



# **Annual Report**

## **2014**

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## AEC 2014:

While Europe was struggling with the debt crisis and the effects of bail outs the AEC concentrated in 2014 on strategies to unleash entrepreneurial creativity and gain economic growth. During the Free Market Road Show we received remarkable feedback especially from the south of Europe. In Austria the AEC dealt with the consequences of regulations and an overburdening tax rate. To raise awareness for the foreseeable wrong decisions with regards to financial and monetary policy as well as economic education programs were important elements of AEC's 2014.



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 seventh edition of the Free Market Road Show has established somerecords for the free market movement. We have reached the mark of 30 cities visited across Europe and the Caucasus. We have also had the largest attendance ever – of 4,500 people or an average of 150 attendees per city. This year’s FMRS has gathered 320 speakers from all over the world.

We have come a long way since our beginning in 2008 with just four cities in Europe...

The 2014 FMRS was focused on the European elections and their possible aftermath. There is no doubt that Europe is at the crossroad and we wanted to discuss what is next for the Union. In these times of uncertainty, economic crisis and detached political elites we believe that a platform to discuss the solution to Europe’s most pressing in issues is more needed than ever.



Enrico Colomatto - Vilnius 2014



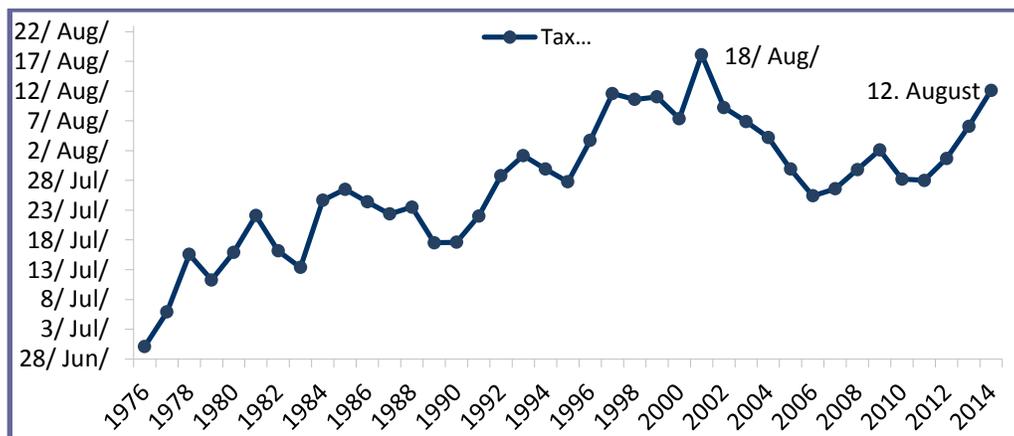
The biggest event took place in Podgorica - with a 250 strong attendance. And we are proud that packed houses happened in almost every stop. The most moving visit of this year was, without any doubt, the one to Kiev. We felt it was our moral obligation to make a stopover in Europe’s bravest city and reassert there the **message of peace, independence and freedom.**

Please see [www.freemarket-rs](http://www.freemarket-rs)

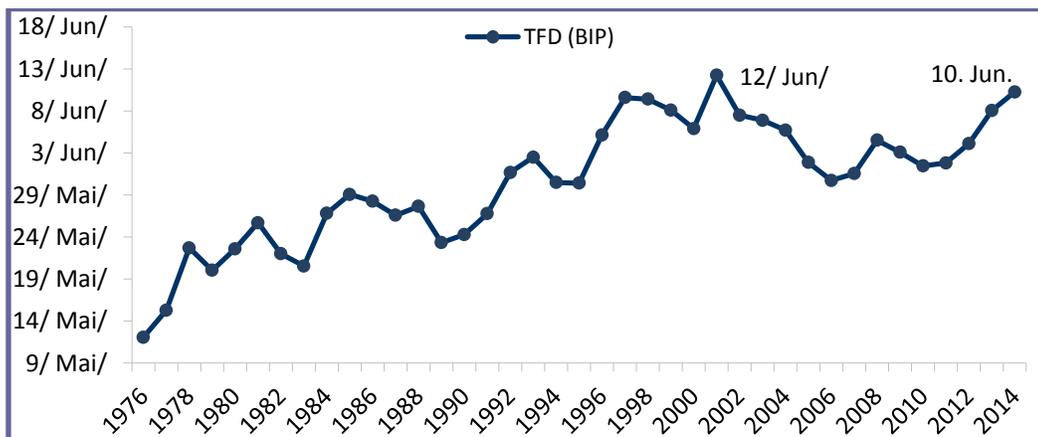
## Tax Freedom Day

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 2014 the Tax Freedom Day took place on August 12<sup>th</sup>. 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](http://www.statistik.at/web_de/static/verteilung_des_bip_nominell_019719.xlsx), graph: AEC)



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

## Next Generation

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).

Recipients of the Hayek Lifetime Achievement Award make the young generation acquainted with their work and make the students aware of being self-responsible 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.

In cooperation with Friedrich A. v. Hayek Institut and a number of generous individuals Next Generation's Mobility provides pupils with lectures and workshops on socio economic topics.

In 2014 below listed lectures were held:

Introduction to Theory of Economics

Entrepreneurship: Liberty and Responsibility

Start Up!

I'm a genius

International Trade

Corruption – is our democracy becoming criminal?

Finance Markets

The Importance of Competition

Media, Democracy and Economy

finance/investment

The Austrian School of Economics



Roman E. Svabek awarding the youngest participants:  
Arian Bitschnau and Leo Sinaysky

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

**Please see details at [www.nextgeneration.cc](http://www.nextgeneration.cc)**

## Charity-Gala:

For the past five 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.

It was the pleasure of the Gala's hosts H.S.H. Prince Philipp von u. zu Liechtenstein and Barbara Kolm to present the Hayek Lifetime Achievement Award to this year's guest of honour Deirdre McCloskey.

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 winners of the Next Generation's Mobility student 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) to stress the importance of the young people's contributions. Recipients of the Hayek Lifetime Achievement Award make the young generation acquainted with their work and make the students aware of being self-responsible for their own future.

## The Hayek Lifetime Achievement Award

Economist and historian **Deirdre McCloskey** has contributed to over 400 scholarly works and has been praised for her University-of-Chicago style teachings and viewpoints on a range of economic and social issues. She is a self-described ‘bleeding heart libertarian’, whose captivating literary style and deep knowledge of political and economic history provides a refreshing perspective on the global economy today.



H.S.H. Prince Philipp presenting the Rising Star to Deidre McCloskey and Barbara Kolm handing over the Hayek Lifetime Achievement Award (Foto courtesy of Claudio Farkasch and Christopher Ohmeyer)

When accepting her award, McCloskey praised the Austrian School of Economics and explained her introduction to the field. “As soon as I understood Economics, I became, in essence, an Austrian Economist. Before I even knew much about it, I understood that markets work without centralised erection, and they work through the cooperation of millions [of people]”

233 guests listened to McCloskey’s remarkable key note and a laudatio held by Manfred Kastner. Thanks to Franz Portisch (Erste Bank Group) and the board of the Friedrich A. v. Hayek Institute all guests were provided with a copy of McCloskey’s “Bourgeois Dignity” and in addition 70 more students will receive this book.



Chris Tally, Terry Anker, Terry Kibbe, H.S.H. Prince Philipp von u. zu Liechtenstein, Deirdre McCloskey, Barbara Kolm, Georg Vetter, Richard Zundritsch, Walter Springer (Foto courtesy of Christopher Ohmeyer)



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