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## Wie gut ist Österreichs Elite?

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***In Kürze:*** Die Eliten treffen die strategischen Entscheidungen in Politik, Wirtschaft und Gesellschaft. Um Veränderungen durchzusetzen, brauchen sie Macht, und Macht braucht Kontrolle. Wie mächtig sind Österreichs Eliten? Handeln sie verantwortlich im Interesse des gesamten Landes, oder kultivieren Sie vorwiegend ihr Eigeninteresse? Wo stehen sie im internationalen Vergleich?

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

Casas I Klett, T. & Cozzi, G. (2021). *Elite Quality Report 2021: Country Scores and Global Rankings*. Zürich, Seismo. Mehr Informationen auf <https://elitequality.org/>.

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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.5), 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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# Austria

## EQx2021 Country Scorecard

Population **9 million**  
 GDP (nominal) **445 billion USD**  
 GDP per capita **5013'8 USD**



### Level 1 - Index

EQx Rank / 151	EQx Score
<b>19</b>	<b>61.1</b>

### High Quality Elites

### Level 2 - Sub-Indices & Index Areas

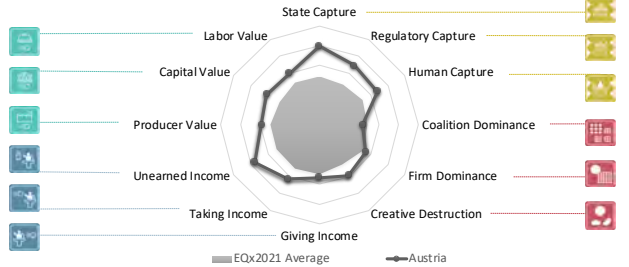
EQx Sub-Indices			
Power		Value	
Rank / 151	Score	Rank / 151	Score
<b>21</b>	<b>60.9</b>	<b>17</b>	<b>61.2</b>

### EQx Index Areas

Political Power (I)		Economic Power (II)		Political Value (III)		Economic Value (IV)	
Rank / 151	Score	Rank / 151	Score	Rank / 151	Score	Rank / 151	Score
<b>12</b>	<b>72.8</b>	<b>31</b>	<b>54.9</b>	<b>15</b>	<b>62.9</b>	<b>20</b>	<b>60.3</b>

### Level 3 - Pillars

		Rank / 151	Score
Political Power (I)	State Capture	<b>10</b>	<b>79.8</b>
	Regulatory Capture	<b>25</b>	<b>69.7</b>
	Human Capture	<b>16</b>	<b>67.6</b>
Economic Power (II)	Coalition Dominance	<b>101</b>	<b>44.0</b>
	Firm Dominance	<b>58</b>	<b>54.3</b>
	Creative Destruction	<b>26</b>	<b>59.3</b>
Political Value (III)	Giving Income	<b>50</b>	<b>53.4</b>
	Taking Income	<b>14</b>	<b>63.0</b>
	Unearned Income	<b>8</b>	<b>75.4</b>
Economic Value (IV)	Producer Value	<b>22</b>	<b>58.5</b>
	Capital Value	<b>16</b>	<b>61.6</b>
	Labor Value	<b>45</b>	<b>60.4</b>



### Level 4 - EQx Indicators

		Rank / 151	Score
State Capture (i.1)	COR Political corruption	<b>16</b>	<b>87.6</b>
	MOB Social mobility	<b>45</b>	<b>57.5</b>
	PDE Political decentralization	<b>11</b>	<b>77.2</b>
	ADE Administrative decentralization	<b>15</b>	<b>79.7</b>
	PGL Political globalization	<b>9</b>	<b>86.5</b>
Regulatory Capture (i.2)	WPI Women's Power Index	<b>20</b>	<b>80.9</b>
	RTC Government's responsiveness to change	<b>22</b>	<b>73.3</b>
	EPR E-Participation Index	<b>6</b>	<b>85.1</b>
	PFD Press freedom	<b>16</b>	<b>81.9</b>
	COC Control of corruption	<b>14</b>	<b>93.0</b>
Human Capture (i.3)	DBI Institutional quality	<b>24</b>	<b>75.9</b>
	CRO Crony capitalism	<b>41</b>	<b>52.6</b>
	PMI Protecting minority investors	<b>34</b>	<b>69.9</b>
	ECR Ease of challenging regulations	<b>37</b>	<b>64.8</b>
	EDB Digital institutional quality	<b>15</b>	<b>65.8</b>
Coalition Dominance (ii.4)	PRJ Property rights	<b>8</b>	<b>90.7</b>
	GSI Global Slavery Index	<b>21</b>	<b>67.7</b>
	WBL Women, business and the law	<b>21</b>	<b>76.0</b>
	LIN LGBT+ Inclusiveness	<b>9</b>	<b>87.6</b>
	GRI Religion - Government Restriction Index	<b>99</b>	<b>43.8</b>
Firm Dominance (ii.5)	SHI Religion - Social Hostilities Index	<b>74</b>	<b>55.8</b>
	WSB Women self made billionaires	<b>12</b>	<b>41.1</b>
	HRI Human Rights Index	<b>3</b>	<b>97.2</b>
	FDP Forcibly displaced population as % of population	<b>1</b>	<b>56.2</b>
	AFI Academic Freedom Index	<b>5</b>	<b>77.6</b>
Creative Destruction (ii.6)	IEE Top 3 industries exports as % of GDP		
	ECI Economic Complexity Index	<b>10</b>	<b>91.0</b>
	IVA Top 3 industries as % of VA	<b>69</b>	<b>36.2</b>
	CON Construction as % of GDP (dev. fm optimum)	<b>37</b>	<b>40.9</b>
	MIL Military expenses as % of GDP (dev. fm optimum)	<b>111</b>	<b>37.9</b>
Labor Value (ix.12)	UNI Unionization rate (dev. fm optimum)	<b>48</b>	<b>43.4</b>
	CBC Collective bargaining coverage	<b>56</b>	<b>0.8</b>
	BSN Barriers in service & network sectors	<b>29</b>	<b>43.4</b>
	PRO Top 10 firms profitability	<b>51</b>	<b>57.3</b>
	SME SMEs per 1,000 people		
	BIW Billionaires' wealth as % of GDP	<b>131</b>	<b>30.6</b>
	FKG Top 10 firms market cap as % of GDP	<b>32</b>	<b>55.0</b>
	FRG Top 3 firms revenues as % of GDP	<b>59</b>	<b>55.2</b>
	FRR Top 30 firms revenues as % of GDP	<b>38</b>	<b>57.7</b>
	TUL Listed firms turnover, long run 15 years	<b>14</b>	<b>56.5</b>
TUS Listed firms turnover, short run 3 years	<b>6</b>	<b>74.4</b>	
ENT Entrepreneurship	<b>12</b>	<b>92.3</b>	
VCK Venture capital finance	<b>36</b>	<b>46.4</b>	
RND R&D as a % of GDP	<b>5</b>	<b>84.3</b>	
ENR Firm entry ratio	<b>84</b>	<b>37.7</b>	
EXR Firm exit ratio	<b>20</b>	<b>28.0</b>	
BCD Billionaire's creative destruction	<b>31</b>	<b>50.0</b>	
IWE Index of Women Entrepreneurs			
VCA Venture capital availability	<b>42</b>	<b>57.8</b>	
GSE Governmental support to entrepreneurship	<b>21</b>	<b>57.3</b>	

		Rank / 151	Score
Giving Income (ii.7)	SNT Subsidies and transfers as % of expenses	<b>104</b>	<b>8.5</b>
	REG Regional redistribution as % of government budget	<b>136</b>	<b>0.0</b>
	EDU School life expectancy	<b>31</b>	<b>64.0</b>
	GPS Expenditure on general public services as % of GDP (dev. f	<b>38</b>	<b>49.8</b>
	INT Internet access	<b>22</b>	<b>76.7</b>
	NRI Network Readiness Index	<b>17</b>	<b>85.8</b>
	LEW Life expectancy women	<b>18</b>	<b>77.4</b>
	LEM Life expectancy men	<b>17</b>	<b>79.5</b>
	FSQ Global Food Security Index - availability, quality and safet	<b>13</b>	<b>83.8</b>
	COV COVID-19 excess deaths, age-adjusted	<b>19</b>	<b>56.6</b>
Taking Income (ii.8)	COF COVID-19 fatality rate, age-adjusted	<b>26</b>	<b>60.9</b>
	CGD COVID-19 growth differential	<b>125</b>	<b>50.6</b>
	COM COVID-19 mortality rate, age-adjusted	<b>90</b>	<b>36.0</b>
	CLS COVID-19 lost schooldays	<b>61</b>	<b>56.4</b>
	OSI Online Service Index	<b>6</b>	<b>85.0</b>
	DCT Corporate tax rate (dev. fm optimum)	<b>5</b>	<b>76.9</b>
	HOM Homicide rate	<b>24</b>	<b>69.1</b>
	INE Top 10% share of pre-tax national income	<b>11</b>	<b>85.9</b>
	FDE Fiscal decentralization	<b>18</b>	<b>60.2</b>
	DTR Tax revenue as % of GDP (dev. fm optimum)	<b>103</b>	<b>11.9</b>
Unearned Income (ii.9)	BRD Battle-related deaths per 100,000 people	<b>1</b>	<b>53.8</b>
	GCI Global Cybersecurity Index	<b>29</b>	<b>77.9</b>
	SUI Suicide rate per 100,000 people	<b>127</b>	<b>24.7</b>
	SUB Death rates from substance use disorders per 100,000 peo	<b>118</b>	<b>45.8</b>
	OCR Organized crime	<b>15</b>	<b>77.0</b>
	DUT Dutch disease propensity	<b>16</b>	<b>79.8</b>
	EPI Environmental Performance Index	<b>1</b>	<b>100.0</b>
	DBT Government debt as % of GDP	<b>111</b>	<b>41.4</b>
	TFT Trade freedom	<b>13</b>	<b>75.8</b>
	FDI FDI net inflows as % of GDP	<b>95</b>	<b>42.8</b>
Producer Value (ix.10)	BTF Barriers to FDI	<b>52</b>	<b>50.2</b>
	EGL Economic globalization	<b>7</b>	<b>91.9</b>
	HEI Health Efficiency Index	<b>30</b>	<b>45.5</b>
	OFB Open for business		
	ESG ESG company scores	<b>16</b>	<b>64.6</b>
	RDR R&D as % of revenue Top 10 firms	<b>20</b>	<b>49.9</b>
	FSA Global Food Security Index - affordability	<b>10</b>	<b>77.0</b>
	PAT Number of patent applications per 100,000 people	<b>52</b>	<b>42.2</b>
	IPM Share of imports targeted by protectionist measures	<b>82</b>	<b>59.8</b>
	DGI Share of discriminatory government interventions as % of tc	<b>89</b>	<b>35.1</b>
Capital Value (ix.11)	DNI Neutral interest rate (dev. fm optimum)		
	DOI Inflation (dev. fm optimum)		
	GOL Gold demand as % of GDP	<b>15</b>	<b>57.0</b>
	DMA M&A as % of investment - 3 yrs. rolling average (dev. fm. c	<b>38</b>	<b>52.6</b>
	DKI Delta capital gains tax vs income tax	<b>80</b>	<b>25.5</b>
	UNC Unicorns per 1 million people	<b>14</b>	<b>64.1</b>
	BSG Billionaires self-made number per 1 million people	<b>12</b>	<b>73.5</b>
	BSM Billionaires self-made as % of total billionaires	<b>19</b>	<b>63.9</b>
	FMI Financial Markets Index	<b>23</b>	<b>81.1</b>
	UEM Unemployment rate	<b>44</b>	<b>55.6</b>
Labor Value (ix.12)	LFP Labor force participation rate	<b>86</b>	<b>46.1</b>
	WLP Delta real wage vs labor productivity increases	<b>14</b>	<b>59.7</b>
	LDR Labor dependency ratio	<b>28</b>	<b>69.1</b>
	YUN Youth unemployment rate	<b>46</b>	<b>65.4</b>
	GWG Gender wage gap	<b>100</b>	<b>30.3</b>
	BRN Net brain drain	<b>6</b>	<b>76.4</b>
LFM Labor force participation ratio - male vs female	<b>53</b>	<b>63.6</b>	

The Elite Quality Report 2021 (EQx2021) provides Country Scores & Global Rank for 151 countries  
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## Wirtschaftspolitisches Zentrum WPZ

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*Forschung und Kommunikation auf Spitzenniveau für Politik, Wirtschaft und Gesellschaft*

Das Wirtschaftspolitische Zentrum (WPZ) ist eine Initiative der Forschungsgemeinschaft für Nationalökonomie (FGN-HSG) an der Universität St. Gallen und ist folgenden Aufgaben gewidmet:

- Spitzenforschung mit Anwendungsbezug
- Wissenstransfer in die wirtschaftspolitische Praxis
- Förderung der wissenschaftlichen Nachwuchstalente
- Information der Öffentlichkeit

Unsere Aktivitäten in der Forschung reichen von wegweisenden Studien in Kooperation mit international führenden Wissenschaftlern bis hin zu fortlaufenden wirtschaftspolitischen Kommentaren. Damit wollen wir die wirtschaftspolitische Diskussion mit grundlegenden Denkanstößen beleben und eine konsequente Reformagenda für Österreich entwickeln, um die großen Herausforderungen besser zu lösen. Die Erkenntnisse und Ergebnisse der modernen Theorie und empirischen Forschung sollen zugänglich aufbereitet und kommuniziert werden, damit sie von Entscheidungsträgern und der Öffentlichkeit wahrgenommen und genutzt werden können und für die politische Entscheidungsfindung Relevanz entwickeln.

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