

The handbook of intellectual self-defence



In a politically driven market economy like Austria's, capitalist structures based on freedom of contract and private property have long been seen as a dismal failure. In the heavily state-funded cultural sector, hardly a speech is held that does not include a brief discourse on all-conquering neoliberalism. Even in "bourgeois" circles, the fact that capitalism makes the rich richer and the poor poorer is seen as a scientific fact. Redistribution of wealth is bottom-up, not top-down. Regardless of your ideological milieu, nowadays the following insight will always strike the right chord: globalisation threatens our jobs and also paves the way for major corporations to blatantly exploit the poorest of the poor.

And to make sure the whole room is singing your praises, don't forget to mention that tax competition also has an archaic feel to it, since it bleeds the life out of state budgets. Lately, asking (with a straight face) "Why do we still need economic growth?" has become another sure-fire point-scorer. After all, every child knows that economic growth merely inflicts life-threatening wounds on Mother Earth. And all in order to provide a minority living in the lap of luxury with even more of what they already have in abundance. Therefore, almost every day, well-meaning economists in the industrialised world call for government stimulus packages that have the sole aim of boosting growth.

Another essential remark to throw into a cultured evening's conversation is that unbridled banks are having money stuffed into their pockets while government budgets suffer death by a thousand cuts at the

hands of neoliberal taskmasters. This is, of course, the gravest possible mistake since it sets off an almost inexorable downward spiral. The alternative should be to strengthen consumers' purchasing power during a crisis by raising wages. Stimulating household consumption boosts companies' revenue, leading in turn to higher demand for labour and a further increase in the population's purchasing power, which results in rising sales of products and more income for companies – and so on and so forth. In short, higher wages can easily give a sagging economy a shot in the arm.

Such is the rigid sentiment we find in Austria today. Agenda Austria is the country's first think tank that is fully independent of the state, political parties, professional associations and interest groups. We aim to generate ideas for citizens who are willing to embrace change, and to identify aspects of atrophied views that give us pointers for dynamic reforms. Albert Einstein said that shattering a preconceived notion is harder than splitting the atom. But we're committed to trying all the same. Primarily we want to offer the young people of this country a new perspective, an alternative to the outlook served up during childhood. This will enable them to move away from conversations shackled by outdated ways of thinking and towards an open-minded, forward-looking debate. With this in mind, we asked several economists to put the most popular stock phrases on economic policy under the microscope and see how much truth they contain.