

Austria 2015



Total: 76.5

Quick facts

Population:	8.52 million
Unemployment rate:	5 %
GDP:	437.12 billion \$
GDP growth rate:	0.34 %
GDP per capita:	51307 \$

Political Freedom

Free and Fair Elections : 9.64

Elections in Austria are free and fair. The 183 members of Austria's *Nationalrat* (the lower house of the Austrian Parliament) are chosen through proportional representation at the district, state and federal levels and serve 5-year terms. The 62 members of the *Bundesrat* (the upper house) are chosen by the provincial diets for five- to six-year terms. The chancellor is appointed by the president. The president, elected for a maximum of two six-year terms, is theoretically given significant powers by the constitution. But in praxis he serves as a mere ceremonial figurehead. The last general election, in September 2013, resulted in a narrow combined majority of the centre-left Social Democratic Party (52 seats) and the centre-right People's Party (47 seats), thereby allowing the two parties to renew their grand coalition government.

Absence of Unconstitutional Veto Players : 9.17

Unconstitutional veto players are all but absent from Austrian politics. Michael Häupl, the Mayor of Vienna, allegedly has considerable influence within the ruling Social Democratic Party and on Werner Faymann, the chancellor. On occasion he has been accused of undue behind-the-scenes meddling in government affairs.

Freedom of Press : 7.8

Freedom of the press is enshrined in Austria's constitution and regulated by the Media Law of

1981. Censorship is virtually unknown but, owing to Austria's past, any form of Nazi propaganda or anti-Semitism is prohibited and punishable by law. Freedom of information is an issue. Although granted by law, it is subject to certain provisions in the constitution that provide for official secrecy. Austria's freedom of information legislation was ranked worst among 93 countries in a 2013 joint study by Access Info Europe and the Centre for Law. The official response by Austrian authorities suggests that they see limited need for action.

Rule of Law

Independence of the Judiciary : 6.84

The Austrian judiciary is independent. But the country had been at loggerheads for two decades with the European Court of Human Rights over the need for independent judges to be allowed to review matters of administrative law. A reform of the administrative jurisdiction system finally took effect in 2014. The overall situation is less grim than the country's score might suggest.

Corruption : 7.2

During the past few years several big corruption scandals made headlines in Austria. They included dubious payments during the acquisition process of new fighter jets for the Air Force; a former interior minister who accepted a bribe from undercover reporters while being a member of European Parliament; a deputy governor of the central bank who allegedly was involved in paying bribes to win contracts to supply banknotes to Syria and Azerbaijan; and a former deputy chief executive of Telekom Austria who was found guilty of funneling money to a political party. A 2011 study of Johannes Kepler University Linz (the latest available) estimated that the monetary damage to the economy due to corruption to rise to €27bn in 2012.

Protection of Human Rights : 8.52

Human Rights are adequately protected in Austria but in some areas there is room for improvement. Amnesty International in its latest report criticized shortcomings in prison conditions, some forms of discrimination against same-sex couples, and the processing and assistance of asylum-seekers.

Economic Freedom

Security of Property Rights : 7.54

Property, be it real or intellectual, is protected and contracts are usually highly respected.

Size of Government: Expenditures, Taxes, and Enterprises : 3.5

Government spending (which includes consumption and transfer payments) amounts to about 52% of GDP. Austrians pay a top income tax rate of 50% and a top corporate tax rate of 25%. Other taxes include VAT and tax on real estate transfers. Overall tax revenue equals about 43% of GDP

Regulation of Credit, Labour, and Business : 7.49

Austria was ranked 21st out of 189 economies surveyed in the World Bank's latest Doing Business report, reflecting prudent legislation regarding starting, running and closing a business. On average it takes 22 days and 8 procedures to start a business. A recent reduction in minimum capital requirements and lowering of notary fees has made the process cheaper. Obtaining a business license consumes 11 procedures and 192 days. Employment regulations are fairly flexible.

Freedom to Trade Internationally : 8.8

Austria's average tariff rate is 1%. As a EU-member state, Austria is relatively open to foreign trade, with only few non-tariff barriers in place.