Important or Impotent? Radical Right Political Parties and Public Policy in Germany and Austria

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IMPORTANT OR IMPOTENT? RADICAL RIGHT
POLITICAL PARTIES AND PUBLIC POLICY
IN GERMANY AND AUSTRIA

by

Marcella J. Myers

Dissertation
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Advisor: Gunther Hega, Ph.D.

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IMPORTANT OR IMPOTENT? RADICAL RIGHT POLITICAL PARTIES AND PUBLIC POLICY IN GERMANY AND AUSTRIA

Marcella J. Myers, Ph.D.
Western Michigan University, 2009

Across Western Europe throughout the 1990s radical right political parties emerged and gained some electoral success. Since that time, particularly in the face of the popularity of the National Front in France and the Freedom Party in Austria, many studies have been conducted examining the voting behavior, party membership and ideologies of these parties, and what the parties mean to democratic governments. Largely unexamined are the effects of radical right political parties on public policy. This study attempts to evaluate the effect of radical right parties on public policy by using a most similar, case study research design, relying heavily on legislative debates and proposals to changes in program requirements, and policy change over time in Germany and Austria. Education, minimum income supports and housing are the public policies chosen for assessment in this study.
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Marcella J. Myers
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CHAPTER I

POLITICAL PARTIES, WELFARE STATES, AND POLICYMAKING

Introduction

Initially when radical right parties were elected to parliaments in European democracies a great deal of concern was generated. This was particularly true in the case of Jörg Haider and the FPÖ in Austria, but in other countries as well, namely the Republikan party in Germany. Conventional wisdom assumed that things, politically speaking, would change or that the election of these parties to regional parliaments was some indication of the resurgence of fascism in Europe. Questions were raised regarding what the election of these parties to regional parliaments implied for democratic government and a great deal of research regarding the nature of these parties, who belonged to them, why these parties surfaced relatively more powerful than in previous elections, and who voted for them was generated. The question largely left unanswered is how these parties have behaved within the boundaries of democratic government, and have they changed the democratic process or public policy in meaningful ways. Specifically, are radical right political parties able to influence public policy outcomes?

To address the question of whether radical right parties influence policy outcomes through an evaluation of policy making in regional parliaments. I have
chosen a most similar case study, using regional parliaments in Germany and Austria. The choice of regional parliaments was made because this is the level of government where these parties have been most successful in winning and maintaining seats in parliament, for a period of eight years in Baden-Württemberg in Germany, and since 1992 in Kärnten Austria up to the present day.

The four case studies have been chosen for research; they are regional governments in Germany and Austria; both countries are federal governments and have developed Christian democratic/corporatist welfare regimes and adhere to the principle of subsidiarity. Furthermore, radical right political parties have found some electoral success in regional parliaments in Germany and Austria. The Länder chosen for regional analysis are Hesse and Baden-Württemberg in Germany and Tirol and Kärnten in Austria. Hesse and Baden-Württemberg have a similar economic base and population. Tirol and Kärnten share similar economic bases and population. In the Austrian cases, Kärnten has been governed by the FPÖ since the early nineties, in Tirol though there has been a presence of the FPÖ in the regional parliament; it is one of several small parties and not a member of the governing coalition during the time period studied.

Baden-Württemberg and Kärnten are characterized not only by the participation of radical right political parties in regional government and/or

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1 "German Christian – especially Catholic – social doctrine focuses on the principle of subsidiarity, according to which public policies should be carried out at the lowest level possible. This principle has been adopted to a considerable extent by federal law makers, who have delegated to or authorized private, nongovernmental agencies to carry out numerous social welfare functions with considerable public financial support" (Gunlicks 2003, 108).
parliament; they also experienced such participation in varying degrees of strength. Kärnten has arguably one of the strongest and most influential radical right political parties in Europe. In Baden-Württemberg the Republikaner held seats in parliament beginning in 1992 for two legislative periods, ultimately loosing those seats in the 2000 Land elections. Hesse and Tirol will serve as control cases. The German Land Hesse and the Austrian Land Tirol did not have a radical right political party actively participating in regional government throughout the same time period.

Attempts by radical right parties to influence policy may take at least two paths. First, they may seek to influence policy directly through the legislative process. In some places this is certainly possible, given for example the dominance of the Freedom Party in Kärnten, Austria. However, most radical right parties do not enjoy such a degree of power within regional government, therefore making real legislative change difficult. The second means that radical right parties be relegated to an opposition role or a role as a neutral party. Opposition parties are those with enough vote share and parliamentary seats to influence the majority or coalition parties, while neutral parties are parties that are neither part of a governing coalition, majority, or with enough parliamentary seats to act as an opposition party (Ganghof and Bräuninger 2006). This does not mean that neutral parties are not able to carry out functions that parties generally do in parliaments (Gunlicks 2003).²

To understand the emergence and importance of radical right political parties, it is important to put them into the context of the societies in which they exist. I will

² A more extensive discussion regarding parliamentary party functions occurs in chapter 2.
begin by reviewing the importance of political parties and a discussion and definition of radical right political parties. There will be a brief review of the welfare state literature and a description of the welfare regimes of Germany and Austria. The structures of the welfare state will, to a certain degree determine the set of choices available to political parties. I will then review the literature regarding welfare retrenchment followed by a discussion concerning conflicts over the redistribution of resources. A discussion of the shift from industrial or manufacturing economies to postindustrial or service base economies will follow. I will then discuss the varieties of models by which social policy is studied including my model of choice. Finally, there will be an explanation of my research design and methodology.

Literature Review

Radical right parties operate within welfare states that are, arguably, under stress. Welfare states are confronted with imperative to cut costs and programs, while demands on the state have increased. If costs and programs are cut and how this is carried out depends to some degree on the interaction of political parties, as aggregators of voter demands, with each other, with the structures of the welfare state itself, and the governing institutions of the state. These interactions pose particular issues for radical right parties as they navigate democratic systems with which they are at times at odds.
Political Parties

We know that political parties matter in the policy making process of advanced industrial societies (Huber et al. 1993; van Kersbergen 1995; Myles and Quadagno 2002; Wilson 1998; Hicks and Swank 1992; Korpi, 2003; Pierson 1996; Huber and Stephens 2001a). Hicks and Swank (1992) found that center-led governments, on average, generate higher levels of welfare effort than other governments. In addition those efforts seem to be intensified by left opposition and impervious to right ones, while left welfare effort appears to be restrained by center and right oppositions. Huber and Stephens differ, finding that the competition between left and centrist parties push centrist parties to adopt more generous welfare state legislation “particularly if the centrist parties compete for working-class voters support, as in the case of Christian democratic parties” (Huber and Stephens 2001a, 20). More recently Iversen and Stephens (2008) have found that countries with strong Christian democratic parties have preferred policies that more closely reflect a compromise between different income groups. Hicks and Swank (1992) assert that a strong source of spending is found in the social democratic corporatist structures, these are characterized by the degree to which left parties and unions mobilize and incorporate industrial workers into national policy making networks.

Boix (1998) has argued that political parties play a key role in the economic policy making process. Although Boix speaks to the issue of economic policy making, economic policy does influence other policy areas, and as the regional parliamentary debates demonstrate, the arguments regarding social policy have a
strong economic and budgetary component to them. Korpi and Palme (in Korpi 2003) have found that there is a significant effect of partisan politics on retrenchment in fights over social policy, again these fights become quite clear in regional legislative debates, often falling into partisan patterns. Hicks and Swank (1992) found that electoral turnout and differences in the strengths and ideology of parties matters for the share of national incomes spent on social welfare programs. In addition they found that it is not just the strength of the governing parties that matters, but that the strength of opposition parties and parties at the edges of ruling coalitions also matter (Hicks and Swank 1992). Minority and/or opposition parties are able to influence mainstream or majority parties by creating "innovative framing of alternatives to current policy" (Klingmann et al. 1994, 28). So we may conclude that the choices made in the restructuring of social welfare policy or retrenchment will be influenced and/or determined by the parties in government and their relative strength.

Radical Right Political Parties

The emergence of radical right political parties preceded the fall of the Soviet Union, the reunification of Germany, the adoption of economic policies imposed by the Maastricht Treaty, the war in the former Yugoslavia and the influx of refugees from that conflict as well as other areas of the former Soviet bloc (Huber and Stevens 2001a; Butterwegge 1997). Radical right political parties have, broadly speaking, had some influence. Bacher asserts that the established parties have already incorporated key issues in their attempts to “blunt” the radical right parties in Germany (Bacher
Wilson takes a similar position, stating that the established parties, both left and right, have responded to challenges from the far right by co-opting some of the far right’s agenda. The established parties have called for more restrictive immigration, naturalization and asylum rights while pressing for more repressive police measures, stricter drug laws and aggressively “cleaning up” low-income public housing (Wilson 1998, 257).

There is a great deal of debate concerning definitions of radical right political parties. Right wing parties have in some of the literature been referred to as right wing populist parties. Populism is a difficult concept to define as it takes a variety of forms both on the political left and right, “The holy grail of a definition of populism is elusive” (Taggert 2002, 66). Ropp has defined populism as the “theatrical presentation of ideas and/or use of direct action techniques by a political leader of any ideological persuasion in order to bypass traditional representative democratic institutions and to connect directly with his or her people” (Ropp 2005, fn46). Taggert writes that populism is an ideal type with six principle themes: populism is hostile to representative politics; populists tend to identify themselves with a “heartland” that represents and idealized conception of the community they serve; it is lacking in core values; populism is a reaction to a sense of extreme crisis; it is self-limiting; and finally, populists tend to be highly chameleonic (Taggert 2002, 66-69). Mény and Surel (2002) argue that populist movements develop in three stages. First, populist movements emphasize the role of the people and their fundamental position, not only within society but also in the structure and functioning of the political
system. Populism usually goes beyond the traditional opposition between the competing political parties, and the political discourse is often based on twin pillars of resentment and exclusion (Mény and Surel 2002, 11). Second, populist movements usually claim that those in charge have betrayed the people. Elites are accused of abusing their position of power instead of acting in conformity with interests of the people as a whole (ibid, 12). Third, the primacy of the people must be restored (ibid, 13). Populism is not so much an ideology of its own as a feature of certain kinds of social and political movements (Hayward 1996, 20).

However these parties are defined, the principle ingredients of right-wing extremism tend to be racism, xenophobia, nationalism, anti-democracy and a belief in a strong state (McGowan 2002, 3). Radical right political parties are identified by Hans Georg-Betz as parties that “reject individual and social equality and political projects that seek to achieve it” and that oppose the “social integration of marginalized groups” and finally, by their appeal to “xenophobia, if not overt racism and anti-Semitism” (Betz 1994, 4). However this definition does not address the economic appeal of these parties. Herbert Kitschelt (1995) identifies radical Right parties as not only being paternalistic, exclusive and xenophobic; he observes that these parties are also often purveyors of free market ideologies. Kitschelt defines radical right parties as those that “stand for strong authoritarian-paternalist procedures and reject participatory debate” (Kitschelt 1995, 20). Further, he notes that these parties advocate the “spontaneous allocations of resources through market institutions but reject redistributive schemes of planned allocation” (ibid). Kitschelt emphasizes
the authoritarian tendencies of radical right parties and a preference for the
"individualization of choice in the marketplace over an ethic of consumption . . .
promoted by collective and redistributive allocation modes" (ibid).

Ignazi (1997) offers a categorization of radical right parties that divides these
parties into two types: traditional and post-industrial. Traditional radical right parties
are the remnants of "the conflicts of the first half of the twentieth century activated by
the industrial revolution when social groups clashed violently against one another"
(Ignazi 1997, 52). The post industrial group are parties that materialized as by
products of the conflicts of a post-industrial society "where material interest are no
longer so central and the bourgeoisie and working class can neither be so neatly
defined nor so radically opposed to one another" (ibid, 53). It is the transition from
industrial to post-industrial society that loosens or breaks up traditional societal and
political loyalties. Mudde (2007) has more recently called these parties radical right
populist parties and distinguished them by three criteria. First, they are a specific
form of nationalism, Mudde is careful to say that not all nationalists are radical right
populists, but all radical right populists are nationalists (Mudde 2007, 30). Second,
the populist radical right and the extreme right are not the same thing. Mudde argues
that fascism and "its various neo-forms" are fundamentally different, for example the
radical right is nominally democratic, "whereas the extreme right is in essence
antidemocratic" (Mudde 2007, 31). Third, the populist radical right is a broader
radical right that includes nonpopulist ideas and movements. "While the populism
might be a defining feature of the radical right of the current era, this does not mean the radical right always has to be populist” (ibid).

Kitschelt (1995) and Betz (1994) have both argued that radical right political parties are able to exist in advanced industrial countries for a variety of reasons. Major party convergence and political changes that are a consequence of the transformation of economies from a manufacturing to service base are just two of those reasons. This transformation also has an impact on retrenchment as welfare states face the problems of manufacturing employees who may be either unable to find work or to retrain. As Iversen (2001) has explained, job transferability in the transition economy is difficult, and individuals face not only reductions in incomes, but reductions in benefits as well.

Betz argues, “Political changes reflected in the emergence of the radical populist right are largely a consequence of a profound transformation of the socioeconomic and socio-cultural structure of advanced Western European democracies” (Betz 1994, 27). Kitschelt goes a step further than Betz arguing that advanced industrial societies are a precondition for the existence of radical right political parties. The “economic stress and polarization between winners and losers of the new socioeconomic order” and the “decline of existing modes of mass organization through parties and interest groups – sets free new social potentials of unrest that can be harnessed by racist political entrepreneurs” (Kitschelt 1995, 273). The far right increasingly does disproportionately well among working class men living in urban areas who possess little “in the way of educational qualifications or
job security and who therefore experience more than most the downsides of globalization, one of which (in their view) is the threat posed by immigrant competition” to their jobs, welfare and culture (Bale 2003, 71). These individuals possess the very characteristics indicative of individuals attracted to extremist movements. Once these individuals are recruited they will not be alienated by the movements’ lack of democracy (Lipset 1981). Although Kitschelt specifically identifies these characteristics as a part of advanced industrialized societies, the conditions contributing to the rise of the radical right may be more specific to the rise of the post-industrial economy. The conditions of the shift from manufacturing to service base economy create an environment radical right political parties may take advantage of (see the discussion regarding resource redistribution below).

Further conditions that created a climate in which radical right political parties could exist and grow were major party convergence and the inability of labor movements to increase and retain membership, especially among young voters (Kitschelt 1995). The political climate of distrust and disenchantment prominent in the 1980s was a “significant precondition for the rise and success of radical right-wing populist parties” (Betz 1994, 67). In Germany throughout the first half of 1989, dissatisfaction with the Christian Democratic Party (CDU), and in particular with Helmut Kohl’s government ran high (Smith 1993, 92), and discontent with the large people’s parties was the primary reason for increased chances of success of the extreme right (Butterwegge 1997, 19). In Austria burgeoning budget deficits and rising unemployment fueled voter disenchantment with the Grand Coalition.
government (Guger 2001, 77), the Austrian People’s Party (ÖVP) and the Austrian Social Democratic Party (SPÖ). With the disenchantment of voters with the major parties also came the breakdown of the patronage system and the adoption of an Appointment Law (1989) that somewhat reduced the capacity of the political parties and government to give government positions to party members (Liegl and Müller 1999, 115).

Framework for Analysis

The framework for analysis developed in this paper is based on two theories. The first is a strategic theory, developed by Dézé (2004), and concerns radical right political parties and their relationship to democratic government; the second theory, used by Hough (2005) to analyze party aims of the Party of Democratic Socialism in Germany, asserts that parties may engage in three aims: vote maximization, policy seeking and office seeking.

The Strategies Parties May Choose. The interaction of the principles and values on which the identities of radical right parties are based, and the principles and values of representative democracies pose a dilemma for radical right parties. This interaction forces radical right parties to choose to make the initial strategic choice to adapt to the democratic system or to distinguish them from it (Dézé 2001, 7; 2004, 20). It does not matter which strategy a radical right party adopts. Each strategy and the resulting relationship with democratic government force the party to make conflicting choices between party ideology and survival in the democratic process.
"Theoretically . . . full and complete acceptance of the principles and values of representative democracy by extreme right parties amounts to disowning their original identities" (ibid, 7), whether a party abides by "liberal democratic values depend on the ideological distance separating these values from those on which the identity of a given party is built" (Dézé 2004, 20).

Dézé views adaptation and distinction as an alternative between terms "that are contradictory for extreme right parties" (Dézé 2001, 7). While adaptation requires some acceptance of the representative democratic principles and/or values, distinction "stress the idea of a strategic choice based on rejection" (ibid, fn. 6). Dézé writes that a choice not to adapt to the democratic system automatically excludes a party from it, marginalizing the radical right party. If the party has any desire to gain elected office at any level, it is left with three alternatives within the decision to adapt: adapt to the system completely, running the risk of losing part of their original identity and the support of their most orthodox members; to differentiate themselves from the system, running the risk of being excluded from it or being marginalized; to differentiate themselves within the system (ibid). Within this framework parties participating in electoral politics must reconcile the imperatives of adaptation and differentiation creating an intra-party tension centering on the relationship to ideology. "The changing pattern of positions occupied with in this system implies that in some circumstances, parties are led to stress their differentiation strategy and propose some of the most controversial elements in their ideologies and platforms" (ibid). In other circumstances these singular aspects in their ideologies are marginalized.
If a party has chosen a primarily adaptive role one can expect that the more controversial aspects of radical right parties to marginalized or "tamed". For a party wishing to show itself an alternative to the same story different verse of party politics, differentiation within the system may be a more attractive choice. For those parties that wish to pose themselves as the party that will change the system because the existing system is for some reason not effective, differentiating themselves from the system may prove to be the more attractive choice. Parties engaged in an electoral struggle may, depending on the circumstances, choose one of these three strategies for the duration of electoral campaigns taking up marginalized pieces of party ideology once the election has passed. These choices may influence and/or be influenced by the pursuit of party aims.

Party Aims. Once a radical right party has determined their strategy, a party will then engage in one of three aims: vote-seeking/vote-maximization, policy-seeking, or office-seeking. These aims are not mutually exclusive, and given that political parties by definition exists to win elections, parties are all to a certain degree vote-seeking. Ideas regarding party aims are deeply rooted in the work of American political scientists. Downs (1957) suggested that parties pursued vote maximization and office seeking. As Downs explains, vote seeking is something that all political parties must engage in if they are office seeking, and so vote maximization remains the basic motive underlying the behavior of parties (Downs 1957, 159). Key (1964) wrote that parties were not only vote maximizers, but fulfilled specific roles in
society. Key’s conception is analogous to Downs’ portrayal of parties. The party-in-government, according to Key, is the party that controls the offices of government, not only legislative offices, but heads of government (the executive), and heads of executive departments (Key 1964, 164). In Downs’ conception, a party pursuing these offices is office-seeking. Key also calls the party-in-the-electorate the groups of individuals who view themselves as party members, though Key admits that this group is amorphous, “it has a social reality” (ibid). This party-in-the-electorate fits the Downs’ concept of the vote-seeking party because it is the party-in-the-electorate parties turn to in their efforts to maximize their votes, “mobilizing the electorate to capture office is a central task of the political party” (Aldrich 1995, 19). The apparatus of the party that exists for making decisions is separate from the party-in-the-electorate and the party-in-government. Key calls this apparatus the “party-outside-government” or party-as-organization. It is this party apparatus, the party organization that sets the party platform, and engages in activities like political recruitment. This final concept of parties does not easily fit the Downs’ dual aims; however it is the party-as-organization that sets the agenda through the party platform, seeks office through the recruitment of potential candidates and participates in get-out-the-vote activities, maximizing votes for candidates.

Schlesinger (1975) provided the bridge between the idea of vote-maximization, office-seeking and Key’s idea of party-as-organization. Schlesinger determined that there would be two types of people who would participate in political
parties to “achieve two distinct goals: (a) office-seekers whose goal is office and (b) benefit-seekers who want benefits derivable either from the control of office or in some way dependent upon the existence of the party” (Schlesinger 1975, 843). It is with the benefit-seekers that Schlesinger provides a theoretical bridge between Downs’ and Keys’ idea of party-as-organization. For a member of a party or the party to seek benefits, there is a need for the party organization, the existence of the party. Aldrich (1995) identified two types of benefit seekers. One type is motivated by the “patronage dispersed by successful office seekers. Patronage seekers care relatively little about the public policies the incumbent seeks in offices and value only jobs or contracts” (Aldrich 1995, 181); the second type of benefit-seeker is motivated by policies, who hope to “constrain the platforms candidates propose in elections and act on when in office” (ibid). The second types are essentially agenda setters, and are likely according to Aldrich’s description to be a part of the party-as-organization.

Strom (1990) firmly dissects the intersection of these concepts. She distinguishes between vote-seeking or vote-maximizing, office-seeking and policy seeking models of party behavior. For Strom, vote-maximizing means that parties are seeking to maximize their electoral support for the purpose of controlling government (Strom 1990, 566). The office-seeking party is attempting to maximize their control over political office and as Strom reminds us, this idea of party behavior is most developed in the literature regarding government coalitions in parliamentary democracies (ibid, 567). The policy-seeking party attempts to maximize its effect on
public policy, these parties are more concerned with government portfolios, and the “ideological disposition of the coalition in which it participates” (ibid).

Hough (2005) has used these three aims in his research concerning the Party of Democratic Socialism (PDS) in Germany. The emphasis of vote maximization is less “ideologically rigid” (Hough 2005, 4); it is rather to embed the party’s position within the electorate. When pursuing office seeking, parties stress the importance of “maneuvering themselves into an advantageous position within the party system, and with other actors so as to gain significant portfolios” (Hough 2005, 3). The importance is on governmental outputs, but does not stress “ideological consistency and programmatic purity in the way other actors may choose to do” (ibid). The third and final aim is policy seeking. Political parties pursuing policy seeking have particular programmatic goals and aims and “seek to do all they can to implement them in as ‘pure’ a form as possible” (ibid). An important point made by Hough is that none of these aims is pursued independently of the others, and that the most “important structural variable that influences a party in deciding what its key aims are is the relationship between the leadership of the party and the rank and file” (Hough 2005, 4), placing emphasis on inter party relationships and organization.

Strategic Choices. Within this framework the initial choice a party makes is whether it should adapt or distinguish itself from the system. If the choice is to distinguish itself from the system, the party will become marginalized and unable to effectively pursue party aims within the democratic system, becoming a neutral party.
This does not prevent the party from participating in parliamentary functions that majority, coalition partners or opposition parties participate in. nor does it prevent the party from engaging in activities that force society as a whole to be confronted with radical right rhetoric. These activities may include public demonstrations, speeches, media interviews and attendance at national and international forums that bring media attention to the party and its leaders and/or members. The assumption is that the party making such a choice will adapt itself enough to the democratic system to pursue some vote maximization aims, if only to become elected to public office. If the party chooses to adapt, it is faced with the choice to adapt completely and become absorbed into the mainstream of political activity, abandoning for the most part its founding ideology. As has already been articulated, this choice may bring about the defection of a core segment of supporters that are interested in the perpetuation of the founding ideology of the party. A party making this choice may be more interested in the aims of vote maximization and office seeking. Vote maximization because this aim does not require a rigid adherence to the party ideology and so results in a more flexible party. In addition, vote maximization aims emphasize the expansion of a voter base (Hough 2005, 4). Flexibility may also be true to some extent to office seeking behavior, the pursuit of office seeking in the interest of gaining offices or important portfolios may prove to be willing to moderate or play down some ideological positions for at least a short time. Though a radical right political party may be able to be flexible in some ways, their ability to expand their voter base may be limited in
two ways. First, there may be a limited number of people to whom the radical right ideology is attractive. Second, the success of the radical right appears to be related in part to environmental conditions beyond party control (i.e., a climate of uncertainty among voters or major party convergence), once those environmental conditions have regained some equilibrium the ability of the radical right party to maintain a voter base beyond their core adherents may be limited.

The second strategy parties may choose is to differentiate itself from the system. This choice implies that the party will use aspects of their ideology and platform in the political debate to contradict the principles on which the system is
based (Dézé 2001, 8). We would assume a party making this choice would be more rigid in its ideology and a leadership more rigid in its control of party matters and members. We would expect these parties to pursue policy seeking aims, in part due to this inflexibility, the parties pursuing policy seeking aims are interested in the implementation of particular programmatic goals and aims in as “pure” a form as possible (Hough 2005, 3). These parties are “likely to have a coherent political agenda stemming out of core ideological beliefs that have been developed over many years. Alternatively, they may be individual issue-oriented parties who seek to profile themselves on a much narrower policy base” (ibid). Due to this lack of flexibility, it would not be expected that these parties would be able to effectively pursue office seeking.

A third strategy is to differentiate itself within the system. To differentiate itself within the system, it is assumed a party will seek to occupy a specific space in the political spectrum (Dézé 2001, 7). To this end a party will put forward “the most uncommon elements in their ideologies and their platforms. In other circumstances, particularly while allying themselves with other parties or while trying to broaden their electoral base, these singular aspects in their ideologies are going to be marginalized” (ibid, 8). Parties making this choice will, arguably have the most flexibility in the choice of party aims they will pursue. In part the choices made regarding party aims and their pursuit will depend on the strength of the party leadership. This flexibility in the use of the party program for electoral benefit lends itself best to office seeking aims, due to the stress on advantageous positions within
the party system, and/or vote maximization due to the lack of rigidity in the use of party ideology in the pursuit of these aims. The key to differentiation within the system and these aims is flexibility.

I expect the parties will choose strategies and aims in the following ways. I expect to find that the Republikaner in Baden-Württemberg will choose to differentiate itself within the system followed by the pursuit of office seeking and/or vote maximization aims. The expectation is that differentiation within the system will produce a party strategy in which the party places itself to the right of the CDU in the political space. Arguably if the CDU move further right, the Republikaner will be squeezed out or marginalized, resulting in a loss of their electoral share. There should also be some attempt on the part of the Republikan party members of parliament to ally themselves with other right or center right parties, specifically the CDU. The pursuit of office seeking aims, if the pursuit is successful, will have placed member of the party in positions in government, meaning positions on important committees and seeking government portfolios, where they can best pursue party goals.

I expect to find that the FPÖ in Kärnten will make the second choice, to differentiate itself from the system and pursue vote-seeking aims. I expect this strategy because Jörg Haider, as leader of the FPÖ chose to establish himself as “the challenger of the system” (Höbelt 2003, 138). The FPÖ ideologically did remain an anti-immigrant, largely anti-EU party. The party has also been a party seeking offices with important portfolios, from Haider’s failed bid for Chancellor to a governing coalition with the ÖVP. Although the FPÖ may appear to have a lack of flexibility in
its ideology, it may be argued that the flexibility or lack thereof, was concentrated in the hands of the party leader, Jörg Haider. For example Haider’s willingness to down play pan-Germanism and to moderate the anti-EU position, whether his party membership was willing to do so or not.

The Welfare States

Welfare states emerged with the introduction of pension and social insurance programs in the late nineteenth and early twentieth centuries (Shaikh 2003) when the “international integration of capitalist economies had reached a high plateaus” (Scharpf 2000b, 24). It was in the post-World War II decades that the scope of the welfare states reached their full development when the demand for “industrial products was increasing world-wide, first as a consequence of reconstruction and then pushed on by the ‘Fordest’ cycle of rapid productivity increases in the manufacturing of standardized consumer goods, falling relative prices, rising mass incomes, and expanding mass consumption” (ibid). By the 1980s social welfare expenditures grew to include monies for healthcare, education, social security, social assistance payments, and business subsidies (Shaikh 2003; Myles and Quadagno 2002). At the same time, by the mid-1980s the fiscal restrictions from the integration of capital markets along with rising levels of social spending created serious challenges to the financial viability of existing welfare state programs (Scharpf 2000b, 69). With rising social spending, advanced industrial societies are also faced with declining employment which also means reduced revenues, for the welfare states with primarily
insurance based programs, this means reduced social security contributions (ibid, 107). This is the environment that some regard as important for fostering the rise of radical right parties. The conditions that have been created that might foster the creation or resurgence of radical right political parties' takes place within the context of the welfare state, but the type or classification of welfare states might matter. Welfare states distribute social welfare programs and services in different ways, the welfare states are frequently classified according to what type of welfare benefits the welfare state distributes. This means that welfare states distribute welfare benefits primarily in three ways: through universal benefits, insurance schemes, or finally through means tested benefits; there is some evidence that this choice might also affect the ability of the radical right to appeal to voters.

Welfare State Typologies

One of the salient pieces of research regarding the development of the welfare states is Esping-Andersen’s *Three World’s of Welfare Capitalism* (1991). Esping-Andersen has classified welfare states into three types; social democratic, liberal, and Christian democratic or conservative, creating a heuristic not only for understanding existing welfare policy, but also for understanding what policies may be pursued in the future. Esping-Andersen relies on a class-coalition theory to explain welfare state development.

Esping-Andersen’s is not the only system of welfare state classification available. As Goodin et al. (1999) aptly point out; there are many different ways of
categorizing welfare regimes. Obinger and Wachsal have conducted a re-examination of Castles’ “families of nations” (Obinger and Wachsal 2001, 99). Using cluster analysis Obinger and Wachsal confirm Castles’ original assertion that advanced industrial nations, following different paths to modernity, fall into four distinct “families”. These families are the English speaking, the continental family, the Scandinavian family and the southern family (ibid). As with many methods of categorization or classification of welfare regimes, there are countries that are exceptions to this cluster analysis, Japan and Switzerland (Obinger and Wachsal 2001, 101). In general, the cluster analysis results cluster “families” together in much the same way of Esping-Andersen’s analysis. The English speaking states are similar to the Esping-Andersen’s liberal welfare states, the continental states to the conservative/Christian democratic states, the Scandinavian states to the social democratic states. What is different about Castles’ work, as confirmed by Obinger and Wachsal, is the fourth category of southern European states. Obinger and Wachsal found that “there is an almost perfect relationship between the families of nations and the liberal, conservative and social democratic worlds of welfare capitalism” (Obinger and Wachsal 2001, 102).

Another method used to categorize advanced industrial societies is according to their type of market economy, liberal, coordinated or social. Hall and Soskice (2001) distinguish between nations with liberal market economies (LMEs) and co-coordinated market economies (CMEs). Again we find that even when using market type to classify the advanced industrial states, they fall in to the same basic patterns.
LMEs include the United States, Great Britain, Australia, Canada, New Zealand and Ireland, most considered liberal welfare states by Esping-Andersen or English speaking by Obinger and Wachsal (2001). CMEs include Germany, Japan, Switzerland, Netherlands, Belgium, Sweden, Denmark, Finland and Austria all, with the exception of Japan, are essentially continental states according to Obinger and Wachsal (2001), and with some exceptions, conservative/Christian democratic by Esping-Andersen (1991).

Rueda and Pontusson (2000) have developed a method of classification, similar to that of Hall and Soskice (2001). Rueda and Pontusson use the idea of the liberal market economy (LME) but have chosen to classify the second set of countries as social market economies (SMEs). According to Rueda and Pontusson the features that distinguish the SMEs from LMEs are that SMEs are characterized by comprehensive, publicly funded social welfare systems. SMEs also have government regulation to standardize employment conditions and to provide for a high degree of employment. Finally, SMEs are distinguished by a high degree of institutionalization of collective bargaining and coordination of wage formation (Rueda and Pontusson 2000, 362). As with the other methods of classification discussed thus far, there are countries that do not conform to either category, forcing Rueda and Pontusson to create a separate category they call mixed economies (Rueda and Pontusson 2001, 365).

In the final analysis, regardless of the many methods of categorization and methodological approaches welfare states, or advanced industrial economies, have
"basic distinctions [that] are essentially the same in whatever language we choose to demarcate them" (Goodin et al. 1999, 39). What matters are the distinctions between the welfare state types themselves and the terminology we use when talking about them (ibid).

The liberal welfare state is rooted in "capitalist economic premises and confines the state to a merely residual social welfare role" (Goodin et al. 1999, 39). These states are characterized by welfare schemes that are more likely to be means-tested, while social insurance benefits are modest (Myles and Quadagno 2002, 37). Emphasis is placed on personal responsibility and an individual's ability to navigate within the market.

Social democratic states are characterized by extensive social rights that are universalistic, emphasizing equality of citizenship (ibid). These states are rooted in socialist economic premises, assign the welfare state a powerful redistributive role (Goodin et al. 1999, 39) and provide everyone with high levels of income security (Myles and Quadagno 2002, 38).

In this research project, I am concerned with the Christian democratic, conservative or corporatist type of welfare state (Esping-Andersen 1990, Goodin et al. 1999, van Kersbergen 1995, Iversen and Wren 1997, Myles and Quadagno 2002, Huber and Stevens 2001). Whichever classification or categorization we use Germany and Austria fall into the same category. The development of these states grew out of the monarchial welfare state that guaranteed not only social welfare, but also tried to ensure class harmony, loyalty to the state, and a productive population
These states created social welfare in an effort to control the development of labor movements under some influence from socialist/communist ideology and the demands for workers' rights and social welfare needs. The corporatist/Christian democratic welfare states were anti liberal in origin, concerned not with market efficiency, but with maintaining an organic-hierarchical social order (Myles and Quadagno 2002, 37). Though social rights are extensive, they are differentiated on the basis of class and status, and redistribution is marginal (ibid).

Lijphart and Crepaz (1991) characterize these welfare states as corporatist democracies, and their definition is rather narrow. For them corporatism is an "interest group system in which groups are organized into national, specialized, hierarchical and monopolistic peak organizations" (Lijphart and Crepaz 1991, 235). According to Lijphart and Crepaz democratic corporatism also incorporates interest groups into the process of policy formation and implementation. The problem for some individuals may be their lack of access or belonging to a represented group.

Another classification given to corporatist regimes is Christian democratic. Van Kersbergen (1995) chooses this classification because of what he calls an elaborate body of Catholic social doctrine, distinguishing these regimes from conservatism. Furthermore, the Christian democratic state is a consequence of "a specific political project that aimed at social integration, class compromise, political mediation, accommodation and pluralism" (van Kersbergen 1995, 3). Finally, because of the "religious inspiration" (ibid) of Christian democracy, the movement
has been supplied with an electoral catchall identity, since religion had the capacity to canvass voters from a variety of backgrounds (ibid).

The importance of belonging to a group (Lijphart and Crepaz 1991) and social integration (van Kersbergen 1995) is rooted in the origins and goals of the corporatist/Christian democratic welfare state. The origins of the Christian democratic model are based in the idea that community, church and family are the “bulwarks against the dehumanizing and demoralizing effects of unfettered markets” (Iversen and Wren 1997, 515). Most of all, the corporatist/Christian democratic welfare state embraces the attachment to one’s community (Goodin et al. 1999, 52). These communities are made up of groups; the fundamental value for corporatist society is for an individual to be integrated into a group, which is integrated with other groups into the larger community (ibid).

The primary way in which individuals are integrated into the community is through the family, specifically the male breadwinner and his “labor force attachments” (Goodin et al. 1999, 52). Corporatist regimes offer core programs of social insurance based on employer/employee contributions (Esping-Andersen 1990, Goodin et al 1999) with dependents receiving entitlements through the breadwinners’ contributions (Goodin et al 1999, 75; Myles and Quadagno 2002, 37). Emphasis is on income transfers that cover the income needs of the male breadwinner combined with modest social services that both facilitate women’s employment (child care) and provide jobs for women (Myles and Quadagno 2002, 37). Women are viewed as the guardians of the “traditional family” and are encouraged to stay home and care for the
children and spouse (Iversen and Wren 1997, 55). Huber and Stevens (2001a) have shown that the Christian democratic/corporatist states are as generous as social democratic states in “terms of total cash transfers, but they are less universalistic and less service oriented, and much less gender egalitarian” (Huber and Stevens 2001a, 144). They are also more fragmented with multiple insurance schemes for the same risk and for different employment categories (ibid).

The emphasis on the family and the fragmented nature of the Christian democratic/corporatist welfare services and structures is in part due to the principle of subsidiarity (Myles and Quadagno 2002, 37), which emphasizes that responsibility for social services are carried out at the level closest to the individual. A second reason for the fragmentation of welfare services and structures is political mediation that satisfied “different clienteles with different programs”, emphasizing the occupational basis of programs, and the reliance on family to provide care for children and the elderly (Huber and Stevens 2001b, 278-79). Though the emphasis for the Christian democratic/corporatist welfare regime is insurance-based schemes, it is important to note that the welfare regime is mixed. As with other types of welfare regimes, the Christian democratic model as it is applied in Germany and Austria includes some schemes that are means tested (Sozialhilfe) as well as those that are universal (Kinderpeng). Programs such as Sozialhilfe and rent subsidies are administered at local levels. Though primary funding and program requirements for Sozialhilfe are determined at the federal level, there administration at the local level allows discretion by local authorities regarding the distribution of resources. Rent
subsidy programs are also administered at the local level, but unlike Sozialhilfe, are legislated by regional parliaments, again allowing for greater discretion regarding not only the distribution of resources but funding and program requirements as well. The Kindergeld benefit is a child benefit that is universal that is all children receive this benefit regardless of household income. These programs differ from the insurance-based programs that are legislated by the federal government and resources are distributed to individuals based on prior contributions. It is this choice, between insurance based and universal welfare systems, Kitschelt (1995) argues that are of the variables that might influence voters to cast ballots for radical right parties. If Kitschelt is correct, the structure, the welfare regime type matters to the success of radical right parties.

Retrenchment or Not?

Whether or not the system of social welfare programs are changed may contribute to the rise of the radical right as well, sometimes change may not have to occur, if voters perceive that their benefits or future benefits are under scrutiny and may be reduced. Retrenchment or restructuring could contribute to an environment of opposition to change that the radical right generally has been able to take advantage of, providing a rationale for a political party that is policy-seeking to become more active in a vote-seeking role in an attempt to change the trajectory of public policy.

As economic growth of welfare states slowed throughout the 1970s and welfare programs grew, by the 1980s pressure began to build to restructure welfare
programs and to reduce social expenditures (Atkinson 1999, Shaikh 2003). Esping-Andersen’s assertion that welfare retrenchment or restructuring would follow the same general patterns as welfare development is disputed (Pierson 1994). There are two important issues concerning welfare state retrenchment. First, is retrenchment even happening; second, if it is happening, where, how and to what extent is it occurring? Retrenchment refers to a restructuring of welfare states frequently in terms of programmatic changes, but also in terms of fundamental systemic changes that result in changes in the distribution of resources (Pierson 1994, 1996).

Pierson (1994, 1996, and 2000) first argued that restructuring, or retrenchment, was a fundamentally different process than welfare state development. Pierson (1996) asserts that the politics of retrenchment is the politics of blame avoidance and that retrenchment is not a mirror image of welfare state development. As Pierson put it, “welfare state expansion involved the enactment of popular policies in a relatively undeveloped interest-group environment. By contrast, welfare state retrenchment, in general, requires elected officials to pursue unpopular policies that must withstand the scrutiny of both voters and well-entrenched networks of interest groups” (Pierson 1996:143). In short Pierson finds that there is little evidence to indicate that major welfare state restructuring is taking place, though he did find some programmatic changes he did not consider “radical” (Pierson 1996, 172).

According to Pierson the ability of political parties to “retrench” may depend on particular circumstances, and retrenchment is most often an attempt to cut back benefits as opposed to challenging the actual structure of programs (Pierson 1996,
However, radical restructuring may be facilitated under particular circumstances. These may include situations in which a party or government may believe they are in a strong enough position to absorb the electoral consequences of negative decisions, or when budgetary crises or the appearance of budgetary crises, encourages a downward adjustments in social programs and may open opportunities for reform (Pierson 1996, 177). Success for retrenchment will depend on the ability of advocates to lower the visibility of reforms or to choose reforms that will meet with the approval of the voting public. Finally, if retrenchment advocates can restructure the ways in which the trade-off between taxes, spending, and deficits are presented, evaluated and decided, they may be able to shift the balance of political power (ibid). Essentially, this final feature implies systemic changes in an attempt to control the outcomes. Pierson concludes that there is little evidence of radical retrenchment in welfare states and that budgetary constraints are due to changes in labor markets, i.e., shifts from manufacturing to a service base, and demographic shifts that have led to perceptions of welfare state crises. In the end Pierson concluded that retrenchment has been limited (Pierson 1996, 173-74).

Clayton and Pontusson take issue with Pierson’s analysis. They argue that “major changes have indeed occurred in the scope and organization of public welfare provision not only in the U.K. and the U.S., but across the OECD area more generally” (Clayton and Pontusson 1998, 69). Clayton and Pontusson measured the absolute size of the public sector labor force instead of the size of the welfare state
through social spending as a percentage of GDP, and found “quite a few instances of welfare state shrinkage in recent years” (ibid, 70).

The debates surrounding welfare state retrenchment frequently focus on labor market issues; for example, whether or not governments have been forced to reform pensions or unemployment benefits. Clayton and Pontusson observed that the retrenchment literature has tended to “ignore the question of changes in the delivery of social services, or in other words, the question of how the public sector is organized” (ibid). Further, they state that it is important to look at how the allocation of resources among individual programs might change (ibid). They suggest that a particular pattern of retrenchment and restructuring has indeed occurred that appears to dispute Pierson’s claim that retrenchment is arrested when politicians are faced with entrenched, concentrated interests. Clayton and Pontusson found that governments have chosen to cut the public sector instead of cutting entitlement programs, “it is first and foremost the service components of welfare states that have been reformed according to market principles” (Clayton and Pontusson 1998, 96). Examples can be found in changes to education funding where schools seek funding outside government sources and student fees; in income supports when application processes change, or the location of application submission changes; and where housing construction and supply is moved from public and/or non-profit providers to private landlords. They cite three reasons that social insurance programs may have been reformed in the aforementioned way. First, reform of the public, service sector components enables politicians to engage in blame avoidance. Second, the nature of
insurance-based programs produced a sense of entitlement making reform of the programs difficult. Finally, social insurance programs, because they are typically based on income from employment, sidestep the problem of non-citizens taking advantage of generous benefits (ibid). Reductions in public sector employment may not change the money available for programs or eligibility requirements. However, such employment reductions may alter the delivery of social services.

Korpi (2003) also disagrees with Pierson’s conclusion that radical restructuring has not occurred. Korpi contends that since 1975 “in a handful of European countries citizen rights in three main social-insurance programs have changed in ways that must be described a major retrenchment” (Korpi 2003, 589). Pierson does not view changes in the delivery of services or the restriction of citizen rights as major or radical restructuring. Another way governments may restructure is to create new classifications of individuals eligible for benefits. For example providing a different benefit for a different classification of residency, i.e. asylum seekers and refugees may have designated a specific benefit while not qualifying for other social welfare benefits due to their asylum or refugee status. These restrictions as identified by Korpi as well as Clayton and Pontusson may have significant ramifications for individuals attempting to access new or renew old benefits. By changing citizen rights, governments may reduce the number of individuals eligible for social services thereby reducing the cost of social services. There is, however some evidence that in some cases social rights have been actually extended to non-
citizens through high courts and administrative units in charge of integration policy (Guiraudon 2002, 129).

Resource Redistribution

One element of the problem facing those who wish to reform and/or restructure the welfare state is the struggle over redistribution and reallocation of resources. The struggle over the redistribution and reallocation of resources is also identified as part of what makes radical right political parties so attractive to some individuals (Bacher 2000; Kitschelt 1995). Individuals who fear the loss of benefits or the future reduction of benefits due to the perception that this loss is attributable to minorities may be attracted to radical right parties whose party programs are typically protectionist and anti-immigrant. Evelyn Huber and John Stevens claim “the struggle over welfare states is a struggle over distribution” (Huber and Stevens 2001a, 17). Huber and Stevens construct a theory based in the analytic frame of the power resources theory in which the organizational power of those standing to benefit from redistribution, the working and lower-middle classes is important. Huber and Stevens find that how “organizational power is politically articulated, and political parties perform the crucial mediating role” is important (ibid). How mainstream parties “cope” with the social implications of economic transformation and whether radical right political parties can capitalize on the gaps that emerge are vital to the success of radical right parties.
Iversen argues that the "emergence of the 'mature postindustrial' economy will be associated with the intensification of distributive conflicts" (Iversen 2001, 79). Conflicts arise in part due to the fear of some that reductions in welfare state programs may result in the loss of benefits or that one may not be eligible for a benefit or program at a future date. Redistributive conflicts may also be referred to as resource opposition. Resource opposition centers on opposition that focuses on immigrants taking or threatening jobs, social order, property values, and the welfare payments of white indigenous citizens (Gibson 2002, 74). It is these indigenous citizens to whom radical right political parties appeal the most. Radical right parties are supported by "powerless constituencies that have lost access to scarce resources and ties to political elites" (Kitschelt 1995, 38).

Redistributive conflicts are likely to result in exclusionary policies and programs. A.B. Atkinson notes that frequently discussions about exclusion are largely expressed in terms of unemployment; however, he also identifies exclusion in terms of exclusion from consumption, which leads to a weakening of social ties (Atkinson 1998). Exclusion from consumption means that individuals or households are unable to purchase goods and services because the good or service costs more than the individual or household is able to pay. In these cases, individuals who have a low transferability of skills may become excluded through changes in their place of employment or status. Exclusion from consumption distinguishes between two groups of individuals, those who are "money poor" and those who are "time poor" (Atkinson
Further exclusion occurs when the process for claiming a benefit or service is demeaning or stigmatizing (ibid).

Redistributive conflicts and exclusion are important to the evaluation of how radical right political parties behave in the policy making process. As advanced industrial societies come under budgetary pressure, reform or restructuring of welfare programs becomes an important issue. As the preceding discussion of advanced industrial societies illustrates, there is a segment of the population that may feel exposed and concerned about a loss of access to benefits to which they feel entitled. The advanced industrial countries of Western Europe have also experienced the influx of large numbers of refugees and immigrants from the former Soviet Union, Eastern Europe, and third world countries, adding to existing immigrant communities. The immigrant communities suffer some of the same problems experienced by native populations resulting from transition economies, because immigrants lack education and/or training, the “number of foreigners who fall below the poverty line is considerably higher than is the proportion of the native population” (Betz 1994, 88). The higher rate of poverty among immigrants contributes to the perception on the part of the native population that immigrants are taking advantage of the programs and benefits offered by the host country.

The structure of the welfare state plays a role in the willingness of native populations to endorse reforms. Kitschelt (1995) found that when welfare state programs are based on insurance principles in which benefits are received in proportion to the individual contribution, public acceptance of social programs is not
undermined; however, when the welfare state goes beyond the insurance principle, redistributing funds from contributors to beneficiaries, ethnic balance matters (Kitschelt 1995, 261). If immigrants are viewed as a threat to what Kitschelt calls “club goods”, a substantial number of citizens will be likely to support the exclusion or expulsion of immigrants to preserve national “club” goods and limit redistributive expenses (Kitschelt 1995, 262). “Club goods” may include low costs of crime, high social stability, and low levels of poverty. Members of the “club” may be defined as the native or indigenous population of the country. What emerges is “welfare chauvinism” – the notion that welfare services should be restricted to the native population and that immigrants receiving welfare grants coincide with smaller amounts for the indigenous or native population with “real” problems (Andersen and Bjørklund 1990). Welfare chauvinism is not based in traditional racism and xenophobia; rather it is a “rational consideration of alternative options to preserve social club goods” (Kitschelt 1995, 262). Welfare chauvinism appeals particularly to those who expect “to gain from the redistributive welfare state but fear a welfare state backlash, if the number of beneficiaries swells due to the special needs of immigrants” (ibid). It is important to note that frequently individuals interested in preserving traditional “club goods” also often embrace other forms of chauvinism (Lipset 1981). The implications for women are two fold. First, welfare chauvinists might also embrace policies that restrict access of women to the workforce. This may be as simple as restrictions on child care benefits. Second, welfare chauvinists may embrace policies that have negative consequences for unemployed and/or single
mothers. This could be accomplished through simple changes in the distribution of benefits between programs or through changes in the application/requirements for benefit eligibility. Myles and Quadagno argue that in post industrial societies “high female employment transforms the demand side of the welfare state by creating new structures of social risk, especially those related to the distribution of caring work both for children and the elderly” (Myles and Quadagno 2002, 48). Where means tested benefits have increased or been introduced, combined with a restricted access to those benefits, gender inequality has increased and such developments tend to disadvantage single mothers (Korpi 2003).

**Transition Economies**

A complication, beyond the arguments that may occur over redistribution, for advanced industrial welfare states is the process of transformation from an industrial to a post-industrial economy. Recent research regarding advanced industrial societies shows that the transformation from manufacturing to service-based economies has put strain on the structure of the welfare state, redistributive policies and programs, and the individuals living in these states. Pierson finds that the budgetary stress facing welfare states is “primarily related to a series of ‘post-industrial’ changes occurring within advanced industrial democracies themselves” (Pierson 2001, 82). These changes are the increase in service-based employment, the maturation of the welfare state and an aging population (Pierson 2001). The increase of employment in the service sector and the decrease of employment in the manufacturing sector pose
challenges to individuals attempting to navigate the transition to post industrialism. Iversen has found that the division between “agriculture and manufacturing on the one hand, and services on the other, presents a major skill boundary in the economy in the sense that skills travel poorly from the former to the latter” (Iversen 2001, 47). Iversen argues that a further complexity for workers in the manufacturing sector occurs because their skills are of low transferability thus “their labor market power will be downgraded” (ibid). Iversen emphasizes that the real threat to an employee is the permanent loss of a job and the need to find a job requiring different skills (ibid, 52). In addition, even if an employee is able to bridge the skills gap, the new job is less likely to pay a wage equal to what the employee previously earned. The problem of skills is a serious problem specifically for non-citizens because the foreign populations in both Germany and Austria have lower educational levels and are generally employed in non- or low-skilled jobs. As a result, the foreign population tends to also experience higher long-term unemployment rates leading to a greater dependency on unemployment insurance and minimum income supports once unemployment insurance expires. This generally higher dependency on social welfare benefits puts foreigners or non-citizens directly in the cross hairs of xenophobic, radical right political parties leading to accusations that the foreign population is a drag on society as a whole and to welfare chauvinism. Pierson writes that where policies encourage the expansion of the low-wage private sector employment, the “costs include maintaining poverty and inequality, large gaps in the support for
human capital development, and a host of associated social problems” (Pierson 2001, 85).

Policymaking Theories

If the focus of this project is what difference radical right political parties are able to make in the policy making arena of advanced industrial societies, a brief review of the approaches to the study of policy making and the institutions in which that policy making takes place is appropriate. There are many explanations regarding how policymaking takes place. Socio-economic theories argue that “nations respond to the general processes of economic growth and social modernization with basically similar policies” (Heidenheimer 1990, 7). Cultural values approaches emphasize “embedded cultural ideas arising from the distinctive historical experiences of nations” (ibid 1990, 8). Party government approaches state that policies may vary according to changes in the partisan control of government; political class struggle explanations examine policy in the context of a contest between business, capitalist accumulation and workers and their representatives on the other; neo-corporatist examinations use the corporatist framework to look at the system of interest representation and its linkages to government through institutional bargaining (ibid). Institutional explanations argue that institutions operate relatively autonomously from social and political pressures and determine the growth and shape of the welfare state (van Kersbergen 1995, 3).
In this evaluation of policymaking and the radical right parties, I rely on a combination of these institutional approaches. The institutions in which the parties participate, namely regional parliaments, are the outgrowth of a particular mindset following World War II, where Germany explicitly created institutions that could withstand the conditions that existed within the Weimar Republic and contributed to the onset of the Second World War. In Austria federal institutions are relatively stronger than those in Germany, resulting in a more centralized policymaking function. The cultural and political responses to the experiences of these countries in the context of World War II are also important to the institutional framework because in Germany, "a critical examination of the Nazi past produced a 'culture of contrition' among all elite political actors", while in Austria "decades of amnesia about the Nazi period and a defensive, nationalist reaction to its re-emergence in the 1980s produced a 'culture of victimization'" (Art 2007, 338). Art argues that these cultural differences led to different reactions to the radical right, leading to the success or failure of radical right parties in their respective countries. This cultural argument cannot stand alone however, because I am interested in those parties in the context of regional parliaments, therefore the rights and responsibilities of regional parliament and the party structures in both countries may encourage or limit the ability of radical right political parties to not only be successful electorally, but in a policymaking role as well.
New Institutionalism

Three theories of institutionalism are rational choice institutionalism, sociological institutionalism and historical institutionalism (Hall and Taylor 1966, Koelble 1995, and Scharpf 2000a). Scharpf (2000a) divides institutional approaches to policy-making into four basic categories. The first category is functionalist explanations of the existence of institutions “by their ability to solve problems” (Scharpf 2000a, 763). The second asks how the existence of institutions contributes to “the emergence or avoidance of certain societal or economic problems” (ibid). Third, research may focus on how “institutional change may be explained as the outcome of strategic interactions between purposeful and resourceful actors” (ibid). The fourth approach “treats one set of factors affecting the interactions between policy actors and hence the greater or lesser capacity of policy making systems to adopt and implement effective responses to policy problems” (ibid 2000a, 764). Scharpf’s actor-centered institutionalism assumes that “social phenomena are to be explained as the outcome of interactions among intentional actors, but that these interactions are structured, and outcomes shaped, by the characteristics of the institutional setting within which they occur” (Scharpf 1997, 1). A number of these approaches may be categorized as rational choice meaning, the focus of the research is placed on actors, whether these are individuals or groups (i.e., political parties or interest groups) and rational choice assumes that these actors will pursue their material self-interest (Sabatier 1999).

These institutional theories are very attractive, in part because they require specificity regarding variables and in part due to the reality that all political actors are
constrained by the institutions, i.e. the formal and informal rules they must adhere to. However, these theories do not consider events and circumstances beyond those formal and informal rules. Much of the theory regarding the rise and continued existence of radical right political parties regards specific events and contributing to an environment that fosters them. As noted in previous discussions, the fall of the Soviet Union and the communist states of East Europe, reunification of Germany, the need to conform to Maastricht Treaty and war in the former Yugoslavia are some of the stresses for western European nations, specifically Germany and Austria. Punctuated equilibrium theory allows for changing environments outside of institutional explanations, and at another level also provides a framework for understanding how radical right parties might act in attempting to alter social policy.

Punctuated Equilibrium Theory

Punctuated equilibrium theory states that generally, political processes are driven by the “logic of stability and instrumentalism” (True et al. 1999, 97). Policy during these periods of equilibrium is primarily relegated to subsystem politics (True et al. 1999, 102). The subsystem is dominated by issue networks of specialists in the bureaucracy, committees and interested parties (ibid). This equilibrium is punctuated by large-scale departures from past processes (True et. al 1999, 97).

Punctuated equilibrium theory emphasizes two elements of the policy process: issue definition and agenda setting (ibid). These are important elements in the analysis of radical right political parties. Whichever path the radical right political
party chooses legislative change in social policy or symbolic politics that influences other parties or the public, the party will seek to define issues important to it and frame those issues in ways that promote party policy. One can expect for example that the issues of social policy will be framed in specific ways. The party could choose to frame social policy issues as promoting families and in the interests of family welfare. Social policy issues could also be framed in a protectionist way or a "chauvinistic" way, that is, protecting social services from those that do not deserve them. The second element, agenda setting, is fueled in part by the framing and definition of issues that bring the issue or issues to the public agenda. A particular issue or issues may come to the attention of the public through the changing images and venues of public policy (True et al. 1999, 101). According to True et al. policy images are a "mixture of empirical information and emotive appeals" (ibid). Thus radical right political parties may use some facts in their appeals to change policy, but mixed with the facts will be emotive appeals they know will engage some of the public in particular ways. As True et al. point out; a new image may attract new participants. The policy image changes as the issue is redefined or as "new dimension of the debate become more salient" (ibid, 101) and new actors begin to feel they are qualified to exert authority where they previously did not. One way in which parties as political actors may present issues to the voting public is through the packaging of strategies to present electors with "the task of deciding which of the competing bundles of issues is most important rather than deciding what specifically to do about any of the contents" (Klingmann et al. 1994, 26). It would be expected then that when
a radical right party is able to bundle issues in a way that appeals to voters they would be more successful. One way in which the radical right has been able to bundle a variety of issues and policies is by framing them within the context of debates over immigration. The radical right parties in Germany and Austria have been successful in bundling this specific issue, and in the case of the FPÖ, casting itself as the party that would break the stranglehold the traditional catchall parties had on government and business through the system of Proporz.

Case Selection

To determine how extreme right political parties have or have not been able to influence policy making, I have chosen four regional governments in two countries as case studies; Tirol and Kärnten in Austria, Baden-Württemberg and Hesse in Germany. I chose these two countries because they are federal governments, with Austria displaying a greater degree of centralization, while in Germany the Länder are autonomous units from which the political authority of the federal government is derived (Childs and Johnson 1981:40). Comparison at the regional level has been chosen because it is at the regional level that specific policy is implemented regarding minimum income supports, their distribution, rules of allocation, and eligibility requirements. Ultimately, the success or failure of the radical right parties in changing how government operates will be measured here in their ability to alter the course of public policy. Changes in public policy may refer to a change in expenditures, or changes in the status quo. Formal change refers to changes in the form or instruments
of policy “and becomes visible as the product of legislative or government activity; a
new governmental regulation, the modification of an existing law, or the passing of a
parliamentary resolution” (Ganghof and Bräuninger 2006, 523).

Although it may be argued that in both Germany and Austria the actual
writing and passing of legislation in regional parliaments is at best limited, it is at this
level of government that the radical right have been most successful in their electoral
pursuits. Furthermore Gunlicks (2003) makes the case that in Germany specifically
regional parliaments do perform other important functions beyond their assumed
legislative role, including a control function through mechanisms such as votes of
confidence, parliamentary scrutiny of the budget, and the question time for ministers.
In Austria the Länder are directly represented at the federal level through the Federal
Council. However, Land law making is “subject to federal supervision which, in
some cases, may prevent a Land law from entering into force” (Gamper 2006, 12).
The Länder are not completely without influence, however, exercising control
through formal and informal intergovernmental mechanisms such as Länder
conferences, a Länder liaison office, private law contracts, and public law treaties
between the federation and the Länder.

Baden-Württemberg and Kärnten have been chosen because each of these
regional governments has seen the participation of radical right political parties, albeit
in varying degrees of strength. Kärnten has arguably one of the strongest and most
influential radical right political parties in Europe. In Baden-Württemberg, the
Republikaner held seats in regional parliament for eight years, seats that the party lost
in the 2000 Land elections. In the case of Baden-Württemberg, the Republikaner party was active primarily as a neutral party, rather than as a party with direct influence, because of its small number of seats. Two cases, Hesse and Tirol, will serve as control cases. The German Land Hesse does not have a radical right political party actively participating in regional government and the FPÖ in Tirol is a relatively weak regional opposition party in the Land parliament, though these regions are similar to Baden-Württemberg and Kärnten in terms of economic development and population.

An important, but unstated assumption made is that the number of immigrants in Germany and Austria mattered (see tables 1 and 2), specifically in the Länder I have chosen. It is the issue of immigration that radical right political parties use to leverage most other public policy positions in their party platforms. If there was not a significant increase in foreign populations, or if the Länder where there was not radical right party elected, specifically Hesse, have comparable numbers of immigrants or more it may indicate that there is some other factor at work. This could indicate less effective leadership or other demographic effects, like higher education levels. It is clear that foreigners as a percentage of the population were not more highly concentrated in Baden-Württemberg than Hesse (table 1). This implies some other demographic variable, perhaps levels of education, as Veen et al. (1993) found that education was the most important variable in voters for the Republikaner in Baden-Württemberg in 1992.
Table 1
Foreign population in Hesse and Baden-Württemberg

<table>
<thead>
<tr>
<th>Year</th>
<th>Hesse</th>
<th></th>
<th>Baden-Württemberg</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Foreign population</td>
<td>Foreigners as percent of population</td>
<td>Foreign population</td>
<td>Foreigners as percent of population</td>
</tr>
<tr>
<td>1992</td>
<td>745,570</td>
<td>12.6</td>
<td>1,257,338</td>
<td>12.3</td>
</tr>
<tr>
<td>1993</td>
<td>797,785</td>
<td>13.3</td>
<td>1,327,704</td>
<td>12.9</td>
</tr>
<tr>
<td>1994</td>
<td>819,021</td>
<td>13.9</td>
<td>1,348,130</td>
<td>12.8</td>
</tr>
<tr>
<td>1995</td>
<td>832,542</td>
<td>13.8</td>
<td>1,370,407</td>
<td>13.2</td>
</tr>
<tr>
<td>1996</td>
<td>839,331</td>
<td>13.9</td>
<td>1,316,464</td>
<td>12.6</td>
</tr>
<tr>
<td>1997</td>
<td>841,743</td>
<td>13.9</td>
<td>1,303,828</td>
<td>12.5</td>
</tr>
<tr>
<td>1998</td>
<td>845,053</td>
<td>14.0</td>
<td>1,305,175</td>
<td>12.4</td>
</tr>
<tr>
<td>1999</td>
<td>840,244</td>
<td>13.8</td>
<td>1,284,142</td>
<td>12.2</td>
</tr>
</tbody>
</table>

Source: Hessisches Statistisches Landesamt; Statistisches Landesamt Baden-Württemberg.

The Austrian cases are slightly different those in Germany, most notably because first, there were a lower percentage of foreigners in Austria. Second, although in Baden-Württemberg the percentage of the foreign population is not significantly different from that in Hesse, but in Tirol the population of foreigners is actually higher in than in Kärnten. Again this indicates that there is something more than the population of foreigners in a given region giving rise to the radical right. In Kärnten, a charismatic leader, Jörg Haider was able to leverage the immigration debate not only in his favor, but to the advantage of the FPÖ.
<table>
<thead>
<tr>
<th>Reporting Period</th>
<th>Austria</th>
<th>Kärnten</th>
<th>Tirol</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Population in 1000</td>
<td>percent Foreign Population</td>
<td>Population in 1000</td>
</tr>
<tr>
<td>1992</td>
<td>7,840.7</td>
<td>7.1</td>
<td>555.2</td>
</tr>
<tr>
<td>1993</td>
<td>7,905.6</td>
<td>8.1</td>
<td>558.9</td>
</tr>
<tr>
<td>1994</td>
<td>7,936.1</td>
<td>8.4</td>
<td>560.2</td>
</tr>
<tr>
<td>1995</td>
<td>7,948.3</td>
<td>8.5</td>
<td>561.3</td>
</tr>
<tr>
<td>1996</td>
<td>7,959.0</td>
<td>8.5</td>
<td>561.7</td>
</tr>
<tr>
<td>1997</td>
<td>7,968.0</td>
<td>8.5</td>
<td>561.3</td>
</tr>
<tr>
<td>1998</td>
<td>7,976.8</td>
<td>8.6</td>
<td>561.0</td>
</tr>
<tr>
<td>1999</td>
<td>7,992.3</td>
<td>8.6</td>
<td>560.8</td>
</tr>
<tr>
<td>2000</td>
<td>8,011.6</td>
<td>8.7</td>
<td>560.1</td>
</tr>
</tbody>
</table>

Source: Statistik Austria

There are three hypothesis associated with this research project. The first two hypotheses are specific to radical right parties as opposition or neutral parties. Hypothesis three is specific to radical right political parties that are coalition partners or hold a majority in regional parliament. Hypothesis 1 is based on Hicks and Swank’s (1986) analysis of parties. It is expected that where the radical right party poses as an opposition or neutral party, the party will have little or no direct impact in the policy making process. Hypothesis 2 is that radical right parties, when faced with an inability to directly influence social policy, will choose to exercise parliamentary functions at their disposal in an attempt to force the mainstream parties to address issues the radical right raises. If I find that policy making has been made consistent with the radical right party program, hypothesis 1 will be disproved. If I find that radical right political parties’ exercise parliamentary functions and public policy does not reflect the preferences of the radical right demands, hypothesis 2 will be
disproved. If I find that the radical right parties’ exercised parliamentary functions and public policy altered in ways consistent with radical right party preferences, hypothesis 2 will prove true. If I find that the positions of mainstream parties did not change, that the parties continued to pursue party goals without movement along the left/right continuum (Klingmann et al. 1998), hypothesis 1 and 2 will be disproved. Should I find that there is no variation between policy making in Baden-Württemberg and Hesse, both 1 and 2 will proved false. If the radical right is able to influence public policy, it would be expected that the center right party or parties would move further to the right on the political left/right continuum.

Hypothesis 3 addresses the issues of radical right political parties that either act as the majority party or the coalition partner in a Land parliament. Hypothesis 3 states that their course of social welfare policy making will be to restrict access of benefits to minority groups, including women. Hypothesis 3 will be disproved if I find that there has been no movement by the Land parliament to alter social welfare benefits by restricting access or benefits. However, if the access to benefits has been restricted or if the distribution of resources to programs has changed in ways that disadvantage minorities and women since the election of the radical right party to parliament as a majority party, hypothesis 3 will be proved. As in the case of the mainstream parties facing opposition radical right parties, the radical right party will be constrained in efforts to reform to a greater or lesser degree by the strength of the opposition party or parties and the center right governing coalition partner. Thus we would expect that the radical right party, in this case, might not be able to enact
legislation as restrictive as the party rhetoric or platform might demand. The party may also be constrained in their ability to alter policy depending on public opinion. If the party is able to frame issues advocated by the party, through rhetoric or the party platform in ways that appeal to the public, the party may be more successful in its pursuit of its agenda.

Whether or not I find that radical right political parties do influence public policy, this study will be a valuable addition to the question of the importance of parties, in particular the significance of radical right political parties participating in the democratic process. If Wilson (1998) and Bacher (2000) are correct, I can expect to see movement by the governing party/coalition to weaken the radical right party position through co-opting radical right issues. Based on Klingmann et al. (1994), I expect movement on the part of mainstream parties to be limited. However, due to the presence of radical right political parties, the mainstream parties may move further to the right than might otherwise be expected. Klingmann et al. (1994) also found that political parties do pursue party program goals. I therefore expect that where radical right parties hold the majority of seats in regional parliament they will be able to influence social policy outcomes in ways that correspond to their party programs. Where radical right political parties play an opposition or neutral role, I expect that the party will resort to the use of parliamentary functions that are unlikely to have a direct impact on public policy outcomes but bring specific issues to the attention of other political actors and/or the public and thus indirectly influence policy.
Data

This research project is based on qualitative methods. I rely heavily on data available from Länder archives in all cases. The data used is primarily in the form of major and small questions, stenographic reports of plenary sessions, and parliamentary debates. This includes legislation adopted, as well as legislation introduced in Parliament for discussion as well as speeches made in the legislature. In addition, party platforms and press releases will be analyzed to determine the consistency of party rhetoric with action in the legislature. Finally, it will be necessary to determine whether the rules for eligibility for welfare support programs have changed over time in ways that are consistent with radical right party rhetoric, and if so, who or which party introduced those changes. The transcripts of parliamentary debate also provide insight into the actions and reactions of other members from other parties sitting in parliament and may provide the rationale for changes, if any, which occur in social welfare policy. In addition, such documentation will tell us if changes have been made in eligibility rules and/or in the process of claiming a benefit. These debates are also important as one of the functions of parliamentary parties is a debating function. Parliamentary debates have a role in educating the public, but also serve as just one of the control mechanisms of parliaments on the executive through parliamentary questions, both oral and written (Gunlicks 2003, 221; 223). This qualitative data has been supplemented by some data obtained from statistical databases both in regional and national statistical archives.
Collection of data from Kärnten proved difficult as the regional government does not provide access to plenary sessions, parliamentary debates or speeches made in the parliament. Repeated attempts to contact the relevant ministries and government offices (Landtag) responsible for the dissemination of such documentation proved unsuccessful. I have therefore relied heavily on legislation published after its passage through regional parliament, archived in the national document database.

This research seeks to determine what role radical right parties play in policy making and to what degree they are able to pursue party goals in the context of regional parliaments. The goal is to gain some perspective on the relevance of radical right parties as participants in democratic processes.

Whatever the findings of this research project, my hope is that it will be a valuable addition to the literature regarding political parties and their importance. Specifically, this research will show what the implications of the participation of radical right political parties in democratic government are for social policy outcomes in the legislative process.

Conclusion

I have chosen to organize my work by first describing the federal structures of Germany and Austria, then moving on to an evaluation of education, income support and housing policies. These federal structures and arrangements are the institutional settings for policymaking and although there are similarities, there are important differences that influence policy outcomes. Furthermore the radical right political
parties may also be constrained in their policy choices and/or their ability to change or make policy by the federal institutions of government in Germany and Austria. This will include a discussion of the political party system and the political parties themselves in both Germany and Austria. This is necessary because these parties engage in competitive elections and engage in policymaking.

I have chosen three policy areas for evaluation: education, income supports, and housing. Each policy was chosen because it is a policy carried out and in some cases made by regional government. I will begin the evaluation of policy and the influence of the radical right parties on it with education policy. I have chosen to place education policy first because it is a policy area that is readily available, and in fact up to a certain level is compulsory, in both Germany and Austria. More importantly, levels of education are closely associated with income levels. An individual with lower levels of education is more likely to become dependent on income maintenance and housing benefits administered by the state, in this way education matters both to the state and to the individual.

Income maintenance will be the second policy evaluated. I have chosen to place income maintenance. I have chosen income supports because immigrants, asylum seekers, and ethnic Germans migrating to Germany during the period of the fall of the USSR rely on this program as a larger percentage of their population than the native populations in Austria and Germany. If the radical right parties are interested in making policy or changing policy that would limit minorities from receiving benefits, it might be income maintenance policy. These programs are
already under scrutiny in many places because of budgetary concerns. If welfare chauvinism is at play, I would expect that the radical right might be able to move policy in this area.

The final policy I will evaluate is housing policy. I have chosen housing policy because again, it is a policy carried out largely by regional governments in Germany and Austria. The regional governments not only determine the amount of construction for social (subsidized housing), but the amount that the regional governments will pay in rent and housing subsidies. In addition, it is the regional governments that are largely responsible for housing refugees, asylum seekers, immigrants and migrants.

These policies have been chosen because of where they are administered, at regional levels, not because they rank high as campaign issues for political parties. As we will see, particularly in the case of the Republikaner, the radical right is quite adept at spinning these policies into debates about immigration, shifting focus from the policy itself, to place blame for any policy problems on immigrants. I have chosen not to focus on immigration policy, first because it is a policy for which research already exist, and second because it is a policy made and administered at the federal and EU level.
CHAPTER II
GOVERNMENT, PARTY SYSTEMS, AND PARTIES

To best understand how policy is made and the institutional environment in which political parties participate in that process it is necessary to begin with a brief description of the governmental structures of both Germany and Austria, followed by a brief review of the party systems of each country and the political parties of primary interest in this study. This will include a brief overview of the two largest, traditional parties, and the radical right parties in Austria and Germany. This will be followed by an explanation of German and Austrian federal structures, the party systems and a more in depth discussion of the political parties.

Regional governments in Germany and Austria have been chosen as case studies for several reasons. First, both are federal states, although the nature of that federalism is quite different; second, both are corporatist, conservative welfare states; third, at first glance, policymaking is carried out in a similar fashion with the federal governments enacting framework legislation for the Ländber to work within when carrying out policymaking functions as designated by the federal governments. Ultimately governing structures and institutions play an important role in how public policy is not only made, but how policy is implemented. Although political parties matter, the institutions within which they function also matter.

The (West) German party system remained a three party system for the decades following World War II, expanded into a four- party system after 1983 with addition of the Green party, and became a five party system after 1990 with the
addition of the Party of Democratic Socialism (PDS) (Korte 2003). In Austria, the
party system was a two-and-a-half party system for about 35 years, in the early 1980s
with the emergence of “green” parties and the splitting of the Liberals and the
Freedom Party (FPÖ), the party system expanded (Neck and Karbuz 1997, 59). At the
regional levels in both countries there may be more parties participating in
parliamentary government than these national party systems indicate. This is in fact
where the Republikaner in Germany and the Freedom Party in Austria entered in to
the political process most successfully.

In Austria the Freedom Party (FPÖ)\(^3\) in Kärnten, and in Germany the
Republikaner in the Land of Baden-Württemberg, are identified as the extreme-right,
or more recently as radical right populist parties (Betz 1994; Mudde 2007). Betz
(1994) identifies parties as right-wing for three reasons. First, because of their
rejection of “individual and social equality and of political projects that seek to
achieve it; second, in their opposition to the social integration of marginalized groups;
and third, in their appeal to xenophobia, if not overt racism and anti-Semitism” (Betz
1994, 4). Betz further defines these parties as populist “in their unscrupulous use and
instrumentalization of diffuse public sentiments of anxiety and disenchantment and
their appeal to the common man and his allegedly superior common sense” (ibid).
Mudde considers populist radical-right parties as those parties “with a populist radical

\(^3\) The FPÖ split due to interparty conflict in 2005 when Haider, his loyal supporters, the FPÖ federal
ministers and state secretaries founded a new party, the Bündnis Zukunft Österreichs (BZÖ) (Mudde
2007, 42). I will refer to the FPÖ throughout because during the time period I am using for assessment,
the party remained formally unified.
right core ideology and without any significant alternative factions" (Mudde 2007, 40). For Mudde, both the FPÖ and the Republikaner fall into this category.

The Austrian FPÖ party platform denies the idea of multiculturalism and favors strict immigration laws. Jörg Haider, the most prominent Austrian radical right leader of the FPÖ until his death in 2008, consistently implied that foreign nationals were responsible for Austrian unemployment, housing shortages, high taxes, and crime rates (Hockenos 1995). I have chosen to use the FPÖ for study because of their success in holding power in Kärnten regional government from 1992 until the present. The German Republikaner have been classified as “extreme right” by the German Office for the Protection of the Constitution, the domestic intelligence service. Rolf Schlierer, the parliamentary leader of the party in Baden-Württemberg, has been linked to Gerhard Frey, national chairman of the German People’s Union (DVU), another radical right political party in Germany (Behr 2001, 1-2). Although there are now other successful radical right political parties in Germany, I have chosen the Republikaner party because they were able to hold on to their vote share and thus their seats in the regional parliament of Baden-Württemberg from 1992 when they first won 14 seats until 2000, when they were unable to win enough votes to maintain their presence in regional parliament. Up to the 2000 elections, the Republikaner represented the radical right party holding seats in regional government for the longest period of time.
Germany

German Federalism

The Federal Republic of Germany consists of sixteen Länder with an administrative apparatus at three levels: federal, state, and local (OECD 1997, 213). German government operates according to the principle of subsidiarity in which the central state is the agency of last resort for most welfare functions (Mangen 1992, 208). Article 83 of the Basic Law only refers to the Länder executing federal laws on their own responsibility, but “there is a constitutional presumption that there are three administrative arenas in the Federal Republic: federal, Land, and local” (Gunlicks 2003, 2). Though these levels of government are interconnected, they remain more or less separate and autonomous (ibid).

The federal government has exclusive legislative powers in areas regarding foreign affairs and defense, national citizenship, currency, customs and foreign trade, air and rail transportation. The federal government also has the power to regulate asylum seekers, political parties and political finance (Gunlicks 2003, 57). According to the Basic Law, the Länder have the power to act in the area of concurrent legislation as long and so far as the federation has not used its power to pass legislation in the area of concern (ibid). Framework laws are an additional and important source of federal power. Framework laws are directed at the Land legislators for further legislative action by them (ibid, 60). The federal government sets guidelines for most welfare functions, the Länder are responsible for enabling
legislation, which allows for the federal legislation to take effect and provides funding for welfare programs.

The interdependence of the Federal legislative authority and Länder administrative responsibility, and the need for co-ordination, has been primarily responsible for the term ‘co-operative federalism’ being applied to the German Federal model (Roberts 2000, 102). The Länder have the right to legislate in a number of policy areas, and under Basic Law posses residual powers. As of October 1994 the federal government can “claim pre-emption to be ‘essential’ only in the general interest of preserving ‘equivalent living conditions’ or the legal and economic unity of the country” (Gunlicks 2003, 58). The Länder are able to participate in making national legislation through representation in the Bundesrat. Although the majority of federal laws now require the approval of the Bundesrat, this only guarantees participation of the Land governments, not parliaments. Furthermore, this means that the Länder in the minority in the Bundesrat decisions relinquish a degree of autonomy involuntarily (ibid, 73). Changes made to Article 93 of the Basic Law, also in 1994, allow Land governments, Land parliaments, and the Bundesrat to take any disagreements regarding what is “essential” to the federal Constitutional Court, which they could not do before 1994 (ibid, 59). The Länder are obligated to implement and administer federal policy in “all areas where such implementation and administration is not reserved for federal agencies, often with some large degree of discretion concerning the details of implementation” (Roberts, 101). However, according to the Basic Law, any action the federal government takes in areas of
concurrent legislation preempts any Land legislation covering the same subject (Gunlicks 2003, 57). The German Länder are endowed with more power through the Basic Law than the Austrian Länder through constitutional arrangements that include, in some cases, enabling legislation from the Länder for federal legislation to take effect.

The Basic Law singles out counties and municipalities for protection by Article 28, and do not extend to individual local governments, but rather to the institution of the county and the municipality. Their organizational structure and boundaries are determined by the Länder, and because they are parts of the Länder the counties and municipalities are responsible for the administration and execution of federal and Land laws along with their own ordinances (Roberts 2000, 82). Municipalities have mandated tasks delegated to them through the Länder government. These responsibilities are carried out by municipalities because there are no “general and direct state agencies at the municipal level for such purposes” (Gunlicks 2003, 100). The municipalities are under the legal supervision of the county manager for self-governing activities and their functional supervision of delegated activities. The county manager is supervised by the director of the government district (ibid). The director of the government district is a political appointee and the general representative of the Land government in the district. The director is “responsible to the Land Minister of the Interior but also to other ministers for the proper administration of their policies and laws” (ibid, 89). It is the municipalities that provide financial allowances, paid out by local authorities but
financed by the federal government, and that are responsible for the distribution of material services such as the provision of day-care centers, publicly funded housing and counseling for underprivileged persons (OECD 1997, 208).

Each Land has its own constitution and government that are required to correspond to the Basic Law (Childs and Johnson 1981, 40). The Länder have their own political structures enabling them to carry out their responsibilities. Though these political structures vary in detail, the Basic Law requires that the constitutions of the Länder conform to democratic principles based on the rule of law, and gives the federal government the responsibilities of ensuring that this is the case (Roberts 2000, 101).

Decentralization characterizes the German system of public administration. According to Article 30 of the Basic Law, the federal government can exercise authority only in areas expressly prescribed by the Basic Law, and it emphasizes that the Länder are autonomous units from which the political authority of the federal government derives from (Childs and Johnson 1981, 40). Concurrent legislation permits the Länder to legislate where the federal government does not. Exclusive legislation in education, policing, system of courts, transport and highways, except where Basic Law invokes specific exceptions, and provisions of social services reinforce Länder autonomy (Roberts 2000, 101). Direct administration means that the Länder framework legislation limits the federal government to providing an outline that is filled in by detailed legislation at the Land level. Direct administration also means that the Länder are the responsible units of government for administering
framework legislation (Gunlicks 2003, 82). This category covers public services and other corporate bodies under public law, the environment, land use and regional planning (Childs and Johnson 1981).

In 1948 the Länders of Baden-Württemberg, Hesse, North-Rhine Westphalia and Schleswig-Holstein followed the recommendation, made at a conference of local government experts, stating that governments should possess exclusive authority for all public administration activities in their territories (Gunlicks 1986, 96). These Länders rejected the idea of “delegated functions in favor of obligatory functions, which can be imposed only by individually applied laws” (ibid, 97). These obligatory functions include the area of social welfare. Traditionally the communities have been responsible for the care of the poor and needy. This obligatory local function involves primarily welfare assistance for those whose various insurance benefits are inadequate or who do not qualify for such assistance (ibid, 112).

Although Gunlicks (2003) makes the case for a strong central, although federal government in Germany, this does not mean that regional parliaments are without important functions. Land parliaments remain responsible for law making, although there may not be a great deal of legislative responsibility due to the Federal Supremacy Clause in Article 31, the Länders do exercise autonomy in the areas of culture (this includes education) police, government law, and a variety of economic activities (Gunlicks 2003, 148). Furthermore, regional parliaments have some leeway to adapt federal laws, especially framework laws, to “local regional conditions for administration by the Land bureaucracy” (ibid). An important areas of autonomy for
the German *Länder* is in the area of expenditures (ibid, 92). Although the federal government is strongly present in some social policies, it is expected that autonomy in the area of expenditures would result in a high number of debates regarding how and where expenditures should take place. Changes in expenditures, where expenditures are made may be indicative of policy changes (Ganghof and Bräuninger 2006). This type of autonomy may also result in a higher number, and more contentious, debates regarding budgetary concerns. This would indicate that Kittel and Obinger’s (2002) assertions that budgetary concerns have replaced party ideology in policy making may be overstated if applied to Germany and Austria. If one of the areas regional parliaments are able to exercise some control is through the allocation of money then discussions of allocations and budgets would be overrepresented in those cases.

Parliaments fill important roles, these parliamentary functions that include public information, government and political control, electoral and recruitment, debating, and representation. Of particular interest are the control and debate functions. Control functions of government include a variety of mechanisms; the most important is the vote of confidence. A second control mechanism that is important is the scrutiny of the budget, followed by question time for ministers, petition committees and investigative committees (Gunlicks 2003, 151). Parliamentary questions, both written and oral are one of these control mechanism, and were used, not infrequently by the *Republikaner* in Baden-Württemberg. Parliamentary parties may demand that ministers respond to questions personally and that ministers submit reports to parliament that may be taken up in plenary meetings, or by committees.
Parties may also introduce resolutions that may deal with general questions without specifying a specific address, for example demands that are legally nonbinding but call on the *Land* government to take specific actions (Gunlicks 2003, 223). Parliamentary controls have three primary goals; securing information, exercising influence on government actions and proposals, and promoting critical publicity (ibid, 225).

It is within this cooperative federal system that the regional political parties operate, and within which the *Republikaner* was active in the regional parliament of Baden-Württemberg. The principle of subsidiarity and cooperative federalism, in which the federal and regional governments jointly supply services for citizens, allow for an active role in policymaking at the regional level. This is why it is both interesting and important to examine the influence of the radical right on policymaking at the regional level. Although Austria is also a federal system, we will see that it is more centralized than German federalism, a feature that may be as important as the federal system itself.

**The German Party System**

The German party system has its origins in the late 19th century. The political ideas, movements and events for the late 19th period led to the emergence of four “families” of parties; liberal, conservative, socialist and Christian democratic (Roberts 1997, 5). These “families” remained the pillars of the party system of the Weimar Republic and in a modified form provided the basis for post World War II
West Germany (ibid). Between 1949 and 1961 the number of parties winning seats in the Bundestag dropped from 11 to 4, and by 1972 99 percent of voters cast ballots for one of the four parties (Scarrow 2004, 86). By the early 1960s party consolidation resulted in party competition becoming concentrated around the two major parties, the Christian Democrat/Christian Social Union (CDU/CSU) and the Social Democratic Party (SPD), supplemented by the smaller, liberal Free Democrats (FDP) (Jeffery 1999, 96). From the 1953 election until 1969 German party competition was an “unbalanced struggle between the two ‘giants’, the CDU/CSU and the SPD” (Chandler 1993, 132). The SPD and CDU/CSU became catchall parties, and became known as Volkspartei[4] or a party of all people. With the exception of the 1972 election the CDU/CSU electoral edge over the SPD averaged about 5 to 10 percent (Chandler 1998, 65). The SPD and CDUs aggregate vote share rose consistently from 1949, during the 1970s about 80 percent of eligible voters had supported the CDU/CSU and the SPD, but by the 1990s this support had fallen to about 60 percent (Scarrow 2004, 90). This two-and-a-half/three party system remained essentially unchanged for 30 years, expanding into a four party system after 1983 with the Greens entry into the political landscape, and finally into a five party system after 1990 with the addition of the Party of Democratic Socialism (PDS) (Korte 2003, 106). Through the late 1980s and the early 1990s there was some indication of an

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[4] Volkspartei refers to the largest political parties in Germany and Austria. The parties were first referred to as catch-all parties by Kirchheimer to describe attempts by the CDU to expand its voter base. (see Kirchheimer 1966; Gunlicks 2003).
incidence of voting change, a decline in the *Volkspartei* share of the vote combined with declining electoral turnout (Padget 1993, 26). With these trends there has been an “erosion of patterns of group based voting, particularly in the ‘hard core’ of the manual working class electorate” (ibid). These changes have been associated with the interrelated developments: first, the declining reach of traditional cleavage-based politics; second, the weakening of partisan loyalties; finally, the advent of new party competitors (Scarrow 2004, 86).

In Germany, political parties may be outlawed by the Federal Constitutional Court should they be found in violation of the Basic Law regarding the commitment of political parties to democratic principles. This is important, as it is one aspect of German law/politics that might restrain the rhetoric of radical-right political parties. Radical-right parties have come and gone since the establishment of the Federal Republic, but have had limited success. The National Democratic Party (NPD) was somewhat successful in the late 1960s winning 9.8 percent of the Land vote in Baden-Württemberg and as much as 4.3 percent in federal elections (Smith 1993, 92). The NPD was formed with the merger of the remnants of the *Deutsche Reichs Partei* and the *Deutsche Partei/Gesamtdeutsche Partei* in November 1964 (McGowan 2002, 155). Since the 1970s the “new ideology” of the NPD includes ideas that Germany is oppressed by the “forces of American and Russian imperialism” demanding withdrawal of these military forces from Germany (ibid, 159). The new ideology also rejected ideas of assimilation a mixed marriages, emphasizing the importance of individual nations, their culture, heritage, and the national community (ibid, 160).
radical right emerged again in the late 1980s and early 1990s in the form of the Republikaner and the German People’s Union (DVU) (Chandler 1998, 74). The NPD has also made a come back, although they are currently divided by inter party conflict and financial difficulties. Although the radical right may have made a “come back” of sorts, and the German party system has expanded to include the Greens and the PDS at the national level, the political landscape remains dominated by the CDU/CSU and the SPD. Although the party system in Germany is now effectively a four party system, the focus here will be on the CDU/CSU, the SPD and the Republikaner.

Political Parties

The Christian Democratic Union (CDU)

The CDU was formed in 1945 as the successor and for a brief time as a competitor with the almost entirely Catholic, Center Party (Zentrum) (Gunlicks 2003, 268). The CDU and CSU were first licensed at local levels; the CDU was not much more than local and regional “notables campaigning under a common umbrella, which then coalesced into a loose confederation” (Chandler 1998, 65). The majority of the party members were Catholic; coalitions were made regionally, in some areas with former liberals, in other areas with conservatives or former Protestant activists (Pulzer 1995, 36). After the formation of the Federal Republic, Konrad Adenauer transformed the CDU into a political machine dedicated to supporting him and his government (Chandler 1998, 65). Throughout the 1950s the CDU policies were aimed at the reconstruction and consolidation of a capitalist market economy,
strengthening positions of higher-income employees, property owners, and the traditional middle class (Katzenstein 1987). The CDU/CSU styled itself as a democratic Volkspartei, a catch-all party. It abandoned the Centrum Partei dogmatic, social Catholic ideology, adopting a moderate ideology based on a more open, inter-denominational Christianity, supplemented by a commitment to the West German ‘social market economy’ and a western-oriented foreign-policy, resulting in the creation of the first Volkspartei in Europe (Jeffery 1999, 102; Gunlicks 2003, 268). Reform of the party was largely viewed as unnecessary until the 1972 electoral defeat. Until that time the party organization was based on decentralized networks that combined the power of regional party leaders in the Länder with that of the chancellorship in Bonn. Following the 1972 election the party shifted power to strengthen the federal center, which increasingly set priorities and designed strategies (Chandler 1998, 66).

During the 1980s Germany went through a rapid process of structural economic transformation and modernization. The major burden of the adjustment was experienced by young, unskilled workers and entrants into the labor force, a labor force that was rapidly shrinking (Kitschelt 1995, 212). Chancellor Kohl’s Christian Democratic-Liberal government came into office in 1982 with promises to revive the economy and produce full employment. The state was to be redefined in a more market liberal way. The welfare state was to be contained, non-wage labor costs reduced, and the labor market deregulated (Leibfried and Obinger, 2003), despite these promises, “in most respects the government led by the Christian Democrats
continued much of the politics of centripetalism that had been the hallmark of the proceeding moderate and technocratic” government headed by Chancellor Helmut Schmidt (ibid, 213). After a string of state and local election losses in 1988 and 1989, some party leaders pushed the CDU to take more conservative positions to protect the party from being outflanked (Scarrow 2004, 96). Discontent continued throughout the first half of 1989, and dissatisfaction with the CDU, in particular with Kohl’s leadership, ran high and party centrists launched an unsuccessful challenge to Kohl’s leadership (Smith 1993; Scarrow 2004).

It has also become more difficult to distinguish ideologically and programmatically between the Social Democrats (SPD) and the CDU as both attempt to attract voters in the “new center”. An additional problem for the CDU is the increasing “de-Christianization of society”; as a result the party is losing many reliable core voters (Korte 2003, 113). The decline of the Catholic vote was partially reversed in 1990, but remained unusually low among Catholic, trade union members and manual workers, where FDP voting increased sharply (Padgett 1993, 38). Sturm writes that the ruling middle classes have “become estranged form the industrial workers, the urban lower classes and the rural farming communities” as a result these groups no longer vote automatically for the SPD or the CDU (Sturm 1993, 107).

The Social Democratic Party (SPD)

The Social Democratic Party in Germany is the oldest and traditionally the largest social democratic party in Europe (Gunlicks 2003, 267). Industrialization and
urban development of the late 19th century led to the growth of a large urban working class. “Influenced by the ideas of Marx, and by events in other countries, a socialist party was founded in 1869”, merging in 1875 with the Allgemeine Deutsche Arbeiterverein into a unified working-class social democratic party the Sozialistische Arbietarpartei Deutschlands (Strum 1993, 6). The party was outlawed in 1878 by Bismarck, but was allowed to re-merge legally in 1890 (Gunlicks 2003, 267). In 1891 the merged parties adopted the name of Social Democratic Party.

The SPD emerged from the post-World War II era as the party of the unionized working classes and immediately became the leading left-wing party in West Germany (Gunlicks 2003, 268). Although the party shares the leftist roots of other socialist parties in Europe, the SPD did not pursue a revolutionary ideology or nationalization and massive redistribution (Klingman et al. 1994, 189). At the Bad Godesberg party conference in 1959 the party issued a declaration that indicated the SPD would accept the rules of the mixed-economy (ibid). The Godesberger Program of 1959 rejected Marxist dogma, becoming a more center-left reformist party, more interested in promoting “a progressive capitalist welfare state on the Swedish model than in traditional socialist state ownership of the major means of production” (Gunlicks 2003, 268). The alliance between the non-Catholic working class and the SPD has remained quite strong, and the increasing SPD support among middle class voters improved the party’s electoral showing and enabled it to control the Federal government from 1969-1982 (Dalton 1992, 58). The SPD and CDU maintained a governing coalition from 1966 to 1969 under the leadership of Willi Brandt. But in
1969 the SPD was able win the national election and governed in coalition with the FDP until 1982. During its thirteen year coalition with the FDP the SPD “presided over the expansion of the welfare state and a relatively successful weathering of two oil crises and the first major postwar recession” (Allen 2005, 354). In 1982 the SPD/FDP coalition ended with the departure of the FDP to a coalition with the CDU/CSU, in large part because of economic policy disagreements (ibid). The erosion of support for the SPD from the manual-worker electorate first became apparent in 1983 (Padget 1993, 37), this occurred in part due to the emergence of the Greens which provided a home “for the radical left estranged from the moderate SPD” (Smith 1992, 83).

The SPD was in the opposition until the 1998 federal elections when Gerhard Schröder led the party to an electoral plurality and the formation of a coalition government with the Greens. In spite of the SPD/Green coalition the SPD had moved to a more centrist position during the 1990s (Allen 2006, 354). Chancellor Schröder adopted die neue Mitte or third way strategy, pursuing, to the distress of more leftist elements of the coalition, a policy of economic moderation (ibid). By 2000 Schröder had passed a series of tax reforms that “comprised both personal and corporate tax cuts” (Allen 2005, 357). In 2003 Schröder’s government instituted a series of proposals entitled Agenda 2010, of which the Harz IV Reforms were a part (ibid). The primary goal of these reforms was to make the German “labour market institutions more ‘flexible’ along mostly free market and deregulatory lines. The most significant of these policies merged the unemployment and welfare systems” causing
a reduction in the amount of unemployment benefits and the duration that the unemployed could receive them (Allen 2005, 357). "In addition the long-term unemployed were forced to take so-called ‘one-euro jobs’, that is legal but very low-paid jobs" (ibid). These policies angered some of the core SPD rank and file as well as the trade unions, costing Schröder the political support he needed for re-election in 2005.

The Republikaner

The Republikaner in Germany is a relatively young party. Unlike the FPÖ in Austria the Republikaner has not been the only radical right party in Germany and has not experienced the same electoral success as the FPÖ. This is due in part to the fragmentation of the radical right in Germany that has resulted in multiple parties like the Deutsche Volksunion (DVU), the older Nationaldemokratische Partei (NPD), and the Republikaner (Minkenberg 1997; Merkl 1997). The party was founded in Munich in November 1987 by former leading members of the Christian Social Union (CSU) with hardly any active right wing extremists participating in the founding of the party (Winkler and Schumann 1998, 97). The founding members, Franz Handlos, Ekkehard Voigt and Franz Schönhuber, had become “disillusioned with the CSU after the CSU-led regional government had granted credits totaling some one thousand million DM to East Germany” (McGowan 2002, 162). The name of the party was intended to “symbolize its affinity to a Reagan-style nationalist conservatism pared with cultural conservatism and anti-Communist rhetoric” (Kitschelt 1995, 216). In 1985 the right
extremists subverted the ultra-conservative, non-extremist party founders, displacing founder Franz Handlos and electing Franz Schönhuber party chair (ibid). Schönhuber had hosted a popular Bavarian television talk show, following the publication of his memoirs in which he recounted his days as a Waffen-SS officer during World War II in a way that cast the Nazi period in a favorable light (Betz 1994, 18). The party espouses racism, nationalism and law and order and uses a vocabulary that “is close to national socialist rhetoric, especially through the usage of terms such as ‘Volk’, ‘deutsches Volk’ and ‘Lebensraum’” (Kitschelt 1995, 218).

The party won 3 percent of the vote in the 1986 Bavarian state elections. With a platform concentrated on xenophobia and law-and-order issues, the party was able to make sizeable gains in local elections in 1989 and to gain election to the European Parliament with 7.1 percent of the national vote (Pulzer 1995, 148). The party was able to make some inroads in local elections in 1989, and entered the Berlin state parliament with 7.8 percent of the vote (Winkler and Schumann 1998, 97). But it was the 1992 Land elections in Baden-Württemberg that the party reached the high point of its electoral success, winning 10.9 percent of the votes cast (Statistisches Landesamt Baden-Württemberg). This marked the first time the party was represented in a regional parliament of a large state (Bacher 2000, 96). The 1992 Baden-Württemberg Land election resulted in a governing grand coalition of the CSU and the SPD; the Republikaner became the leading party of the parliamentary opposition (Sturm 1993, 106). The Republikaner lost all its seats in the 2000 Land election. However, it is interesting and important to note that though the party has not
been able to replicate their success of the 1992 and 1996 regional elections, it has been more successful in its electoral pursuits at the district and communal levels in Baden-Württemberg (Ganser and Herberz 1995).

The 1990 party program of the Republikaner targeted disillusioned voters of established parties as well as supporters of other extreme right political parties (NPD and the DVU). The party program is a balance between conservative values such as law and order issues, and extreme right attitudes “articulated by the DVU and NPD (such as aggressive polemics against foreigners and skepticism towards NATO)” (Bacher 2000, 99). The Republikaner differentiate themselves from the DVU and the NPD by “denying any overt nostalgia for Nazism and for linkage they established between the question of national identity and immigration” (Ignazi 1997, 58). In addition to their position on immigration, the party adopted a neo-liberal critique of the welfare state, militant evocation of nationalism, and expresses grievances against the state (i.e. the squandering of taxpayer money) (Bacher 2000, 99). But for the Republikaner immigration is the root cause of all of Germany’s problems (Evans 1996, 47). “Political propaganda produced by the REP portrays Germany as a boat overflowing with immigrants who are sucking the German economy dry” (ibid).

At the June 1992 party convention delegates demanded that Germans defend their national identity and members passed motions “demanding the total rejection of a multicultural society; the protection of the purity of the German language; and the return of the Eastern Territories” (ibid). The anger of the Republikaner was not only
directed at "old" immigrant groups such as Turks, and "new" immigrants, and asylum-seekers; the party also “showed pronounced hostility to the ethnic German re-settlers and even to the East German refugees of 1989/90” (Merkl 1997, 29). The party questioned the ethnic authenticity of the German re-settlers, and rejected the idea that these ethnic Germans, after suffering under Stalinist suppression and persecution, should be given a chance in a “prosperous and secure West Germany” (ibid, 30). The issue of reunification was also a point of contention the Republikaner were willing to take advantage of. The party and its voters viewed the “newly-added East German co-citizens and their massive financial and other needs as a threat rather than an enrichment (or even fulfillment) of national dreams” (Minkenberg 1997, 81). For the Republikaner asylum-seekers, refugees, re-settlers together with the traditional Gastarbeiter (guest workers) have “offered an easily accessible scapegoat for sociopolitical anxieties: the foreigners are responsible not only for the increase in crime but for the enfeeblement of German national identity” (Ignazi 1997, 58).

Michael Minkenberg (1997) has evaluated five party platforms of the Republikaner from 1983 to 1993. He found that the party walks a “fine line between pro-system and anti-system positions” (Minkenberg 1997, 82). Officially they commit to the Basic Law, calling for the direct election of the President, while at the same time stressing the priority of the German people, the ethnically defined Volk, the rejection of local and other voting rights for non-Germans (including European Union citizens), and calls for the immediate stop to immigration (ibid). The 1987 party
platform "manifestly shows antidemocratic, nationalistic, anti-European, and neutralist tendencies, and it tries to play down the evils of the Nazi era" (Veen et al. 1993, 13). In 1990 the party adopted a new party platform at its Rosenheim party convention. The new platform was more streamlined, attempting to portray the party as an alternative for conservative voters, specifically potential CDU/CSU voters (ibid, 14). The 1993 platform does not recognize the German-Polish border of 1990, calling for a "completion" of German unification with the Eastern territories, repeatedly referring to the five new Ländere as "Mitteldeutschland" or Central Germany, and to unification as "partial unification" (Minkenberg 1997, 82).

Austria

Austria is a Federal Republic consisting of nine states with a central government that is "stronger than that of the regional subdivisions, the member states or Länder" (Dachs 1996, 235). Austrian federalism is referred to as unitary federalism due to the strength of the federal government relative to the Länder, and the rather high level of centralization. In virtually all administrative and financial matters the Länder are weaker and the "rights and powers they do have lack substantial protection from incursions of the Bund" (Fitzmaurice 1991, 159). The President and members of the Nationalrat (National Council) are directly elected while members of the Land parliaments elect the members of the second chamber of the Austrian Parliament, the Bundesrat (Federal Council) (Müller 1996a, 23). The Bundesrat is generally only allowed to object to a bill that has passed the Nationalrat, but the
objection may be overruled by the Nationalrat with a qualified quorum (Gamper 2006, 11). The Nationalrat can, by simple majority, express its no-confidence in the federal government or any of its individual members (Pelinka 1998, 38). The president is not responsible to parliament and appoints the Federal Chancellor and the members of the federal government, based on the Chancellor’s recommendations (ibid). A referendum is required to remove the federal President from office and for a total revision of the constitutions (Müller 1996a, 25).

The constitution ensures the general powers of the nine states, meaning “all powers and responsibilities not expressly given to federal administration are automatically those of the states” (Pelinka 1998, 38). The general residual clause in the constitution article 15(1) appears to give power to the Länder. The assigned powers and rights show that the federal government has the sole legislative and executive power over most of the important matters of state (Fitzmaurice 1991, 159). But the constitution has been successively amended, reducing the areas left open to the Länder, by attributing new competencies to the Bund (ibid). These powers include maintenance of law and order, finances, most economic and social welfare matters, education and all powers of jurisdiction (Dachs 1996, 238). The federal government determines the distribution of federal tax revenues between the federal government and the Länder, and possesses a “pre-emptive right to taxes” (OECD 1981, 18). The Bund determines the level of contribution (Ausgleich) to be accorded the Länder, by federal law, and the classification of taxes between exclusively federal and Land taxes of shared revenues (Fitzmaurice 1991, 160). The Länder can only raise much
smaller taxes and license fees for hunting and fishing. In practice, though they have no legal right to a negotiated settlement regarding federal contributions, the Länder, acting collectively through a Centralized Coordinating Committee (Verbindungsstelle), negotiate contributions with the Bund and the resulting agreement is enacted into law (ibid). In matters such as citizenship, agricultural interest organizations and traffic policing, laws are made at the federal level but the Land administrations are entrusted with their execution (Lauber 1996, 48).

Each Land has its own constitution that must not deviate from strict federally determined rules that deal with the electoral system, the organization and powers of the Landtag, the powers of the Landeshauptmann (governor) and the Land governments as well as financial and judicial organizations (Fitzmaurice 1991, 161). The Landesregierung, led by the Landeshauptmann, is elected by the Landtag and is the administrative branch of government. The Landtag also elects the Landeshauptmann and exercises legislative power (ibid). Land parliaments do not have a bicameral structure, and the Landeshauptmann is not directly elected, but are elected by the Land parliaments (Gamper 2006, 12). In Tirol and Kärnten provincial governments are formed by a coalition agreement.

The role of the Landeshauptmann takes on a special significance for several reasons. Landeshauptmann are able to perform major federal administrative tasks on behalf of the federation (ibid, 11). The state governments separate on the majority principal. Because the Landeshauptmann is normally the leader of the strongest party in each Land, which frequently has an absolute majority in regional parliament, the
governor’s position is further strengthened (Pelinka, 1998; Dachs, 1996). However, the power to hire personnel rests not with the individual members of the state government, the state counselors, but with a specially appointed member of the state government, in most areas the governor (Pelinka 1998, 68). The federal government’s administrative tasks are carried out by the Land governor and the agencies of the Land under the governor’s authority, unless the “constitution explicitly assigns the federal government its own agency” (Dachs 1996, 240). The governor is active in legislating and represents the Land dealing with the federal government and other countries (ibid, 241).

In Austria the “principles of the social and welfare state are not included in the catalogue of the basic rights”; instead they are the result of “political developments from 1945 onward, without being formulized as basic rules” (Pelinka 1998, 39). Political leaders have not pursued the codification of basic rights. As a result what is written down and argued in formal charter differs from the reality of social and political development. The welfare state in Austria developed without any constitutional guarantees of social security, a minimum wage or the right to work (ibid).

Austria’s social insurance system covers all wage earners and salaried employees, agricultural, non-agricultural, and self-employed and dependents, regardless of nationality (Europa World Fact Book 2000, 523). This coverage is compulsory and provides earning-related benefits in the event of old age, invalidity, death, sickness, maternity, and work related injuries (ibid). This benefit covers
approximately 99 percent of the population. There are separate programs to provide unemployment insurance, family allowance, long term care allowances, and benefits for war victims, etc. (ibid). As is the case in many advanced industrial societies, in Austria the gap between the have and the have-nots is growing (Pelinka 1998, 206). Since the 1980s, the distribution of income has become increasingly less equal.

“Austria is approaching the status of a 2/3 society: a significant minority is more and more excluded from the economic success the majority still enjoys” (ibid). Generally the public has blamed immigration for growing crime rates, rising unemployment and the rising costs of the welfare state (Betz 1994, 119).

Austria, like Germany, engaged in foreign labor recruitment during the 1960s. By 1966, 50,000 guest workers resided in Austria, this number peaked in 1974 with a total of 220,000 persons (Lichtenberger 2000, 111), and between 1970 and 1990 over 133,000 foreigners became naturalized Austrian citizens, the majority of whom were long term foreign workers (Johnson 1993). As of 1990, foreigners accounted for just over 6 percent of the total population in Austria (ibid). By 1993, 42 percent of the Austrian population thought that foreigners represented a threat to the Austrian way of life (Betz 1997, 24). In 1995 the total number of foreigners, including contract workers, refugees, asylum seekers, and regular immigrants reached 810,000 persons, more than 10 percent of the total population of Austria (Lichtenberger 2000, 113). Between 2002 and 2005, some 243,000 foreigners migrated to Austria; 10 percent of the people residing in Austria have a foreign passport (Wiener Zeitung 2007).
Although the number of foreign residents has increased, Austria does not consider itself a country of immigration. In 1992 several pieces of legislation were passed by the Austrian Federal Parliament concerning the rights and legal status of asylum seekers and foreigners (Wischenbart 1994). The legislation passed was designed to severely limit access to Austria; in order to prevent illegal border crossings the government deployed military personnel along its eastern borders while Austrian authorities deported thousands of illegal immigrants (Betz 1997, 24). As we will see, this is the environment Jörg Haider was able to take advantage of to advance his own political ambitions.

**Austrian Party System**

Political parties are a dominant feature of Austrian politics. Following World War II Austria was occupied until the signing of the 1955 Austrian State Treaty. At the 1945 elections the Allied Council only authorized three parties, the Communists (KPÖ), the Austrian People’s Party (ÖVP), and the Social Democrats (SPÖ). In 1949, a fourth party, first called the Independents (VdU) was formed, organizing the old pan-German lager (camp) and the re-enfranchised National Socialists (Fitzmaurice 1991, 31). Initially a two party system emerged from the post-war political landscape expanding to a two and a half party system with the formation of the VdU. However, it is the SPÖ and the ÖVP that dominated Austrian politics; from the immediate post-World War II years through the 1980s the ÖVP and SPÖ controlled more than 90 percent of the votes (Deschouwer 2001, 209).
These parties created multiple, party specific occupational, educational and cultural associations that ensured the lives of the party members would be lived from "womb-to-tomb" in their respective political parties and associations (Luther 1999, 123). The ÖVP (black) and the SPÖ (red) Lager organized around political subcultures (Luther 1999, 119). These organizations have their own independent existence operating as parties in Kammer elections, and are represented at all levels within the party on a carefully balanced proportional basis (Fitzmaurice 1991, 99).

The cleavages between the coalition partners, the red and the black, have been institutionalized through the organizational closure of subcultures; the institutionalized segmentation is referred to as pillarization (Deschouwer 2001, 199). The pillarization, and lager mentality (black vs. red) created a "high formal integrative capacity and an unusually low conflict level, leading to a very stable party system" (Plässer 1989, 41). This stability was maintained until the early 1980s (Deschouwer 2001, 209). Pillarization not only facilitated a very high degree of party political penetration of Austria's socio economic system but also helps to explain why Austria has had one of the highest levels of party membership of any country in the western world (Luther 1999, 124).

Austrian politics also embraced proporz "according to which the two dominant parties structured the distribution of the majority of public sector posts and state resources (including access to electronic media) in rough proportion to their relative electoral weight" (ibid, 125). Proporz guarantees positions for both of the
coalition parties at all levels of government and more widely in public sector appointments, and in the management of the large state industrial sector (Fitzmaurice 1991, 77). The system of *proporz* “meant that for many Austrians, party membership was regarded as a prerequisite for access to housing, jobs, licenses to trade and other benefits” (Luther 1999, 125).

Until 1975 political parties, outside parliament, were not subject to specific legal regulations. The Party Law of 1975 made possible the state financing of party organizations. Under the Party Law political parties may be “freely founded as long as there are no other legal provisions with constitutional status” that are violated (Müller 1996, 65). Founding a party requires that the party statute be deposited with the department of the Interior which has no legal right to reject the statue. Only the courts may determine if a party is in violation of constitutional law, the activities of parties are not restricted by ordinary law (ibid).

Until the 1980s Austrian politics were effectively dominated by two parties, the ÖVP and the SPÖ. A Grand Coalition was first formed in 1945 between the ÖVP, SPÖ, and KPÖ, but later formed between the ÖVP and the SPÖ. The Coalition survived until 1966 and the two parties had, through 1991, never represented less than 84 percent of the electorate at any election (Fitzmaurice 1991, 5). In 1966 the Grand Coalition dissolved and was replaced by a competitive model that existed from 1966 until 1983, when absolute majorities for the ÖVP and SPÖ were possible (ibid, 24). In the 1980s other parties emerged, first the United Greens of Austria (VGÖ) in 1982,
followed by the Green Alternative party founded in 1986 (Siaroff 2000, 180). But it was the FPÖ’s success in 1984 that pushed the Austrian party system into a three party system (ibid). Since 1984 Austria has become a three party system due to the success of the Freedom Party (FPÖ) (Deschouwer 2001, 210).

Compared to the 1950s and 1960, affective ties to political parties have become weaker (Plasser 1989, 49). In 1986 the SPÖ formed a coalition with the then liberal FPÖ; in 1987 this coalition came to an end with the election of Jörg Haider as the leader of the FPÖ. Since then the ÖVP and the SPÖ have suffered losses in all Lantag elections (Fitzmaurice 1991, 5). Haider proceeded to take advantage of the weakened political party ties, attacking the system of Proporz, and styling the FPÖ as the opposition party that would break the strangle hold of the Volkspartei on jobs and political appointments. By 1994-95 the two-and-a-half party system had fractured into one approaching a four party system with the limited success of the Greens and the electoral successes of the FPÖ.

Political Parties

The Austrian People’s Party (ÖVP)

The ÖVP is a Christian-conservative party and was part of the Grand Coalition first formed in 1945. The party was built on three basic organizations, its membership indirect through these organizations, the Österreichische Arbeiter und Augestellen Bund (ÖAAB, the party’s trade union wing), the Österreichische Wirtschaftsbund (ÖB, the economic/industrial wing), and the Österreichische Bauern
Bund (ÖBB, the farmers organizations) (Fitzmaurice 1991, 99). The ÖVP is the party with which most practicing Catholics are affiliated, and is characterized by a “corporate” structure in which party membership is indirect by virtue of membership in six sub organizations (Pelinka 1998, 107; 83). The ÖVP core voters have been the self-employed, farmers and unemployed women; the only social group in which the party retains majority is farmers, who account for only 7 percent of the working population (Luther 1999, 132).

The origins of the ÖVP are found in the clerical and vehemently anti-capitalist Christian Social Party that emerged to represent the Catholic conservative subcultures in the late 19th century (Luther 1999, 119). During the 1930s the association between the party and the Catholic Church became more “delicate”. When the authoritarian government founded under Engelbert Dollfuss in 1934 claimed to be the “legitimate expression of the newest social doctrines of the church”, the Catholic bishops responded by attempting to appease the government (Pelinka 1998, 103).

In 1945 the party was reorganized as the Christian Social Party, later renaming itself the Austrian People’s Party (ibid, 74). The party did not renew its affiliation with the Catholic Church, wanting a more secular profile, however the relationship remained close (ibid 103). Throughout the 1950s the Grand Coalition between the SPÖ and the ÖVP prevailed. While ÖVP-SPÖ government had no serious internal political enemy, Austria’s positions as a ‘neutral’ frontline state during the Cold War “pitted the Grand Coalition against an external enemy”
From 1966 to 1983 the control of government alternated between the ÖVP and the SPÖ, each pursuing differing social and political agendas for reform (ibid, 168). As the capacity for reform waned and the parties became more interested in maintaining the status quo, the ÖVP began to decline in part due to the decline of political Catholicism (Pelinka 1998; Kitschelt 1995).

In the ÖVP, recruitment is carried out by three leagues (Bünde) and three special organizations for women, young people and the elderly (Müller 1996b, 76). The ÖVP did not adopt a party program until 1972, the Salzburg Program. It is a long term program of grand principles of individual freedom, solidarity and independent, quality of life and efficiency and participation (Fitzmaurice 1991, 101). The ÖVP’s aims as expressed in the Salzburger Program were first and foremost the goal of providing and improved quality of life and social partnership was approved as the basis for the peaceful solution of conflicts. However, the ÖVP rejected total government involvement in all aspects of life and stressed the importance of the efforts of individuals (OECD 1981, 25).

The Social Democratic Party (SPÖ)

The roots of the Social Democratic Party (SPÖ) are found in the socialist Lager that existed during the Habsburg Monarchy and the inter-war years. The Sozial-Demokratische Arbeiterpartei, SDAP (Social Democratic Workers’ Party) was founded in 1889 by uniting the disparate workers movements at the Hainfeld Party Congress (Müller 1996b, 60). After years of opposition, it took the lead in the
establishment of the Republic between 1918 and 1920, but was reduced to a permanent opposition party for the remainder of the First Republic (ibid). After 1929 the Social Democrats abandoned their moderate Linzer Programm and replaced it with a commitment to “Austro-Marxism”, aimed at establishing the dictatorship of the proletariat (Heinisch 2002, 10).

Following World War II, in 1945 representatives of the SDAP and the Revolutionary Socialists united and formed the Socialist party of Austria (Sozialistische Partei Österreich). The party formally changed its name in 1994 to Sozialdemokratische Partei Österreichs, while maintaining its initials SPÖ (Heinisch 2002). The party benefited from the steady increase in the number of industrial workers from 1945 until the 1960s. By 1967 there was a reduction in the number of industrial workers and rural laborers along with the expansion of the service sector and the SPÖ went into opposition (Heinisch 2002, 28). In 1967 Bruno Kreisky became the new leader of the party, establishing a new party program and a new stance on important issues. Kreisky was able to secure absolute majorities in the national elections of 1971, 1975 and 1979 (ibid, 30). Kreisky introduced reforms during the 1970s designed to modernize Austria, the most important of these occurred in the area of social and economic policy. The social agenda included the expansion of coverage, the introduction of new programs, and a substantial increase in expenditures on exiting programs. Simultaneously, the number of working hours were steadily reduced, both a social and economic measure aimed at constraining the
supply of labor (Heinisch 2002, 31). The government engaged in high levels of public investment in the construction industry and financial infusions into the “increasingly ailing nationalized heavy industry” were among the favorite fiscal stimulus measures of the Austrian government (ibid).

In 1983 Kreisky failed to gain a fourth absolute majority and retired from politics, passing the leadership role of the party to his hand picked successor Fred Sinowatz. Under Sinowatz’s leadership the party was forced into a governing coalition with the pre-Haider FPÖ in 1986 causing tensions within the FPÖ, “pitting the liberals, especially the leadership in Vienna, against the right-wing nationalist rank-and-file in more provinces” (Heinisch 2002, 40). The coalition was short lived, in part to new leadership in the FPÖ that moved the party in an anti-establishment direction (Deschouwer 2001, 210).

The SPÖ governed Austria uninterrupted for nearly thirty years, but in October 1999 the SPÖ dropped to 33.4 percent of the vote and “suffered the worst defeat in party history” (Heinisch 2002, xiv). This election defeat led to a governing coalition between the ÖVP and FPÖ, which again led to a fracturing of a political party, as was the case in the mid-1980s it was the FPÖ that broke apart.

The Freedom Party (FPÖ)

The Freedom Party (FPÖ) in Austria was formed during the Second Republic, which began in 1945. The party was formed when the ‘Free Party’, founded by ex-
Nazi Anton Reinthaller, and the League of Independents (VdU) merged in 1956 (Sully 1981, 102). The League of Independents was a pan-German organization, formed from several smaller parties in 1949 (Pelinka 1998, 74). Reinthaller controlled the party until his death in 1958 and was succeeded by Friedrich Peter, a former SS officer who was to lead the party for 20 years (Sully 1981, 103). Throughout the 1950s the Grand Coalition between the SPÖ and the ÖVP was able to rally broad based domestic support and the FPÖ was forced to move closer to the center, abandoning its German nationalist and anti-democratic overtones (Kitschelt 1995, 167).

In the fall of 1978 the FPÖ selected Dr. Alexander Goetz as its leader. Goetz came from the right-wing of the party, his friends during his student days had been members of a pan-German nationalist group and he had been a member of the Hitler Youth (Sully 1981, 103). Under pressure from within the party, facing charges of incompetence and remoteness, Goetz resigned. At the 1980 party conference in Linz, Dr. Norbert Steger, associated with the liberal wing of the party, was elected party leader (ibid, 104-105).

By 1983 the FPÖ was only able to attract 4.98 percent of the vote in national elections and did not fare any better in later Landtag elections, with the exception of Kärnten. A still liberal-democratic FPÖ entered a government coalition with the SPÖ in 1983, which had lost its parliamentary majority in the preceding election (Kitschelt 1995, 170). In 1985 the FPÖ adopted, by unanimous vote, a new program which was
true to a “liberal and responsible image of a government party” (Fitzmaurice 1991, 106). In September of 1986 Dr. Jörg Haider stood against Vice Chancellor Steger for the leadership of the party, when all attempts to find a compromise candidate failed, Haider defeated Steger with 57.7 percent to Steger’s 39.2 percent of the vote (ibid, 107). Haider’s election as party leader effectively ended the FPÖ-SPÖ coalition (Europa 2000, 520). The coalition ended in part because under Haider’s leadership, the FPÖ clearly moved “in an anti-system, anti-establishment direction” (Deschouwer 2001, 210). The movement right was in part an electoral strategy, attacking the system of Proporz and the Volkspartei. Haider capitalized on an anti-government, anti consensus mood that dominated, despite the Austrian governments’ success and the good economy (Fitzmaurice 1991, 5). In the October 1990 general elections the FPÖ won 17 percent of the vote, in 1994 the party won 25 percent of the vote, securing 42 seats in the national parliament (Europa World Fact Book 2000, 521).

In the 1994 election campaign, the FPÖ under Haider’s leadership blamed the SPÖ and the ÖVP for a “culture of corruption it felt was rampant in the bureaucracy” (Siaroff 2000, 182). The party also blamed immigrants for rising crime rates and called for stricter immigration laws. The 1994 elections marked the first time that the two dominant parties failed to win a 2/3 majority (ibid).

The election of 2000 resulted in the formation of a new ÖVP/FPÖ governing coalition in which Haider took no formal national government role. The coalition formation “fueled controversy over immigration. Pressures from within civil society,
from the FPÖ’s radicalization of the public discourse on immigration and discussions in other countries such as Germany contributed to the intensification and politicization of debates over immigration" (Zaslove 2004, 109). In 2005 Jörg Haider and his most loyal supporters, including all the federal FPÖ-ministers and state secretaries, founded a new political party, the Bündnis Zukunft Österreichs (Alliance for Austria Future, BZÖ). “The differences between the BZÖ and the FPÖ are largely personal and strategic rather than ideological, and both parties are essentially populist radical right” (Mudde 2007, 42).

The FPÖ actively recruits members at the local levels. To this end the party created organizations, as well as a network of German-national cultural organizations. In the 1990s the FPÖ created a new type of associate membership that was offered to those that did not want to become formal members of a political party (Müller 1996b, 80). During the 1990s the FPÖ also was able to increase its support, mostly among blue-collar voters, unskilled and semi-skilled workers, as well as among the youngest age cohort. Blue collar workers have made up as much as 35 percent of Austrians casting their votes for the FPÖ (Luther 1999, 132-133).

The FPÖ, under Haider’s leadership has distanced itself from the more moderate 1985 platform adopting a conservative-authoritarian approach to both party and states as a völkisch commitment to an organic Germanic Heimat (Murrow 2000, 60). The FPÖ has embraced values of individual “freedom and enterprise, the social market economy and support for Austrian membership in the EC, which has replaced
the Anschluss as a broader destiny” (Fitzmaurice 1991, 107). Since Haider became party leader the FPÖ has become more nationalistic, more populist, and more chauvinistic. It opposes immigration, and builds on antipathy towards immigrants, where the 1985 program merely spoke against their integration (ibid). Haider publicly attacked multicultural or cosmopolitan developments, proposing to dismantle the welfare state to benefit the small, hardworking man against the designs of parasitical “spongers” and big capital (Murrow 2000, 6). These articulations on the part of Haider did not necessarily abate. In February 2008, after the passage of legislation in Kärnten banning the construction of mosques and minarets, Haider said it was a sign against the advancement of Islam (Deutsche Presse-Agentur 2008). In August 2008 Haider demanded that all asylum seekers be required to wear electronic ankle bracelets, to ensure that “guests behave like guests” (Agence France Presse 2008). At the time Haider had also come under criticism for transferring asylum seekers from refugee detention centers in Kärnten to Lower Austria without consulting the interior ministry in Vienna (ibid).

Conclusion

As illustrated in the previous chapter, who governs matters, and in general, we know how the largest parties, the Volkspartei, in Germany and Austria govern. There is some general understanding of how the radical right operates in office at the national level as indicated by the behavior of the FPÖ in its governing coalition with the ÖVP. However, as Art (2007) has observed, the behavior of a national party and the behavior of a regional party may be quite different. It is my assumption that the
radical right, like other parties, will pursue party platform goals and agendas, but to what effect? The following chapters engage this question by evaluating selected public policy, beginning with education policy.

Although both Germany and Austria are federal systems, Austria is more centralized than Germany. In Germany where cooperative federalism prevails, the Länder have more control over policymaking. In Austria, where federalism is more centralized, the autonomy of the Länder in some policy areas will be more constrained. It is therefore expected that regional party control of government will play a lesser role in policymaking in the Austrian cases. Even if a party may be strong legislatively at the regional level, the party may be less able to influence policymaking than those in a less centralized federal system (see figure 2-1). It is also important to remember that regional governments in both countries are parliamentary, as such it is not only assumed, but expected that the executive, the regional governments take primary responsibility for “setting the legislative agenda and pushing its budgetary, fiscal and other policy proposals through the legislature” (Gunlicks 2003, 229). The ability of regional governments to do so will depend on their parliamentary majority, and/or the strength of their governing coalition, the strength of the opposition and its willingness to make deals with the government, and depending on the number of seats held by the party in parliament, the position the neutral party takes. This has led to what some call a system of executive federalism (ibid, 230).
<table>
<thead>
<tr>
<th>Germany</th>
<th>Austria</th>
<th>Influence of Party in Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baden-Württemberg</td>
<td>Kärnten</td>
<td>Party in government</td>
</tr>
<tr>
<td></td>
<td>Tirol</td>
<td>As opposition party</td>
</tr>
<tr>
<td></td>
<td></td>
<td>As neutral party</td>
</tr>
<tr>
<td></td>
<td>Hesse</td>
<td>No radical right party in parliament.</td>
</tr>
</tbody>
</table>

Figure 2
Level of Centralization
CHAPTER III

EDUCATION POLICY

"The most valuable of all capital is that invested in human beings".
~ Alfred Marshall, Principles of Economics

According to Iversen and Stephens (2008), education has had an uneasy position in the subfield of welfare state, however it is an important public policy because education is so closely linked to income, and the quality of a person’s education may depend on a family’s socioeconomic position and parental educational levels. There is an important link between education and income, a higher level of education is closely tied to higher income. Lower education levels will influence the chances that individuals will require both income and housing assistance due to insufficient earned income. The basic assumption I make is that education policy, because it is a public policy that services all members of society, including minorities, will be a policy that, like housing and income supports, radical right parties will focus policy making attention on. In this chapter I will begin with a discussion regarding compulsory education and why it is an important policy pursuit for any government; followed by a review of the education literature including the importance of education to skills and employment, the effect of wealth and income on educational opportunities and attainment, and finally the interaction of decentralization, devolution, new managerialism and education. The discussion of education policy
will be followed by the case studies of Baden-Württemberg, Hesse, Tirol, and Kärnten.

My expectations regarding the influence of the radical right on education policy are driven primarily by what the radical right generally advocates regarding education and immigrants or non-citizens. In Germany the Republikaner view foreigners as a danger to the "Volk"; political leaders, police and public organizations that promote the integration of immigrants are denounced (Veen et al. 1993, 17). Furthermore, the party blames foreigners for a series of social and economic problems, including unemployment and housing shortages (ibid). In Austria the FPÖ has expressed a pan-German agenda, and has spoken of the "Volk" and the need to defend it, at the same time claiming Austria is not a country of immigration. If schools are agents of integration, one could expect that the Republikaner and the FPÖ would attempt to change education policy. The degree to which either party may influence policy will depend on the institutional arrangements of conservative/corporatist states and the ability to exercise power in parliament, the Maastricht Treaty and EU integration also placed some restrictions and/or expectations for education. Power is defined not only by the number of seats a party holds in regional parliament, but the ability of a party to convince or coerce other’s to do what they want them to do, and to frame issues and set agendas.

Punctuated equilibrium theory is useful in terms of issue framing and agenda setting, but also in terms of a disruption in the existing equilibrium of education policy. The increased focus on immigration brought on in part by the influx of
Aussiedler, asylum seekers, and refugees provided a means for the radical right to frame the issue of education as a problem of foreignization of the native school systems. This in combination with the growing demands of a global economy created an environment through the 1990s in which education reform could not only be carried out, but would seem necessary. The budgetary demands of the Maastricht Treaty combined with the demands placed on the welfare state to meet needs of refugees, asylum seekers and Aussiedler placed budgetary constraints on all levels of government. One controversial choice in German education was the introduction of student fees for university students, the fees were introduced in an effort to offset some of the costs of higher education incurred by the government. These budgetary constraints may also contribute to an environment of “new managerialism” where schools at all levels seek funding from non-government sources, again in an effort to alleviate budgetary constraints. European Union integration also raised the expectations of governments regarding human rights, and as a result the treatment of non-citizens within EU member states. The EU also introduced an element of what has been called a “culture of performivity” to the school systems of EU member states with attempts to provide a uniform level of education across countries, in part through PISA scores.

The purpose of this chapter is to determine if the Republikaner in Germany or the FPÖ in Austria were able to align education policy outcomes with their political party platforms and policy goals. Due to the decentralized nature of policy making in Germany and to a lesser extent in Austria, influence over policymaking at the
regional level, it is expected that this is level of government where radical right political parties are able to influence the policy making process most effectively. “On the one hand it is a free public service similar to other social services provided by the state. On the other hand, public education substantially predated the 1883 German sick pay legislation, which is generally considered to be the first piece of modern social legislation” (Iversen and Stephens 2008, 602). An evaluation of the influence of radical right political parties on education policy is relevant to this study because, as is the case with housing and income maintenance policy, education policy in Germany and Austria is made within the guidelines of federal framework legislation, carried out by regional and local governments. Because of their federal nature, on the face of it, Germany and Austria have devolved systems of education where central government, beyond the framework legislation, has little to do with education policy.

A second reason to evaluate education policy is that education spending is a not insignificant part of government budgets. In OECD countries, education spending makes up an average of 6 percent of the GDP and 10 to 12 percent of total public expenditures (Adolino and Blake 2001, 277). Public education in the OECD countries is compulsory through a state designated level, in German and Austria students must complete at least a ninth level education. This compulsory education accounts for a significant portion of education spending.
Facets of Education Policy

Compulsory Education

Compulsory education is common to all democratic countries, and is important for several reasons; schools provide governments an opportunity to instill "regime values to future citizens when they are still at an impressionable age" (Heidenheimer et al. 1990, 23). And in fact, in most countries public schools serve 90 percent or more of the student population (ibid, 29). Schools have long been recognized in political science as a primary agent of socialization of citizens and compulsory education guarantees that the young people can make choices "at later stages of their education and employment" (ibid). Education and employment are strongly linked, and levels of education matter (table 3-1). Lower levels of education mean an increased chance of unemployment. This link between education and employment provides an important link between education and income. In general individuals with higher levels of education tend to have higher income levels and more choice in employment opportunities. The education and skills acquired by students in educational systems may be thought of as human capital investment, as Iversen and Stephens point out, skills and education are "at the core of the welfare state" (Iversen and Stephens 2008, 602). Thurow (1977) identified three types of strictly economic benefits to education. First, "education directly increases the productivity of a country's labor force and indirectly increases the productivity of its physical capital (Thurow 1977, 363). Second, education alters the distribution of productivities leading to changes in the earned income between rich and poor. Third,
education can lead to economic mobility (Thurow 1977, 363). To benefit from the strictly economic benefits that Thurow outlines, students require access to an adequate education. At times, access to adequate education can be limited.

Heidenheimer et al. (1990) point out that access to education was an issue early on in the establishment of European education systems. Choices had to be made about which groups should get priority; the winners were the central government bureaucracy, while the next highest priority was given to other political elites, followed by lower-status social groups (Heidenheimer et al. 1990, 32). Access to education for the working-class had been low, and "in fact, the opportunities of workers' children actually decreased in the course of the 19th century industrialization" when "growing centralized bureaucratic structures then tended to limit access" (Heidenheimer et al. 1990, 33). Limited access to education has not been alleviated much in the ensuing years. Children of skilled blue collar workers face very significant invisible class barriers in accessing higher education (Iversen and Stephens 2008, 612). Currently in Europe integration policy targets the children of immigrants through education beginning in kindergarten, however, the quality and emphasis of these integration measures is not always adequate, and these children frequently fall behind the academic achievements of their peers (Wiener Zeitung 2007). Thurow (1977) contends that the "poor are poor because they have gotten bad educations, partly as a result of inadequately funded and therefore inferior school systems, but partly also as a result of sociological factors that prevent poor children from absorbing the education that is available" (Thurow 1977, 353).
### Table 3

#### Trends in unemployment ratio by educational attainment (1991-2002)

<table>
<thead>
<tr>
<th>Number of 25 to 64-year-olds who are unemployed as a percentage of the population aged 25 to 64, by level of educational attainment</th>
<th>1991</th>
<th>1995</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
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<td>3.4</td>
<td>3.9</td>
<td>3.5</td>
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<td>2.3</td>
<td>2.8</td>
<td>2.5</td>
</tr>
<tr>
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<td>1.7</td>
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<td>9.2</td>
</tr>
<tr>
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<td>Upper secondary and post secondary non tertiary</td>
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<td>6.1</td>
<td>7.9</td>
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<td>7.0</td>
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Human Capital Investment

Thurow (1977) found that investments in education are a powerful tool in altering the distribution of income in society. Spending on education is considered a form of human capital investment. According to Becker (1993) it is “in keeping with the capital concept as traditionally defined to say that expenditures on education, training, medical care, etc, are investments in capital” (Becker 1993, 16). As Becker points out, these expenditures produce human capital “because you cannot separate a person from his or her knowledge, skills, health, or values the way it is possible to move financial and physical assets while the owner stays put” (Becker 1993, 16). According to Becker the concept of human capital is “important to investments in education, training, and other skills and knowledge by individuals and firms, but also to understanding economy-wide changes in inequality, economic growth, unemployment, and foreign trade” (ibid, 255). Education becomes a good investment “not because it would raise the people’s incomes above what they would have been if no one had increased his education, but rather because it raises their income above what it will be if others acquire an education and they do not” (Thurow 1977, 364).

Boix (1998) writes that human capital formation takes two forms. “It may entail spending on general education to increase the generic skills of the whole population” or it “may involve specific programs to retrain given segments of the population such as the unemployed” (Boix 1998, 70). When compulsory education guarantees that young people can expand their choices later in life, there is an expectation that individuals can expect some social mobility with the acquisition of
an education, confirmed by the granting of a degree. The equality of opportunity perspective in education assumes that school systems can “compensate for existing social and economic inequalities in a society. The assumption is that universal access to schooling will serve as a leveler” (Adolino and Blake 2001, 277), if this is true then it would be an advantage for countries to educate foreign populations, who would then become contributors to the economy through their work. However, universal access does not mean that individuals or families will universally take advantage or be able to take advantage of educational opportunities.

Education, Skills, and Employment

Standard economic theories of the labor market contend that wage competition is the driving force of the labor market (Thurow 1977, 353). This theory assumes that people come into the labor market with definite, pre-existing or non-existing set of skills, and that they then “compete against one another on the basis of wages. According to their theory, education is crucial because it creates the skills which people bring to the market” (Thurow 1977, 354). Furthermore, education may raise potential earnings (ibid).

Thurow points out at least two discrepancies in the wage competition theory. First, in the case of the U.S. labor market, the market is characterized less by wage competition than by job competition (ibid). This means that existing jobs are looking for specific people, implying that a labor market based on job competition in which education certifies “trainability” “conferring on him a certain status by virtue of this
certification” (ibid). In a labor market based on job competition a person’s income is determined by their relative position in the labor market and by the distribution of jobs in the economy (ibid, 358). An important feature of this model is that labor skills do not exist in the labor market, “on the contrary, most actual job skills are acquired informally through on-the-job-training after a worker finds an entry job and a position on the associated promotional ladder” (ibid). In this job competition model education becomes what Thurow calls a defensive necessity. That is, while the supply of educated labor increases, individuals will find that they have to improve their educational level to defend their current income positions (Thurow 1977, 364). The second discrepancy is that although the distribution of education has moved in the direction of “greater equality over the post-war period, the redistribution of income has not” (ibid, 356). Although education has become more equally distributed across all socio-economic strata in society, this has not resulted in a more equal distribution of incomes.

Whether one accepts Thurow’s arguments regarding job and wage competition, the conclusion is the same: education raises incomes for workers and can protect a workers’ job. Education provides individuals with skills (Iversen and Stephens 2008), and increasing or enhancing skill levels increases not only the income and job potential of individuals, it also increase the productivity of workers, while at the same time decreasing the risk of unemployment and rising inequality (Busemeyer 2007a, 8). This is a particular problem for immigrants, as they tend to have lower levels of education, and are overrepresented as low- or non-skilled
employees, and so at greater risk of unemployment. Iversen and Soskice (2006) identify two different types of skills from which workers derive their income. Specific skills are valuable only to a specific firm or group of firms, “whereas general skills are portable across firms” (Iversen and Soskice 2006, 876).

Types of skills matter because in an economic downturn those with low skills who are unemployed or become unemployed will see the erosion of those skills they do have because individuals are unable to practice them (Boix 1998). For all unemployed the “probability of finding a job similar, in terms of skills, to the one they lost declines steadily” (Boix 1998, 20), because in part due to economic internationalization there has been a widening of the distribution of skills and income between low and high-skilled individuals (Busemeyer 2007a, 6). Increased economic competition between industrialized and newly industrialized countries increases the demand for highly skilled labor and depresses demand for low-skilled labor in advanced economies (Busemeyer 2007a, 6). The depression of the demand for low-skilled labor in advanced economies is a particular problem for immigrants as they tend to enter the labor market with low skills. In the EU, specifically in Austria, these unskilled workers are primarily from Turkey and the former Yugoslavia, while skilled workers come from other EU member countries (Wiener Zeitung 2007).

In the context of a discussion regarding education and skills, it is interesting to note that Veen et al. (1993) found that 46 percent of the potential voter pool for the REP represented individuals with a minimum required schooling with apprenticeship or the completion of non-academic secondary school, regardless of household
income, with a middle class orientation; the majority of these sympathizers were employed in white collar occupations. It is not uncommon to encounter the suggestion that radical right sympathizers are blue collar employees fearful of loosing their jobs; however, the findings of Veen et al. (1993) do not confirm this. What is more important is the level of education, which may be directly related to the acquired skills of those individuals. A higher level of education indicates a more generalized skill set that also tend to be more transferrable to other work environments than specific skill sets.

**Wealth Effect**

One view of education access asserts that individuals are innately different in their capabilities and are not equally capable of benefiting from an education. Supporters of this view advocate access to “education systems based on achievement, especially in secondary schools and universities” (Adolino and Blake 2001, 277). This view leads to the advocacy of national educational standards, an emphasis on testing and admissions based on test scores. As Adolino and Blake (2001) point out, access to secondary and post-secondary education based on competitive exams or other merit evaluations have the effect of rewarding those who were better off prior to entering the system. Such policy choices reinforce rather than reduce existing inequalities. In fact, Iversen and Stephens found that “students in higher education are drawn disproportionately from the upper strata and are bound, even more disproportionately, to these same strata” (Iversen and Stephens 2008, 618).
Income levels are important to discussions regarding education. Being better off prior to entering the education system does not simply indicate a better education prior to entry. One factor leading to a quality education, even in primary and secondary education, is income level. Income levels may be affected by characteristics that individuals have no control over. Becker (1993) has argued that families “of particular races, religions, castes, or other characteristics who suffer from market discrimination earn less than do families without these characteristics” (Becker 1993, 266). Income levels matter because families with more economic resources are more readily able to “self-finance an investment in children than can poor and middle-level families” (ibid, 272). Wealthier families have better than average endowments which raise the wealth-maximizing investment in human capital by wealthier families above that by poorer families (ibid). Empirical observations indicate that the wealth effect on investments in children dominates the endowment effect, “poorer children are at a disadvantage both because they inherit lower endowments and because capital constraints on their parents limit the market value of the endowments that they do inherit” (ibid).

Education, Decentralization, and Funding

One problem with education policy is who controls the education systems (Adolino and Blake 2001, 278). In more recent years, there has been a trend toward decentralization of education policy as part of the new public management movements of the 1990s (Luijten-Lub et al. 2005, 159). Initially policy change came
from within the education sector itself, and was more possible in decentralized systems of government due to the autonomy of educators because policy making is made primarily at local levels (Heidenheimer et al. 1990, 34). However, newer forms of devolution have been “shaped by corporate managerialism and by market ideologies” (Henry et al. 2001, 33). However, the trend of devolution has been accompanied by a centralization of policy making, meaning that although responsibility for carrying out policy has been devolved to regional or sub-regional governments, the policy is more frequently made at the level of the central or national government; devolution has taken place in terms of the responsibility of carrying out goals set at the center (Henry et al. 2001, 33). This means that general decisions regarding education are made at the national level, while the responsibility and even the funding for these overarching policies are left to sub-national levels of government to carry out. An example is the increase in pressure to assume national curricula in most advanced industrialized countries (Adolino and Blake 2001, 278).

The move to centralize the regulation of curricula is meant to enable the standardization of performance criteria to provide for professional accountability and consumer choice (Whitty et al. 1998, 38).

Devolution may also include the devolution of funding to schools on a per capita basis, which may have the consequence of schools attempting to maximize their roles, “schools which do not attract students are penalized in a direct fashion by the withdrawal of funding and staffing resources” (Whitty et al. 1998, 36). Standardization of curricula also leads to what Whitty et al. (1998) call a culture of
assessment whereby students and teachers are held to a specified standard of performance. The publication of test results does provide professional accountability for teachers and a potential guide for parents choosing schools for their children. However, this publication has its own set of problems. The “culture of assessment” that places an emphasis on output has three consequences according to Whitty et al. (1998). First, it replaces the predominant concerns of quality of provision and equity of access and opportunity; second, by focusing on output, it redefines the purpose of education in terms of the economy rather than individual demand; third it provides a powerful instrument for steering individual institutions (Whitty et al. 1998, 37). This “culture of assessment” promotes competition between schools, often leading to the reduction of cross-school collaboration (ibid, 62).

The publication of school test scores and the focus on output creates a situation where this output data is often used by parents when making school choices. The use of this data alone may mean that parents are choosing schools that are not necessarily effective teaching institutions, but have been able to attract more “academically able students and dismissing others that are making significant improvements in students with lower prior attainment scores” (Whitty et al. 1998, 82). Klitgaard (2007, 449) has found that school choice opportunities created by some recent educational reforms are more often exploited by well-educated parents who have the resources to gather and compare relevant information. The movement toward school vouchers and school choice movements in conservative welfare states has been slow and the states have been less willing to adopt and experiment with such
reforms (Klitgaard 2007, 450). There may be several reasons for this. First, the natures of the decentralized, federal states lend themselves to multiple veto points. Because education policy is made at multiple levels, there is less focus in the policy agenda and greater access to the agenda. Second, the initiation of policy change and participation in the decision making process by educators tend to be less difficult in decentralized systems due to educator autonomy and independent financial resources. Third, local administration allows greater participation by local community members in the policy process (Adolino and Blake 2001, 279). Klitgaard (2007) goes further, asserting that vouchers conflict with the states’ political goals, undermining social group identities while stimulating changes in the social order, jeopardizing societal stability. Furthermore Klitgaard argues that the connection between religious faith and welfare services in conservative welfare states may also constitute a major obstacle for the adoption of school vouchers (Klitgaard 2007, 450). This is the case for both Germany and Austria, countries that fit Klitgaard’s description.

A final matter that has become an important part of the debate about education policy is the issue of funding. Public expenditure on education has slowly converged overtime (Boix 1998, 56). Much of the public spending on education “is driven by ‘demand’ factors – mainly the demographic structure of the country” (Boix 1998, 70), a higher share of the young population results in higher spending on education (Busemeyer 2007b, 601). Countries with strong population growth will tend to spend more on education than one with an older demographic profile, all other things being equal (Boix 1998). Spending on primary and secondary education constitutes the
largest part of education spending in OECD countries, about 75 percent (Busemeyer 2007b, 601). Spending on primary and secondary education remains largely constant, so the degree to which a nation pursues public investment in higher education largely determines its relative position in total education spending (Busemeyer 2007b, 585). Even if enrollment in primary and secondary education is nearly universal in advanced industrial societies, the variation in the population share of the young constitutes a significant variation in the demand for education spending (ibid). Investments in higher education spending is more dependent on political and institutional factors and is governed to a greater degree by long standing political routines than primary and secondary education (Busemeyer 2007b, 601).

The effects of new managerialism that influence the organization, structures and basic practices of health care, welfare and other public sector bureaucracies looks similar in education (Henry et al. 2001, 33). One of the consequences of the new managerialism has been the emergence of entrepreneurial activities and fund raising in universities that challenge their more traditional goals of scholarship, social critique, disinterested pursuit of knowledge and curiosity driven research (ibid, 34). In addition, student fee structures have modified student/staff and student/institution relationships “toward a more consumerist culture” (ibid, 34). Henry et al. (2001) call this the culture of “performivity” permeating restructured educational systems through the imposition of mass performance indicators that link strategic plans of the center with outcomes of practice at the individual institutions. They claim that the results of state policy practices of a culture of performivity has been an emphasis on
instrumental, operational and measurable outcomes, rather than on claims made on the basis of truth (ibid).

The conservative/corporatist structures in Germany and Austria and their emphasis indicate several things. The emphasis on occupational based programs may indicate that post-compulsory education will focus on employment sectors that have a strong presence in the corporatist structures. This employer driven education has the potential to lead to specific skill sets for employees that ultimately are less transferable. As Iversen and Soskice (2006) have found, general skills are transferable across firms, whereas specific skills are less so. Lower education levels are also problematic because they are generally associated not only with specific skill sets, but also with higher levels of under- and unemployment.

Education policy in Germany and Austria is characterized by decentralized policymaking, their federal systems allow for a strong veto structure. A strong veto structure may be negatively associated with public education spending because it has lowered the expansion of the public sector in general. Moreover the negative effect on education spending is due to specific types of veto institutions, specifically autonomous social insurance institutions and federalism (Busemeyer 2007b, 588). Busemeyer (2007b) states that one can argue that in welfare states with autonomous social insurance institutions, the fiscal leeway for education policy is severely constricted because expenditures for social policies are prioritized. If this is true, education is likely to lose the battle for scarce public resources, and part of the explanation lies in the institutional structure of the welfare state (ibid, 589). Hega and
Hokenmaier (2002) found that conservative nations tend to place greater emphasis on social insurance expenditures than education, relative to other welfare state types. Though the conservative states tend to lead in social insurance spending as a percentage of total public spending, they are “laggards in educational spending” (Hega and Hokenmaier 2002, 160).

In view of the previous discussion I expect that it is the issue of educational spending and funding will be important to the regional governments in Germany and Austria. Spending and funding, where resources should be distributed, became a more salient issue due to the high number of ethnic Germans, refugees, and asylum seekers that flooded into Germany and across Austria with reunification, the fall of the Soviet Union and the Yugoslav civil war. I expect that the discussions regarding funding will be divided along party lines, with the conservative parties advocating reduced spending or a shift in spending in secondary and higher education to more academic education and less vocational training. In turn I would expect the social democratic parties to argue for more spending on vocational education/training. These expectations are based on the traditional constituencies represented by these parties and the parties’ traditional positions on social policy. I also expect that given the confluence of events in central Europe during the late 1980s early 1990s, that the window of opportunity to change social policy would be open, making it possible for all interested parties to have some role in altering existing social programs.
In Germany the *Länder* largely control education and education policy (Fuhr 1997; Stevenson and Nerison-Low 2002; Adolino and Blake 2001; Onestini 2002) and, as Führ (1997) has observed, the Basic Law did not originally give Federal authorities jurisdiction over education. Thelen (2004) calls this structure of German education that placed responsibility for all levels of education in the hands of regional governments the single most important innovation for German education (Thelen 2004, 243). In the last three decades, both formally and informally, two or three levels of government are generally part of making and executing decisions regarding education. There are both vertical and horizontal arrangements. Vertical arrangements refer to the division of competence between the Federal government, the *Länder*, and local authorities in which decisions are made through majority voting rules or through hierarchically defined competencies. The hierarchy depends on the policy area under consideration: each level of government maintains autonomy in certain spheres and stages of policy making, but the outcome is not determined by unanimity rules (Onestini 2002, 15). The horizontal arrangements refer to intra-federal relations and include a number of decision making arrangements. This refers to independent *Länder* decisions of pooling or coordinating their autonomy in specific policy areas, through the creation of specialized ministerial conferences (ibid). This decentralization of education policy competencies to lower levels of government and the existence of a strong veto structure influence the funding of education by limiting
the possibility of redistribution of fiscal resources from other policy areas to education (Busemeyer 2007b, 602).

The Basic Law “incorporates the education system in a democratic welfare state founded on the rule of law” (Führ 1997, 32) and the role of the Länder within the German intra-Federal relations are regulated by a series of principles implicit and explicit in the Basic Law (Onestini 2002, 15). First attempts to regulate education in the post World War II German education system were accomplished through legislation passed intended to regulate vocational education. This legislation extended recognition to the Chambers of Handwerk, Industry and Commerce, authorizing them to exercise para-public functions in the administration and oversight of plant – based vocational training under a modified form of self-governance (Thelen 2004, 241). In spite of these pieces of legislation the Länder, up to 1969, had sole responsibility for education policy. Then, in a series of financial reforms, Federal authorities were given limited powers such as the right to enact framework legislation pertaining to general guidelines for the university system and some influence over education planning (Führ 1997, 33). These reforms also created a new oversight structure for plant-based vocational training consisting of tripartite boards at the national and state levels (Thelen 2004, 241).

Since 1971, Länder have been legally bound to maintain comparable basic structures in their school systems and a Standing Conference of Education and Cultural Affairs (KMK) meets regularly to provide for greater “harmonization of policies across school systems” (Adolino and Blake 2001, 295). With the addition of
the five new Länder at the 251st plenary session on December 6/7, 1990 the Conference gained new importance, serving thereafter a key function in “all German educational co-operation with preparation and implementation of joint reforms” (Führ 1997, 33). The KMK has developed a “set of voluntary standards and guidelines for school forms, a common curriculum, and mutual recognition of school completion qualifications” (Ashwill et al. 1999, xix) all of which are implemented by the individual Länder.

The KMK resolutions and recommendations demand unanimity on the part of all the Länder Ministers of Education (Führ 1997, 34). “Resolutions, which constitute recommendations to the Federal states, are only binding when promulgated in the form of laws, decrees, and regulations” (ibid). Because of the unanimity demanded of Conference resolutions, there is great pressure towards compromise and demands of all Länder a sense of “national responsibility and reunification of self-assertion” (Führ 1997, 35). The KMK resolutions ensure a high degree of comparability in the academic process and in the implementation of standards throughout Germany. The most obvious example of these standards is the Abitur, the final exam for secondary education that permits students entry to universities (Ashwill et al. 1999, xix).

Although the KMK does exercise influence over education policy, the Länder control over education is still the key aspect within regional autonomy and the Basic Law does not accord the Federal authorities power of jurisdiction over education (Führ 1997, 32). For a long time the Länder had been reluctant to embrace any movement toward cross-state comparisons and did not use national testing or large
scale assessments of students (Adolino and Blake 2001, 296). The division of powers laid down in the Basic Law gives the Länder comprehensive responsibility for the organization of education. The Länder determine the objectives of education; regulate compulsory schooling, establishment and maintenance of schools, local control of schools, supervision of schools, school administration, cooperation between parents, teachers, and pupils on the organization of work and play at school, pupil status, free schooling and teaching aids, and assistance for education. The Länder are also responsible for teacher training (Führ 1997, 47), however, the Federal government pays “strict attention to teacher training, establishing compulsory curricula for all sixteen Länder for all subjects and areas of study in all types of schools, and ensuring that textbooks comply fully with the curriculum” (Adolino and Blake 2001, 296).

In the 1980s complaints about the system of higher education grew. The complaints included concerns about the length of time it took to earn a university degree, overflowing lecture halls, too little contact between teachers and students and between researchers and industry, as well as a lack of comparability between German and international qualifications (ibid). As early as 1992 the Conference of Ministers and University Rectors set up two joint study groups that issued suggestions that would reduce the length of university studies and on University structures. In July 1993 two conferences granted approval and formed the basis of a declaration on educational policy by the Länder heads of government on October 29, 1993 (Führ 1997, 194). In June 1995 then Foreign Minister Klaus Kinkel called for reform of
higher education based on his belief that such reforms were needed to make Germany more competitive in foreign trade (Adolino and Blake 2001, 296). In 1996, after repeated calls on the part of political parties and attempts by the Gemeinsame Verfassungskommission (GVK) to reform the Higher Education Act (HRG), Federal Minister for Education Rütgers “launched a new initiative for the revision of the framework law in November 1996, by creating a group of experts that could offer advice on the most urgent reforms to be included in the new proposals” (Onestini 2002, 121).

School System

German kindergarten is usually operated by communities or non-profit organizations and is not required for children. Kindergartens are generally regulated by the Land governments, with a focus on structural features such as staff-child ratios, group size, and building standards. In 1996 a law was passed that required preschool to be available to every child, and preschools cannot refuse any child for reasons other than an obvious shortage of space or places at the school (Bideinger et al. 2008, 247). Beginning at age six, and ending four years later, children are enrolled in elementary or primary school (Grundschule) (Stevenson and Nerison-Low 2002, 15). Grundschule is the basic level of education in Germany and is attended by all children; it is also the foundation on which the “differentiated secondary education system is based” (Führ 1997, 79).
Following Grundschule some students may enter an orientation level that includes classes five and six and serves to help students “find their way within the possibilities offered by different types of school, keeping options open until the end of the sixth class” (ibid). Most students are transferred into a tripartite educational system consisting of the middle schools (Realschule), the lower secondary schools (Hauptschule), and the upper secondary schools (Gymnasium or Fachoberschule) (Klitgaard 2007, 459). Where Hauptschule exists, it is compulsory for all students after primary school or orientation level that do not go to Realschule, Gymnasium, comprehensive (Gesamtschule), or other secondary school. It provides a basic general education and creates the “preconditions for finding a job and qualified vocational training” (ibid). In general, Hauptschule is for the least academically qualified students (Stevenson and Nerison-Low 2002, 15). In some Länder qualified students may move to an extension Gymnasium after the completion of the sixth, seventh or in rare cases the eighth class (Führ 1997, 79).

The normal form of Realschule takes six or four years, comprising classes five or seven to ten. Realschule provides a general education and prepares students for employment. It leads to an intermediate qualification, a precondition for a number of vocational courses and for attending the technical secondary school (Fachoberschule) (ibid, 80). Some students who complete Realschule can transfer to the upper level at Gymnasium and take the Abitur, however relatively few do so. Instead, many pursue
further education through apprenticeship programs or other practical training programs after completing Realschule (Stevenson and Nerison-Low 2002, 44).

The Gymnasia is typically divided into lower (classes five to ten) and upper (classes 11 to 12 or 13) levels. Gymnasium often specializes in certain subject areas and students can choose among those that offer one or more different tracks (Stevenson and Nerison-Low 2002, 25). Completion of Gymnasium is the precondition for attending university, and makes possible non-university vocational training (Führ 1997, 80). The comprehensive school (Gesamtschule) is an integrated or co-operative comprehensive school and usually comprises classes five or seven to ten. Gesamtschule primarily provide joint instruction for lower secondary students “integrated and differentiated in a variety of ways, to integrate the three traditional forms of school” (ibid, 80). Secondary level II comprises general and vocational schools between lower secondary level I and higher education that includes classes 10 to 12, 11 and 12, or 11 to 13 (ibid). Most Gymnasium students take the Abitur examination that is the gateway to university education and other training and education programs. The Conference of Ministers (KMK) has established uniform national standards for 33 subjects that cover the academic knowledge that Abitur examinations are expected to test. A student’s knowledge is measured through one oral and three written examinations covering four subjects, including two designated as advanced subjects (Stevenson and Nerison-Low 2002, 43).
Vocational apprenticeships are the most frequently attended form of upper-secondary education in Germany; with over ¾ of German adolescents attend these programs following graduation from *Haupschule, Realschule, or Gesamtschule* (ibid, 100). Vocational training can take one of two tracks. Either through a dual system of co-operation between firm and part-time vocational school (*Berufsschule*), or through full-time vocational school (*Berufsfachschule*) “which mediates knowledge about a broader range of possibilities (i.e. commercial or trade schools) before starting work” (Führ 1997, 80). At the *Berufsschule*, during the two or three years of their apprenticeship, students spend one or two days a week at a vocational school attending classes and work the rest of the week as apprentices in a company (Stevenson and Nerison-Low 2002, 100). Either route can lead to vocational extension school, technical secondary school, or adult continuing education, which provide the qualification for entrance to polytechnics or other institutions of higher education (Führ 1997, 80). The German vocational education system has come under some criticism. First, it has been argued that the German system creates skilled workers, whose qualifications and identities are rooted in traditional and rigid occupational categories, preventing German manufacturing from adapting to new innovation and more flexible manufacturing techniques. The second weakness is the “relative underdevelopment of continuing vocational education and training” (Thelen 2004, 270). It may be however that this weakness is not due to underdevelopment of continuing vocational education and training, but rather the type of skills “from which workers derive their income” (Iversen and Soskice 2006, 876). Making continuing
vocational education and training a secondary problem, related to skill specificity. Although these criticisms are legitimate, it is also clear that the creation of skilled workers contributes to a population of workers with high productivity and higher incomes while decreasing the risks of unemployment and income inequality for some individuals (Iversen and Stephens 2008; Busemeyer 2007a). This lack of skills in the population of foreign residents in both Germany and Austria is in fact a primary contributing factor to not only higher rates of low educational attainment, but higher levels of poverty and unemployment leading to higher levels of non-citizens relying on social welfare services, like income supports, housing subsidies, and cash benefits. This low educational attainment combined with higher levels of poverty and unemployment contribute to the perception on the part of the native population that foreigners are a problem, and providing the radical right with “proof” that their claims regarding foreigners are not only accurate but legitimate.

There are two additional pathways for students to higher education. The first is an alternative form of university admission (Zweiter Bildungsweg) that allows young people and adults who did not complete courses at Realschule or gain the university qualification at general or vocational schools to gain admission to university. The institutions that provide this second chance include vocational extension schools, evening versions of the Realschule and Gymnasium, and adult continuing education (Führ 1997, 81). The second is through the relatively underdeveloped continuing education and training system, a weakness that contrasts...
sharply with the elaborate and articulated framework for supervision, oversight, and certification of initial training (Thelen 2004, 270).

Baden-Württemberg

Baden-Württemberg, according to a 2002 study conducted by Gemini Ernst and Young, ranked first in the country in teaching, knowledge transfer and research intensity and its universities positions in all rankings (Ministry of Science, Research and the Arts 2005, 7). There are currently 1.5 million students in the general education and professional schools in Baden-Württemberg (Schulsystem). The general schools up through Hauptschule, Realschule and Gymnasium in Baden-
Württemberg are very similar to the other 15 Länder. The University system, is very diverse consisting of nine traditional research universities that focus on academic work and combine teaching and learning with research; six universities of education for teacher training; 23 Fachhochschulen, universities of applied sciences offering both practical training and applied research; eight universities of cooperative education (Berufsakademien) offering three year programs combining an academic curriculum with practical experience in business, industry or social welfare agencies (Ministry of Science, Research and the Arts 2005, 8). There are ten universities for music, performing arts, design and film. These schools focus on theory and performance skills (ibid).

The primary concern in Baden-Württemberg on the part of the largest parties, the CDU and SPD, through the 1990s was primarily the restructuring and reform of the university and vocational college system. Discussions centered not only on how to expand the vocational and apprenticeship system through internship programs, but how to aid students in determining what programs to enter and what studies to engage in. Furthermore, the regional government introduced university aptitude exams as well as introducing performance incentives for students. These actions were taken in part due to concern over what were perceived to be unacceptable drop-out rates (DS12/50). Whitty et al. (1998) are correct in their assertions regarding a “culture of assessment”; the consequences of the introduction of aptitude exams could be negative for students. Even with the introduction of student performance incentives, student performance will be affected by other factors; for example the capital
investment of the student’s family, the family income, ability to make decisions of
school choice and the information available to students and families when making
those choices. The regional parliament also adopted a coalition agreement that created
an obligatory school practicum and intermediate exam for teacher training at the
Gymnasium (ibid).

In August 1992 REP Abg. Liane Offermanns submitted an inquiry to the
Ministry for Culture and Sport questioning the existence of gangs in schools in
Baden-Württemberg (DS 11/287). This inquiry requested that the government
document how many gang-related acts of violence took place between January 1990
and June 1992; in which schools did these acts of violence take place and in how
many cases were these acts perpetrated by non-German students. In 1992 the
Republikaner submitted a motion to the Ministry for Culture and Sport questioning
the safety of schools, the supervision of schools and what they perceived to be
ongoing criminal activity in schools (DS11/857). The Republikaner inquiry proposed
that criminal activity in school endangered German students and that parents had the
right to know that their students were safe at school. The Ministry response made
clear that there was no evidence to suggest that criminal activities in schools were
primarily engaged in by foreign students (ibid). This concern regarding law and order
and the assertion that immigrants were responsible is consistent with radical right
rhetoric. However, it is also an example of redistributive conflicts or resource
opposition focusing on the threat immigrants pose to social order.
The issue of school safety, as raised by the Republikaner was interesting for several reasons. First, the invoked right of parents to know their students were safe at school was leading, because it is linked to the ability of parents to choose a different school for their children should parents feel their children were not safe. Blaming non-German citizens for acts of violence in schools is also leading because if German students were not safe and their parents should be able to move their children to a different school, the affected schools could face an outflow of German students, leaving non-German students more concentrated in some schools, leading to creation in education of a ghetto for non-German students. Furthermore, this type of situation can lead to a downward spiral of individuals who become alienated and more dependent on their own ethnic group, leading to increased distance from German society, a further distance from inclusion and increased reliance on their own “people”.

The issue of skills, a key component in theories regarding transition economies, did gain recognition as one of the problems in education. In regional parliament the problem of a lack of skilled workers in Baden-Württemberg was recognized, and in 1992 this issue received attention both from the CDU and from the Republikaner. The Republikaner asserted that the problem with a lack of skilled workers lay in the education system. That there were too many students dropping out of school, and that too many of those that remained were choosing courses of study in high tech, academic and other specializations (PiPr 11/10, 541). Abg. König (REP) suggested that the area of reform to address this problem should be the secondary
school. To this point König suggested that not only was the sub-divided school system a good one, because it channeled students into the area of study to which students’ talents and abilities were best matched. The suggestion for school reform was to improve the quality of the Realschule and the Gymnasium. Second, König suggested that the secondary schools did not place the necessary value on vocational training and skilled jobs. It is interesting that König made this argument given that students completing the non-academic programs represent the largest potential pool of voters for the party.

König’s final point was that the secondary schools were on the decline and parents were losing faith in them due to the foreign influences in class, specifically in the city schools (ibid). König asserted that parents, through the state parents’ council, had registered concerns regarding foreign students in German schools. Furthermore, König asserted that the pressures of foreign students in Germans schools, specifically Realschule and the Gymnasium, were an infringement on the rights of German students and parents (ibid). It is true that there was an increase in the numbers of foreign students attending school in Baden-Württemberg (see table 3-2), however the numbers of foreign students in Realschule actually decreased, while the numbers of foreign students enrolled in Gymnasium were relatively stable. König’s argument might have been stronger had he argued his case regarding the Grund- and Hauptschule where there was an increase of foreign students of almost 11,000. This particular assertion brought on comments from members of other parties. The SPD called König’s assertions stupid, to which König responded that these were not stupid
things, but facts (ibid, 542). König ended his comments again by calling for a return to social acceptability of the "blue overalls" (ibid). Abg. König’s remarks were not received well, ending among calls of other members of parliament regarding the length of his speech, being too long. FDP/DVP Abg. Pfister called König’s remarks a humorous speech (ibid). König’s reference to the “blue overalls” is directed to the blue-collar workers most often assumed to be supporters or at least sympathizers of the REP, making the findings of Veen et al. (1993) regarding the composition of REP supporters all the more interesting. If we recall, Veen et al. found that the largest pool of potential REP supporters was in fact white collar workers with low levels of educational attainment.

The other political parties in parliament were also concerned with the need for skilled workers; however at no time did the representatives of the other parties

<table>
<thead>
<tr>
<th>School Year</th>
<th>Foreign Students</th>
<th>Grund- and Hauptschulen</th>
<th>Sonder- schulen</th>
<th>Realschulen</th>
<th>Gymnasien</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991/92</td>
<td>153,236</td>
<td>111,080</td>
<td>12,054</td>
<td>16,332</td>
<td>12,454</td>
</tr>
<tr>
<td>1992/93</td>
<td>159,391</td>
<td>116,295</td>
<td>12,516</td>
<td>16,492</td>
<td>12,969</td>
</tr>
<tr>
<td>1993/94</td>
<td>162,804</td>
<td>119,553</td>
<td>12,903</td>
<td>15,926</td>
<td>12,982</td>
</tr>
<tr>
<td>1994/95</td>
<td>164,717</td>
<td>120,651</td>
<td>13,026</td>
<td>16,842</td>
<td>12,799</td>
</tr>
<tr>
<td>1995/96</td>
<td>167,576</td>
<td>123,781</td>
<td>13,369</td>
<td>16,399</td>
<td>12,711</td>
</tr>
<tr>
<td>1996/97</td>
<td>169,559</td>
<td>125,822</td>
<td>13,446</td>
<td>16,239</td>
<td>12,713</td>
</tr>
<tr>
<td>1997/98</td>
<td>168,767</td>
<td>125,367</td>
<td>13,279</td>
<td>16,060</td>
<td>12,785</td>
</tr>
<tr>
<td>1998/99</td>
<td>165,510</td>
<td>122,627</td>
<td>13,152</td>
<td>15,801</td>
<td>12,677</td>
</tr>
<tr>
<td>1999/00</td>
<td>166,586</td>
<td>123,697</td>
<td>13,204</td>
<td>15,865</td>
<td>12,523</td>
</tr>
<tr>
<td>2000/01</td>
<td>164,673</td>
<td>121,752</td>
<td>13,074</td>
<td>16,067</td>
<td>12,503</td>
</tr>
</tbody>
</table>

Source: Statistisches Landesamt Baden-Württemberg
conclude that the problem rested with the number of foreign students in the secondary school system. The CDU viewed the problem of skilled workers not only as one of education, but also how to assure the economic security of students through a stable economy. CDU Abg. Wieser asserted that the strength of the state of Baden-Württemberg was in its diversity and gifted and talented citizens. Weiser went on to vocalize the CDU support for the existing school system, the Sonderschulen, and the secondary school systems. Wieser also reminded the parliament of the coalition agreement that added a voluntary year ten to the school system (ibid, 543). The CDU further expressed a desire to introduce at the vocational schools Abiturienten and Realschüler (ibid, 544).

SPD Abg. Wintruff pointed out that the duration of unemployment correlated strongly with age and training levels, that the ability of populations like the Aussiedler to find employment were related to their inadequate skills (ibid, 544). The SPD asserted that the deficit of qualified skilled employees was not just a problem of demographics; the number of unfilled apprenticeship and internship spots was in part attributed to more students enrolling in full time vocational schools than the number of trainees applying for full time apprenticeships or the dual system of apprenticeship training and schools (ibid). GRÜNE Abg. Schnaitmann further argued that the deficit of qualified skilled employees was not necessarily due to the increase of university students and a decrease in those seeking training opportunities, because there was not a predicted glut in future university graduates (ibid 545). Abg. Schnaitmann quoted a study by the Nuremberg Institute for Labor Market and Occupational Research that
found that with an increase in the need for skilled workers, the trade and technical areas would experience a deficit of up to 58 percent by the mid-1990s (ibid).

The Republikaner remained relatively quiet on the issue of education, but in 1998 questioned the political neutrality of school reforms adopted in November 1997 as required by the Schulgesetz. The issue raised by the Republikaner involved the leadership of the parent’s council and the impartiality of the council, in particular because the council received state subsidies (DS 12/2434, 2). The issue for the Republikaner was the perception that the parents council was not only not impartial, but was unduly influenced by a leftist leadership and was furthermore not following the legally defined process described in law for expressing and allowing the expression of the concerns of parents (ibid). This proposal not only required that the Ministry for Culture, Youth and Sport respond in writing, but required some government action. In its response the Ministry asserted that according to school legislation the parents’ council was an advisory organization, receiving subsidies from both political parties, and was to be legally registered as non-partisan organization (ibid). The Ministry also responded that the subsidies were to be used in accordance with the needs of the county budget to fulfill the tasks of the association, that the funds could not be used outside of school settings and not for extra curricular purposes (DS 12/2434, 3). Due to the nature of the proposal, according to its procedures the Landtag was required to hold an open discussion in parliamentary session. The Landtag adopted the recommendation of the Committee for School,
Youth and Sport considering the response of the Ministry sufficient regarding the proposal of the Republikaner, ending the discussion.

Later that same year the Republikaner again addressed the issue of education. In the proposal DS 12/2931, submitted to the Ministry for Culture, Youth and Sport, the Republikaner requested that the Ministry address the issue of Islamic students, officials and teachers wearing the hijab in school. The assertion the Republikaner made in their proposal is that the hijab is a symbol of Islamic fundamentalism and therefore should not be allowed in schools, for students and teachers. The Ministry response indicates that the constitution guarantees a freedom of religion, and under Article 3 paragraph 2 of the Basic Law Islamic women have the right to wear the hijab (DS 12/2931). The parliamentary debate in the Landtag became heated. Rep. Abg. König insisted that in wearing the hijab, Islamic women were making political statements, not religious statements and again asserted that this was the symbol of fanatical Islam (PIPr 12/51, 3977). He argued that because the Quran does not explicitly require women to wear the hijab, it could not be considered a religious statement and was therefore a political statement of Islamic fundamentalism. The response on the part of members of other parties was strong with GRÜNE/DVP Abg Kuhn shouting out that König himself was a fanatic (PIPr 12/51, 3978). CDU Abg. Oettinger asserted that the Republikaner were making an emotional, not rational argument, and the SPD attributed the proposal to upcoming elections (ibid). Dr. Schavan, head of the Ministry of Culture, Youth, and Sport stated that it was not the responsibility of government to take away the choice for Islamic women regarding
wearing the hijab (ibid). The heated debate resulted in a vote that ended discussion and rejected the Republikaner desire to prevent the wearing of the hijab.

It is not clear that the Republikaner were able to sway policy making in a way that was consistent with party policy. The party made their presence felt through repeated initiatives and inquiries to the parliament and state ministries. Certainly, as a party, attempts were made to frame the issues of education in terms of the ‘threat’ that non-citizens posed to the German population. Their ability to set the agenda is less clear because in some ways the Republikaner was able to force parliamentary debate through legislative proposals (Antrag) that required not only written responses from the state ministries, but scheduling in parliamentary debate. One could consider the multiple proposals submitted by the party as a form of symbolic politics; however they also represent the party holding to their ideological position regarding immigrants and their place in Baden-Württemberg.

In general, regarding the behavior of the political parties and their positions on issues regarding education, my expectations were not met. In fact, the CDU and SPD represented somewhat similar positions in that both parties expressed concerns regarding vocational training and education. The parties differed on why there was a lack of skilled workers, but their concerns regarding that lack were similar in nature. What was interesting in reading the parliamentary debates was the united front that the center parties represented to the REP and the general contempt that representatives of all other parties in regional parliament showed to the REP. This confirms Art’s (2007) argument that the policy of marginalization, or ausgrenzung,
was adopted and proved to be successful in containing the REP. This policy of marginalization did effectively essentially exclude the Republikan party from the policymaking process, if not the policy debates, in regional parliament.

**Hypothesis**

Hypothesis 1 stated that where the radical right party poses as an opposition or neutral party, the party will have little or no direct impact in the public policy making process. In the case of the Republikaner this is almost certainly true. Not only did the party lack the necessary seats in parliament, the other parties sitting in parliament were for the most part hostile toward Republikan proposals. Although members of the CDU did agree with some assertions of the Republikaner, these agreements were quite general and did not provide support for any given proposal. In fact more often than not the CDU rejected the REP policy positions and proposals.

Hypothesis 2 stated that radical right parties, when faced with an inability to directly influence social policy, will choose to exercise parliamentary functions. I would argue that indeed, the Republikaner did attempt to exercise a parliamentary control mechanism by submitting proposals that directly blamed foreign students for poor standards in schools and for driving away German students and parents. In addition to this assertion, the proposal requesting the Ministry to answer a series of questions regarding gangs in schools and gang violence were efforts to further point to foreigners as the problem in education. I would say these are control mechanisms that pursued policy seeking behaviors because there was a no time any indication that
these proposals would find any acceptance by the other members of parliament belonging to other parties. This also shows the party pursuing a strategy that differentiates itself from the system through the ideological adherence to their party program, pursuing education policy that was consistent with the party program.

There is little or no evidence that the mainstream political parties, when faced with the neutral radical right party, were forced to the right in education policy. However, regarding education policy other parties in parliament somehow had to address foreign students and their place in the education system beyond the parliamentary discussions. In terms of being required to use time and resources within parliament to address these proposals, then yes, the other parties were forced to address the Republikaner positions on education. The ministries that were required to answer the Republikaner were perhaps more affected due to the use of resources to provide the answers, than the political parties in parliament.

**Hesse**

Education in Hesse reflects the national education framework and is similar in structure to Baden-Württemberg. Hesse also embraces a dual system of education in which students attend school while participating in a training or apprenticeship program. Approximately 2/3 of young people begin an occupation in Hesse through this dual education program (*Duales Bildungssystem*). Education begins for children at age six in primary school; however Hesse has made an educational commitment to children from birth. This includes not only enrolling students in kindergarten
programs, but providing experts in early childhood education in the development of
day care facilities and training in early childhood education for employees of daycare
facilities (Vorschulalter). This assistance for early childhood education extends to
providing help to families and family development. The development plan for
education is intended to place children at the center of all education considerations
(ibid).

Hesse has made a commitment, as stated in the Land constitution, to the right
of education for all children. A stated goal for education is to expose children to
people of other origins, religions and world views (Hessisches Schulgesetz). Schools
recognize the freedom of religion, and the equal treatment of people regardless of
race, gender, political views or handicaps. Instruction is free, and intended to promote
the successful development of all students (ibid).

Hesse offers Hauptschule, Realschule, and Gymnasium in the same way that
Baden-Württemberg does. However Hesse also offers Gesamtschule, a
comprehensive school. Not all Länder offer the Gesamtschule, Hesse operates
approximately 122 comprehensive schools that combine the Hauptschule, Realschule
and Gymnasium organizationally and educationally (Führ 1997, 125). The curriculum
and teaching structures for the three schools are coordinated to allow degree

\[^5\] The Gesamtschulen were first created according to 1971 guidelines and were intended to unify
tertiary institutions to create a coordinated system allowing credit transferability and to combine
academic study and practical experience (Heidenheimer et al. 1990). Only six Gesamtschulen were
created, by the 1990s most of these schools were no longer in operation. For a complete discussion of
the Gesamtschule and Gesamthochschule see Heidenheimer et al. 1990 Comparative Public Policy:
The Politics of Social Choice in America, Europe, and Japan. 3rd ed., and Führ, C. 1997 The German
Education System Since 1945.
transferability between them (ibid). Hesse has introduced a central exam for Haupt- and Realschüler, for the purposes of maintaining the quality of schools in Hesse, approximately 49,000 students in intermediate and secondary schools participated in this exam at the end of the 2004/05 school year (Haupt- und Realschulabschluss).

Debates regarding education in the Hesse Landtag during the 1990s were about the structure of education, but also included arguments about budgetary concerns and where money should be allocated. In 1992 the issue of school choice was raised by the FDP, the idea that students and parents should be able to have some choice in attending schools once primary education was completed (DS 13/1539). This is not necessarily an unexpected position of the FDP as they are a liberal party that in part advocates individual choice and responsibility. However, the issue of school choice is not without controversy. As already noted increased school choice can lead to an increased focus on performance and testing, leading to a concentration of advantaged students in some schools, while less advantaged students become concentrated in schools already experiencing a resource disadvantage. Where funding levels are determined by the number of students enrolled in a school, the outflow of students can result in lowered funding to schools loosing students. This reduced funding puts poorer schools at a further disadvantage. By 1993 questions began to emerge regarding whether an adequate number of trained teachers were available, whether the existing and new teachers were adequately trained and finally, if these teachers had access to and the knowledge to use available technologies in the classroom (DS 13/4830). By 1993 heated discussions in the Landtag emerged
arguments regarding budgets and the allocation of funding for schools (PIPr 13/83). Arguments emerged regarding the construction budget for schools, specifically what type of institution and how much of the construction budget would be allocated for those institutions.

In 1994 the Landtag rejected adopting tuition fees as well as a compulsory number of terms required for the completion of a course of study at Universities (DS 13/5846). The Landtag also requested the Hesse government prevent the Federal government from tightening the education benefit allocation (ibid). Further, the Landtag supported a federal initiative to increase the basic rate for the calculation of the employer’s contribution and the parental allowance in the federal educational grant law. If the arguments against external funding and the introduction of fees are correct, these policies would have the effect of opening higher education to students residing in Hesse. Furthermore, this action prevented higher education from becoming a client/patron relationship as opposed to a student/teacher relationship.

The Landtag also rejected college entrance exams, as well as the introduction of further tests and evidence of academic achievement as included in the Higher Education Framework Law (HRG) amendment (ibid). As with the issue of external funding, the rejection of performance standards resisted the introduction of the “culture of performivity” into education policy and the education system in Hesse. A proposal of the SPD and BÜNDNIS90/DIE GRÜNEN requested that the government of Hesse place an emphasis on science in education policy, specifically ecological and social sciences. The proposal further requested that the colleges, technical
schools and the comprehensive university in Kassel receive a priority in funding considerations (ibid).

The discussions regarding school construction were in part driven by assertions that the universities were too crowded. This crowding meant that students were unable to complete courses in a timely fashion, adding additional terms to their course of study (DS 13/5886). The answer of the government recognized the need for structural reform of the higher education system in Hesse, suggesting professional training in concert with university studies (ibid). Further discussions regarding the development of vocational schools also entered into the parliamentary debate, with the CDU and FDP arguing to maintain levels of spending at universities, while the SPD and BÜNDNIS90/DIE GRÜNEN argued for increased spending for vocational education and the development of funding for universities from outside sources (DS 13/5886; PIPr 13/91). This ideological divide is interesting because the CDU/FDP position serves to maintain a status quo in education. If the research in education regarding the capital investments of families and individuals is accurate, a proposal to maintain existing levels of education funding for universities reinforces the traditional structures where children and students who are already socioeconomically better off are further invested in. The SPD and BÜNDNIS90/DIE GRÜNEN position is at least a nod to those who are less able to make human capital investments and take advantage of existing education institutions. Increased funding for vocational education would provide those less advantaged individuals with the opportunity to obtain necessary skills to not only find, but maintain employment. However,
advocacy for outside funding can be somewhat problematic in that the potential for education to become a client/patron based service exists. It also introduces questions regarding academic independence, particularly as it relates to funding research and development.

Hypothesis

In the absence of a radical right political party in parliament, discussions regarding education were no less heated between members of political parties that those in Baden-Württemberg and divided along ideological and party lines. Though the tone of debate was similar, it was less contentious in Hesse, and disagreements tended to be based on issues other than whether immigrants were damaging to the German school system. The most heated disagreements took place about the budget. When the debates were about education specifically, for example what level or type of education or curriculum, were important, the political parties remained ideologically within the expected party behavior.

Ultimately, party control of government in Hesse did matter. That education policy did not change significantly is indicative of the importance of the strength of the governing party. The opposition of the Landtag to the introduction of school fees, of the education benefit allocation, and the support for a federal initiative to increase the basic rate for employer's contributions and the parental allowance indicates the governing SPD through 1999 was able maintain a their party agenda in the
parliamentary process, adopting more generous benefits in terms of parental allowances and the resistance to school fees.

Austrian Education

Austrian education policy is more centralized than German education policy. In Austria the structure of higher education in particular has been heavily influenced by the social partners. The Austrian social partnership is a system of institutionalized cooperation between labor, business and government that is involved in all the important aspects of economic and social policy (Guger 1998, 46). Austria's economy has been strongly influenced by the guild tradition, important in shaping not only the economic system, but political institutions after World War II (Lehner and Dikany 2003, 217). This influence of the guild tradition has provided stability to the Austrian economic system, while historic forces like the guilds and the system of social partnership has largely formed the educational system, especially in regard to vocational training (ibid, 218). Austria is also one of the more centralized federal systems; this is particularly true in education policy, with important consequences for regional actors.

Following World War II, Austrian industry was immediately nationalized, marking Austrian industry until privatization began in the 1980s (Culpepper 2007, 623). The Parity Commission for Wages and Prices, founded in 1957, brings together the social partners represented by the Chambers and Trade Union Federation, the Federal Chancellor, and the relevant ministers on a voluntary basis (Guger 1998, 46).
The nationalization of Austrian industry meant that small and medium sized, privately owned firms dominated the interests of employers (Culpepper, 2007; Lehner and Dikany, 2003). The two major representatives of employers are the Economic Chamber, a public law body all companies belong to, and the Employers Association, which is voluntary (Culpepper 2007, 624). These organizations perform an important role in Austria, because of their formal consultative voice in a variety of political venues (ibid). Furthermore, the Federal employers association, through much of the post-war period, was more responsive to small companies. The federally nationalized owned companies were not members of the Employers Association, and large firms found themselves in the minority in the Association (ibid). These smaller firms have influenced the trajectory of education in Austria, and the system of vocational education has been traditionally seen as a competitive advantage for Austrian firms (Lehner and Dikany 2003, 221). The small, cost conscious firms have opposed any move that might threaten their access to cheap labor with specific skills (Culpepper 2007, 612).

The social partners, specifically the unions and employers through corporatist arrangements, are guaranteed influence on education training and development through a standing committee for general economic and social issues, where social partners have been involved in the early stages of formulating laws and reforms of the educational system (Lehner and Dikany 2003, 218). Although the social partners are strongly connected to the two dominant political parties, the social partners have
managed to maintain some independence from the political parties. Generally the influence of social partners has been decreasing during the past decade, especially after the conservative coalition between the People’s Party and the Freedom Party took power after the elections of 1999 (Lehner and Dikany 2003, 219).

The Austrian legal system guarantees general access to public schools. The education system is regulated by multiple pieces of legislation. The Compulsory Education Act (*Schulpflichtgesetz*) lays down the provisions governing general compulsory education, while the Organization Act gives a detailed description for the structuring of most types of schools (Piskaty et al. 2000, 29). The school system provides for a nine-year education compulsory education for all Austrian and non-Austrian nationals (Schneeberger 1999, 612). This nine-year education is a precondition for beginning an apprenticeship, which in turn marks the beginning of vocational education (Piskaty et al. 2000, 29). In the ninth year students may choose a pre-vocational year as their final year of compulsory education, and may also be used as the first year of a vocational education (Schneeberger 1999, 614). Thelan’s (2004) criticism, regarding the German education system in which individuals acquire skills specific to and entrenched in industry, holds true for Austria as well. To a significant extent, students receive training specific to industries. This leads to individuals with specific, rather than general skill sets.

Education and training in Austria are primarily within the competence of two Federal Ministries. The Federal Ministry of Education and Cultural Affairs,
responsible for matters of initial education and training; the second the Federal
Ministry of Science and Transport, responsible for matters concerning universities
and colleges of art (Piskaty et al. 2000, 13). The Federal government has
responsibility for legislation and implementation, for general secondary schooling,
intermediate and upper technical and vocational education as well as training for
kindergarten teaching and non-teaching staff, and the conditions of service and staff
representation of rights of teachers at these schools (Tajalli, Polzer and Czipke 2001,
9). The District and Provincial Boards are the federal school authorities in the Ländere
(ibid). The Provincial School Boards have jurisdiction in matters referred to a District
School Board, while the Federal Ministry of Education and Cultural Affairs deals
with cases referred to Provincial School Boards in the first instance (ibid).

Draft legislation is usually submitted to the National Council by the Federal
Government (Piskaty et al. 2000, 13). The draft legislation is drawn up by the Federal
Prior to submission to the National Council, draft legislation and raft regulations are
submitted for comment to the appropriate Federal Ministries, the governments of the
federal states, the appropriate Federal states, and to the extent that draft legislation
concerns matters falling within their field of competence, to relevant statutory special
interest bodies (Piskaty et al. 2000, 13). In matters of education, the consultation
includes teachers associations, umbrella organizations of parents associations and
youth welfare associations (ibid).
Most funding for schools and universities is provided by public sources. Public spending is distributed evenly among levels of education beginning with primary schools, secondary schools and universities (Lehner and Dikany 2003, 219). Efforts have been made to extend schools’ financial autonomy. Under certain provisions set by law, schools can rent out school rooms or other school property to third parties and choose how the income they receive is allocated, as long as it is used for school purposes (Tajalli, Polzer and Czipke 2001, 12). This also applies to external funding received from sponsoring or commercial activities at school.

Provincial school boards are directed by the Provincial Governor, as chairman of the Provincial School Board; for all practical purposes the Governor is assisted in the fulfillment of these duties by an Executive Chairman (ibid, 10). The central body within the Provincial School Board is the Collegiate Council, made up of voting members and members with consultative status. Voting members are represented on the Collegiate Council proportionally, according to the balance of power held by the political parties in the provincial Landtag (ibid). Collegiate Councils submit proposals for the appointment of teachers and head teachers at intermediate and secondary schools. They also issue general directives on existing laws and ordinances and submit expert opinions of draft law and regulations (ibid). District School Boards are headed by the District Governor; the Collegiate Councils at the district level are structured on the same basis as those at the provincial level. The district level Collegiate Council issues district level general directives and submit expert opinions.
The implementation of matters falling under the individual Länder is carried out by executive authorities at the provincial level, the *Amt der Landesregierung*. Their important task is the maintenance of public schools of general compulsory education, and the appointment of teachers and head teachers at these schools (ibid).

Compulsory education schools are financed and maintained by the Länder, municipalities and/or municipal associations (ibid, 12). The part-time compulsory vocational schools are maintained by the Länder (ibid, 13). The employment of teachers at the compulsory schools is exclusively the responsibility of the Länder. Teachers in these public sector schools are employed by the Länder, which pay the cost of their salaries; however, the Länder are fully compensated for this cost by the Federal government through a process of fiscal adjustment (ibid).

Public sector compulsory schools are not allowed to charge tuition and transportation to and from school, and using public transportation is free for students. Textbooks are also provided to students free of charge, although in recent years a contribution of 10 percent from students has been introduced for both transportation and text books (ibid). The "dual" or apprenticeship programs are financed through the firm providing practical training in the firm itself while public funds finance the vocational schools (Tajalli, Polzer and Czipke 2001, 42). The Länder pay to equip vocational schools, costs for personnel are divided between the Länder and the Federal government (ibid). Austrian industry is responsible for financing the in-
company portion of apprenticeship training. The state provides additional financial assistance to disadvantaged groups. Amounts are paid to training firms to cover the costs of wages for particularly disadvantaged individuals from the perspective of the labor market (ibid).

The federal government establishes and maintains intermediate and upper secondary schools. In these schools the federal government bears all costs, including teacher’s salaries (Tajalli, Polzer and Czipke 2001, 13). Teachers in these schools enter into an employment contract with the federal government, not the school itself.

School System

Nursery school or kindergarten is the traditional form of pre-school education in Austria for students ages 3-6 years of age (Piskaty 2000, 30), though 90 percent of all five year-old children in Austria attend kindergarten, it is not compulsory (Piskaty et al. 2000, 15). Children who are 6 years-old, but are not ready for compulsory school may also attend kindergarten. This is an additional provision in the form of pre-school classes, which also serve students admitted to school too early and were subsequently downgraded (Piskaty et al. 2000, 30). There are both public and private kindergartens, established by the federal government, the Länder or municipalities (ibid).

Compulsory schooling begins with primary school (Volksschule) grades one to four and provides a common basic education for all students, following primary
school student’s move on to a general secondary schooling. It is in grade five that students go on to either a general secondary education or and academic secondary school. The general secondary school (Hauptschule) includes grades five to eight and provides a general education, preparing students for employment and the transition to intermediate and upper secondary schools (Piskaty et al. 2000, 30). The academic secondary school (Allgemeinbildende höhere Schule, AHS – unterstufe), the AHS-unterstufe includes grades five to eight at the lower level (Tajalli, Polzer and Czipke 2001, 30). The curricula for the first and second years are the same for both the Hauptschule and the AHS-unterstufe, students may choose between pre-vocational (Polytechnische Schule), secondary technical and vocational school (Berufsbildende mittlere Schule), child care training college (Bildungsanstalt für Erzieher), and general upper secondary college (Oberstufenrealgymnasium) (Piskaty et al. 2000, 31). Students already attending the AHS-unterstufe may choose to remain at the same school moving on to the second cycle (ibid). In the third year of school the Hauptschule and AHS – unterstufe curricula begin to diverge. Students in the AHS may choose between three options: Gymnasium, which provides general education; Realgymnasium providing technical education; and Wirtschaftskundliches Realgymnasium, a commercial education (Piskaty et al. 2000, 31).
The lower secondary school education ends after the eighth year of schooling, and there are several ways to complete the ninth year of compulsory education (Schneeberger 1999, 612). Students who complete the Hauptschule successfully may be admitted to pre-vocational school, intermediate or upper secondary vocational college, or to an academic secondary school. Students may, on the completion of
general secondary school, look for work or seek apprenticeship training (Tajalli, Polzer and Czipke 2001, 29). About 20 percent of the population leaves the educational system after mandatory school (Lehner and Dikany 2003, 220). Since the early 1990s apprenticeship training has been drastically reduced (Schneeberger 1999, 614). The apprenticeship training may be entered after the ninth year. The apprentice training system is a combination of in-company training combined with compulsory school on one day, or block release basis (ibid, 615).

Upper secondary school begins in year nine and continues up to year 13, including pre-vocational schools, upper level secondary school, vocational schools, higher technical and vocational schools, Kindergarten teacher training colleges, and training colleges for non-teaching supervisory staff (Tajalli, Polzer and Czipke 2001, 33). Approximately 20 percent of young people choose to attend pre-vocational school in the last year of compulsory education (ibid, 34). The school is used primarily as the ninth school year by students who want to learn an occupation immediately on the completion of compulsory school (ibid). Approximately 50 percent of young adults earn an initial vocational education and training (apprenticeship training or VOTEC-school) (Schneeberger 1999, 617). A significant proportion of the workforce, 42 percent complete some kind of vocational education (Lehner and Dikany 2003, 220), however the number of students attending upper secondary school drops significantly compared to the number of students attending the first level secondary education (see table 5).
Table 5

Students at public and private schools (by 1,000)

<table>
<thead>
<tr>
<th>School Year</th>
<th>Österrich All Schools</th>
<th>Kärnten All Schools</th>
<th>Tirol All Schools</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Women</td>
<td>Total</td>
</tr>
<tr>
<td>1990/91</td>
<td>1.144.600</td>
<td>546.162</td>
<td>87.669</td>
</tr>
<tr>
<td>1995/96</td>
<td>1.199.754</td>
<td>576.410</td>
<td>89.929</td>
</tr>
<tr>
<td>2000/01</td>
<td>1.231.188</td>
<td>599.542</td>
<td>88.294</td>
</tr>
<tr>
<td></td>
<td>All Schools</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Form Compulsory School</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990/91</td>
<td>648.719</td>
<td>309.664</td>
<td>50.046</td>
</tr>
<tr>
<td>1995/96</td>
<td>685.992</td>
<td>326.143</td>
<td>50.940</td>
</tr>
<tr>
<td>2000/01</td>
<td>690.328</td>
<td>327.595</td>
<td>48.995</td>
</tr>
<tr>
<td>Basic Secondary School</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1995/96</td>
<td>382.901</td>
<td>185.758</td>
<td>28.870</td>
</tr>
<tr>
<td>2000/01</td>
<td>393.586</td>
<td>190.517</td>
<td>28.229</td>
</tr>
<tr>
<td>Secondary School</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Special School</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990/91</td>
<td>18.322</td>
<td>7.175</td>
<td>1.213</td>
</tr>
<tr>
<td>1995/96</td>
<td>18.524</td>
<td>7.031</td>
<td>1.257</td>
</tr>
<tr>
<td>2000/01</td>
<td>13.602</td>
<td>4.961</td>
<td>699</td>
</tr>
<tr>
<td>Polytechnic School</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990/91</td>
<td>19.473</td>
<td>5.887</td>
<td>1.114</td>
</tr>
<tr>
<td>1995/96</td>
<td>17.474</td>
<td>5.100</td>
<td>860</td>
</tr>
<tr>
<td>2000/01</td>
<td>19.594</td>
<td>6.692</td>
<td>918</td>
</tr>
</tbody>
</table>

Source: STATISTIK AUSTRIA

After secondary schools students may choose full-time education in upper secondary school, either general or vocational (Schneeberger 1999, 612). The academic school-upper level (Allgemeinbildende höhere Schule, AHS-Oberstufe) is designed to prepare students for university studies (Tajalli, Polzer and Czipke 2001, 35). Students choosing to go on to vocational schools may choose between the
intermediate secondary technical and vocational schools (*Berufsbildende mittlere Schulen* – BMS) or the upper secondary technical and vocational schools (*Berufsbildende höhere Schulen* – BHS) (ibid).

The BMS provide general education in addition to practical vocational training for specific occupations (Tajalli, Polzer and Czipke 2001, 37). To attend the BMS lasting three years, students must have completed the eighth school year; students who successfully complete the ninth year of a pre-vocational school are not required to take the admissions exam to attend the BMS (ibid). The focus of this education is practical, lasting one to three years, and students may take the matriculation and diploma examination by attending supplementary courses, or they may earn a general higher education entrance qualification by taking the vocational matriculation exam (ibid).

Admission to the BHS requires the successful completion of the eighth hear. Students from the AHS-überstufe must present a favorable certificate (ibid, 38). Students from the *Hauptschule* who receive a mark lower than “good” in a differentiated compulsory subject area in the second achievement groups or who were in the third achievement group, must take an admissions exam in that particular area (ibid). The BHS provide a general and vocational education, a double qualification, that leads both to the practice of an occupation and to university. Students are required to participate in practical training in business and industry during the summer. Students that successfully complete the BHS are entitled to practice their
trade after two years of professional experience; they may also have access to regulated trades (ibid). There are approximately 50 percent more students at the BHS than in the upper level of academic secondary schools (ibid, 39).

**Kärnten**

The *Landesschulrat* in Kärnten is responsible for personnel matters of the federal teachers and the administration personnel of the federal schools and the provincial school authorities. The *Landesschulrat* also supervises the duty schools, the general higher schools, the professional middle and higher schools and the development institutes for kindergarten pedagogy. The council is also responsible for matters of school psychology and development as well as the administration of minority school systems. Kärnten has focused on technological advances and the use of information technology (IT) in its school system, making use of the internet to create a network for schools, teachers and students (Amt der Kärnten Landesregierung). The province has invested both in the maintenance of the school system as well as the quality of teaching and the employment of additional teachers.

Kärnten's compulsory school is provided for all children through elementary school. Further education is provided, with professional education playing an important role, Kärnten has in place a selection process for admission to higher education and secondary school (*Landesregierung, Bildung*). Over the last decade, Kärnten has seen a reduction in the number of students entering primary schools, falling below the national average. This reflects a demographic trend in Kärnten.
which saw a reduction from 31.3 percent of the population below the age of 20 in 1981, to 21.2 percent of the population below the age of 20 in 2007 (*Kärnten Bildung in den Bundesländern*). In the 1996/97 school year there were 7,174 students enrolled in the first year of primary school, one decade later that number had fallen to 5,704 (ibid). In the *Hauptschule*, the lower form AHS; Kärnten has slightly larger than average class sizes 28.2 students per class, over the federal average of 27.4. The Province also has a higher proportion of persons with a tertiary level education than the national average. Kärnten also has a higher percentage of its population finishing tertiary degrees than the national average.

Kärnten's *Fachhochschule* offers degrees in engineering, civil engineering, architecture, health care management, social work, public and business management and information technology (FH Kärnten). Some of these degree programs are offered on a part-time basis allowing students the ability to both work and attend school. The *Pädagogische Akademie* not only trains teachers, but offers advanced degrees in education and continuing education for teachers (*Pädagogische Hochschule Kärnten*).

An interesting feature of the Kärnten school system is the bilingual schools and Slovene language schools. As part of the Austrian State Treaty, the Minority Education Act for Kärnten as a provision currently covers 76 primary schools and 13 general secondary schools for the duration of compulsory education (*Landesschulrat 2004, 2*). These schools have grown in student enrollment since 1990. The bilingual
schools are currently mandated by the federal government. Following World War II the Kärnten provisional government issued a decree stating that in the first three years of school, all instruction should be half in German, half in Slovene languages. Students coming from the area of the minority schools were to be required to attend Slovene classes at the secondary level of education (Landesschulrat 2006, 13). In the Austrian State Treaty, signed in May 1955, Article 7 provided the Slovene ethnic minority in Kärnten with a basis for protection and promotion of minorities, rooted in international law. Article 7 included the entitlement to elementary education in Slovene and a proportional number of their own secondary schools. Following the signing of the State Treaty and the withdrawal of the occupation forces, German nationalist organizations were able to apply enough pressure to the Kärnten government to repeal the obligatory bilingualism (ibid). On March 19, 1959, the federal government passed the Minority Education Act for Carinthia, and is part of the Framework Convention for the Protection of National Minorities (Austrian Government 2006, 100). This act forced the Land to provide bilingual education for the Slovene minority in Kärnten.

According to the Minorities School Act, bilingual education rests on three features. First, the need for the education of national minorities in Austria is met by state-run, public schools. Second, the basic philosophy for bilingual education is the concept of integration providing for the joint teaching of different groups. Third, according to federal law, there are primary schools using German and Slovene as
languages for instruction and primary schools with German as the language of instruction that have classes taught in German and Slovene (Austrian Government 2006, 100). Under §7 of the Minorities School Act, students are registered for bilingual classes as an expression of parental right (ibid). Under Austrian law, it is not permissible to check if a child belongs to the Slovene minority or “to urge a child to express its affiliation to an ethnic groups” (ibid, 101). Overtime problems with bilingual education emerged. Various initiatives that were first intended to “intensify German-language teaching at bilingual primary schools” (ibid) began to under-cut the bilingual nature of education. Discussions regarding major reforms emerged and several commissions were established to address concerns. The primary concern was that students were being taught in classes and sections at bilingual schools, whether they were registered for bilingual classes or not (Bilingual Education in Carinthia 2004, 2). Furthermore, too many children registered for bilingual education had no prior knowledge of the Slovene language (Austrian Government 2006; Landesschulrat 2004). This has become a particular problem in recent years as the percentage of children enrolling in bilingual schools has increased, but the number of children speaking the Slovene language as their first language has decreased (Landesschulrat 2004). In June 1988 the National Assembly, using the comprehensive work of the commissions, amended the Minority Education Act. The Amendment brought three important organizational changes. First, the amendment reduced the number of students per classroom; second, it set up parallel classes; and third, it provided two teachers in classes with a monolingual and a bilingual
department where registered and non-registered students are taught together (Austrian Government 2006, 101).

In March 2000 the Constitutional Court determined that Article 7 item 2 of the Austrian State Treaty, through its statement “elementary education”, referred to the first four years of education. Instruction “must therefore be given in two languages in schools under consideration” (Austrian Government 2006, 101). This ruling by the court prevents regional authorities from reducing the number of year’s bilingual education offered in elementary schools in Kärnten. In 2001 the Minority Act for Education Carinthia was further modified to comply with the 2000 ruling of the constitutional court. In 2002 the constitutionality of closing primary schools within the scope of application of the Minorities School Act of Carinthia was brought before the constitutional court. According to the Austrian State Treaty there are “no reservations under constitutional law concerning the provisions of the Kärnten school law with regard to the setting up and continuing the operation of primary schools, their closing down or the setting up of classes as school branches” (Austrian Government 2006, 102). The court determined that where bilingual classes are continued at the respective school site in a school branch, the State Treaty does not require that the elementary schools for the national minority “must be designated for every municipality in the autochthonous settlement are of the Slovene minority in Carinthia” (ibid). The primary schools that are within the scope of the Minorities school Act for Carinthia are listed by the federal government. For bilingual primary
schools to continue operation there must be a minimum number of students registered. There must be at least seven, but not more than twenty students in a class from the pre-primary year through the fourth year (Landesschulrat 2004, 2). In classes where there are at least nine children registered for bilingual teaching, or same number are not registered, there must be parallel classes (ibid).

Slovene may be offered as an optional or compulsory subject at every primary and lower level secondary school, as well as the general and vocational middle schools whenever there is demand and qualified teachers are available (Austrian Government 2006, 107). The Slovene language is currently taught on the secondary school-level I at 13 lower level schools, there are federal upper level secondary schools (Bundesgymnasium and Bundesrealgymnasium) in Klagenfurt as well as the Federal Commercial College in Klagenfurt (ibid, 106). A private bilingual school for economic occupations is operated by the Convention of the School Sisters of St. Peter in St. Jakob in Rosenthal (Landesschulrat 2003). At these schools all classes are about same size and instruction is in Slovenian and German languages.

Because the federal government controls the operation of the secondary schools in the Länder, it cannot be assumed that the Kärnten government under the direction of the FPÖ would be able to close these schools, under fund or not provide appropriate maintenance for them. The provincial government does perform administrative duties and provides professional and teaching staff, so it would be possible for the Landesschulrat to find it unable to provide the appropriate teachers.
for bilingual schools. At the primary school level, where the provincial government has slightly more influence on education it might be possible for bilingual schools to be closed for a variety of reasons. However this ability on the part of the provincial government has been constrained not only by the highly centralized nature of the Austrian school system, but through the Austrian State Treaty. The Austrian State Treaty established a department of the school inspectorate that was to be set up for the Slovene schools. The Regional School Council for Kärnten complied by setting up a separate department for the minority school system that is responsible for supervising the schools and publishing an annual, comprehensive school report on the situation of the minority school system in Kärnten (Austrian Government 2006, 108). The annual reports of the Regional School Council for Carinthia are a form of international evaluation in keeping with the European Charter on Regional Minority Languages and are a basis for quality assurance and school development (ibid, 109). In addition the Federal Ministry of Education, Science and Culture along with the Regional School Council for Carinthia publishes a three language publication “1+1=2” to inform parents and interested persons, and to reply to detailed questions regarding minority education, it can be found on the homepage of the Kärnten Landesschulerat (ibid). The structures that ensure bilingual Slovene education were not put in place specifically due to the existence of the FPÖ; rather they are agreements and structures that are embedded in the reestablished, post-World War II Austrian government.
In view of the bilingual nature of the school system in Kärnten, one can argue that it is focused so some degree on the integration of minorities. However, this argument falls short because these guarantees do not address issues of education for new minorities. The Slovene minority exists in Kärnten in part due to border disputes following the fragmentation of the Austro-Hungarian Empire, new minorities are primarily the result of the collapse of the Soviet Union, the civil war in the former Yugoslavia and the guest worker program that both Germany and Austria adopted due to labor shortages.

A legislative concern from 1992 through 2000 regarding education in Kärnten was the establishment and curriculum development of agricultural colleges and programs at vocational schools. Of particular concern were programs the development of programs to train individuals for employment in the tourism industry. Further legislation focused on school building management and construction, school organization, the organization and operation of the Landesschulerat, the community school and parents organizations. The Kärnten parliament also discussed school holidays and the start and end dates for the school year. A final matter the provincial government addressed were the redrawing of school district lines. If the federal government did not already mandate the existence of bilingual schools, the changing of school district lines might change the number and location of these schools. There is no indication that an attempt was made by the regional government to redraw district lines in an effort to close these schools.
Hypothesis

Hypothesis 3 stated that their course of public policy making will be to restrict access of benefits to minority groups, including women. It cannot be said at this time that this is the case with education policy in Kärnten. In the case of education policy, the centralization of policymaking in Vienna combined with existing laws that pre-date the FPÖ control of regional government, have constrained the ability of the FPÖ to significantly alter education policy. In this case, the party that controls regional parliament may be less significant than which party governs at the federal level. Although these laws do protect the right of the existing Slovene minority to a bilingual education, it should be noted that these laws may not extend to other minorities as they specifically refer to the Slovene population.

Tirol

The federal government in Austria has overwhelming responsibility for the education system, including virtually all areas of school organization, the organization of school instruction, private schools as well as the remuneration and retirement law governing education staff (European Commission 2007, 1). However, municipalities are generally responsible for the construction and maintenance of schools, although the provincial government must grant the school permit for operation (Bildung). The Volksschule are primary schools providing the first four years of education. The schools are divided between levels I and level II, level I comprising grades one and two, level II comprising grades 3 and 4 (Tirol -
Organization). Children old enough to be enrolled are brought to the school for evaluation to determine if the child is ready to attend school, and if a child is not determined to be ready for school, they are not allowed to enroll (ibid). Children may then be admitted to Kindergarten for another year or may be provided with home school education. However, a district school inspector must issue an exception for the child from compulsory school (ibid). The minimum number of students in preschool is set at 10, with a maximum of 30 students per class (ibid). *Hauptschule* begins with grade five and continues through grade eight. *Sonderschulen* may be entered in grade eight as a preparatory year prior to admission to a *Polytechnische Schulen*. The *Sonderschulen* provide education to students who may have special needs and may operate as special schools or within primary and lower secondary schools in an integrated way (European Commission 2007). The *Sonderschulen* give parents the right to choose what kind of schooling they prefer for their child, and either a special curricula and/or adapted mainstream curricula is applied according to the needs of the students. These schools specifically service physically disabled children, those with linguistic disabilities, students with hearing impairments, deafness, visually impaired or blind or otherwise disabled. Finally the *Sonderschulen* also provide education for children who are 'maladjusted' (ibid). The *Polytechnische Schulen* gives students a choice of a variety of fields of study in three different departments.

Tirol has a dual system of learning, combining both practical education and theory in professional higher education. Tirol has twelve specialty university studies
at two locations with a total of 1,845 students enrolled (*Landeshauptmann*). The vocational schools in Tirol are maintained by the district and each student must attend the school in the district that he/she is employed in. Students attend vocational school two half days a week or one entire day each week while in apprenticeship or training (ibid). Parliamentary concerns regarding education focused primarily on modernization of the education system throughout the 1990s. Concerns included maintaining existing vocational and apprenticeship programs, but focused primarily on developing new apprenticeship and vocational training programs. There was also concern expressed regarding the reduced need for workers due to automation in industry, with the acknowledgement that additional qualifications were not necessarily the answer, rather the answer was in continuing education programs (XI Periode).

Tirol did create new educational institutions, opening a school for the study of business management, at the same time acknowledging the need to provide the production and service sectors with more comprehensive and extensive education (XII Periode 1994). The legislative debates in Tirol, as in the case of Hesse, reflected the partisan ideologies of the political parties. The SPÖ emphasized the importance of smaller schools, criticizing the ÖVP for the party’s willingness to spend 23 million schillings on a new gymnasium, but were not willing to invest in new school buildings in more rural school districts where, according to the SPÖ the teachers and students were not properly “housed” (ibid). The SPÖ further criticized the ÖVP for the party’s unwillingness to invest in the construction of secondary schools in the
rural eastern highlands of the Land, where there were no secondary schools. The SPÖ further argued for the need to reduce class sizes, particularly in Kindergarten classes.

The ÖVP focused on the high costs to the state of Fachhochschulen, while expressing a commitment to the dual school system. The ÖVP did give in to the SPÖ demands that class sizes be reduced, specifically for Kindergarten classes and conceded the need to spend more for teachers and teachers’ aids in these classrooms.

By the mid 1990s discussions regarding education became dominated by concerns over youth unemployment, available apprenticeships, and how to create more employment opportunities. In 1997 the debates focused on these issues with the SPÖ asserting that there were not enough apprenticeship positions, where there were only 1,407 open apprenticeships, with 16,000 unemployed (XII Periode 1997, 31). The ÖVP was accused by the SPÖ of pursuing capitalism at the cost of the people, using the rise in unemployment and long-term unemployment as proof. The ÖVP asserted that there were indeed enough apprenticeship positions, that there was not a need to create more. The ÖVP focused their legislative speeches on the need for agricultural education, taking the position that this education was as important as the education of teachers, engineers and other workers (ibid, 82). The advocacy of the ÖVP for farmers is of no surprise, although farmers represent a small fraction of voters, they are overrepresented as voters for the party. The ÖVP did by 1998 begin to recognize the need for further apprenticeship training positions, but it remained critical of University education, and advanced training specifically high tech training.
and education (XII Periode 1998). This is an indication that lawmakers were not concerned or not aware of the important relationship between education and skills.

**Hypothesis**

What is quite different between the debates in Tirol and Hesse in particular is that in Tirol, there was no question of introducing further measures or standards for education. Although both Länder in Germany do share with Tirol the realization that technical training was important and in all three cases the Social Democratic parties advocated technical training/apprenticeships combined with college education, important because again, a college education leads to a more generalized skill set. This is important because as Veen et al. have found the largest pool of potential voters for the Republikaner party has been those with the lowest educational attainment, regardless of income levels. In the case of the FPÖ, in the overall context of Austrian politics, the party is particularly attractive to blue collar and low-skilled employees.

**Conclusion**

In general the concerns of states in both Germany and Austria were similar. In the German case there was a great deal of concern about funding. In Hesse particularly concerns seem to be primarily about how to distribute the money, which schools should benefit, not only in terms of monetary support but through construction and expansion projects, these may be considered redistributive conflicts. All states were concerned with the quality of education and the use of technology.
There was specific interest in and obvious concern regarding job skills and the ability of students finishing apprenticeships and training programs to find and keep jobs.

In the case of Austria, it is not clear that the provincial governments in Klagenfurt or Innsbruck had the ability to influence education policy. Although the school councils are administered by the political parties in regional government, it is not clear they have the autonomy necessary to alter education policy in ways that disadvantage minority students. As we have seen, the provincial government in Kärnten is quite constrained by the federal government not only through the normally centralized nature of education policy, but also through the Austrian State Treaty, and the ensuing Minority Education Act in Kärnten, both enacted in the early years following World War II. The explicit reference in Austria to the EU social charter may be indicative of further constraints on the ability of any political party to manipulate education policy.

In the German cases there are more discussions of test scores and some concern regarding EU educational standards. Although in Austria there was less discussion of test scores, it is clear that in both cases there is concern regarding education performance and globalization. In both countries there are serious concerns regarding the ability of students to compete in the global job market. They also share a concern regarding job skills, and the legislative discussions make clear that politicians of all parties recognize the importance of job skills. The nature of those job skills is very different, in Germany the focus is on higher education in vocational
colleges combined with job training, resulting in a more generalized skill set. However, in Austria there remains a clear preference for job training and skill acquisitions that are consistent with the demands of industry, even though the influence of industry on education policy has lessened in recent years. The individuals receiving training that is so specific will remain at a disadvantage in the global market due to skill specificity and the low transferability of those skills, furthermore lower skilled these workers are, the more likely they will be the losers in the global employment market. As Mangen (2000) has pointed out, at the end of the day, it is the quality of local vacancies that determines the status of the individual in the labor market.

Punctuated equilibrium theory provides some explanatory value in the cases in Germany most clearly. First, there was a concern regarding budgetary constraints. These concerns and constraints, when placed within the larger context of national budgetary pressures brought on by the Maastricht Treaty, re-unification, the influx of Aussiedler, and asylum seekers. However, it is important to also view these budgetary concerns in the context of regional policy. It was regional and municipal governments that became responsible for the education and integration of Aussiedler, as well as for war refugees and asylum seekers. Although Austria did not face the problems of reunification, there were large numbers of migrants passing through the country. While these populations of refugees and asylum seekers generally moved on to other EU countries, the provincial governments were still responsible for these individuals
while they resided in Austria, as we will see in the following chapter, the residency requirements of the provincial governments regarding receipt of social benefits would make a difference to this population of asylum seekers and refugees, it is not clear that this was the case for education.

There were very heated discussions regarding spending on education and the allocation of expenditures. This could be indicative of redistributive conflicts, it is also likely that because expenditures is one area in which German Landtag are able to exercise some autonomy, the debates regarding expenditures are contentious. It is also possible that the budgetary debates surrounding education are the exercise of control mechanisms on government. The REP in Baden-Württemberg entered into the debate not only to weigh in on how and where money should be spent, but who should benefit from the allocation of funding, the party sought to protect a “club good”, by defining immigrants as the problem in education. The party went so far as to propose that immigrants should have separate schools to attend, effectively segregating non-German students into a parallel education system.

Given these attempts by a neutral radical right party to influence policy to the disadvantage of a minority population, the importance of institutional arrangements should not be understated. In Germany, although education is a public policy made at the regional level, through the KMK, regional governments have created a relatively uniform system of education. Though KMK recommendations are non-binding, the consensual nature of KMK decision making carries a great deal of influence. The
institutional barriers to the manipulation of public policy by the radical right are more pronounced in Austria with its system of unitary federalism. Austria's centralized federal system does not allow the Länder a great deal of autonomy in education policy. Beyond concerns expressed for the expansion of agriculture and technical education, there is little indication that education is an issue political parties view as one that can be exploited for political gain.

Did education policy change? Yes, there were changes made to education policy that included indications that restructuring of education policy did take place. However, these changes cannot be specifically attributed to radical right political party influence.
CHAPTER IV
TO PAY OR NOT TO PAY: MINIMUM INCOME SUPPORTS

Every major industrialized nation has a set of programs that transfer between ten and thirty percent of the country's GDP to the population with "a key goal . . . to improve the well-being of those at or near the bottom of the income distribution" (Kenworthy 1999). These programs take many forms, one of which is a minimum income support, whether through cash transfers or through in-kind distributions. Minimum income supports are administered by regional governments in Germany and Austria, and although the regional and local governments implement minimum income support policies within federal guidelines, many administrative decisions are made by regional and local officials and policymakers. This chapter will begin with a description of minimum income supports, followed by a discussion of the issues surrounding redistribution, problems of non-take-up and stigmatization, concluding with case studies from Germany and Austria.

Transfer programs are sometimes also referred to as income maintenance programs and it is important to begin with a clear understanding of which aspect of income maintenance policy I am referring to in this chapter. John Ditch (1996) has observed that there is "no single or universally accepted definition of social assistance" (Ditch 1996, 32). Ditch distinguishes income maintenance programs categorically by the method used to allocate resources to individuals, families and
households. The first are universal, categorical or contingency benefits that are not related to income or employment but are allocated to individuals within a particular social category. Second, social insurance benefits related to employment status and contributions records; finally, means-tested benefits or income-related benefits, where eligibility is dependent on an assessment of current or recent income and/or assets (Ditch 1999, 15).

Although Ditch refers to all of these categories as income maintenance, these categories do not specifically define social assistance. By and large, social assistance programs and benefits are financed through general tax revenues. These benefits usually require that individuals provide proof that they need financial assistance (Heidenheimer et al. 1990). Social assistance programs so defined are benefits of "last resort" within the social protection systems – but are not benefits which exist in isolation from other benefits" (Ditch 1999, 116). This income maintenance of last resort is of particular interest. It is this last, means-tested program that individuals and families rely on when unemployment insurance and other income maintenance programs run short or eligibility expires. Furthermore, it is this category of benefit that immigrants and asylum seekers rely on, potentially making the program a target of radical right policy manipulation.

Income Maintenance

All advanced industrial societies provide income maintenance programs. The development of these programs was closely associated with the industrial revolution (Ditch 1999; Heidenheimer et al. 1990). Income maintenance programs have grown
markedly over the course of the twentieth century, particularly during the years following the Second World War (Heidenheimer et al. 1990, 219). Many countries redesigned their social security programs, and cash transfers for income maintenance were vastly expanded (Ditch 1999, 117; Heidenheimer et al. 1990, 219). During the 1970s and 1980s the economy grew more slowly and the first systemic challenges to the dominance of universal values in social provision were leveled (Ditch 1999, 118). Complicating the short term economic problem, a longer term generational difficulty emerged in advanced industrialized countries as the “baby boom” generations have begun to approach retirement age while a smaller working-age population is responsible for paying “baby-boomer’s” social benefits (Heidenheimer et al. 1990, 219). This demographic shift combined with economic concerns of the 1970s and 1980s brought about debates concerning the affordability of social programs. At the same time there was increasing concern regarding the nature of benefits and the best way to meet the challenges posed by rising levels of unemployment, new forms of poverty and changing family structures (Ditch 1999, 118).

As is widely discussed in the welfare-state literature, restructuring income maintenance is but one program or set of programs that is looked to as being indicative of welfare state restructuring. These discussions strike at the core of the purpose of welfare states. The “essence of the welfare state was to provide its beneficiaries with freedom from want” (Raveaud and Salais 2001, 49). But the welfare state does more than this. It also serves to “even out differences in life chances” with programs that were meant to “help people reallocate income over the 173
life cycle, to insure against events which cause income loss, and to provide a sense of security to all citizens" (Atkinson 1999, 6). The reaction to the effects of welfarism has been a number of policies that are “designed to engender a new sense of social citizenship” that place priorities on the “active, the consumerist and the entrepreneurial” (Mangen 2000, 33). These policies breed a sense of “personal liability for managing and anticipating contingencies over lifespan” (Mangen 2001, 34). If we have created a true picture of what the welfare state function is, it is understandable that discussions regarding policies that seek to fulfill these goals are discussed with such fervor. The debate is about the distribution of resources: to whom, how much and in what way should this distribution take place. For many, there are clear winners and losers in the distribution process.

Politics of Redistribution

Conflicts over redistribution have increased and become more salient as welfare states have come under budgetary pressures in recent years. Iversen and Soskice found that with the simplest set of assumptions, the politics of social spending is all about resource redistribution or class politics (Iversen and Soskice 2006, 879). Moene and Wallerstein (2001) argue that if the majority of the electorate receives a below average income and if an increase in inequality causes above average incomes to rise and below average incomes to fall, then it is reasonable to think that demands for public policies to reduce the gap between rich and poor will increase (Moene and Wallerstein 2001, 859). In this model the demand for welfare
spending comes from those who never work and low-wage workers who may lose their employment. High-wage workers, who by assumption face no-risk of income loss, oppose spending on social insurance to the extent that they vote in a self-interested way. However, in reality the risk of income loss rises gradually as individuals move up the income scale (Moene and Wallerstein 2001, 871).

Iversen and Soskice propose a different model where redistribution is primarily the result of electoral systems and the class coalitions they engender (Iversen and Soskice 2006, 178). Their results suggest that multiple veto points, as expected, reduce redistribution, and that PR systems have a direct, positive effect on redistribution (ibid, 175). Discussions regarding voters and who they vote for become important in debates regarding redistributive policies, Iversen and Soskice have found evidence that it is the middle class that generally determines who governs, and has an incentive to ally with the poor to exploit the rich, but also an incentive to support the rich to avoid being exploited by the poor (ibid, 178). In PR systems with three representative parties, the first motive dominates because the idle class party can make sure that a coalition with the left party will not deviate from pursuing their common interest in taxing and redistributing to the middle class/poor coalition (ibid). Iversen and Soskice conclude that this model of coalition formation motivates voters resulting in domination in majoritarian systems of center-right parties in control of government, whereas the center-left governments tend to dominate in PR systems (ibid). In Germany the center-right dominated government for 34 years, while the center-left dominated only 16 years. This domination of the center-right is reflected in
the regional parliament of Baden-Württemberg where the CDU has dominated government since 1953. In Hesse the regional parliament has been dominated by the SPD, however the CDU controlled government from 1987 to 1991, and has again since 1999. In Austria the center left has indeed dominated the national parliament over much of the post World War II period, however in Tirol the center-right has dominated and in Kärnten as well. In light of the existing research regarding political parties, we would expect that domination of government by the CDU/CSU, social policy in Germany should reflect a compromise between income groups (Iversen and Stephens 2008), while adopting more generous social welfare legislation (Huber and Stephens 2001a). In Austria we would expect that the dominance of the SPÖ would result in strong social spending (Hicks and Swank 1992). How redistribution plays out at the regional level may differ from national or cross-national studies due to differences in not only in which party controls regional parliament, but also to differences between party actors at the national and regional levels. There is some evidence that indeed, parties in regional governments do not always behave in the same way as their national party (Debus 2008). Furthermore, there is evidence that the ability of political parties to pursue ideologically driven policy goals may have been significantly reduced through the 1990s due to budgetary concerns (Kittel and Obinger 2002).

Concerns vis-à-vis redistribution involves the distribution of resources and includes concerns regarding the distribution of risks; there is inequality in the distribution of risks associated with the transformation of advanced industrialized
societies. “These developments arouse strong feelings of vulnerability, uncertainty, and even anxiety, reinforced by the observation that there is no longer good correspondence between individual achievement and the distribution of rewards” (Berting 1998, 20). Feelings of vulnerability and uncertainty on the part of native populations may now expand to include discussions of citizenship and the rights and responsibilities toward non-citizens. The advanced industrial countries of Western Europe have experienced the influx of large numbers of refugees and immigrants from the former Soviet Union and third world countries, adding to existing immigrant communities. The immigrant communities suffer some of the same or worse problems experienced by native populations regarding unemployment. Immigrants or migrants have traditionally been recruited to work in industries that have been the most severely affected by economic downturns and restructuring (Deakin et al. 1995, 11). Immigrants lack education and/or training making the “number of foreigners who fall below the poverty line considerably higher than the proportion of the native population” (Betz 1994, 88). The higher rate of poverty among immigrants contributes to the perception on the part of the native population that immigrants are taking advantage of the programs and benefits offered by the host country.

The structure of the welfare state plays a role in the willingness of native populations to endorse reforms. Herbert Kitschelt (1995) found that when welfare state programs are based on insurance principles in which benefits are received in proportion to the individual contribution, public acceptance of social programs is not undermined. When the welfare state goes beyond the insurance principle,
redistributing funds from contributors to beneficiaries, ethnic balance matters (Kitschelt 1995, 261), if immigrants are viewed as a threat to what Kitschelt calls “club goods” a substantial number of citizens will be likely to support the exclusion or expulsion of immigrants to preserve national “club” goods and limit redistributive expenses (ibid, 262). “Club goods” may include low costs of crime, high social stability, and low levels of poverty. Members of the “club” may be defined as the native or indigenous population of the country. What emerges is “welfare chauvinism” – the notion that welfare services should be restricted to the native population and that immigrants receiving welfare grants coincide with smaller amounts for the indigenous or native population with “real” problems (Andersen and Bjørklund 1990). Welfare chauvinism is not based in traditional racism and xenophobia, rather it is a “rational consideration of alternative options to preserve social club goods” (Kitschelt 1995, 262). Welfare chauvinism appeals particularly to those who expect “to gain from the redistributive welfare state but fear a welfare state backlash, if the number of beneficiaries swells due to the special needs of immigrants” (ibid). The message to immigrants is that they are not welcome. The cleavage that develops is not only between haves and have nots, but between those who have rights, civil and political, and those who do not or are not aware of their rights (Body-Genderot and Martiniello 2000, 2).

How legislation defines benefits may also play a role in how the welfare state administers programs. Where benefit structures are vaguely defined, it would “enable states to do very little that was new and let them find some part of existing policy that
was having a positive impact” (Mayes et al. 2001, 5). Vague definitions allow states to choose facts regarding policies that fit their interests and act on them, without imposing a particular social model on states (ibid). The vagueness of legislation is of particular interest for my case studies where federal authorities determine the basic services and benefits that regional governments should provide. Vagueness then allows regional and sub-regional authorities responsibility for the administration of programs an opening to practice gate keeping without formally altering the rules determining who is eligible to receive benefits.

Stigmatization and Non Take-up

The attitudes described above contribute to the stigmatization of welfare recipients and in some cases leads to non-take up. An individual may choose not to claim a benefit because the process of claim or receipt is demeaning or stigmatizing (Atkinson 1998, 70). The phenomena of non take-up, a qualified individual that does not access a benefit, may also be related to the time and effort it takes to assemble the appropriate personal documents required to access the benefit. Non-take up does not occur only because an individual is unaware of their social rights. Individuals may be unaware of the benefit because they are not literate enough to understand information provided to them. Individuals may be aware the benefit exists but do not believe they are eligible to receive it. This belief may occur where they have previously been found ineligible, but where there has been a subsequent change in the program or their circumstance making them eligible (Atkinson, 1998, 108). Take-up rates are
important because they measure the extent and dimension of welfare programs, and/or their effectiveness in reaching target groups (Hernanz et al. 2004, 7). However, information for non take-up is available for a small number of OECD countries (ibid, 8) and where data does exist, the quality of the data is inadequate (ibid, 10). Riphahn (2001), using data from the German Income and Expenditure Survey, has estimated German non take-up among eligible households at 62.6 percent. More recently Frick and Groh-Samberg, using German Socio-Economic Panel Study data from 2002, have estimated non take-up rates at 67 percent of the eligible population (Frick and Groh-Samberg 2007, 40).

For minorities stigmatization develops into something more, it becomes stigmatization based in a belief that those on welfare are taking advantage of “the system”. The “more” is the element of racism. The minority on welfare confirms for the indigenous population that minorities are more dependent and more parasitical than other members of society “to reduce stigma, the receipt of a social service should not be conditional on the loss of other rights” (Blomberg and Peterson 1999, 161).

Stigmatization is fed by selective distribution that implies low levels of standardization and local administration; selectivity is reinforced by decentralization (Blomberg and Peterson 1999, 164). In selective distribution “social goods are directed towards certain groups. This means that the distributive rationale is one of targeting the poor” (ibid 158). The result is a policy that requires the confirmation of eligibility. The professionals, administrative actors, who participate in evaluation, run the risk of promoting a stigmatization by imposing predefined administrative or
socio-political categories (Raveaud and Salais 2001, 52). Stigmatization reinforced by selectivity leads to the rise of non-take-up. Two factors contribute to non-take up; first, incomplete or imperfect information regarding social rights. This means that eligible individuals are unaware of their right to a social good. Second, administrative procedures may consciously or unconsciously serve as a gate keeping procedure, gate keeping “involves claiming procedures that debar individuals that are borderline cases” (Blomberg and Peterson 1999, 168). As a result “potential recipients may be deterred by the way in which the benefit is administered and the treatment they receive from officials” (Atkinson 1998, 109).

Stigmatization can lead to exclusion from benefits. Exclusion based on social welfare “ignores the importance of the need for social recognition: being recognized socially in terms of your own specificity and capabilities which enable you to participate in the intricate process of social reciprocities” (Steijn et al. 1998, 17).

A problem for all advanced industrialized countries is how to help those in need, how to determine what that need is, and how to ensure resources are directed and used in ways that maximizes program effectiveness for both the administration of benefits and those receiving them. It is a complex issue, but the picture that emerges is one where universal benefits are most user friendly, where everyone in society receives the benefit there is less stigmatization. These systems also may cost less in the end because the need for administrative personnel is reduced. In Germany and Austria, the benefit administered when all other forms of social assistance are exhausted, is a means tested benefit.
Germany

Germany relies heavily on a system of social insurance, meaning that entitlements to social insurance benefits are “vested through work-based contributions from [employees] and their employers, with their dependents acquiring entitlements through the breadwinners’ contributions” (Goodin et al. 1999, 75). These social insurance programs do not always adequately cover all individuals, for those individuals the principle of subsidiarity operates. The principle of subsidiarity delegates social functions to the lowest level of organization “capable of bearing it” (King and Chamberlayne 1996, 742). Local authorities are responsible for government functions that can best be carried out locally, and they administer and finance social assistance (Wurzel 1996). The responsibility for Sozialhilfe is a mandated task of the municipalities, delegated to the Länder, which have in turn given the administration of payments for living expenses to rural counties and country-free cities as a matter of self government (Gunlicks 2003, 101). For these self-government functions, the municipalities are subject to the legal supervision of a county manager, who is under the supervision of the district government, who answers directly to various ministries (ibid, 100). The budgets of the municipalities are determined by a system of nationwide revenue sharing, providing a means-tested minimum income (Leibfried and Obinger 2003). The system of subsidiarity is strongly influenced by Catholic social theory and “stresses the primary importance of self-help and the caring functions of family and then gives precedence to voluntary organizations over state agencies” (Lawson 1996, 34). Non-profit or voluntary
organizations have proved to be very important in the administration of social assistance. Through the 1970s, individuals with primarily financial needs found themselves dependent primarily on localized social services, often operating on a stringent means-test (ibid). The primary financial assistance program was social assistance (Sozialhilfe), and until the 1970s was a “largely hidden sector in German social policy” (ibid).

Under the Kohl government the welfare state was “to be cut back to its basic functions and the concept of a social market economy was to be redefined in a more market-liberal way” (Leibfried and Obinger 2003). Initially the government cut some benefits while partially increasing contributions (ibid). In spite of the attempts by the federal government to cut back social spending, during the second half of the 1980s most of the Länder raised social assistance benefits (Lawson 1996, 38). In the early 1990s the large influx of ethnic German immigrants (Aussiedler) from the former Soviet Republics, the influx of refugees from the former Yugoslavia, combined with the ongoing question of the settlement of guest workers and their families, raised questions regarding the ability of the German government to take in large numbers of immigrants and grant them inclusive social rights (Faist 1995, 236). The CDU/CSU and the Republikaner emphasized the “fact that asylum seekers are culturally different, that they are economic competitors, and that many abuse the social assistance granted by the German welfare state” (ibid). The SPD, after lengthy internal conflicts accepted the position of the CDU/CSU.
In 1993 the numbers receiving *Sozialhilfe* totaled 4.6 million, double the numbers in 1980 (Lawson 1996, 44). By 1994 German social expenditures reached record levels and social policy got stuck between unification and its financial demands, which were compounded by the Maastricht Treaty criteria (Lawson 1996; Leibfried and Obinger 2003). Unification not only had effects on spending levels, in the West it produced a “toughening of attitudes toward the ‘undeserving’ poor” (Lawson 1996, 42). A policy of austerity plus selective expansion continued, with consolidation centered primarily on asylum seekers, who were taken off social assistance and placed on a “lower, second-class welfare track in 1993” (Leibfried and Obinger 2003). This selective distribution, although undertaken for budgetary reasons, is one feature of welfare programs contributing to stigmatization that may result in non-take-up.

*Sozialhilfe* in Germany is a means-tested benefit of last resort. Social assistance is a “social-subsistence” income (Wurzel 1996). One-time supplements are available to help pay for special needs, while additional regular payments are available for people with on-going special circumstances, such as old age, permanent disability, pregnancy or to lone parents (Castronova et al. 2001). The benefit is available to those persons who have a “legal claim on social assistance, whether they work or not, and for an indefinite period” (ibid). Social assistance may be a benefit of last resort for individuals whose unemployment benefits have expired, however, some recipients may qualify for some benefits after finding work because their earnings are
so low, while others lose all benefits because their incomes are too high for them to qualify (Thimann 1996, 40).

_Sozialhilfe_ is divided into two branches. _Hilfe zum Lebensunterhalt_ (HLU), subsistence assistance, which provides provision for on-going monthly payments to households determined to be eligible based on the household income (Castronova et al. 2001). HLU is provided for people who are seeking help, but do not or cannot obtain “sufficient funds to ensure an adequate standard of living” (Ross and Zacher 1983, 39). HLU specifically targets families and individuals in need of income assistance not based on disability, old age or pregnancy. The support payments are determined by the _Bundesländer_, each setting a minimum income threshold that represents the minimum income for an adult to maintain a reasonable standard of living (Castronova et al. 2001). Because this mandate for a reasonable standard of living is expressed in the German constitution, variations across the _Länder_ are minimal (ibid). This minimum income is adjusted for families according to a “fixed equivalence scale, so that the standard rate for a single adult is increased by a certain fraction for each additional family member” (ibid). The allowance is related to the general level of the cost of living, the size of the family, age of family members and other additional factors; it is the duty of the social assistance authorities to provide the necessities of life (Ross and Zacher 1983, 39). HLU payments are made largely in cash and supplement family income up to the minimum income threshold, plus housing costs (ibid). The second branch of minimum income support is assistance in
special circumstances and is given in a variety of ways: to provide basic medical care, the means to earn or guarantee a living, sickness benefits, integration assistance for the disabled and assistance for the aged (Ross and Zacher 1983, 40).

Following the Hartz IV reforms in 2003 the federal government sought to maintain a minimum income for job seekers, while at the same time enacting legislation that would not allow job seekers to turn down jobs offered to them. Hartz IV also recalculated assets for elderly recipients of social assistance, making the benefit more generous for elderly people, and for parents of children, who had gained their majority, under the age of 25, but still living at home (Bundesregierung).

Baden-Württemberg

Since the introduction of the federal welfare law in the early 1960s the number of recipients of social assistance has more than tripled due primarily to a rise in unemployment combined with the increase of single parent households, and increased immigration and asylum seekers (Ministry of Labor and Social Affairs, Baden-Württemberg 2008). The responsibility of Sozialhilfe has been viewed as necessary to help recipients not only to make possible a minimum income, but to also help benefit recipients become economically independent. Social assistance is understood as a first line of help for individuals when individuals and families are lacking sufficient earned income, are lacking in assets or other resources to maintain a minimum standard of living (Baden-Württemberg D.S. 11/1290).

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Current welfare law in *Baden-Württemberg* was reformed in January 2005. The benefit level of *Hilfe zum Lebensunterhalt* (HLU) is set and regulated by the Ministry of Labor and Social Affairs, benefit levels paid are determined by an applicant’s age, assets, and number of household members (Benefits of Welfare). Additional monies may paid to recipients to assist with the purchase of food, energy costs, clothing, repairs and other daily living needs (Benefits of Welfare). The government unit responsible for the payment of these benefits is determined according to the legal residence of the applicant. Therefore, if an applicant lives in an urban district, the city administration is responsible for the payment of HLU benefits. When an applicant resides outside an urban district, the *Länder* is responsible.

In Baden-Württemberg discussions regarding social assistance focused on the alarming rate in the increase of recipients during the early 1990s (table 4-1), and dramatic increase in the number of long term unemployment, of particular concern was the increase in 25 – 50 year old recipients from 18.6 percent in the 1970s to 34.5 percent in the 1990s (*Baden-Württemberg* DS11/2340, 16). The general trends noted at the national level held true for Baden-Württemberg as well, the number of senior citizens became a lower share of the distribution of social assistance recipients due to increased pension payments and increased nursing care (*Baden-Württemberg* DS11/2340, 16). Furthermore, from 1980 to 1990 the total distribution for HLU tripled, and doubled for special living circumstances (*Baden-Württemberg* DS11/1683). The Social Ministry expressed concern over the increase in HLU recipients in spite of favorable economic conditions during the decade 1980-1990, but
attributed the increase to a new system of calculating need as well as the increase of asylum seekers, refugees and Aussiedler (Baden-Württemberg DS11/1683). The problem of unemployment also contributed to the increase in the number of recipients of HLU (table 6).

Table 6

<table>
<thead>
<tr>
<th>Year</th>
<th># of Recipients</th>
<th>Unemployed receiving HLU percent</th>
<th>Unemployed more than 3 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>174,752</td>
<td>23</td>
<td>-</td>
</tr>
<tr>
<td>1994</td>
<td>207,904</td>
<td>57</td>
<td>4,409</td>
</tr>
<tr>
<td>1995</td>
<td>232,854</td>
<td>50</td>
<td>5,709</td>
</tr>
<tr>
<td>1996</td>
<td>241,211</td>
<td>47</td>
<td>7,508</td>
</tr>
<tr>
<td>1997</td>
<td>254,422</td>
<td>44</td>
<td>10,700</td>
</tr>
<tr>
<td>1998</td>
<td>243,812</td>
<td>39</td>
<td>12,709</td>
</tr>
<tr>
<td>1999</td>
<td>227,221</td>
<td>40</td>
<td>13,848</td>
</tr>
<tr>
<td>2000</td>
<td>209,044</td>
<td>41</td>
<td>13,105</td>
</tr>
</tbody>
</table>

Source: Statistische Landesamt Baden-Württemberg

The Sozialausschuss (parliamentary social committee) did recognize the need to examine the overall structure of social assistance, while maintaining the commitment to social democratic guarantees (Baden-Württemberg DS11/2340, 16). Though the committee acknowledged the need to reduce the number of recipients on social assistance, it also stated that such a reduction would "require much good will and much fantasy" (Baden-Württemberg DS11/2340, 16).

The Republikaner did actively participate in discussions regarding social assistance. However, the primary topic of their motions was not how to restructure or reduce costs. The primary thrust of the Republikaner in general was to question the integrity of program operations and the possible role that asylum seekers might play.
in the misuse of social assistance benefits. In November 1992 the Republikaner requested the “responsible administrative department” to answer a series of questions regarding the misuse of benefits and other payments to asylum seekers (Baden-Württemberg DS 11/948, 1). Specifically, the Republikaner expressed concern that asylum seekers would use multiple false identities to receive multiple benefits and/or exchange in-kind payments (e.g. clothing) for cash (Baden-Württemberg DS 11/948, 1). The Interior Ministry in agreement with the Ministry of Labor, Health and Social Affairs in its reply stated that this was a question already addressed by the regional parliament in consultation with communal and district associations (Baden-Württemberg DS 11/948, 1).

The motion filed in November 1992 by the Republikaner was not the first; a similar motion had been filed by the party in August 1992 as well. This first motion was filed with the Landesregierung as opposed to a ministry; the questions were all similar to those filed in November. The Landesregierung responded in much the same way as the Ministries. By 1997 the Republikaner had taken up the issue of work for social assistance recipients. As part of the motion the Republikaner requested that recipients of social assistance be required to provide some financial compensation to communities once the recipient became employed (Baden-Württemberg DS 12/2073). The FDP/DVP called this proposal unnecessary, while the SPD determined that there was no exact goal to the motion and it was the result of very sloppy work (Baden-Württemberg DS 12/2240). The idea of the misuse of social assistance is one that the Republikaner did not let go, again in July 1998 the party submitted a motion to the
Social Ministry requesting an investigation into the misuse of social assistance, comparative data with other Länder, the effectiveness of programs and what the prerequisites were for the applicant to be considered for benefits (Baden-Württemberg DS 12/852).

What becomes apparent on a cursory reading of government documents and press releases is the frustration the Republikaner engender on the part of other political actors. This frustration not only came from members of the regional parliament, but from government administrative institutions as well, particularly the Social Ministry (Pressemitteilungen 09.02.2000). This frustration was combined with a general lack of respect and less than collegial verbal interaction in parliamentary discussions.

Hypothesis

Regarding hypothesis 1, radical right parties as neutral parties will have little or no direct impact on policy making, appears to be accurate. As a neutral party the REP did exercise parliamentary control functions at their disposal. Perhaps more unexpected, in view of how one might expect mainstream parties to behave when faced with the demands of the radical right populist parties, the CDU and SPD do not appear to have taken the Republikaner as a party seriously as a parliamentary actor. It is not clear that the mainstream parties were forced to address issues because of the interference of the Republikaner at the regional level in Baden-Württemberg. It would appear that legislative concerns driving the main stream parties were concerns
regarding budgetary constraints and perceived demands of the Federal government. There was no clear movement of any mainstream party either to the left or right of the political spectrum.

**Hesse**

In Hesse the regional government created a State Welfare Association, responsible for social assistance, organized as a public corporation (GVBI. I S. 218). The basic structure of the corporation and social assistance in Hesse has existed with only small changes made to programs since its establishment in 1953. The State Welfare Association works in agreement with the Ministry of the Interior and the Social Ministry on matters of social welfare. The State Welfare Association has two institutions, an assembly and the management committee. Members of the Assembly are elected to five year terms and it is this institution that determines and provides oversight for the overall management of Hessen welfare association and its public institutions, specifically the use of revenues/income and deposits to the Welfare Association (GVBI. I S. 218 §12).

The number of recipients of *Sozialhilfe*, specifically *Hilfe zum Lebensunterhalt*, is consistent with nationwide trends in Germany during the same time period. The trend shows that during the years 1996 – 1998 there was in increase, then a gradual decrease in the number of recipients of HLU (see table 7). The increase may be linked to higher unemployment; it is also possible that the reduction in the numbers of HLU recipients may be linked to some restructuring of the benefit.
systems. Whatever the case, non-Germans and children are over-represented as recipients of HLU. Since November 1993 asylum seekers in Germany are no longer eligible for HLU benefits; they are now placed on a separate benefit with reduced cash and/or in-kind benefits (Ditch 1999, 127). Immigrants may still rely on HLU, and are overrepresented as recipients; again, this difference with the native population appears to be due to differences in income, family structure and age (Castronova et al. 2001).

Table 7
Recipients of HLU: by gender and German citizenship

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>232,688</td>
<td>247,147</td>
<td>262,865</td>
<td>265,314</td>
<td>253,581</td>
<td>243,213</td>
<td>233,788</td>
</tr>
<tr>
<td>Men</td>
<td>103,939</td>
<td>109,779</td>
<td>117,316</td>
<td>118,398</td>
<td>112,278</td>
<td>107,526</td>
<td>103,109</td>
</tr>
<tr>
<td>Women</td>
<td>128,749</td>
<td>137,368</td>
<td>145,549</td>
<td>146,916</td>
<td>140,853</td>
<td>135,687</td>
<td>130,679</td>
</tr>
<tr>
<td>Non-Germans</td>
<td>81,998</td>
<td>82,069</td>
<td>88,785</td>
<td>86,157</td>
<td>80,024</td>
<td>77,874</td>
<td>75,513</td>
</tr>
</tbody>
</table>

Source: Hessisches Statistisches Landesamt, Wiesbaden, 2000 and 2004

Heated discussions took place in Hesse regarding HLU benefits specifically. Beginning in 1992 the SPD took a strong stand in defense of asylum seekers, specifically arguing that these people were living under "adventurous" conditions, without resources to help themselves and without adequate support from the Land and the federal government (Plenarsitzung 13/071). The CDU took the position that those receiving HLU benefits should perform compulsory community service (Plenarsitzung 13/097). The SPD argued that remuneration for community service was inadequate, as this left recipients without health, and unemployment insurance.
and the proposed reforms of the federal government and the CDU targeted the under
and unemployed (Plenarsitzung 14/11).

The SPD identified persistent unemployment, high rents and low pensions as
the underlying problem to the increase in dependency on HLU benefits. The party
also expressed concern about the implications of policy changes for single women
who due to job losses or the expiration of unemployment insurance might fall outside
the labor market (ibid). The CDU responded by pointing out that HLU benefits made
up 44 percent of Hesse welfare benefit expenditures, and implied that there was some
fraud involved. The FDP echoed the CDU position, adding that the income supports,
specifically HLU were meant only to fill gaps in welfare assistance programs (ibid).
By 1998 the CDU claimed that their policies had resulted in social peace, that strong
support should be given to those who actually needed it, and that those who refused to
work should not receive services at all (Plenarsitzung 14/102). Whether social peace
was achieved or not, by 1998 the SPD led government did see the reduction of benefit
recipients to below 1994 levels.

**Hypothesis**

A great deal of the discussions in Hesse regarding minimum income supports
was driven by budgetary concerns. It was clear that both parties recognized problems
with existing programs. However, attitudes regarding the causes of and the solutions
to the problems differed. Attitudes were of a partisan nature, with the SPD
consistently arguing the causes were due to inadequate wage and labor markets. The
CDU and FDP argued that the causes of the increase in dependence on HLU were due to unwillingness on the part of individuals to work and the misuse of the system of income supports. These parliamentary debates largely excluded all other immigrant or migrant populations from the discussions that took place in parliament; the primary concern on the part of all parties was the issue of asylum seekers. In Hesse the CDU and FDP did take positions to the right of the CDU in Baden-Württemberg, indicating that parties do not only differ between the national and regional level, but also between regional parliaments. The SPD was forced by federal legislation to separate asylum benefits from the HLU programs in 1993 indicating that indeed, federal institutional structures are important and do set limits on regional governments, no matter what party governs at the regional level. Although there is a strong case that parties matter, even at regional parliamentary levels, the structures of the federal institutions matter more than regional party relations when it comes to income support policies. In the end, the programmatic differences between the two states were not significant, in part because both regional governments were operating within the same federal framework legislation.

Austria

Austrian federalism has strong leanings toward the central state, “while the nine Ländere and some 2400 municipalities play only a subordinate role” (Obinger 2002, 47). The federal government is responsible for social insurance, but social assistance is the responsibility of the nine Ländere (ibid). Although the Ländere have weak formal influence on policymaking, they do have some impact on federal policy
through informal channels. Federal bills are informally reviewed by the Länder when their interests are affected by the proposed legislation. (Obinger 2002, 48). The Länder, cities and local authorities are responsible for part of the health care system, the housing system, and the majority of social services, child care facilities and social assistance (Federal Ministry 2006, 11).

Herbert Obinger (2002) divides social policy developments in Austria since 1986 into three phases. The first phase between 1986 and 1994 when expansion measures exceeded benefits cuts; the second phase from 1995 through 1999 is connected to accession to the EU, which brought the "imperative of budget consolidation associated with the Maastricht Treaty" (Obinger 2002, 55). In 1995 and 1996 two austerity packages were launched, leading to extensive cutbacks in social policy and public sector spending (ibid). The third phase began in 2000. As the largest part of the federal budget, the welfare state became the object of cost containment and benefit cuts outweighed the enhancement of benefits (ibid). With the formation of the ÖVP – FPÖ coalition government following the 2000 election, the government agenda in social and economic policy

"comprised (welfare) state retrenchment down to 'core functions', a downsizing of public administration, the securing of jobs and investment by reducing non-wage labor costs, deregulation and greater flexibility, a largely spending-based restructuring of state finances, more stringent eligibility requirements, and a campaign against the abuse of welfare benefits" (Obinger 2002, 57).

According to Obinger, there was no attempt to hide the attempted changes from or to avoid confrontations with employee organizations (ibid).
Though the federal government sets basic standard benefits rates, additional considerations may be taken into account, such as the need for accommodation and further access to benefits (Sozialentschädigung, 94). The provincial governments determine the amount of cash benefit and benefits for accommodation may be bound to specific purposes (for example clothing and heating costs) (ibid). As is the case in Germany, those dependent on minimum income supports tend to be minorities. “The at-risk-of-poverty ratio for people from third countries (neither EU nor European Economic Area) is more than twice as high (28 per cent) as for Austrians (12 per cent). For naturalized citizens the risk ratio is 23 per cent” (Wiener Zeitung 2007).

Kärnten

In Kärnten Sozialhilfe is a benefit granted to families and individuals to assist with the costs of hospital care, household expenses, disabled individuals, housing for old and disabled people and other services (Kärnten, Soziale Dienste nach dem Kärnten Sozialhilfgesetz). Sozialhilfe benefits may be granted only for as long as the recipient requires aid and the recipient maintains a primary residence in Kärnten, applications for benefits must be filed with the Community Housing Office (Kärnten, Sozialhilfe). The type and extent of the social assistance benefit depends on the characteristics of the individual case, particularly the family circumstances and the length of time the benefit is needed (Kärnten Sozialhilfgesetz 1996, LKT12003833).

Kärnten moved to increase support benefits for women, youth, families and nursing care in 1999, the primary target of these initiatives were women, children and
pensioners (*Sozialhilfe-Initiativen*). Through this restructuring the provincial government has contracted private associations and established advisory centers where citizens can seek out qualified help. These centers are available to those in need of financial help, social isolation, etc. (*Sozial- und Gesundheitssprengel, 6-7*).

The Social Assistance Association assigns a chief officer to each administrative district (*Sozialhilfeverbände*). The Associations are responsible for the basic provisions of social assistance under the supervision of the *Landesregierung*. As is the case for most provincial governments, Kärnten requires proof of residency before a benefit can be granted. Once the benefit is granted the recipient is required to reside continuously in Kärnten, except in cases when medical treatment, vacation or absence is required for other reasons within the framework of the integration of individuals with disabilities (*Kärnten Sozialhilfegesetz 1996, §20*).

The conditions of a means tested benefits make it more likely that minorities, particularly those without adequate language skills, will fall through the social net. The need to prove residency is a chronic problem for individuals who are homeless, and it can be difficult to prove inadequate income. Furthermore, the requirement to produce verification for medical or other conditions that might make individuals eligible may also be difficult to obtain. All of these factors contribute to the likelihood that low income individuals would find the process difficult, and so not make the effort to apply for assistance. The issue of gate keeping, not addressed here, may also influence the rates of benefit take-up.
Hypothesis

Although it is difficult to evaluate the management of Kärnten legislative debates due to a lack of documentation, changes to programs since government has been under the direction of the FPÖ have been minimal. Hypothesis 3, that radical right parties as the majority party or the coalition partner in Land parliament would pursue policy goals that would restrict benefits to minorities and immigrants, is not obvious. This may be due to the centralized nature of the Austrian social net, allowing for a strong central government framework within which the provincial governments must remain. The impact of minimum income support policies in Kärnten on immigrant populations, specifically refugees and asylum seekers is the residency requirement for Sozialhilfe.

Tirol

The Tiroler provincial government has clearly delineated between HLU and assistance in special living circumstances. Tirol differs from Kärnten slightly due to this distinction. The HLU payments in Tirol are clearly designated for accommodation, food, clothing, personal hygiene, household contents, as well as heating costs (Sozialbericht, 2). Tirol clearly provides this benefit on the basis of means testing, taking into account the need to determine the extent of the award (ibid). Payments may be made in the form of cash benefits or payment in-kind, the amount to be determined in each individual case (Tiroler Sozialhilفgesetz 1973, §7). Benefits may be reduced or terminated if the recipient is determined to be negligent
or if in spite of warnings it is determined that the recipient has not been economically responsible (Tiroler Sozialhilfegesetz 1973, §7).

Debates about social welfare in the Tiroler provincial government appear to be primarily questions of budget and the best use of monies budgeted for social programs. These debates are more about how much of the budgeted money should be spent on specific programs, and where the greatest need is. (Stenographische Berichte 1995, Tagung 3). As is the case in Kärnten, Tirol has segmented social welfare programs into Family welfare, education benefits, child welfare, youth welfare, health and housing welfare etc., so that discussions on minimum income support in the form of HLU payments largely appears to have disappeared from the parliamentary debates. The emphasis of parliamentary debates, beginning in approximately 1995, regarding minimum income supports shifts from discussions centered on benefit levels. A more pressing question appears to be the issue of work and how the government can shift individuals and families from a reliance on social assistance to and integrated work and training program so that individuals are able to earn a living (Stenographische Berichte des Tiroler Landtages, XII Periode, 5. Tagung, 1. Sitzung am 12.10.1995). The issue then became a question of how to integrate women with children into such a structure, reflecting a concern regarding the number of women relying on public assistance.

The provincial parliamentary debates also show a pattern in the rhetoric of the political parties in general. While the ÖVP emphasized the idea of work as a
component of social welfare benefits structure, the Greens argued that there should be no reductions and little restructuring to the social welfare framework in a way that emphasizes labor market solutions. The FPÖ, appearing to be slightly more constrained than the Republikaner in Baden-Württemberg, did place emphasis on self help and labor market solutions. The FPÖ not only emphasized ideas of self help, but also supported the idea of funding more construction as a means to create more jobs and labor market opportunity, in the long run as an effort to relieve social welfare spending. These market solutions are consistent with the FPÖ's sometimes adopted advocacy of free market liberalism. The SPÖ in turn not only emphasizes solutions for women and children that are not directly related to or reliant on the labor market, the party asserted that discussions in committee regarding the high number of illegal immigrants and the misuse of social welfare benefits was fear mongering on the part of populist politicians (Stenographische Berichte des Tiroler Lantages, XII. Periode, 5. Tagung, 3. Sitzung am 21.12.1995). The report does not record which politicians the SPÖ refers to, however it is interesting that the public parliamentary record does not reflect a great deal of influence over public policy or the domination of the discourse by the populist FPÖ.

Hypothesis

In the cases of Kärnten and Tirol, policy differences are small. In Tirol the presence of a relatively weak radical right party does not appear to have had much influence in the parliamentary debates. There may be several reasons for this. As a
party in the opposition, the FPÖ representation was not powerful enough to shift the policy debate. A second possible explanation is that the FPÖ, as a vote-seeking party, may not have been so concerned with making policy, reflecting a flexibility of ideology not necessarily found in the Republikaner in Germany. Third, the lack of contempt shown to the FPÖ may reflect an acceptance of the party not found in Germany for the Republikaner (see Art 2007). Finally the nationalization of party politics (Erk 2004) in Austria may result in a party in the opposition, in a relatively weak position, relying on the national party to push the party agenda, making provincial policy debates less important. This may be particularly true for a party like the FPÖ in which a populist, charismatic leader, Jörg Haider, was able to attract a great deal of media attention, arguably benefitting the party in provincial governments beyond his own.

Conclusion

In regard to minimum income supports it cannot be said at this time that the Republikaner or FPÖ were able to influence social welfare policy in a way consistent with their party platforms. In the case of the Republikaner, attempts to influence policy regarding minimum income supports were directed at asylum seekers, to the apparent frustration of not only other political parties represented in parliament, but to the government ministries as well. Though the party did not appear to shape policy directly, the party was able to take up space, time and resources in discussions in parliament and research resources in the Landesregierung ministries through the submission of motions to which government was required to provide written replies, a
clear attempt to use parliamentary control mechanisms. Both Hesse and Baden-Württemberg have engaged in social policy reform regarding minimum income supports. However these reforms appear to be the result of budget management and federal changes to existing law, for example Hartz IV reforms, and a resulting restructuring of their social welfare programs. This is consistent with Kittel and Obinger’s (2002) work that found party policy has during the 1990s taken a back seat to budgetary concerns. However, it should be noted again that the emphasis on budgetary concerns should be viewed in Germany within the context of parliamentary functions. It can be said that the Republikaner did attempt to differentiate itself within the system; however the party behavior could also be viewed as differentiating from the system in their attempts to define the immigrant population as the outsider, and responsible for problems with minimum income support policies, it is not clear the party stuck to its vote seeking aims. Although the policies pursued or attempted by the party could be said to appeal to a specific potential pool of voters, it is also clear the party remained true to its party program. If the party was pursuing a vote seeking goal, the success of this vote seeking behavior is questionable, as the party did not win reelection to the Baden-Württemberg regional parliament in 2000.

The internal party conflict that resulted in the creation of Haider’s new party the BZÖ, would indicate that the party, under Haider’s guidance continued in a course to differentiate itself from the system, but that it has been successful in its vote seeking aims as Haider and the FPÖ remain in control of provincial government in Kärnten. What is less certain is the effect the party in government had on policy
regarding income supports. In both Tirol and Kärnten the potential to manipulate policy certainly exists due the vagueness of the wording of legislation regarding minimum income supports. This vagueness creates situations in which the states may do little that is new and may introduce practices that result in gate keeping (see Mayes et al. 2001). It is difficult to say, without a detailed district and/or municipal study if gate keeping occurred and if it did whether it was directed primarily at non-Austrian, and eventually, non-EU citizens.

As in the case of education policy, punctuated equilibrium theory provides some explanatory value in the case of minimum income supports. Unemployment appears to be a significant problem, one that was certainly related to reunification in Germany, and the influx of asylum seekers and refugees for both Germany and Austria. The unemployed significantly increased the numbers of recipients of income supports. Unfortunately for the REP, they were unable to take full advantage of the immigration issue. This may have been caused by the marginalization of the party by other parties (Art 2007).

Regarding the issue of welfare state restructuring, it is much more apparent in the case of minimum income supports, for example the separating of asylum seekers from other benefits, and benefits recipients, and more stringent eligibility requirements. There were also attempts on the part of governments to find market solutions such as work requirements, or compulsory community service in return for benefits. It is interesting that even though benefit structures did not become more
generous, spending increased, due to an increased demand for assistance. Spending in Germany and Austria followed similar patterns.

Redistributive arguments were somewhat less clear in discussions over minimum income supports. Again this may be due to federal involvement in Sozialhilfe payments and structuring, indicating that federal structures are important in the distribution of social policy, regardless of what party controls regional parliament. It is expected then that if there were redistributive arguments they took place primarily in the federal parliaments of both countries.
CHAPTER IV
HOUSING POLICY

This chapter examines the effectiveness of the Republikaner and the FPÖ to influence housing policy. I have chosen to focus on public and private housing policy because of the responsibility of regional government in Germany and Austria to implement policy regarding the financing, construction and distribution of housing at the state and local levels as part of the principle of subsidiarity. This chapter first reviews housing policy and the policy instruments governments may choose, followed by the case studies from Germany and Austria.

There are important reasons to consider housing policy. Housing is the most expensive item in the household budget, accounting for one half and sometimes more, of household income. Because housing is both necessary and plays a central part in determining life quality, how housing is paid for determines how much of the total household income is allocated to other forms of expenditure (Kemeny 2001, 62). Housing programs also have effects on a nation’s economic health, individual families’ financial security, and on the shape of urban areas (Heidenheimer et al. 1990, 97). “In all Western economies, the construction industry is a major economic sector, whose fortunes seriously affect overall levels of employment” (ibid). According to Heidenheimer et al. (1990) governments directly influence the jobs of hundreds of thousands of construction workers, suppliers of building materials, real
estate brokers and others who depend on the industry, by manipulating tax and credit
policies through production programs to raise or lower the volume of housing
construction (ibid). An important feature of housing is that it manifests a high degree
of “embeddedness” in the social structure (Kemeny 2001, 55). “Its very pervasiveness
in terms of influence on life styles, urban reform, welfare and patterns of household
consumption make it at the same time central to understanding welfare yet
conceptually elusive” (ibid). In the twenty-five years following World War II most
countries in Europe were developing welfare systems, and providing enough housing
of adequate standard was a priority (Kemeny 2001, 53). The founding of post-war
welfare systems took pace in the context of acute housing shortages created by almost
three decades of low rates of construction marked by a world of depression and two
world wars (ibid).

I expect that punctuated equilibrium theory will provide some explanatory
value regarding housing policy, because of the confluence of external factors already
stated in previous chapters. However, in the case of housing policy in particular these
events were compounded by a reduction in housing construction in the latter 1980s.

Philosophies of Housing Policy

There are two underlying philosophies guiding how governments engage in
housing policy. According to the first, the state takes direct responsibility of
providing rental housing for households in need. To accomplish this, the non-profit
rental housing is organized in the form or a state of local government monopoly. As
much as possible, non-profit sectors are prevented from competing with private profit
seeking housing companies by “hiving it off from the market into a command-
economy public rental sector” (Kemeny 2001, 66). In the second philosophy the state
is either “not a major provider itself, or if it is, access to such housing – often
provided on a ‘not-for-profit’ basis – is not limited to households in need” (ibid).

Table 8
Public social expenditure: housing

<table>
<thead>
<tr>
<th>Year</th>
<th>Austria</th>
<th>Belgium</th>
<th>Czech Republic</th>
<th>Denmark</th>
<th>Finland</th>
<th>France</th>
<th>Germany</th>
<th>Greece</th>
<th>Ireland</th>
<th>Italy</th>
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Instead it is encouraged to compete with profit rental housing on the open market for
tenants and thereby set standards, ensuring that all households have security of tenure
and competitively hold rents down (ibid). The result is that the legal distinction
between profit and non-profit is minimized and a unitary rental market is encouraged to emerge (ibid). This may contribute to the rather low percentage of expenditures on housing as a percentage of overall public social expenditures (table 8). One of the most generous welfare states, does not pay the most in for housing as a percentage of GDP, rather, the liberal welfare state, the UK pays the most. This difference may not be related to a more generous benefit structure, but by the way housing policy is structured and the availability of affordable housing. Germany and Austria, both conservative welfare states, pay similar rates that remained constant overtime, as is true of most of the OECD countries.

**Policy Instruments: Public vs. Private**

With these underlying philosophies in mind, governments may choose policy instruments that present a choice between two strategies: subsidizing producers and subsidizing consumers (Heidenheimer et al. 1990, 98). The shift from producer to consumer subsidies has reflected three interrelated developments. First, there had been, up to 1990, an end to large housing shortages that prompted a re-evaluation of housing programs. Second, producer subsidies were reduced due to the perceived ‘fiscal crises’ of welfare states. Housing programs were a prime target because the impact of reduced public expenditure in this area of welfare is often less immediately apparent than in other programs. Housing allowances also fitted into the growing search for greater efficiency in the use of public funds, and the growing imperative not to ‘waste’ subsidies on households who did not really need them. Finally, the
increased preference for consumer over producer subsidies reflected a renewed emphasis on the belief in the efficacy of markets (Kemp 1990, 798).

Two primary instruments for subsidizing producers are: (1) construction programs in which government builds its own housing for rent, usually to low-rent and moderate-income people, (2) subsidies to private producers of either the profit making or the non-for-profit variety (Heidenheimer et al. 1990, 108). Critics of producer subsidies argue that government programs to subsidize producers are ineffective in helping low-income citizens because government cannot guarantee that by enlarging total housing stock they are creating vacancies for all income groups (ibid, 99). Production subsidies hold down the housing cost of the tenants living in dwellings whose construction has been supported by government loans or grants. Once built the government loses control over just how the subsidized units are to be allocated to families originally qualifying under the established eligibility requirements who experience changes in either changes in either circumstances overtime; and when their income rises or their children leave home, they often opt to stay in the subsidized unit (Heidenheimer et al. 1990, 111).

Consumer oriented subsidies such as income related housing allowances enable households to pay market prices whereas producer subsidies often involve the suppliers of housing charging below market prices (Kemp 1990, 770). Two common instruments to subsidize consumers are through cash allowances to renters and tax concessions to owner-occupiers (Heidenheimer et al. 1990, 110). Housing allowances take different forms depending on the target population. When the target population
has been low-income groups, European authorities have seldom encouraged the construction of projects specifically for them. Instead the most common form of subsidy has been a direct cash transfer, which permits the tenant families to choose among the housing alternatives available on the open market (ibid, 111). Often these low-income groups include higher numbers of immigrants and minorities due to higher unemployment and lower education levels. In Germany and Austria the regional governments are largely responsible for providing public and/or subsidized private housing for these groups. In Germany resentment toward immigrants, particularly ethnic Germans from Eastern Europe developed, providing the Republikaner one more facet of immigration/migration policy to take advantage of. In Austria, the flow of East Europeans and refugees from the former Yugoslav civil war also meant that provincial governments were faced with providing at least temporary housing for immigrants and asylum seekers. As is the case in Germany though to a lesser degree, the provincial governments in Austria are largely responsible for housing these populations and provided an opportunity for the FPÖ to further rail against foreigners and immigration policy.

German Housing Policy

In West Germany housing policy since World War II emphasized providing affordable housing for the broad spectrum of people and to offer special assistance to discriminated groups (Tomann 1996, 188). Tomann (1990) has identified four phases of housing policy in Germany, the fourth ending in the 1990s. Phase I was the period of reconstruction during the 1950s and was characterized by the rationing of the
existing pre-war housing stock, using rent control to prevent rent increases (Tomann 1990, 919). During the 1950s, the production of social housing units decreased gradually from 60 percent in 1950 to 50 percent in 1960 (Dorn 1997, 464). Phase II was the period of full employment during the 1960s and was a phase of deregulation as balanced housing markets were released from rationing and rent control. During this phase Wohngeld was introduced to ease the rent burden of low-income tenants at a time when rents were gradually being deregulated (Kemp 1990, 800), and the production of social housing units fell from approximately 50 percent in 1960 to 30 percent in the 1970s (Dorn 1997, 464). Phase III, during the 1970s was characterized by two things. First, the boom in housing construction led to excess supply in the housing market until the end of the decade. Second, there was a shift in policy concept through the implementation of an active urban development policy instituted by the Social-Liberal coalition (ibid). The fourth phase, during the 1980s, was dominated by the Christian-Liberal coalition which promoted fundamental deregulation of the housing market (ibid), and social housing production fell to approximately 25 percent (Dorn 1997, 464). During the 1980s pensioners accounted for 67 percent of all recipients (ibid). Since then there has been a shift in the composition of recipients of Wohngeld. As of 1990, there was a decline in the number of pensioners and an increase of long term unemployed recipients (ibid).

The Basic Law, in important fiscal articles, requires that financial disparities among the states be equalized through compensatory federal payments, coupled with a system of allocating certain tax revenues among the state governments (Quint 1999, 211).
307). These fiscal devices have always caused tensions between the states and have become increasingly controversial in the wake of the great financial disparities among states after German unification (ibid). Since the 1980s housing policy and social housing programs have shifted away from rental sector housing to the owner occupied sector, and the federal government has removed itself from supplying social housing (Reschle 1991, 243). These subsidies to the housing sector were granted through social housing programs, housing allowances, tax expenditure for investors and tax expenditure and grants for housing specific purposes (Tomann 1990, 924). Social housing programs refer to the Housing Construction Act and are provided by the federal government and regional governments on equal terms. In addition, local authorities subsidize housing construction by their own programs. Subsidies for housing specific savings are paid as grants to low-income groups. Alternatively, tax deductibility may be claimed without income restrictions (ibid). The constitutional court (BVG) has found that a tenant’s interest in a rented apartment was a constitutionally protected “property” interest under Article 14 GG guaranteeing the basic constitutional protection of property (Quint 1999, 323; 307). This decision by the court does not give tenants the right to remain in the apartment indefinitely. It does mean that “the tenant’s interest may be significantly strengthened in the judicial balancing of interests that can take place under German Law before a tenant is evicted – for example, on the grounds that the landlord claims a personal need for the apartment” (Quint 1999, 323). The role of private landlords in the social rented sector is unique. Private landlords may operate social rated dwellings on the same terms as
non-profit landlords. When the subsidy period has elapsed, these dwellings fall under the rent regime of the private rented sector (Boelhouwer et al. 1997, 511).

Through the 1990s the issue of housing became politicized due to housing shortages. The housing shortage came about through a series of events not entirely within the control of the German government. There was a reduction in housing construction (Faist and Häussermann 1996; Reschle 1991), and the federal government placed emphasis on ownership as opposed to rental housing. At the same time Gemeinutzigeswohnungswesen, non-profit housing associations, and providers of low rent or subsidized apartments, lost their tax privileges. It was argued that the non-profit housing associations were unfair competition for privately financed housing construction (Reschle 1991). The move from non-profit landlords towards the private sector has increased the polarization and lack of choice for low-income families (Bulpett 2002, 147). In 1988, only 200,000 housing units were built and legislation protecting tenants’ rights was partially dismantled. In January 1990 the non-profit status for housing projects was repealed (ibid). As a result, there are private landlords that only receive specific property subsidies if they are willing to house low-income groups (Priemus and Dileman 2002, 195).

Social housing in Germany is differentiated by status; it is characterized by rising rents and a frozen housing benefit demonstrating certainly a lack of redistribution between status groups (Bulpett 2002, 147). In Germany social rental housing is in general limited to a maximum income, where allocation is concerned. The income limit which applies to acceptance within the social rented sector is so
high that 40 percent of households qualify for the social rented sector (Boelhouwer et al. 1997, 521). Once a household has moved into social rental dwelling and their income rises above the maximum, there is little obligation to move (Dutch Refugee Council, 1999). However, there is a rental taxation (Fehlbelgungsabgabe) or surcharge for households whose income exceeds a certain maximum after they have moved into the social rental sector (Boelhouwer et al. 1997, 523-524).

The pursuit of policies that eventually led to a reduction in housing construction coincided with several other factors contributing to a demographic shift. There was massive immigration to west Germany caused by a number of factors the first was the fall of the Berlin Wall and German reunification. These events brought large numbers of Aussiedler, ethnic Germans, to Germany. In the six years between 1988 and 1993, 1½ million Germans from eastern Europe, about 1 million form the new Länder, and 1½ million asylum seekers entered the territory of the Federal Republic (Anonymous 2002, 31). Ethnic Germans were immediately eligible for an apartment in the social housing stock. In fact, were able to gain access to an apartment prior to local families that may have been looking for an apartment for a number of years (Faist and Häussermann 1996, 88). Until 1992 there were also a variety of programs to support home ownership among Aussiedler (ibid).

Further factors contributing to the reduction in the available housing stock were the collapse of the Soviet Union and the Yugoslav civil war. These events increased the number of Asylbeweber. The resettlement of former guest-workers, their families and the massive inflow of asylum seekers and ethnic Germans in a period of
welfare state retrenchment, raised questions about the viability of both taking in large numbers of immigrants and granting them inclusive social rights (Faist 1995, 236).

Prior to a decision regarding their applications for asylum, asylum seekers were housed by local authorities, either in social housing, if available, or pensions, hotels, privately owned homes, publicly owned buildings or temporary accommodations (Faist and Häussermann 1996, 90). The cost of housing asylum seekers had to be paid by the local authorities which were partially refunded by the regional and federal governments (ibid). The issue of housing immigrants became a salient domestic political issue and became the cause of political conflict between liberals who reminded the German public of its special constitutional responsibility toward political refugees and asylum seekers. Restrictionists wanted to stop or limit immigration arguing that local authorities and the federal state took better care of asylum seekers than its own people (ibid).

In response to housing shortages the Federal Government adopted a series of measures to promote housing construction of rented housing. The volume of programs in the social housing construction was expanded again and the number of sponsored housing units, which had fallen below 40,000 in the second half of the 1980s, rose at the beginning of the 1990s to as high as 110,000 units (Anonymous 2002, 31). The tightening of the housing markets resulted in rising rents, measured by the consumer price index at 1.6 percent per year in 1987; it accelerated and peaked at almost 6 percent in 1993 (ibid). Housing costs per household increased form 16 percent of disposable income to approximately 20 percent (ibid). Since 1994 the
housing market has regained some equilibrium and the Bundestag has reduced the government promotion of residential construction. It has repealed some of the preferential tax depreciation conditions; and the option for offsetting, for income tax purposes, losses from letting and leasing against other income were reduced (ibid).

Baden-Württemberg

Following World War II federal legislation regarding housing policy provided for access to housing construction through municipalities which have the legal authority for regulating and carrying out private and public construction (Reschle 1991). This structure of policy led to the formulation of housing policy at the municipal level, in which the mayors played a central role. In Baden-Württemberg the mayors, due to mayoral initiatives, were relatively strong in relationship to the relatively weak municipal councils (Reschle 1991, 262). This concentration of housing policy in the administration of the municipalities meant that political party policy became salient following the direction of the political party of the city mayor (ibid). Substantive differences between party policy and particular programs or housing construction are not absent. Instead concrete differences were found at the basic beginning level of the respective communities (ibid).

In 1991 a rent subsidy was introduced for social welfare assistance and the welfare of war victims (Statistisches Landesamt Baden-Württemberg). The number of recipients gradually increased until the regional government began a year by year report and clearing of cases that had become inactive or were no longer eligible for the
benefit, since 2003 the benefit has become a need-oriented subsidy (ibid). A peak year for spending on rent subsidies was 1992 (see table 9), due in part to re-unification, and the influx of Aussiedler and Asylbewerber. Expenditures remained stable for four years, when they peaked again in 1997, caused primarily by an increase in unemployment. The numbers of unemployed include those who have never been employed, and/or those who have reached retirement age. This older population remained the largest recipient population of housing assistance; however, the high numbers of people under 50 years of age were of greatest concern again, in part due to the high unemployment rates. In spite of the decrease in the number of recipients of rent subsidies, this did not lead to a reduction in the amount in Euros the government pays both in general housing subsidies and rent subsidies (table 10); though general housing benefits have risen, other rent assistance has cost the government more overtime. If the general housing benefits are paid to owner

Table 9

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Recipients</th>
<th>Employed</th>
<th>Not Employed</th>
<th>percent Receiving Monthly Housing Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Under 50</td>
</tr>
<tr>
<td>1992</td>
<td>116,572</td>
<td>38,104</td>
<td>78,468</td>
<td>51.8</td>
</tr>
<tr>
<td>1993</td>
<td>107,567</td>
<td>32,457</td>
<td>75,110</td>
<td>48.2</td>
</tr>
<tr>
<td>1994</td>
<td>105,283</td>
<td>32,709</td>
<td>72,574</td>
<td>46.5</td>
</tr>
<tr>
<td>1995</td>
<td>107,205</td>
<td>32,592</td>
<td>74,613</td>
<td>46.3</td>
</tr>
<tr>
<td>1996</td>
<td>111,109</td>
<td>31,503</td>
<td>79,606</td>
<td>45.2</td>
</tr>
<tr>
<td>1997</td>
<td>111,561</td>
<td>32,043</td>
<td>79,518</td>
<td>43.9</td>
</tr>
<tr>
<td>1998</td>
<td>108,280</td>
<td>32,956</td>
<td>75,324</td>
<td>41.9</td>
</tr>
<tr>
<td>1999</td>
<td>102,010</td>
<td>31,612</td>
<td>70,398</td>
<td>39.3</td>
</tr>
<tr>
<td>2000</td>
<td>100,707</td>
<td>31,219</td>
<td>69,488</td>
<td>61.8</td>
</tr>
</tbody>
</table>

Source: Statistisches Landesamt Baden-Württemberg
occupied housing, this would indicate that funding programs that promote ownership do result in a lower cost for government as opposed to rent subsidies. The increase in costs may also be the result of an increase in rents due to increased competition for more limited housing, general inflation or costs of living increases, or may reflect stagnation in wages, resulting in a lower real wage paid to workers making housing costs a larger percentage of their monthly budget.

Table 10
Average monthly housing benefit in Baden-Württemberg

<table>
<thead>
<tr>
<th>Year</th>
<th>General housing benefit</th>
<th>Other rent assistance</th>
<th>Year</th>
<th>General housing benefit</th>
<th>Other rent assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>72</td>
<td>92</td>
<td>1997</td>
<td>80</td>
<td>137</td>
</tr>
<tr>
<td>1992</td>
<td>69</td>
<td>96</td>
<td>1998</td>
<td>80</td>
<td>137</td>
</tr>
<tr>
<td>1993</td>
<td>70</td>
<td>109</td>
<td>1999</td>
<td>82</td>
<td>140</td>
</tr>
<tr>
<td>1994</td>
<td>64</td>
<td>120</td>
<td>2000</td>
<td>78</td>
<td>140</td>
</tr>
<tr>
<td>1995</td>
<td>72</td>
<td>128</td>
<td>2001</td>
<td>107</td>
<td>159</td>
</tr>
<tr>
<td>1996</td>
<td>77</td>
<td>133</td>
<td>2002</td>
<td>110</td>
<td>161</td>
</tr>
</tbody>
</table>

Source: Statistisches Landesamt Baden-Württemberg

Housing policy does not appear to have changed dramatically between 1992 and 2000 in terms of benefits to immigrants and minorities. This does not mean the Republikaner did not attempt to alter policy in ways that aligned with party policy. In a review of party activity regarding housing policy, there is little to indicate that the Republikaner had been active in the public debate through media outlets. The Republikaner had remained true to its party platform by attempting to frame the issue of housing policy in terms of immigration in parliamentary sessions during the debate.
process. The issue of the *Fehlbelgungsabgabe* became the focus of debate and subject to changes. The *Landesregierung* submitted legislation to adjust the subsidy levels to reflect changes in the cost of living and incomes of tenants. The government asserted that it was losing 25 million DM per year due to people living in subsidized housing whose circumstances had changed but had gone unreported, creating a gap between the maximum rent charged and the increased income. This gap allowed individuals to pay reduced rents in subsidized housing and as a result a lower percentage of their income.

In the debates over these changes *Abgeordnete* (parliamentary member) Krisch (REP) asserted that social mixing would reduce the quality of life and increase the crime rate in social residential zones (PIPr12/100). Immigrants were also to blame for what Krisch called the "ethnization" of cities that resulted in the alienation of Germans in these residential areas. Further assertions were made that the proposed changes to housing policy were due to the undemocratic policies of the other political parties in regional parliament (PIPr 12/100). In the same parliamentary proceeding Krisch also claimed that immigrants were responsible for the housing shortage. Because if high immigration, a demand for housing construction resulted in high construction costs, causing young families to suffer the greatest negative effect of high housing costs (PIPr 12/100, 4728).

In later debates regarding the same proposed changes to housing policy Krisch again called attention to immigration, calling it the ‘real’ issue in the social housing market. He defined the real issue as decay, resulting in the destabilization and
devaluation of quality of life and housing in cities (P1Pr 12/103, 8145-8151). Abg. Krisch indicated the cause of this set of problems were the new inhabitants of city centers, who happened to be primarily immigrants, whose presence was attributed to uncontrolled immigration.

The Republikaner, if not successful in actually making housing policy, were successful in exercising a parliamentary control mechanism, absorbing both the time and resources of the Landesregierung. In addition to steering parliamentary debates to an anti-immigrant perspective, the party also submitted multiple inquiries. One of the longest, a Große Anfrage (great inquiry or motion) consisting of 100 questions regarding housing policy, required the Landesregierung by law to justify its position in writing. The requirement for written response meant that the Landesregierung had to respond to each question, point by point.

Perhaps the most interesting and potentially important legislative action on the part of the Republikaner, which may have affected housing policy had it passed, was a piece of legislation proposed by the party in 1993 (DS 11/2959). The legislation was an attempt to change the way in which municipal council members and mayors were elected. In Baden-Württemberg the mayors played a central role, specifically regarding the structure of housing policy (Reschle 1991, 261-262). The mayors in Baden-Württemberg hold a strong position relative to municipal and city councils and the formulation of policy came not from the councils, but from the mayor’s office (ibid). As a result the policy pursued at the municipal level was consistent with party
policy of the mayor’s political party. Although this proposed change to municipal
codes failed and was not directly related to housing policy, it was an attempt by the
Republikaner to fundamentally change laws in way that might benefit smaller parties,
specifically the Republikaner. A transfer of power into the hands or politicians at the
local level may have provided the party with the ability to alter policy, specifically
housing policy, in a way that would be in agreement with party ideology. A cursory
look at the number positions held by the party at the local, municipal levels show that
the party is more successful in winning and holding seats on municipal councils than
at the regional or national level (Ganser and Herberz 1995).

Hypothesis

Hypothesis 1, the expectation that the radical right political party as an
opposition or neutral party in parliament would have little or no effect on the policy
process, has proven correct in the case of housing policy. The Republikaner did in
fact have little or no influence on policy formation. Hypothesis 2, stating that the
radical right political party would exercise parliamentary control mechanisms was
clearly the case. When one considers initiatives that require nothing more than
government response in written form and consistent attempts to frame the debate over
housing policy in terms of the “problem” of immigration. There is not evidence that
mainstream parties moved to the right when faced with radical right opposition or
neutral party in regional parliament.
In Hesse the commitment to subsidized rental housing is specifically for households with low income or to provide adequate living space for families with children, handicapped family members and/or foreign citizens in need of assistance (Wohnungsbericht Hesse 2004, 9). The housing allowance laws provide for economic security, adequate for a family residence (ibid, 25). Already in the late 1980s the Hesse parliament was arguing over how best to address housing shortages and the issue of low-income tenants. In 1989 the SPD proposed legislation that would have created 15,000 new dwellings over a five year time span for low rent tenants (PlPr. 12/71). The party argued that it was not interested created new programs or separate programs for refugees or Aussiedler. The CDU argued back that the SPD request for social housing construction would cost 100 million DM, and would result in the Land losing federal government subsidy 65 mil DM (ibid). A heated legislative debate took place over the course of the following two years with the FDP demanding the parliament not only expand housing construction and subsidies, but also to create transition mechanisms for families and individuals who were unable to find housing (PlPr. 12/80).

In 1991 the debate regarding housing became debate over basic party ideology. The CDU arguing that rent subsidies were inadequate because they did not provide new housing (PlPr 13/26) and the FDP stating that too many people were taking advantage of the subsidies and individuals not showing a need for subsidies.
should be cut off from assistance (PIPr 13/31). The number of households seeking social housing was highest in 1991, due to both supply and demand caused by reunification combined with the civil war in Yugoslavia, but continued to be exacerbated by the number individuals not employed (never having been employed) and unemployed (having lost jobs) in need of assistance (see table 11) (Wohnungsbericht Hesse 2004, 14). In 1992 the parliament passed a Fehlsubventionierung into law, the same law that set a higher minimum rent and a lower maximum rent (GVBl. I S. 222). The Fehlsubventionierung was placed under the competency of the municipalities for those programs not financed by the regional government; those subsidized by Hesse remained the competency of the regional government.

Table 11
Percentage of housing subsidy recipients

<table>
<thead>
<tr>
<th>Year</th>
<th>Total number of recipients</th>
<th>Percentage Employed</th>
<th>Percentage Not Employed</th>
<th>Percentage Unemployed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>72,198</td>
<td>29.0</td>
<td>56.5</td>
<td>14.5</td>
</tr>
<tr>
<td>1993</td>
<td>66,670</td>
<td>27.5</td>
<td>54.5</td>
<td>17.9</td>
</tr>
<tr>
<td>1994</td>
<td>65,360</td>
<td>28.2</td>
<td>51.5</td>
<td>20.3</td>
</tr>
<tr>
<td>1995</td>
<td>65,552</td>
<td>28.0</td>
<td>49.9</td>
<td>22.1</td>
</tr>
<tr>
<td>1996</td>
<td>68,161</td>
<td>26.7</td>
<td>47.5</td>
<td>25.8</td>
</tr>
<tr>
<td>1997</td>
<td>70,169</td>
<td>26.6</td>
<td>45.5</td>
<td>27.9</td>
</tr>
<tr>
<td>1998</td>
<td>68,545</td>
<td>27.6</td>
<td>44.1</td>
<td>28.4</td>
</tr>
<tr>
<td>1999</td>
<td>65,125</td>
<td>28.3</td>
<td>44.9</td>
<td>26.8</td>
</tr>
<tr>
<td>2000</td>
<td>52,174</td>
<td>28.4</td>
<td>47.8</td>
<td>23.8</td>
</tr>
<tr>
<td>2001</td>
<td>71,921</td>
<td>31.1</td>
<td>45.2</td>
<td>23.7</td>
</tr>
</tbody>
</table>

Source: Wohnungsbericht Hesse 2004

In 1994 the parliament passed further legislation stating that individuals in search of subsidized housing must register with the appropriate authorities to obtain...
aid. The applicants were allowed at least three individuals to share the dwelling, and housing would be assigned according to “social need” (GVBl. I P 623). This law also stated that social need would be determined based on whether the applicant was being forced to move due to a legal ruling, for example an eviction, or for other compelling reasons, if they were currently insufficiently accommodated, and the duration of time lived within the municipality (ibid). However, if the applicant was searching due to and eviction because of bad behavior or poor maintenance of the current dwelling, the applicant would be placed lower on the waiting list.

Throughout the 1990s the government pursued policies aimed at increasing supply, and the decade saw a considerable rise in regional government support (Wohnungsbericht Hesse, 2004, 14). Concurrent with the increase in supply was a decrease in requests for assistance. Hesse saw a substantial decline in the number of foreign and East German migrants requesting subsidized housing (ibid, 15).

In 1995 the CDU and FDP argued with the SPD/Green parties over the number of dwellings constructed and the costs. The SPD/Greens asserting that the pursuit of housing construction was out of balance and took advantage of average income and weaker members of society, even more so those with low incomes or foreign citizens (PlPr 14/23). The SPD wanted passage of a bill that would provide stability for the social housing construction, limit revenue for the purchase of publicly promoted dwellings and adjust rent subsidies (ibid). The party at the same time decried the pursuit of what they called neo-liberal market ideology.
In 1996 the Hesse parliament passed legislation that lowered the interest rates of public loans for construction of housing, and limited the increase of average rent charged (GVBl. I P.44). The law also reduced the interest rates and redemption subsidies for owner-occupied housing to not more than 200 DM per month, these regulations also applied to public loans for housing welfare (ibid). Although lower interest rates are beneficial, a reduced redemption rate might not be helpful, and could have negative consequences for lower income owners.

Further legislation regarding housing subsidies was not passed until after the 2003 elections and the CDU won 48.8 percent of the vote (Hessisches Statistisches Landesamt). With the passing of the Hartz IV, housing subsidies became associated with other forms of social support, specifically unemployment payments.

Hypothesis

It does not appear that the absence of a radical right party provided a different policy outcome in Hesse. In general the concerns of regional parliament in Hesse appear to be budgetary in nature and very much divided along party lines, with the CDU and FDP arguing for market approaches to housing construction and a more restrictive benefit structure. As in the case of minimum income supports, the CDU in Hesse advocated more conservative, market based solutions than the CDU in Baden-Württemberg, showing again that parties vary across Länder, and that the center right, when faced with a radical right party and adopting a policy or marginalization may not move right. In some ways housing policy became more restrictive in Hesse than
in Baden-Württemberg. In both Baden-Württemberg and Hesse the parties were
driven more by budgetary concerns and the urgency of the need to provide adequate
housing, again contributing to Kittel and Obinger (2002) and their findings regarding
party policy pursuits. As with minimum income supports, housing policy takes place
within the framework of federal legislation, perhaps influencing the nature of debates
in regional parliaments, bringing about a focus on budgets and allocation of funding
because this is one area in which regional parliaments have some autonomy.

Austrian Housing Policy

The roots of non-profit housing in Austria lie in the late nineteenth and early
twentieth century housing cooperatives, now largely organized as joint-stock
companies (Förster 1996, 114). From 1917 rent levels on nearly all rented flats were
restricted by government regulation (ibid). Austrian housing policy is a child of the
post-war World War II years (Matzner 2002, 272). Traditionally there has been
strong public intervention in the Austrian housing sector, justified by the idea of a
right to good scarce housing. Generally housing policy measures are supposed to
lower the construction and financing costs and also to provide a cheap standard of
housing for lower income groups (Lee et al. 2001, 260). Jurisdiction for housing is
devolved to the provincial level, including legislation on housing subsidies, housing
renewal and allowances (Förster 1996, 114).

At the federal level, housing legislation was a bi-partite creation of the period
of re-construction, with a focus on war damaged urban areas (Matzner 2002:272).
Expenditures were financed by a legally prescribed share of total direct tax revenue, the debt service for public loans, and sources drawn from the general budget (Lee et al. 2001, 261). Since 1973 imputed income from owner-occupied housing has not been eligible for taxation and rents are subject to a reduced excise tax rate. Irrespective of the consumer good principle, expenditures related to acquisition, like mortgage repayments, remain tax deductible (ibid). The government set rent limits for new and existing tenancy contracts. In existing contracts, rents may only be increased to compensate for inflation or for the purpose of urgent maintenance works (Förster 1996, 114). During the 1970s the construction of multi family, socially rented housing, by non-profit (and public) developers was at its peak, producing about ½ of all housing in the country and 80-90 percent in urban areas (Matznetter 2002, 276). During the 1980s non-profit associations were responsible for approximately two-thirds of completed dwellings in multi-family buildings (Förster 1996, 114). Up to 1995 about 700,000 flats were constructed by non-profit housing associations. All companies had to be members of the Austrian Union of non-profit Housing Associations, subject to comprehensive controls by the Union and by their respective provincial governments (ibid). In the years of the Grand Coalition between the Social Democrats (SPÖ) and the Conservative Party (ÖVP), from 1986 to 1999, Austrian housing policy progressively disappeared from the federal government’s agenda. The state Secretariat for Housing was closed, the Building Ministry was amalgamated and housing subsidy legislation was handed down to the Länder, all in 1988/89 (Matznetter 2002, 273). In 1998 all legislation for new housing and for urban
rehabilitation was transferred to the nine provincial governments in order to meet more precisely regional concerns and to increase the efficiency of public promotion (Förster 1996, 113).

Austria has a number of provisions for low-income tenants, some of which have been issued by the federal government and some of which have been issued by the state authorities (Dutch Refugee Council 1999, 20). Two of these provisions are Mietzinsbeihilfe, a rent subsidy to low-income tenants and Wohngeld (Kemp 1990; Dutch Refugee Council 1999). The rent subsidy is paid through the federal government and is payable where rent increases are excessive and may cause economic hardship (Kemp 1990, 799). The housing subsidy was introduced in 1965; it was designed so housing costs would not exceed 15 to 25 percent of total income (Kemp 1990, 800). The benefit amount paid to the recipient is based on household size and income (ibid).

As of 2000, the incoming rightist coalition of the ÖVP and FPÖ had started to scale back the size and the standing of the non-profit housing economy, with a legal amendment to the Non-profit Act that allows the selling of social rented housing owned by public authorities (Matznetter 2002, 277). These social housing units are sold to individuals while the public authorities act as the property managers. Though the companies may be the same, there are different shareholders, different interests and different behavior (ibid).
Kärnten

In 1992 Housing subsidies were granted to Austrian citizens or refugees according to the federal law, but the governor, or Landeshauptmann, had the power to determine whether a refugee was a threat to the security of Austria and therefore not eligible for aid (LGBI 126/1968). Subsidies were granted when the applicant showed that housing expenses were an unreasonable burden, and the apartment/housing was necessary as a primary residence (LGBI 3/1992). As of 1992 Kärnten determined that the cost of housing should not exceed 25 percent of family income and the amount of the benefit given depended on the number of children as well as financial obligations to support other individuals (ibid). These subsidies are available for both rental and owner-occupied housing. Applicants had one month to notify authorities regarding changes in qualifying circumstance and the subsidies could be withdrawn by the regional government if the applicant’s lease was terminated or if it was determined that the apartment itself did not qualify according to the Landesgesetzes. Furthermore, should the individual circumstances change and go un-reported resulting in an overpayment of the subsidy; the recipient was obligated to repay the overpayment (ibid).

In 1994 legislative changes made legal residents whose citizenship was held by an EU member state eligible for housing subsidies (LGBI 41/1994). The Kärnten government also made eligibility available to citizens of governments having agreements with the European Economic Area. These agreements mean that the
foreign national must be gainfully employed or on becoming unemployed have remained with their primary residence in Austria at least five years and have a “life interest” in Kärnten (LGBI 41/1994). The Austrian legislation does not define what “life interest” is. This leaves the interpretation of what “life interest” means to the local authorities who are responsible for the administration of public housing, Wohngeld, and Mietzinsbeihilfe. Generally it is understood that “life interest” may include having lived in a region for a period of time, employment, family living in the area or a combination of these.

Regional legislation was overhauled in 1997. The conditions for the receipt of housing subsidies may now only be granted if the applicant meets the urgent housing requirements and is an Austrian citizen, in the country legally as determined by the federal government or is a member of a contracting state of the European market area who remains gainfully employed (Dokumentnummer LKT 12004344). The Land also requires that applicants must have established their primary residence in or have their primary employment in Kärnten for at least two years. The regional government also retains the right to rescind the lease of an individual should the subsidized apartment cease to be the primary residence of the recipient (LGBI 60/1997).

Hypothesis

Hypothesis 3 is somewhat difficult to evaluate due to data collection difficulties. The FPÖ has played a prominent role in Kärnten government since 1992, and the requirements for housing subsidies have become more stringent. However,
without further research one can not say conclusively that the FPÖ has altered housing policy in a way that targets foreigners specifically or if the changes that have occurred have been the result of budgetary concerns. If housing policy has been given over to the control of provincial parliaments and authorities, it is reasonable to assume that the FPÖ has influenced housing policy, making the qualifiers for benefits more restrictive. Whether this is due to the FPÖ ideology that adopts free market solutions to social policy, budgetary concerns, or an attempt to restrict access for minorities, is arguable.

Tirol

In Tirol debates regarding housing policy centered on two issues, rental subsidies for low income tenants and housing subsidies for construction, owner-occupiers and tenants. As with the other regional parliaments discussed already, the arguments tend to follow two lines; whether there should be more spending for rent subsidies and the construction of socially rented housing, or whether there should be more loan subsidies to promote more owner-occupied housing. These parliamentary debates also fall along party preferences, the SPÖ preferring more spending for subsidies and construction of social housing units, while the ÖVP expressed preference for more loan subsidies for owner-occupied housing.

Currently in Tirol housing subsidies are not available for some housing in which previous aid was already granted or cases in which a loan was revoked or foreclosed (Tirol Landesregierung). Aid is available to Austrian citizens, citizens of
the European Union or other legal residents of Austria. Other individuals are only granted aid if they have had their primary residence in Tirol for five years. Aid may only be granted if the housing expenditure exceeds the reasonable housing expenditure load after computing the household size and monthly income, this computation also takes into account whether the household has received other subsidies (ibid). Certification of family income is required in the form of tax documents or wage slip for the calendar year prior to application, income from other individuals, a spouse or other person, living in the household may be considered (ibid).

**Hypothesis**

In the case of Tirol the qualifiers for benefits have been passed into law with a great deal of consideration being given to the needs of the individual. That said budgetary concerns played a significant role in legislative debate. It is interesting that at the federal level, once the ÖVP-FPÖ coalition government was established, there was a definite shift toward privatization of public housing. Further, in terms of construction alone (both public and private), Tirol provided more completed

Table 12
Completed residential buildings in Austria

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Österreich</td>
<td>40.8</td>
<td>43.4</td>
<td>48.8</td>
<td>53.3</td>
<td>57.9</td>
<td>58</td>
<td>57.4</td>
<td>59.4</td>
<td>53.7</td>
</tr>
<tr>
<td>Kärnten</td>
<td>2.3</td>
<td>2.4</td>
<td>3.2</td>
<td>3.4</td>
<td>3.7</td>
<td>4</td>
<td>3.9</td>
<td>3.5</td>
<td>3.6</td>
</tr>
<tr>
<td>Tirol</td>
<td>4.4</td>
<td>4.3</td>
<td>4.8</td>
<td>5.1</td>
<td>5.9</td>
<td>6.3</td>
<td>6.3</td>
<td>6.7</td>
<td>6.1</td>
</tr>
</tbody>
</table>

*Source: Statistik Austria*
dwellings than Kärnten (table 12). It is difficult to say that this is the result of a party policy preference because during these years, the regional government in Tirol was under the control of the ÖVP. It is very likely that the construction in Tirol was driven by housing shortages related to a higher population of non-Austrians (table 13). The Turkish population is primarily a population of guest workers; the significant population is that of the former Yugoslavia. Although both provinces show high numbers of these refugees, this population was not necessarily a permanent population and may not have resulted in a demand for an increase of housing construction. This would be particularly true of a provincial government not interested in making these refugees permanent residence of their Land.
### Table 13

**Austrian population**

<table>
<thead>
<tr>
<th>Reporting period</th>
<th>Östeir.</th>
<th>Kärnten</th>
<th>Tirol</th>
<th>Austria: Population by Age and Gender</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>men</td>
<td>women</td>
<td></td>
<td>0 to under 15 years</td>
</tr>
<tr>
<td></td>
<td>in 1,000</td>
<td>in 1,000</td>
<td>in 1,000</td>
<td>in percent</td>
</tr>
<tr>
<td>Ø</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>1990</td>
<td>2,444.1</td>
<td>530.9</td>
<td>583.1</td>
<td>2,090.4</td>
</tr>
<tr>
<td>Ø</td>
<td>2,444.1</td>
<td>530.9</td>
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<td>1991</td>
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<td>1993</td>
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<td>2,444.1</td>
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<tr>
<td>1995</td>
<td>2,444.1</td>
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<td>Ø</td>
<td>2,444.1</td>
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<tr>
<td>1996</td>
<td>2,444.1</td>
<td>530.9</td>
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<tr>
<td>Ø</td>
<td>2,444.1</td>
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<tr>
<td>1997</td>
<td>2,444.1</td>
<td>530.9</td>
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<tr>
<td>Ø</td>
<td>2,444.1</td>
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<td>583.1</td>
<td>2,090.4</td>
</tr>
<tr>
<td>1999</td>
<td>2,444.1</td>
<td>530.9</td>
<td>583.1</td>
<td>2,090.4</td>
</tr>
</tbody>
</table>

**Austrian Citizens**

| Ø    | 2,444.1| 530.9 | 583.1 | 2,090.4 | 14.7 | 20.7 | 3,343.4 | 3,808.8 | 22.6 |

**Total Foreigners**

| Ø    | 2,444.1| 530.9 | 583.1 | 2,090.4 | 14.7 | 20.7 | 3,343.4 | 3,808.8 | 22.6 |

**Ex-Yugoslavians**

| Ø    | 2,444.1| 530.9 | 583.1 | 2,090.4 | 14.7 | 20.7 | 3,343.4 | 3,808.8 | 22.6 |

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- Percentages may not sum to 100 due to rounding.
- The table shows the population distribution by age and gender for Austria from 1990 to 1999, categorized into Austrian Citizens and Total Foreigners, with a breakdown of Ex-Yugoslavians.

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Conclusion

The expectation that the Republikaner would adapt and differentiate itself within the system appears to be accurate. The party did not attempt to cast itself as the alternative to existing democratic processes. Rather it cast itself as a party within the
system offering something other than its counterpart parties. This may be in part to Germany’s strict rules regarding anti-constitutional parties; however this does not appear to have significantly affected the party behavior in parliament. The expectation that the Republikaner would pursue vote seeking as a party aim has not proven to be true. Although this may be due to the context, the focus on a policy issue, there does appear to be a genuine effort on the part of the party to make policy and to be a part of the policy making process regardless of their success. It is also possible that the party pursued policy as a primary goal in an effort to maximize a secondary goal. That is, the pursuit of policy that would change municipal codes to strengthen municipal councils and change the structure of municipal government that would result in the increased efficacy of vote-maximization behavior. This would have benefited the Republikaner because the party candidates had been more successful in winning elections to city council seats.

The CDU and SPD did have less contentious debates between themselves and the other parties such as the Greens. Parliamentary debate became openly hostile where the primary parties were forced to address the Republikaner. In contrast in Hesse the most caustic debates took place between the CDU and SPD with the FDP and the Bündnis90/Grüne playing supporting roles to the CDU and SPD respectively. The Hessen parliamentary parties were much less concerned with the issue of foreigners, Asylbeweber, and Aussiedler. When the issue of foreigners was raised, it was in the context of budgetary concerns. The debates in Hesse were generally
divided along party lines, with the CDU/FDP arguing for more money for private construction and laws for rent taxation. The SPD/Bündnis90/Grüne arguing that further taxation and housing construction would only hurt those with middle-, low-incomes, and foreigners. The SPD and Grüne argued that not only should housing subsidies increase, but that social housing construction must be pursued as a government policy. Clearly parties matter in that the governing coalition of the CDU-SPD in Baden-Württemberg produced fewer market solutions, and slightly more generous benefits even after the CDU became the governing majority in 1996. Either the CDU remained more centrist in an effort to separate itself from the REP, or the CDU did, as would be expected, make policy concessions to the opposition SPD. In Hesse where the SPD governed, facing a CDU opposition party it would be expected that the social democratic tendencies should be muted by right opposition and this does appear to be the case. Hesse did not adopt more generous housing benefits than Baden-Württemberg.

In Austria although the requirements for the receipt of housing subsidies have become more demanding, the expansion of the housing benefit programs may have occurred due to the eligibility of citizens from the EU member states. In the case of Kärnten the number of years one must hold a primary residence in the Land to be eligible for the benefit has been reduced, again potentially expanding number of eligible recipients. What is most interesting in the Austrian cases is the vagueness of the laws governing eligibility. This vagueness, as with minimum income supports,
can result in the distribution of resources being informally reduced to some individuals. Again, as in the case of minimum income supports, this can lead to gatekeeping practices at multiple levels. In all cases the shift to consumer subsidies, and the privatization of housing, has provided and environment in which private landlords may engage in discriminatory practices that previously state-owned housing might not have. Even in the case of state operated social housing and in the distribution of benefits, programmatic vagueness allows for the potential of gate keeping practices at multiple levels of benefit administration.

In housing policy debates ideological differences between political parties are quite apparent with the center right parties showing a preference for solutions that subsidize private producers and consumers through tax breaks and low interest rates to promote owner occupied housing. At the same time center left parties showed a preference for producer subsidies to non-profit providers and consumers through cash allowances. Housing policy also shows a clear restructuring of social protections, through governments seeking market solutions and the privatization of social housing stock. Less clear is whether there were redistributive conflicts, specifically in the Austrian cases. In Germany redistributive conflicts in housing policy were focused on resentment of Aussiedler.

As was the case with income supports the institutional structures of the federal governments of Germany and Austria play an important role in housing policy. In both countries regional parliaments are restricted in policymaking to primarily an
expenditure role; this role should not be underestimated. Where money is spent, even within federal guidelines is an important parliamentary tool. It is again difficult to determine if Kittel and Obinger are correct regarding budgetary debates, particularly in the case of Germany. Again because of the regional government role of expenditure allocation and budgetary review are important functions, ones that the German Länder are through institutional arrangements limited to, they may be overrepresented in parliamentary debates.

At this time I can say that radical right parties do have some effect on housing policy where the party controls government as the stronger coalition partner. However, further research is needed to measure the level and exact nature of this effect. In general while spending levels on housing subsidies have increased in all four cases, all four governments have attempted to curb that spending. What is not yet determined is whether the response of government is due to budgetary concerns or a combination of other factors.
CHAPTER VI
CONCLUSION

The premise of this document introduces the idea that radical right parties might have an influence on public policy making, therefore adversely affecting immigrants or underprivileged citizens. Based on my study and research of chosen case studies in Germany and in Austria, the short answer to my findings shows that their effect is not significant to broader public policy legislation. This simple answer does not reveal or explain why this might be true. As well, the answer does not necessarily seem to coincide with the expected outcome especially when one chosen case-studies selected regions where the radical right parties hold dominance in the control of the government. In addition to addressing this issue, this chapter will provide an explanation as to why I have reached this conclusion. I will first revisit the theoretical aspects outlined in the first chapter, the strategies these parties might choose; followed with a review of my findings regarding each policy area and case-studies; finally I will direct my attention to issues not examined in this research document that require further study that will add to literature in understanding the influence of radical right parties on public policy making.

The Parties

According to Hicks and Swank (1992) the strength and ideology of parties in parliament matters in the amount of national income spent on social policy and the strength of the opposition parties at the edge of the ruling coalitions matter. At the
regional level, the latter is clearly the case. In, particular in Baden-Württemberg it is not only the strength of the opposition that matters, it is the attitude of the members of parliament on the part of more mainstream parties toward the Republikaner matter as well. These attitudes affected the ability of the Republikaner to influence the policy process, the agenda, and issue framing and the presentation of alternatives (Klingman et al. 1994).

Party Effect
The finding by Klingman et al. (1994) that political parties tend to move little, if at all in their ideology, proved to be accurate particularly in Germany. The mainstream parties in Germany failed to move significantly toward the Republikaner. In Baden-Württemberg the CDU and the SPD formed a governing coalition, indicative a movement of the parties toward each other, if for no other reason coalition expediency, not toward their respective left/right extremes. This was due in part to the policy of ausgrenzung or marginalization adopted by the CDU (Art 2007, 338). Furthermore, regarding major party convergence and the ‘space’ on the left/right continuum that this convergence creates, one might have expected the Republikaner to flourish. There are multiple explanations regarding why the Republikaner in the end was not successful in Baden-Württemberg, I argue their failure was in part due to the pursuit of a strategy more concerned with policy-seeking than vote- or office-seeking, a strategy that reflects their apparent lack of flexibility as a party. Parliamentary records show the REP members as relentless pursuers of party policy,
with a noted lack of flexibility, as a neutral party of party policy in the face of center party ausgrenzung. The office seeking strategy in combination with the policy of ausgrenzung could never gain the party or its member’s acceptability in office. The attempt of the party to provide voters with clear alternative to the other parties in regional parliament ultimately failed as well, resulting in losses in the 2000 regional elections, ending Republikan presence in Baden-Württemberg’s parliament.

It might be argued in the case of Austria that the FPÖ did cause the Volkspartei to move along the ideological continuum, as evidenced by the formation of a governing coalition between the ÖVP and the FPÖ following the 2000 Federal election. However, if this is true, public policy did not change significantly in ways consistent with FPÖ party platform demands. Policy change did occur at the federal level, however these changes were not specific to FPÖ ideology as they were consistent with ÖVP preferences as well. The FPÖ did provide the ÖVP with a coalition partner that was willing to embrace budget reductions for some programs and the pursuit of market solutions to some public policy programs. In the case of the FPÖ in regional parliament, it appears to be as much a case of what Haider said, versus what Haider did or was able to do. Though he did make controversial statements, in the end his greatest success was drawing attention to his party and moving vote maximization and office seeking goals forward. Ultimately the FPÖ was rather constrained in regional policy making by a highly centralized corporatist federal structure.
A final explanation for the inability of the radical right to influence policy effectively may also be related to a general reduction in the ability of parties to pursue their preferred policy aims (Kittel and Obinger 2002, 48). The 1990s “witnessed a policy reorientation towards budget consolidation, which did not leave social expenditure growth unaffected. This reorientation occurred regardless of the ideological orientation of the governing parties” (ibid). This was true at the national level, however it is also worthwhile to keep in mind that parties in regional legislatures may indeed behave differently than the national party (Debus 2008). Although the federal structures of both Germany and Austria are both more centralized than the United States, federalism does influence parties because the goals of the regional parliaments and parties may be different than those of the national parties due to demographic, regional, and electoral (e.g., the timing of elections) imperatives.

*Republikaner*

In the beginning I assumed the *Republikaner* party would differentiate themselves within the system. I assumed this because the party was participating in democratic elections, attempting to win offices through democratic elections. Although on the face of it this means the party also adopted an element of adaptation, the relationship may be much more complex. As Dézé (2004) pointed out, parties may adopt these strategies for a period of time during elections, indicating that they may take up their more marginalized ideologies once the election has passed. I argue
that this is indeed the chosen strategy of the Republikaner. The party did moderate its
election behavior, at the same time adopting a vote seeking strategy. However, once
in office, with parliamentary seats won, the party shifted strategies. Not as I indicated
in the beginning as a strategy of differentiation within the system and vote seeking,
but rather as differentiation from the system and a strategy of policy seeking. The
Republikaner did not pursue policies as assumed in either case. After reading the
legislative debates, inquiries and proposals of the Republikaner, I would argue that
the Republikaner adopted a strategy of differentiation from the system because they
did not moderate their party positions. Veen et al. (1993) indicates that indeed the
party did have a more centralized party structure than one might believe; this may
have been true particularly in Baden-Württemberg. The party platform adopted in
1990 was presented for discussion in the absence of the rank and file members of the
party, and imposed on the membership by “authoritarian methods at the party
convention” (Veen et al. 1993, 14). Furthermore, one of the most important and
influential members of the party leadership has been Rolf Schlierer, a physician from
Stuttgart, and parliamentary leader of the party in Baden-Württemberg. Schlierer had,
by 1990 become one of four deputy party chairmen and at the time was “apparently
marked as the heir apparent” for party leadership (Veen et al. 1993, 26). Although
national party politics weakened the party, at the regional level proved to be more
cohesive, with perhaps a more apt leader, showing that regional parties do not
necessarily follow the same course as their national party (Debus 2008). The party
actively pursued their right wing party program while holding seats in Baden-
Württemberg's parliament. Most party proposals, initiatives and legislative proposals rigidly conformed to the party's anti-immigrant positions. At times these legislative proposals were combined with a "concern" for law and order as was the case in regarding education, housing, and minimum income support policy.

The Republikaner behaved in a way that one would expect regarding the pursuit of party program goals based on Klingman et al. (1998). This legislative behavior is consistent with policy seeking where parties are interested in the implementation of particular programmatic goals and aims in as "pure" a form as possible (Hough 2005). As is consistent with policy seeking parties, the Republikaner was primarily issue-oriented, and lacked flexibility (Hough 2005). This issue-orientation and lack of flexibility would indicate the limited electoral success of the party. Ultimately the Republikaner did pay the price, loosing their seats in parliament in the 2000 election.

FPÖ

The FPÖ, and now the BZÖ, on the other hand appears to have been, and continues to be, quite flexible. There is some indication that Haider himself was an opportunistic politician (Höbelt 2003), taking advantage of political opportunities and attitudes, not only within his own party but in the population at large. I assumed in chapter one the FPÖ would differentiate itself from the system and pursue vote-seeking aims. Instead of differentiating itself from the system, the FPÖ differentiated itself within the system, giving voters an alternative to the existing Volkspartei. This
strategy was not abandoned. Rather throughout the 1990s the FPÖ exhibited an opportunistic behavior that enabled party politicians to pursue vote-maximization, appealing to citizens according to what the prevailing winds of popular attitudes blew. The combination of these strategies enabled the FPÖ politicians to appeal more moderate voters, for example at one point Haider apologized for his ‘mistake’ of praising Nazi’s (Evening Standard 2000), and compared the FPÖ to the British Labour party (Fletcher 2000a). At the same time Haider was appealing to the radical right party faithful through more radical comments and activities, for example Haider’s claim that Turks would not integrate (Fletcher 2000b). This apparent ‘confusion’ was not confusion at all. Rather it was the strategy that allowed Haider and the FPÖ an ideological flexibility that enabled them to pursue more moderate voters, hang on to their more radical base voters, and ultimately win enough of the popular vote to be included in a governing coalition in following the 2000 federal elections. Ultimately the flexibility of the party under Haider’s leadership led to the fracturing of the party and the formation of the BZÖ by Haider.

Do Parties Matter?

Parties do matter, even within the constraints of unitary federal structures as found in Austria. This is particularly true regarding the parliamentary role of making decisions regarding expenditures, an important way in which parliaments may influence policy making. Although Kittel and Obinger (2002) argue that budgetary concerns trump party ideological preferences, it is through these budgetary debates and decisions that regional parliaments in Germany and Austria are able to influence
policy that is largely made at the federal level, but implemented at the regional level. The questioning of the budget is one important parliamentary function of political parties particularly in German regional parliaments; as such it should be overrepresented in parliamentary debates.

Policies and Policymaking

The goal of this research was to determine if radical right political parties did influence public policy outcomes. As Minkenberg (2001) found in a comparative evaluation of national policy, these parties have a negligible effect on public policy. Even at the regional level, where one might expect their policy pursuits to be effective, the Republikaner and the FPÖ have not significantly made policy in ways that align with party programs.

There may be several reasons for this. First, the structure of federalism principally in Austria may severely constrain the ability of regional policy makers to deviate from federal guidelines. Second, the power of the radical right political parties, even where they control provincial government, may be constrained by constitutional controls. For the FPÖ, although the party controlled provincial government, Austrian law states that provincial government must be in the form of a governing coalition. Finally, it is quite apparent that an opposition party, with no parliamentary allies is without the ability to make policy. We see in the case of the Republikaner a party limited to symbolic politics, taking up time and space in parliamentary debates and absorbing the time and resources of the Land ministries, rather than a party as part of the policy making process.
I adopted a punctuated equilibrium approach to policymaking due to a disruption in the established equilibrium in Germany and Austria caused by the convergence of events; the collapse of the Soviet Union, German reunification, the Maastricht Treaty conditions, and the Yugoslav civil war. This confluence of events should have provided a window of opportunity the radical right parties could have taken advantage of. The radical right, specifically the Republikaner did attempt to frame issues in terms of immigrants and foreigners as a negative influence on German society as they did in debates regarding education policy, and as a dead weight on the social benefit programs like minimum income supports and housing. This is true of the FPÖ too, although to a lesser extent in the parliamentary debates. This may have been due in part to the relative lack of control that the FPÖ had over policymaking. In the end the results are the same, both parties were restricted to primarily parliamentary mechanisms that in the end did not prove fruitful. Arguably the success of the FPÖ was a more successful political party through the decade of the 1990s, and may be attributed to the leadership of Jörg Haider who was not afraid to make controversial statements that brought not only national attention to the party, but worldwide attention to Austria, the FPÖ and Haider himself. Furthermore the FPÖ is also an older party than the Republikaner in Germany; as such it may have gained more acceptability in the minds of Austrian voters and politicians.

A closer examination of policy at the micro level does indicate that welfare state restructuring has taken place (Clayton and Pontusson 1998). The literature on the welfare state argues the issue of retrenchment. Clayton and Pontusson (1998)
specifically argue that retrenchment in the form of public sector re-organization has occurred. This is most clearly illustrated in the cases of Germany and Austrian and is most apparent in housing policy where both federal governments moved to privatize public housing and/or moved to finance more private sector housing ownership. In Austria this included the revocation of non-profit status for what had been non-profit providers of housing and housing construction. In Austria, the federal government has almost completely removed itself from minimum income supports, the evidence suggests that the combination of German reunification, the Yugoslav civil war and the Maastricht Treaty forced both Germany and Austria to reconsider and restructure benefits. Restructuring has not been limited to housing and income support policy; it has extended to education as well. The introduction of ‘new managerialism’, emphasis on test scores and seeking funding from private sources has led to some restructuring in education as well. Cumulatively, the changes in each of these policies confirm Clayton and Pontusson’s finding that retrenchment has indeed taken place.

**Education Policy**

In education policy all regional governments faced some similar issues. The most prominent issue was the reform of the education system, with a general concern that curriculum and teaching be not just adequate, but of high quality. The second most important issue raised, primarily in Germany, was funding and distribution of financial resources to schools. In the case of Hesse this discussion centered on which schools might be receiving a disproportionate share of funding, specifically regarding
the Gesamthochschule. In Baden-Württemberg the discussion regarding funding was a general budgetary concern. In the Austrian cases, the regional governments have much less control over education policy than do the German Länder. In the areas that the regional governments do generally have some latitude, for example the maintenance of buildings, the government of Kärnten is constrained by the federal government so that the FPÖ regional government would not be able to neglect or close buildings that service minority populations.

Where governments have sought market solutions to education, for example seeking outside funding, and where the shift toward a ‘culture of performivity’ has been introduced, it can be said that restructuring of education policy and the welfare state has occurred. Although these shifts may not have influenced levels of funding specifically, they do represent a shift in attitudes regarding education. When Universities and higher education institutions adopt outside sources of funding, academic independence specifically regarding research may be compromised. It is clear that in all cases, politicians recognize the need to create in their education systems the ability of students to obtain and education that will provide them with adequate skills to find, hold, and maintain their jobs. Although there is recognition of the necessity of finding adequate skills, it is not clear that there is an understanding of which skills might be most useful on the job market (see Iversen and Soskice 2006). This is important because levels of education affect not only the type of job one holds, but the income level one can achieve. Education also has important implications for voting choice as well. As Veen et al. found, it is not necessarily
income level, but rather education levels that best predicted who voted for the

Income Maintenance

The conclusions regarding income maintenance policies are similar to
education in some ways, for example all regional governments grapple with
budgetary issues, particularly through the early 1990s when the Maastricht Treaty
requirements, combined with the fall of the Soviet Union and the Yugoslav civil war
increased the numbers of individuals requiring financial help. However because
income supports are not compulsory in the way that education is, the discussions
regarding what policy should be were understandably different from those regarding
education. What is not clear is that the radical right parties in either regional
government were able to alter income maintenance policy significantly; this is
particularly true in the case of the Republikaner. The legislation regarding income
supports in Baden-Württemberg and Hesse is not significant, those differences that do
exist can be explained by budgetary concerns, and potentially the party(ies) in
government. In the Austrian cases the regional policy regarding income maintenance
policy is quite similar. I would argue this is due to the centralized federal nature of
policymaking in Austria. A qualification for this argument however is the nature of
the language of the legislation. The legal language is very vague; as a result it may
also be open to interpretation, which could have an effect on the decision making
regarding who can receive a benefit. Therefore, the regional government as the
executor of public policy could perform a gate keeping function that would effectively bar individuals from receiving a benefit to which they are entitled. Income maintenance also does provide some evidence that welfare state restructuring has taken place. The primary example is the restructuring of the asylum seeker's benefits in Germany. It is interesting that in spite of governments' attempts to reduce spending, actual spending tended to increase. As of 1998 in Germany, when the SPD governed with the Greens in Germany and 2000 in Austria where the ÖVP formed a coalition with the FPÖ, restructuring of welfare state programs became the focus of government policy at the federal level that it had not been previously.

Housing Policy

In housing policy, as in the case of income maintenance policy, the primary concerns were budgetary in nature. The difference between housing policy and income maintenance, but something housing policy debates shared with debates regarding education was where the money should be directed. Although this debate regarding education was most apparent in Hesse, it existed in parliamentary debates in Baden-Württemberg, and Tirol too. The issue appearing most often was how much money should be spent, but also what type of housing should be funded, public or private, and who should have access to rental subsidies. Furthermore, there were sometimes heated debates regarding how much construction had already been undertaken and how much more was needed. These debates in the cases of Hesse and Tirol were primarily divided along party lines, in the case of Baden-Württemberg the
two largest parties, CDU and SPD, provided a united front against the Republikaner, while expressing disagreements with each other.

It is clear that in housing policy the convergence of events, the collapse of the Soviet Union, the Maastricht Treaty, Germany reunification and the Yugoslav civil war combined with a reduction in housing construction in the late 1980s early 1990s produced a disequilibrium in housing supplies. This created the window of opportunity for regional governments in both Germany and Austria to ‘do something’ about housing policy. With moves toward a market approach and private ownership, one could argue that in housing policy there was a restructuring of policy, providing countervailing evidence to Pierson’s assertions that welfare state restructuring has not occurred. In contrast, the use of market based solutions for housing policy provides evidence that there has indeed been a change in the delivery of services (Clayton and Pontusson 1998).

Institutions

Institutions may not determine public policy, but they do shape the preferences and interactions between actors (Scharpf 1997), “by defining the rules of the political game institutions influence the degrees of freedom of political choice” (Kittel and Obinger 2002, 7). The impact of federal structures may be most apparent in the case of Austria where although the FPÖ was blatantly anti-immigrant, the federal government provided strict guidelines regarding all policy fields studied. This framework legislation and constitutional commitments to social policy at the federal level limits the ability of the provincial governments to adopt exclusionary policy.
Although these programs are all carried out at the local and regional/provincial levels, the framework legislation of the federal government takes precedence. This reflects the highly centralized nature of Austrian federalism. And in fact, in Austria, not only is education policy quite centralized, it is concentrated in the hands of the business associations, through influence and control over vocational and technical education. Although Germany is somewhat less centralized in its federal structures, it too imposes framework legislation within which the state governments must work. The policy in which these federal structures may have had the most influence was education policy. In Germany, although the federal government does not exert as much formal authority over education policy, the Länder, through the KMK, have established a cooperative federal structure for making and implementing education policy, although the Länder are not formally bound to KMK decision.

In the case of the Republikaner, although the party did pursue policy that reflected party programmatic goals, the party lacked the number of seats necessary in regional parliament that may have forced the other parties to take more seriously their proposals. Furthermore, the Republikaner suffered from a noticeable lack of respect from other parties as demonstrated by the regional parliamentary debates.

A further feature that is not specifically a federal issue, but is certainly evident due to decisions made at the federal level is the effect of EU integration. Germany and Austria have, as part of their membership in the European Union, accepted certain responsibilities regarding human rights and social rights of non-citizens. It is this type of agreement that is referred to specifically in regarding documents related
to education policy in Austria and discussions regarding the expectations and requirements of the EU in most policy discussions in all regional parliaments read for this research. Guiraudon (2002) found that foreigners were “fully incorporated in education and social protections systems” and in 2002 there were “13 million third-country national legally residing in the European Union” (Guiraudon 2002, 129) who enjoyed the same social rights as nationals in their country of legal residence.

Further Research

According to my findings any reader will quickly find areas of research that can add to the subject of this document to more adequately answer the primary research question. As this is a catalyst for more research, the question has been asked and answered within the parameters of the chosen case studies, research question, and range of focus. Limitations were placed on the breadth of research for the purpose of designing a catalyst for further exploration. This research is limited for several reasons. First, I only examined federal structures and regional policymaking in two German speaking countries. This does not take into consideration other governments in Western Europe that are grappling with the emergence and resiliency of radical right political parties. I can say that the structure of government matters and the degree of centralization in policymaking matters. However, this does not address if a radical right political party within set of governing institutions that is less centralized than for example Austria, could have more influence than the FPÖ on policymaking. It also does not address the potential radical right political party influence where governing structures are less centralized and where the party has a higher number of
seats in parliament, making it important in decision making, a possible coalition
party, or where a radical right political party might have more respect from the other
parties in parliament. Research pursuing the party as a member of parliament either at
the regional or national level would include a much more detailed discussion of
coalitions, coalition partners and opposition parties than is included in this research.
Furthermore, the cross national data collection necessary for such a project may prove
problematic due to differences between government structures, electoral laws and
demographic factors that include voting behavior.

The second limitation of this research is the lack of evaluation of the party
dynamics for all political parties, not just the radical right political parties. Although I
assumed at the beginning that the Republikaner had a less centralized party structure,
their pursued strategy indicates that power may have been more concentrated in the
leadership than I first believed. In the case of the FPÖ there is little doubt that Jörg
Haider controlled the party. However, because he himself was an opportunistic
politician, therefore flexible, it may have made the party under his control more
flexible as well, ultimately resulting in the fracturing of the party itself. What is
certain is that more party level research would be helpful, in the form of surveys of
party leaders, party activists, party members, voters, and interviews.

An interesting topic for further research is the possible link between the
radical right and radical right/neo-Nazi social movements. There is some emerging
evidence that radical right political parties may be linking to skin head and/or neo-
Nazi groups in previously unrelated ways. The now cancelled NPR broadcast Day to

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Day reported in March 2009 in Berlin the opening of a shop, Tönsberg, selling Nordic paraphernalia catering to the neo-Nazi groups who, when they identify with a political party, most often identify with the NPD (Poggoli 2009). The interaction between the party and the social movement would be both interesting and informative.

A more in depth analysis of municipal government and public policy could also be telling. Because of decentralization and principles of subsidiarity, although policy decisions may be made at federal and regional levels, the implementation of many social policies is carried out through municipal governments. Regional governments in Germany and Austria have competencies over administrative aspects of the public policies I have evaluated, if radical right parties wanted to influence policy implementation, the most potentially effective point of affect would be at the municipal levels.

It is apparent that the radical right parties are not going away and that given the right circumstances; they could influence public policy in ways that are consistent with their party programs. These circumstances would exist where public policy is not only administered, but made at the regional and local levels where the radical right has been most successful. A lack of central or federal government oversight, in combination with administrative autonomy would also create conditions where the radical right could more effectively manipulate policy. In the cases I studied, the radical right parties did not specifically fail in their attempts to make policy; rather they were constrained by the institutions within which they operated. This makes
clear that the existing structures of the federal, Christian democratic governments of Germany and Austria are at this time placing constraints on the radical right in the policymaking process.
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