

Hannes Androsch

# NEVER GIVE UP

Biographical Evaluation and Outlook

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*Dedicated to my children and grandchildren*

# Prologue

I belong to the fortunate, first generation of Austrians, which has had the good fortune to be able to organise the greater part of their lives in an environment of peace, freedom and rising living standards, with all this largely secured by social services. My generation was effected by the main events of the 20<sup>th</sup> century, or the »Age of Extremes« as my friend Eric Hobsbawm once described it, but we were spared, by and large, its most gruesome aspects and consequences. Anyone born before 1945, as I was, belongs to the generation which lived through the Second World War and its aftermath, but then experienced the apparently unstoppable ascent of Austria, which seemed to proceed without interruption.

This good fortune is a compelling reason for a sense of gratitude, but also a feeling of humility. It is a valid reason for a retrospective account of these events, for one's own benefit, for that of one's contemporaries and, of course, for those involved in the process. And, one should not overlook the responsibility of informing future generations of our personal experiences, from which they may draw their own conclusions. I very much wish that our children and grandchildren may be proud of the success story which is the Second Republic, and that they will understand it. We also carry a responsibility to provide similar opportunities for future generations.

There are two unlovely things in life: remembering and forgetting. And there are two lovely things: remembering – and forgetting. My life spans two highly contrasting periods: At one end, we find the traditions of the Habsburg monarchy and its collapse during, and after, the First World War; the ignominy of »a State that no one wanted« (*Helmut Andics*) and the consequential suicidal civil war together with the authoritarian extinc-

tion of democracy; the Great Depression, and the dark age of Nazi fascism, including the Second World War. At the other end of the spectrum, we find the resurrection of »a State that everyone wanted«, an Austria that was freer and more prosperous than any other construct of its kind.

As a child, I experienced the suffering, the victimisation, the eviction and expulsions, as well as the destruction of the Second World War. As a youth, I witnessed the recovery of Austria and how it started to flourish. For a time I could contribute to shaping its destiny, politically and economically, as minister for finance and vice-chancellor, by no means the worst period of the Second Republic. Then, I could play a different, but no less essential, role as the CEO of the *CA Creditanstalt Bankverein*, the leading Austrian bank of the time, and as an industrialist. I hope to continue to make a significant contribution to the development of this State in the future, as a political person who does not feel any need to hold political office.

The decades of my life so far have been very eventful, and personally turbulent. They present a collection of many successes, and some setbacks. In the process, I have constantly sought never to allow myself to be blinded by success, or overwhelmed by defeat. I can certainly claim never to have succumbed to any inclination to give up, not even in my bitterest moments, but to have bounced back following every upset. These are personal qualities which have been fashioned by a happy childhood in a loving family; by many adolescent and student friends who are still well established in the Floridsdorf district of Vienna; and, later, in the Ausseerland region of Styria. Intellectually, I am firmly rooted in the humanistic values of Social Democracy. By conviction, I am committed to the aims of the Enlightenment which, today, are reflected in the pursuit of peace, freedom, tolerance, the rule of law, democracy, the observance of human rights, the market economy and security of the welfare state. One should also add, responsibility, in the sense that no individual should be left be-

hind, or abandoned, because of misfortune, for whatever reason. And, I am dedicated to an open-minded spirit of internationalism which, all too often has been, and will be, sacrificed in the interest of narrow-minded provincialism and opportunistic populism.

I am more convinced than ever that Austria has profited enormously from the advance of western-European integration since the end of the Cold War. And this, in spite of all setbacks. Europe will not be in a position to play a (its) positive role in the global concert until the integrative process is extended to cover the entire continent, and all levels of socio-political-economic activity. Delays and reservations based on *Realpolitik* considerations – day-to-day political expediency – have to be overcome.

More than a quarter century has passed since 1989, a period of major upheavals, dramatic change, shocking new threats, with everything happening at top, even accelerating, speed. The upcoming generations are going to face precisely the same challenge as did mine, i.e. to fashion the coming half century collectively and successfully. Bearing in mind the motto of Willy Brandt, whose validity transcends time: »*Peace is not everything. But, without peace, everything is nothing.*«

I have many reasons to be grateful with my lot. And, I sincerely wish to acknowledge all those who have made such valued contributions, in different ways and for differing periods: grandparents and parents, my wife Brigitte and my sister Sonja, my daughters Claudia and Natascha as well as their children, my grandchildren – Maximilian, Niklas, Clemens, Valerie –, my partner Claudia and our son Gregor, as well as numerous friends and companions both in Austria and abroad. Your contribution attained their greatest value when life went through stormy, tempestuous phases. I would like to thank each and every one of you. I would also like to apologise for whenever I have offended you, or hurt you. I am certainly not free of fault and it was certainly no easy task to accompany me. By way of apology, I can only use the words of *Pablo Neruda*: »I acknowledge, that I have lived.«





## 10. Outlook: The World and Europe

The aftershock of the most dramatic crisis to engulf the global banking system since the Great Depression of 90 years ago still reverberates throughout the financial system. On the 15 September 2008, I was having lunch in the Kervansaray with a young friend, an investment banker, when word reached us that the then Secretary of the Treasury, a former boss of Goldman Sachs, had allowed the investment bank Lehman Brothers to collapse. We were aghast, and in complete agreement that this would have devastating consequences for Europe. If anything, we completely underestimated the scale of the repercussions.

Little did we imagine at the time that we would both be appointed to the supervisory board of FIMBAG (*Finanzmarkt-beteiligung Aktiengesellschaft des Bundes*, or the Austrian Federal Holding Company for Financial-Market Participations, colloquially known as the Banking-ÖIAG, with reference to its industrial counterpart, the ÖIAG).

The creation of FIMBAG was a response to the need for a public institution to take over the share capital of the failed public-sector bank Kommunalkredit Austria AG. The main function of this bank had been to finance public-sector investment projects, but it found itself on the brink of collapse due to speculative financial investments. The public share capital was to be held in trust by FIMBAG. Since the end of October 2014, FIMBAG also holds 100 per cent of the shares of the Hypo Group Alpe Adria in trust for the State. The function of FIMBAG is to support the federal government within the context of measures based on the Financial Market Stability Act (*Finanzmarktstabilitätsgesetz*). At

first, my role was that of deputy chairman, and since 2012, as chairman of the supervisory board.

It was not only in Austria that the financial crisis brought past sins of omission, neglected reforms or a failure to correct dubious developments, to the surface. But the crisis had its origins in the USA: George W. Bush, president of the USA, had promised every citizen the right to his own home, while Alan Greenspan, head of the Federal Reserve System, flooded the market with cheap dollars. Profligate financial acrobats fuelled the American real-estate bubble and extended it into a global pyramid scheme, while all controls failed in the prevailing anarchistic climate of deregulation.

The world had become the plaything of unscrupulous speculators, while the »genuine« business community, as well as sincerely motivated politicians were swamped. »*The invisible hand of the market had almost strangled us. Only the iron hand of the state could rescue to world from mass unemployment, poverty and political extremism*« (Gabor Steingart, editor of the German »*Handelsblatt*«). Following the lead of the Obama government, the European Central Bank (ECB) responded hesitantly, but ultimately correctly: European budgetary and economic policy, however, continue to drag behind what is required. In spite of all the optimistic talk and pious aspiration of recovery, the crisis is still by no means behind us.

## The international outlook: from the »American century« ...

Through a combination of forces encompassing the digital revolution, globalisation, demographic change as well as climate change, the world is in a state of extreme and galloping change. Triggered by the financial crisis of 2008, the state of the global economy has deteriorated significantly. Some experts even fear

the onset of an era of secular stagnation, comparable to that which has afflicted Japan for the past quarter of a century.

Politically, the fall of the Berlin Wall in 1989 marked the end of an era. With the implosion of the Soviet Union, the Cold War fizzled out peacefully. The bipolar global system of superpowers ended in that the United States was the only superpower left standing. Although the »American century« has not yet played itself out, the United States finds itself increasingly in the cross-hairs of global criticism.

By means of unilateral pursuit of its own interests, combined with an arrogant, neo-colonial sense of superiority, the United States has caused untold damage to its image, especially in the Islamic world. Nevertheless, we in Europe have every incentive to maintain this transatlantic axis, which has so proven its worth, as a partnership of equals, insofar as that is possible. Europe has to define its role, including its political involvement, not only with respect to the United States, but also globally. Whether Europe is going to be a recognised player in the global architecture in future, or a pawn in the hands of the big players, depends on its will to achieve political unity.

... to an »Asian century«?

Technological achievements in the fields of communications and transport have transformed the world and the global economy into a »global village«. Today, the term globalisation means, above all, that about one half of the world's population has re-entered the global economy from a state of self-imposed political isolation. With gigantic populations and by means of dynamic real growth, China in particular, but also India, Indonesia or Brazil, all strive for economic prosperity. Even though it may not yet be appropriate to proclaim the beginning of an »Asian century«, we are nevertheless confronted with a dramatic geopolitical shift

in favour of Asia. The booming economies of the Asian population giants result in an insatiable hunger for raw materials and petroleum, as well as a huge growth in demand for the environmental capacity of the planet. But the environment is also a resource and is subject to the same constraints as all others. A clear indication that the economic model of the industrialised countries has reached its limitations can be seen from the climate change and environmental degradation which is the source of great concern at present. Unfortunately, the Asian newcomers are copying our model of prosperity with its over-exploitation of environmental resources and intensive utilisation of primary commodities. The bio-capacity of the planet is being increasingly exceeded.

In addition, the global population is growing rapidly, although not so in Europe. Therefore, we must strive to find new ways in which ever more people can survive and in which a satisfactory quality of life can be assured. We urgently need to develop a new, »clean« model of prosperity which will be socially and ecologically sustainable. But, the peaceful cooperation of a global society is also prerequisite to the resolution of other problems: terror and criminality, plagues and pandemic disease, global economic inequality, migration and refugees and the »age-quake« or ageing industrial populations in the northern hemisphere while southern-hemisphere countries experience a population explosion.

## Europe's Duties

Although the process of integration in Europe is far from complete, it has, nevertheless, provided Western Europe with a period of peace, security and prosperity which is unique in the history of the continent. While the supportive contribution of the USA must also be acknowledged, the EU peace model is a success which has to be continued in terms of further expansion and deepening of

the integration process. If we wish to see a multi-polar world order, rather than a bipolar contest between the USA and China, then the future will call for a stronger Europe, a self-confident, politically integrated Europe.

A prerequisite for such a Europe is that we must free ourselves from populist nationalistic attitudes. Even today, the global economy and political arena are in such a state of turmoil that each EU member-country individually – even the relatively large ones – would be swamped on its own. Lashed together as a single unit, they would be sea-worthy and robust, so that only a clear sense of direction and a worthy sea-captain are lacking. Europe is at a crossroads and is facing two options: either it can choose to be strong and more united, or it can sink into the irrelevance of its individual components, with rather sombre prospects, i.e. economic decline, accelerating loss of prosperity, and an irretrievable loss of social security and political stability.

No individual European state is sufficiently large and powerful as to be able to play, on its own, a meaningful role on the world stage. The fateful words of Mark Twain would apply with vicious relevance in a fragmented Europe: *»Either we hang together or we will hang separately«*. Whatever about our glorious past, today Europe is *»economically (still) a giant, politically unfortunately a dwarf and militarily a worm«* (Egon Bahr).



## 11. A Retrospective Appraisal: A Personal Interview

*Peter Pelinka: There are so many clichés concerning your person, and we should take a look at some of them at the start of this interview. The first of these, »Our Hannes can do it!«, is a recurring catch-phrase which captures how many people identify with you. In the late 1960s and early 1970s it represented the advent of a young political superstar, the first such in the Second Republic, comparable at least in terms of age to Karl-Heinz Grassler and Sebastian Kurz in the first two decades of the 21st century. Were you overwhelmed by this description or did you regard it as an apt recognition of your talents?*

Hannes Androsch: It is now almost 50 years ago since I was appointed, at a very young age, to government office – and to a very special function. The Ministry of Finance enjoys this status all over the world, because, at the financial level, it reflects everything that happens in public life. From the very beginning, I sought the clear and demonstrative support of Chancellor Kreisky – and in the early years this was forthcoming – because no government is stronger than the effective and harmonious cooperation between a head of government and his finance minister. Of course, one may harbour different expectations concerning their respective roles, analogous to the dialectic between Mephisto and Dr. Faust. One may even be tempted to ask which of the two roles is the more attractive. Somewhat tongue-in-cheek I am inclined to prefer that of Mephisto.

*In any case, you felt you were up to the job?*

I felt that I was well prepared for this challenge. I grew up as it were in a tax consultancy office, and used to accompany my mother to the tax office before I even began school. Later, I studied auditing and fiduciary management, and graduated as a tax auditor and chartered accountant from the ›Hochschule für Welthandel‹, now known as the Vienna University of Economics and Business Administration. Politics fascinated me for as long as I can remember and I was politically active during my university days. Seven years before my appointment to government I began working in parliament, first as party secretary for economic issues, and later as expert on taxation and financial topics. At the earliest possible opportunity I stood for election, and that was in March 1966. Following the tragic death of the Member of Parliament, Rose Weber, I entered parliament as a member in October 1967. This presented me with many opportunities to broaden my international experience and to make many international contacts. For these reasons, I felt I could answer in the affirmative, with a clear conscience, when Kreisky asked me in April 1970 if, as a 32 year old, I felt confident to take on the responsibilities of minister for finance.

*Then, your career progressed for many years as if on rails. In the beginning, at least, the direction was steadily upwards. Was this for you no more than logical?*

Upwards, yes; expected, no, and not in any way planned. It was in no sense a result of strategic planning. It is well known that Kreisky had already asked others, however seriously: Alfred Schachner-Blazizek, Rudolf Häuser, Felix Slavik, Franz Ockermüller. I felt well prepared in consequence of my having participated in formulating the economic programme of 1968 and the financing plan of 1969. I had also gained important experience as deputy state commissioner of the *Wiener Zentralsparkasse* bank from 1968 to 1970.



*Considering your involvement in student politics at the beginning of the 1960s, did you think at that time that your ultimate goal lay in a political career?*

Politics did present a sort of fatal attraction, but not a clear goal: »half sucked in, half deliberate decision«. I had grown up in a home with an unmistakable social-democratic bent, and so was politically aware from a very young age and committed to the ideals of social democracy.

*Next cliché: the »ice-cold angel«. This expression was coined by your opponents not only because of your good looks – keyword Alain Delon – but also because of your reputation for being hard and cold. In the film »Le Samouraï«, Alain Delon played the role of a good-looking, but hard-hearted killer. A certain toughness is required of every minister for finance, and in your case, in particular, in view of the gradual break with your former promoter, Bruno Kreisky.*

That was understandably a great disappointment. In the early years, our relationship could be described as symbiotic: it is now legendary how he once told government colleagues and captains of industry, »that's the way to Androsch«. He sometimes remarked coquettishly that he had no understanding of economics. But, ever so gradually, a feeling of jealousy developed. Increasingly, he felt that he was being bypassed and ignored in economic matters. He began to feel excluded and, no doubt intensified by illness, began to indulge in conspiracy theories. And this, although fully stretched by the demands of international and other issues.

*Oliver Rathkolb, editor of Kreisky's biography, assured me that Krisky was convinced to the very end that a guest-book entry from the year 1975 confirmed his initial suspicions towards you.*

*In this entry, you and Leopold Graz had visited the Lusthaus restaurant in the Prater.*

I was never a close pal of Leopold's, but we were always on good terms with each other. We used to go walking occasionally together on Sunday morning, and might well end up in the Lusthaus. The owner obviously brought us the guestbook; after all, a visit from the mayor of Vienna and the minister for finance is hardly a bad evaluation. Later on, this must have been brought to Kreisky's attention, and he regarded this as confirmation that we had been plotting against him. In this way, his suspicion, above all towards myself, seemed to be confirmed. This first became apparent in 1974 as we told him that, in our opinion, he would be the best social-democratic candidate for the election to the office of federal president – at the same time reassuring him that neither of us had any aspiration or ambition to succeed him either as chancellor or as party chairman. To be perfectly frank, I subsequently understood that I possibly lacked consideration and tact.

*For example?*

The head of the FPÖ (Austrian Freedom Party), Friedrich Peter, once gave me some advice following a quarrel between our parties: *»You are, of course, right. But you must also let us live.«* This is something I have often forgotten, also with respect to Kreisky. In later years I feel I showed a lack of consideration towards him, especially where I felt I was in the right: in important matters, this was frequently the case. This also applied to press conferences. Margarete Freisinger from *»Die Presse«* once posed a critical question which I regarded as bordering on sacrilege. I publicly humiliated her, she was very hurt, but today we are friends. This applied to many journalists. Only Ronald Brazabon from the *»Salzburger Nachrichten«* has never let himself be deterred.

*So indeed the »ice cold angel«: hard, unapproachable, and authoritarian. In this respect have you mellowed with age?*

Yes, insofar as I now understand that some blows I have experienced were not entirely unjustified. It may not be unreasonable that I received them, but the manner in which I received them was not always justified. In consequence, I acquired an image of being very arrogant, but this does not correspond to my emotional or social attitudes.

*Part of this is the motto, »He who is not for me is against me.« That also applied to your great opponent, Bruno Kreisky, especially in the last years of his life. Is it part of your psychological makeup today?*

I have no intention of carrying any desire for revenge to the grave. I can honestly say, with a clear conscience, that I long ago realised that such emotions only serve to impair my sense of wellbeing, my quality of life. The worst someone can expect from me is that I completely ignore them, that I couldn't care less about them.

*It is probably no coincidence that you say precisely this about your second major adversary from within the party, from the later phase, Franz Vranitzky. By your leave, I cannot believe that. Whenever you speak about him, the emotion is rather obvious; you are not indifferent to him. At least in the past, you used to speak of him in a tone as disparaging as that used by Kreisky in his later years when speaking about you. In this respect, have you mellowed with the passage of time?*

In this respect, what remains are disappointments, both political as well as personal. But also here, I prefer to look forward into the future. Let us take as an example Karl Blecha, one of Kreisky's most enthusiastic supporters during our bitter dispute. In the

1990s, he wished to meet me, unexpectedly. I met him in the bar of the Bristol Hotel; he spoke of misunderstandings between us. My wife couldn't fathom that I would have anything to do with him. But, I met him and told him, »Charly, I have no time to spend sorting out the past, I want to devote my attention to the future«. In the meantime, we have a good relationship.

*Some people in the SPÖ, in particular, did not approve of your obvious affluence. And so to the next cliché: how to reconcile your public denial of being a millionaire («a millionaire? ... unfortunately not!») with the fact that you had one hundred suits made by the noble tailor, Knize.*

In the main text, I have already clarified the remark – *»a millionaire? Unfortunately not!«* It was certainly an unfortunate comment and a misleading abbreviation. As for the suits, I have never had one hundred suits in my wardrobe. But we can see how a rumour sometimes becomes an indestructible legend, as in the case of my official car which, according to prevailing fiction, was a stretch limousine.

*They were repeated attacks against the person, Hannes Androsch who, it was felt, represented the growing »bourgeois« tendency in social democracy, a »nouveau riche« who entered politics in order to boost the profitability of his tax consultancy firm, Consultatio. Did you underestimate the danger of these accusations?*

The mistake I made was to treat the accusations of affluence, which incidentally I acquired much later, as a political threat rather than as an asset. Indeed, the legendary Rosa Jochmann once suggested that I should not attempt to defend myself against my millionaire image. *»What do you want, because today, everyone who so much as owns their own apartment is a millionaire«* – at that time she was referring to the schilling currency. The cur-

rent minister for finance, Hans Jörg Schelling, frequently talks about his wealth, and nobody takes offense. On the contrary, it is regarded as the basis of his independence.

*But he doesn't represent the SPÖ. At least at that time, the SPÖ claimed to be THE party of the working class.*

Even so, it does not automatically follow that one has to be jealous of higher income earners. Such jealousy was more typical of certain officials than of ordinary party members or voters. And, of course, there was any amount of hypocrisy, instigated, perhaps, by a bad conscience. Thus, there was once upon a time a party chairman who could point to the relatively modest grant-aided apartment in which he lived – except that he possessed three of them. A former federal president owned two grant-aided residences, in clear breach of the regulations. And Bruno Kreisky, as chancellor, enjoyed a very comfortable, ›haute bourgeois‹ lifestyle, in a villa with several members of staff. In addition, he had a holiday home with a pool on Majorca. This lifestyle could not be financed on his salary alone – it required drawing on his private wealth and that of his wife – but he still suffered from financial problems. I never wanted to become dependent in this way. I most definitely did not go into politics for financial reasons. As a member of parliament and auditor, I earned more than when I became a member of the government.

*According to media and political populists, politicians ought to be paid less than they were at that time.*

Anyone who enters politics should not be required to take a vow of poverty and chastity. He who claims to do so is almost certainly a hypocrite. When I was party secretary part of the job was to be a sort of confessor to party members. Some members of parliament, who outwardly and officially gave the impression of great modesty,

would then come to me and ask, »*Is there any possibility you could provide me with an advance from party funds to help me build a house*«? A politician should possess a minimum of material independence as that is the basis for inner stability.

*In this context, you were vulnerable to the main accusation insofar as it concerned your tax consultancy Consultatio, i.e. it is said that you profited disproportionately from your political office. Even more than that, some claim that you only went into politics to increase your wealth.*

That assertion is simply contra-factual. My route into politics was a very direct one, for which money bore no relevance whatsoever. Moreover, as concerns Consultatio, all accusations dissolved ultimately into thin air. The climax was that the auditors assigned profits to me, which they subsequently admitted didn't even exist, just because they couldn't think of any alternative. Unfortunately, at the end of the day, that was Kriesky's goal; the main thing is that we get an adjudication which removes him from politics. Of course, this also appealed to the OVP and segments of the media. And, indeed, there were also certain circles in the SPÖ which were ideologically not enamoured by my economically liberal brand of social democracy. It was certainly one of my mistakes that I didn't accommodate them, or seek an opportunity to discuss my position with them. No long ago, Brigitte Ederer laughingly related how she and other young socialists (Jusos) had attacked me in a meeting with Kriesky, and how he had mischievously smiled and countered, »*you will have to try hard to achieve the same success*«. She, at least has achieved that.

*At that time you were a perfect target for the young socialists. Gerd Bacher describes how he once asked you what was more important to you, money or power, to which you are supposed to have replied, both!*

On this point I am afraid that my dear old friend, unfortunately deceased, misunderstood something. As regards the position of chancellor, that could not have happened. I never actively sought this office; for a certain period of time it would have been a logical possibility had Kreisky wished it. But that wasn't the case. And, during the subsequent campaign against me, even this possibility was gone. At that time people would drive past my house in Neustift, and be amazed at how small it was in reality. Because, the media blew it out of all proportion, and presented it as a prestigious and magnificent villa. Today, it is much bigger and no one thinks twice about it. And why should they; it is financed exclusively from my private income. But in politics, one needs power to be able to achieve anything; to deny this is pure hypocrisy. Or, possibly, one doesn't want to achieve anything. But power must be legitimised, limited in time and subject to controls.

*And today you are truly wealthy ...*

When I was seven years old, I experienced how my great uncle and my great aunt had to abandon all their belongings from one hour to the next; in other words, how quickly worldly goods can be gone. And I have also experienced how they could, nevertheless, create a new existence and ultimately die, contented, at a ripe old age. For me, money is an opportunity to organise my life as I wish to; I have no erotic or emotional link with money and I am not greedy for possessions. But it is a satisfying feeling to be able, in moderation, to do what one currently finds interesting. It is comfortable, I admit, to have arrived at a certain stage of affluence, but it has never been my goal to accumulate possessions.

*An example of the fact that one can live better in the world of business, than in politics.*

Naturally one can live simpler and more comfortably in the world of business and one is not required to justify everything one does. On the other hand, the world of politics offers more fascinating opportunities to create social conditions. For example, at that time, *Credit Anstalt* was Austria's largest bank and offered considerable possibilities for restructuring, only that none of these conformed to the constraints that applied. In business it is much easier to define the way forward as the focus is on the monthly or quarterly returns, or on the end-year results. In politics, the final balance sheet is the election results, and this depends far more on emotional or irrational factors. The penalty for failure is also different; in politics you are voted out of office; in business, you are insolvent.

*In which environment did you feel more at home?*

I feel best of all in my current situation, as an investor in industry. In addition, I am active in the political arena and am free to publish, without having to pay too much attention to public opinion or without hypocritical asceticism.

*You have described the strong influence, both political and professional, which you received from your parents. To what extent have you sought to guide your own children?*

For as long as I was politically active, I regret having had too little time for my daughters. I try to avoid this mistake with my four grandchildren, one girl and three boys. And, especially so with my son who, at eighteen years of age, has completed his *Matura*. When he was born, it was my wish to be there for him until his *Matura*; now we have adopted another goal.

*And what is that?*



The completion of his studies. But, above all, that we could enjoy as many years as possible together, which is likely to be more difficult at my age than at his. He was always my special worry, as I am well aware that a child can be seriously ill at birth; I thank fate that I have never had to experience that. But in 2010 I went through an extremely difficult phase: First, my mother died at almost 99 years of age and, although this was very painful, it was foreseeable. Then I received a worrying medical diagnosis that I was suffering from leukaemia; fortunately, it was the relatively mild form of adult leukaemia, or I would not be here today. By far the greatest worry involved my son Gregor, who was then 13 years old; in his case, too, the diagnosis of leukaemia was confirmed. I went to Graz in order to be with him during the decisive tests. During the journey, he phoned me, »Papa, how much longer will it take you to get here, because you radiate such calm«. To be honest, I was anything but calm. It was only when circumstances took a turn for the better that peace and calm returned.

*»At first I had no idea what a well-known personality my father was. Only that he was rarely there, from which I suffered for quite a while. I also wished that we could live as a normal family in Graz. For a variety of reasons this is never going to happen, partly because I might study architecture in the USA ... As a child I was always very worried whenever my father flew to the USA. When I was four we sat together at the Wörthersee and watched the aircraft attack on the World Trade Center. Later he explained to me how this was the decisive moment of the century. I never wanted to be called Androsch, out of fear that I might be kidnapped. My half-sisters in Vienna were once threatened with this. During my primary school days, my father used to phone very often, sometimes daily, even from India or China. I was never consciously aware of his political career, or that of banker, only that of a businessman ... We go regularly on cultural trips,*

*such as that to Rome with Monsignore Plöbst. After my Matura, my father brought me to see New York. It is true that I was very lazy in school, but he always said that I shouldn't worry about it; his school record also contained some fives (fails). I could almost never watch films on television with him, he would sit in the same room and read newspapers or make phone calls ... He was only interested in films with an historical connection. By the way: Should my father censor anything in our talk, I withdraw this interview ...»*

*(Gregor Rothschedl, born 1997, secondary school graduate, son)*

*When Gregor was born you were almost 60 years of age. Only later did you publicly acknowledge him as your son. Since then you have your core family in Vienna, encompassing three generations, and a sort of second family in Graz, consisting of Gregor and his mother Claudia. For Gregor, you are mainly a weekend-and-holiday papa. A rather unusual situation, one has to admit, which you now live quite openly, although there were some initial problems.*

My main worry was to accommodate everyone. It was no easy matter for anyone involved, but especially for either of the two ladies involved. I can only repeat, once more, that for me, love is not a trivial matter. I once had the wish to include everyone at a single table for my 70<sup>th</sup> birthday. It was not a success, to put it mildly. Since then I have not made any further attempt.

*»I was introduced to Hannes by his secretary at the time, who felt that two such interesting personalities ought to get to know each other. Politically we were not particularly close; I had grown up in an ÖVP family, and as a young woman I was, at most, impressed by Kreisky's personality ... As a consequence of our relationship we were in a difficult situation, he also. He suffered a great deal, did not want to offend any-*

*one, in particular his core family ... and, in fact, I didn't want to be a single mother, not least because I had personally grown up without a father. But, of course, we both wanted this son; a loved and very much wanted child. From the very beginning Hannes made sure that he was registered as the father. For a certain period of time we lived, as it were, incognito. As our situation became public, he tried to accommodate everybody, but this was not very successful as dealing with personal problems is not exactly his strong point ... I always had a good relationship with his mother, as I have today with his sister and brother-in-law ... The boy gives him a great deal of motivation, but in any case he is a very dynamic person. I can now tell Gregor with complete objectivity that there is hardly another Austrian who possesses his range of qualities, who can speak to everyone, at all levels, and can effectively communicate his ideas to them.«*  
(Claudia Rothschedl, born 1964, Business Psychologist).

*Was the option of a divorce ever considered?*

Yes, and by many people. But socially, I am a very faithful person. One shouldn't forget that my wife, no less than my mother, had always been extremely supportive in times of enormous political and business strain. Not only did she merit respectful gratitude, but also my daughters, my sister and her husband. And several friends: the most gratifying outcome of the conflict-charged period between 1976 and 1996 was the number of people who had stood by me, without ever expecting anything from me in return.

*Does the early Androsch exist anymore, whose charm attracted women like flies? Fritz Hofmann once told me how the young ladies flocked to you, and indeed that this carried over to later phases of your life. At least, there was never any shortage of rumours, which didn't really seem to be entirely fictitious.*

In reality, as a young man I was rather inhibited, without being celibate on that account. My subsequent popularity as a politician may well have exercised its influence on the female race.

*And your current position on this matter: Here I am and I cannot be otherwise?*

Yes, I regret that I didn't tackle the inevitable conflict immediately.

*Some of your fellow travellers tell of the problem you have in showing your personal feelings.*

This may be a further reason why, along with my resolute determination, I occasionally come across as being arrogant. It may have something to do with the uncertainty I experienced during the war and the post-war period, or with the invalidity my father suffered, or with the many changes of school and domicile. I recall once saying to Beppo Mauhart – the first time we met we both found the other intolerably arrogant: *»arrogance is the defensive shield of highly sensitive, emotional people.«*

*As you have mentioned the many changes of domicile, what does the term »homeland« mean to you?*

I do not like the term very much, if only because it has been frequently abused by various political movements. I still recall the astute remark made by Bruno Kreisky on the occasion that he received the Freedom of the City of Vienna: *»homeland is not the place where you were born, but where you would wish to be buried.«* From my upbringing I have acquired a cosmopolitan outlook on life. In this regard, certain torpid reflexes get on my nerves, especially when they are directed against anything that smacks of a broader cosmopolitan world; for example, this can be expressed politically as opposition to European integration, or

in business as the rejection of globalisation and international trade agreements. This frequently represents little more than an attempt at self-glorification which justifies building barriers against the outside world. That said, I certainly appreciate a sense of local identity when it is combined with an open mind.

*But the Androsch who shows a special attachment to the Ausseerland, including having a home there, also displays a certain affinity to national regions.*

Yes, I have I have a deep attachment to the *Ausseerland*, based on social contacts and special relations which go back decades. In the meantime, I have also developed links with Graz, Maria Wörth and with Lech am Arlberg. I dislike the superficiality involved when one has no roots and must continually adjust to new locations or, as it were, to have been everywhere but to have never arrived anywhere. In those places, I have emotional links, which have more to do with people than with the actual location. I am a cosmopolitan, especially a European, who is deeply committed to Western values of the Enlightenment, to Democracy and to Humanism. And, I am a patriot in the sense that I am proud of the way in which Austria has developed in the past 70 years.

*In that case you must clearly suffer all the more from certain false developments.*

Above all I get angry with nonfeasance and negligence. Also with inertia, idleness, despondency and cowardice, which lead to undesirable developments. And I do not mean unavoidable phenomena such as horrific natural catastrophes, such as the Tsunami which struck Thailand, Indonesia and neighbouring countries in 2004 or the Nepalese earthquake in 2015. Austria would be in a better position if we could avoid the neglect which causes us to

lose ground. And now, more than ever, the same applies to Europe. Right now, we are experiencing this in Austria as well as in Europe, and it remains to be seen where it will all end.

*Are politicians mainly to blame?*

By no means exclusively. At meetings and events I often say: Friends, from nothing comes nothing! It is futile to sit back and wait, in the hope that politicians will be able to provide you with quick and apparently simple solutions to complex problems. Even with the best of intentions, no one can do this. You, yourselves, must get involved, make the effort, participate – just as I have done in a later phase of my life with the popular petition on education, or the public opinion poll on the future structure of the army. In this sense, everyone is the architect of his own future, because life is what you make of it. So, much as I regard the welfare state as a magnificent achievement, it is no substitute for self-reliance, and that is indispensable for the self-esteem of every single person. It is simply not possible that the circumstances change, but that everything remain the same.

*Is the multi-millionaire Hannes Androsch still a social democrat?*

Most definitely, as concerns the value system, which is derived from humanism and enlightenment, tolerance and solidarity. But these values have to be put into practice in a world which is changing constantly, and at a rate never experienced before. In the early phase of industrialisation, solidarity meant something quite different from what it means today; at least in contemporary society, most people have a lot more to lose than their chains. Therefore, it is perfectly valid to want to consolidate what has been achieved. But, this cannot be brought about by means of exorbitant demands on the state: it must be understood that whatever we wish to redistribute must first of all be produced,

with the clear implication that one must be prepared to accommodate structural change, upheaval, upset, if we are to avoid stagnation, or even worse, decline.

*There is scarcely a social democrat who criticises his party, or at least its leaders, as often as you do. Why?*

Because I am worried – the decline hurts and makes me sad after our great successes. Moreover, I am deeply committed to the fundamental values of social democracy. I had the privilege of carrying great responsibility in what was a very successful period for Austria and now suffer to see the many missed opportunities. It hurts to have to observe the decline of social democracy, even when this is the case throughout Europe, and affects other groups equally. The middle is shrinking. Radical parties and movements on the fringes are gaining in strength. The ability of politics to act is sinking dramatically.

*With Bruno Kreisky, you conducted long and bitter conflicts ...*

Rather he with me ... and indeed with others.

*... which will be extensively dealt with in this book. With almost the same bitterness that he judged you, you have criticised for a very long time your former employee Franz Vranitzky. Are you somewhat more objective today?*

Vranitzky was recommended to me by Heinz Kienzl and, indeed, along with Beppo Mauhart was my most important assistant in the Ministry of Finance. Then, he wanted to change, to his own advantage, to the *Credit Anstalt*. On account of my changed circumstances, he ended up in the *Länderbank*. After three years, Sinowatz appointed him as minister for finance, according to the motto, »there I can have Androsch without Androsch«. At first I

was pleased about his advancement to minister for finance. Then he disappointed me greatly, on account of both his professional competence and personally.

*In particular because he didn't order a re-examination of the finance proceedings against you?*

Yes, that was the crux. There would have been opportunities to introduce some objectivity into the matter without having to become involved, as minister, or having to expose himself to accusations of conflict of interests.

*And, as chancellor?*

He had to step in for the Federal President and, therefore, was not really the chancellor, much less party chairman. Following the defeat of Steger, he showed a lack of far-sightedness in dropping the FPÖ too abruptly, without really challenging Haider on matters of policy, simply because he wanted to take the ÖVP back on board as quickly as possible. Kreisky immediately criticised this as a mistake of historical proportions. I have to admit that in this way, Vranitzky probably managed to win another election for the SPÖ which had already seemed lost – an equivocal tale, somewhat like Kreisky's referendum about Zwentendorf before the election of 1979. Subsequently, he was to profit from the fact that Austria was paralysed because of the international isolation of Kurt Waldheim. He adroitly filled the vacuum. Today, he is totally irrelevant as far as I am concerned.

*And his successors?*

As minister for finance, Viktor Klima prepared Austria very well for the introduction of the Euro. He was less fortunate as head of government and party chairman, and was too late in becoming



alert to Schussel's intentions. On the day after the election in 1999, when the producer Luc Bondy, quite appalled, asked Schussel if he would consider entering into a pact with Haider, Schussel replied that he had no other option. Gusenbauer is erudite and skilful, but is lacking in emotional intelligence. And Faymann really wanted to be mayor of Vienna.

*In the entire European political environment, in particular as it applies to the Social Democrats, there are really no major personalities. Notwithstanding criticism of individuals, there is no Kreisky, no Brandt, no Palme, no González, no Mitterrand, no Delors and no Schröder.*

For the most part, Europe was built up by two large centrist parties, the social democrats who are positioned left of centre, and the Christian democrats, right of centre. This is still today the nucleus of the European parliament. But, I have the impression that they lack any sense of vision comparable to the previous objective of a single, united and peaceful Europe. Therefore, they frequently allow themselves to be enticed and misled by populists of the left and the right on many issues. We lack answers to the important questions of our time, which would provide orientation and perspective to the broad population, and which, as a result, is understandably worried. They, then, turn to the populists, and allow themselves to be seduced by simplistic arguments, as a number of elections in Europe have shown.

*What then would be your vision for Europe today?*

A single, integrated Europe enlarged not only qualitatively but also quantitatively. It should possess a cohesive economic policy and social policy, as well as a single security policy and foreign policy. The EU today is much more than a collection of states, but

is nowhere near being a federal state. It calls itself a Union, but resembles much more a Dis-union. This can be seen from the EU's inert reaction, to put it mildly, to the case of Ukraine, in relation to the Near East and Middle East, in relation to wars in West and North Africa, conflicts which result in flows of migrants and refugees. All of this affects our backyard, not that of the USA or China.

*What probably doesn't help the condition of the Union is that it is only being held together by Angela Merkel, an astute and pragmatic leader, but hardly a visionary. And, that the logical leader of the European left, François Hollande, comes nowhere near fulfilling this function.*

Anyone who is unable to keep his own little train on the rails has no chance whatsoever when it comes to one that is a lot bigger.

*At least Merkel seems to have her own little train well under control.*

She has, thanks to a solid economic foundation. But for that, even as she herself admits, she is very much indebted to Gerhard Schröder. But when I look at the wave of strikes, from *Kindergarten* homes to train drivers, one can see that there are many weak points. And there are certainly shortcomings in foreign policy, for example in the way that she treated Putin. It is not necessary to be a special friend of Putin's to consider it the height of indiscretion, the manner in which she publicly told him that the occupation of the Crimea was a violation of international law. She may well be correct in what she said, but an important public holiday and after a meeting, was neither the time nor the place to repeat this assertion. In this respect, I find the cynical British approach to be much more appropriate: »*We have no enemies or friends, we only have interests.*«

*Is it in Europe's interest to drive Russia even deeper into isolation than it is currently causing itself?*

For quite a few years, Russia has profited mainly from the high price for energy, oil and gas. Apart from that, and military technology, there isn't a great deal else there. But one shouldn't lapse into a mood of triumphalism and look upon Russia purely as a regional power. The country consists of 17 million square kilometres, the largest country in the world. It is rich in energy and raw materials. It has nuclear-armed rockets, is one of the veto powers in the Security Council of the United Nations, and is needed in formulating solutions to international problems from Afghanistan to Iran, Syria and Libya. Europe has certainly not treated Russia with diplomatic astuteness. We have to take account of Russia's apprehensions as they relate to external threats and fear of encirclement, of which there have been several instances, from Napoleon to Hitler – in very much the same way as we have to be sensitive to the historically based fears of Poland or the Baltic States of an imperial Russia. Some 15 years ago Henry Kissinger told me that one must be particularly careful when it comes to Ukraine, which is as strategically important for Russia as is Mexico for the USA. One had not considered this carefully, but was pushing NATO into Ukraine. And, it was also not considered that Russia and Europe are as mutually dependent on each other as Siamese twins in matters of security policy and economic policy.

*Do the Russians not have the Chinese card up their sleeve? Or the Chinese, the Russian?*

More likely the Chinese, the Russian. In spite of any apparent mutual interest, the logic of geography and demography pits them as opponents rather than partners. And there is hardly anything one could wish for less than a Russian-Chinese conflict,

which we've had before. It would be important that they resolve their conflicting interests in a spirit of cooperation and partnership. The Eurasian Economic Union which Putin has proposed, all appeals to Russian nationalism notwithstanding, is more an instrument of political gratification than a viable alternative.

*Previously there were two superpowers and now there is only one. Will the USA also lose ground?*

Here, one can quote Mark Twain: »*Reports of my death have been greatly exaggerated*«. The USA has very great problems because it is very fragmented country. The whites, formerly the dominant stratum of society, have still not resolved the racial problem with the blacks, and this is now compounded with the *Latinos* and, indeed, others, such as the Asiatic. On top of that comes internal political division; many republicans detested Carter and Clinton, and abhor Obama even more. It is extremely important that such social and political divisions be overcome, not only for the United States, but for the entire world. Because, the USA dominates the world as much as ever, technologically as well as militarily. It is simply breath-taking what has been happening in Silicon Valley over the past 20 years, from Google to Microsoft, from Apple to Facebook. And then, the Americans still have the best universities and think-tanks as well as the greatest capacity for research and innovation. In global economic terms, nothing can challenge the USA, and for the most part nothing really functions without it, and this applies in particular in the field of finance.

*And militarily?*

In the 19 century, we had »*Britannia rules the waves*«. Today this is true of the USA with its fleet of eleven aircraft carriers. Aviation and space will continue to be dominated by the USA.

*Will China not soon be the second superpower, if not indeed the first?*

This scenario is a little bit premature. However, the 21 century will no longer be as clearly the American century, certainly not to the same extent as the 20 century has been, at least since the end of the Second World War.

*Let us return once more to the person Androsch. The emergence of international religious fundamentalism, of groupings such as the IS, can be attributed to the failure of old political ideologies. At the same time, "normal" religious fervour is in decline in our region. Does the atheist Androsch observe this with concern or with satisfaction?*

I have always had important discussions with catholic spiritual leaders, such as Cardinal Franz König or my personal friend, the city parish priest of Leoben, Monsignore Markus Plöbst. I have always valued their advice very highly, and still do. Obviously, a distinguishing feature of *Homo sapiens* is that he has a religious, or at least a spiritual, gene, but there is nothing characteristic of *Homo sapiens* in all the fundamental religious insanity we see around us. But, beyond doubt, religion has played an important role in the civilised development of mankind although, at times, it has also played a fatal role.

*» We have been in rather close, but in any case regular, contact with each other since my time in Aussee. That was also due to the fact that our respective mothers got on so well together and could discuss eternally, for example, which of their sons had had more children's ailments. He was already the owner of the Salinen Austria salt company as he once came by for lunch, and his mother admonished him, ›Hannes, you must wash your hands before you sit down at the table.‹ He com-*

*plied immediately. We developed a strongly intellectual relationship; he is deeply interested in religious culture and I acquired from him the theories of Adam Smith and Joseph Schumpeter ... we could discuss various Papal Encyclicals on social themes as equals ... I call him 'the most spiritual atheist I know' ... he has an insatiable interest in the teaching of the Church and he once called me from New York, in the middle of the night, seeking clarification on some theological question. He provided very practical, financial support, for myself and for the church here in Aussee, both as a private person and in the name of Salinen ... My transfer to Leoben was made very much easier by the fact that he had been elected chairman of the Council of the University of Leoben shortly beforehand. He has absolutely no inhibitions here and can join us in student celebrations with exactly the same ease that he used to join our regular's table in Aussee. Not so long ago, the federal president visited Leoben. Upon being told that I was a good friend of Dr. Androsch's, President Fischer retorted, 'I am not sure whether Magister Plöbst needs Dr. Androsch more than the other way 'round'.«*

*(Markus Plöbst, born 1963, since 1998 parish priest of Bad Aussee, Altaussee and Grundlsee, since 2007 city parish priest of Leoben).*

### *Opium of the people or opium for the people?*

Marx is frequently misquoted: religion is not opium for the people but rather the peoples' opium. There is a significant difference. It is only to be expected that many persons involved in interest groups or power struggles should try to project religious motives. On the other hand, European culture in architecture, painting, literature or music is hard to imagine without Christian themes, any more than we could visualise Chinese culture without the influence of Confucius or Laozi. Many people find religion to be

very important; it provides them with hope, values and consolation. As someone who is deeply interested in history, I can try to trace and to understand such associations, but am not obliged to share them as a result. But I fully respect people seeking and obtaining a sense of support.

*From what do you derive support?*

Just from my clear system of values, which I have already mentioned. In addition, I have strong nerves, like armour, which have deflected many heavy blows, and which have also given the impression that I am sometimes callous and lacking in empathy. But I also get support from people who have stood by me, and still do. I feel responsible for these people and, for them, I also accept social responsibility. For this reason, my two daughters have already taken over the hotel in Altaussee, just as my son will take over that in Maria Wörth in the foreseeable future.

*This biography carries the title »Never Give Up«. Have there been times when you harboured doubts on the appropriateness of this principle, moments when you were really down?*

Naturally there were some. There were times when I felt paralysed by the incomprehensibility of events afflicting me, and tormented, although not in a psychological sense. But I have never wavered.

*Do you not then fear all the more circumstances in which you really are powerless, such as illness, or death?*

Not really, although perhaps I am just trying to convince myself of this and, in the end, it will be different. So far, I have not been inclined to do this. When the time comes one should be prepared, and until then, live by the wish, »To get old, and die healthy.«

*And how should Hannes Androsch be remembered in the history books of 2050?*

By the acknowledgement that I served as a signpost for Austria during my life, and provided a useful service in this regard. But, naturally, it is much more important that my descendants retain positive memories of me. Only he who is forgotten, is truly dead. For the continuing benefit of future generations, I have summarised some thoughts in the final chapter of this book.



# Epilogue

## What I consider important: Ten recommendations for young people

This wasn't meant to be a perfectly normal biography which would describe the stages of my life, lined up in sequence, recorded by Peter Pelinka, and supported and assisted by my staff and friends – first and foremost Beppo Mauhart and Renate Osterode, as well as Ingrid Sauer and Michaela Häusler – and authorised by me. It should be a sort of legacy for my children, my daughters and my son, as well as my grandchildren. More than that, I would like to provide some suggestions and recommendations for all young people, based on my values and my experience.

### 1. Be hungry for education, and always have an open mind for new discoveries!

Do whatever gives you joy and a sense of fulfilment, but do it with enthusiasm and total commitment. However, you must always be prepared to change your mind and to learn something new. »*The only way to be truly satisfied is to do what you believe is great work, and the only way to do great work is to love what you do ...*« (Steve Jobs). Education is the key to success, not only for the individual, but also for society. To quote John Kenneth Galbraith, an eminent Harvard economist, »*There is no literate population in the world that is poor, and there is no illiterate population that is anything but poor*«. Even more, a new, modern

education is the key to positive change to the world: »*He who wants the world to remain as it is, does not wish it to survive*« (Eric Fried).

## 2. Be unpredictable, inquisitive and creative, in a certain sense!

Only innovative, »crazy« people influence and change the world, which keeps forever speeding up. It is not so much formal examination results which count today, or will in the future, but rather the ability to adapt and adjust to rapid social and technological change. Ideally, one must join-in, in finding new ways for oneself and for others. »*Stay hungry. Stay foolish*« (Steve Jobs in his moving speech at Stanford University)

## 3. Be prepared, make the most of your opportunity!

This demands that the individual is prepared to make the effort, because anyone who is not prepared to learn, or may be incapable of learning, throughout his entire life, is destined to be left behind. This is true even where the individual is not personally to blame, but rather the victim of a failed educational system and a conservative society. For example, anyone who is not capable of starting school at the age of six – e.g. because of insufficient linguistic competence – will suffer the consequences his entire life.

But an effective political framework is also necessary along with personal effort. For this reason, the negligence in educational policy in our country over the past few decades is an unmitigated disgrace, and is a major contributory factor in the widespread unemployment which is now being experienced. Further, we can see in the 28 member countries of the EU, that almost one quarter of young adults are unemployed. This amounts to about five million people under 25 years of age.

But, when you get an opportunity, be it from life, from your country or from your family, be sure to grasp it with both hands. In some respects, opportunity is like a football match which depends on a confluence of several factors to be successful: you must like playing football, you must have trained sufficiently, and you must be able and willing to score goals. At the end of the day, luck also plays a role: for example, a penalty cannot always be engineered, and even when awarded, it can be missed.

#### **4. Be self-confident, but show solidarity in defending your freedom!**

Freedom is hard won. By this I do not mean in a great and bloody battle against authoritarian structures and systems, but rather in »small scale« events in everyday life. Freedom also means responsibility, for oneself as well as for others. »*Only he deserves freedom as, indeed, life who is prepared to seize it every day*« (Goethe). Personal responsibility, initiative and self-provision are prerequisites for freedom and solidarity. »*Liberty means responsibility. That is why most men dread it*« (George Bernard Shaw).

Without equity in the evaluation of performance, there can be no equity in distribution. And without equal opportunity, by which we mean equal access to education, we will have neither of these. The greatest inequalities arise through unequal access to education. Stable societies require a minimum of equality, solidarity, and participation in the fruits of endeavour, material as well as immaterial. It is only possible to distribute what has already been produced. Only he who sows can also harvest.

#### **5. Be international in outlook. Think beyond the borders of Austria and, indeed, beyond those of Europe!**

Grasp the opportunity which the irreversible process of globalisation provides, and do not be afraid of it. Of course, it is some-

times difficult to find your footing in the new complex and uncertain world, which is characterised by the breath-taking tempo of the digital revolution and the gigantic challenge of global competition.

Only he who is prepared to take on the opportunities of this globalised world will really succeed, and, thus, be able to ensure that the progress of the modern world is also distributed internationally. The fruits of progress can be seen from the fact – with reference to Eric Hobsbawm – that your average citizen today enjoys a higher standard of living than a monarch 200 years ago. However, the fact that we, our children and grandchildren are incomparably better off than our parents, grandparents and great-grandparents, applies only to our part of the world. The greater, indeed far greater, part of the world lags light years behind our stage of development.

## **6. Be conscious of the great privilege of living in Austria!**

In spite of the many victims of two world wars, in spite of the painful civil war in the inter-war period, in spite of the extermination of important social and racial groups during the tyranny of National Socialism – in particular, the Jewish population –, in spite of the burden of ten years of occupation afterwards, Austria, today, is a country which compares very favourably internationally on the basis of economic criteria. We live in the eleventh most prosperous country in the world, the third so in Europe. Notwithstanding existing inequalities in distribution, we are nevertheless one of the most socially equitable countries in the world. And Vienna is regularly listed among the three top cities in the world for quality of life. However, these are achievements we must continually struggle to maintain.

## 7. Be aware that Austria requires deep-seated reforms!

In recent years, Austria has come increasingly under threat of losing these top rankings. Our welfare state, one of the outstanding achievements of the 20 century, is losing its cost-effectiveness as well as the ability to achieve its objectives. Since the introduction of the Social Insurance Act – ASVG (*Allgemeines Sozialversicherungsgesetz*) – in 1956, the share of our national production spent on social transfers has risen from 16 percent to 21 percent (1970), 26 percent (1990) and 31 percent (2014). In the meantime, the proportion of the population living in (relative) poverty has not declined.

Other objectives of social policy, for which generous public transfers are effected, are likewise falling short of attainment. We have one of the lowest birth-rates worldwide, yet one of the most generous family-support systems. This may possibly reflect the need to provide this support in the form of special services, e.g. child-care centres, rather than providing cash incentives directly.

Some 30 years ago, we had 50,000 persons in early retirement; today, the number is 650,000.

One of our most glaring deficits is to be found in the area of education. The public disquiet at the Austrian trend in the PISA-tests is still fresh in the public memory. Even allowing for its inadequacies, the fact that Austria slipped from position 6 to 10 in the period 2009 to 2014 is cause for disquiet. Undoubtedly, this is an important cause of our decline in competitiveness, and we have fallen internationally from position 14 to 21 (Global Competitiveness Report).

## 8. Be aware of the ticking »generation bomb«!

The outlook for our pension system is especially disturbing. It is undoubtedly a happy development that our average life-expec-

tancy has risen by 20 years since 1956 (in 2013, it was 81.1 years on average; 78.5 for men and 83.6 for women). But, in the past 30 years, the effective retirement age has declined from 61 years to 58 years. In many regions of Austria, the number of children and teenagers (under 15 years) has declined, and the proportion of older dependents (over 65 years) in the population, increased. Although the labour-force participation rate (15–64 years age group) has increased, this is entirely due to inflows of migrants; this link should be kept in mind as immigration often meets with political opposition.

These demographic developments to date pose a serious threat to the sustainability of our pension system. And the demographic projections threaten to be even worse. At present, 18 percent of our population is aged 65 years or over; this is projected to reach 20 percent (2020), over 25 percent (2030) and to reach almost 30 percent (2060). The proportion of 20 to 64 year olds is projected to fall from 62 percent (2012) to 57 percent (2030) and to be no more than 53 percent (2060).

## **9. Be politically active, not necessarily party political, but actively involved!**

I claim to have been active as a citizen for my entire life, a citizen who has always subscribed, and felt committed, to the values of the French Revolution, »liberté, égalité, fraternité«. I have always taken an active part in society and helped to structure it. For me, that was never a mere matter of public office or of a political party. But, I am constantly active in the world of politics, and find it as fascinating as the world of business or science.

As to the most important advice I have ever received, I would select that of Federal President, Alois Scharf, a close friend of my father's. At the time, I was in an early stage of my career and confronted with the decision whether I should become more

deeply involved in politics. He advised, *»If you have to give up your occupation, or your career, in order to enter politics, then you must decide No! But if you can continue to pursue these, then Yes!, because that is the pinnacle: for politics: yes, from politics: no!«*

## **10. Never be defeatist, do not let anything get you down!**

My life has been anything but streamlined; rather, a succession of alternating successes and disappointments. A stellar rise in politics was followed by a painful, and personally turbulent, dispute; this was followed by a change into banking, only to be followed by a hard fall. Then, I was fortunate to achieve a successful new start as an industrialist.

But, in all this, I have never forsaken my political roots. Nor have I forgotten a particularly important nugget of wisdom: there are some defeats from which one can learn, and these make one stronger. From this perspective, every mistake can be profitable, as long as you manage to draw the right conclusions from it. The only person who never makes a mistake is he who never does anything.

And, most important of all: the real losers are those who, following a defeat, choose to wallow in their misfortune. The winners are those who never give up.

