two political blocs, with neither being fully internally homogenous (Adam and Tomšič 2002; Tomšič 2008; Jou 2011), the first the so-called ‘leftist’ and the second the so-called ‘rightist’ bloc. These blocs are most clearly divided by their institutional origins. The two parties that for most of the transition period played the main role in first camp – the Liberal Democracy of Slovenia (LDS) and the Social Democrats (SD) (until 2005 called the United List of Social Democrats) – have their organisational roots in the old (communist) regime, the

latter being the successor to the former ruling Communist Party.²² The other bloc consists of three main parties – the Slovenian Democratic Party (SDS) which is the dominant party here, the Slovenian People's Party (SLS) and New Slovenia (NSi) – which were established during the democratisation process (all three are members of the European People's Party). The distinction between the 'old' and 'new' parties, as they are often labelled, in public discourse largely covers the left-right cleavage ('left' as the 'old' and 'right' as the 'new' parties).³³

This bipolar structure remained for the whole period, although there are some political groups which can hardly be clearly classified in one camp or another.⁴⁴ This means that right-left division of political space became considerably stabilised (Bebler 2002). However, some changes regarding relationships took place within both political camps. In the 'leftist' camp, LDS played the leading role throughout most of the post-communist period, followed by SD and, after the last elections, by Positive Slovenia (PS), although the future of the latter is far from certain since it is a recently established party with weak local organisation and without a strong ideological 'core' (so it not clear whether it will be able to maintain its position as an opposition party). In the 'right' camp, the leading role was first played by the Slovenian Christian Democrats (NSi's predecessor), then by SLS and now for more than a decade by SDS. While in the 'left' camp the situation was fairly stable through most of the transition period and became more volatile in later years, the situation in the 'right' camp stabilised from the beginning of the century, with SDS maintaining its dominant position (Adam and Tomšič 2012: 60).

For most of the transition period, the Slovenian political sphere was dominated by a 'left-liberal' bloc where the LDS played a central part (Tomšič 2008; Adam and Tomšič 2012). From the first parliamentary elections in 1990 onwards, there were eight 'political turns', in other words, changes concerning the political options in power (and seven different heads of government, including the current one). In this period, however, governments were not dominated by 'leftist' parties (rightist controlled governments were in place for only seven

2 It should be mentioned that the LDS acquired some special features. In 1994, a small but very significant group of members of two parties from the new political elite (members of the Demos coalition that governed from 1990 to 1992) joined the Liberal Democracy of Slovenia.

3 The labelling of both political blocs as 'the left' (first camp) and 'the right' (second camp), long used in public discourse, differed from their meanings in the context of Western democracies (to some extent blurring the picture of the Slovenian political space) since members of the business elite are proponents of 'the left', mostly the LDS, while many of those who considered themselves de-privileged (often described in terms of injustices suffered during the communist regime) have supported 'the right'.

4 There are parliamentary parties that belong to this category. The first is Citizen's List, a centrist oriented party with a (neo)liberal paradigm; the second, the Democratic Pensioner's Party which is in fact agroup representing the interests of the retired population. It is usually declared as left-leaning but is very pragmatic in its political behaviour since it is willing to ally with centre-right parties (it participated in two right-leaning governments).

and a half years). Although all LDS-led governments were composed of parties from different camps, this party dominated them and the 'spring parties' only played a marginal role in these coalitions.

The political domination of the 'left-liberal' bloc was strongly related to the make-up of the general elite in post-communist Slovenia, i.e. the predominance of the principle of reproduction of elites, meaning the strong persistence of people with roots in the former regime in top positions in different spheres of society (Tomšič 2008; Tomšič and Prijon 2012).⁵⁵ As a consequence, the vast majority of the elite gravitated (regarding its voting preferences) towards the political part of the retention elite, represented by the LDS and SD. This faction of the political elite enjoyed much better connections with various strategic groups within society, above all in management, business and academic spheres, in social sciences circles and the media. Its advantage thus laid foundations in its intellectual and cadre potential as well as financial resources, which led to its disproportionate influence and informal power within society (Adam 1999; Tomšič 2008). This informal power contributed to the dominance of 'the left' more than their legitimate power, i.e. support among the population, since both blocs were more or less in balance (with the exception of the parliamentary elections in 2000 when the LDS and left bloc won with a large majority).

The composition of Slovenian elites and the dynamics of political space became the subject of dispute among scholars. Some see this as unproblematic, stressing the benign effect of the reproduction of elites, especially political and social stability, claiming that Slovenia experienced less social turbulence than any other transition country (Iglič and Rus 2000; Kramberger and Vehovar 2000), or attributing this to the positive role of the old communist elite in the democratisation process (Miheljčak and Toš 2005). However, there are also more critical interpretations (Adam and Tomšič 2002; Tomšič 2008). According to these, a distinct domination of the political elite tied to the former regime and, therefore, striving for the conservation of certain relations and privileges, severely hinders the democratic and market transformation of the social system.

The configuration of elites and the dynamics of change in elite positions strongly affect prevailing cultural orientations, i.e. values and ideas in political space and society in general (Adam and Tomšič 2012). Chiefly, elites are the most

5 This level of this kind of reproduction of elites is much higher than in other comparable Central European countries (Czech Republic, Hungary and Poland) where the change in the regime resulted in fundamental changes to the elite positions and thus the circulation of elites was higher. Research conducted in 1995 on Slovenian functional elites in politics, culture and the business sector provided some data on the relations between the old (people who occupied high positions before 1988 and were able to preserve them) and new elites (those assuming elite positions after 1988). In fact, this showed a fairly high level of reproduction in all elite sectors. The rate of reproduction amounts on average to 77%, with the highest individual level being seen in the business sector (84%) and the lowest in politics (66%), while in culture it reaches 78% (Kramberger 1998, 1999; Iglič and Rus 2000).

important 'cultural entrepreneurs', i.e. producers and transmitters of cultural scenarios that affect political and social dynamics (Kubik 2003). Although some observers stress strong consensual elements in Slovenian politics that were characteristic for post-communist Slovenia (Guardianchich 2011; Bennich-Björkman and Likić-Brborić 2012), where political divisions between the leftist and rightist camp are often of a mere tactical nature (Genov 2013), ideological conflicts and animosities are still an important part of political reality. It is a fact that some major national goals like accession to the European Union and introduction of the Euro were commonly endorsed by political actors across the political spectrum. However, strong ideological divisions did not wither away. When international (European) goals were fulfilled, politico-ideological polarisation became more evident (Adam and Tomšič 2012: 65).

For most of the post-communist period, Slovenian political and social life was characterised by a kind of cultural hegemony that was undertaken by a 'leftist' camp (Adam et al. 2009; Adam and Tomšič 2012). This hegemony was perceived by Antonio Gramsci, the author of this concept, as ideological domination, as 'the ways in which a governing power wins consent to its rule from those it subjugates' (Eagleton 1991: 112) and where 'language and practices can have a lasting influence on how individuals experience specific events' (Tsatsanis 2009: 219). It is attained through the multiple ways in which the institutions of civil society operate to shape the cognitive and affective structures whereby individuals perceive and evaluate social reality (Femia 1981: 24).

The hegemony of the 'left' meant that values, ideas and solutions proclaimed by its protagonists received much more media attention and support from opinion-makers and thus much more public 'weight' than the ones defended by its opponents from the 'right', sometimes being presented as something "normal" or even "common knowledge". This is strongly related to the situation in the Slovenian media sphere, something characterised by strong imbalance (this holds especially true for printed media) since the majority of media outlets more or less openly favour 'the left' (see Tomšič 2007; Makarovič et al. 2008). The media importantly shape citizens' perceptions of political and social events and ways they assess political and other social actors. Lack of media pluralism can thus result in the skewed and biased perceptions of the public.

This hegemony was taking place in conditions created by this bipolarisation of the political space, even though electoral support for both camps was often quite in balance. It was mainly through informal elite networks with strong interconnections between political, business and cultural elites, with the 'left' camp enjoying support from key 'strategic elites', that such a high level of reproduction of such elites took place (Adam et al. 2008).

A clear expression of this 'fusion' was the ideology of 'national interest'. It was clearly instrumentalised by the hand of an 'old' elite in order to preserve its positions through elimination of potential competitors from abroad. It was

maintained by the political elite mainly through institutional mechanisms unfavourable for foreign investments (Adam and Tomšič 2012: 64). Regarding the defence of national interest, it can be said that parties belonging to the right wing camp didn't provide consistent alternative solutions and often endorsed this defence as well (ibid. 2012: 65–66). The SLS in particular advocates national interest from time to time (depending who is in a leading position in the party) and is against foreign direct investments. Implicitly they supported the emergence of national capitalism, something also true for other parties from this bloc which were, in some periods (especially when they came to power from 2004 to 2008), inclined to negotiate with powerful representatives with business interests.

Gradualism and the crisis

In the case of Slovenia we can observe a paradox in terms of its significantly better starting position compared to other transition countries and the actual successfulness of transition, especially in the economic field, since today's Slovenian economic situation is very poor (Pezdir 2008). In the table below, we show data regarding real gross domestic product (GDP), gross domestic product per capita (GDP p. c.), unemployment rate, the country's consolidated gross debt, foreign direct investments (FDI net flow) and Global Competitiveness Index (GCI) for the period 2004–2012.

Real GDP and GDP p. c. both grew from 1994 and reached their maximum level in 2008. In the period between 2003 and 2008 especially, economic growth and development, in terms of GDP and GDP p. c., were rather high and economic growth even exceeded the EU average until 2008, when a decreasing trend had begun; since then Slovenia has been unable to catch up with the European average, thus lagging behind in terms of economic development (Dnevnik.si 2012). After the beginning of the crisis the trend regarding GDP and GDP p. c. has been quite unpredictable since it has not yet stabilised. However, despite the slight economic growth in 2014, real GDP and GDP p. c. are still lower than before 2008 (for more on the topic see Prijon 2012 b).

Slovenia is facing a rapid rise in the unemployment rate since 2008 when unemployment was at its lowest (4.4%). Even though the Slovenian unemployment rate is still lower than the EU 17 average, it doubled from 2008 to 2012 (from 4.4% to 8.8%). In addition, in the last few years it has been rising faster than the EU average. In 2013 the European Commission (GMA/SS 2013) reported that Slovenia (and Spain) is stuck in the recession due to this high unemployment, which contributes even more to the deterioration of the Slovenian economic situation. Unemployment is especially critical for vulnerable social groups, i.e. young people and middle aged workers. In fact, in 2012 the employment rate comprising people aged between 20 and 64 fell to 68.3%.

Table 1: Selected economic indicators for Slovenia (2004–2012)

	2004	2005	2006	2007	2008	2009	2010	2011	2012
GDP (in millions \$) ⁶	33,838	35,718	38,946	47,307	54,607	49,057	46,909	50,251	45,379
GDP growth (annual %) ⁷	4.4	4.0	5.8	6.9	3.6	-0.8	1.4	0.7	-2.5
GDP growth EU (27) ⁸	2.6	2.2	3.4	3.2	0.4	-4.5	2.0	1.7	-0.4
GDP growth EU (17) ⁹	2.2	1.7	3.3	3.0	0.4	-4.4	2.0	1.6	-0.7
GDP p. c. (in \$) ¹⁰	16,944	17,855	19,406	23,441	27,015	24,051	22,898	24,478	22,059
Unemployment ¹¹ (%) by ILO	6.3	6.5	6.0	4.8	4.4	5.9	7.2	8.2	8.8
Unemployment EU (27) ¹²	9.2	9.0	8.2	7.2	7.0	8.9	9.6	9.6	10.4
Unemployment EU (17) ¹³	9.2	9.1	8.4	7.5	7.6	9.5	10.0	10.1	11.3
Gross debt ¹⁴ (% of GDP)	27.3	26.7	26.4	23.1	22.0	35.2	38.7	47.1	54.4
Gross debt EU (27) ¹⁵	62.2	62.7	61.5	58.9	62.2	74.5	80.2	82.7	85.5
Gross debt EU (17) ¹⁶	69.6	70.3	68.6	66.4	70.2	80.1	85.6	87.5	90.8
FDI (net inflow % GDP) ¹⁷	2.5	2.7	1.8	4.0	3.3	-0.7	1.4	1.6	-0.5
GCI ¹⁸ (position)	33.	/	33.	/	42.	/	45.	/	56.

6 The World Bank, 2014a

7 The World Bank, 2014b

8 Eurostat, 2014a

9 Eurostat, 2014a

10 The World Bank, 2014c

11 The World Bank, 2014d

12 Eurostat, 2014b

13 Eurostat, 2014b

14 Eurostat, 2014c

15 Eurostat, 2014c

16 Eurostat, 2014c

17 The World Bank, 2014d

18 World Economic Forum Homepage – Global Competitiveness Report (2002–2012)

In the last years Slovenia's consolidated gross debt represents an important issue as it rises rapidly from the start of the crisis. In 2008, it was rather low (21.9 % of the GDP) but had been gradually rising since 1995 and reached its peak in 2013, which was estimated at 71.7% of the GDP (Eurostat, 2014c). Despite the fact that it is still above the EU (27) average (87.4) and EU (17) average (92.7), it represents a burning issue which could even be described as 'alarming' if we take into consideration the period 2008–2013 when gross debt increased almost 3.2 times.

Foreign direct investments (FDIs) are crucial, especially for developing economies, as they represent the major source of external financing, being thus the generator of private sector growth. Slovenia does not have natural resources and is therefore dependent on external investments (investors), which are even more important in times when countries are facing recession. FDIs have never been overly large and were subject to large fluctuations as it was difficult to predict their movement. The highest share of net foreign investments was detected in 2002 (7.2% of GDP) and the lowest in 2009 (−0.7% of GDP). Despite the fact that there was a growing trend of the latter in 2010 and 2011, in 2012 the share of FDIs was again negative (−0.5%).

Some authors believe that such a situation is a consequence of the gradualist approach, which hindered successful systemic transformation and led to slow progress (or even to an economic decline). On the other hand, some others claim that gradualism (with the exception of a partial privatization) had proven to be successful in terms of preparing macroeconomic frameworks for a transition in a market-oriented economy at the beginning of the 1990 s. Nevertheless, Pezdir claims that Slovenia would have achieved the developmental level of Western societies if processes of macroeconomic stabilization, privatisation and restructuring had been successful in the first place (Pezdir 2008). In fact, until today, privatisation has remained unfinished and marked by non-transparent privatization of assets, which is nowadays reflected in the paradox of the so-called 'wild privatization' (Lorenčič 2010). Indeed, after the past two decades, a significant part of the Slovenian economy has yet to be privatized. It has been administrated by the government or quasi-state funds under government control (see Bohinc 2000; Žerđin 2005; Drozg 2007) while non-transparent privatisation, reflected in monopolies, high tax rates, a non-stimulating business environment, etc., is a key legacy of the Slovenian model of economic transformation, acting counterproductively in terms of adaptation to the principles of a market economy (see Pezdir 2008). In 2006, the first Janša government adopted the program of withdrawal of KAD and SOD⁷ from

19 KAD – Kapitalska družba d.d. (a joint stock company, founder and shareholder Republic of Slovenia) SOD – Slovenska odškodninska družba (a financial organization for settling obligations to beneficiaries according to the Denationalization Act and other regulations concerning denationalization of assets).

the ownership of state enterprises, something being gradually implemented but while the state still remains the major player (through KAD and SOD) in ownership cases. The process of privatisation is thus still marked by a lack of transparency (Šušteršič et al. 2008).

The global economic crisis exposed the deficiencies of the Slovenian model of transition. The gradualist policies were actively sustaining monopolies or oligopolies of state-controlled companies in some key sectors of the economy (banking, insurance, telecommunications, infrastructure), resulting in a lack of incentive for their restructuring in terms of higher competitive performance. Current economic stagnation is to a considerable extent a result of a dysfunctional banking sector not able to provide support for business activities and of the high tax burden on the Slovenian economy and individuals (Turk et al. 2010). Due to interventionist and protectionist economic policies, Slovenia can be placed in the group of countries with a high level of state regulation and low level of business freedom (see Pezdir 2008; Prijon and Tomšič 2012).

The situation described has led to the survival of the old business elite who retained links in the political sphere they already had before the fall of the previous regime (Pezdir 2008). This is the effect of economic policies which were adopted at the beginning of transition when the state retained the power to directly interfere in the economy whenever there was a threat of greater social costs (e.g. unemployment), or to halt the reforms which could lead to the liberalisation of the economy (Turk et al. 2010). At the same time, the absence of effective state institutions and the rule of law caused the rise of monopolies and the emergence of horizontal and vertical networks which functioned as cartels (ibid.). This related to the previously-mentioned reproduction of elites that was particularly high in the business sphere. Even after the system's change, the same people were placed in the same top positions in the economy that they had already occupied in the previous system. It was, then, precisely the management that had maintained a key role in managing business that led to a setting named by some analysts as 'managerial capitalism' (Szelenyi 1996; Eyal et al. 2000).⁸ However, some of the leading managers planned to assume ownership of their companies through managerial buyouts which were carried out either directly, with the establishment of the acquiring company, or indirectly through the ownership chain of interconnected individuals (Hauser 2008). However, the crisis restricted some of these plans. Some of the most notorious tycoons were not able to repay their loans which resulted in their bankruptcy (in some

20 This is a specific situation, where the managerial class, in the absence of or in a weak ownership structure, controlled the economy, thereby representing a major, leading group in a society. In this context, the so-called business or managerial elite has a specific role, since we speak about the retention of elite that draws its power and influence from the positions which they occupied in the previous (socialist) regime (Tomšič 2008).

cases they also ‘sank’ their companies), while a number are being prosecuted for their financial machinations.

At the beginning of the transition process, the gradualist approach had certain evident advantages since it tamed social disturbances and reduced the social cost of the restructuring of business sectors. However, it eventually started to produce negative effects, especially a decrease in the competitive potential of the Slovenian economy, as shown by results from surveys like World Competitiveness Yearbook (which clearly shows that Slovenia has been losing its competitiveness since it fell from 28th position in 2002 to 56th position in 2012 and to 62nd position in 2013, compared to all countries included in the report, followed only by Bulgaria, Greece and Croatia among EU member-countries) (Slovenia Times, May 2014).⁹ The global crisis exposed all deficiencies of an economy and society in general that is rather heavily burdened with clientist networks, politicisation and monopolies, that are present not only in the business sphere but even more evidently in other spheres of society like education and health-care (Tomšič and Prijon 2012).

Ideological divisions and perception of crisis

Individual perceptions of social processes and their agents are always influenced by cultural context. Individuals interpret reality through pre-existing mental categories, these categories related to ideologies which can be basically defined as more or less coherent sets of ideas that provide the basis for political action, ‘whether this is intended to preserve, modify or overthrow the existing system of power’ (Heywood, 2007: 11). Phenomena like global crisis that affect the lives of people all over the world are apprehended and interpreted from different ideological perspectives. It is thus not possible to discern the perception of crisis in a particular society without knowing its “cultural configuration”, i.e. its prevailing values, ideas and attitudes, as well as relationships between different ideological orientations and their agents.

In Slovenian political life and public discourse, certain ideological categories have meaning that in some important aspects differs from that in established Western democracies. This particularly applies to the terms ‘left’ and ‘right’ that are still the most common denominators of political placement. The main point of division between them is the attitude toward issues of a symbolic nature, particularly toward the communist past where “rightists” are highly critical of the

21 The *Global Competitiveness Yearbook*, issued by the Institute of Management Development, assesses the level of competitiveness using the Global Competitiveness Index (GCI). The GCI index is based on the analysis of 12 pillars, which represent the 12 different and specific dimensions defining a country’s competitiveness. The final scores of a country’s GCI are based on statistical data, such as enrollment rates, government debt, budget deficit and life expectancy, obtained by agencies like the World Bank (WB), the International Monetary Fund (IMF), the United Nations Educational, the Scientific and Cultural Organization (UNESCO) and the World Health Organization (WHO).

former regime and its successors, while “leftists” are more or less benevolent towards its nature and consequence thus rejecting any declarative condemnation of the communist regime (Makarovič and Tomšič, 2009). After the 2004 parliamentary elections it looked as if political polarisation and the strength of conflicts of a symbolic nature would ease, with the issue of socio-economic regulation gaining in importance since the campaign before these elections was evidently less burdened with “old” ideological issues. Lying at the forefront were socio-economic issues like the liberalisation of the economy, tax and welfare state reform. When the right-leaning government launched comprehensive socio-economic reforms, they encountered considerable reluctance on the part of the centre-leftist opposition which warned against an increase in social inequality and the impoverishment of a considerable share of the population – in effect demonstrating its “leftist nature” in terms of its social orientation and scepticism of “neoliberal” capitalism. However, in recent years animosities and conflicts between the political camps soon regained considerable strength (Adam and Tomšič, 2012: 61).¹⁰

The crisis in Slovenia has not only an economic and social dimension but also a political one. In the last couple of years the Slovenian political environment has experienced evident destabilisation, especially since pre-elections in 2011 that followed the vote of no confidence for then centre-leftist government. During these elections the relative majority was surprisingly won by newly established party Positive Slovenia (PS), led by mayor of Ljubljana Zoran Jankovič. He did not however manage to form the coalition that would have had the majority in Parliament. At the beginning of 2012 a centre-rightist government coalition was formed, led by leader of the SDS Janez Janša, although this government did not last long since three of five coalition parties left it at the beginning of 2013.¹¹ After that, a centre-leftist coalition established a new government led by Alenka Bratušek from PS, declaring after one year they would enter Parliament for a vote of confidence. Due to significant differences between coalition partners with certain important policy issues, the durability of the current government is under question.

The political situation is perceived as one of the major obstacles in the way of coping effectively with the crisis. This also reflects the perspective of foreign observers. For example, the last Country Risk report for Slovenia, prepared by the Economist Intelligence unit, announced the existence of increased risk

22 The most evident example of such ideological activities was the decision of municipal authorities in the Slovenian capital Ljubljana to name a future street after the former Yugoslav communist leader Josip Broz Tito, something that met with strong resistance from the centre-right opposition and a considerable section of the public, accusing the mayor and his followers of trying to rehabilitate the communist regime.

23 The cause for withdrawal was the report of the national Commission for Corruption Prevention that accused Janša of not explaining the source of his revenues from the last couple of years.

following the collapse of the Janša government and that Slovenia may need a bail-out to rescue its debt-ridden banks (EIU ViewsWire, March 2013).

Political instability is strongly related to a deep ideological polarisation that is part of Slovenian tradition (Tomšič, 2008). This polarisation is reflected in an inability not only to reach consensus on basic policy orientations but also in problems regarding the creation of a common “interpretative scheme”. In such circumstances it is difficult to launch any dialogue on key social issues based on mutual understanding and a shared definition of the situation, at even the most general level.

This polarisation is characteristic of interpretations of crisis in Slovenia and is rooted in divergent attitudes toward normative and institutional framework in terms of which model of socio-economic regulation is the most appropriate for the country. Although the gradualist model that was introduced at the beginning of the transition period initially enjoyed strong support from political, business and other elites, it was eventually faced with increasing opposition. One of the most evident examples of this was a ‘clash’ in the community of academic economists. At the beginning of this millennium, a dispute arose between two groups of economists (i.e. “old” and “young”) on some key issues like the destiny of the national economy in a globalised world economy, the role of the state in economic regulation and the (un)desirability of foreign ownership of companies. While “older” economists advocated gradualism and warned against foreign capital, “younger”, more neo-liberal-oriented economists, raised their critical voice against the statist character of the Slovenian economy, arguing for internationalisation and emphasising the significance of FDI (Adam and Jarec, 2007).

The dispute gained a political dimension when the first Janša government (2004–2008) adopted some key ideas of the second group. Some of the members of this group of economists received important public positions (one even became Minister for Development), although most of them soon parted ways with the Prime Minister. On the other hand, the “old” economists who predominantly opted for the centre-left mostly opposed the government’s reforms, leaning towards deregulation of the economy and society. This division continued after the beginning of crisis, especially when the second of Janša’s governments (2012–2013) announced a package of anti-crisis measures with cuts in public spending and reduction of the public sector, privatisation of state-owned companies and reform of the banking sector. Again, “young” economists generally supported these measures, particularly those focused on the financial situation,¹² while the “old” economists criticised them, claiming they would not bring resolution of the crisis but rather deepen it.

24 The key measure was the establishment of Slovenia’s ‘Bad Bank’ asset management company, in charge for the rehabilitation of bad loans connected with commercial banks (which transferred

The crisis found Slovenia unprepared, not only in institutional, but also in intellectual terms regarding the belated awareness of its extent and consequences. When the crisis appeared in 2008, a number of politicians, economists and other opinion-makers claimed it would more or less “bypass” the country. They stated that the closed character of the Slovenian economy (lack of its internationalisation) would be an advantage in such a situation since it would not become so “contaminated” by the negative developments at the global level. However, this soon became falsified by the severe decrease in performance of the national economy.

With regard to the causes of the economic crisis that affected the country, two opposite interpretations dominate the scene. According to the first, the crisis in Slovenia is to a large extent externally induced, caused by malfunctions of the global capitalist system which are results of excessive deregulation, particularly in the financial sector, along with the irresponsibility of business and political elites. The situation in the country is thus an echo of global developments. On the other hand, the second interpretation states that the crisis is induced by internal factors, caused by the shortcomings of the developmental model that was introduced at the beginning of the transition period. In this case, the situation is thus a result of statism, the closure and protection of monopolies belonging to local political-business networks resulting in the weakening of the Slovenian economy in terms of competitiveness and of society in general.

Antagonistic interpretations of the crisis are connected to the ideological divisions mentioned above. While advocates of the gradualist approach are prone to stress external causes and plea for continuation of the existing type of socio-economic regulation, advocates of the neoliberal approach¹³ state individual causes, claiming that essential and comprehensive reforms are necessary for overcoming the crisis. The latter thus supported the afore-mentioned reform measures, as proposed by the second Janša government¹⁴, while the former fiercely opposed them, claiming that austerity measures would ‘destroy’ the welfare-state and undermine the standard of living of Slovenian people. This opposition was composed of a wide range of influential individuals and groups:

these loans to it). “Young” economists welcomed this, claiming it would ‘cleanse’ the banks which would then become able to credit the business sector; while the “old” economists opted for investments of public-money into the banks.

25 It has to be stated that in Slovenian public discourse, the term *neoliberalism* is usually used by opponents for systemic reforms that would be directed toward deregulation. Those who advocate reform do not perceive themselves and ‘neoliberals’ and their ideas are, in general, not so ‘radical’ as those promoted by neoliberals from the Anglo-Saxon world.

26 This set of measures comprised of a reduction of public consumption by 10%, fiscal consolidation and the launch of a new economic cycle, elimination of late payments, elimination of bureaucratic obstacles to locating objects in the environment, shortening the settlement of disputes for small and medium-sized enterprises, reducing labor costs, incentives for investment, a gradual reduction in taxes on corporate income and the elimination of taxes on the credit crunch (Government Communication Office, 2012; Contract for Slovenia, 2012 – 2015)

from the leftwing opposition, trade-unions (particularly those representing public employees), media, academia, civil society associations, etc. Their revolt resulted in mass public protests that started in December 2012 and lasted a couple of months, ending in the fall of the government.

The irony is that the new centre-left government, whose main coalition parties (when in opposition) strongly agitated against reform measures, adopted the same anti-crisis policies that were launched by its predecessor. This happened due to the pressure of international political and financial circles and following the significant downgrade of Slovenia's government bond rankings. Such "outside" intervention provoked anti-capitalist and anti-EU sentiments among both the general public and elite circles, presenting Slovenia as "victim" of international financial circles and European policy-makers.¹⁵ However, the change in policy-course of the current government demonstrates that the Slovenian political elite, regardless of its ideological orientation, cannot ignore the international institutional framework into which the country is integrated.

Conclusion

The crisis in Slovenia has evident political consequences. While it corresponds to a declining confidence in political institutions (Makarovič and Tomšič, 2010), it has to be stressed that it is not the only – and perhaps not the most crucial – factor of deepening institutional mistrust. There are many political elements that are related to the misbehaviour of political elites in the form of incompetence, clientism, corruption, ideologisation, etc. which contribute to such negative sentiments. Many people do not believe that the Slovenian political elite are capable of bringing the country out of the crisis by itself without external assistance.¹⁶ Although dissatisfaction with the existing institutions and actors is not problematic by itself – it can be understood as a demand for further democratisation of society – a high level of distrust, in combination with apathy, could nevertheless harm institutional performance.

The crisis discourse cannot be understood in isolation from the general value patterns in society. The prevalence of particular interpretations is related

27 At the beginning, adherents of the institutional *status quo* first tried to downplay the importance of international assessments. For example, the leading advocate of the gradualist approach Jože Mencinger stated that country ratings, provided by credit rating agencies, 'should simply be ignored' (Finance, 16. 1. 2012). Later, when the European Commission announced reform 'guidelines' for Slovenia, evidently directed toward liberalisation and deregulation, he claimed that the EC's idea of competition is destroying the EU' where 'Slovenia is turning into an irrelevant province, worse than it was in former Yugoslavia' (MMC, 30. 5. 2013), so the government 'should stand against Brussels' (Mencinger, 2013).

28 According to a Slovenian Pulse public opinion survey from June 2013, 62,5% of respondents do not believe that Slovenia is able to solve the crisis without international assistance (Slovenian Pulse, June 2013).

to an ideological structuring of public space and relationships within the national elite.

There are two features that characterise cultural dynamics in post-communist Slovenia. The first is a strong ideological polarisation and the second ideological domination of one in particular, i.e. the left-leaning political camp. The gradualist approach, coupled with the ideology of national interest, is the result of this hegemony. This then refers also to the crisis discourse. Although there are diverging interpretations of crisis, the public sphere is dominated by the one that tries to deny or at least minimise responsibility of the gradualist-based policies.

Despite this, implementation of certain structural reforms is necessary in order to overcome the crisis. This refers to the reform measures that would lead to liberalisation of the economy and society in terms of the dismantling of monopolies in different fields that are the major obstacle for modernisation. One can expect that external circumstances- a worsening economic situation and increasing dependence on international political and financial institutions- would undermine the (currently still very strong) ideological support of the 'status quo'.

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Austria and its Experience with European Parliament Elections: Evidence since 1996

SYLVIA KRITZINGER AND KARIN LIEBHART¹

Abstract: *This contribution dedicates special attention to the EP elections 2014 in Austria, a country where Euro-skepticism usually dominates, and the unexpected outcome. The election is analyzed with an overall reference to all EP elections in Austria since the country has become a member of the EU in 1995, and a particular comparison to the 2009 EP elections. To provide some background knowledge the performance of the relevant Austrian parties in the past EP elections is observed, and special emphasis is put on changes in the Austrian political landscape. As the EP electoral results are embedded in national politics, the authors also briefly describe the Austrian party system and the development of electorates' public opinion towards the European Union.*

Keywords: *EP elections, EU, Euro-skepticism, Parties/ Party system, Austria*

Preface

The European Parliament elections of May 2014 took place in times of crisis and Euro-scepticism as well as populist agitation against the European Union played an even more prominent role than ever in almost all EU member states. Against this backdrop, the election result in Austria was a surprise: a clear majority of about 75 per cent of voters supported EU-friendly parties in Austria, a country where Euro-scepticism usually dominates.²²

This contribution thus dedicates special attention to the 2014 EP elections in Austria and its unexpected outcome. The election is analyzed with an overall reference to all EP elections in Austria since the country became a member of the EU in 1995, and includes a particular comparison with the

1 We would like to thank Sarah Dippenaar, Christian Glantschnigg, Katharina Götsch, Johann Gründl, Patricia Oberluggauer, Maria Schlechter and Johanna Willmann for their research assistance.

2 Especially between 2004 and 2009, cf. Standard Eurobarometer surveys 55 to 80 (spring wave 2001 to autumn wave 2014) European Commission: available at http://ec.europa.eu/public_opinion/index_en.htm (14 April 2014).

2009 EP elections. To provide some background knowledge which helps to assess the Austrian experience of EP elections since 1996 we observe the performance of the relevant Austrian parties in past EP elections while also placing special emphasis on changes in the Austrian political landscape, such as new parties running in the EP election of 2014. As the EP electoral results are embedded in national politics, we start by briefly describing the Austrian party system and the development of electorates' public opinion towards the European Union.

A Brief Account of Austrian Political Parties in a National and European Context

In the aftermath of World War II, three parties emerged in Austria: the Social Democratic Party (SPÖ), the Peoples' Party (ÖVP) and the Communist Party (KPÖ). The first two dominated the political landscape. In the late 1940s, a fourth party, the Alliance of the Independents (Verband der Unabhängigen, VdU), which was renamed the Freedom Party (FPÖ) in 1955, established itself (Pelinka and Rosenberger 2007, 154).

During the course of the environmental social movements of the 1980s, the Green Party emerged. And in 1993 the Liberal Forum (Liberales Forum, LIF) established itself as the first splinter party from the Freedom Party which in 2005 split again, producing a further party called the Alliance of the Future of Austria (Bündnis Zukunft Österreich, BZÖ). Whilst the LIF defined the character of the party as liberal and acted accordingly, the BZÖ can be characterised as right-wing populist (Pelinka and Rosenberger 2007, 155f).

In 2012–2013 two new parties became important at the national level: Team Stronach and NEOS (The New Austria), both elected to the national parliament at their first appearance. Team Stronach had only been founded in the summer of 2012 by the Austrian-Canadian billionaire Frank Stronach. NEOS meanwhile, founded in spring 2013, can be classified as a new liberal party bringing together former members of the LIF and the ÖVP (see Table 1).

What is the development, and hence, the role of these parties? In the case of SPÖ, it is one of the major parties in Austria and since the 1970s has been in power for more than 30 years, with only a short break between 2000 and 2006, either in a single party government (in the 1970s) or in a coalition government with the ÖVP (Pelinka, 2009). Being particularly strong in Vienna, the SPÖ is the dominant center-left party in Austria, while the ÖVP is the center-right counterpart of the SPÖ with its strongholds in the Länder. Since 1986 the ÖVP has been represented in government either as junior partner of the SPÖ (in 1986–1999 and again since 2006) or as the senior partner from 2000 to 2006 of the FPÖ/BZÖ. In the last general elections before the EP elections in 2014, that took place in September 2013, the SPÖ obtained 26.8 per cent of vote,

losing 2.5 per cent, whilst the ÖVP received 24.0 per cent with its support also dropping by 2.0 per cent.

Next to the two major parties that have dominated Austrian politics since 1945, there are a number of smaller parties, mostly acting as opposition parties, the oldest and most established of which is the VdU/FPÖ. Up to the mid-1980 s, the party was a small player on the Austrian political stage with electoral results ranging from 12.7 per cent in 1949 to 5.0 per cent in 1983. In 1986, with Jörg Haider taking over the party leadership and the reorientation of the party towards immigration and integration issues, the party became a major actor in Austrian politics. The FPÖ also immediately changed its performance and started acting in an explicitly populist way. This topical reorientation and the new party style attracted voters and the FPÖ reached a first peak in 1999 when it became the second strongest party after the SPÖ, achieving 26.91 per cent of the vote. Shortly after this election, in February 2000, the FPÖ became the junior partner in an ÖVP-FPÖ government. In the following elections in 2002 it lost considerable votes due to intra-party dissent and joined the ÖVP in government as a weakened junior partner.

Due to further intra-party dissent in 2005, the FPÖ split into the BZÖ and the old FPÖ, with Jörg Haider being the party leader of the newly founded BZÖ. All FPÖ ministers in the then ÖVP-FPÖ government joined the BZÖ; consequently the FPÖ lost its government party status. In the next general elections in 2006 both the FPÖ and the BZÖ managed to enter into the national Parliament: between 2006 and 2013 these two parties on the right of the political spectrum were represented in the Austrian Parliament. Indeed, they were winners of the 2008 elections: the FPÖ, with its 17.5 per cent vote share, and the BZÖ, with its 10.7 per cent vote share, obtained an accumulated 28.2 per cent of the votes. Hence, the extreme right-wing populists became the second most important political group in the Austrian political system. With the unexpected death of its leader Jörg Haider in a car crash shortly after the elections in October 2008, the BZÖ lost its importance. Indeed, in the general election of 2013 it could not pass the threshold of 4 per cent of votes and hence, could not enter the Nationalrat any longer. Meanwhile, the FPÖ gained again more votes in 2013, obtaining 20.5 per cent of the vote share.

Since 1986, the Greens have been represented in the Austrian Parliament and have their strongholds in urban areas, in particular in Vienna. Its vote share in legislative elections has varied between 3.4 per cent in 1983 and 12.4 per cent in 2013. The electoral support of the Green Party has been steadily growing since the first half of the 1980 s, with the exception of the 1995 and 2008 elections and following the general election in 2013 the Greens are now the fourth strongest party in the National Council.

The two new parties, Team Stronach and NEOS, were able to obtain 5.7 per cent and 5 per cent of the vote share respectively in the last national election in

September 2013. While NEOS has established itself as a main political player in Austrian politics since, Team Stronach has struggled with intraparty conflicts resulting in the loss of public support.

Alongside these parties there are other parties which have competed solely in the European arena. Though there are numerous parties which present themselves at the various EP elections,³³ only one of these has been successful: the Liste Hans Peter Martin (List HPM). Its leader Hans-Peter Martin, a former journalist, was actually nominated as front-runner for the EP elections of 1999 by the SPÖ. However, during his first mandate in the EP he broke with the SPÖ and in the next EP elections in 2004 ran as an independent candidate and immediately received 14 per cent of the votes giving him two EP seats. In the national elections of 2006 he also ran with this list but could not surpass the threshold of 4 per cent. Since this experience, the List HPM has been a party running only in EP elections. In the EP elections of 2009, Martin obtained 17.9 per cent of the overall votes and received three out of the then 17 Austrian EP mandates.

Table 1: List of Political Parties

Original Name	Abbreviation	English Translation
Sozialdemokratische Partei Österreichs	SPÖ	Social Democratic Party of Austria
Österreichische Volkspartei	ÖVP	Austrian Peoples' Party
Freiheitliche Partei Österreichs	FPÖ	Freedom Party of Austria
Bündnis Zukunft Österreich	BZÖ	Alliance of the Future of Austria
Die Grünen	Grüne	The Greens
Das Neue Österreich & Liberales Forum	NEOS	The New Austria and the Liberal Forum
Team Stronach	Frank or TS	Team Stronach

Next, we turn to the European attitudes of both parties and citizens.

3 Most of these parties are highly Euro-sceptical.

Party Attitudes and Public Opinion towards the European Union

Austria joined the European Union in 1995 together with Finland and Sweden. Whilst the two major parties, the SPÖ and the ÖVP, as well as the FPÖ at that time, supported EU membership, the Green Party was rather skeptical (Kritzinger and Michalowitz 2005).

Looking at data from the Euro-manifesto project, we notice that the ÖVP can be characterised from the beginning as a Europhile party, whilst the SPÖ was much more moderate in its EU position (Lefkofridi and Kritzinger 2008). In 2008, the SPÖ announced in an open letter to the tabloid *Neue Kronen Zeitung* that future EU treaties would be subject to referenda, taking up a major demand by its EU-sceptical electorate and thus positioning itself as a more Euro-sceptical political actor in the Austrian party landscape (Wodak et al. 2009, 243).

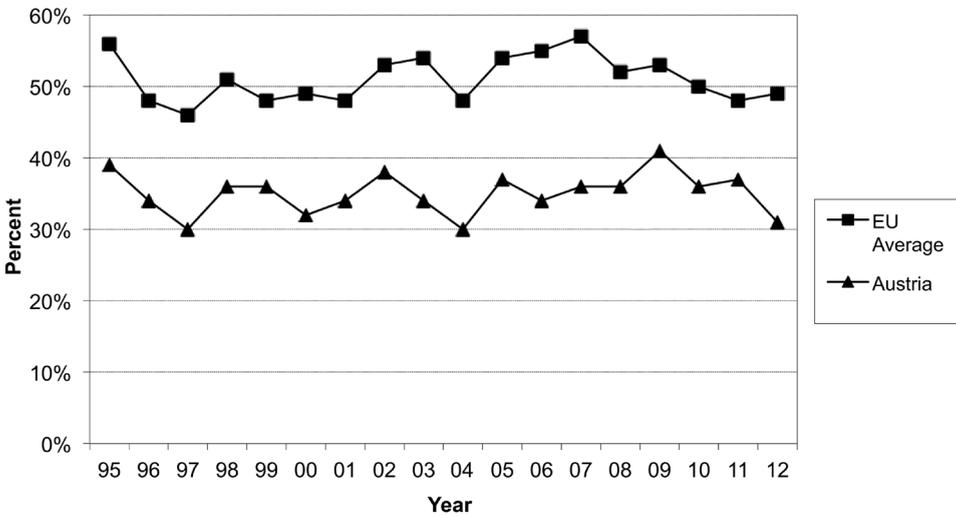
The FPÖ, which at the time of EU accession was positively oriented towards the EU, made a U-turn in the following years and now has to be considered a highly EU-sceptical party. The EU is blamed for the loss of national identity, high immigration rates, in particular from Muslim countries, and the “Islamisation” of Austrian society; it is blamed for a rise in criminal activity, and for using Austrian taxpayers' money in other regions of the EU, mostly Eastern and South-Eastern Europe.

The reverse applies to the Green Party: starting off with a Euro-sceptical position in 1995 it has developed a more balanced, positive EU-position since then. The BZÖ meanwhile was rather critical of the EU, with a focus on the supposed privileges of EU politicians and representatives, the EU bureaucracy, democratic deficits within the EU, and a lack of people-oriented policy. Turning to the new parties in the Austrian Nationalrat, NEOS possesses a strong pro-European position (“We love Europe”), while Team Stronach is rather sceptical of the European integration process and the EURO in particular.

Thus, Austrian parties today can be divided into two groups: the highly Euro-sceptical and the more Euro-balanced. Amongst the latter group, the ÖVP and NEOS show exceptionally strong pro-EU features.

Turning to public opinion, in 1994 a 66.6 per cent majority of Austrian citizens decided in favor of EU membership in a referendum. This rather positive public outlook regarding the EU changed rapidly after the referendum. Already in 1995 only 39 per cent of Austrian citizens regarded their country's membership as a good thing, and over the last 15 years it has even decreased to 30 per cent. Whilst positive public attitudes towards the EU average between 50 and 60 per cent in Member States, Austrian public opinion features the most negative attitudes towards EU membership amongst the old EU Member States, surpassing sometimes even the UK (see http://ec.europa.eu/public_opinion/index_en.htm).

Figure 1: EU-Membership Approval

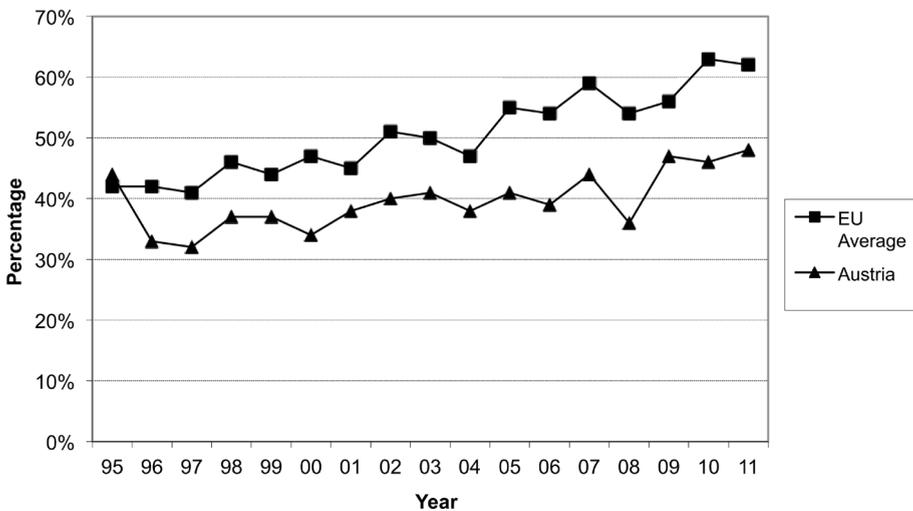


Source: Eurobarometer: http://ec.europa.eu/public_opinion/index_en.htm, accessed 2 July 2014 (own calculation)

When analyzing the question of whether Austria has benefitted from being a member of the EU, we can also observe that Austrians are less likely in comparison to citizens in other Member States to see EU membership as benefitting their country economically. Whilst in the beginning citizens still thought their country would benefit from EU membership, this attitude has changed over the years. Austrians have become more Euro-sceptical, particularly after the 2004 Eastern enlargement. Only from 2009 on do we observe a slight upward trend, closing the gap compared to the EU average (Eurobarometer 2011).

The loss of full national sovereignty, fear of mass-immigration, especially from the new EU Member States, as well as opposition towards being a net payer in the EU, led to negative attitudes towards the EU (Eurobarometer 2009). Overall, the Eurobarometer data reveals a slight upward trend towards EU support, although the overall majority of Austrians still have a predominantly Euro-sceptic attitude towards EU membership. We can thus observe a slight discrepancy between parties' and voters' positions concerning EU stances. How these attitudes are reflected in various electoral results at EP elections is what we turn to next.

Figure 2: Perceived Benefit of EU Membership in Austria



Source: Eurobarometer: http://ec.europa.eu/public_opinion/index_en.htm, accessed 2 July 2014 (own calculation)

A Glance at the Earlier EP Elections

In Austria a proportional electoral system is used. It entails the possibility of preference voting, but de facto the Austrian system can be characterized as a closed list system. Voters rarely use the possibility of preference voting, and political parties do not particularly use it as a competitive element in their campaigns (Müller et al. 2001). Whilst for national elections there are 39 regional constituencies, for European Parliament elections there is only one national constituency. The threshold to gain seats both in the national and European parliaments stands at four per cent. As a further point of interest, Austria is still the only country within the EU where citizens can already vote at the age of 16 (Wagner et al. 2012).

Due to subsequent changes in EU treaties following the accession of new Member States the number of MEPs has decreased over the years from 21 in 1995 to 18 in 1999, and 17 under the Treaty of Nice, to increase again to 19 under the Treaty of Lisbon. With the EP elections in May 2014, this number again dropped to 18 MEPs, due to the EU membership of Croatia.

After joining the EU in 1995, the first EP elections took place in 1996 with eight parties running the race: SPÖ, ÖVP, FPÖ, Greens and the Liberal Forum as well as three further lists, the handicap list related to people with disabilities, the citizen initiative Die Neutralen (The Neutrals) and the Communist Party.

The two main parties, the SPÖ and the ÖVP, achieved around 29 per cent of the vote whilst the FPÖ obtained 27 per cent: the latter improved its results considerably since the national elections in 1995, when it reached 21.9 per cent (Melchior 2001, 33–34).

In the 1999 elections, seven parties took part. Apart from the SPÖ, the ÖVP, the FPÖ, the Greens, the LIF, the Communist Party, and the conservative list *Christlich-Soziale Allianz/Liste Karl Habsburg* (Christian-Social Alliance/List Karl Habsburg), set up by the heir to the throne of the former Austro-Hungarian monarchy, also put themselves forward (Melchior 2001, 34). In comparison to the 1996 elections, the established parties ÖVP and SPÖ gained votes, whilst the FPÖ lost votes dropping to 23.5 per cent. The Greens improved their vote share from 6.8 to 9.3 per cent. The LIF was not able to surpass the four per cent threshold and no other party achieved representation in the EP.

The 1999 campaign of the SPÖ focused on the then Chancellor Viktor Klima who did not contest a seat in the European Parliament and on the EP front runner Hans-Peter Martin who was not a party member but was well-known to the Austrian electorate as an independent journalist who had previously written the bestseller *The Globalization Trap* (Melchior 2001, 39). The ÖVP campaign was dominated by security issues related to the potential membership of Austria in NATO. The Kosovo War also played a major role in the overall campaign of the two main political parties (Melchior 2001, 39–40). Other issues the campaign focused upon were the Central and Eastern European enlargement, the fight against mismanagement and transparency at the EU level. Whilst the two major parties were supporters of enlargement, the FPÖ opposed enlargement due to a potential increase in international crime, immigration, and loss of identity (Melchior 2001, 40). The FPÖ positioned itself very clearly as a Euro-sceptic and protest party.

The 2004 elections differed from the former EP elections. The SPÖ won the elections and was able to improve their vote share slightly with 33.4 per cent and 7 seats. The ÖVP came in second, with a 32.2 per cent vote share and 6 seats. The Greens were also able to slightly improve their 1999 results, gaining for the first time more than ten per cent electoral support in a nation-wide election: the party achieved 12.9 per cent of the vote share.

However, the FPÖ collapsed electorally, from 23.4 per cent and five seats to 6.3 per cent and one seat. This can partly be explained by the fact that the party was punished as a junior partner in the coalition government with the ÖVP, having to moderate its Euro-sceptic populism and support pro-European policies which resulted in a credibility loss as a protest and Euro-sceptic party. Moreover, in 2004 the party was characterized by internal factionalism and conflict of personalities and many FPÖ voters abstained from voting (Fallend 2004, 7–8). Most importantly, though, the new List Hans-Peter Martin, the former front-runner of the SPÖ in 1999, was able to capture the protest vote,

pointing to mismanagement at the EP level (Fallend 2004, 5–6). The List HPM obtained 14 per cent of the vote share and became the third largest Austrian party in the EP.

In the 2009 EP elections there were 8 electoral lists. Apart from the main national parliamentary parties (SPÖ, ÖVP, FPÖ, BZÖ, and the Greens), the List HPM, the KPÖ, and the Young Liberals also entered the electoral competition.

The SPÖ lost about ten per cent of the vote share and three seats, and was thus not successful with its newly-adopted more EU critical positions (see above). Furthermore, the SPÖ failed to mobilize its traditional constituency to participate in the EP elections (SORA 2009). The main issues relating to why voters chose the SPÖ were due to concerns regarding the economic crisis and the job market situation, unemployment, immigration and crime issues.

(Kritzinger, Johann, and Kaiser 2009). In total the SPÖ had four MEPs, but after the ratification of the Lisbon Treaty an additional MEP joined the group after 15 December 2011.

The ÖVP also lost votes and was down three per cent although, in comparison to the SPÖ, more successful in the mobilization of its traditional constituency. The intra-party dissent related to the head of list of the ÖVP campaign, and the strongly personalized electoral campaign for preferential votes by the second-placed ÖVP candidate Othmar Karas, resulted in a better outcome for the junior partner in government. The ÖVP eventually became the strongest party in the EP elections and considerably distanced itself from its coalition partner, the SPÖ. The main reasons to vote for the ÖVP were the economic and financial crises as well as the party's support for European integration (Kritzinger, Johann, and Kaiser 2009). Both government parties benefitted substantially from the votes of their respective core voters (SORA 2009).

The main opposition party, the FPÖ, was extremely successful in mobilizing its voters, almost doubling its share of the vote. Former voters who abstained in 2004 returned to the party in 2009 (SORA 2009). And yet, it lagged behind its pre-electoral expectations, failing to achieve its aim to become the largest party becoming instead only the fourth largest after the ÖVP, SPÖ, and List HPM. The crucial issues related to why voters chose the FPÖ were immigration and the economic crisis (Kritzinger, Johann, and Kaiser 2009). Indeed, a large segment of people affected by the economic crisis voted for the FPÖ (SORA 2009).

The second winner in the election race was the List HPM, which accumulated the protest vote that most likely would have otherwise switched to the FPÖ. The List HPM mostly benefitted from former SPÖ and FPÖ voters as well as from non-voters in 2004 (Plasser and Ulram 2009). Its focus on issues critical of the EU and on blaming EU institutions proved to be a successful strategy, attracting mainly retired people and workers who did not agree with the 'privileges' granted to members of the EP and who were not satisfied with EU institutions and politics, perceiving that European and Austrian citizens lack a say in Euro-

pean affairs, and who were in favor of greater political control over the European level (Plasser and Ulram 2009). The head of List HPM blamed the EU for its inefficiency, bureaucracy, and waste of money, and thus echoed the dissatisfaction of Austrians with the supranational organization. The unique support of the *Neue Kronen Zeitung*, Austria's top-selling tabloid with a market share of then 42 per cent, for the List HPM's electoral campaign proved to be a crucial factor towards its success. About 70 per cent of voters for the List HPM were also readers of the tabloid, or to turn the figures the other way around, nearly 30 per cent of *Kronen Zeitung* readers voted for the List HPM (Plasser and Ulram 2009).

Surprisingly and against the European trend, the Green Party received only ten per cent of the share of the vote, a loss of three per cent in comparison to 2004, failing to reach their declared targets. This might be due to leadership battles before and during the EP election. Nevertheless, the Greens were able to keep their two seats in the EP, the party doing well amongst young voters and voters concerned with environmental issues.

The BZÖ reached close to five per cent of the vote, which at the time of the election proved insufficient to gain a seat in the EP. As soon as the Lisbon Treaty came into force and Austria obtained 19 instead of 17 seats, the BZÖ gained one seat. In mid-December 2011, Ewald Stadler took his seat in the EP. The BZÖ received the most votes in Carinthia, the federal state, which was governed by its charismatic leader Jörg Haider until his death. Issues of importance were once again the economic crisis connected with the issue of immigration (Kritzinger, Johann, and Kaiser 2009).

Examining the vote share of Austrian parties in EP elections since Austria's membership in the EU, we observe some interesting dynamics. Most striking were the changes for the FPÖ. Starting out in 1996 with a 27 per cent vote share, the party dropped down to 6 per cent in 2004, only to recover slightly in 2009. Unlike in national elections, in EP elections the FPÖ faced an opponent that also presented critical but more flexible EU positions and was therefore a genuine alternative for Euro-sceptical voters: the List HPM. Overall, the Euro-sceptic vote share was pretty high in Austria. Interestingly, the two main government parties, the SPÖ and ÖVP, were quite stable in their vote shares in EP elections until 2004; their vote shares dropped only in the last elections in 2009 (see Table 2).

Regarding turnout, we can observe that in 1996 the novelty of the first EP elections also led to a turnout of 67.7 per cent. However, in the following elections in 1999 and 2004, the turnout declined considerably. In 1999, the turnout was 49.4 per cent and in 2004 dropped to 42.4 per cent. Thus, turnout in EP elections is considerably lower than in national elections (see Table 3).

Table 2: EP and National Election Results

Parties	European Elections				National Elections						
	1996	1999	2004	2009	1994	1995	1999	2002	2006	2008	2013
ÖVP	29.7	30.7	32.7	30.0	27.7	28.3	26.9	42.3	34.3	26.0	24.0
SPÖ	29.2	31.7	33.3	23.7	34.9	38.1	33.2	36.5	35.3	29.3	26.9
FPÖ	27.5	23.4	6.3	12.7	22.5	21.9	26.9	10.0	11.0	17.5	20.5
Green Party	6.8	9.3	12.9	9.9	7.3	4.8	7.4	9.5	11.1	10.4	12.4
BZÖ				4.6					4.1	10.7	3.5
List HPM			14.0	17.7					2.8		
Team Stronach											5.7
NEOS											5.0
REKOS											
Europa Anders											
EU-Stop											

Source: http://www.bmi.gv.at/cms/BMI_wahlen, accessed 2 July 2014, and <http://wahl13.bmi.gv.at/>, accessed 21 January 2014

In 2009 there was a slight recovery: turnout reached almost 46 per cent, which represented an increase of 3.5 per cent compared to the EP elections in 2004. However, compared to the voter turnout of 78 per cent in the previous national election in 2008 it was still relatively low. As in other countries, Austrian parties were not able to mobilize their voters. Disappointment with the EU, as well as dissatisfaction with the selection of candidates and the EU policy positions parties presented, were decisive reasons for citizens not to cast their ballots (SORA, 2009). In addition, the electoral campaigns focused mainly on national topics and were largely neglected by the Austrian mass media.

Table 3: EP and National Election Turnout

European Elections				National Elections						
1996	1999	2004	2009	1994	1995	1999	2002	2006	2008	2013
67.7	49.4	42.4	46.0	81.9	86.0	80.4	84.3	78.5	78.9	74.9

Source: http://www.bmi.gv.at/cms/BML_wahlen, accessed 2 July 2014

Next we turn to the 2014 EP elections, its dynamics and outcomes with reference to former EP elections.

The 2014 European Elections

Beside the SPÖ and the ÖVP, which currently form a coalition government, three other well-known parties contested seats in the European Parliament: the two EU-sceptic parties, the FPÖ and the BZÖ on the one hand, and the pro-European Greens on the other. Four new parties entered the race for the first time: the pro-European NEOS and three EU-sceptic parties, Another Europe (Europe-Anders), The Reform Conservatives (REKOS) and the EU-Stop. In March 2014, Hans-Peter Martin announced that his list would not run for the upcoming elections. In the run-up to the EP elections of 2014 two scenarios developed from this withdrawal: first, turnout would again decrease as HPM voters would stay at home; secondly, however, its votes would be distributed amongst the other Euro-sceptic parties. Another notable absentee in the 2014 EP elections was Team Stronach which decided to abstain from running.

Though it was expected in the run-up to the election that only those parties currently represented in the Austrian Parliament (SPÖ, ÖVP, FPÖ, Grüne, NEOS) would gain enough votes to send their MEP candidates to Strasbourg, the exact election outcome was difficult to predict due to a series of political scandals – especially the last banking scandal – that hit both SPÖ and ÖVP. However, the two coalition parties were considered likely to maintain an unimpaired lead over their main competitor FPÖ.

The electoral campaign was in general characterized by a pervasive sense of disappointment with how the European Union has addressed the financial and economic crisis without taking into account the social repercussions of its austerity policies. Furthermore, the campaign focused on the increase of prices attributed to the EURO, the alleged excessive bureaucratization of the apparatus in Brussels and also on immigration. The anti-European campaign of the FPÖ focused exactly on this sense of disappointment with the EU. Meanwhile, the

other parties focused their campaigns more on policies they would pursue in the European Parliament if elected (Plescia and Kritzinger 2014).

However, the 2014 electoral campaigns in Austria differed overall to some extent from the respective 2009 campaigns. While domestic issues played a significant role as well, this time the political mainstream focused more on European matters. First of all, the importance of the EP elections as well as the idea of a united Europe was emphasized by most of the parties contesting MEP positions. The Greens and NEOS criticized EU policy of the previous years, focusing particularly on failures during the financial crisis and the lack of a coherent common foreign policy (Hahnenkamp 2014). The right wing populist FPÖ again put the fight against the potential EU membership of Turkey in the center of their campaign.

Contrary to 2009, the media paid more attention to the EP elections of 2014, the election campaigns and the MEP candidates of the relevant parties. The EP election became one of the main political events discussed in the last weeks before the election took eventually place. In early May the Austrian broadcasting company ORF together with the German ZDF organized a TV debate between the EPP's Jean-Claude Juncker and PES's Martin Schulz. This debate was moderated by the ZDF journalist Peter Frey and ORF journalist Ingrid Thurnher, who is well known in Austria due to her experience with moderating pre-election debates between relevant party representatives in the run-up to national elections.

Nevertheless, out of nearly 6.5 million voters, only less than half turned out to vote: approximately 45.4 per cent against 46.0 per cent in 2009. While it was hoped that the first-time opportunity to have a say with regards to the choice of the next president of the European Commission could be an appropriate means to mobilize European citizens, this hope seems not to have come true.

Pre-electoral expectations about the results have been confirmed: only parties represented in the Austrian Parliament today have managed to overcome the four per cent threshold. Also, the two ruling parties were again able to retain the majority of votes, albeit narrowly (see Table 4).

The ÖVP defended its electoral record thus confirming itself as the first party in the European elections with 27 per cent of the vote; even though, the party lost 3 percentage points and one seat compared to the previous EP elections. Despite this, the ÖVP claims victory, having actually gained 3 percentage points compared to the national elections in September 2013. The SPÖ managed 24.1 per cent of the vote, improving its performance slightly compared to the last European elections when it obtained 23.7 per cent of the votes.

Table 4: EP Election Results 2014

Party	% 2014	% Change from 2009	Seats	Seat Change from 2009
ÖVP	27.0	-2.9	5	-1
SPÖ	24.1	+0.4	5	0
FPÖ	19.7	+7.0	4	+2
Green Party	14.5	+4.6	3	+1
BZÖ	0.5	-4.1	0	-1
NEOS	8.1	+8.1	1	+1
REKOS	1.2	+1.2	0	
Europa Anders	2.1	+2.1	0	
EU-Stop	2.8	+2.8	0	
Liste HPM	-	-17.7	0	-3
JuLis	-	-0.7	0	
KPÖ	-	-0.7	0	
Nil Vote	3	+0.9		
Total			18	-1
Participation	45.4	-0.6		
Abstention	54.6	+0.6		

Source: <http://euwahl2014.bmi.gv.at/> accessed 2 July 2014

The FPÖ earned a large number of votes compared to 2009 (19.7 per cent of the vote, +7 percentage points), doubling its seats (2 to 4 seats), but failing to match, albeit slightly, the result of the last national elections when it received 20.5 per cent of the vote share. Even so, almost 18 per cent of EU-critical votes (which previously supported the List HPM) were ‘free’ on the market, the FPÖ only partly able to benefit from HPM’s withdrawal (it obtained the support of one quarter of its former voters). Surprisingly, so did the EU-friendly parties: instead of choosing another EU-critical party, a fairly large number of HPM voters (25 per cent) decided not to cast their vote. Low turnout was in general a problem for the FPÖ. Unlike in 2009, the FPÖ proved unsuccessful in mobilizing the full reservoir of EU-sceptic voters.

The Green party confirmed itself fourth party in Austria increasing its vote share by 4.6 per cent from the previous EP elections. The impressive performance of the Greens is surprising in light of the fact that pre-election polls gave

the Greens only a tiny advantage over NEOS. Instead, the Greens surpassed NEOS by six percentage points. Contesting the European elections for the first time, NEOS, meanwhile, obtained a good eight per cent of the vote and an important seat in the EP, this result helping the party to establish itself as a strong and viable force.

No other party was able to obtain seats. The BZÖ lost three percentage points when compared to the last national election and 4.1 percentage points since the EP elections in 2009, the party almost disappearing from the Austrian political scene. The replacement of the well-known leading candidate – the daughter of the famous Jörg Haider, Ulrike Haider-Quercia – with a little-known candidate during the election campaign certainly did not help the BZÖ. Also, the other EU-sceptic parties were not able to pass the four per cent electoral threshold. Despite this, the performance of the EU-Stop party deserves to be mentioned, the party, in fact, obtaining a significant 2.8 per cent of the vote share. It called for a referendum to leave the EU, a return to the Austrian former currency, the Schilling, and the introduction of a Swiss-style direct democracy (Plescia and Kritzinger 2014).

Two considerations deserve particular attention. First, the pro-European parties ÖVP, SPÖ, Greens and NEOS, have won the 2014 EP elections in Austria. These parties have in fact obtained almost 7.5 per cent of the total vote share. Second, in spite of the fact that all parties consider themselves winners of these European elections, their performances appear less impressive if one takes into account that 18 per cent of the votes of the List HPM were ‘freely available’ on the electoral market.

The two mainstream parties were able to stop, to a certain extent, the electoral losses they continuously experienced over previous years. However, the result of the SPÖ hides the fact that the party leaders have chosen the wrong leading candidate, Eugen Freund. Though he is (again) a famous former TV journalist, during the electoral campaign it turned out that he has almost no experience in politics. Since he is not a party member of the SPÖ, party members at the local level in particular did not support him as would have been necessary. The party leadership was also more concerned with national issues, such as the budget for the next two years, rather than the campaign for the EP elections. Concerning the ÖVP, its leading candidate Otmar Karas was probably the reason why the party did not lose more votes and remained the strongest party in the European elections. Karas’ long experience and competence at the EU level surely paid off at the polls, with the national party contributing very little to his success (Plescia and Kritzinger 2014).

Euro-sceptic party FPÖ rightly claimed victory, but its alleged success was below expectations if one considers that some pre-election polls predicted that the FPÖ would become the first party in Austria, surpassing both the SPÖ and the ÖVP, which it however failed to do. In addition, considering that the EU-critical List HPM did not run for the 2014 elections, the success of the FPÖ is

even much less obvious. It appears as if the FPÖ failed to mobilize EU-sceptical voters in general and the Euro-critical HPM voters in particular.

Thus, in the end, the electoral result of the Greens and NEOS deserves particular attention. These two parties were particularly successful amongst young, urban and well-educated voters with a strong pro-European attitude. Both parties focused their electoral campaign on European issues that appear to be increasingly important to Austrian citizens, at least to those who turned out to vote. Hence, their electoral success voices that a young and new pro-European electorate has developed in the Austrian electoral market.

Broadly speaking, one of the central issues of these EP elections in Austria has been whether and to what extent the two mainstream parties would have been able to gain yet again an absolute majority of the vote. In fact, many wanted to see if there would have been a massive shift towards the FPÖ. The two ruling parties, however, have been able to hold, and these European elections send a strong message to all pro-EU parties (Plescia and Kritzinger 2014).

Subsequently, Austrian MEPs have joined four political groups in the EP (see Table 5). ÖVP members have joined the European People's Party, SPÖ MEPs the Progressive Alliance of Socialists and Democrats, the Greens the Greens/European Free Alliance, and NEOS joined the Group of ALDE. Meanwhile, the MEPs of the FPÖ who tried to build their own party group with MEPs of other radical-right parties in the EP failed to achieve this endeavor and will consequently again sit in the EP as non-attached members.

Table 5: Austrian MEPs in the EP Groups

Parties	%	Seats	EPP	S&D	ALDE	Green EFA	ECR	GUE/NGL	EFD	NA
ÖVP	27.0	5	5							
SPÖ	24.1	5		5						
FPÖ	19.7	4								4
Green Party	14.5	3				3				
BZÖ	0.5	0								1
NEOS	8.1	1			1					
REKOS	1.2	0								
Europa Anders	2.1	0								
EU-Stop	2.8	0								
Total	100	18	5	5	1	3	0	0	0	5

Source: <http://euwahl2014.bmi.gv.at/>, <http://www.europarl.europa.eu/meps/>, accessed 1 July 2014

At the 2014 EP election, new Austrian MEPs joined the EP. While there are hardly any changes in the ÖVP and SPÖ (each party has one new MEP) the opposition parties presented new candidates: out of four FPÖ MEPs three are newcomers, and also two out of three Green MEPs joined the EP for the first time. Amongst Austrian elected MEPs, 44.4 per cent are women (for more information see Table 1 A in the Appendix).

EP Elections in Austria: What can we learn?

EP elections are often termed second order national elections as the turnout all over Europe is generally lower than the one achieved in national elections and smaller parties do better than larger ones holding government positions (Reif and Schmitt, 1980). With regard to the Austrian experience when considering the level of turnout, the country surely follows the model of second-order national elections: the participation rate is always much lower than the national average. While the novelty of the first EP elections in 1996 still led to a relatively high turnout, even then it was already lower than the one achieved at national elections (SORA 2006, 403f) and decreased even further in the elections to follow.

Still, the performances of the two government parties (the ÖVP and the SPÖ), and those in opposition, do not follow unambiguously the second-order elections model. In detail, while the SPÖ is often punished by voters in the European elections (except in the 2014 election), the ÖVP almost always performs better during the European elections. This ‘anomaly’ seems to reflect the discontent of many citizens with the SPÖ and ÖVP grand coalition where only the senior partner, represented by the SPÖ, ‘suffered’, refuting the hypothesis that government parties lose votes in EP elections as a general rule in the Austrian case (Reif and Schmitt 1980).

In general, opposition parties did not obtain substantial vote shares in EP elections when compared to national elections. Indeed, the FPÖ won in some cases when being an opposition party but lost quite a remarkable number of votes as a junior partner in the coalition with the ÖVP in the 2004 EP elections. By contrast, so far the Greens have not considerably improved their results in EP elections compared to national ones. Overall however, the 2014 European elections indicate that this trend might be reversing for opposition parties.

Although national issues seemed to dominate the EP-election campaigns, with the emergence of the HPM List in 2004, an increase in European issues could be observed. Though domestic matters remained the focus of the electoral contest, parties marginally raised European topics, particularly in 2014, and European policy stances, combined with a debate on the future of Europe, emerged as topics in the electoral campaign.

In brief, Austria seems to have hitherto reached a turning point. The quality of communication regarding Europe and EU issues has slightly improved and EP

campaigns no longer solely fought from a national perspective, the Europhile voters more likely to turn out to vote and hence, the election result was in favor of pro-European political forces.

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Appendix

Table 1A: List of Austrian MEPs: 2014

Name	NP	EP PG	Professional Background	Year of Birth	Gender
Othmar KARAS	ÖVP	EPP	Party Official	1957	Male
Elisabeth KÖSTINGER	ÖVP	EPP	Youth Politics	1978	Female
Paul RÜBIG	ÖVP	EPP	Business Man	1953	Male
Claudia SCHMIDT	ÖVP	EPP	Party Official	1963	Female
Heinz K. BECKER	ÖVP	EPP	Senior Citizen Politics, Party Official	1950	Male
Eugen FREUND	SPÖ	S&D	News anchor, journalist	1951	Male
Karin KADENBACH	SPÖ	S&D	Advertising & PR	1958	Female
Jörg LEICHTFRIED	SPÖ	S&D	Jurist	1967	Male
Evelyn REGNER	SPÖ	S&D	Jurist	1966	Female
Josef WEIDENHOLZER	SPÖ	S&D	University Professor of History	1950	Male
Ulrike LUNACEK	Green Party	Greens-EFA	Social Worker, Party Official	1957	Female
Michel REIMON	Green Party	Greens-EFA	Journalist, Party Official	1971	Male
Monika VANA	Green Party	Greens-EFA	Party Official	1969	Female
Franz OBERMAYR	FPÖ	NA	Managing Director	1952	Male
Harald VILIMSKY	FPÖ	NA	Party Official	1966	Male
Georg MAYER	FPÖ	NA	Jurist, Party Official	1973	Male
Barbara KAPPEL	FPÖ	NA	Party Official, Managing Director	1965	Female
Angelika MLINAR	NEOS	ALDE	Party Official, Consultant	1970	Female

Source: http://www.bmi.gv.at/cms/BMI_wahlen/europawahl/2014/Bewerber.aspx; <http://www.meineabgeordneten.at/>

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BOOK REVIEWS

The Politics of European Integration

HELENA BAUEROVÁ¹

European integration is a dynamic sphere in which a variety of phenomenon may be studied. Along with the history of the integration process itself, there is of course the integration paradigm; the role of EU institutions and the decision making process; differences between supranational and intergovernmental integration; the euro-zone crises; the changes made after the Lisbon treaty; there is also concrete policy in areas such as agriculture, business, energy and security, as well as local regional, and foreign policy.

The large numbers of publications in the field are a testament to the above. Students and professionals are able to choose from a wide variety and this year a new book has been published, *The Politics of European Integration* by Andrew Glencross. This, perhaps, begs the question whether it is necessary to publish a further book focusing on European integration, a question that arises after taking a cursory look through its pages.

The book has all the characteristics of a textbook. Each chapter starts with content and learning objectives; tables, summaries, discussion questions, along with a glossary, are in every chapter and emphasize this format. A website of resources ([http://bcs.wiley.com/he-bcs/Books?action=index & itemId=1405193956 & bcsId=8326](http://bcs.wiley.com/he-bcs/Books?action=index&itemId=1405193956&bcsId=8326)) is added value, giving the reader access to additional information about the founding treaties during the integration process as well as information on current topics, such as issues related to the Eurozone crisis. References in the text indicate passages that can be found electronically.

The author refutes my conclusion in the introduction and has set a target: "...to make sense of the politics of European integration, which is precisely an exercise in understanding the politics of dissatisfaction by disentangling the strengths and weaknesses of the EU" (3). Glencross has no intention of publishing another textbook, the main purpose being a systematic connection of questions and themes relating to the integration process; the book "draws together scholarly insights from comparative politics, international relations, law and democratic theory" (3).

Glencross's book consists of four main parts. The first part, covering the history of European integration, includes chapters which are largely descriptive, the reader being made familiar with the intellectual background of the

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history of European integration through explanations of some of the mental concepts of European unification (Kant, Penn, and Briand). There is, as well, coverage of the first successful attempts of European cooperation during the period 1951–1973 (the foundation of the European Coal and Steel Community, the Treaty of Rome, the empty chair crisis) and the historical part of the book is concluded with a description of the modern development of European integration (1973–2010). We can clearly see there is an effort to simplify and shorten this chapter. It is, however, a pity that the author focuses only on selected historical moments of European integration, mostly on the process of enlargement and economic integration as is embodied in the Single European Act and the Maastricht and Lisbon treaties. Illogically, there are missing passages relating to both the Amsterdam Treaty and the Treaty of Nice, which are important in relation to EU enlargement and the formation of EU internal and external security.

The second part of the book analyses the role of EU institutions and the ordinary legislative procedure. Concerning this part of the book, it is necessary to commend the author for not proceeding with a description of each organ of the integration process in turn. Rather, Glencross has created a logical chapter in which EU institutions are seen to connect with the decision making process. While there are no references to the history of the decision making process and the threatening role of the European Parliament, if we accept the absence of these historical facts we still get a comprehensive view of the EU decision-making process that has been in effect since 2009. The added value of this chapter comes with an outlining of the role of interest groups, pressure groups and the position of experts in the various organs. Even though the role of these groups is large, these aspects of integration are not often mentioned. In the penultimate chapter of the second part, there is an analysis of the financial dimension of integration and its relationship with concrete politics. The question here is: what led the author to choosing these particular policies? The selection is not explained in the text. We can find a mix of supranational (single market) and intergovernmental policies (questions of justice and police), while special attention is paid to social, environmental and enlargement policy and EU budgeting. In spite of this, the chapter is not really representative. With respect to the style in which the text is written, neither is it typical study material and without knowledge of the partial policies and contexts of integration, there may be a problem with orientation in the text. On the other hand, this particular chapter deals with the actual problems and challenges of the integration process. The question of the European Union itself is addressed in the final chapter of second part. What follows is a very interesting discussion in which we are offered an analysis of the EU as federal state, as an international organization, or else as a case of *sui generis*. Here the text demonstrates how European Studies enters the sphere of political science and international relations and, further,

allows us to consider the EU an actor of international relations or a special group of national states.

Entitled “Debating the EU System and Its Policy Outputs”, the third part of the book opens with a chapter on regulatory theory, already introduced in the first part. An interesting theme is how EU “... citizens and elected politicians worry that the EU system is not responsive enough to public preferences... (considering)... unelected officials such as commissioners... have a large say in deciding how to make trade-offs between efficiency and equality when regulating the single market” (167). The author highlights how EU regulations work in practice mostly in the sphere of a single market and at the same time makes a connection with the problems of Europeanization discussed in chapter ten, where he addresses the issue of the democratic deficit in the EU. In addition, selected (classical) theoretical concepts (or paradigms) are mentioned, explaining integration (neo-functionalism, liberal inter-governmentalism) where these paradigms are interpreted in the context of current integration. The question is, whether all readers know these concepts and can understand the connection between theory and reality because these paradigms are explained very briefly.

The second chapter explains integration in a highly sensitive area, namely the area of EU security and foreign policy. This chapter draws attention to the terminology and content definition of this policy mostly in the sphere of Common Security and Defence Policy. Delimitation in primary legislation and the creation of this policy is not explained, however. In this chapter the author has chosen a form of vocational consideration, choosing a major issue (the relationship between national sovereignty and foreign policy within the EU) which he then puts into practical terms and reflects on possible solutions. The following chapter (What Model for Uniting Europe?) is written in a similar vein and at first glance it may seem like a description of general concepts (such as federalism, con-federalism etc.). However, the reader will discover that what follows is not merely a description but a highly competent analysis, a reflection on the extent to which theoretical models of concepts are reflected in the integration process.

The last part of the book, “Democracy and Integration”, deals with three phenomena. The first addresses the issue of democracy, namely the extent to which decision making is democratic in the EU. Here the author leads a discussion of the democratic deficit while addressing issues related to bringing the EU closer towards a parliamentary democracy. A second phenomenon concentrates on the position of national states in the integration process with the main question being how states adapt to the reality of integration. This chapter shows us the role of euro-scepticism and how residents of member states influence the integration process through referendums. Responding to the latest integration issues, a third phenomenon is connected mainly with the Eurozone crisis. Together, all three phenomena form a logical conclusion to the book in creating space for further reflection, a conclusion that compels the reader to think about the

integration process more comprehensively and contextually from the perspective of member states, their citizens and the EU itself.

After reading, the book can be summarized as follows. While having some of the typical characteristics of a textbook, *The Politics of European Integration* departs from this model, which, typically, outlines historical development, theoretical concepts and individual EU policies. As previously mentioned, a large number of such books have already been written. The publication's name, however, may be misleading for readers. *The Politics of European Integration*, while evoking the typical textbook through its chapter layout, appears to go beyond the classic form of textbooks and fulfils the objectives that the author sets out in the introduction. The first part is, then, perhaps the exception owing to its descriptiveness and focus on the historical, so we can forgive the author if we regard it an introduction of sorts. Certainly we can consider the omission of certain passages from the text and not diminish the value of the book as a whole. It is also clear that the current extensiveness of the integration process does not allow authors to address all areas of integration. We may also ask whether it is acceptable that the author has chosen selectively some policies and topics that also tie in with reflection or polemic and the solving of problems of specific policies or integration spheres. However, the book is certainly interesting and combines elements of textbook and scientific text. While not intended for laymen, it is very suitable for students or professionals who are interested in current developments in the integration process and regard it not as a fact but accept possible controversies which result from the process.

On the question of whether it is necessary to publish a further book focused on the subject of European integration the answer, then, is yes. There are several reasons why. Firstly, the book is not a classic textbook but combines elements of scientific text with elements that facilitate the study of European integration. Secondly, it is true that there are many books about the integration process, but only a few of them avoid the purely descriptive. Thirdly, the book encounters actual EU phenomenon and offers further space for more analytical research in the future. Finally, it is worth acknowledging that the integration process is so dynamic that it is necessary to publish the sort of book that seeks an interdisciplinary approach.

Glencross, Andrew (2014): The Politics of European Integration. Political Union or a House Divided? Wiley Blackwell. 326 pages.

The Holocaust in the East: Local Perpetrators and Soviet Responses

HANA KUBÁTOVÁ¹

The nine-chapter volume *The Holocaust in the East: Local Perpetrators and Soviet Responses* examines the complicity of local populations in Poland, Ukraine, Bessarabia, and northern Bukovina, as well as Soviet responses to local (non-German) anti-Jewish violence in these areas. It combines revised essays from the journal *Kritika: Explorations in Russian and Eurasian History* and previously unpublished pieces on postwar Soviet trials and investigations (by Diana Dumitru) and Soviet memory of the Holocaust (by Tarik Cyril Amar), as well as two framing essays (by John-Paul Himka and Zvi Gitelman).

This publication is a gripping example of historians' growing interest in topics related to the Holocaust in what is here referred to as the "east", that is the Soviet territory and that annexed by Soviet Russia after the Molotov-Ribbentrop Pact, a topic omitted from both Soviet and Russian history for a long time. This omission can, at least partly, be explained by the fact that Soviet and other archives in the Communist block kept these topics under lock and key until 1989/1991. Surprisingly, however, as John-Paul Himka claims in his introduction, Eastern European Jews have never received the attention they deserved from experts in the field: 'the annihilation of the Jews of Eastern Europe had been relatively neglected in scholarship or else treated by Holocaust specialists lacking a deep immersion in the local languages, cultural traditions, and historical contexts of the region' (Himka 2014: 1). This omission is even more surprising when we take into consideration that the overwhelming majority of those murdered in the Holocaust were born in these overlooked territories.

Somewhat paradoxically, the volume revolves around a text not included here but which, again in the words of Himka, 'announced the arrival of a new historiographical moment, of which the essays collected here are among the outstanding representatives'. The book that Himka refers to is Jan T. Gross's *Neighbors: The Destruction of the Jewish Community in Jedwabne*, published in English in 2001 (Gross 2001). Surprisingly, and this is a note to Czech and Slovak readers of this review, unlike the author's two following books, *Fear* and *Golden Harvest*,

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Gross's most discussed book was not (yet) translated either to Czech nor Slovak (Gross & Grudzińska-Gross 2012, 2013; Gross 2006, 2008).

But what exactly was the “new historiographical moment” and how are the essays collected here connected to it? As Himka argues, Gross's *Neighbors* initiated three trends in the new historiography. First and foremost, it was Gross's book and the controversy around it, which Marci Shore later discusses, that caused Holocaust and East European studies to overlap (Himka 2014: 1). On this topic, Shore shows how the integration of Holocaust studies into Eastern European studies went hand in hand with Jan Gross's transformation from expert on Eastern Europe (whose original training was in sociology, something that his opponents liked to remind him of) into Holocaust scholar. Gross's short but vivid account of the July 1941 murder of the Jedwabne Jews by their (non-Jewish) Polish neighbors was first published in Polish in 2000, four years after he was confronted by the testimony of Szmul Wasersztajn (Shmuel Wasserstein). Together with a small number of other Jedwabne Jews, Szmul survived the massacre thanks to a local Polish couple. A more affirming use of survivor testimony and yet another trend initiated by Gross, is his work *Neighbors*. What Gross suggests in his book is to 'modify our approach to sources for this period. When considering survivors' testimonies, we would be well advised to change the starting premise in appraisal of their evidentiary contribution from a priori critical to in principal affirmative' (Gross 2001: 139). Gross's suggestion found fertile ground: survivors' testimonies as well as microhistory have now a solid place in the historiography of the Holocaust. Both Vladimir Solonari's chapter on anti-Jewish violence in the eastern Romanian provinces Bessarabia and Bukovina, that took place around the same time as the massacre of Jedwabne Jews, and Diana Dumitru's piece on Soviet postwar trials against alleged Nazi and Romanian collaborators, acknowledge being influenced by Gross's work on Jedwabne: they both work with trial materials, including survivor witness accounts and narrow down their focus of study in order to make more precise (even if more complex) assumptions about Gentile-Jewish relations (Dumitru 2014; Solonari 2014). What was it that made locals initiate or participate in the robbery, persecution or even killing of their Jewish neighbours? Was it the Germans who triggered the violence? Was it because of any alleged or actual “pro-Soviet” Jewish behavior? Was ideology the reason? Greed? The initial critique of Gross's *Sąsiedzi: historia zagłady żydowskiego miasteczka*, as the title of his book read in Polish, centered around the question whether Gross's account did not downplay the German role in the Jedwabne pogrom. As Shore shows, however, '[b]oth Gross's supporters and his critics agree that the fate of Jedwabne's Jews was contingent on the Nazi invasion of Poland. Had it not been for the Germans, the massacre would not have happened. The pressing question of historical contingency in the debate is, rather, a different one: would the massacre have occurred had it not been for the Soviet occupation?' (Shore 2014: 26) As shown

by Solonari's and Dumitru's examinations of local participation in anti-Jewish violence – a final, third trend that *Neighbors* helped to initiate – similarly to the Jedwabne case, the 'experience of the Soviet occupation played only a limited role in motivating participation in anti-Jewish violence' and the 'oral histories also indicate that Bessarabian villagers did not necessarily perceive Jews as supporters of communism' (Dumitru 2014: 155; Solonari 2014: 81).

Shore argues that to some extent the greatest success of Gross's account on the fate of the Jedwabne Jews is a book entitled *Wokół Jedwabnego* (*Around Jedwabne*) published by the *Instytut Pamięci Narodowej* (*Institute of National Remembrance*, IPN) in 2002. The two volumes of this book, one consisting of scholarly articles and the other of documents, are in Shore's words 'at once a critique of Gross's work and the highest compliment paid to it' (Shore 2014: 26). One of the important results of the IPN investigation is that it challenged the notion that Jedwabne (together with Radziłów) might be extreme but nonetheless rare cases of local violence against Jews. Andrzej Żbikowski's chapter in the volume, as well as recent research, has proven this argument invalid (Grabowski 2013; Shore 2014: 18). The even greater success of Gross's *Neighbors* and, involuntarily, that of his critiques as well is that it 'served to integrate the Polish-Jewish debate in a new way into the larger history of European totalitarianism. In this respect Gross represents an increasing inclination among historians to reject what has until now been a fairly dichotomous (and artificial) division between East European history and East European Jewish history' (Shore 2014: 27).

If the Jedwabne massacre was forgotten (not counting the 1948 Łomża trials) until Jan Gross returned to Wasersztajn's testimony in 2000, and if it was Gross's *Neighbors* that triggered researched on local wartime violence against Jews, the additional chapters by Harvey Asher, Karel C. Berkhoff, Marina Sorokina and Tarik Cyril Amar challenge the notion of a "total or near-total silence" about the Holocaust in both wartime and postwar Soviet Russia (Berkhoff 2014: 84). In his chapter on the Holocaust in the Soviet media, Berkhoff argues that '[a]lthough Soviet media items often attempted to conceal that the Nazis were deliberately killing all the Jews, this concealment never became a policy. It was nothing but a tendency that never became entirely consistent' (Berkhoff 2014: 84). Inconsistencies in Soviet reporting on the fate of Jews both inside and outside of "Soviet territory" is something that Marina Sorokina and Harvey Asher also notice in their respective chapters. More importantly, as Asher concludes, anti-Semitism can only partly explain why both Soviet and post-Soviet Russia has downplayed the Holocaust of Soviet Jewry. This playing down of the story of the Jews during the "Great Patriotic War" (the Russian term denoting the Soviet war against Nazi Germany) was in Soviet Russia connected to 'the Party's efforts to strengthen its own legitimacy by highlighting the war as an experience shared by the entire country', current '[y]oung Russians are more concerned with the immediate problems of adjusting to life in the new Russia than with preserv-

ing or resurrecting divisive memories' (Asher 2014: 49–50). In his fascinating chapter on the construction of Soviet discourses on the Holocaust, Tarik Cyril Amar suggests not only looking for things suppressed but also those added to the Holocaust memory: 'The Soviet period did not simply impose a freeze, communicative silence, organized forgetfulness or "mnemonical stasis". Although terms like these describe one important aspect of what happened, they also obscure an equally important question. Factoring in what the Soviet period added or fostered, in addition to what it suppressed or took away, we are led to a substantial change in our view of the Soviet legacy and its persistent effects' (Amar 2014: 158). When examining the interaction between various discourses (official, German and Ukrainian nationalist) concerning the Holocaust in the city of Lviv, Amar shows the omnipresent 'dichotomy of suppression and recognition' with regard to the Jews during the Holocaust (Amar 2014: 164).

The *Holocaust in the East* is an important and influential volume on both local perpetrators of anti-Jewish violence in Poland, Ukraine, Bessarabia, and northern Bukovina, and on Soviet discourses on these actions and the Holocaust in general. As the system of research funding in the Czech Republic takes a discriminatory stance towards anthologies and collective volumes, this book can serve as a prime example of why such a policy makes little sense. A well-written, captivating collection of essays on interrelated topics, the *Holocaust in the East* will hopefully inspire research on local perpetrators in the Protectorate of Bohemia and Moravia, the Slovak state and also responses to these and other anti-Jewish actions in postwar Czechoslovakia.

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POLITICS IN CENTRAL EUROPE publishes original, peer-reviewed manuscripts that provide scientific essays focusing on issues in comparative politics, policy analysis, international relations and other sub-disciplines of political science, as well as original theoretical or conceptual analyses. All essays must contribute to a broad understanding of the region of Central Europe.

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Each issue the *Politics in Central Europe* focuses on one main topic or theme. This theme is indicated in advance, at the latest in the previous issue. Besides essays focused on the current issue, essays with other themes are welcomed too.

Essays should be written in English (preferably British English).

Essays should not normally exceed 12,000 words in length.

When submitting the essay, please also attach:

- an abstract of 150–200 words, in English, stating precisely the topic under consideration, the method of argument used in addressing the topic, and the conclusions reached
- a list of up to six keywords suitable for indexing and abstracting purposes
- a brief biographical note about each author, including previous and current institutional affiliation
- a full postal and e-mail address, as well as telephone and fax numbers of the author. If the manuscript is co-authored, then please provide the requested information about the second author.

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In order to ensure anonymity during the peer-review process, the name(s), title(s), and full affiliation(s) of the author(s) should only appear on a separate cover sheet, together with her/his preferred mailing address, e-mail address, telephone and fax numbers.

POLITICS IN CENTRAL EUROPE reserves the right to edit or otherwise alter all contributions, but authors will receive proofs for approval before publication.

Style Guidelines

Below are some guidelines for in-text citations, notes, and references, which authors may find useful when preparing manuscripts for submission.

Manuscript style guidelines

Authors are urged to write as concisely as possible, but not at the expense of clarity. Descriptive or explanatory passages, necessary for information but which tend to break up the flow of text, should appear in footnotes. For footnotes please use Arabic numbers. Footnotes should be placed on the same page as the text reference, with the same number in the essay.

Dates should be in the form of 1 November 2005; 1994-1998; or the 1990 s.

References in the text

In the text, refer to the author(s) name(s) (without initials, unless there are two authors with the same name) and year of publication. Unpublished data and personal communications (interviews etc.) should include initials and year. Publications which have not yet appeared are given a probable year of publication and should be checked at the proofing stage on an author query sheet. For example:

Since Bull (1977) has shown that. This is in results attained later (Buzan – Jones – Little 1993: 117). As contemporary research shows (Wendt 1992), are states the.

Publications by the same author(s) in the same year should be identified with a, b, c (2005a, 2005 b) closed up to the year and separated by commas. Publications in references that include different authors should be separated by a semicolon: (Miller 1994a: 32, 1994 b; Gordon 1976). If the year of first publication by a particular author is important, use the form: (e.g. Bull 1977/2002: 34). If there are two authors of a publication, separate the names by ‘-’ (not ‘and’ or ‘&’). If there are more than two authors, put the name of the first author followed by ‘*et al.*’, or write all names separated with ‘-’ (four authors maximum).

References to unauthorized data from periodicals may be given in brackets in the text together with the exact page(s). For example: ‘(quoted in *International Security* (Summer 1990: 5).’ If such a reference is included in the reference list, the title of the contribution referred to must be provided, and a short title without inverted commas and a year of publication is used for in-text-referencing (e.g. short title year). As a general rule, an exact web address of a particular article can be substituted for its exact page(s).

List of References

References are placed in alphabetical order of authors. Examples of correct forms of references for alphabetical style:

BOOKS:

Single author books:

Diehl, Paul F. (1994): *International Peacekeeping. With a new epilogue on Somalia, Bosnia, and Cambodia*, The Johns Hopkins University Press.

Two or more authors:

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