



Austria



Commitment to Development Index 2007

Austria

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The Commitment to Development Index (CDI) ranks 21 of the world's richest countries based on their dedication to policies that benefit poor nations. Looking beyond standard comparisons of foreign aid flows, the CDI measures national effort in seven policy areas that are important to developing countries: aid, trade, investment, migration, environment, security and technology. This report reviews Austria's performance on the 2007 CDI.

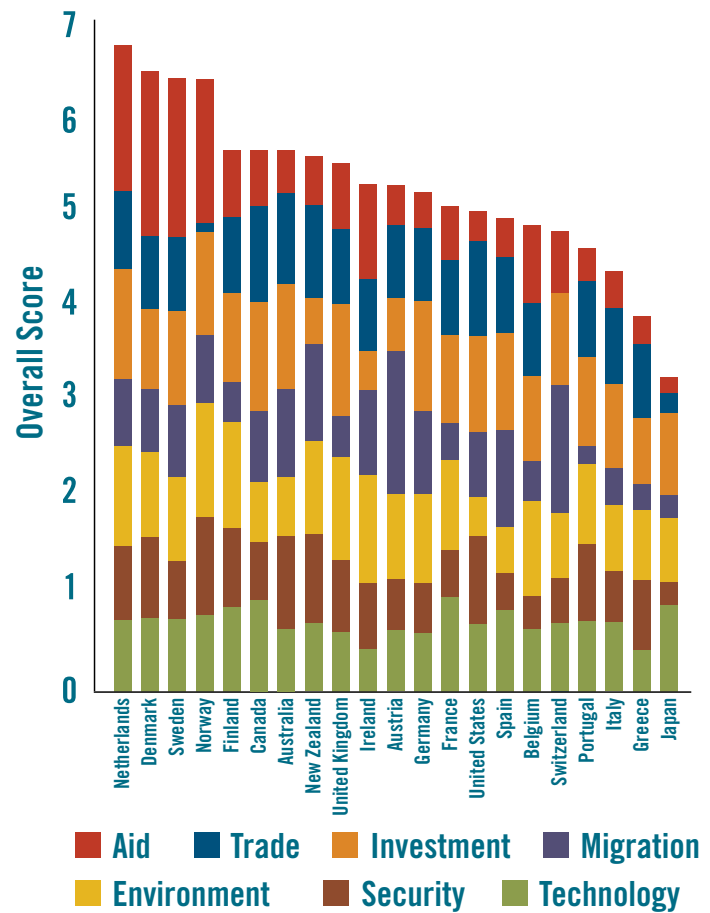
Austria's 2007 CDI Performance

- Overall rank 2007: 10
 - Overall score 2007: 5.3
 - Change since 2003: 0.0
- (using 2007 methodology)

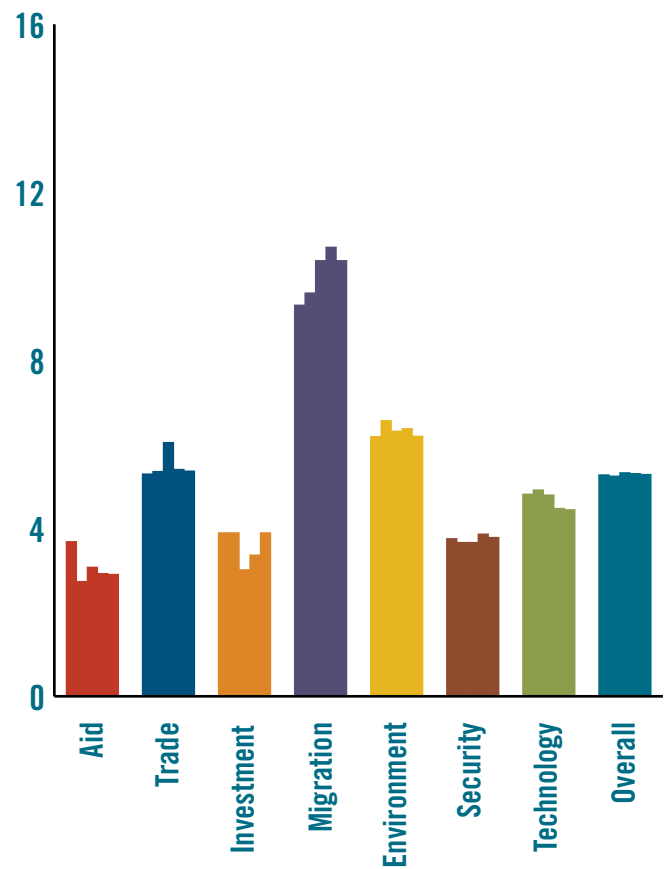
Austria ranks 10th overall in 2007. Austria is rewarded for admitting a large number of legal immigrants from developing countries and for its relatively strong environmental record. But Austria is penalized for poor donor practices, its lack of policies to promote healthy investment in poor countries, and its policies that limit the diffusion of technology.

www.cgdev.org/cdi

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Austria's CDI Performance, 2003-2007



Aid

Aid quality is just as important as aid quantity, so the CDI measures gross aid as a share of GDP adjusted for various quality factors: it subtracts debt service, penalizes “tied” aid that makes recipients spend aid only on donor goods and services, rewards aid to poor but relatively uncorrupt recipients, and penalizes overloading poor governments with many small projects.

- **Score: 2.9**
- **Rank: 14**

Strengths

- Prevents project proliferation; large average project size (rank: 5)

Weaknesses

- Low net aid volume as a share of the economy (0.23%; rank: 16)
- Large share of tied or partially tied aid (43%; rank: 19)
- Selectivity: large share of aid to less poor and relatively less democratic governments (rank: 16)

Trade

International trade has been a force for economic development for centuries. The CDI measures trade barriers in rich countries against exports from developing countries.

- **Score: 5.4**
- **Rank: 11**

Weaknesses

- High tariffs on agricultural products (40.4% of the value of imports; rank: 10)
- High agricultural subsidies (equivalent to 14.7% tariff; rank: 17)

Investment

Rich-country investment in poorer countries can transfer technologies, upgrade management and create jobs. The CDI includes a checklist of policies that support healthy investment in developing countries.

- **Score: 3.9**
- **Rank: 19**

Weaknesses

- Employs inappropriate home country national economic tests for eligibility of projects through national political risk agency
- Does not provide political risk insurance for all sectors through national agency
- Does not allow domestic investors to take advantage of developing country tax incentives
- Imposes some restrictions on pension fund investments in emerging markets
- Does not provide support for outflows of portfolio investment

Migration

The movement of people from poor to rich countries provides unskilled immigrants with jobs, income and knowledge. This increases the flow of money sent home by migrants abroad and the transfer of skills when the migrants return.

- **Score: 10.4**
- **Rank: 1**

Strengths

- Large increase during the 1990s in the number of unskilled immigrants from developing countries living in Austria (rank by share of population: 2)
- Large number of immigrants from developing countries entering Austria (rank by share of population: 3)
- Bears large share of the burden of refugees during humanitarian crises (rank: 4)

Weaknesses

- Small share of foreign students from developing countries (54%; rank: 16)
- Tuition for foreign students higher than for nationals



Environment

Rich countries use a disproportionate amount of scarce resources, and poor countries are most vulnerable to global warming and ecological deterioration, so the CDI measures the impact of policies on the global climate, fisheries, and biodiversity.

■ **Score: 6.2**

■ **Rank: 10**

Strengths

- No fishing subsidies (rank: 1)
- Low gross per capita timber imports from tropical countries (\$2.68 per person; rank: 1)
- Low greenhouse gas emissions rate per capita (9.3 tons of carbon dioxide equivalent; rank: 8)

Weaknesses

- Greenhouse gas emissions grew almost as fast as GDP in 1995–2005 (average annual growth rate/GDP, –0.7; rank: 16)



Security

Since security is a prerequisite for development, the CDI rewards contributions to internationally sanctioned peacekeeping operations and forcible humanitarian interventions, rewards military protection of global sea lanes, and penalizes arms exports to poor and undemocratic governments.

■ **Score: 3.8**

■ **Rank: 14**

Strengths

- Few arms exports to poor and undemocratic governments (rank by share of GDP: 9)

Weaknesses

- Small financial and personnel contributions to internationally sanctioned peacekeeping and humanitarian interventions over last decade (rank by share of GDP: 18)
- No protection of global sea lanes

Technology

Rich countries contribute to development through the creation and dissemination of new technologies. The CDI captures this by measuring government support for R&D and penalizing strong intellectual property rights regimes that limit the dissemination of new technologies to poor countries.

■ **Score: 4.4**

■ **Rank: 17**

Strengths

- Small share of government R&D on defense (0.0%; rank: 1)

Weaknesses

- Offers patent-like proprietary rights to developers of data compilations, including those assembled from data in the public domain
- Imposes strict limitations on anti-circumvention technologies that can defeat encryption of copyrighted digital materials



Background Papers and Contributors

See “The Commitment to Development Index: 2007 Edition” by David Roodman, available at www.cgdev.org/cdi. The website also has background papers for each policy area: David Roodman on foreign aid, William R. Cline on trade, Theodore H. Moran on investment, Elizabeth Grieco and Kimberly A. Hamilton on migration, Amy Cassara and Daniel Prager on environment, Michael E. O’Hanlon and Adriana Lins de Albuquerque on security, and Keith Maskus on technology.

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| Country | Rank | Aid | Trade | Investment | Migration | Environment | Security | Technology | Overall Score | Change since 2003 |
|----------------|------|------|-------|------------|-----------|-------------|----------|------------|---------------|-------------------|
| Netherlands | 1 | 10.7 | 5.7 | 8.0 | 4.8 | 7.3 | 5.4 | 5.2 | 6.7 | -0.1 |
| Denmark | 2 | 12.0 | 5.4 | 5.8 | 4.6 | 6.1 | 5.9 | 5.4 | 6.5 | -0.4 |
| Sweden | 3 | 11.6 | 5.4 | 6.9 | 5.2 | 6.1 | 4.2 | 5.3 | 6.4 | +0.3 |
| Norway | 3 | 10.5 | 0.7 | 7.5 | 4.9 | 8.4 | 7.1 | 5.6 | 6.4 | +0.4 |
| Finland | 5 | 4.9 | 5.5 | 6.5 | 2.9 | 7.7 | 5.7 | 6.2 | 5.6 | +0.5 |
| Canada | 5 | 4.1 | 7.1 | 8.0 | 5.1 | 4.0 | 4.3 | 6.7 | 5.6 | +0.4 |
| Australia | 5 | 3.1 | 6.7 | 7.6 | 6.5 | 3.8 | 6.8 | 4.6 | 5.6 | -0.3 |
| New Zealand | 5 | 3.6 | 6.7 | 3.4 | 7.1 | 6.8 | 6.5 | 5.0 | 5.6 | -0.3 |
| United Kingdom | 9 | 4.8 | 5.5 | 8.1 | 3.0 | 7.5 | 5.2 | 4.3 | 5.5 | +0.3 |
| Ireland | 10 | 6.9 | 5.3 | 2.8 | 6.2 | 7.9 | 4.8 | 3.1 | 5.3 | +0.6 |
| Austria | 10 | 2.9 | 5.4 | 3.9 | 10.4 | 6.2 | 3.8 | 4.4 | 5.3 | 0.0 |
| Germany | 12 | 2.6 | 5.4 | 8.0 | 6.0 | 6.5 | 3.6 | 4.3 | 5.2 | -0.1 |
| France | 13 | 4.0 | 5.4 | 6.5 | 2.7 | 6.5 | 3.4 | 6.9 | 5.1 | +0.2 |
| United States | 14 | 2.2 | 7.0 | 7.0 | 4.7 | 2.9 | 6.4 | 4.9 | 5.0 | +0.3 |
| Spain | 15 | 2.9 | 5.5 | 7.1 | 7.1 | 3.3 | 2.7 | 6.0 | 4.9 | +1.1 |
| Belgium | 15 | 5.7 | 5.4 | 6.2 | 2.9 | 7.0 | 2.4 | 4.5 | 4.9 | +0.2 |
| Switzerland | 17 | 4.5 | 0.0 | 6.7 | 9.3 | 4.8 | 3.3 | 4.9 | 4.8 | -0.6 |
| Portugal | 18 | 2.4 | 5.5 | 6.5 | 1.3 | 5.8 | 5.6 | 5.2 | 4.6 | +0.2 |
| Italy | 19 | 2.7 | 5.6 | 6.1 | 2.7 | 4.8 | 3.8 | 5.0 | 4.4 | +0.3 |
| Greece | 20 | 2.0 | 5.4 | 4.9 | 1.9 | 5.1 | 5.1 | 3.0 | 3.9 | +0.2 |
| Japan | 21 | 1.2 | 1.5 | 5.9 | 1.7 | 4.7 | 1.7 | 6.3 | 3.3 | +0.7 |

This table ranks the 21 countries in the CDI, showing their scores in seven policy areas. A country's overall score is the average of its seven policy scores. The final column shows the change in each country's overall score since the CDI began in 2003, using 2007 methodology.

The CGD website (www.cgdev.org/cdi) has reports on each of the 21 countries in the CDI, as well as graphs, maps, spreadsheets and background papers.

The Commitment to Development Index is designed by the Center for Global Development, an independent think tank that works to reduce global poverty and inequality by encouraging policy change in the United States and other rich countries through rigorous research and active engagement with the policy community.

David Roodman, the architect of the Commitment to Development Index, is a research fellow at the Center for Global Development.

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