



CENTER

Annual Report

2013

Table of Contents

AEC 2013:1

Mission Statement: 2

Free Market Road Show: 3

The Tax Freedom Day: 4

Next Generation:European: 5

Charity-Gala: 6

The Hayek Lifetime Achievement Award: 7

Resource Bank: 8

Dictionary of Economic Terms: 10

AEC 2013:

2013 was with regards to the Austrian Economics Center (AEC) characterised again by growth. Growth in several fields: more events, bigger audience, additional programs and support to students. Further steps to promote free market solutions to a broader public were taken and a higher level of media coverage were reached.

The board and the fellows were engaged as well in the public debate as in teaching and researching not only in Austria, but especially in south-east Europe and as well from South Korea to the United States of America. We are proud of welcoming international top academics and opinion leaders, e.g. Arthur Laffer, Dambisa Moyo, Richard Ebeling, Jose Pinera and Leszek Balcerowicz at our events and knowing them as fellow-campaigners and supporters for our ideas and our vision.

This report is dedicated to those, who generously support the AEC and help spreading the messages of liberty and Austrian Economics - Thank You!





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 on the ideals of the Austrian School of Economics.

The AEC continues this tradition by hosting monthly lectures and discussion groups where those who believe in free minds and free markets can meet other like-minded people. We promote the ideas of the Austrian School of Economics as a viable economic alternative in Austria and elsewhere not only by the means of a public think tank, but also as an academic institution.

Through open round table discussions and occasional lectures by economists, philosophers, and business leaders, the AEC provides a valuable resource for intellectual nourishment, networking, and the sharing of public policy ideas among people who might otherwise feel quite alone in a big-government society.

In 2011 the Friends of Austrian Economics Center was also organized as a 501(c)3 tax-deductible organization based out of Indianapolis, Indiana.

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:

This year the Free Market Road Show® toured many new cities including: Athens, Greece, Sofia, Bulgaria, Bucharest, Romania, Prishtina, Kosovo, Tirana, Albania, Skopje, Macedonia, Brescia, Italy, Vilnius, Lithuania, Warsaw, Poland, Geneva, Switzerland, Paris, France, Madrid, Spain, Estoril, Portugal. For many participants at these stops, it was their first exposure to free-market arguments.



Thessaloniki: Anasthasios Tsiouras, Harris Peitsinis, Mark Klugman

Two of the many highlights of the FMRS occurred in Greece in cooperation

with a local partner, the University of Macedonia in Thessaloniki and the new stop in Athens, where we cooperated with the Greek Libertarian movement. With Greece being one of the most crisis-stricken countries in the European Union—not only thanks to the fact that it generally looks for solutions via big government—it was a pleasant surprise to have a high turnout with over 350 participants at the University of Macedonia. In Athens, the Austrian Ambassador to Greece hosted



a cocktail party for foreign investors in Greece the evening prior to the event. We were provided with the opportunity to present the Austrian Economics Center, the Free Market Road Show and most importantly: free market ideas, at the residence of the Ambassador, followed by long conversations of how the companies with respect to their

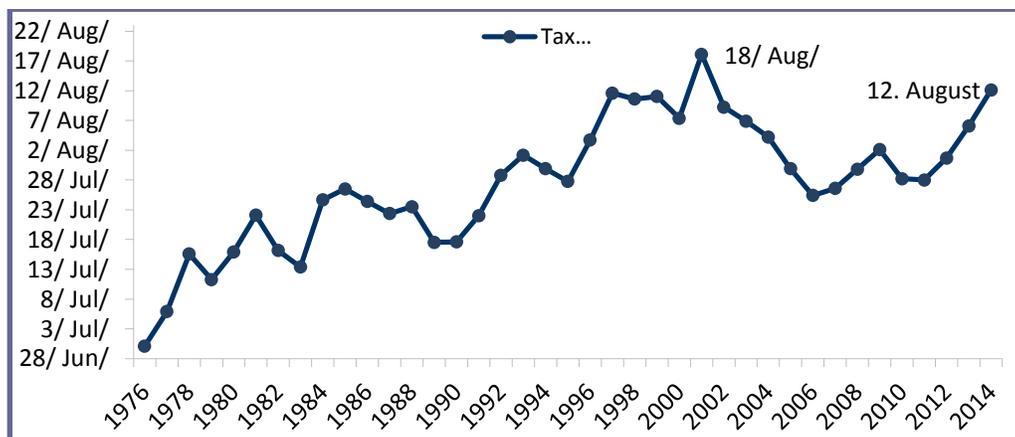
managers can help incorporate libertarian ideas among their team members and coworkers.

At the FMRS in Athens we were approached by several opinion leaders and individuals to definitely return next year prior to the local elections May 24th to May 26th. This desire was repeated in many other cities because this weekend is also the election for the European Parliament, and we were asked to educate and promote prior to these trend elections.

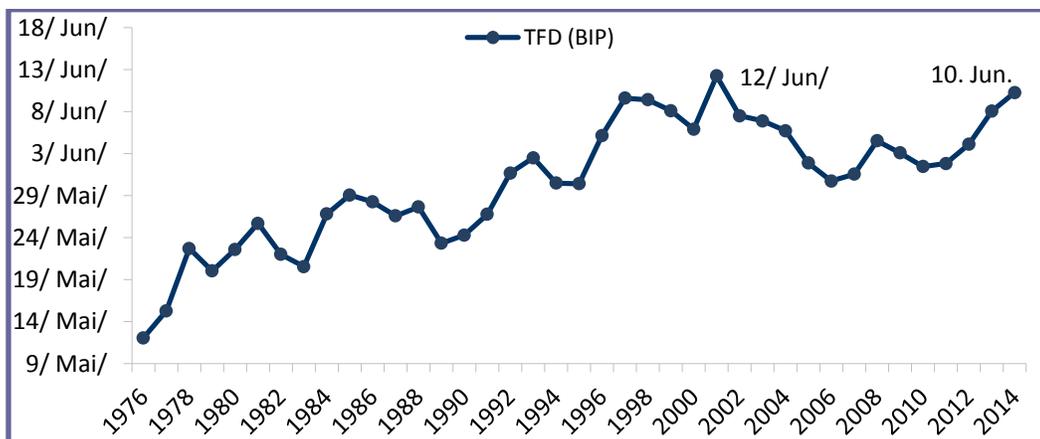
Tax Freedom Day

How many months and days a year Austrians had to work until they have paid their taxes?

The Tax Freedom day gives the answer: In 2013 the Tax Freedom Day took place on August 12th. That means, Austrians had to work more than 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 statutory insurance, it includes VAT, capital gains tax, corporate income tax, tobacco 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.



source: Statistik Austria, http://www.statistik.at/web_de/static/verteilung_des_bip_nominell_019719.xlsx, graph: AEC)



source: Statistik Austria, http://www.statistik.at/web_de/static/verteilung_des_bip_nominell_019719.xlsx, graph: AEC)

From 1976 until 2012 the „Tax Freedom Day“ has moved from June 28th to August 12th. For more information, please visit: <http://www.taxfreedomday.at>



Next Generation

The Austrian Economics Center concentrates on socio economic issues in theory as well as in best practice and consultancy. Individual (economic) freedom and how to create preconditions is one of the key questions.

Dealing with these topics one can't stand back, but has to accept responsibility for educating the Next Generation! To enable our children to take reasonable decisions and to take part as well in democracy as in economic markets, Austrian Economics Center has created a program to improve student's understanding of key economic issues and to promote entrepreneurial thinking.

Providing students with economic education and elaborating terms and concepts helps to find independency and freedom and is basis to prosperity!

Since 2010 the Austrian Economics Center (AEC), in collaboration with the Friedrich A. v. Hayek Institut and generous local sponsors, has organized an annual contest for Austrian students to focus on specific themes related to the principles of free enterprise and entrepreneurship. Furthermore, to help improve public understanding of economics, the Austrian Economics Center started a program to educate students (11 to 19 years).

The student's competition was created to link and to rise young people's attention towards economics. The winners of the competition are publicly presented at the yearly Gala, the same gala where every year outstanding individuals are awarded with the Hayek Lifetime Achievement Award (2013 Dambisa Moyo, 2012 Niall Ferguson, 2011 Mario Vargas Llosa). This Award was created to stress the importance of the winner's contribution and make the young generation acquainted with the work and, to make the students aware of being selfresponsible for their own future.

Finally the winners are invited to take part in the mentee program, which is organized individually to meet their needs. Overall it includes literature packages, workshops, special trainings, lessons and internships.



Charity-Gala:

For the past four years, the Austrian Economics Center (AEC), in collaboration with the Friedrich A. v. Hayek Institut, has brought an award into being to honour outstanding entrepreneurs, economists, business leaders and publicists of our time for their performance, nominated by a distinguished jury of economists and entrepreneurs.

This annual event is an opportunity to recognize the academic and/or professional contributions of a prominent defender of liberty - by presenting this outstanding individual with the Hayek Institut's "Hayek Lifetime Achievement Award" and honorary membership of the Friedrich A. v. Hayek Institut.

In the course of this the AEC has organized an annual contest for Austrian students to focus attention to specific themes related to the principles of free enterprise and entrepreneurship. Furthermore, to help improve public understanding of economics, the Austrian Economics Center started a program to educate students (11 to 19 years).

The winners of the competition are presented to the Hayek Lifetime Achievement Award winner at the Gala. 2013 Dambisa Moyo inspired the students, 2012 Niall Ferguson motivated the youth and 2011 Mario Vargas Llosa was the shining star.

The Gala is held in one of Vienna's most beautiful Palais, the Gartenpalais Liechtenstein. Among our distinguished guests we welcome leading entrepreneurs and business people, as well as politicians, journalists and opinion leaders.

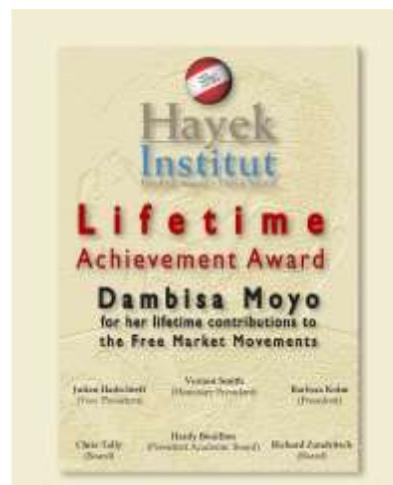


The Hayek Lifetime Achievement Award

It was the pleasure of the Gala's hosts Barbara Kolm (AEC) and Meinhard Platzer (LGT) to present this year's guest of honour Dambisa Moyo the Hayek Lifetime Achievement Award.



Meinhard Platzer and Barbara Kolm presenting the "Rising Star" to Dambisa Moyo



Dambisa Moyo, economist and best-selling author has worked on questions of development and growth. Her expertise represents an invaluable contribution to public understanding of economics – especially for the young generation an important reference.

230 guests listened to Dambisa Moyo's remarkable key note and a laudatio held by Chris Tally, president of Liberty Fund Inc. Thanks to Franz Portisch (Erste Bank Group) and the board of the Friedrich A. v. Hayek Institut all guests were provided with a copy of Dambisa Moyo's bestseller *Dead Aid*.



Impact & Follow-up

The Gala event was attended by 230 people. Among the guests attending the Gala were Michael Losch (BMWFI), Monica Rintersbacher (Leitbetriebe), Alberto Carnero Fernandez (Ambassador of the Kingdom of Spain), Gustav Dressler (3 Banken Generali), Doug DenUyl (Liberty Fund), Peter Kubesch (Peugeot Austria GmbH) and Axel Schmidgall (Aristophil GmbH).

The entire Gala event was covered by Austrian media outlets, including *Wirtschaftsblatt*.

The press conference was attended by representatives of *WirtschaftsBlatt*, *Die Presse*, *Salzburger Nachrichten* and *APA*. Until today we spot reports both of the gala event and the press conference in *WirtschaftsBlatt*, *Der Standard*, *WdF Magazin*, *Die Presse*.

The 10th Annual European Resource Bank Meeting

The most important European and US - Think Tanks met in Vienna on June 7-9, 2013. This year's Viennese conference was hosted by the Austrian Economics Center in cooperation with the Friedrich A. v. Hayek Institute under the topic "Milestones for an Open Europe".

The different panels were wide-ranging from issues of European economic integration to the financial and monetary crisis, including Europe's present situation.

- Youth Unemployment- 10 Ways to Reduce Unemployment
- Privatization of Water Services
- Free cities – Create Growth - Solution To Global Poverty
- 2013 Index of Economic Freedom
- Proposition for a New Europe - EU Centralization vs. European diversity
- Taxes. Money. Regulation.



Barbara Kom, Pierre Garelo

For the first time the Director of the Austrian Economics Center, Barbara Kolm, and the President of the Institute for Economic Studies-Europe, Pierre Garelo, had the great pleasure to welcome the participants at the Federation of the Austrian Industries (IV). Approx. 170 participants from 30 countries throughout the world (Austria, Denmark, The Netherlands, Australia, USA, Poland, Slovakia, Spain, Belgium, Switzerland, United Kingdom, United States of America, Romania, United Arab Emirates, Germany, Italy, Albania, France, Island, Georgia, Canada, Sweden, Lithuania, New Zealand), representing more than 50 organizations which met to discuss free market policy solutions, as well as strategies to promote them.

John Fund, Dan Mitchell, Gia Janderi, Razeen Sally





The 2013 European Resource Bank (ERB) was an amazing success. The ERB's main mission was to gather representatives from dozens of European and American think tanks, academics, policy experts, elected officials and other parties interested in the debate over strategies and problems posed to the European free economies and in the future of individual liberty in Europe.

At this year's Viennese congress, the delegates had the opportunity see an exciting line up of speakers debating on the relationship between the European Union/Europe and the Liberty Movement, the most recent EU activities in many ways lead to greater regulations of markets, restrictions of individual freedoms, and new EU's structures, which are being built to save the collapsing Eurozone members.



José Piñera

Among them were José Piñera, Former Secretary of Labor and Social Security and architect of Chile's private pension system, Leszek Balcerowicz, former Chairman of the National Bank of Poland and former Deputy Prime Minister and Minister of Finance of Poland, Matt Kibbe, President and CEO of FreedomWorks, Herbert Oberhänsli, Head of Economics and International Relations of Nestlé Group, Carlo Stagnaro from the Instituto Bruno Leoni, Tom Miers from the New Direction Foundation, Pieter Cleppe from Open Europe, Guillaume Kalfon, President of Liberaux.org, Mark Littlewood, Director of Institute of Economic Affairs, Yitzhak Klein from Kohelet Policy Forum and many more.



Clemens Wallner

At the official opening of the Viennese Congress, Dr. Barbara Kolm, Director of the Austrian Economics Center, Mr. Clemens Wallner, Coordinator for Economic Policy at the Federation of Austrian Industries and Mr. Pierre Garello, President of the Institute for Economic Studies-Europe welcomed the audience.

In her welcome address, Dr. Barbara Kolm underlined the importance of the 10th European Resource Bank Meeting in Vienna. "Europe's present situation is overshadowed by the significantly rising youth unemployment rate. Young people (under 25) are twice as likely to be unemployed as the adult population", Kolm said.

Adult unemployment experienced the effects of the crisis with some delay. As it looks now: unemployment rose first of all in Spain and in Greece - both countries are under the shock-treatment of the IMF

(International Monetary Fund) and the European Union.

"Libertarians advocate a society with a limited government. From the libertarian point of view, markets are able to regulate themselves without any government or super-national interference. At the same time I am very optimistic that this year's Viennese Congress will present the answers for Europe's future", Kolm said.

Dictionary of Economic Terms

The dictionary was developed by the Austrian Economics Center (AEC) in cooperation with the European Coalition for Economic Growth (ECEG). Additional expertise was contributed by the George Mason University as well as Pepperdine University. Furthermore, the Center for Freedom and Prosperity was also involved in this project.

The first printed version of the Dictionary of Economic Terms was officially introduced at a charity gala in Vienna on the 11th of November 2010. The first edition, published by the renowned echomedia house, offers about 1,800 terms (English/German, German/English) on 440 pages.

The work of reference delivers key economic terms in concise and simple explanations. Many printed versions in various language combinations have been printed since.

The Chinese-German Version was presented on December 10th 2012 in Beijing at the world meeting of all Konfuzius Institute and later in Vienna, Austria.

Apart from that, the Dictionary of Economic Terms was also launched as a software application. It is the first app available that is entirely dedicated to delivering key economic terms in concise definitions and simple explanations.

This easy-to-use, practical work of reference is available for devices of the following platforms: Apple iOS (e.g. iPhone), Google Android and Blackberry/RIM.

The Dictionary of Economic Terms is a free App and is dedicated to young entrepreneurs, students and professionals.

Editions:

1. Bosnian
2. Bulgarian
3. Chinese
4. Croatian
5. English
6. Georgian
7. German
8. Greek
9. Hindi
10. Italian
11. Montenegrin
12. Romanian
13. Serbian
14. Slovenian
15. Spanish
16. Chinese
17. Hindi





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