

## COUNTRY PROFILE



### Austria

GLOBAL RANK: 2nd= of 104



Austria ranks 8th in Comparative Liveability and 9th in Economic Competitiveness, a consistent performance resulting in a second place overall (in a tie with Finland). Good governance and high levels of charitable giving are notable strong points.

### BACKGROUND

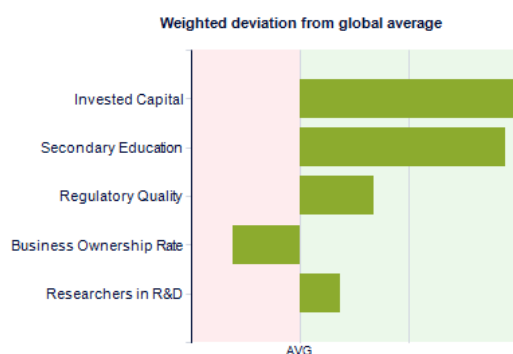
Austria is a wealthy parliamentary democracy that has remained peaceful and politically stable since regaining its independence in 1955. Since the early 1990s, Austrian governments have followed a business-friendly programme of privatisation and deregulation, although income tax rates remain relatively high. Austria has successfully established itself as a 'Gateway to the East', providing financial services to both central and Eastern Europe. Tourism is also an important economic sector, with 17 million visitors annually drawn by Austria's cultural history and the opportunities for outdoor pursuits. Although Austria has been politically neutral since the war, debates continue about what role the country should play in international peacekeeping.

### FAST FACTS

<b>Population:</b>	8.2 million (2008 est.)	<b>FDI (net inflow):</b>	5.93% (2006 est.)
<b>Life Today</b>	7.1 (2006 est.)	<b>Exports</b>	41.43% (2006 est.)
<b>GDP (PPP)</b>	\$317.8 billion (2007 est.)	<b>Imports</b>	41.49% (2006 est.)
<b>GDP (Growth)</b>	3.4% (2007 est.)	<b>Unemployment:</b>	4.4% (2007 est.)
<b>GDP (per Capita)</b>	\$38,400 (2007 est.)	<b>Life Expectancy</b>	79.36 years (2008 est.)
<b>Political System:</b>	Federal Republic		
<b>Foreign Aid:</b>	No data		

### KEY SCORE DRIVERS

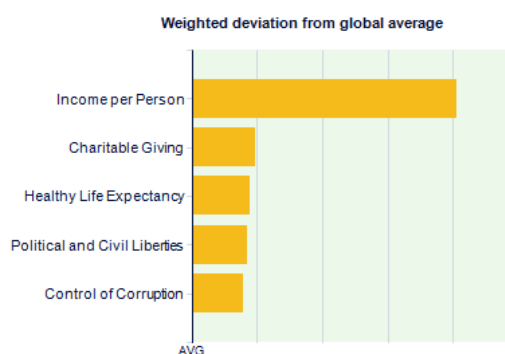
#### ECONOMIC COMPETITIVENESS



The Austrian economy provides a high level of Economic Competitiveness for its inhabitants, ranking 8th on the Index, and scoring higher than Germany in terms of capital per worker. It has achieved sustained growth since World War II and became a member of the EU in 1995, integrating its economy with other EU member countries.

Very strong governance scores indicate a sound regulatory framework, which allows the smooth functioning of the domestic economy. The Austrian mass education system is amongst the top scorers in the Index and contributes to high commercialisation of innovation scores. In terms of highly skilled human capital, the number of researchers working in R&D is high, albeit not

#### COMPARATIVE LIVEABILITY



The country's Comparative Liveability scores are good almost across the board, with solid indicators for control of corruption, political rights, civil liberties, and government effectiveness. However, no country scores well in all indicators, and Austria is no exception. There is a certain degree of gender inequity in the country: although women are reasonably well-represented in parliament, their share of national income is less than half that of men. This results in a lower score for equality of opportunity.

Unsurprisingly, given the very high average incomes, health-adjusted life expectancy is high at 71.4 years. Austrians are also very satisfied with their freedom to choose what to do with their lives, according to the Gallup World Poll, and almost all feel they can get ahead through

outstanding for the most advanced economies.

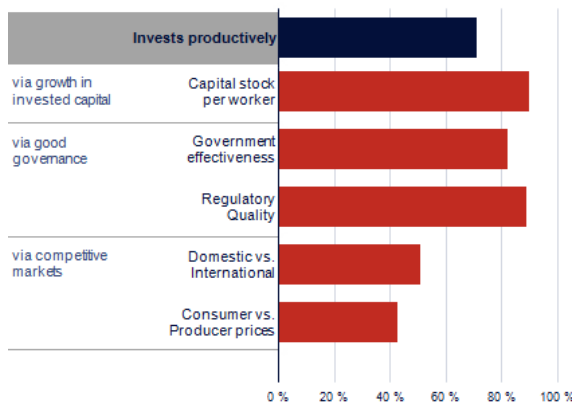
Austria has well-developed and diverse industry, banking, transportation, services, and commercial sectors. While tourism accounts for around 10% of Austria's GDP, the nation avoids dependence on it through its diverse economy. Boosted by strong exports, growth reached 3.3% in both 2006 and 2007.

The most notable weakness is in entrepreneurship. A low business ownership rate indicates that relatively few Austrians are willing to take the risk -- and, potentially, enjoy the rewards -- of going into business for themselves.

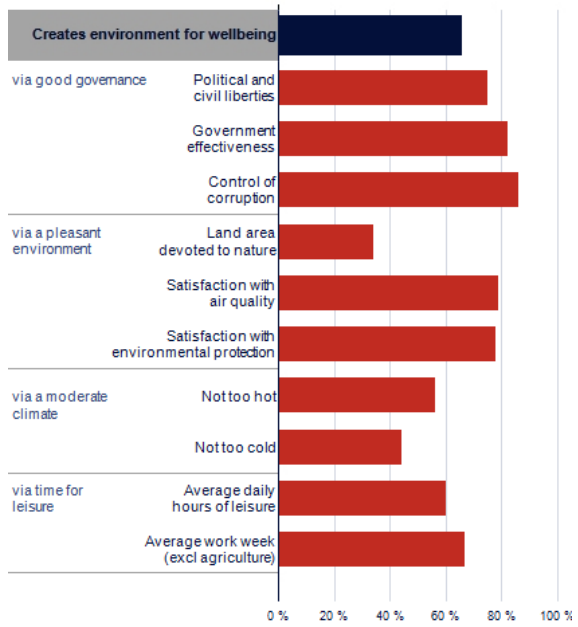
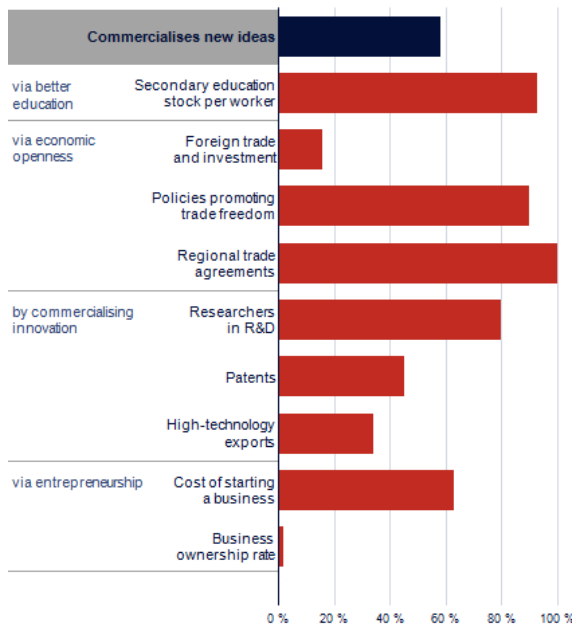
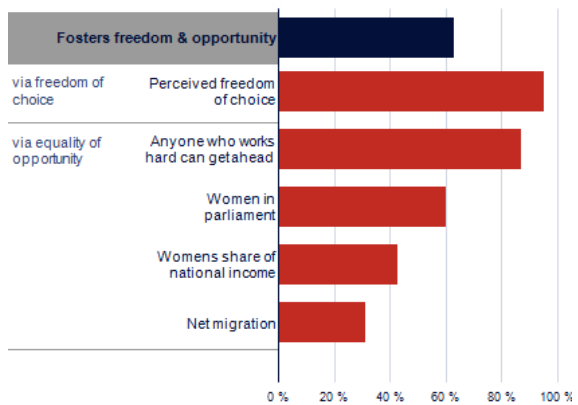
hard work. At 36.6 hours a week, average working hours are on a par with the rest of Western Europe, and Austrians have plenty of leisure hours to enjoy the clean air. The cold climate has little effect on Comparative Liveability at this income level, where people are able to afford adequate housing and heating.

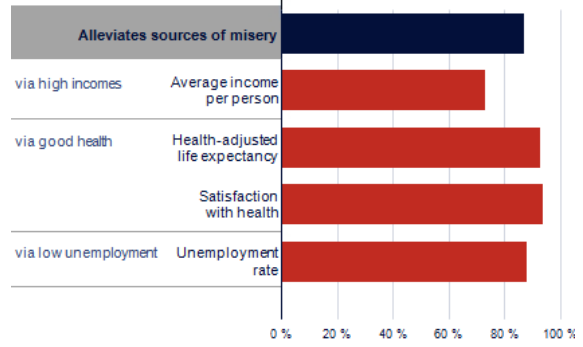
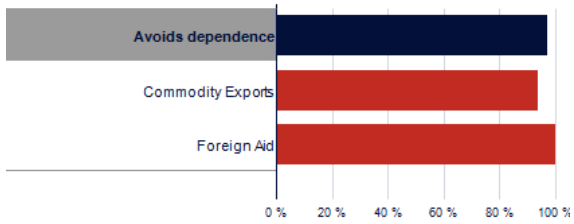
Austrians are notably philanthropic: nearly three-quarters<sup>9</sup> of respondents said they had given money to charity at some point in the last month. However, recent political debates surrounding the quality of community life in Austria are not entirely without basis: community involvement and social trust scores are low, according to the World Values Survey. This last indicates that Austrians generally do not feel high levels of trust in their countrymen, which suggests a dearth of social capital.

## ECONOMIC COMPETITIVENESS: SCORECARD

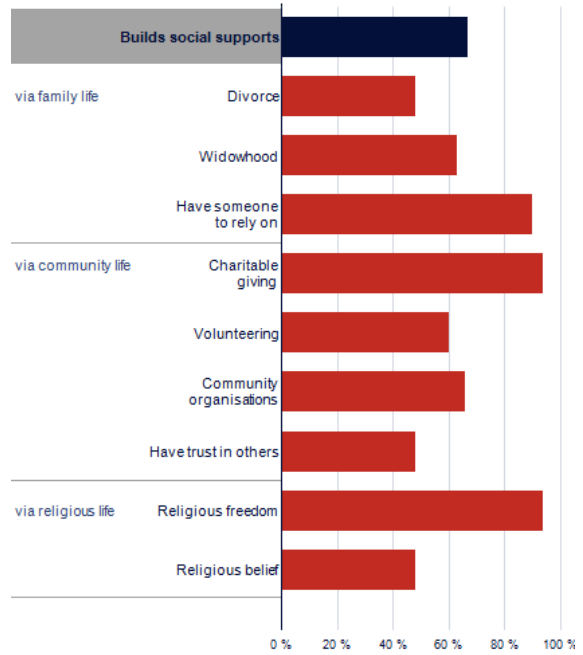


## COMPARATIVE LIVEABILITY: SCORECARD





All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



**References:**

<sup>9, w</sup> See [www.prosperity.com/references.aspx](http://www.prosperity.com/references.aspx) for further details including date of survey, sample size, and margin of error.