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Welcome Address

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High growth of GDP per capita is an important economic policy objective, as it promotes job creation and prosperity. Moreover, it facilitates fiscal policy; budget consolidation, for instance, becomes easier during economic upturns. Increased potential growth also helps central banks with monetary policymaking, as it reduces inappropriate political pressure on central banks to generate growth through surprise inflation. For a successful long-term growth policy, productivity growth and higher employment rates are pivotal.

Since 2001, several European countries have experienced relatively stagnant economic development characterized by weak growth and a sluggish reduction of unemployment levels. But even before then, the strong productivity growth in the United States and some European countries at the end of a strong upswing had prompted policymakers to develop the Lisbon Strategy with the aim of promoting growth and employment.

Austria's economic growth has been above the euro area average in recent years; employment is on the rise and Austrian businesses are making good use of opportunities in Eastern Europe. We should not rest on our laurels, however, but rather set our sights on more ambitious goals.

There has definitely been progress with some of the Lisbon objectives; unemployment in Europe, for example, has dropped by 2 percentage points since the mid-1990s, and the R&D ratio in Austria has surged to just below 2.5%. Given the adverse economic conditions, this has to be considered a major success, begging the question of how much more could be achieved during a sustained upturn?

The mid-term review of the Lisbon Strategy (Kok report) shows, however, that overall reform progress has been unsatisfactory so far and calls for increased national ownership, i.e. stronger involvement in and identification with the European growth and employment agenda at the national level. To this end, national action plans for growth and jobs have been introduced. These so-called National Reform Programs are the result of a broadly-based debate involving, among others, the social partners and European citizens. The fact that all EU Member States have adopted National Reform Programs is cause for optimism

within the EU, and there is reason to expect greater progress toward the Lisbon goals by 2010.

Against this background, the OeNB organized today's workshop with the objective of bringing forth new ideas on promoting employment and growth in Austria. Since a general direction for economic policymaking has already been provided by the European Commission's Integrated Guidelines, this workshop will focus, to the extent possible, on concrete and specific issues. The more we know about economic and employment policies, the more likely they are to be implemented.

In the beginning, we will hear two statements on growth and employment in Austria which present the topic from a cross-country perspective. Further key topics on the agenda are competition policy in Austria and the link between education and economic growth. Before the final panel discussion, we will also hear three in-depth presentations on employment in Austria. The workshop's agenda thus reflects the key elements of the Lisbon Strategy and the Integrated Guidelines.

For 2006 we expect a general upswing, which is a welcome prospect. Nevertheless, we should not sit back now, but rather use this positive momentum to implement further structural reforms and to promote sustainable growth and employment.