



Yearly Report 2011

Wien, December 2011



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AEC 2011

2011 has been a prosperous and exciting year for us at the Austrian Economics Center (AEC). As a non-profit institution dedicated to educating the public and delivering our message in order to improve the world we live in the AEC concerns itself with reaching as many people as possible. From having The Director of the AEC Barbara Kolm being featured as a key-note speaker all over the world from South Korea to the United States, to hosting a Gala with Keynote Nobel Laureate Mario Vargas Llosa here in Vienna, 2011 has been a year of growth and The AEC would like to thank all of our supporters and sponsors who made this all possible by presenting this yearly overview of our institution!



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Mission Statement:

The Austrian Economics Center (AEC) is a politically independent research institute invested in spreading the values of a free and responsible society based off the ideals of the Austrian School of Economics.

We promote the ideals of the Austrian School of Economics as a viable economic alternative in Austria and elsewhere, not only acting as a public think tank, but also as an academic Institute. Furthermore, our Vienna based institute finds solutions to relevant and important economical and social questions in order to further promote the idea of a free-market society.

The AEC also works on improving public understanding regarding key economic questions in order to promote a free and prosperous society. As a member of the European Coalition for Economic Growth (ECEG), we also closely cooperate with similar institutions and organize international conferences, e.g. the Free Market Road Show®.

The Austrian Economics Center is legally listed as a scientific organization as well and therefore, any donations to the AEC are tax-deductible.



Free Market Road Show®:



The Free Market Road Show® – organized by the ECEG, the Austrian Economics Center, and the F.A.v. Hayek Institut, along with other leading European free-market think tanks – is a remarkable event that brings together prominent economists, politicians, and business leaders in order to discuss solutions concerning current economic problems.

We need to prepare the ground for the next generation today. A challenge we need to set – but, will methods of resolution of the last millennium measure up to the future challenges? If we keep using outdated concepts – do we shirk responsibility? „Economics is like riding a bicycle: you can only keep balance once moving ahead” (Peter Drucker)

During eleven days of discussions three questions will take center stage: **“How not to waste a ‘good’ crisis”** focused on alternatives to borrowing from the future and the issue of how to balance and take “social” and economic responsibility for the next generation in the light of recent bailouts will be discussed.

On the second panel **“How to create growth? The real benefit of government contributions to European citizens – now and then”** both – apart from alternative forms of financing (venture capital etc.) – limited regulation and new forms of management and organization (at micro/macro level) and what can be done to foster innovation to prepare the ground for a prosperous society were discussed.

The third and last panel concentrated on **“The future of Europe and the Euro”**. Will the Euro survive and is it a precondition for a European identity and means of organizing a common market – or simply an instrument of exchange? This panel will mainly focus on any alternatives to fractional reserve and on the issue of currencies.



Free Market Road Show®:

The Format of the Conference and Audience

FREE MARKET ROAD SHOW® - BRATISLAVA, MAY 13TH 2011
May 13th – 30th 2011 and September 2011

The Future of Europe.
Why methods of resolution of the last millennium don't measure up to future challenges

Venue: Crowne Plaza Bratislava, Hodzovo námestie 2, 81625 Bratislava
Registration: 12:30 – 13:00

<p>13:00 – 13:10 Welcome and Introduction H.E. Josef-Markus Wuketich, Austrian Ambassador Peter Gonda, Conservative Institute of M.R. Štefánik</p> <p>Panel 1: How not to waste a "good" crisis? Time: 13:10 – 14:20</p> <p>Chair: Tom Nicholson, TREND Key note: Razeen Sally, London School of Economics / European Centre for International Political Economy Podium: Ronald Ižip, TRIM Broker Gerhard Jandi, Federal Ministry of European and International Affairs Martin Stochmal, ZSSK Cargo</p>	<p>Break: 15:30 – 15:45</p> <p>Panel 3: The future of Europe and the Euro Time: 15:45 – 17:15</p> <p>Chair: Barbara Kolm, F.A.v. Hayek Institut Key Note: Erich Weede, Rheinische Friedrich-Wilhelms-Universität Bonn Key Note: JuraĽ Karpš, INESS Podium: Peter Brandner, Ministry of Finance Peter Gonda, Conservative Institute of M.R. Štefánik Patrick Rusch, HKSÖL</p>
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<p>Panel 2: How to create growth? The real benefit of government contributions to European citizens – now and then? Time: 14:20 – 15:30</p> <p>Chair: Lukáš Krivošik, Týždeň Key note: Edward Stringham, Fayetteville State University Podium: Michael Jäger, Taxpayers Association of Europe David Piatru, Illinois Institute of Technology Christof Zellenberg, Deutsche Bank</p>	<p>17:15 – 17:30 Closing Remarks</p>
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Central European
Business and Social
Initiative



INESS



The Financial Services Club
Central Eastern Europe







ECEG



Hayek
Institut



AIR





Free Market Road Show®:

The Format of the Conference and Audience

In 2008 the **Free Market Road Show®** “*Competition Matters or why are some Individuals/Enterprises/Nations more successful than Others?*” took place for the first time. In 2009 we looked back on appx. 1.600 participants and appx. 80 international speakers discussing “*Financial Crisis: State Failure – Market Failure?*”.

The 3rd **Free Market Road Show®** in 2010 has – just on time – focused on some of the hottest topics of the current debt crisis, which are on the European and international agenda. During seven days of conferences in seven European capitals in May and four European capitals in September the Free Market Road Show® 2010 gathered more than 1.700 participants and 90 international speakers.

In May 2011 the **Free Market Road Show®** toured for the fourth time and expanded to the black sea and Caspian region. The Future of Europe, the trade agreements and the Euro were the foremost challenging topics, which were discussed in the three panel sessions by high profile scholars and delegates from Central and Eastern European countries and the United States

During seventeen days of conferences in eleven European, Black Sea, and Caspian Region cities the **Free Market Road Show® 2011** gathered more than 100 international speakers – among them state ministers, top executives, scholars, members of European institutions and representatives of international organizations.

Another highlight of the **Free Market Road Show® 2011** was the official introduction of the *Dictionary of Economic Terms* on various stops along the tour. The work of reference delivers key economic terms in concise and simple explanations. Due to the strong support of Hypo Alpe Adria Bank, the bilingual book is now available in English-Serbian, -Croatian, -Montenegrin, -Bosnian and -Slovenian.





Tax Freedom Day 2011

The Austrian Economics Center calculated the Tax Freedom Day 2011 for Austria. The TFD answers the question “How much are Austrians paying for government”? This year the Tax Freedom Day took place on July 31st, the 212th day of 2011. That means, Austrians had to work almost seven months of the year before they have earned enough to pay their taxes!

Our calculation is based on a 365 day calendar and not actual work weeks. The tax burden isn't just income tax and national insurance, it includes VAT, capital gains tax, corporate income tax, cigarette duties, fuel duties, car tax and many other taxes. The official Tax Freedom Day also doesn't count the federal deficit, even though deficits must eventually be financed.



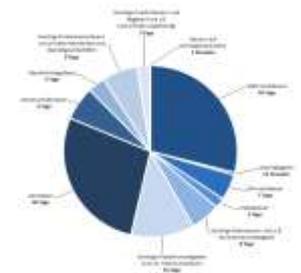
More details we covered on our website are:

The Tax Freedom Day's since 1976. Here we show the historical development of the TFD in Austria.

International comparison, between Austria, Germany, Great Britain and the United States.

How is the Tax Freedom Day calculated? There are different ways to calculate the Tax Freedom Day.*

Tax Bites - Which taxes are the biggest?



* In addition, it should be mentioned that our calculation is based on data from 2009 and because of different calculation methods, there could be also different results!



Education for the Next Generation 2011

As economic crises become more and more prevalent in our world economy the need for a comprehensive understanding of economics also becomes essential. It is especially necessary that we prepare future generations for the obstacles that await them – and the knowledge that will help their generations avoid the mistakes of the past. The Austrian Economics Center (AEC) realizes the importance of this task and thus would like to present you with the **“Education For the Next Generation”** Initiative. The initiative will be composed of 3 main steps listed below and the goal will be to educate future generations on economics and prepare them for the obstacles that await them. Incentives for students include being given the opportunity to work with and the chance to develop long-lasting relationships with prominent Austrian and international business people and scientists while mentors get the chance to meet gifted young students and potential employees and partners of their industries.

The “Education for the Next Generation” Initiative will be sponsored and organized by the AEC. As a politically independent research institute we spread the values of a free and responsible society based off the ideals of the Austrian School of Economics, free-markets and entrepreneurship.





Education for the Next Generation 2011

Step 1: Creative Contest

Step 2: An education Sponsored by the AEC

Step 3: Building Role Models for our Youth

Overall Goals & Objectives: In order to create a more free and prosperous society we need to invest in our youth and there is no better way to do that than by investing in their education and listening to their voices and opinions with initiatives such as this one. This initiative is sure to support future Austrian entrepreneurs and leaders in their endeavours as well as make students excited about learning about economics. Students will be presented with information and networking opportunities that would otherwise not be available to them and that will allow them to develop into educated and productive citizens along with the guidance and experience of their mentors. We hope to support and foster a new responsible and educated generation for Austria! A generation that is educated and aware of the world around them and by giving them a chance to compete, an education in economics and business and the chance to work with prominent business representatives and form life-long connections for their future endeavours as entrepreneurs and leaders.

Participants for this program will be chosen through an essay competition and awarded their prizes at the AEC Gala.



Austrian Economics Center
presents

Education
for the Next Generation

competition
gala and 2011
mentee program



Education for the Next Generation 2011

Student Contest – Charity Gala – Mentor Program

The winners of the creative contest were honored and awarded at our charity gala on October 19th, hosted by Vienna's Mayor Michael Häupl in the City Hall. Nobel Laureate Mario Vargal Llosa, distinguished Tempelton Leadership Fellow presented a keynote. This Gala also raised economic awareness for the current generation of students, fought against economic illiteracy and encouraged young people's interest in economics.



Mentorship program - understanding economic facts provides a prosperous future!

The top 5 group and individual winners of the contest will then go on to participate in our year-long mentor program for the promotion of economic "know how". Lectures from successful companies and economists will be organized for the selected students.

...because it is important

In order to successfully implement this project we need your support. Education For the Next Generation – because we are all responsible for what happens today and how it will affect the future generation of tomorrow!





Education for the Next Generation 2011

Student Contest – Charity Gala – Mentor Program

The Winners:

After reviewing many promising submissions from students from Austrian and countless other international schools our Jury had the challenging job of choosing our contest winners. With that we proudly present the winners of the „Education for the Next Generation 2011“:

13-15 Individual winners:

1. Katarina Radunovic (BRG 14)
2. Olivia Starlinger (International Christian School)
3. Judith Blaim (BG Horn)

13-15 Group:

1. BG Horn
2. Sperlgasse Gymnasium
3. Islamisches Gymnasium 4b

16-18 Individual:

1. Thomas Dertnig
2. Kristin Nicolle Richards (International Christian School)
3. Ana von Veen (Borg Krems)

16-18 Group:

1. HTBLuVA Mödling
2. HTL Donaustadt
3. Musisches Gymnasium Salzburg

Special Prize:

Smith and Marie-Theres Blecha
Harley Auerbach



Dictionary of Economic Terms:



Development

The Dictionary of Economic Terms is the first dictionary of its kind in which its contents concentrate strictly on economic terms presented in a clear and concise manner.

It was developed by the Austrian Economics Center (AEC) in cooperation with the European Coalition for

Economic Growth (ECEG). George Mason University and Pepperdine University also contributed their expertise to the project along with many other economists.

The **print-version** of the Dictionary of Economic Terms was publicly released at a charity gala in Vienna on November 11th 2010. The first edition of the book, which was published by the Ecomedia Publishing House, offers around 440 pages and more than 1,800 terms (English / German, German / English).

In order to attract attention from youth to the dictionary it was also converted into various mobile applications. The easy-to-use, practical reference book has been made compatible with the following applications: Apple iOS (e.g. iPhone), Google Android and RIM Blackberry. So far the app has been downloaded more than 60,000 times.





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Austrian Economics Center

With 2011 coming to a close we at the Austrian Economics Center can look back at 2011 as a year of achievement. We made new connections, fought economic illiteracy by educating and supporting students and can proudly say that our institution is growing faster than ever before. We would like to thank every individual and institution that has helped us have such a successful year and look forward to accomplishing even more in 2012!

