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*Quo vadis, Austria?*

“Change alone is eternal, perpetual, immortal,” said the German philosopher Arthur Schopenhauer some 200 years ago. Change is a factor that has shaped evolution as well as the history of mankind and is nothing new. What is new in our time is the immense scale and breathtaking speed of these changes. The result is revolutionary innovations and tectonic shifts in meaning that have taken on global dimensions, as well as upheavals in social structures. These rapid changes effect all areas of life, and as a consequence our relationships are becoming increasingly complex and interdependent. This, in turn, makes it increasingly difficult for our individual adaptability and our creative power with regard to political institutions to keep pace with these developments.

Between 1800 and 1900 the world population increased from 900 million to 1.6 billion. At the beginning of the twenty-first century the earth was inhabited by 6 billion people; by 2010 this number had already grown to 6.7 billion. According to predictions, by the middle of the twenty-first century the world population will have risen to 9.3 billion, an increase of an additional 40 per cent. The growth of the world's population is distributed unevenly across the continents. In terms of population, Europe has long been a shrinking continent. In 1900, Europeans still accounted for 20 per cent of the world population. One hundred years later, in 2000, this number had decreased to 11 per cent, and by the middle of the twenty-first century, Europe will be home to only a scant 7 per cent of the world population.

In contrast, the portion of the earth's population living in Asia, Africa and Latin America is rapidly growing.

Moreover, the Europeans are increasingly a “greying” population, as are the Japanese. The life expectancy in Europe since the middle of the past century has increased from 62.4 years for males and 67.8 years for females to 77.4 and 82.9 years, respectively, while the birth rate has fallen significantly below the replacement fertility rate.

This represents a demographic turning point in history, namely a shrinking population and a diminishing workforce combined with an increasingly strained relationship between the number of employed persons and that of pensioners. Simultaneously, training periods for workers are growing longer, all of which has corresponding consequences for the labour market, social security and public health system, as well as for public finances in general. The latter has in any case long needed correcting in order to reach solid ground. In this regard, later retirement, a higher employment rate for women, immigration and increased work productivity are imperative. Above all it is necessary to secure the industrial basis as the primary foundation for high employment and prosperity. This requires a corresponding productivity, flexibility and mobility in order to develop new processes and products and to attain competitive unit wage costs. Only in this way will it be possible to counter this demographic turning point and the accompanying threat of the explosion of a fiscal and job-market-related time bomb resulting from an ageing society.

The increase of the world population leads inevitably to a steadily growing demand on our planet's natural resources. Providing the world population with an adequate supply of food, clean drinking water, raw materials and energy while simultaneously protecting and thus preserving our environment is one of the fundamental challenges we face in the

twenty-first century. Some 60 per cent of all consumed energy – whose increased utilization potential has been crucial in improving the standard of living of large segments of the world’s population – is derived from oil and natural gas. The world’s rapidly rising energy consumption – accompanied by a decrease in resources in the area of oil and natural gas – and an enhanced sense of responsibility to the environment as well a commitment to curbing the effects of man-made climate change require the development of new, environmentally friendly energy sources and improved use efficiency.

The “ecological footprint” is a measure of the demand on the earth’s ecosystems by an individual person or an individual national economy. This footprint illustrates that in their consumption of natural resources, humans have long overstepped the limits of sustainability. Moreover, consumption is unequally distributed, to say the least. The US, for example, which represents 5 per cent of the world population and accounts for over 20 per cent of the global economic output, consumes 25 per cent of the world’s oil. Similarly unbalanced ratios can be observed in the consumption of clean water and other important raw materials. This also applies to the emission of greenhouse gases. It should be noted that in this area China has now surpassed the US. The “ecological footprint” of the EU, which accounts for roughly 7 per cent of the world population, is, like that of the US, grossly oversized.

The rise in the world’s population is accompanied by an urbanization process, in which a growing segment of the population lives in urban areas. At the turn of the nineteenth to the twentieth century, 14 per cent of the earth’s people lived in cities. By 2010 this number had grown to over 50 per cent, and in the foreseeable future it will further increase to 70 per cent. This will result in enormous demands on municipal services and health care, energy supply, the sectors of transportation and housing, the supply of foodstuffs and water, the sanitation sector and, most importantly, educational institutions.

**T**hese developments are all accompanied by a world-wide shift in economic and political prioritization. After the “discovery” of the New World, the world was dominated by the West for 500 years – 400 of them by Europe, in which the British Empire was primarily dominant in the nineteenth century. The twentieth century was marked by the pre-eminence of the US, but there are many signs that the twenty-first century will be an Asian one. This development was

ushered in by Japan, which was quickly followed by the ascendancy of the Asian tiger economies South Korea, Taiwan, Malaysia and Singapore. Presently this process is marked by the resurgence of China and India. This, in conjunction with the digital revolution, is the main cause of the phenomenon of globalization.

However, the significance of newly industrialized nations like Brazil and other countries exporting raw materials or oil is also growing constantly. These shifts go hand in hand with the diminishing importance of the only superpower remaining after the historic turning point of 1989, the US. Nonetheless, economically, politically and – above all – militarily the United States will long remain the most powerful country in the world.

Europe, on the other hand, suffers from a decisive loss of importance. This began with the ascent of the US as an industrial titan after its Civil War, 1861-1865, and was able to consolidate its power following the First and Second World Wars.

Under the protective shield of the US and with its assistance, which also included the promotion of the process of European integration, the European countries that remained in the Western sphere of influence after 1945 were able to quickly overcome the consequences of the war and achieve a remarkable economical recovery in the second half of the 1900s. Europe has thus grown to be an economic giant again, but due to its persistent illusions about the sovereignty of its individual nation-states, politically it rather resembles a dwarf and militarily a worm (Egon Bahr).

European integration, successful in many areas but still incomplete, has of yet not been able to correct the continent’s dwindling significance. On the contrary: Europe is threatened with a kind of “Venecization” if it is not able to pool its strength. Only in this way can Europe gain acceptance as a major player on the world’s economic and political stage and not be degraded to the status of a mere onlooker or even a pawn. A Europe with a strong future must develop a self-image as a unified whole within a diverse environment, but also as an element of diversity within a unified whole, with a common economic, security and foreign policy.

Austria was able to take full advantage of the favourable conditions of the post-war years, the so-called “golden decades”, and engineered an impressive catching-up process. While the First Republic was one of the poorhouses of Europe, the Second Republic became a success story. Austria rose to become one of the world’s wealthiest countries,

boasting wide-ranging welfare programmes and a knack for combining an outstanding quality of life with freedom, peace and security.

In the mid-1990s, however, after this immense catching-up process, Austria began losing ground again to comparable countries such as the Scandinavian lands, The Netherlands and, in particular, Switzerland. It is therefore crucial to get back on the fast track. To achieve this, ossified structures must be abandoned, new perspectives developed and new goals resolutely pursued and realized.

Above all, the tyranny of the status quo of supposedly vested rights – in particular in the protected public sectors – must be overcome. To achieve this, it is necessary to eliminate a casuistic type of overregulation frequently instituted as a response to specific circumstances, as well as to do away with an often contradictory maze of regulations accompanied by excessive bureaucratization. Waste and inefficiency are increasingly endangering the budgets of state and municipal governments, whose expenditure quality is steadily deteriorating while their deficits are at the same time dramatically growing. This kind of political speculation brings with it the danger of gambling away the future of our children and grandchildren. This danger can be banished only through a future-oriented policy of moderniza-

tion and reform. The prerequisite for this is overcoming the existing state of affairs: the refusal to accept reality and take action.

Demands for social justice and fairness and solidarity become little more than empty catchwords unless the proper foundation and conditions for this are created. One can only distribute that which has been earned; one can harvest only if one has sown. This is why a good economic policy is the best social policy.

In a knowledge-based society shaped by financial factors, a dynamic economy – and thus economic growth – along with high employment and widespread prosperity is necessary to achieve higher qualifications and more dynamic innovation. This will be attained first and foremost through education, science and research. For this reason, Austria needs a forward-looking science, research and innovation policy. This is a challenge and mission that every individual must devote himself to. In the words of John F. Kennedy, “Ask not what your country can do for you; ask what you can do for your country.” This must today be applied to all of Europe. The objective must be to join forces to assume global responsibility, thus making a contribution in one’s own interest – in the best sense of the word – to creating a better, more peaceful and more just world.