Editorial

While it is true that the elections to the European parliament have afforded a little breathing space to dedicated Europeanists and democrats, by no means have they ushered in a period of tranquility. To be sure, the front of right-wing populist opponents of Europe and friends of political authoritarianism did not achieve the dreaded breakthrough; still – worryingly enough – they did consolidate their position, winning nearly a quarter of the seats in the EP. Consequently, the concerns about right-wing populism and the authoritarian temptation still top Europe's agenda. They also will play a crucial role in the management of the Brexit chaos in the UK, since many of the actors who will decide its final form are in the rightist camp. In all of its manifestations right-wing populism predictably attacks multilateralism and advocates withdrawal into the supposedly secure redoubt of one's own nation. It attracts majority support from those who (rightly of wrongly) perceive themselves to be the losers, whether in a social, cultural, and/or economic sense, from the dominant, neoliberal version of globalization. At any rate, that is the profile of the typical British Brexit voters who may end up deciding things. As is usual in the context of populist politics, a majority of those very same voters likely will lose out from the policies they have chosen. It appears also that a highly polarized form of political conflict has begun to prevail in the UK, in which the other side counts as the enemy and politics leaves behind only scorched earth. Worse still, this spark may be arcing over the borders of the UK.

Many contributors to this issue ask how this wave of right-wing populism can be halted in Europe. The answers they offer have different accents, yet they are not incompatible with one another. The meaning of one prominent case – Denmark – remains contested. Should the weakening of the right-wing populists there be ascribed principally to the Social Democrats' restrictive immigration and integration policies, or to their social welfare policies which emphasize equality and security? In Spain a Social Democratic Party that seemed to have been fatally weakened arose phoenix-like from the ashes with renewed vigor. Its example suggests that a credible leadership plus a combination of social welfare policies and a moderate migration policy provide a recipe for success. There are many reasons to think that all of the above factors will be in play in the struggle against European right-wing populism, although the weight assigned to each will depend on social and political circumstances in each country. This is an encouraging conclusion, since it identifies the causes and offers remedies against them.

Thomas Meyer
Editor-in-Chief and Co-Publisher

Richard Meng
A New Era

Lessons from the European elections

Sometimes the generic terms we choose get in the way of understanding. Did the voting that took place at the end of May, 2019, count as the first true European election in the full sense of that term? Was it one that highlighted European issues and a European message? A few commentators thought so, at least at first glance. Yet closer inspection rekindled doubts, since everywhere the focus of the post-mortems – whether in politics or the media – were once again so hopelessly national. And as before at the EU level, nation-states have far too much influence when it comes to forming majorities and selecting personnel. As has become apparent, they now have even more say than they did in 2014.

If we wish to accentuate the positive, we can still draw a provisional conclusion favorable to Europe from the electoral results themselves: The ratio of the distribution of pro- and anti-European forces in the new parliament is about 85 % to 15 %. That should not be a bad foundation. At any rate if we look at matters in this light, there should be no more talk about the eclipse of the European idea. And people did understand that the battle over fundamental principles overshadowed everything else. Certainly, that is the reason why voter turnout this time was considerably higher than in the past. So, from this point of view there is reason for hope. But hope for what? And how strong will the new EU Parliament really be?

What we still lack – and this is almost a matter of criminal negligence – is a way to translate the basic European message into truly common policies. However, there are some initial moves in that direction within the European Parliament itself. At least within the center-left spectrum, the selection of personnel for top positions will be linked to political issues. For the first time, substantive political concerns supposedly will determine how coalition-building proceeds.

Then too, a few heads of national governments who actually should have been alliance partners (especially those from Spain, Portugal, and France) began to play a different game of their own after the elections. And in most national public spheres (with Germany being a positive exception on this score) there was no hint of anything resembling a new kind of European seriousness. Admittedly, this time around European coalition-building will be unusually complicated. But then again people wanted a diverse parliament.

Furthermore, such diversity has exhibited a substantive element as well, perhaps somewhat unexpectedly. Since election day a hypothesis has been circulating according to which the old catch-all parties are on the way out and now only clear, simple messages have a chance of getting through: namely, the kind offered by the populists or even the German Greens. But that argument is superficial. Matters get complicated when one asks what significance classical issues centered on material interests (still) have as compared to more overtly values-based and perhaps post-

material concerns. For isn't the distinction between material and post-material issues itself already an artifact of yesterday?

Much can be said for the view that the upheaval revealed by those European elections scarcely can be described anymore through the classical categories. In this new era, it doesn't even make sense anymore to use the right-left schema to identify clear trends, since the far right has had success in exploiting the justice issues formerly claimed by the left. Moreover, in many parts of Europe, even on the left side of the party spectrum, fear of refugees appears more significant than classical concerns about social security.

At all events, in the European electoral campaign one could discern what had changed: The accustomed systems of political self-location and -orientation no longer work, and the diffusion that follows from this fact begins in the media. It is precisely the most well-intentioned »Europe talks« that prove to be snoozers if they focus on factual issues and steer clear of emotions, while voters are judging more and more on the basis of impressions and gut feelings rather than responding thoughtfully to campaign programs.

Moderators in the media are totally overmatched by the complex international dimensions of these issues. Public broadcasts dripping with concern and featuring the usual questions for citizens are as far removed from the real European decision-making alternatives in Brussels committees as the moon is from the earth (not that anyone in the studios would notice). Print journalism continues to play second fiddle to TV and the internet. Aside from insider stories about political personalities, it has lost its power to shape public opinion.

These are all symptoms of flaws that run deep and originate at the level of national politics. And that includes the question: what kind of out-of-touch person will emerge from the leadership councils of the old catch-all parties and be presented to the voters? In particular, the German SPD runs that gauntlet over and over again without ever understanding how its choice of a candidate – and thus its own decision-making – generates a sense of alienation among the electorate. Bureaucrat- and apparatchik-speak does not cut it anymore. Everyone notices when you are drifting away from lived reality. That dilemma reflects the new fundamental problem of professional politics. It loses its ability to stay in touch.

To put the point in a slightly more abstract way: In Europe and to some extent all over the world it has become readily apparent that if your party looks like a system party, you've already lost even before the campaign has really begun. Openness, receptiveness, clarity of values combined with flexibility, a relaxed attitude plus curiosity: All of those characteristics have become indispensable yet nearly unattainable for parties that have to carry on real and permanent struggles for power and even their very existence. That is especially true when they face dwindling support.

But one thing has become particularly clear now: The kind of professional campaign management that used to be practiced is a dead letter. For about two decades it had been regarded as mandatory to turn over party communications to a professional agency in the year before important elections were scheduled. The latter used polling data to test messages, plan the electoral campaign in detail, think up slo-

gans, and develop the campaign in accord with master plans. Initially, this approach worked well, but it came at a cost: The real centers of political decision-making were reduced to mere appendages, rather than retaining the steering functions they once performed.

That approach no longer works. It is far too inflexible, much too inauthentic. Besides, it no longer meshes well with the digital, individualized media world, which now – for the first time – has asserted its own dynamics and formative power against the paid campaign agencies. For several years now trends in the professional communications sector have been moving toward internet propaganda of this sort, via »influencers« as the (frequently well-paid) internet celebs with large communities of followers are known. Their job is to shape opinions through direct marketing rather than detouring through curator-journalists. The decay of a transparent general public sphere due to these internet-related developments is evident and now finally it has become palpable on a grand scale even in Europe. That directly affects democracy and its processes of opinion-formation. Moreover, election results enable us to trace the digital divide in society.

As yet it is hard to say whether the transition should be regarded as a matter for concern or welcomed as a challenge to be met. It is difficult to imagine that party activists from the analog age will be able to find their way around in this new digital world of opinion and coordinate their activities around specific political content – at least apart from self-marketing for career advancement.

The trend toward self-tweeting, usually understood as a way to communicate one's way into an alien world, constantly gives rise to political gaffes. Meanwhile, internet hybris continues to grow; in fact, it is not uncommon for it to forge alliances even with insecure older media in search of a public. And for many young people, the internet already has evolved into their own under-regulated world, which they want to defend at all costs in the name of freedom of opinion. This clash must be resolved, but any such resolution presupposes that both sides are ready and willing to participate in a dialogue.

The parties' loss of their powers of communication at the grassroots level has a great deal to do with the process that has produced a digital divide. And this trend will continue, not least because by now opinion leaders in the digital world of the young have made a strong bid for communicative power. If the old-style party headquarters clings to the venerable method of »paying the pros,« they won't be able to accomplish much anymore.

Communications thus have undergone a double shift. The first step was a move from personal contacts to PR-guided media campaigns, while the second led from there into the bewildering immensity of the internet. Each stage brought about a gradual change of tone. As long as parties were in charge, voters were not exposed to nearly as much openly negative campaigning as they are now, for example by YouTubers. The destabilizing effects of this publicity payoff will be enormous.

But as a general rule the tone has become sharper and more aggressive. The inability of British parties to compromise, as demonstrated by the parliamentary stalemate in London, could be a beacon visible far beyond the confines of Great Britain.

If one's own public now values only hard-edged political positions, then parties in decline always will be tempted to cater to precisely that expectation.

All of this maps the changed environment in which future electoral contests will be fought out. The curious thing is that accommodating parties like the Greens, on which many people – especially the young – project their hopes, will get a temporary pass on having to answer difficult questions, at least until at some point, perhaps due to electoral outcomes, they are forced into the role of system parties. One could argue that this phenomenon demonstrates the powers of self-renewal inherent in party democracy. In fact, some might claim that it is the sole democratic antidote to the poison of the far right, against hate and marginalization. But the collateral damages are high. The wear and tear on political personnel, energy, and talent will continue to grow.

Processes such as these are never synchronized or simultaneous in European countries; instead, they occur sequentially – at least as far as their relevance for and influence upon each country is concerned. By the same token, national political elites evince varying degrees of insecurity. Those differences make it rather more difficult not only to assemble political majorities on a variety of substantive issues in the new European Parliament, but even to achieve a political-cultural consensus within that majority. This is the case because the actors of democratic Europe are far less prepared to form a habitual consensus, even on the shift of communications into the internet, than they are to find agreement on matters of political substance.

This is perhaps the most interesting point when one gazes into the future. Europe, an island of democracy that remains comparatively stable amid an increasingly unpredictable global politics, must recalibrate the consensus of democrats. In the process, it cannot avoid the question of how future democratic opinion-formation can take place at all.

Temporary trust: there will always be some currency that emerges from election results, but it has become a very soft currency with a lot of fluctuations in the exchange rate, which is very much subject to influence. So, it actually would have been all the more important for the new European Parliament to learn to manage the evolution of its internal diversity quickly and productively. And it should have developed responses to the entire range of challenges posed by this new era.

But what is actually happening? In every party family in the EU Parliament the »Europeans« have been sidelined in favor of placeholders skilled at power politics. It's almost as though they had adopted the slogan: »Only a weak Parliament guarantees that the European Council will be able to agree.« And once again the only people who enjoy any status in national public spheres are those from one's own country who have made a name for themselves in Europe. Thus, although the vibe from the election was pro-European, the system threatens to pulverize it.

Richard Meng
is a political scientist and author. He has been deputy chief editor of the newspaper *Frankfurter Rundschau* and Speaker of the Berlin Senate. In 2016 Schüren published his book entitled *Wir schaffen es (nicht): Politik und Medien in der Selbstwertkrise.*

richard.meng@t-online.de

Yuan Li

Can the »Belt and Road Initiative« be a Catalyst for Inclusive Growth?

In 2013, Chinese President Xi Jinping officially announced China's plan to construct a »Silk Road Economic Belt« and a »21st Century Maritime Silk Road« in collaboration with participating countries to achieve development gains and strengthen mutual connectivity. Since its introduction, the Belt and Road Initiative (BRI) has been the center of a plethora of political, public, and academic debates. Despite skepticism from some Western countries, the initiative has progressed rapidly. Over the past six years, the BRI has evolved from rhetoric to projects, from high-level plans to intensive and meticulous implementation. So far, more than 120 countries and 20 international organizations have signed cooperation agreements with China, taking part at different levels in the initiative. Almost all EU countries have engaged in various forms of BRI cooperation. At present, 18 EU member states have joined the Asian Infrastructure Investment Bank (AIIB), of which 14 were founding members when it became the European Union. France, Germany, and the UK have provided three out of five vice presidents at the AIIB, thereby exerting significant influence on the operations of the AIIB *per se* as well as the roll-out of BRI projects. The German city of Duisburg was the first European city to be connected by the New Silk Road railway to China. By the end of 2018, the China-Europe rail service had connected 198 cities in 16 countries in Asia and Europe.

Meanwhile, the slowdown of economic development and the worsening of inequality constitute two of the major issues of the global economy. Inclusive growth thus has been recognized as an important development strategy by countries around the world. In 2017 at the G20 Hamburg summit, the need for »strong, sustainable, balanced, and inclusive growth« was reiterated on page one of the Hamburg Communiqué. Can the BRI become a catalyst for achieving the goal of inclusive growth? Can the BRI enable developing countries that until now have been standing on the sidelines to be integrated fully into the global economic system? How can the EU and China cooperate to achieve these goals?

Even in the absence of the BRI, the demand for inclusive growth is crucial to meeting the major challenges of globalization such as the development disparity and digital divide between rich industrial countries and poor developing countries. The vast inland areas of the Eurasian continent, from Kashgar and Almaty to Tehran and Constantinople, for centuries had been outreach terminals of trade and investments between Europe and China. However, the region as a whole experienced a serious decline due to warfare; consequently, many countries from the region nowadays are among the world's poorest and have been marginalized in the process of globalization. One of the key constraints on the development of the region is poor infrastructure. According to an assessment done by the Asian Development Bank, various infrastructure projects need to be launched in Asian countries (in regions from Central and East Asia to South and Southeast Asia), including power, transport, tele-

communications, water, and sanitation projects. However, public funds are insufficient to satisfy such needs in Asia. Meanwhile, private investors are hesitant to put their money into infrastructure in this region due to high risks. The weakness of the infrastructure sector in Asian developing countries is evidenced by unstable power and telecommunication supplies as well as high intra-regional transportation costs.

Big infrastructure projects such as the BRI have the potential to stimulate inclusive growth across the poorly integrated Eurasian landmass. One of BRI's key objectives is to ease bottlenecks for cross-border trade and connectivity along the thousands-of-kilometers-long hinterland in Eurasia, in particular through investing in new transportation schemes. Good infrastructure can generate positive spillover on economic development and regional integration through several direct and indirect channels. For example, new transnational infrastructure projects would make it faster and cheaper to ship products. They would induce new industry to settle around the area where new infrastructure had been built, which would create jobs, give birth to service sector businesses, and increase household income as well as government tax revenue. Subsequently, labor productivity would grow because of improved living standards and public goods provision. Transnational infrastructure projects also would reduce the costs of trade, travel, and communication, thus generating new cross-border transactions and heightening the perceived need for transnational rules, coordination, and regulation. The demand for such new transnational rules and agreements would pressure governmental actors to upgrade their policy coordination and even convince them gradually to engage in supranational policymaking. Ultimately, regional integration would be intensified and could further increase the region's attractiveness to foreign investment.

Moreover, cross-border infrastructure is a transnational public good, because, although investors have to bear all the costs and risks of building the infrastructure, they are not its exclusive users. Transnational public goods usually suffer from a lack of incentive to invest due to collective action dilemmas among nation-states. The problem lies in the fact that all countries act independently, yet the prospects for success and the overall benefits of a project will increase to the extent that all countries jointly contribute to it. On the one hand, once a country believes in the other countries' intention to contribute, it will have a higher incentive to contribute; but on the other hand, if a country believes that other countries intend to free-ride, it too will choose free-riding. Therefore, it is important that some country should assume a leadership role by making the initial contribution. That first step will help to steer the other countries' actions toward contributing rather than free-riding. There is no doubt that China is now acting as a leader in the investment game of cross-border infrastructure-building on the Eurasian continent. To support infrastructure investment along the Belt and Road, China has also initiated the formation of new financial institutions: the Asian Infrastructure Investment Bank and the Silk Road Fund. In this sense, BRI might help countries in the region coordinate in providing more transnational public goods such as power, transportation, and telecommunication projects. Indeed, once China proposed the BRI, many other countries started to re-emphasize regional infrastructure investment. For example, Japan

announced the »Partnership for Quality Infrastructure«; the US restarted the »New Silk Road« plan; Russia planned a trans-Arctic gateway; and the EU launched its own strategy for increasing connectivity between Europe and Asia. Although some of the projects aim at competing with the BRI, the equilibrium of the investment game on infrastructure in the region probably will shift away from free-riding in the foreseeable future. And this would definitely be a good thing for closing the international infrastructure gap and stimulating inclusive growth.

The BRI promises great opportunities for EU-China cooperation, but it also raises major concerns. Although China and the EU are key partners for each other, there are many obstacles to economic exchange between them, mainly due to restrictions, bans, and other institutional barriers. For example, the EU claims that the European economic actors do not enjoy a level playing field vis-à-vis their Chinese counterparts when operating in China. For its part, China has raised concerns about sectoral investment restrictions, reluctance to grant it market economy status, and much else. The hurdles mentioned above mainly involve divergent economic interests, but there is another big obstacle: the fact that China and the EU have different political systems. China, thanks to an unlikely conjunction between global market capitalism and the Chinese Communist Party, shapes up to be an awkward global player in the eyes of Europe. The Chinese call their economic model »socialism with Chinese characteristics,« while some Westerners call it »totalitarian capitalism.« The Europeans worry that China's politico-economic system might conflict with the EU's core principles. By contrast, the Chinese see the EU's restrictions on China as expressions of an ideological bias reflecting the hegemonic power of the West over the last two centuries. Moreover, the traditional style of cooperation in China is very flexible, yet Europeans interpret that flexibility as lack of transparency because it is not based on legal rules. Note that during an extended period in history and even today, cooperative behavior in China has been maintained by informal institutions such as networks. The difference in cooperation mechanisms is not mere coincidence. Behind it lies the essential difference between China and Europe: the former's tendency to perceive the world in a dialectical and flexible way, and its ability to live with contradictions, to reconcile the yin and the yang.

Despite their differences, Europe and China should be open-minded and try to cooperate to solve common global challenges, because the world's countries never have been as interdependent and interconnected as they are now. Today, one should recognize and embrace global diversity, since – after all – no two countries follow the same institutional setup and ordering mechanisms. The world is a colorful place because its countries have such varied histories, cultures, and forms of society. One should always try to stand in the shoes of others, make concessions, and accommodate their interests.

Half a century ago, China was still one of the most isolated countries on earth. Since Deng Xiaoping launched the reform era in 1979, China has aligned many of its domestic institutions with international rules and has transformed itself in order to be accepted by the world community. China in the 21st century boasts a vibrant, modern economy and society open to the world, with a large and well-educated

urban middle class. The Chinese political process is also much more diverse than some Westerners think. Many people inside the country expect its political system to be more accountable, responsive, and law-bound. On the other hand, given its increasing weight in the world economy and rising influence, China has no alternative but to collaborate with its partners internationally, despite their differences. The BRI is an ambitious, inspiring proposal submitted by China, aiming to forge a platform for diversified cooperation. European policymakers and the European national audiences at large need to figure out how to make the most efficient use of the opportunity. But at the same time they also must understand that the best way to pursue their interests is to talk, to commit to this initiative, and then insist that some key EU values such as sustainability, transparency, and maintenance of a level playing field should be included in it.

Yuan Li

Professor for Business and Economic Studies of East Asia, Institute of East Asian Studies and Mercator School of Management (University of Duisburg-Essen).

yuan.li@uni-due.de

Nicasia Picciano
Schism Rather than Integration

The internationally sponsored educational project in Kosovo

How does international intervention affect educational reforms in post-conflict situations and ethnically divided societies, where education often provides a breeding ground for marginalization and new conflicts? This is a vital question that may influence the trajectory and future of experiments in nation-building and the quest for peace. The United Nations' postwar engagement in Kosovo, carried out under the auspices of its Interim Administrative Mission there and known by its acronym UNMIK, has been exemplary in this respect. In accord with UN Security Council Resolution 1244, following the end of the war in Kosovo, the mission was sent to what was then still an autonomous province of Serbia. From the beginning its goal was to create a unified educational system in Kosovo. For various reasons that goal was never achieved.

To begin with, consolidating peace is a complex process that depends on compromises between regional and international actors. Its result, ideally, would be a mutually reinforcing equilibrium. Furthermore, the Kosovo mission was dispatched to a region in which ethnic-religious and national movements had arisen that would collide with international efforts at state-building. This was the case not only in Kosovo, but all over the Balkan region. During the 600-year existence of the Ottoman Empire, the millet system, under which religion would lead to either inclusion or exclusion, had been established. As the Empire grew weaker during the 19th century

and the modern European state system emerged in the 20th, trans-regional identities began to develop. But even where the significance of religion was further undermined by competing sources of identity, an institutional legacy and local practices in everyday life protected the role of communities of faith as they competed with and drew apart from nascent national entities. This trend was especially apparent within Muslim communities. As states were established later on, politicians encouraged and manipulated these divided communal identities, weaponizing them for their own purposes: to circumscribe nations, consolidate their central powers, and redraw their external frontiers. Since the 1990s ethnic concentration has replaced pluralism. This tendency ran afoul of contemporaneous developments in the rest of Europe, where borders were becoming less significant and states more multicultural. The UN's Interim Administration in Kosovo, the greatest experiment in the history of peace consolidation and educational improvement generally, was confronted by two ethnically-dominated and exclusionary educational systems and visions. Thus, from the very outset the UN's commitment to reconstruct the educational system in Kosovo was never going to be an easy task, and still is not today.

Between the First and Second World Wars, all education in Kosovo was designed around the Serbian Curriculum. The former minister responsible for the UN-sponsored dialogue (launched in 2011) between Kosovo and Serbia, Edita Tahiri, reported in an October, 2018 interview that Albanians in the former Yugoslavia had suffered discrimination and been regarded as second-class citizens. For that reason, she claimed, Serbs were reluctant to speak Albanian. Starting in 1945, under the former Yugoslav president Josip Broz Tito, the Kosovar educational system was to be »Albanianized.« At the same time, Albanian calls for a Kosovar university grew more strident. In fact, demonstrations in support of that demand were even held in Priština in 1968. One year later a multi-ethnic institution was launched offering courses in both Serbo-Croatian and Albanian. In 1970 the University of Priština was founded, but at a delicate moment, since the legal, cultural, and ethnic autonomy of Kosovo just then was reaching new heights. The founding of the university was a historic event for the Albanian population in Kosovo. Edita Tahiri, who in 2011 became Deputy Minister President of the Republic of Kosovo, reported: »By laying the foundations of a university, we were laying the foundations of a nation. We were a nation enamored with education.«

When Slobodan Milošević became president of the Socialist Republic of Serbia in the late Eighties and Serbian nationalism grew apace, Kosovo's autonomy was threatened. Milošević's battle for Kosovo started in the educational system. He arranged to have various responsibilities, including that for education, transferred to Belgrade. Between August and September of 1990, a new Serbian curriculum was introduced at the University of Priština. Toward the end of 1990 all Kosovo-Albanian employees and students were barred from the University and a scheme of separate education was put in place. By the beginning of 1991 the University of Priština had become a Serb-dominated institution. As a countermeasure, the Kosovo-Albanians began to develop a parallel system under Ibrahim Rugova, the leader of the LDK (Democratic League of Kosovo) and in 1990 they proclaimed an independ-

ent »Republic of Kosovo.« 90 % of their income derived from contributions from the diaspora. This parallel republic represented the heart and soul of the Kosovar resistance to Serbian dominance and repression. At the same time, it reinforced the connections among Kosovar-Albanian school pupils, teachers, and school administrators in respect to cultural resistance and identification. In addition, it eliminated all the commonalities in the educational sector between Albanians and Serbs. The parallel system ended with the armed conflict in Kosovo between the Serbs and the Kosovo-Albanians.

After the war ended in June of 1999, UNMIK got involved in Kosovo. The University of Priština was reopened in the academic year 1999–2000. Meanwhile, Serbian scholars and students from the University were sent to Mitrovica. Jagoš Zelenović, former Dean of the Faculty for Economics and Minister of Science in the Milošević government, was named as the new President of the University. In fact, he was the one responsible for segregation within the Kosovar system of higher education, and UNMIK had helped to achieve that goal.

The UN mission had been sent out on the basis of Resolution 1244 of the UN Security Council. On the one hand this resolution acknowledged the territorial integrity and sovereignty of Serbia. On the other hand, the mission enjoyed full administrative power over Kosovo, where it had long since become clear that Kosovo no longer should be an integral part of Serbia. The United Nations seems not to have understood either the legal situation or the objective of the experiments involving the consolidation of peace and the development of the educational system.

In May, 2001, two years after the start of its intervention, UNMIK announced a constitutional order for the establishment of Provisional Institutions of Self-Government (PISG) which was to feature a Kosovar parliament, a government, and a justice system. In the same year UNMIK gradually transferred expanded administrative powers to the PISG. These replaced the so-called Joint Interim Administrative Structure (JIAS). Among its other responsibilities, the JIAS included 19 administrative departments, of which the department of education was one. The former Department of Education and Science (DES) was headed jointly by an international and a local unit, the latter still in the process of formation.

The decision about the form that the educational system should take during the postwar period lay exclusively in international hands – specifically in those of the Principal International Officer (PIO), the German-Austrian social scientist Michael Daxner. In September of 2018, Xhavit Rexhaj, Vice President for International Cooperation at the AAB College, commented: »I don't believe that anyone asked the Kosovars whether we should integrate or not. I don't think we had much of a say. The UP was a kind of imposed reality in Kosovo.« Daxner was the de facto administrator of the University of Priština, at that time a public institution, and demoted the president to the status of a figurehead. In that position, and in line with Resolution 1244, Daxner enjoyed absolute power. He was not interested in working with the management and faculty of the UP. Critics such as Xhavit Rexhaj are of the opinion that Daxner built up an educational system »around books, parents, and pupils. Teachers and local authorities were not consulted. He led the system in a highly

authoritarian manner. Extensive capacities were available among the local authorities. But at that time the dominant emotion was exaggerated patriotism.«

In 2001 the University of North Mitrovica (UMN) was established, although Kosovo Serbs continued to call it the University of Priština, believing that its location in Mitrovica (UPKM) would be only temporary. The new university benefited from the political and economic support provided by Belgrade to implement the Serbian Curriculum. Today, the UMN is still subordinate to the Ministry of Education in Belgrade. The UN's Interim Administration, UNMIK, immediately recognized the UMN. By taking this step, the UN mission paved the way for the schism within the Kosovar educational system: A new parallel system had been created, only this time it was Serbian. One Austrian employee of the consulate in Priština commented on this situation: »The internationals deceived people very much. They believed that the University of Mitrovica would be re-integrated into the UP.« Arsim Bajrami, former vice-president of the UP and head of the Ministry of Education and Technology (MEST) in 2004–2005 added: »Besides, it looked as though it was Daxner's idea that a special status for the north of Kosovo could be demanded. In this way he reinforced the existence of Serbian parallel structures.« At the same time, some people were speculating that neither Albanians nor Serbs were interested in finding a common language. The nominal joint government consisting of local and international bodies lasted until the first election in Kosovo, held in the fall of 2001. But in fact UNMIK retained some limited influence up until the independence declaration of February 17, 2008. The Higher Education Act was approved on May 12, 2003, a law that acknowledged the right of all communities to higher education free from direct or indirect discrimination. Many people think that UNMIK and Daxner, the strongest proponents of founding a university in the northern part of Mitrovica that Serbs could call their own, constantly interfered in the work of experts in the European Council, attempting to lay the legal foundations for a public university for the Serbs, separate from the University of Priština. As Xhavit Rexhaj explains: »I recall that Michael Steiner, at that time the UN's special envoy, traveled to Belgrade and reached an accord on the special rights of Serbia to meddle in Kosovar affairs, and of course that included education. The University of Priština in Mitrovica was an UNMIK deal and the Kosovars could do nothing about it.«

Although there were historical insights that, from the very outset, spoke against the creation of a unified educational system in post-war Kosovo, the question remains: Why did the UN mission support and promote the exact opposite of its original mandate? As before, there is still no clear answer. One thing is certain: UNMIK created the basis for an even stricter separation of the educational system between the two communities. Prospects for an effective integration remain merely utopian until further notice.

Nicasia Picciano
did her doctoral dissertation on European conflict management in Kosovo at the University of Flensburg. Her research interests include state building and the quest for peace, ethnic conflicts, and the expansion of the EU to the western Balkans.

nicasia.picciano@t-online.de

Michael Dauderstädt
A New Look at Capitalism and Democracy

The debate about the relationship between capitalism and democracy is age-old. While liberals present capitalism or at any rate »free« markets almost as a precondition of democracy, Marxists saw in the democratic state nothing but a cleverly disguised tool of dictatorship for the capitalist class. Social democrats occupied the middle ground between the two antagonists, regarding the democratic state as an instrument for taming capitalism. That view seemed to be confirmed by the *trentes glorieuses,* the three decades after 1945. During those years »embedded liberalism« (John Ruggie) with a Keynesian flavor stimulated a rapid increase in the prosperity of advanced Western economies while still distributing the wealth fairly equitably.

But at least since the crisis in financial markets and the »great recession« of 2008–2009, skepticism has been spreading. The deregulation of capitalism spearheaded in the 1980s by Reagan and Thatcher caused a shift in the power relations between capital and labor as well as between markets and the state (in favour of the former) while at the same time drastically increasing inequality. Thomas Piketty and Wolfgang Streeck are both prominent representatives of this sort of skepticism. Piketty has documented the inexorable rise of capital and, in response, has proposed a global tax on wealth that is unlikely to be implemented. Streeck thinks that democracy already has been emasculated by sovereign debt and capital markets.

Now the eminent political scientists Torben Iversen and David Soskice have brilliantly enriched the debate – or rather tossed a monkey wrench into it. Both scholars are well known for their work in the field of international political economy. Soskice, in fact – along with Peter Hall – is one of the founders of the important »varieties of capitalism« school. Expressed in a highly simplified form, their argument is that capitalism and democracy have a resilient and dynamic symbiotic relationship. Current developments (globalization, digitalization, inequality) do not jeopardize either one of them. In particular, the nation-state as the space for their symbiosis is stable and does not need to be rescued from the forces of global capitalism. It is precisely for that reason that their contribution to the debate is of special importance to social democracy's search for orientation in policy and programs.

The analysis offered by Soskice and Svenson holds that the nation-state is not in danger, since the competitiveness of the more advanced sectors of the economy depends on spatially circumscribed factors: the demand for a highly skilled workforce, regional clusters of complementary private and public suppliers, service-providers, research and training institutions, competitive product markets regulated by the state (via competition policy and market planning), pro-modernization industrial relations; and the capacity to respond to external shocks by adopting a forward-looking strategy that takes into account the entire economy. Those conditions tie the economy to a specific location and compel it to accept a certain degree of control that encourages and finances social stability and an appropriate supply of public goods. Iversen and Soskice also use statistics to prove that the tax burden on capital has hardly fallen since 1995.

And for that same reason, inequality does not assume forms that evoke massive social pressure in favor of redistribution and higher taxes on the rich. Here, the focus is less on the poor than on the middle classes who, as voters, have the preponderant influence. As long as they can see prospects for affluence and upward mobility for themselves and their children – mainly thanks to the good educational and employment opportunities they have enjoyed – their interest in redistribution will remain limited. Moreover, the authors also can show that the growth of inequality has been less dramatic than Piketty makes it appear. Thus, since 1985 the ratio between mean and average disposable income and the Gini coefficient of disposable income have grown only slightly worse than before. To clarify: Disposable income refers to income after taxes plus social transfers, while the Gini coefficient is the standard indicator of inequality.

Furthermore, the decline of Fordism, the political economy of which laid the foundation for the *trente glorieuses*, also changes the ways in which societal interests are perceived and defended. While the interests of highly skilled and less skilled employees were still similar and closely aligned in the era of Fordist mass production, in the new knowledge-based (digital) economy they drift farther and farther apart. The new middle classes affiliated with digital capitalism support these transformations, whereas more traditional classes see themselves as the losers. In addition, regional disparities between advanced urban centers and potentially neglected rural areas emerge ever more starkly.

Core voters support parties that manage the transition in politically successful ways. That is the case because the transformation is politically constructed and not the blind outcome of global market forces or technical potentials. State-supported research, education, and industrial policy are supported and demanded by the new middle class. By contrast, the old middle class, threatened by downward mobility, feels drawn to populism. Whether populism expands or not, and whether or how it can be controlled, are questions that depend on the educational system. An open educational system that affords the offspring of the old middle class the chance to move up into the new one is the best antidote to this reactionary threat.

Finally, as these authors assess matters, the advanced capitalist democracies are resilient in the face of secular changes since they generate an electorate of skilled workers who have a powerful interest in the expansion of modern sectors of the economy. As long as the nation-state relies on education and other policies to guarantee prosperity and use social-welfare policies to distribute it, its survival is not in jeopardy.

Iversen and Soskice lean toward an optimistic view of capitalist development, which would rule out radical moves of the kind deemed necessary by many people on both the left and the right. Only the future will reveal whether the authors have been too optimistic. Increasing inequality does jeopardize democracy, both through the power of the super-rich to influence the political process in a digitalized public sphere and through the threat to outsource jobs. What is more, a growing class of senior citizens might have less interest in future-oriented policies than the authors expect. As far as the debate within social democracy is concerned, it would be salu-

tary to incorporate into our own thinking an analysis with the theoretical depth and empirical grounding provided by the authors.

Torben Iversen/David Soskice: Democracy and Prosperity: Reinventing Capitalism through a Turbulent Century. Princeton University Press 2019, 360 p., $ 29.95.

Michael Dauderstädt
is an independent consultant and publicist. Until 2013 he headed the Department of Economic and Social Policy in the Friedrich-Ebert-Stiftung.

michael@dauderstaedt.de

Michael Bröning

Denmark: An Exception or a Model?

The electoral victory of the Danish Social Democrats sparks a discussion inside the SPD

Seldom has the outcome of an election triggered such an intense, bitter, and even contradictory discussion as the parliamentary balloting in Denmark did. It is also unusual to see the participants in the debate lose sight of the real issue so quickly. Likewise, it is rare for the outcome to be so rapidly weaponized and misunderstood.

Amid all the clamor, it was astonishing to see how many unrecognized, concealed Denmark experts German newspapers evidently had available to fill their politics and culture pages. Just days after the election, they already know exactly what conclusions should be drawn from it and (especially) what lessons should *not* be learned. The only problem was that these experts could not even agree on the most basic things.

But let's take one question at a time. What was actually at stake in the Danish parliamentary election? In the run-up to the balloting the Danish comrades had shifted their position on migration policy, and that caused quite a stir. In contrast to their European sister parties, the Social Democrats in Denmark opted for strict limits on migration and demanded state-mandated integration measures accompanied by wide-ranging sanctions for noncompliance.

Although this shift of position happened relatively quickly, the party already had been talking about the details for some time; furthermore, the decision to adopt it was closely linked to the party chair, Mette Frederiksen. Ever since the end of the 1980s, high-profile Social Democratic mayors, e.g., from Aarhus and the vicinity of Copenhagen, had gone public with vociferous yet highly articulate criticisms of a migration policy that seemed to them, from the urban perspective, to have failed. At first, their critique evoked a mixed response within the Social Democratic Party. While it is true that Frederiksen's predecessor, Helle Thorning-Schmidt, already had moved the Social Democrats in a migration-skeptical direction, the course she set remained controversial within the party itself. All that changed after the electoral defeat of 2015 from which Frederiksen concluded that »the mayors were right.«

The revisions in the substance of the Social Democrats' policy, undertaken in the months after their defeat, were spelled out in a 28-page manifesto entitled »Realistic and Fair.« In the foreword, Frederiksen actively seeks a consensus around a centrist position: »It doesn't make you a bad person if you reject fundamental change, nor does wanting to help other people make you naïve. What we need is a migration policy that unites Denmark.« The program's goal of putting »clear limits on migrants from non-Western countries« drew especially sharp criticism. In the paper, the substantive distinction between »Western and non-Western« people is justified on the grounds that »the integration of people from non-Western countries [is] generally accompanied by greater challenges.« It was this stance, in particular, that was sometimes branded as racist in the German discourse.

The position paper presents a triad of goals for the new edition of Danish migration policy: setting limits, helping the countries from which migrants come, and focusing policymaking on integration. To achieve those objectives, the Social Democrats want to make family reunifications dependent on language skills and employment. As far as they are concerned, in the future it should be almost impossible, de facto, to submit an application for asylum on Danish soil. Instead, the party insists that, in the future, asylum applications should be submitted exclusively in cooperation with the United Nations in »reception centers outside Europe.« Henceforth, successful applicants would arrive in the country only in numbers that fall within annual UN quotas, while rejected applicants would be sent packing without further ado. Existing border controls, e.g., on the German-Danish frontier, would be retained. To make those changes legally permanent, the Danish Social Democrats would seek reform of the Schengen accord.

The true political focus of the program falls on various aspects of integration policy. On this point the paper looks like a total rebuff to »parallel societies.« The Social Democrats say their goal is a country in which »nobody feels like a foreigner.«

One particularly delicate issue is the effort to make financial social services dependent on previous contributions. To make that happen, special programs would be instituted. For example, new citizens would have to learn Danish, get vocational training, or go out and look for a job. Anyone who refused to do so would be hit with painful sanctions.

To promote integration, school pupils with a migration background would be distributed more evenly across many schools. Likewise, the common practice of having Danish-speaking children translate for their parents at official appointments could be prohibited. Parents would be expected to learn the language too, or else – once they have been in the country for three years – be required to bear the costs of a translator. By the same token, the position paper demands a comprehensive reform of development cooperation and a »Marshall Plan for Africa.« Proposals include a doubling of financial commitments to »fragile states« as well as a focus on enhanced vocational training, economic development, and better protection for women and children.

Is that a matter of course or is it a scandal? For some German observers it obviously looked like the latter. Within a short time, a chorus of voices pushed for an interpretation of the election results that would be pretty much compatible with the status quo but have little relevance to the initial situation. Before long the electoral victory

was made to appear as the triumphal defeat of an exceptional case with exemplary features. An essay by Fedor Ruhose may be regarded as representative of the rest. Under the subtitle »Can the SPD really learn from the rightward lurch of the Danish Social Democrats?«, the author illuminates the election results. At the outset he complains expressly – and not without justification – about the fact that in debates about the lessons to be learned from Denmark, everybody wants »only to see his/her own position confirmed.« But then he himself gets caught in the trap of selective perception.

For instance, the author attacks the Social Democrats for having won the election only by adopting the »right-wing image of society.« Yet actual political developments reveal something quite different. Prior to the election, only two parties openly opposed the revisions of migration policy promised by the Social Democrats: the (left-wing) Social Liberals and the Socialist People's Party. To be sure, together those two parties were able to increase their share of the vote by around 7 %; nevertheless, they still did not manage to attain even 16 % of the total vote. Can we really dismiss as reflecting a »right-wing image of society« a policy proposal advanced in a law-governed democratic country that evidently attracts more or less open support from about 84 % of all eligible voters? Furthermore, opinion polls continue to indicate that basic values such as cosmopolitanism and tolerance still can count on broad-based support in Danish society. Thus, it is not so much that the Social Democrats have tended to adopt positions that would seem extreme in their society; rather, they have gravitated toward the center and done so with great success.

Moreover, a plethora of progressive observers in Germany agreed that the gains the Social Democrats made among right-wing voters were offset by defections from them to more left-wing parties. Thus, they claim, when compared to the outcome of the previous election, the Social Democrats' gains and losses canceled each other out. At first glance, that interpretation fits the facts. Post-election surveys conducted by Danish Broadcasting showed that about 10 % of formerly right-wing populist voters switched to the Social Democrats this time around. Meanwhile, some 7 % of former supporters of the Social Democrats defected to the previously mentioned small leftist parties.

But this interpretation overlooks a crucial feature of Danish parliamentary government: the division of the *Folketing* into conservative and left-wing blocs. In a system like this, changes that occur within the blocs are insignificant. Only defections of voters across bloc lines have the potential to decide elections, since they can alter strategic majorities. And that is exactly what the Social Democrats managed to do.

In addition, commentators point out – rightly – that it would be a mistake to reduce the campaign of Frederiksen, the party's lead candidate, to the clear stance she took on the migration issue. According to post-election studies, by far the most decisive issue for its outcome was climate change. Caregiving came in second, while the migration topic was only the third-highest priority.

True, the issues of climate and caregiving played a greater role than migration. There were good reasons why the lead candidate quite deliberately called this a »climate election.« But, with certain reservations, that only proves how successful the Danish migration strategy was. The Social Democrats were never intent upon outdoing the right-wing populists in xenophobic rhetoric. What they wanted was to take

the migration issue off the table so that the political debate could move on to other questions. The *Economist* agreed, noting that »The point was not to win the debate on immigration, but to neutralize it.« And the Danish Social Democrats managed to do just that. If, right before the 2019 election, they had revised the more restrictive migration policy of 2015, then the migration issue very well might have decided the election. In that case, the outcome would likely not have been the collapse of the right-wing populist Danish People's Party, but instead the implosion of Danish Social Democracy.

Quite a few observers have taken the easy way out, declaring that German Social Democracy can learn from the Danish example how »one can succeed in winning majorities by emphasizing socio-economic issues.« That approach certainly can work, but only when issues like migration and integration have been defused politically. Unfortunately, here in Germany and in many other European countries that is still a distant goal, not least – despite some constructive current efforts – in the SPD's contingent in the Bundestag.

The dispute over the »Orderly Return Law« threatens to escalate and it may help the AfD keep the migration issue on the front burner in the three upcoming regional elections in Thuringia, Saxony, and Brandenburg. Against this backdrop it is especially the more progressive voices that should try to develop persuasive analyses that counter demagoguery with calm, well-reasoned answers. An open, comprehensive dialogue with Danish Social Democracy would be a starting point in determining what we can learn from the Danish example and what not.

Michael Bröning

is head of the International Political Analysis section in the Friedrich-Ebert-Stiftung. In 2019 Edition Chrismon published his *Stadt, Land, Volk. Ein Streitgespräch über die Zukunft der Demokratie* (with Michael Wolffsohn).

michael.broening@fes.de

Christian Krell
Denmark: The World as Will and Representation

For the severely damaged social democracies of Europe, Denmark represents a ray of hope on the horizon. Here, it seems, things come true that others can only dream about. The Danish Workers' party was able to take the reins of government as its chairperson, Mette Frederiksen, became the new prime minister. Before long, the Danish Social Democrats began issuing a stream of recommendations. The German Social Democrats, say the Danes sternly, should recognize realities and take their cues from the Danish way, which in this country is understood to mean mainly a tough immigration policy. They should not indulge in naïve fantasies that »things can go on as before.« Instead, the SPD's leadership finally should face up to some unpleasant issues involving migration and look reality in the eye. After all, the Danes have shown how it can be done.

First, let's talk about the victory or »rapid rise« of the Danish Social Democrats. In fact, compared to their performance two elections ago, the Danish comrades

actually lost a bit in the last election. It was in fact the leftist »red bloc« that gained ground, adding 7 %. To be sure, that outcome can be ascribed to the impact of several smaller left-liberal and leftish-green parties, all of which put some distance between themselves and the Social Democrats' migration policies. Indeed, they even indicated that they would not be willing to enter into a coalition with the Social Democrats precisely on account of such policies. In other words, the electoral triumph of the left-wing camp happened thanks to the success of precisely those parties that did not go along with the rightward shift.

A second interpretation holds that the topic of migration determined the election's outcome. But anyone who takes a closer look at the issues that decided the election will conclude that the Danes' top priorities concerned climate change and the environment. On this point the Danish Social Democrats have developed a remarkable set of policies. The second most important issue was the future of the welfare state. The migration issue came in third on the priority list, with under 20 %. It would not have been decisive for the election's outcome.

Nevertheless, they keep on cheerfully spinning fables about the third assumption: namely, that they knocked off the right-wing populists due to their tough immigration policy. The vote for the right-wing populist Danish People's Party did indeed drop by more than half from 21.1 % to 8.7 %. Yet it is simply false to claim that numerous right-wingers broke ranks and defected to the Social Democrats. Studies of voter defection show that only a small contingent of the right-wing populists (9 %) went over to the Social Democrats. The series of scandals that engulfed the right-wing populists was probably a more important factor in their poor showing than the defection of some of them to the Social Democratic comrades. Moreover, two newly established right-wing populist parties (»Nye Borgerlige« and »Stram Kurs«) benefited from the losses suffered by the Danish People's Party.

There is thus no evidence for any of the three assumptions – that the Social Democrats triumphed, that voter defections were decisive, and that the Social Democrats captured many right-wing populist votes. Thus, those who are brave enough to step back from such preconceptions and take an unbiased look at the most recent election results of social democratic parties in Europe will reach a more nuanced conclusion, both in the Danish case and for European Social Democratic Parties as a whole.

To begin with, it turns out that the Danish way is a unique path among the social democratic parties of Europe. At least since 2015 the Danes have made a radical change of course toward a drastically tightened migration policy (»Udlændingspolitik«). A cornerstone of that new policy is the reduction of so-called »non-Western immigration«, i.e., an immigration regime that makes decisions not on the basis of qualifications or status, but rather on the basis of origin. Another component of the program is the de facto abolition of the right of asylum in Denmark. According to the new rules, it should no longer be possible to file an application for asylum in Denmark, whether at the Danish border or inside the country. Anyone who tries to do so will be transferred to a refugee camp run by Denmark, perhaps located in North Africa, where that person's asylum request will be adjudicated. If the request is granted, the person will be allowed to remain in that camp or in the coun-

try where the reception center is located. This program consists of more than just empty promises. The Social Democrats proved as much during their previous phase in opposition, when they supported a series of tougher migration policy measures put forward by the conservative government. Among such measures, one stipulates that crimes committed in so-called ghettos should be punished more harshly than those committed in other neighborhoods, while another states that asylum-seekers with criminal records should be isolated on the island of Lindholm.

This course of action has not gone unchallenged within the party. At one party convention, in which migration and integration in the sense noted above were included as key issues in the statement of basic principles, there were acrimonious debates about whether the Social Democrats should in fact accept the language of the right-wing populists. Still, the broad majority of the party seems to have gone along with the new policy. In this respect it ties into a societal discourse that has been marked for years by a highly-charged battle over a more restrictive immigration policy. Other social democratic parties have not gone down this road, either because they see it as incompatible with core commitments of their programs (the message of equality or the idea of solidarity) or else because their members and voters are deeply divided over the issue. But what about other factors that influence social democrats' political fortunes?

There certainly have been electoral gains made by other social democratic parties. The most conspicuous victories have been won on the Iberian Peninsula by Spanish and Portuguese Socialists. Social Democrats in the Netherlands also experienced an amazing renaissance in the European elections. Because these cases differ significantly from one another, it is not easy to derive policy recommendations from them. When it comes to social policy, the range of options is very broad – in some instances more liberally oriented, in others more authoritarian. But in respect to socio-economic issues, certain patterns are definitely discernible: All of the social democratic parties that did well in the most recent elections generally wanted to set limits to the logic of capitalism and to favor greater redistribution. The success stories all featured a leftward drift on socio-economic issues by the Social Democratic parties in question – and that includes the Danish comrades as well. Those trends may provide more useful clues for the strategic debates within the German Social Democratic Party than would a cursory glance at the Danish outcome. Here, the empirical evidence is unequivocal. The results of the European election in Germany make it plain that the AfD had the strongest showing in places where social and economic gaps between people were the widest. Here we find the crucial leverage for a renaissance of social democratic parties: They must show that individuals are not the playthings of untamable and unpredictable market forces. And they should take a stand against extreme social inequalities and in favor of greater social cohesion.

Christian Krell

teaches public law and politics at the Hochschule des Bundes. Previously, he headed the Scandinavian Office of the Friedrich-Ebert-Stiftung, located in Stockholm. He is a member of the SPD Committee on Basic Values and Honorary Professor at the University of Bonn.

christian.krell@hsbund.de

Stefan Hibbeler/Felix Schmidt

A Fraying Tradition

Has Turkey reached a political turning-point?

On June 23, 2019 the mayoral election in Istanbul was rerun. The outcome was a clear defeat for the AKP, the party of President Recep Tayyip Erdoğan. Previously, the coalition between the AKP and the right-wing nationalist MHP had elicited great expectations. Within a relatively short span, quick decisions were supposed to bring about noticeable improvements in the quality of everyday life. The system was to become more liberal as well as more democratic. Disappointment over the failure of those improvements to materialize caused the AKP to suffer painful losses in local elections. Now the party is trying to avoid any discussion of the system itself.

If one examines how Turkey's presidential system actually works, the results look less than impressive. A serious recession marked the first year of the new system, and the country's foreign policy is a mess. It is true that the roots of these failures can be traced back much farther into the AKP's term in government; nevertheless, dysfunctionalities in the system have begun to appear due to the fact that all decisions ultimately are reached by a single person. Presidential decrees altered the previous structure of numerous ministries just as positions and responsibilities were being reshuffled. A wave of dismissals after the failed coup of 2016 already had led to declining competence among officeholders, and these job reassignments only served to worsen that situation. Inadequate communications between the government and parliament as well as between it and the dominant party, the AKP, also have been a problem.

The new presidential system likewise has led to changes in political structures. The president is chosen by an absolute majority in a general election. To get elected, a candidate does not need to form coalitions, but does have to rely on presidential alliances. Here, an opposition alliance between the left-wing CHP and the center-right Iyi Party has emerged to oppose the government's alliance. Most recently, in the mayoral elections, the leftist Kurdish party HDP and the religiously conservative Saadet Party (Felicity Party) successfully supported the opposition alliance. Cooperating with the MHP has significantly narrowed the AKP's room for political maneuvering. Traditionally, the AKP has enjoyed a significant base of support among the Kurds, but that will be hard to maintain due to the MHP's nationalist policies. Yet the governing coalition itself is starting to crumble. Whereas before the AKP had repeatedly held comfortable absolute majorities in parliament, during the June, 2018, parliamentary and presidential elections it managed to win only 42.6 %, while the national-conservative MHP Party chalked up 11.1 %. Thus, together the two parties won 53.7 % of the vote. However, in the redo of the mayoral election in Istanbul, the governing alliance garnered only 45 %.

The AKP first emerged as a breakaway from the Welfare Party led by Necmettin Erbakan. The latter rose to prominence in the 1994 local elections primarily by

championing less bureaucracy and more social justice. Once the AKP was founded in August of 2001, most municipalities, previously having been governed by the now-banned Welfare Party, defected to the AKP. Among the factors that helped the AKP emerge as an alternative governing party after the economic crisis in 2001, its performance and behavior in those municipalities were far from the least important. Erdoğan launched his political career at the national level by winning the 1994 mayoral election in Istanbul. During the local elections in March 2019, the AKP lost most of the important mayoralties. More than half of the Turkish population is now living in cities governed by the national opposition.

The opposition's candidate in the replay of the Istanbul mayoral election, Ekrem Imamoğlu, played a significant role in its success. Until late in 2018 he had been the little-known mayor of one of Istanbul's boroughs, Beylikdüzü. The fact that he came from a conservative family in the Black Sea region enabled him to combine cleverly his own personal religiosity with secular principles. Relying on the slogan that he would be mayor of all the city's residents, he also managed to move past the ossified front lines that had been established by the AKP's polarizing campaign. He openly revealed his sympathy for the imprisoned ex-co-chair of the HDP, Selahattin Demirtaş, yet did so without making any special election promises to the Kurds. Furthermore, his reaction to the High Court's decision to rerun the election earned him considerable good will. The primary slogan of his campaign, »Everything will turn out alright,« enabled him to bolster everyone's spirits. But at the same time, he underscored the injustice of that decision and mobilized the opposition for a second, shorter campaign.

The newly-elected CHP mayors of Istanbul and Ankara face a daunting challenge: Their cities' parliaments are dominated by the AKP and the MHP. To counter the obstructionism of those two parties, they are counting on transparency. Ever since the local elections, sessions of the Istanbul city parliament have been carried live on the internet. An AKP-MHP policy aimed exclusively at disruption will be obvious to everyone and likely cost them even more support. Nevertheless, the quarrel over choosing directors for the boards of Ankara's and Istanbul's owner-operated municipal enterprises shows how difficult the process can be. During the first session of Ankara's city parliament, the AKP-MHP majority insisted that, in the future, the city council – which they control – should get to select the boards of directors. The mayor, Mansur Yavaş, rejected their demand, pointing to the city's municipal code. However, the Ministry of Commerce circulated a letter ordering commercial registries to register only those boards of directors of municipal firms that had been confirmed by the city council. In Istanbul the boards of directors of such companies have refused to convene an immediate meeting of stakeholders to reshuffle the board's membership.

In the aftermath of the elections and the dramatic events surrounding the attempted coup of 2016, the governing coalition's policy had been to deepen the cleavages in society, dividing it into two hostile camps confronting each other. By contrast, the opposition staked everything on reconciliation and dialogue. Opinion researchers have concluded that citizens were sick of the constant sniping and, given

the losses they had suffered from the recession, that they attached greater importance to the problems they encountered in everyday life.

Looking at voting behavior in local elections and the rerun of the mayoral race in Istanbul, we notice that, for the first time since its founding, the AKP not only failed to mobilize its voter base, but even saw some of its supporters defect to the other side. During the first round of voting, quite a few AKP voters simply stayed home or cast invalid ballots. In the second round Ekrem Imamoğlu racked up absolute majorities even in boroughs governed by the AKP.

These trends have triggered considerable intra-party discussion, but as yet the party leadership has not been willing to call into question the increasingly nationalistic policy profile that has predominated since 2015. In a parallel trend, some leading AKP politicians have started to establish their own parties. They fall into two groups. The first is led by former vice-premier for economic policy, Ali Babacan, while former minister-president Ahmet Davutoğlu heads the second. Both raise doubts about the new presidential system and want to see the separation of powers reinforced.

The mayoral election in Istanbul was far more than a local affair. During its final phases, State President Erdoğan himself took over the campaign. Consequently, it must count as his first personal electoral defeat. To be sure, he still has his party well in hand, yet in the meantime within the AKP voices have been heard, surprisingly openly and publicly, demanding change. And when it comes to electoral outcomes this demand definitely has echoes in society at large. People are longing for tranquility and understanding. Doubts about the new system of government have reached such a crescendo that it cannot be maintained without fundamental changes.

The constitution prescribes that the next parliamentary and presidential elections must be held in 2023. The AKP and MHP enjoy a stable parliamentary majority. Of course, we must take into account the likelihood that some of the newly founded breakaway parties from the AKP will attract a few of its deputies to their ranks, but even if that happens, we should not assume that the governing alliance will lose its absolute majority. Still, it is a partnership of convenience and in the past the chairman of the MHP has several times pushed for early elections. Consequently, the future political situation in Turkey will continue to be fragile and turbulent.

Stefan Hibbeler
works as the editor of the news portal *Istanbul Post* and as a translator.

redaktion@istanbulpost.net

Felix Schmidt
is the Friedrich-Ebert-Stiftung's representative in Turkey.

felix.schmidt@festr.org

Gero Maass
Muted Enthusiasm

How the Spanish Social Democrats were able to win an election but not form a government

The Spanish Social Democratic Party (PSOE) surpassed expectations in the elections held on April 28, 2019, by winning almost 29 % of the vote, which put it way ahead of even the second-place finisher, the catch-all Partido Popular (PP) with 16.7 %. The party's success was predicated on sticking to its core missions and the pro-European course charted by Pedro Sánchez, a man who has a good feel for how to inject just the right amount of symbolic politics into the campaign.

By winning nearly 33 % in the subsequent European elections, the PSOE further cemented its claim to leadership. The favorable outcome also may be attributed to the absence of any green party in Spain, which would have hastened to make climate protection its signature issue. Furthermore, ever since the PSOE was led by Felipe González, it has been recognized as the country's leading pro-Europe party. Now, with 20 seats in the European Parliament, the PSOE makes up the largest contingent in the Progressive Alliance of Socialists and Democrats (S&D). After ten years of Spanish abstinence on the EU stage, this stance should help the party and its current foreign minister, Josep Borrell, in personnel policy decisions as well as in reviving memories of the glory days when the PSOE's Javier Solana was the EU's High Representative for Common Foreign and Security Policy. The PSOE also did well in the regional elections that were held simultaneously. But one further step was necessary to translate the electoral victory into effective real-world policies: putting together a governing coalition capable of getting things done. Since neither the left-of-center parties nor those to their right have a majority, Spain was facing another phase of difficult negotiations to form a government – again.

Under Prime Ministers González (1982–96) and José Luis Rodríguez Zapatero (2004–11), Spanish Social Democrats contributed decisively to expanding the welfare state, upholding and consolidating labor unions' interests and the rights of employees, and anchoring their young democracy firmly in Europe. The Zapatero years were dedicated mainly to updating Spain's policies on women, culture, and social relations. But in the shadow of the international financial crisis as well as a simultaneous, home-made real estate bubble, the country slipped into a deep recession which initially resulted in an austerity program put in place while Zapatero was still prime minister. What followed was a huge drop of nearly 15 % in the party's vote total.

In its quest for a new start, the PSOE went through several chairpersons, forcing Pedro Sánchez, elected only in 2014, to resign both his post as chair and his seat in parliament. The party was busily honing its skills at intramural hara-kiri as polling data showed its vote total falling well below 20 %. Around the middle of 2017, relying on a strong grassroots campaign among party members, Sánchez was able to regain his office as chairperson by winning 60 % of the votes in an intra-party election. He managed this even though most party notables and many regional chair-

persons had recommended against him. In both of the elections held in 2015–16, Spain moved from a two- to a four-party system, one that did not readily yield clear parliamentary majorities. The leftist party known as Podemos emerged mainly as a protest against high youth unemployment, while Ciudadanos presented itself initially as a liberal, centrist party and middle-class alternative to the tarnished conservatives.

Taking advantage of the non-stop scandals engulfing the PP, political stalemate, and failure on the Catalonia issue, Sánchez skillfully seized the opportunity to forge a parliamentary majority with Unidos Podemos and most of the regional parties of differing political persuasions. Then, in June of 2018, he engineered a vote of no-confidence against the conservative premier, Mariano Rajoy, who had governed since 2011, and replaced him as prime minister. However, hopes for a new political beginning did not last long. During votes on the budget in February of this year, both Catalan regional separatist parties withdrew confidence in the government, compelling the premier to call new elections for April 28.

The gains made by the Social Democrats in those April elections can be attributed primarily to their ability to win back disaffected voters who had defected to the left-wing populists between 2016 and 2018. The party's progressive stance on issues of social policy and its pro-European course appealed to numerous middle-class voters who did not go along with the rightward lurch of the PP and Ciudadanos. But two other factors also helped: the PSOE's female orientation (there are more women than men in the cabinet as well as – at 52 % – more of them in the party's parliamentary contingent) and its readiness to engage in dialogue with the Catalans.

The rise of the right-wing populist VOX now has turned Spain into a five-party landscape, and that does not even include the regional parties, mainly in the Basque Country and Catalonia. In short, political space was getting tight to the right of center. The PP and Ciudadanos tried to appropriate and outdo the hardline jargon of VOX, particularly in respect to the question of which party would be better at defending the Spanish national interest against Catalan separatism. By stressing the contrast between right-wing intransigence and their own willingness to engage in dialogue, the Social Democrats were able to score political points. Finally, the PSOE benefited from Spain's electoral law governing procedures for awarding seats in parliament. Large parties like the Social Democrats have an edge in small electoral districts (say, those with only 2 or 3 available seats) while the fragmented right is at a disadvantage.

The PSOE took to heart the message sent by an earlier regional election in Andalusia in 2018, which it lost: They needed to »get out the vote« of their own partisans and sympathizers and reduce the share of non-voters. And it worked. At 75.8 %, voter turnout last spring far surpassed that of 2016, when only 70 % went to the polls. The PSOE's campaign got an additional boost from the fact that the right had polarized the electorate into hostile camps.

The front lines between the left-of-center and right-of-center blocs were clearly defined in certain policy areas: employment policy (PSOE for repeal of the restrictive labor law of 2012 versus conservative measures intended to make the labor market more flexible); taxes (introduction of a digital tax and an increase in busi-

ness taxes versus no digital tax and retention or even reduction in business taxes); equalization policy (which would punish sex crimes more severely versus a policy that would trivialize them or hush them up); migration policy (one that would be aligned with European policies versus a tougher border policy and deportations on the country's own initiative); and Catalonia (an offer of dialogue versus the renewed threat of administration of the region imposed from above). Both the unobjective debating style of the conservative candidate, Pablo Casado, and a new political scandal from the PP's term in office did the rest. The change in Spanish politics triggered by the vote of no-confidence in June of 2018 was the outcome less of skillful strategic policymaking than of good luck. Pedro Sánchez had been through some politically trying times, and many had already written him off. Yet because of his directness and credibility, the premier embodied a new political beginning. The benefit of the doubt extended to him, together with his sure hand in devising symbolically attractive, achievable policies, also rubbed off on his party.

Pedro Sánchez managed to stabilize the PSOE after the turbulence of earlier years and to make his mark as head of government. When asked whom they would prefer as the new head of government, 39 % of the respondents to a Barometer survey, conducted by the state-run opinion polling institute CIS in May, chose him, thus putting Sánchez far ahead of all other party leaders. Although long the target of opposition attacks, he is now the unchallenged head of the Social Democratic Party, especially since his principal opponent, Susana Díaz, lost her election to continue as regional president of Andalusia in December of last year. In the aftermath of tough intra-party succession struggles, all of the regional party bodies have closed ranks behind Pedro Sánchez as the dominant figure.

Under the slogan, »Spain for all,« the PSOE highlighted four points that also encapsulate its revamped core message of social cohesion. Return to and/or expansion of the social welfare state was a centerpiece of the party's campaign. And, besides advocating the introduction of a minimum pension, the PSOE also promised more financial support for low-income families. The minimum wage was increased by 22 %. Even though Sánchez' minority cabinet had only limited opportunity to enact new measures, by issuing 32 decrees in all during his brief tenure, he let everyone know where the political journey was headed.

Crucial challenges such as repealing the conservative labor law reform of 2012 or measures to combat youth unemployment will have to wait for a future agenda. A comparison between the Spanish Social Democratic Party and its sister parties in northern Europe reveals that the former's economy and welfare state is still in in the phase of catch-up development. That makes it easier to define itself and its aims than is the case for the welfare states of northern and western Europe. There, reforms must be undertaken in a political context in which the goal is to make sure that already-accomplished objectives remain secure well into the future, and that could entail cutbacks in certain areas simply to maintain existing arrangements. In addition, the PSOE launched new initiatives in policies toward women, hinted at a more active role for Spain in Europe, and tried in vain to interest the regional government in Barcelona in starting a dialogue on the future of Catalonia.

In view of the fact that a vote of confidence was to be held at the end of July, it would have been wise to craft a coalition policy that, despite clear lines of demarcation, would enable the formation of coalitions or gain parliamentary support for the policies of the Social Democrats. Given the conflict-ridden political culture of the country, it would have been advantageous in the long run to develop a new, more cooperative political model for coalition-formation (one that exists only in a couple of regions and never has been tried at the national level). Such a model would have been especially helpful since absolute majorities are a thing of the past in Spain's currently fragmented political landscape. In this respect, Spanish political culture constitutes a notable exception to patterns in the rest of Europe.

The PSOE initially preferred to stick with customary procedures, hoping to operate a minority government that would cobble together the necessary votes on a case-by-case basis. On the occasion of a speech he gave before parliament in the wake of the first round of voting on his re-election as prime minister on July 23, Sánchez was already stumping fruitlessly for his »progressive, feminist, environmentally-oriented, and pro-European government.« Offering sharp criticism of the hate- and nostalgia-filled rhetoric of VOX, he tried to persuade the two middle-class parties, the PP and Ciudadanos, to join his side. In the interest of the country, he said, they should abstain, thus enabling the formation of a government. He added that they should take their cue from Germany and France where the conservatives had categorically rejected the support of the right-wing populists. In contrast to those countries, several regions of Spain, including Andalusia, Murcia, and Madrid, had regional governments supported by VOX.

And so, with little warning, the Spanish chief executive failed in his bid to form a stable government, having won only 124 votes (his own party delegation in parliament plus one deputy from a smaller regional party), far short of the 176 needed to gain an absolute majority. Meanwhile, after winning the European elections, the PSOE carried on parallel negotiations, both open and behind-the-scenes, with Podemos in hopes of forming a coalition government – negotiations that lasted until just a few hours before the decisive second round of voting. It is true that, even together, the PSOE and Podemos would not have had an absolute majority of votes in parliament. However, in the second round of voting any grouping that can boast a simple majority is elected. Since most of the regional parties had declared their intention to abstain, the number of votes in parliament controlled by the PSOE and Podemos would have sufficed. Sánchez had offered the latter the post of vice-premier (for social affairs) as well as three other cabinet positions. Because the Social Democrats had 123 seats to Podemos' 42, they believed they had made the maximum concessions possible. But the Podemos leadership rejected the offer, insisting that they were being fobbed off with unimportant offices. Up until that point what had been missing was not only mutual trust, but also a convincing joint political project that went well beyond mere personnel matters. The label »progressive« was simply not enough.

For the time being, the Social Democratic minority government remains in office. Everyone figures that in September Sánchez, holding out the prospect of new elections, will try again to form an alliance, either with Podemos or even with the liberal Ciudadanos, which recently has been drifting in a more rightward direction.

In respect to the number of votes they could muster in parliament, the PSOE (123) and Ciudadanos (57) would have enough for a majority. Among the liberals dissatisfied with the lurch to the right, there are rumors that opposition is building against the leader, Albert Rivera, who engineered that move. The left-liberal wing of the party could imagine throwing in their lot with the Social Democrats and would like to make the coalition talks of 2016 a starting point. Of course, it would not be easy to forge a majority with a leftist tone, and its initial term of office would be rocky; still a volte-face might happen after an initial grace period. However, on several occasions Ciudadanos has expressed inflexible opposition to a pact with the socialists. And, after the disaster that befell the PP, party chief Rivera is dreaming that Ciudadanos will succeed it as the main rival of the PSOE. However, the European elections should have made him realize by this time that, for the foreseeable future, his party will remain in third place and that a strategy of alternating coalitions might gain him far greater influence.

If there is no confirmed prime minister by September 23, then there will be a new election on November 10, the fourth in four years. The most recent polls predict that the Social Democrats might even win almost 40 % – an indication that they have made citizens believe in their political creativity once again.

Gero Maass
heads the Friedrich-Ebert-Stiftung's office in Madrid.

gero.maass@fesmadrid.es

Michael R. Krätke
Vienna: A Versailles for Workers?

Europeans who are trying to find a way out of the continent's pervasive housing crunch should look to Vienna. The Austrian capital offers an example of a highly successful housing policy centered on public (i.e., »social«) housing construction. As before, social democratic policymaking at the local level is still possible and it is extremely popular. In city rankings Vienna has held down the top spot for ages as the most livable big city in Europe.

In May of 1919 the Social Democratic Workers' Party of German Austria (German acronym: SDAPDÖ) won the elections to Vienna's Municipal Council with over 54 % of the vote. The party governed successfully for 15 years and expanded its absolute majority from election to election, eventually capturing over 60 % of the vote. This »Austro-Marxist« social democracy drastically remade the former capital of the Austro-Hungarian Monarchy. It created the model of »red Vienna,« the real utopia of social democratic reform socialism. In red Vienna the Social Democratic Party and movement won hearts and minds far beyond the working class, emerging victorious in the struggle for hegemony – for a few years. This Social Democratic

city was held up as a model for the rest of Europe. And it was not only leftist local politicians who were deeply impressed. When the Austrian Social Democrats took the helm again in Vienna's city hall in 1945, they were able to revive the tradition of red Vienna. Even today, housing policy in the Austrian capital builds on this legacy. It is a patrimony that is readily apparent all over the city, embodied in the municipal public housing that has been constructed since 1923.

Today, Vienna counts 1.8 million residents, slightly fewer than during the interwar period. Since 2012 the city has been growing again – by 20,000 people a year. The number of single-person households is also increasing just as it is elsewhere. Therefore, although the city needs a few thousand new dwelling units per year, actual construction activity lags behind the number needed. Thus, even Vienna suffers from a housing shortage. Meanwhile, rents are increasing, but slowly and then only for a minority of renters. Moreover, gentrification has arrived, but it is coming on gradually and gently. Not only are rents in Vienna significantly lower than in London or Paris; they are also quite a bit lower than in Graz, Innsbruck, or Salzburg.

Red Vienna's reform scheme did not grow out of any master plan; instead, it emerged from a learning process that was driven by acute distress. In response to pressing needs, the city administration launched grand experiments, carrying them out against all obstacles. The latter could be overcome because the party and movement had clear goals in mind and were prepared to take advantage of opportunities offered by the postwar situation. In those days there was a burgeoning housing shortage that can scarcely be imagined today. At the same time inflation and a rent freeze had brought most private construction activity to a standstill. Tenements and city building sites rapidly lost value. Wherever the housing market seized up entirely, local authorities came to the rescue, constructing public housing in grand style.

In 1922 Vienna was granted the dual status of a city and a federal state at the same time. Nearly a third of Austrians live in Vienna. Accordingly, the new state got a sizable chunk of the tax revenues of the Austrian federation and was given sovereignty over its own finances and taxation, an arrangement skillfully and consistently exploited by the Social Democratic city councilor Hugo Breitner. What made it all possible was the fact that Vienna created its own financial policy and designed a tax policy that, as Hugo Breitner said, took the money from »places where it really was, despite the outcry from tax-averse possessing classes.«

As early as 1923 the red municipality of Vienna presented its first five-year plan, which called for 25,000 new apartments in new municipal housing complexes, to be built by the city acting on its own authority on land that the municipality already owned, with no debt, and financed on a pay-as-you-go basis from tax revenues. The second five-year plan followed in 1927. It anticipated that 30,000 additional dwellings would be constructed. Planning for municipal housing became more ambitious and the housing tracts considerably larger. Nevertheless, the desperate struggle of other federal states under conservative rule against red Vienna had its effects. Starting in 1930 Vienna received considerably less money from fiscal transfers. Still, social housing construction never came to a complete standstill thanks to the progressive, ear-

marked funds from the housing construction tax, which – along with a whole series of special luxury taxes – fell on the affluent, the propertied, and the top income-earners. In a period of slightly more than ten years, over 65,000 apartments were built in the city's municipal housing sector, including a few thousand dwellings in subdivisions on the outskirts of the city. Municipal housing built during that era remains in many districts of Vienna and continues to shape the city's image to this day.

The municipal housing tracts were conceived as alternatives to the miserable tenements in which 90 % of Viennese lived until the 1920s: tiny, dingy, dirty apartments without electricity or gas, their sole source of water a wash basin in the corridor. And of course, many people had to make do with outhouses. The new municipal housing there provided running water in every apartment, private toilets and bathtubs, a kitchen, light and air, balconies, loggias, and verandas. In addition, they featured generously appointed interior courtyards since only 20–30 % of the relevant land area was actually built upon. The spacious remainder was used for parks, playgrounds, sports fields as well as numerous community facilities.

Municipal housing units were run by the municipality and the tenants jointly. The new apartments were distributed according to a point system in which social criteria such as the number of children, the state of the applicants' health, and their previous living situation played the crucial roles. Rents were unbelievably low. Instead of paying 30 % of their incomes as they had done in the old tenements, the residents now had to pay at most 10 % for their new municipal apartments.

That was possible because, due to rent control, rents throughout Vienna were frozen at pre-war and pre-inflation levels. Rent control was mandated by law and defended tenaciously by the Social Democrats. Rents were set considerably lower for municipal housing than they were for older buildings in the private sector because, as their owner and builder, the municipality did not expect to earn a return on its investment. The city built on land it already owned and without taking loans. Interest and rents of land played no role at all. Apartments were not commodities, and the construction funds invested were not capital. Rents collected were only supposed to cover the costs of maintenance and repair of the municipal housing units. There were no markups, brokers' fees, commissions, etc. Nor are there any even today when an apartment is newly rented. Rents per square meter were and are the same everywhere in the city regardless of the location.

The departure from the housing market here was unprecedented, but what outraged the bourgeoisie and the rural hinterlands most was the fact that Viennese municipal housing offered downright luxurious accommodations to ordinary citizens and even to humble workers and their families. What provoked the ire of those who had to pay for this incredible form of popular prosperity was not even so much the amenities that came with each housing unit, but the sheer size of the buildings themselves. Karl Marx Hof, one of the largest municipal housing complexes with over 1,400 apartments and today a symbol of red Vienna, was 1.1 km long. Behind its imposing facade stretched an expansive green space. The conservative press pulled out all the stops in denouncing the »Cyclops building,« the quintessence of the hated Marxist housing scheme, noting that it was »dark red like freshly spilled

blood.« Especially infuriating was the fact that the Karl Marx Hof not only offered affordable and well-appointed apartments for some 5,000 people; it also featured unheard-of social amenities: two central laundries, two public baths, two kindergartens, a counseling center for mothers, a home for youth, a library, a dental clinic, an outpatient clinic, a pharmacy, a post office, several physicians' offices, coffee houses, rooms for political organizations, and 25 other businesses. It was a small town in the middle of a great city, in which communal life flourished. Thanks to this infrastructure, the red community combined its housing policy with its educational, healthcare, and cultural policies, which it pursued throughout the city.

Since 1945 the Austrian Social Democrats have governed both the city and the state of Vienna by absolute majorities and have rarely been challenged. But starting in 1996 the Social Democrats were compelled to govern in coalition with other parties: first the conservative Austrian People's Party (acronym: ÖVP) and then, since 2010, with the Greens. It continues to honor the tradition and symbols of red Vienna, even though today the Viennese housing policy has changed in many respects.

That is the case partly because the frequently amended Law of Rents from the First Republic was replaced in 1982 by a new legal regime for rents. The Republic of Austria still maintains strong legal protections for renters. The legal revisions cannot be compared remotely to what happened in Great Britain under Margaret Thatcher who radically pared down renter protections in the Eighties. In Austria, and particularly in Vienna, renters are still effectively protected against eviction and rent levels are still broadly regulated. In municipal housing and even in the segment of the non-profit sector subsidized by public funds there are »rent brakes« or limitations on rental costs.

Although the »red Vienna« tradition has been continued, it is not entirely intact. Beginning in the Fifties, many of the older features were gradually abandoned: generous amenities in municipal housing, the open court construction style, and the many communal facilities. Those amenities had become unaffordable in light of the acute housing shortage and/or they came to be viewed as second-tier priorities. Consequently, during the first 30 years of the Second Republic, urban neighborhoods increasingly were being filled with multi-story high-rise buildings, but still with minimal density and plenty of green space. Social Democratic housing policy was becoming more pragmatic. Since the end of the Eighties the municipality has pulled back from the construction of social housing, abandoning the field to non-profit developers. Nevertheless, in the long run it proved to be highly successful, since today some 500,000 Viennese, roughly a third of the city's population, live in municipal housing. When the red Vienna experiment was terminated violently in 1934, only 11 % lived in public apartment buildings. If we also include residents of housing built by the non-profits and those that are publicly subsidized or rent-controlled, then more than 60 % of Viennese are protected from the vagaries of the free market in housing.

To this day, Vienna remains a city of renters, not of homeowners. Of the city's 960,000 dwelling units, 78 % are rental apartments. Of those roughly 750,000 rental

units, 230,000 or 31 % belong to the municipality of Vienna, while some 210,000 (28 %) are owned by non-profit developers. The rest are private apartments that are rented on the private market. That does not mean that rents can be negotiated »freely« between renters and landlords. Even in this relatively small private sector, in by far the majority of cases, there are legally binding rent controls. In fact, market rents are demanded and paid only in a very small segment of the housing market, at most 5 % of all dwellings. As before, in municipal housing rents are calculated on the basis of actual maintenance and repair costs. Strict guidelines also apply to the many dwellings built by non-profit housing associations. The non-profits, which include many cooperatives, build with subsidies from the state and enjoy significant tax advantages. In return, they must adhere to limits on rents. For that reason, rents in this sector, while higher than those in municipal housing, are still quite a bit lower than in the private housing sector. The biggest problem here is not the level of rents, but rather the deposits that all new renters must hand over. But there are already legal restrictions in place even on those. This is so because the municipality and the non-profit developers both get money from the housing advancement fund, today worth some 600 million euros a year. Unlike in Hugo Breitner's day, the housing advancement fund, regarded as something like a solidarity premium, is funded in equal parts by employers and employees. One half of one percent of gross wages is diverted into this pot of money.

As was the case during the First Republic, municipal housing is doled out and administered by the municipality. The criteria for distributing the apartments are different than they were back then. Every inhabitant of Vienna who has lived there for at least two years, has the right to a municipal apartment. And there is still a limit on the applicant's yearly income. Anyone who nets more than 44,000 euros in earnings no longer has the right to a municipal apartment. This more-than-generous upper limit enables some people besides the poor and lower-income earners to live in municipal housing. This »social mingling« is intended; it ensures that Viennese housing policy, as before, will be supported by a broad majority.

It is true that the Social Democratic city government withdrew from social housing construction for a time. But in 2015 the SPÖ pledged to start building municipal housing again on a larger scale. A few hundred dwellings already have been built in the meantime. To its credit, there is one mistake that the SPÖ has never made in Vienna. It has never made any concessions to the privatization mania. Consequently, numerous attempts by the ÖVP gradually to privatize communally-owned apartments have been fended off. Not one public housing unit built by the city since the end of the First World War ever has been sold. To this very day, the Viennese have benefited from that refusal.
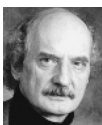
Michael R. Krätke

is a professor and chair of political economy at Lancaster University in Great Britain. He writes regularly as an economic journalist for the weekly *Freitag* and is co-editor of the social democratic magazine *SPW*.

m.kraetke@lancaster.ac.uk

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