

Crises and their interpretations

The World Economic Crises of 1929 ff. and 1974 ff. in Austria

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Abstract. Crises are interpreted facts. Thus the sociological term ‘crisis’ implies that a certain period of economic and political development has been in practice already interpreted as a crisis. Therefore the comparison between the crises 1929 ff. (the beginning of the first world economic crisis and the beginning of the destruction of the first Austrian Republic) and 1974 (the first “oilprizeshock” and the end of full employment in Western Europe) in Austria must consider two dimensions. First, the authors compare some key-data of the economic and political development. Second, they compare interpretations of the crises by analyzing articles from two Austrian newspapers in each period. The comparison shows – as expected – important differences between the two crises. But it also draws the attention to some unexpected similarities.

I. Crises as interpreted facts¹

It is common to compare current crises with crises of the past.² When it is said that “the events of 1929 will occur again”, or that in the current crisis altogether new opportunities will arise – the present crisis is sure to be interpreted in comparison with an historical crisis – the world economic crisis of 1929 ff. We can thus already establish one crucial characteristic of crises: it is typical for social crisis situations that people talk about crises. This is the starting point for the fundamental thesis of our analysis: An historical situation becomes a crisis only on account of its being interpreted as a crisis by the actors in this situation. It follows that crises can only become the subject of social scientific analysis as in practice already interpreted facts. Our thesis compels us to present a detailed outline of what in a social-scientific sense we propose to define as a crisis. The socialscientific usage of the term crisis will be tied to the following preconditions: There is a given gap between expectations and society’s capacity for fulfilling these expectations. The individuals affected perceive this gap and start circulating interpretations of it. Central characteristics of these interpretations are: The problem constellation is seen to be caused by society (in a general sense), and there is an impatient belief that something in society has to change.

Is there not a simpler way of defining a crisis? With reference to a short

thought experiment we will try to show that there is no simpler way. An individual finds himself in an economically adverse situation. His options are very limited, and he must 'make due' within the confines of his very modest situation. Is this a crisis? Certainly not. It is an individual life situation regarding which we do not even know – since further information is missing – whether the individual concerned experiences it as a state of deficiency. In order to be able to say anything about this, we have to enrich our experiment with additional assumptions. We will further assume that the individual, accustomed to more favorable circumstances, has ended up in a bad situation and consequently realizes it. Many of his desires, needs, and interests remain unsatisfied. Is this a crisis? Probably not. No doubt the individual experiences a state of discrepancy between his usual level of expectations and the potential at his disposal for fulfilling them. He experiences "deprivation".³ What, however, are the resulting social effects? There are almost none. Since in our experiment we have so far no indication as to whether/how the individual in question has conceptualized his situation. So long as the individual does not interpret his situation, there is simply no way of inferring if/how the individual will act in the situation. Without action, however, the individual's experience will not have any social consequences. Yet even if we further assume that the individual has a conception of his situation, there are very few social consequences as long as we do not introduce into the experiment the additional assumption that the individual comes to a mutual understanding with other individuals regarding his interpretation of the situation. In particular, it would be impossible in the absence of such a process of mutual understanding to arrive at collective interpretations of the situation. The social consequences of a deterioration in life situations would "dry up", as it were, in the isolated subjects. "A crisis is generally what the public perceives as such."⁴ Various attempts scientifically to demonstrate the existence of "objective" crises are never more than analyses of social constellations where there is a certain probability for a crisis to occur. If social science defines such a situation as "crisis", it articulates an – even if methodologically controlled – expectation; nothing more. Such analyses become full-fledged crisis theorems only by virtue of assumptions concerning expectations and conflict potentials that are linked to a situation interpreted as a crisis. Crises thus become the subject of social science as already interpreted facts.⁵

On the other hand, one must of course guard against surrendering the conceptualization of crisis theory to arbitrary conceptual constructs. This would be a mistake if only because these constructs are by no means arbitrary. Rather, crisis interpretations are the products of experiences individuals have had in dealing with real (economic) circumstances. From this it follows, in turn, that social-scientific crisis theory must be primarily conceived as an attempt to link statements on society's structural properties with statements on

individual dispositions for action. In other words: Social-scientific crisis theory must be able analytically to link processes on the level of system integration with processes on the level of social integration.⁶ Relating the problems of conceptualization in social-scientific crisis theory to the reproduction problems of capitalist market societies, this means: Crisis theory must take into account problems of economic functioning with their corresponding forms of state intervention as well as changes in material conditions, changing interpretations of society, and interests.⁷

However, the interpretations of crises are not only significant in the sense that the phenomenon becomes amenable to social-scientific analysis at all only as an already interpreted phenomenon. Since crises are open situations they are at the same time periods of more intense political struggle and stronger conflicts of interest. The fact that a given historical situation is referred to as a crisis is in itself a major political issue; for the belief to be living in a crisis prompts people to adopt other than “normal” forms of behavior. “The term crisis inevitably is a political instrument.”⁸ And particularly as crises unfold, conflicts over their interpretation become of central importance. This is because the actors caught up in a crisis also have the knowledge that crises are interpreted – and therefore interpretable – facts. The interpretations of economic and social interdependencies predetermine the chances for particular interests to be realized during the crisis as well as influencing its course. For this reason crisis interpretations themselves are central objects of social conflict during a crisis. This will be the focus of our analysis.

II. Outline of the analysis

We will begin by briefly presenting the historical preconditions for the crises 1929 ff. and 1974 ff. in Austria (III.). Crises are interpreted as such against the background of experiences accumulated in the period preceding the crisis. An understanding of crisis interpretations proceeds by way of returning to the situation prior to the crisis, i.e. the preconditions for the crisis.⁹

Next we will give a very short outline of the respective developments of the crises of 1929 ff. and 1974 ff. Subsequently, we will develop a typology of crisis interpretations (V.). The crisis interpretations of those affected by the first world economic crisis can today no longer be directly established. In order to insure the comparability of interpretations from both crises, we have decided to base our analysis on crisis interpretations found in the daily press. We assume that the daily press both reflects and influences the crisis interpretations of those affected by the crisis. It reflects those interpretations because daily newspapers have to be accepted and purchased by their readers. It influences them since the dailies we have selected explicitly represent specific

political orientations. We will present selected material from our analysis of crisis interpretations from the daily press (VI.). We will conclude our analysis with some brief thoughts on the relationship between crisis interpretations and the realization of interests during the crisis (VII.).

III. Preconditions for the crises

How had the economy developed up to the two world economic crises, and on what level did this development occur? Which attitudes towards the political system shaped the political climate? And how stable was that necessary fundamental consensus on the basis of which conflicts of interest in society typical for crisis periods can be fought out without becoming destructive for the system? These are the questions through which the crisis preconditions for the two periods under analysis will be approached.

1918 ff.

“In 1918 the newly established Austrian Republic took over a wreck – more (or, put more precisely, less) than that, it took over the torso of a wreck.”¹⁰ While the economic structure of the Danube Monarchy had already been exhausted by the exigencies of the first mechanized war of destruction, the immediate effects of the war and the disproportions in the economic structure manifested in the decay of the monarchy presented additional destabilizing factors. Structural as well as regional imbalances, problems in readjusting production to peace-time needs, the blocking of external trade, the disorganization of the monetary system, and finally severe shortages in the supply of the population with food and fuel characterize the economic starting conditions of the First Republic.¹¹ The process of stabilization and adjustment to the new economic framework occurred under these extremely unfavorable starting conditions. Until the late 1920s the level of economic performance of the First Republic was below that of 1913.¹² Only in 1927 was the prewar level (barely) reached again.

The development of unemployment shows a similar picture. While the unemployment resulting from the end of the First World War (1919: 414.000 i.e. 18,4%) could be reduced in the short-term (1920: 93.000 i.e. 4,2% and 1921: 31.000 i.e. 1,4%), it was on the increase again by the early 1920s (1923: 203.000 i.e. 9,1%) and was consistently over 8 percent until the beginning of the world economic crisis (1926: 244.000 i.e. 11,0%; 1929: 192.000 i.e. 8,8%).¹³ From 1918 to 1921 the depreciation of the Austrian Krone amounted to 370 percent.¹⁴ The inflationary trauma – much as in the German Reich – became a determining factor in politics. The memories of “better times” – the period

preceding the First World War – formed the backdrop for these unfavorable economic developments. The period prior to the first world economic crisis therefore must have already been perceived as a phase in which an obvious gap existed between expectations and society's capacity to fulfill them. It is more than obvious that the First Republic, on account of the unstable economic situation and the low degree of confidence in the economic power of this "remnant state", was ill-prepared to cope with the worldwide crisis starting in 1929.

Polanyi arrives at a similar finding with respect to Germany. He sees an irreconcilable discrepancy prior to the first world economic crisis between the performance of the economic system, on the one hand, and the distributional expectations that for the sake of maintaining the "social order" could not be denied, on the other. "Today there cannot be the slightest doubt that the economic damage caused by the world war ruled out the overconsumption necessary for fulfilling these expectations. The maintenance of the social order thus demanded what was economically impossible."¹⁵

Considering the "political climate" of the interwar period a similarly "pre-condition-filled" picture emerges: Two slogans characterize the political climate of the interwar period: that of Austria's "unfitness to survive" (*Lebensunfähigkeit*) and that of "the Republic that no one desired" (*die Republik, die keiner wollte*). While the former relates directly to the difficult economic starting position, the latter defines the political-normative dimension in the narrower sense. The establishment of the Republic was not the result of a revolutionary process. Rather, it was an accepted consequence of the lost war; wide sectors of the population considered it a "perverted structure lacking social, historical, or economic necessity";¹⁶ a "homunculus by the grace of the Entente".¹⁷ "The establishment of the provisional National Assembly by the German-Austrian deputies on 21 October 1918 and their resolution to form a separate German-Austrian state had not been sought by any political force but rather was the unavoidable reaction to the developments towards autonomy of the other nations."¹⁸ The Social-Democrats, who in 1918 – temporarily – became the decisive power, may have regarded the period of the building of the Republic as the "Austrian Revolution". Yet this – programmatic – view was by no means an expression of a pronounced "national consciousness" or of a "concept of statehood",¹⁹ comparable perhaps to Britain or France at the time of the bourgeois revolutions. By no means only the "Großdeutsche Partei" (All-German Party) but also the Social-Democrats "[sought] through peaceful means a union with the German Republic".²⁰

In the political dimension as well, we could here offer only a rough sketch of how unstable was the acceptance of the new political system, both in the influential political camps and among large sectors of the population.

1945 ff.

The prehistory of the “crisis” of 1974 ff. in all respects presents a diametrically opposed picture. In spite of the enormous destruction left by the Second World War, the Second Republic did not face a new beginning comparable to that after 1918. The postwar development of the Austrian economy could build on the prosperity of the years from 1935 to the beginning of the war and the war-induced industrial expansion. The enormous absorptive capacity of the world market favoured the structural and regional readjustment of the Austrian economy after the Second World War.²¹ The Gross National Product in 1963 – to take only one significant point of comparison – was already 111 percent larger than that of 1913; its average growth rate from 1950 to 1975 was around 5 percent; the unemployment rate since 1960 remained below 3 percent, and from 1970 to 1977 below 2 percent.²²

After a relatively short phase of mass unemployment (1950: 158.000 i.e. 6,2%; 1953: 183.000 i.e. 8,7%) Austria reached stable full employment (1962: 61.700 i.e. 2,6%; 1968: 61.500 i.e. 2,6%; 1974: 35.900 i.e. 1,3%).²³

The two “world economic crises” differ significantly from each other even with respect to their preconditions. While the crisis of the 1930s represented, as it were, a perpetuation of earlier conditions with a tendency toward radical deterioration, the 1974 crisis started – at first hardly noticeable – at a point in time when the tendency toward continuous growth and full employment had become habitual, as it were. While in the worldwide recession of 1974 ff. the economic preconditions for the course of the crisis were considerably more favorable – so much so that in Austria as well, the “(short) dream of eternal prosperity”²⁴ could be dreamed – the “political climate” in the Second Republic was substantially different from that in the interwar period. Austria’s “fitness to survive” was, already immediately after the Second World War – at least in Austria – no longer in doubt; the Republic’s struggle for economic and political sovereignty during the ten years of occupation may be seen as an expression of a “belated national identity”.²⁵ On the basis of this stable fundamental consensus, the neocorporatism, often seen as the most important precondition for the high degree of economic performance in Austria²⁶ take shape.

IV. The course of the crises

1929 ff.

With the beginning of the world economic crisis in the fall of 1929, a drastic economic downturn set in from an already low production level. If we take the GNP of 1913 as 100, the volume Indices of GNP developed from 1929: 105,1; 1930: 102,2; 1931: 94,0; 1932: 84,3 to an absolute low in 1933: 81,5. Even five

years later (1937) it was not higher than 90,9.²⁷ Unemployment rapidly increased from a base of already 192.000 (i.e. 8,8%) in 1929 to 557.000 (i.e. 26,0%) in 1933, and it remained on a high level until 1937: 464.000 (i.e. 21,7%).²⁹ Thus the scope for distributive policy was drastically narrowed. This led to a radical reduction in the newly created system of public unemployment assistance. The culmination of the policy of social cutbacks was the 1935 Commercial Social Insurance Act. It brought about a downward “standardization” for all social insurance branches. The result of this legislated push of the unemployed into poverty was that the benefit recipients rate dropped from 1929: 86 percent; 1933: 60 percent; to 1936: 50 percent.²⁹

1974 ff.

The effects of the world economic crisis since the mid-1970s in Austria may be characterized in the following terms: On the one hand, structural problems emerge in a time of continuing good economic performance. On the whole, it is much less a production crisis than a crisis in distributional mechanisms.³⁰ On the other hand, Austrian policy in the second half of the 1970s is distinguished by the fact that it successfully shielded the Austrian economy and society from international turbulences. Only since the early eighties the Austrian³¹ situation assimilated to the pattern of the development in the majority of the western industrialized countries: The labour supply increased and thus employment and unemployment rose – slightly – at the same time.³² In 1985 unemployment reached a peak of 5,2%. Until the late 1970s there was on the whole a steady expansion in social policies. Since the early 1980s, however, there has been an increasing trend towards making access to social benefits more difficult. This is less due to explicit welfare cuts but rather is inherent in the structure of a social security system geared towards wage labor.³³ The access to social benefits is becoming more difficult to the extent that the individual is not – or no longer – able to fulfill the prerequisites for entering the social security system. When opportunities to find “normal work” are decreasing and mass unemployment is spreading, then the prerequisites for access to the system turn into barriers: Failing in the labor market entails failing in the wage labour centred social security system. In the mid-1980s and simultaneously with increasing unemployment rates also in Austria, the concentration of social security on wage labor was explicitly strengthened, and an increasing tendency toward benefit reductions can be detected.

All in all the period after 1974 in Austria can hardly be seen as a time of deep economic and social depression, nevertheless intensive observations and interpretations of the crises took place. This “relative autonomy” of crisis interpretation against the “crisis” exactly fits with our approach: It would be senseless to interpret this difference between economic development and interpretations as a “public error”. In contrary it must be understood and

analysed as an own kind of reality. This leads to the question for the effects of crisis interpretations and the actors' interests concerning these effects.

V. A typology of crisis interpretations

Our analysis of crisis interpretations is based on evaluations of articles from daily newspapers. Included were the "Arbeiter-Zeitung" and the "Neue Freie Presse" for the period from 1929, and the "AZ" and "Die Presse" for the period from 1974. The "Arbeiterzeitung", as the "Central Organ of German-Austrian Social-Democracy", was selected on account of the explicitly intimate relationship between "Free Trade Unions" and the "Social-Democratic Workers Party".³⁴ In the case of the "Neue Freie Presse", content was of particular importance, expressing its evident proximity to the "Club Nationaler Wirtschaftsblock" as well as its general representation of "business interests". "AZ" and "Die Presse" were obvious candidates for our purposes as the successors to the former two of the above-mentioned newspapers. However, their usefulness for our analysis can also be justified in terms of content. Regarding "AZ": The link between the interests of the Austrian Trade Union Federation with those of the SPÖ (Austrian Social-Democratic Party), and therefore with its party newspaper, the "AZ", can longer be taken for granted. Because in contrast with the *Richtungsgewerkschaften* (factional trade unions) of the First Republic, we are today dealing with *Einheitsgewerkschaften* (unified trade unions) in Austria. Nonetheless, there are sufficient indications for the "AZ's" political proximity to the Austrian Trade Union Federation (ÖGB).³⁵ This is due, on the one hand, to the dominance of the "socialist faction" within the ÖGB, and, on the other hand, to the closely interlocking personnel structure between Trade Union Federation and government as well as the parliamentary caucus of the Social Democrats. "Die Presse", as a self-declared "independent daily", has also been selected primarily in terms of content for the second period under analysis – as the (largest) daily newspaper "representing business" in Austria. For our purposes, two "basic types" of crisis interpretation patterns tied to specific interests may be distinguished:

- Those in which interests are conceived antagonistically, and in which crisis solutions must therefore be asserted against other interests (and their respective crisis solution). In this case, interests are articulated in terms of standpoints.
- Those in which interests are viewed as interdependent relationships. Crisis solutions, correspondingly, are in the interest of all and can be attained by taking into account functional interdependencies. In this case, interests are

pursued, without explicit recourse to interest standpoints, with reference to functional requirements of economy and society.³⁶

Against the background of this typological distinction, it is simple to describe the fact that in capitalist market economies capitalists' interests are per se functionally relevant for society. Those not owning any means of production perceive this functional relevance in that their wage opportunities are a variable derived from the successful utilization of capital. It is felt by the state, which is responsible for employment and dependent on tax revenue, in that its scope for action derives from both revenues and expenditures – i.e. also from the successful utilization of capital. By contrast, the interests (income) of those not owning any means of production can claim the status of functional requirements for society only under specific conditions. The transformation of crisis interpretations into the type where precisely this is the case, is of particular theoretical and political interest and will therefore receive our special attention.

Our thesis is that the essential difference between the crisis interpretations of 1929 ff. and those of 1974 ff. consists in the fact that the importance of interpretations giving an interdependent-functional ordering to interests has grown vis-a-vis antagonistically structured interpretations. However, this transformation – and this is our follow-up thesis – has not affected all interest positions in the same way. Assuming that the investors' perception and articulation of their self-interest in capitalist market societies may claim a special, functionally relevant status "by their very nature", then the transformation must be located on the other side. It will primarily concern the interpretation of interests on the part of the non-owners. It means at the same time that the latter recognize investors' interests as functionally relevant. In order to better understand this, a differentiation is necessary between the two "basic types" of crisis interpretation patterns introduced earlier. The representation of "self"-interest and "others" interest must be equally applicable to both owners and non-owners of the means of production:

- The antagonistic articulation of interests on the part of the owners consists in viewing their own interests as functionally relevant; the interests of the non-owners, on the other hand, are interpreted as a "disturbance variable".
- The non-owners in their antagonistic articulation of interests interpret their own interest position as a "standpoint". It is justified not in economic-functional terms but rather is defined as legitimate with reference to specific concepts of justice. Investors' interests in the context of a capitalist economy are perceived as functionally relevant, but as having "anarchic" consequences.

- A “cooperative” (as a short form for “seen in relationships of interdependence”) articulation of interests on the part of the owners of the means of production emphasizes the functional relevance of their own interests. To some degree, the non-owners’ interests are also accorded functional relevance, however only to the point where the owners’ selfinterest is still insured. The non-owners’ interests for this reason always remain in a comparatively unstable state.
- A “cooperative” articulation of interests on the part of the non-owners recognizes the functional relevance of investors’ interests as “in the interest of all”. By the same token, the non-owners’ interest in incomes is interpreted as functionally relevant. A precondition for the “cooperative” pursuit of interests on both sides is the practical effectiveness of an explicit interpretive framework. Such a framework is provided by Keynesian-inspired interpretations.³⁷

The circular-flow structure of (vulgarized) Keynesianism yields the interdependency of all societal interests and the conditions for their realization. On this basis, a picture of society can emerge in which society does not appear as an arena for conflicts between competing interests but rather as a shell in which different interests can be accommodated in ways predetermined by the system’s functional logic. The circular-flow elements of Keynesianism provide the basis for an “instrumental” interpretation of society, which to a large extent is rooted in the everyday consciousness of those affected by politics. In the light of these distinctions, it becomes evident that the following developments are of particular interest: On the one hand, it is the development in the owners’ definition of the non-owners’ interests; on the other, it is the development in the non-owners’ own interpretation of their interests. Hence: On the one hand the development from “disturbance variable” to “functionally relevant (unstable)”, and on the other the development from “interest standpoint” to “functionally relevant”. Two theses may be constructed on this basis:

- Our thesis is that in 1974 ff. compared to 1929 ff., crisis interpretations that order interests in an interdependent-functional fashion have increased.
- We conjecture that this transformation has occurred asymmetrically. It concerns primarily the self-interpretations and the interpretations by others of non-owners’ interests. We further conjecture that in the interpretations by others, the recognition of non-owners’ interests as functionally relevant will remain unstable, and that with the persistence of crisis-type functional problems in today’s economy, this instability will grow and thus, except for

their self-interpretation, the functional relevance of non-owners' interests will (again) be increasingly contested.

VI. Crisis interpretations in comparison

1929 ff.

At the beginning of the world economic crisis, from the fall of 1929 to mid-1930, the "Arbeiterzeitung" (A-Z) held their political opponents responsible for the rapidly rising unemployment. It sees as the cause "the irresponsible actions of the 'Hahnenschwanzfaschisten'" (A-Z, 27 October 1929), the "civil war agitation of the militia ('Heimwehren')", and the "alarm it has carried into wide sectors of the population" (A-Z, 25 September 1929). Not until the summer of 1930 is the "world economic crisis" noted as an additional cause of the economic problems (cf. A-Z, 29 July 1930). Similarly, in the "Neue Freie Presse" the beginning global crisis was by no means from the very start held responsible for the slump in production and employment. As late as the end of 1930, the cause was held to be a "terrible shortage of men genuinely identifying with business" and "the political parties' distance from the business sector" (NFP, 28 November 1930).

In 1931 the blame is put on the state – and via the state on the class enemy. We read in the "Arbeiter-Zeitung": "After 10 years of bourgeois government we have finally reached the point where the state presents a picture of utter disintegration, and there is nothing but talk of cutting costs and making sacrifices . . ." (A-Z, 3 June 1931). And the "Neue Freie Presse" comments: "In an irresponsible fashion, an ever greater burden is placed on state budgets, and wages are continually increased even where they were set by arbitration . . ." (NFP, 10 May 1931). Correspondingly, the crisis interpretation is embedded in a fundamental critique of society. "Capitalism has proven itself incapable of securing for the people even a bare existence through its so-called economic order, and in the face of well-stocked warehouses it has condemned millions of people to slow starvation and hopelessness" (A-Z, 15 December 1932). "Where does the road lead to? At present, no one can tell where the world economy is heading. An uphill trend or even the beginnings for it are nowhere to be seen . . . Along with the capitalist world economy, the system of political rule in postwar capitalism is also collapsing. Fifty years after his [Marx's] death, his prediction is coming true: capitalism can no longer use the wealth of machines and equipment, of resources and food, that it has itself produced. The capitalist mode of production has become a fetter on the forces of production – it must be burst asunder" (A-Z, 1 January 1933). The "Neue Freie Presse" counters on the same fundamental level: "In 1932 capitalism

time and again has been pronounced dead. Prematurely, as we can see. For this past economic year has produced the proof that capitalism, in spite of the incomprehensible mistakes committed by many of its prominent representatives and the political influences that at times have destroyed all economic common sense, has been unusually strengthened in its power of resistance” (NFP, 1 January 1933).

But we also find indications that the antagonistic, militant interpretations of the “Arbeiter-Zeitung” are not consistently maintained. In fact, until 1933 we find repeated calls for cooperation – an indication, that the non-owners of capital acknowledge the capitalist’s interests a “functional relevant”. “Whoever has preserved even the slightest feeling of responsibility must finally realize: all forces from all major classes in the country must be mustered against the economic emergency!” (A-Z, 19 November 1930). Moreover, the “Arbeiter-Zeitung” emphasizes that the Social-Democrats are already behaving in the demanded “responsible” fashion. “The Party is not acting out of fear if it has not given the signal for the final battle, but rather out of a sense of responsibility for the country and for the working class in particular” (Otto Bauer in: A-Z, 16 April 1933). This statement indicates a growing gap between the cooperative leaders and the more and more radicalized basis of the social democracy.

In addition to proposals for fighting the crisis, such as “creating work for the unemployed and providing work for trade and industry” (A-Z, 23 December 1933), or “increasing the income tax for higher incomes and the wealth tax instead of higher tariffs” (A-Z, 30 March 1933), the more general statements aimed at cooperation with the class enemy have for the most part the character of appeals. They always imply a willingness to renounce the pursuit of self-interest for the sake of resolving the crisis. Indications concerning the functional significance of their own interests, on the other hand, are found, if at all, under the aspect of “peace and order” (A-Z, 13 December 1930). The interests of the owners of capital are presented by the “Neue Freie Presse” in an entirely different light. Their positive relationship to the “interests of society as a whole” is evident. It will “not be possible to turn a deaf ear to the alarm bell of the economy, to the resounding voice of truth” (NFP, 28 November 1930). At the beginning of the crisis, there is also an abstract appeal to “all”. Later, the argumentation strategy increasingly turns to the self-confidently advanced argument that the realization of the owners’ interests is an “objective necessity”. “Whatever can be done to relieve the oppressive situation must be done. Calming down is necessary, and freedom from intense tensions and continuous incitement. It has to be understood that in the end it will always be the private economy that can overcome the crisis” (NFP, 13 April 1933). However, taking into account the capital owners’ interests is, in the final analysis, not only in their own interest, but in the interest of “all”. Because: “It

is impossible permanently to guarantee employees their jobs in an economy that has become unprofitable” (NFP, 28 November 1930). The demands on the non-owners to be prepared to make sacrifices of course are initially high: “The people themselves simply have to face the fact how exceedingly dangerous the economic situation is, and that there is only one way of avoiding the catastrophe: a temporary total adjustment to conditions of deplorable poverty is the only organic and effective means of creating better living conditions for the future” (NFP, 3 June 1931). The consequences arising from these “facts of economic life” are regrettable at best under charitable aspects. But they are inevitable “even if they are of the most deplorable kind and cause the greatest pain for anyone who feels pity for the poor and wretched” (NFP, 28 December 1930). In the perspective of the one and only functional relevance of capitalist’s interests, it is in the interests for the non-capitalists to defer their interests. This sacrifice is seen as an investment in the common – better – future.³⁸

The argumentative strategy of the owners of the means of production and their representatives was successful. It was successful in the sense that it provided interpretation patterns in the context of which the outlawing of the Free Trade Unions and Social-Democracy, radical cutbacks in social programmes, and the impoverishment of large sectors of the population could be achieved as well as legitimated – as measures in accordance with the “common good”. The Social-Democrats, after all their calls for cooperation had been rejected, were left with the option of struggle, the futile struggle for self-preservation: “The government wants to erect a tyranny. (. . .) The spirit of the revolution remains spirit of our own spirit. We vow to fight in her spirit. This is not the last time March will come around; nineteenhundredthirtythree and three!” (A-Z, 13 March 1933).

To summarize: The interpretations of interests in the context of the first world economic crisis developed in the following fashion: The “*Neue Freie Presse*” insists on the functional relevance of the interests of the owners of the means of production. At the same time, non-owners are called upon not to pursue their own – “disturbing” – interests with the prospect of receiving compensation at a “later” time. In the “*Arbeiter-Zeitung*” the representation of the non-owners’ interests vacillates between a radical and a compromising stance. The interests of the owners are recognized as functionally relevant. The attacks of the “*Arbeiter-Zeitung*” are directed against the political opponent.

1974 ff.

In the crisis interpretations during the “second world economic crisis”, a polarization of interest standpoints is not to be found. This is what we anticipated. The explanations for the downturn in economic growth in the winter of 1974 and in the winter of 1978 are considerably more homogeneous. The

differences between the crisis interpretations in the “AZ” and the “Presse” are minor. While in the “AZ” there is exclusive recourse to the “crisis in the world economy” affecting Austria from the outside, in the “Presse” “home-made crisis factors” are emphasized. The governing party (the SP had an absolute majority from 1972 to 1983) points to the “oil price shock” which, while amplifying Austria’s structural problems, could largely be neutralized thanks to the country’s “socially and politically peaceful climate” (cf. Finance Minister H. Androsch in AZ, 16 November 1975); where there nevertheless were employment losses and this was admitted, it was explained in terms of inadequate management. “The relatively favorable prospects for 1979 do not rule out the emergence of regional and sectoral structural problems or management errors so that it may not be possible for certain jobs to be preserved.” (AZ, 14 December 1978). The success of the “Austrian road” in coping with the crisis is repeatedly stressed: “In the midst of the most severe economic crisis since the 1930s, full employment was maintained, the inflation rate lowered, and the current account deficit drastically reduced. Real incomes grew by 50 percent within 10 years, and exports steadily increased” (AZ, 26 November 1978).

In the “Presse”, on the other hand, the “Austrian road” is seen as the cause of the crisis manifestations in the country; in addition to the worldwide recession, the inadequate economic policy of the Social-Democratic majority government is referred to. “The framework of the Austrian economy is cracking. What for years has been explained away as a foreign development, is now with some delay arriving in the Alps, though not entirely unexpectedly . . . Jobs are indeed threatened now” (Pr., 17 November 1978).

Our thesis concerning the development of crisis interpretations in 1974 ff. was that the interpretations were formulated in a much more clearly cooperative vein. We therefore expect that the pursuit of all particular interests is recognized as a functional precondition for the economy and for society. Since the interests of the owners of the means of production were recognized in their functional importance by the “Neue Freie Presse” and the “Arbeiter-Zeitung” already in the first world economic crisis, our attention will now be focused on changes in the interpretations of the non-owners’ interests. Are they represented by the “AZ” as functionally relevant and recognized as such by the “Presse”? The functional relevance of the owners’ interests is beyond question for both the “AZ” and the “Presse”. A difference between the two newspapers, however, consists in their views on whether this functional relevance is sufficiently taken into account in economic policy. “It is our policy to prevent unemployment from emerging. I.e., supporting endangered enterprises and providing assistance to expanding firms. From this perspective, such a contribution will benefit all citizens” (AZ, 21 November 1981).

The “Presse”, however, considers the assistance to enterprises inadequate

and charges: “That jobs are secure only in profitable enterprises is simply ignored” (Pr., 21/22 November 1981). And once more, fundamentally, on the different views concerning the pursuit of the “common good”: “We have done without cheap opportunism and unrealistic promises – we have dared walking the road of political sincerity and have truly put the welfare of the state ahead of the Party’s interest” (Chancellor Sinowatz in: AZ, 25 May 1984). By contrast, the “Presse”, again accusingly: “A welfare state has been established to secure the permanent rule of the right together with the left, and subsequently of the left. But in the process they have arrogantly ignored the fact that the necessary rate of economic growth cannot be imposed by decree or by party consensus. One fails to hear anything about what is unavoidable, namely that everybody must give up something in order that we can pull through together” (Pr., 4/5 December 1982). In the 1970s, “job protection” and the maintenance or expansion of “social security” were the primary goals on the employees’ side, and in programmatic statements they were argued for in a positively “antagonistic” fashion. “Jobs” were said to be the “touchstone of democracy” (President of the Chamber of Labour A. Czettel in: AZ, 23 November 1978); “Social-Democrats will not only advocate changing the conditions that produce such crises, but they will also have to practice a special measure of solidarity” (AZ, 15 November 1978).

From the early 1980s, a different pattern of interpretation becomes dominant. The primary issue now is to practice “restraint in wage policy” (AZ, 11 June 1983) and “to do everything to avoid any obstacles for the upward economic trend” (AZ, 1 December 1984). And even in social policy a “willingness to adjust” and “to make cuts” emerges: “With respect to the tense budget situation there is a far reaching consensus that it will be necessary to reassess whether current benefit entitlements have to remain unchanged down to the last detail” (AZ, 31 May 1983). “We have not and will not be spared the problems of adapting our economic and social system to altered circumstances” (Chancellor Sinowatz in: AZ, 30 May 1984).

While the “AZ” does not drop the interpretation of the non-owners’ interests as functionally relevant, priorities are once again clearly set. Of primary importance is the promotion of investors’ interests. The necessary moderation in the pursuit of the non-owners’ interests is in the long run in the interest of “all”: “Visions will once again have to prove that they are very firmly tied to economic reality” (AZ, 31 December 1983). In the “Presse” this pattern of interpretation is presented even more explicitly. “Sallinger [President of the Federal Chamber of Commerce] referred to the preservation of jobs as the currently most important economic problem. The government, he said, had so far been unwilling to acknowledge that in the long run secure jobs can only exist in healthy, profitable enterprises” (Pr., 25/26 November 1978).

However, in the “Presse” one can find not only interpretations that – even if

they emphasize the priority of owners' interests – on the whole boil down to cooperative crisis interpretations. Contrary to our expectations, we have discovered antagonistic crisis interpretations here as well. In the 1970s the “class enemy” is attacked primarily on the level of wage negotiations. While in this case the “enemy” is represented by the trade unions, in the 1980s attacks are increasingly directed against the welfare state. What are the arguments? And who specifically is the opponent? On the one hand, it is pointed out that it is “the collective interest of society” to reduce the costs of social programmes. And the “wasteful” social policies of the long-time governing party are criticized: “Assistance specifically aimed at the socially disadvantaged should take the place of the currently practiced wasteful policies” (Pr., 20 November 1984). On the other hand, specific groups are identified – the welfare state is said to be an “invitation to welfare pros” (cf. also: *Die Industrie*, 21 March 1984: 8). “The social net of pension, health, and social assistance rests on pillars that cannot carry any heavier burden. Through a continuous expansion in claims, occasionally perhaps also through improper use, and through excessive density in some places, it has simply become too heavy. The future slogan for the welfare state in the coming decades can only be: Help yourself as much as you can, or else there will soon be no one left to help anybody . . .” (Pr., 15 November 1982). The surprisingly large share of “antagonistic” interpretation patterns in the “Presse” is predominantly found in its programmatic themes and contents; its argumentation style – in contrast to that of the “AZ” – has not decisively changed in this respect. A final example: “Only as separate partners in the sense of the classical conception are economy and state able to carry out their functions. As citizens we are called upon to enable the state to provide the order and the economy to act” (Pr., 25 May 1984).

To summarize again: For the interpretation of interests in the post-1974 period, the following characteristics can be noted. In the “Presse”, the owners' interests are portrayed as obviously functionally relevant. The non-owners' interests are recognized to be functionally relevant, though this recognition remains unstable. Depending on the situation, they are subordinated to the owners' interests. The interpretations in the “Presse” vacillate between programmatic antagonism and pragmatic cooperation. In the “AZ” owners' interests are recognized as functionally relevant. The non-owners' interests are also interpreted as functionally relevant. At the same time, however, it is clearly signalled that there is a willingness to postpone the pursuit of these interests.

VII. Conclusion

We started with the thesis that crises can become the subject of social-scientific

research only as facts already interpreted in practice. The fruitfulness of such a thesis can be demonstrated by offering guidance to a type of social-scientific crisisresearch that contributes to an understanding of conflicts during crises as well as raising further questions. The selection of a crisis interpretation is a decision on alternatives for action in the crisis. An interpretation identifying the cause of the crisis in excessive demands on the part of wage earners and social benefit recipients leads to different strategies for action than one accounting for the crisis in terms of insufficient demand. Different strategies for action benefit different interests in society. Selecting a crisis interpretation therefore is a decision on the chances for realizing specific interests during the crisis. On account of this strong link between crisis interpretation and interest realization, the selection of crisis interpretations itself is an object for conflicts of interest. Different interest groups in society have an interest in the success of different crisis interpretations. Thus the different interests themselves simultaneously become a central issue in crisis interpretations. Crisis interpretations revolve particularly around the question of the priority of different interests for resolving the crisis. Crisis interpretations differ as to the relative functional importance they assign different interests. The functional relevance of the capitalist's interests can easily be justified and can hardly be denied. The interpretation of the non-capitalists' interests as functionally relevant is less self-evident. Such an interpretation requires additional argumentative effort. It has so far been primarily guided by Keynesian thought – and along with it it is being threatened again. Systematically the most improbable case is that all interests are considered functionally relevant by “all”. According to the logic of such a “cooperative” crisis interpretation, there can only be common solutions to the crisis and only external obstacles. Such cooperative crisis interpretations therefore consistently lead to a search for “external enemies”.³⁹ This is perhaps, in a modern guise, the ancient wisdom that external strife is the condition for internal peace.

Notes

1. This study presents results from the project “Crisis Comparisons. A Comparison of Crisis Developments in 1929 ff. and 1974 ff. in Austria”. The project was financed by the Federal Ministry for Science and Research, Vienna.
2. Some examples are: Charles P. Kindleberger, “The Financial Crisis of the 1930s and the 1980s: Similarities and Differences”, *KYKLOS*, Fasc. 2, 1988 (41), 171–186. Christoph von Roehl, “Große Depression und Stagflation. Eine kritische Analyse der deutschen Wirtschaftspolitik 1927/33 und 1970/86” (Göttingen: Vandenhoeck & Ruprecht, 1988). G.D.N. Worswick, “Two Great Depressions: The 1980s and the 1930s in Britain”, *Scottish Journal of Political Economy*, 1984 (31), 209–228. Gerda Bohmann, Georg Vobruba. 1987.

- Krisenvergleich. Krise und Krisendeutung 1929 ff. und 1974 ff. In Österreich. IIM/LMP 87 – 2. Science Center Berlin. Research Unit Labour Market and Employment.
3. Peter Townsend, "Deprivation", *Journal of Social Policy*, 1987 (16: 2), 125–146.
 4. Knut Borchardt, Wandlungen im Denken über ökonomische Krisen, in Krystof Michalski (ed.), *Über die Krise. Castelgandolfo-Gespräche 1985* (Stuttgart: Klett-Cotta, 1986), 127–153.
 5. By contrast, any attempt to classify a situation scientifically as an "objective crisis" and assign it logical priority over the interpreting everyday experience would be a theoretical absurdity. Social-scientific crisis theory needs to incorporate the crisis interpretations of the subjects involved.
 6. David Lockwood, "Social Integration and System Integration", in George K. Zollschan, Walter Hirsch (eds.), *Explorations in Social Change* (Boston, 1964).
 7. See Götz Rohwer, Rainer Künzel, Dirk Ipsen, "Marx und die gegenwärtige Akkumulationskrise: Überlegungen zur Theorie der Profitratenbewegung", in: *Prokla* 57 (Berlin: Rotbuch, 1984), 23–39.
 8. Knut Borchardt, "Wandlungen im Denken über ökonomische Krisen", in Krystof Michalski (ed.), *Über die Krise. Castelgandolfo-Gespräche 1985* (Stuttgart: Klett-Cotta, 1986), 127–153.
 9. Karl Polanyi, Der Mechanismus der Weltwirtschaftskrise, in Karl Polanyi, *Ökonomie und Gesellschaft* (Frankfurt: Suhrkamp, 1979).
 10. Kurt Rothschild, "Wurzeln und Triebkräfte der Entwicklung der österreichischen Wirtschaftsstruktur, in Wilhelm Weber (ed.), *Österreichs Wirtschaftsstruktur gestern – heute – morgen* (Berlin: Duncker & Humblot, 1961), 1–158.
 11. Kurt Rothschild, *ibid.* Hans Kernbauer, Fritz Weber, "Von der Inflation zur Depression. Österreichs Wirtschaft 1918–1934", in Emmerich Talos, Wolfgang Neugebauer (eds.), *Austrofaschismus* (Wien: Verlag für Gesellschaftskritik, 1984), 1–13. Fritz Kaufmann, *Sozialdemokratie in Österreich* (Wien, München: Amalthea, 1978).
 12. Real Gross National Product in Millions of Austrian Shillings: 1913: 10,802; 1920: 7,175; 1924: 9,565; 1927: 10,697. (See Anton Kausel, Sandor Németh, Hans Seidel, Österreichs Volkseinkommen 1913 bis 1963. Monatsberichte des österreichischen Instituts für Wirtschaftsforschung. Sonderheft 14. Wien, 1965.) Between 1913 and 1920 an economic decline of 33,5% took place.
 13. Dieter Stiefel, *Arbeitslosigkeit. Soziale, politische und wirtschaftliche Auswirkungen – am Beispiel Österreichs 1918–1938* (Berlin: Duncker & Humblot, 1979).
 14. Fritz Kaufmann, *Sozialdemokratie in Österreich* (Wien, München: Amalthea, 1978).
 15. Karl Polanyi, "Der Mechanismus der Weltwirtschaftskrise", in Karl Polanyi, *Ökonomie und Gesellschaft* (Frankfurt: Suhrkamp, 1979).
 16. Stolper quoted in: Dieter Stiefel, "Konjunkturelle Entwicklung und struktureller Wandel der österreichischen Wirtschaft in der Zwischenkriegszeit (Wien: Institut für höhere Studien, 1978).
 17. Strakosch, *ibid.*
 18. Peter Kulemann, *Am Beispiel des Austromarxismus* (Hamburg: Junius, 1982).
 19. Helmuth Plessner, "Die verspätete Nation", in Helmuth Plessner, *Werke Bd. VI.* (Frankfurt: Suhrkamp, 1984).
 20. See the SDAP's 1926 party programme, quoted according to: Kurt Berchtold (ed.), *Österreichische Parteiprogramme 1868–1966* (Wien: Verlag für Geschichte und Politik, 1967).
 21. Kurt Rothschild, "Wurzeln und Triebkräfte der Entwicklung der österreichischen Wirtschaftsstruktur, in Wilhelm Weber (ed.), *Österreichs Wirtschaftsstruktur gestern – heute – morgen* (Berlin: Duncker & Humblot, 1961), 1–158.
 22. Kurt Rothschild, "Wurzeln und Triebkräfte der Entwicklung der österreichischen Wirtschaftsstruktur", in Wilhelm Weber (ed.), *Österreichs Wirtschaftsstruktur gestern – heute –*

- morgen* (Berlin: Duncker & Humblot, 1961), 116. Felix Butschek, *Vollbeschäftigung in der Krise* (Wien: Orac Verlag, 1981), 88.
23. Felix Butschek, *Vollbeschäftigung in der Krise* (Wien: Orac Verlag, 1981), 121.
 24. Burkardt Lutz, *Der kurze Traum immerwährender Prosperität* (Frankfurt, New York: Campus, 1984).
 25. Helmuth Plessner, "Die verspätete Nation", in Helmuth Plessner, *Werke Bd. VI*. (Frankfurt: Suhrkamp, 1984).
 26. Peter Katzenstein, *Corporatism and Change. Austria, Switzerland and the Politics of Industry* (Ithaca: Cornell University Press, 1984). Fritz Scharpf, *Sozialdemokratische Krisenpolitik in Europa* (Frankfurt, New York: Campus, 1987).
 27. See Anton Kausel, Sandor Németh, Hans Seidel, "Österreichs Volkseinkommen 1913 bis 1963. Monatsberichte des österreichischen Instituts für Wirtschaftsforschung. Sonderheft 14. Wien, 1965.
 28. Dieter Stiefel, *Arbeitslosigkeit. Soziale, politische und wirtschaftliche Auswirkungen – am Beispiel Österreichs 1918–1938*. (Berlin: Duncker & Humblot, 1979).
 29. Dieter Stiefel, *ibid.*
 30. Georg Vobruba, "Redistribution of work and income in the crisis: Actors' problems of working time reduction and a guaranteed basic income", *Contemporary Crisis*, 1990 (14), 57–67.
 31. As well as the situation in Germany. See Georg Vobruba, *Arbeiten und Essen. Politik an den Grenzen des Arbeitsmarkts* (Wien: Passagen, 1989).
 32. See OECD, Labour Statistics. Labour Force Statistics. Several Volumes. Paris.
 33. For an analysis of the origins, the development and some problems of this type of social policy see Georg Vobruba, "Lohnarbeitszentrierte Sozialpolitik in der Krise der Lohnarbeit", in Georg Vobruba (ed.), *Strukturwandel der Sozialpolitik* (Frankfurt: Suhrkamp, 1990), 11–80.
 34. See Fritz Klenner, *Die österreichischen Gewerkschaften*, Vol. 2 (Wien: Verlag des ÖGB, 1953), 766.
 35. Meanwhile the "AZ" has for short been privatised and then gone bankrupt.
 36. For the consequences of such interpretations of the society as a "positive-sum-game" see Georg Vobruba, The additional use of social policy. Paper presented at the Conference "The Welfare State: Transition from Central Planning to Market Approaches". Budapest, Hungary, June 3–6. 1991, and Georg Vobruba, *Jenseits der sozialen Fragen. Modernisierung und Transformation von Gesellschaftssystemen* (Frankfurt: Suhrkamp, 1991).
 37. See Adam Przeworski, *Capitalism and Social Democracy* (Cambridge: Cambridge University Press, 1985). Georg Vobruba, *Politik mit dem Wohlfahrtsstaat* (Frankfurt: Suhrkamp, 1983).
 38. See Georg Vobruba, *Politik mit dem Wohlfahrtsstaat* (Frankfurt: Suhrkamp, 1983), 156 ff. A similar pattern of political argumentation is used immediately after the destruction of the parliamentary system to put off the hopes of the Social Democrats to a "later date". It is argued that it is "much better for Social-Democracy to wait till the end of the organic development which with inescapable necessity will reestablish a parliamentary system, even if in an altered form" (NFP, 29 April 1933). This statement practically marked the eve of the Austrian civil war.
 39. "External" in the sense of foreigners, as well as in the sense of outside the social partnership – the Greens, for instance.