Wie gut ist Österreichs Elite?

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Der folgende Beitrag ist auf Englisch und dem Elite Quality Report 2021 entnommen:


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4.1 Country Scorecards: Deep-dive Analyses

Austria: High Elite Quality but less than top performance

Leaders coordinate the resources and actions in politics, business, and society to advance a country’s growth and inclusive economic development. To implement strategy and carry out such actions, elites need power. Checks and balances must ensure that this Power is used responsibly so that progress is inclusive rather than self-serving. Do the elites in Austria deliver good results, and how do they fare in comparison to others?

With an overall EQx2021 Global Rank of #19 out of 151 countries covered, Austria’s Elite Quality is high but falls outside of the top 10% best-performing countries. Austrian elites are not particularly powerful (rank #21), and while rent extraction and self-serving behavior are apparent in some dimensions, the big picture indicates that Austrian elites broadly focus on Value Creation. Despite this, there is still potential for elite business model transformation as well as scope for reforming institutions to reach leading global Elite Quality levels.

Interestingly, Austria scores better in terms of Political Power (i, rank #12) than in Economic Power (ii, rank #31), though the Indicators for the country vary substantially across Index Areas. The source of the good Political Power showing relates to the low degree of State Capture (i.1, rank #10) and Human Capture (i.3, rank #16). Specific Indicators see comparatively good scores in the E-Participation Index (EPR, i.1, rank #6) and for the protection of Property rights (PRI, i.2, rank #8). However, this is not across the board as relatively low Social mobility (MOB, i.1, rank #45) also facilitates Regulatory Capture (i.2, rank #25) and political entrenchment. Regulatory Capture certainly needs to improve as evidenced by middling scores in Crony capitalism (CRO, i.2, rank #41), Protecting minority investors (PMI, i.2, rank #34), and Ease of challenging regulations (ECR, i.2, rank #37). A cause of concern are also poor scores for the Government Restriction and Social Hostilities indexes (GRI, i.3, rank #99; SHI, i.3, rank #74).

Economic elites enjoy considerably more power in Austria than their political counterparts, even though compared to other countries the economy is not dominated by large multinational corporations or influential industries. The power of business elites is reflected in Indicator ranks such as #131 in Billionaires’ wealth as % of GDP (BIW ii.5), #111 in Military expenditures as % of GDP (MIL, ii.4), #69 in Top 3 industries as % of VA (IVA, ii.3), and #59 in Top 3 firms revenues as % of GDP (FRG, ii.5). Significantly, incumbent firms are challenged by Creative Destruction (Pillar #26). High firm turnover (TUL, ii.6, rank #14; TUS, ii.6, rank #6) and a high share of R&D spending as % of GDP (RND, ii.6, rank #5) filters out weak players and strengthens the fittest. However, a low Firm entry ratio (ENR, ii.6, rank #84) and the scarcity of VC finance and Venture capital availability (VCK, ii.6, rank #36; VCA, ii.6, rank #42) limit the full potential of Schumpeterian renewal.

Do Austrian elites create inclusive value? Regarding political and economic value creation, the EQx2021 paints a relatively favorable picture with ranks of #15 for Political Value (iii) and #20 for Economic Value (iv), respectively. Political value creation refers to the effectiveness of government in using resources and regulations in a way that supports income growth, equitable distribution and other measures of wellbeing such as health and security. It also refers to using tax measures (Taking Income, iii.8, rank #14) in the least harmful way and avoiding spending Unearned Income (iii.9, rank #8) such as having a high level of Government debt as a % of GDP (DBT, iii.9, rank #111). The overall favorable EQx ranking particularly benefits from an outstanding result in the Environmental Performance Index (EPI, iii.9, rank #1) and Battle-related deaths (BRD, iii.8, rank #1), as wars and civil conflicts are not a factor in Austria. The Corporate tax rate is close to the optimum value (DCT, iii.8, rank #5), the score for the Online Service Index is excellent (OSI, iii.7, rank #6), and financial inequality, as measured by Top 10% share of pre-tax national income is not an issue (INE, iii.8, rank #11). Political value creation is, however, questionable in other dimensions. The
heavy use of Subsidies and transfers as % of expenses (SNT, iii.7, rank # 104) and Regional redistribution as % of government budget (REG, iii.7, rank # 136) leads to very unfavorable rankings. COVID-19 mortality age-adjusted (COM, iii.7, rank # 90) and COVID-19 lost school days (CLS, iii.7, rank # 61) similarly drag down the overall ranking. The high death rates caused by drug misuse (SUB, iii.8, rank # 118) and suicides (SUI, iii.7, rank # 127) reflect unsolved social problems. Finally, the country spends a considerable amount of unearned income at the expense of future generations, evidenced by a high level of Government debt as % of GDP (DBT, iii.9, rank # 111).

The Value Creation performance of economic elites fares somewhat less favorably, although remains substantially above the international average (Economic Value, iv, rank # 20). On the positive side, the Net brain drain (BRN, iv.12, rank # 6) is low, while Economic globalization is high (EGL, iv.10, rank # 7). Performance is also good with regard to Trade freedom (TRF, iv.10, rank # 13), the Global Food Security Index (FSQ, iii.7, rank # 13), self-made billionaires (BSG, iv.11, rank # 12), Unicorns per million people (UNC, iv.11, rank # 14), and the close link between wage increases and productivity growth (WLP, iv.12, rank # 14). However, Austria’s economic elite system is less convincing in other areas. For example, the rankings are particularly unfavorable for the Gender wage gap (GWG, iv.12, rank # 100) and Labor force participation rate (LFP, iv.1, rank # 86). It also seems that Austria is not a very attractive location for profit-seeking multinationals, as indicated by the poor ranking in terms of FDI net inflows as % of GDP (FDI, iv.10, rank # 95). The high Share of imports targeted by protectionist measures (IPM, iv.10, rank # 82) and Share of discriminatory government interventions as % of total interventions (DGI, iv.10, rank # 89) also indicate an uptick in protectionism and rent extraction rather than Value Creation by local players.

To sum up, the political and economic elites in Austria have built strong institutions that restrain power and the likelihood of self-serving rent extraction. Still, an EQx rank of # 19 out of 151 countries points to a need for institutional reform to improve the Value Creation incentives and accountability of elites. Institutional reform and change are slow processes. However, elite business models can quickly transform thanks to rare disruptive events and the emergence of visionary and charismatic leaders who change the political balance and enable far-reaching institutional reform.

Austria has recently experienced substantial political changes, beginning with the dissembling of the worn-out ‘grand coalition’ (SPÖ – ÖVP), followed by a short-lived coalition of the conservative and far-right parties (ÖVP – FPÖ). Next came an innovative coalition between the green party (GRÜNE) and the conservative (ÖVP) led by the very young chancellor, Sebastian Kurz. So far, the new government has been pre-occupied with the management of the COVID-19 crisis. It remains to be seen whether this new political constellation will succeed in implementing fundamental changes to further push back rent extraction and self-serving behavior and strengthen the incentives and accountability of elites to create value for all.

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EQx2021 Country Scorecard

The Elite Quality Report 2021 (EQx2021) provides Country Scores & Global Rank for 151 countries © Foundation for Value Creation 2021
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