



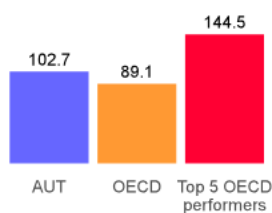
Performance gaps

Recommendations

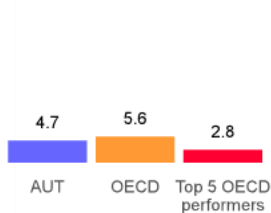
Product and labour markets functioning

- Many professional service sectors have long been sheltered from full competition by regulations, self-regulations and trade and investment protections.
- The share of R&D business in the high-tech sector is low and lags innovation leaders. Public support to R&D is provided mainly through tax incentives.
- Reduce regulatory barriers in entering market services without undermining their quality standards.
- Consider using direct R&D grants to support longer term, higher-risk research.

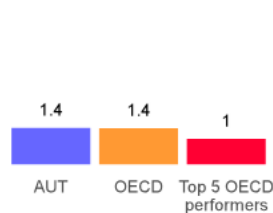
Labour productivity
GDP per employee, USD
2022



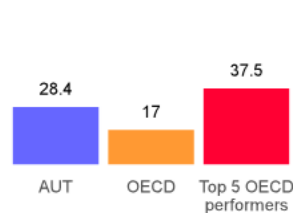
Unemployment rate
%, 2022



Product Market Regulation
Economy-wide
From least to most restrictive
Index of 0-6, 2018



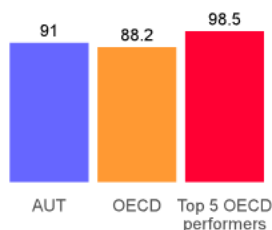
Active labour market policies
expenditure per unemployed
% of GDP per capita
2020 or latest available



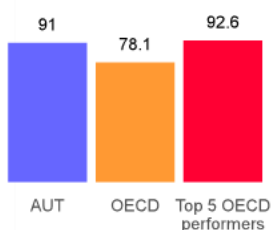
Digital transition

- Austria lags in digitalisation with respect to the top-performing European countries. Fixed broadband coverage, notably at higher speed tiers, is lower than in most other European countries.
- The relative low dynamism of the business sector, and in particular the limited supply of private risk capital, constrains the diffusion of digital technologies.
- Increase access to high-quality internet throughout the entire country and achieve the national and EU goal of gigabit connectivity for all households by 2030.
- Improve the effectiveness of start-up and growth financing instruments by avoiding complexity and improving conditions for institutional investors to invest in venture capital, for example by further improving the depth of Austrian capital markets.

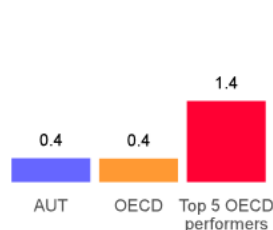
Households with broadband
Internet access at home
%, 2021 or latest available



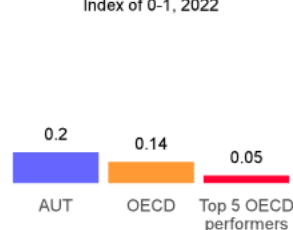
Businesses with a website
or home page
%, 2021 or latest available



Business R&D expenditure
in information industries
% of GDP, 2019 or latest available



OECD Digital Services Trade
Restrictiveness Index
From least to most restrictive
Index of 0-1, 2022

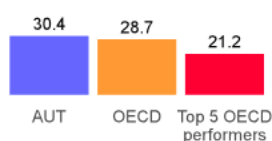


Inclusiveness, social protection, and ageing

- Ageing will reduce the labour force by 5% by 2040 and risks exacerbating the already acute labour shortages. Ageing will also put pressure on the financing of pensions, healthcare and long-term care.
- At the same time, female labour force participation is low, partly reflecting the lack of quality childcare services.
- Ensure the long-term sustainability of the pensions system e.g., by linking the retirement age to life expectancy.
- Reduce early retirement pathways by further reforming the access to disability pensions, improving prevention and rehabilitation measures, and enhancing incentives to continue working at an older age while ensuring good working conditions.
- Bolster the availability and quality of early childcare services throughout the entire territory, in particular in rural areas.

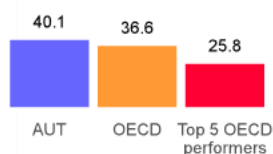
Mean poverty gap after taxes and transfers

Line at 60% of median disposable income
2021 or latest available



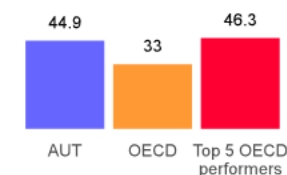
Impact of socioeconomic background in PISA reading score

%, 2018



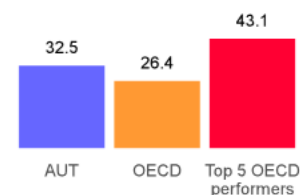
Strength of redistribution

Differences in Gini coefficients between market & disposable income relative to coef. on disposable income
%, 2021 or latest available



Income levels provided by cash minimum-income benefits

% of median disposable income, 2021 or latest available

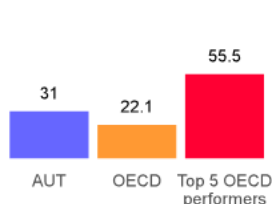


Climate transition

- The carbon intensity of the economy is declining too slowly against the ambitious 2040 climate neutrality goal. The eco-social tax reform 2022 is highly welcome but additional measures will be indispensable, as carbon prices and energy-related taxes will likely remain lower and more uneven than in peer countries, at least for a while.
- Design and implement complementary regulatory and emission saving investment schemes to align the trajectory of emissions with targets.
- Increase and harmonise further carbon prices after 2025 by integrating the largest possible share of emissions in the national and EU emission trading system.
- Eliminate the diesel/gasoline tax gap.

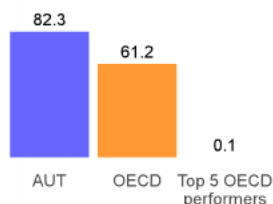
Share of renewables in the energy mix

%, Average over 2019-21 or latest available



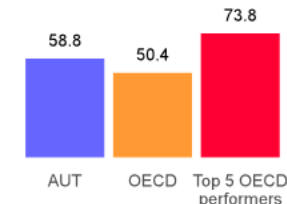
Share of population exposed to more than 10 µg/m3 of PM2.5

%, Average over 2017-19



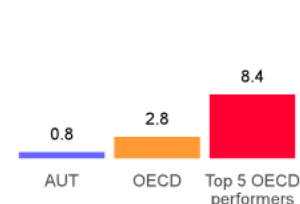
Carbon pricing score

%, at EUR 30 per tonne CO2, 2018



Environmentally-related government R&D budget

% of total government R&D 2021 or latest available

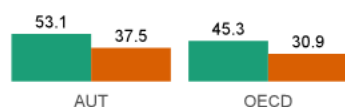


Overall performance

Economy

Thousands USD per capita
2022 or latest available

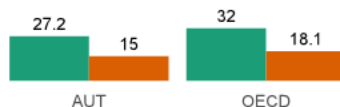
Gross Domestic Product
Household gross adjusted disposable income



Inequality and poverty

2021 or latest available

Gini coefficient after taxes and transfers (index of 0-100)
Poverty rate, line at 60% of median disposable income (%)



Environment and climate

1 unit of GDP, 2021

0.17 GHG emissions
0.24 (OECD)

Welfare cost of premature deaths due to ambient particulate matter

% GDP equivalent, 2019





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