

*Two Sides of the Same Coin***Highlights**

- ★ Due to geopolitical constellations, Austria could be seen as “a rather late” comer to the European Union (it joined in 1995). The rationale to join remains relevant: protection of wealth and securing a prosperous future. Being very reliant on export, the access to the single market is fundamental to its economy. The enlargement has also helped Austria become a hub between Western and Eastern Europe.
- ★ There is almost a paradox among Austrians whereby euroscepticism reaches a high level of acceptance, while they have a distinct europhile feeling, especially when it comes to questions of identity.
- ★ EU membership is not perceived to be equally beneficial across all sections of society: there is a gap between younger and older generations and larger and smaller companies. Addressing the concerns of the disadvantaged groups could further legitimise the EU.

Building Bridges project

This paper is part of the Building Bridges Paper Series. The series looks at how the Member States perceive the EU and what they expect from it. It is composed of 28 contributions, one from each Member State. The publications aim to be both analytical and educational in order to be available to a wider public. All the contributions and the full volume *The European Union in The Fog* are available [here](#).

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About Building Bridges

Called “Building Bridges Between National Perspectives on the European Union”, the project aims to stimulate the public debate around national experts on the relationship between their Member State and the EU and on the future of the Union. This project confronts their visions with others’ from different member states, but also those of people from different horizons via workshops in Warsaw, Madrid, Paris and Brussels, which took place in 2015 gathering experts and local citizens.

The project is coordinated by the French Institute of International Relations (Ifri) with three major partners: the Polish Institute of International Affairs (PISM), Real Instituto Elcano and EUROPEUM—European Institute for European Policy. The project has also benefited from the support of institutes in each Member State.

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What does your country hope to gain from its membership to the European Union?

Back in the aftermath of the second World War and during the Cold War, Austria's status among the major players was very controversial and the country gained its independence in 1955 under the promise of neutrality.¹ For decades to come, the conflicting interests of major powers, and forbidding legal connotations to the term 'neutrality', made it impossible for Austria to consider membership of the European Communities.² By the late 1980s, and especially the early 1990s, the need for adjustments to the new round of economic integration in Europe was increasingly gaining momentum within Austria. This trend was intensified by major structural economic problems within the nationalised industry and banking sector.³ The end of the Cold War era and the widening of the neutrality concept towards a more 'differential'⁴ one are seen as the crucial geopolitical determinants that led Austria to, what some have called 'a rather late', membership in the European project.⁵

The argument used in a bid for membership some 20 years ago, still holds relevance today: protection of wealth and securing a prosperous future. Austria is a relatively small country. Being export-oriented, the possibilities that participation at the EU level gives it are very important. In fact, every six out of ten euros are earned through exports. The pronounced importance of the single market for Austrian interests is evidenced by the fact that 70% of the country's exports are with EU Member States.⁶

For some in Austria and other EU Member States, the big enlargement in 2004 is viewed as having had a negative influence in terms of the EU project losing its clarity. From an economic point of view, the enlargement is perceived to be a very positive development

and, as a result, Austria has become an important business and industrial hub between Western and Eastern European countries.⁷ Currently, Austria counts itself among the richest countries, and this has been propitiously stimulated by EU membership.⁸

Not surprisingly, a majority of Austrians (58%) place the free movement of people, goods, and services at the very top of gains/achievements that membership to the EU has brought about. As the second most relevant accomplishment, 55% of Austrians place peace among EU Member States.⁹ Were we to divide these data according to age groups, then we would see that the older generation of Austrians have learned to appreciate a life in security, political stability, peace and freedom. The younger generation, on the other hand, would not appreciate a European Union of border controls, without the Euro or without the possibility of studying and/or working in another EU country.¹⁰

In terms of foreign policy, through participation within the EU's structures Austria has grasped the opportunity to advocate and forward its own interests and positions. With an EU-backing, issues of common interest such as the protection of civilians in armed conflicts, strengthening of human and minority rights, disarmament, arms control and non-proliferation of weapons of mass destruction have been productively promoted at the multilateral and international levels.¹¹

Do you think that the European Union appears to be a clear project in your country? If not, what are the main reasons?

In Austria, there is an observable and intense euroscepticism, which contrasts with an even stronger europhile feeling. Expressed in numerical terms, more than a third (36%) of

Austrians have a negative image of the EU, while, at the same time, almost three quarters (72%) of them have a distinct feeling of being a European citizen.¹² The first two words they associate with the word “Europe” are the “EU” and “euro”. Austrians feel confident in their local identities, and concurrently, they have a very strong sense of a European identity (87%). About half of them (49%) would like a closer cooperation among EU Member States.¹³

Currently the country is governed by a so-called “grand coalition” between the Social Democrats (SPÖ) and the Christian Democrats (ÖVP), much the same as it has been for most of the last 60 years. Austrians feel that this political elite is stuck, overly preoccupied with internal factions, and that their programmes speak to a less and less engaged public, as made visible by the latest electoral results.¹⁴ This seems to have engendered a perception that they are stalled in inward reflections rather than having a distinct proactive European vision.¹⁵

Since the very beginning when Austria launched its bid for an EU membership, the pro-EU political parties (SPÖ & ÖVP) employed a campaign of “national egoisms” by merely focusing on an inflated positive campaign on Europe’s contribution to Austrian interests, instead of also including Austria’s contribution to the European project.¹⁶ In this environment, important issues such as the neutrality of the Austrian state, or the eventual effects that an EU common market would have on the social structure of a relatively wealthy state such as Austria, were left undiscussed.

Much has changed since Austria first became an EU member. Buzzwords that come to mind when talking about the EU are Schengen, Euro, financial crisis, excessive red-tape procedures, bent cucumbers, and more recently the refugee crisis. In Austria, there is a

“two sides of the same coin” approach when it comes to the EU: being able to travel without encountering burdensome border controls is largely appreciated; on the other hand, perceptions of “unbridled criminality and abuse of asylum”¹⁷ result in the surfacing of champions for closed borders. The euro, another largely appreciated achievement of the EU, can similarly engender negative connotations, such as being presented as the culprit for perceived high costs of living. These are some of the very arguments used by eurosceptics. On the 1 July 2015, a week-long popular petition on exiting the EU collected around a quarter of a million signatures, or 4.12% of those entitled to vote.

In 2000, the Christian Democrats (ÖVP) partnered with the Freedom Party of Austria (FPÖ) to govern Austria. The disagreement between the EU (at 15 Member States at the time) and Austria as a result is still seen as a missed opportunity for staging an open debate about the EU in Austria. Although the resultant “diplomatic boycott” by other EU Member States was not the outcome of a decision taken within the EU institutions and structures, the ÖVP-FPÖ government, together with the majority of Austrian media, nonetheless chose to represent it as “EU sanctions against Austria”. This provoked a national discourse that resulted in the formation of a rather patriotic sentiment throughout the country: the EU having taken an unjustified offending stance towards the country of Mozart.¹⁸

The data mentioned at the beginning of this section, while contradictory at a first glance, can be understood to be an expression of the frustration of Austrians with their political elites, rather than with the European project.¹⁹ People perceive “a total failure of the political class” to adequately engage with and at the EU

level. Austrian politicians see themselves as pragmatists, and delay taking a stand except for when it comes to advancing the country's business interests. This muddling through approach,²⁰ though long accepted as second nature, seems to have contributed towards a conflicting image between the status quo and the potential or desirability of the EU.

Which degree of integration seems adequate to the position and ambitions of your country both politically and economically?

Historically, the EU has been a project of the political centre, with the parties outside this spectrum against the EU. During the last elections for the European Parliament (EP), the political centre attracted 4/5 of the votes cast, even showing a combined 10% increase. The only party with a eurosceptic stance that has a presence in the EP, and which managed to show the biggest gain for a single party (+7%), was the Freedom Party of Austria (FPÖ).

The following will present an analysis of the positions the main parties hold on political and economic integration by looking at their respective programmes, especially the ones from the 2014 EP elections.

The two biggest parties, the Christian Democrats (ÖVP) and Social Democrats (SPÖ), secured 5 out of 18 seats each. The ÖVP won 27% of the votes cast and campaigned for a stronger Europe and a more prosperous Austria. For them, both are mutually reinforcing. They envision an EU with a stronger role in the world and, at the same time, a more democratic, responsible and secure Europe.²¹ The SPÖ campaigned for a more social Europe. Their focus is on combatting unemployment, especially among the young generation, and here they see the need for the

EU to engage more financial means. They argue for European social minimum standards that combat wage and social dumping. Regulation of financial markets is another issue that the SPÖ believe should be handled at the EU level.²² The Austrian Chancellor was among the first proponents for an EU-wide financial transaction tax. They have not been successful in implementing it at an EU or even Eurozone level, but many EU Member States have decided to implement the tax individually.

The FPÖ's success, the third strongest party in terms of EP seats (4), was achieved thanks to votes cast by Eurosceptic voters: 60% of them voted in favour of the FPÖ. Their slogan was "Austria revises its own opinion: too much EU is stupid". For example, they point out the stupidity in a range of EU characteristics and policies: from a centralisation of red tape and regulatory insanity, borderless criminality and abuses of the asylum process, to the unattainability of the single currency and the financing of bankrupt states. The FPÖ keeps the option available to exit the Eurozone if the euro is not stabilised.²³ Their programme gives a rather simplistic and even asinine understanding of the EU. That is not to say that the relevance of topics singled out is non-existent. In fact, they do concern all citizens, not only the FPÖ electorate, and as a result, a decidedly less populist presentation could have brought a more insightful discourse within the wider population.

The Greens were initially against an EU accession for Austria. Their slogan was "small is beautiful". After the referendum and the accession, they underwent a complete U-turn. Ever since, their campaigns have carried decidedly pro-EU themes that are traditionally associated with the green movement across Europe: transparent politics, cleaner

environment, better education, human rights, social responsibility and Europe-wide solidarity.²⁴

A relatively young party, Neos (Neues Österreich) claims to address contemporary concerns felt especially by the young. Among all the Austrian parties present in the EP, Neos offers the most pro-European perspective: a democratic united states of Europe with a federal constitution and global reach.²⁵

According to you, how could we strengthen the idea of belonging to a common European public sphere among your national citizens?

If we define a common European public sphere as a space of communication between citizen and political actors for discussing matters of common European interest, then the creation of such a sphere, in Austria and EU-wide, despite some recent development, is still lagging.

The EU permeates the daily lives of most Europeans: the euro, driving licences and passports are only the most obvious examples. Notwithstanding these facts, and after 20 years of membership, the Austrians still perceive the EU to be a distant, abstract and non-transparent polity.²⁶ The reason for this relates to its inherent systemic problems, political divergences, lack of a political vision and mostly grave miscommunication.²⁷ Obviously, when it comes to European integration, experience has shown that the process is driven by political elites. The age of 'permissive consensus' has passed and the channels for political communication between the EU level and European citizens are seen as increasingly inadequate, sparking a debate on the democratic and legitimacy deficits of the EU.²⁸ Thus, the formation of a dynamic European public sphere would necessitate the

development of a crucial factor for the social and political integration in Europe, while concurrently serving as a legitimisation of EU policies.²⁹

The economic and financial crises, most prominently the Greek crisis, as well as the refugee crisis, have spurred a heated discourse that can be considered to have created a vibrant common European public sphere. Such a sphere is tangible at both the European level (with a bout of decisions made in Brussels and Frankfurt) and the national level of Member States (with decisions taken in national capitals, such as the Austrian parliament's decision to continue negotiations with Greece in mid-July 2015).

In addition to this dual characteristic, a well-formed public sphere needs to develop and stabilise in both a top-down and bottom-up way.³⁰ Using the same crises as illustrations, a top-down development-stabilisation of the public sphere led to an extensive and recurrent media coverage of the European Council summits and the EU-Turkey compromise on the management of the refugee crisis.³¹ This included the debates of Members of the European Parliament on these issues and accounts of relevant meetings and decisions being published in the Official Journal of the European Union. The solidarity and support for refugees at border crossings or train stations and the ensuing discussion are perfect examples of a bottom-up stabilisation-development of a common European public sphere.

Additionally, most of the print and online media in Austria have a permanent section on European issues, either as a stand-alone column or within the "International" headings. The *Wiener Zeitung*, provides a standalone "Europe" heading that engages readers on EU topics through such means as newscasts from other

Member States, interactive pages on various data of different EU Member States' debt, employment, education, environment, energy etc. *Der Standard*, within the international heading, offers articles in two separate sections about Europe and the EU. Other media such as *Die Presse*, *News*, *Profil* etc. also consistently report on European topics.

Which policies would you deem essential to conduct at the EU level in order to better legitimise the European project?

Every EU Member State, and Austria in particular, has had to adapt to constantly changing contexts due to endogenous as well as exogenous factors. EU internal integration, EU enlargement, the development of the single market, economic and financial crises, dangerous geopolitical situations such as the Ukraine conflict and the difficult relationship with Russia, the Arab Spring, the Syrian war, the rise of Daesh, and the ensuing refugee crisis, have all made it imperative to realign policies and establish new interdependencies.

Observations within different groups in Austrian society show that not all have equally gained from the EU membership.³² The EU has been propitious for younger Austrians while the older generation, blue-collar workers and persons with lower formal education have not fared as well. The same can be said about the advantageous effects for multinational enterprises, while for small and medium sized enterprises and farmers (at least initially) the disadvantages sometimes surpass the gains. Tackling the concerns of the disadvantaged would not only have a positive effect in further legitimising the EU project, but would even push down the high level of euroscepticism that is prevalent within these groupings of Austrian society.

Austria, as is the case EU-wide, is under increasing pressure to accommodate large numbers of refugees. Whether it is the result of a humane inclination, solidarity and/or an obligation, a clear communication from the EU on the reasons for Member States' accommodating refugees would help quell resentment and distrust among the above mentioned groups.

Austria has a proven record of accomplishment in consistently supporting initiatives aimed at the strengthening of the single market in all sectors, especially those focusing on ecological performance and sustainability of European industry. Further action at the EU level on issues such as the cutting of red tape to enable the cross-border operations of SMEs, a clear opposition to GMOs, protection of phytosanitary standards, as well as greater consumer protection would resonate well with Austrian society.

Austria places great emphasis on creating a level playing field, and would expect measures ensuring that service providers from other EU Member States competing in the Austrian market do not engage in illegal competition, for instance by refusing to pay taxes and social insurance contributions or illegally employing foreigners without a work permit. Large wage differences with certain EU Member States would also be considered problematic.

In addition, Austria has very stringent quality and environmental protection standards and wants these to be respected by service providers regardless of their origin.³³

Austrians expect European solutions for trans-border/transnational problems. They want closer cooperation at the EU level in the areas of peace and security, foreign policy, reduction of roaming charges, a sustainable

phase out of nuclear power, antiterrorist measures and the fight against international/organised crime, protection of the environment and immigration.³⁴ In the fight against youth unemployment, Austria proposes to develop its own model of a dual education system at the EU level. Working on EU solutions in these fields would see, on the

one hand, the interests of Austrians satisfied by making a difference on a much larger scale than simply within the national level, and, on the other hand, a continued motivation to participate in in the EU project that would ultimately engender greater legitimisation.

Endnotes

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