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Ludwig von Mises Institute
Europe

Annual Report 2023

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1. Presidential Address

The year 2023 was one full of surprises and some impediments. Let's start with the surprises: although the publication of the new book "The Austrian School in the 21st century" was expected the year before, it still was a big surprise to see that announced. That was how the year 2023 started on January 7th.

The events:

We had two presentations of the book: one in London on November 21st and one in Brussels on November 29th. On the first one I could not participate in person, but only via zoom, but Max Rangeley, one of the contributors to the book and member of the Advisory Board of LVMI Europe, was present in London. The event in London was organized by IAE, under the initiative of Lord Kamall, Lord of Edmonton, House of Lords, UK. It was a very interesting event with a lot of comments by the participants. The (short) report on that event has been published in this Annual Report.

On the presentation in Brussels, two other contributors spoke: Professor Machaj, (Poland) and Dr. Reho (Martens Centre Brussels). The report of that meeting has been incorporated in this Annual Report as well. The contribution by Professor Machaj and Dr. Turowski was particularly interesting, because it demonstrates the crucial but oft-neglected role played by property and institutional infrastructure in the development and flourishing of an intellectual movement.

Dr. Reho on the other hand explained Hayekian Federalism and European Integration, a chapter of the book.

There was also a dinner debate with professor Rudy Aernoudt, University of Ghent. Topic: 'Towards a new European Impetus Post-Brexit'

The speech given by Professor Aernoudt on the dinner debate, that was organized on September 27, was really interesting with inside information on how according to him the EU could be reformed.

The Institute also started a new program: Lectures on the Theories of the Austrian School of Economics and the first speaker was Bart Vanderhaegen, who started the series of lectures on November 7. It was followed by a lecture given by Heiko de Boer in 2024 and again by Bart Vanderhaegen on June 12, 2024.

Upcoming events,

The program with the planned lectures can be read further in the report, and it can be noted that the contributors are really remarkable. For example Alasdair Macleod of GoldMoney Foundation will be the next speaker in October. Also a lecture on the efforts and politics of Milei will be discussed during a conference.

Also the new statutes of the Institute imposed by a new law of 20219, were drafted and finished on May 6, 2024.

Reflections

The year 2023 brought us not only the prolongation of the war in Ukraine, but also a new war: between Israel and Hamas. Although Israel held all the cards, they lost their goodwill and that is a pity. Hamas is still a terrorist organisation, using the population of Gaza as a shield to protect themselves. A recognition of them is absolutely not appropriate at the moment. There are too many lose ends:

About which territory do we speak: the West Jordan Country? The Gaza strip? Or both?

Who will represent the Palestinians?

Would Palestine be demilitarized?

Will it be a democracy?

Hopefully the war between Ukraine and Russia can come to an end, because the fortunes for Ukraine have turned, but one cannot be sure. It is amazing how much resilience Zelensky and the Ukraine population has shown the last years and how much courage they still have to demonstrate.

We can only wish that 2024 will turn out to be a better year.

Annette Godart-van der Kroon

President of the Ludwig von Mises Institute Europe

2. About the Institute

2.1 Aim and Who We Are

The Ludwig von Mises Institute – Europe was officially established on October 12th, 2002 as a nonpartisan think tank fostering an open and free society. It bears the name of Ludwig von Mises, one of the most prominent liberal economists of the whole XX century, and one of the main representatives of the Austrian School of Economics.

The Ludwig von Mises Institute – Europe primarily aims at:

- Exchanging and promoting the principal ideas and merits of Classical Liberalism with a particular focus on the ideas of the Austrian School of Economics
- Acting as an interface between top academics, senior business leaders, respected media commentators and leading politicians across the EU and in Brussels
- Teaching young professionals and students from all over the world about classical liberalism in addition to the workings of the European Union
- Connecting world-wide liberals and organizations at national and international levels

Since its foundation, the LVMI – Europe has successfully organized a variety of conferences, symposia, discussions, targeted dinner debates and lunch debates, discussing topics such as the role of the EU, Banking and Monetary Policy, Artificial Intelligence, Transatlantic Relations, Tax Competition, better regulation, Islam and the EU and the FIT and Disruptive innovation: Banks versus Cryptocurrencies.

The Ludwig von Mises Institute – Europe is dedicated to bridging the gap between believers in the free market across artificial boundaries that often divide academic, business, and political circles.

2.2 Patrons and Honorary Members

High Patrons



Alexander Graf Lambsdorff

Ambassador of the German Republic to the Russian Federation

Germany



Frits Bolkestein

Former EU Commissioner

The Netherlands



Herman de Croo

Minister of State and Honorary Speaker of the House of Representatives

Belgium



Lord Kamall of Edmonton

Professor of International Relations and Politics at St Mary's University, Twickenham, UK and member of the House of Lords

Honorary Members



Prince H.S.H. Philipp von und zu Liechtenstein

Chairman LGT Group Vaduz



Dr. Hanns-Martin Bachmann

Former Director of the Representation of Hessen to the EU
Germany

2.3 The Boards

Board of Directors

President: Annette Godart-van der Kroon, LL.M., Belgium

Secretary: Johan Vranckx, Owner of M.L. Advice. be

Treasurer: Filip Smeets, Area Manager Seris Security, Belgium

Ulrike Haug, Director Sempre Avanti, Germany

Prof. Dr. Marc Cools, University of Ghent, Free University of Brussels, Belgium

Prof. Dr. Jesús Huerta de Soto, University Rey Juan Carlos, Spain

Advisory Board

Prof. Dr. Hardy Bouillon, Professor of Philosophy and Economics at the Swiss Management Centre University

Max Rangeley, Editor and Manager of the Cobden Centre, UK

Heiko de Boer, Country Head Netherlands Pictet Asset Management

Editorial Board

Jure Otorepec, University Ljubljana, Slovenia

Dr. Brendan Brown, Economic Research, UK

Pawel Dziedziul, University of Bialystok, Poland

Academic Board

Prof. Dr. Gerd Habermann, Secretary General of the Hayek Institute, Germany

Arturas Balkevicius, Associate Professor, Faculty of Economics and Business Mykolas Romeros University, Lithuania

Prof. Dr. Christos Diamantopoulos, University of Athens – Greece, National School of Public Administration, Greece

2.4 Education Program

Internships at the LVMI – Europe are not only for European students but also for students from all over the world!

Interning at the LVMI – Europe equips students with the essential skills needed in a competitive European Union. Such skills include data, research, website management and event coordination in addition to writing reports for the Newsletters and Annual Report. Partnerships with the Universities of Leiden, Bologna, Cagliari, Lille, Tampere, Brussels (VUB/Vesalius) and the American University enable both student engagement and education about legislative processes, policies, and improved knowledge about classical liberalism.

Intern Exchange Program

LVMI – Europe is launching its new Intern Exchange Program

Young employees (“potentielle nachwachskräfte”, “young talents”)

This would be realized in exchange for and (as a part of) a sponsorship, with the option to become a corporate member and participate in the LVMI network across Europe.

- The opportunity to provide their interns with additional valuable experience in the EU environment through organizing and participating in LVMI – Europe’s events.
- Increase the attractiveness of their intern positions and add value to their potential future employees.

- Provide the interns with exclusive access to events organized by other think tanks, NGOs and both national and supranational institutions while familiarizing themselves with the Austrian School of Economics.
- Gain higher recruitment value and expand LVMI – Europe’s corporate network
- Increase attractiveness to companies and create valuable synergies

Based on this cooperation between LVMI – Europe and your organization you can

- Develop long-term and sustainable cooperation programs to meet the strategical, operational and financial targets of your company
- Enhance the attractiveness of the talent management programs
- Lay the foundation for an improved pan-European understanding and thinking within the German and European SME’s
- Get close to and more involved in the activities and potentials of the European Governance

Package

- Individual Mentoring program for each participant organized by the LVMI
- Accommodation organized by the LVMI – Europe
- Direct access to numerous conferences, debates, and training programs organized by and paid for by the LVMI – Europe
- Full integration in current LVMI activities and programs
- Introduction to individual stakeholders in the European Parliament
- Costs and Benefits: 1.000€ net per month per participant and months (min. 1, max. 3 months) Free Annual Corporate membership per participation of a young talent
- Internship program

a) Internship Period

- A minimum of one to three months

b) Intern Responsibilities for Candidates

- To assist and network while organizing conferences and dinner debates to be held by LVMI – Europe
- Participate in other important think tanks’ conferences in Brussels
- To establish links with the civil society, media, business, politicians, the EU institutions as well as the European Parliament that will enable LVMI – Europe to influence future policy initiatives

- To communicate with LVMI – Europe’s patrons, sponsors, and board of directors
- Liaising with the EU institutions and especially EU Parliament which the intern will also be expected to attend

c) Selection Criteria for Candidates

- Have a degree or comparable education in an industrial/business environment
- Being proactive and interested in communicating with a wide range of people
- Having good analyzing, marketing, and networking skills
- Having a good knowledge of English. Second languages like German or French in particular are an advantage
- Willing to gain experience of working in an office environment
- Being an organized and independent individual

The LVMI – Europe has a longstanding international experience with such programs through our cooperation with well-known universities, like:

- A continuous contract with Vesalius College, Brussels
- The American University, Brussels
- The Free University of Brussels, and Partners 4 Value: UNDP Lithuania
- University of Tampere (Finland)
- University of Bologna, University of Cagliari, and the University of Padua (It)

2.5 Our Past, Present, and Future Partners

The Ludwig von Mises Institute – Europe has cooperated and is cooperating with the following institutions:

- University of Leuven, Belgium, (2002)
- Institute for Economic Growth, (2003)
- Egmont Institute (former IRRI-KIIB), (2004)
- SME Union, in cooperation with Euro Commerce, European Interprise Institute, Konrad Adenauer Stiftung, SME Global and Loyens, (2005)
- Microsoft, (2005 and 2012)
- Stockholm Network, (2006)
- EU-Russia Centre, (2007)
- Hayek Institute, Belgium, (2007-2008)
- Turgot Institute, France, (2007-2009)
- Friedrich-Naumann-Stiftung << Für die Freiheit>>, (2003-)
- University of Bologna, Italy, (2006-)

- University of Leiden, The Netherlands, (2008-)
- JTI, (2008)
- Novartis, (2008, 2010)
- University of Cagliari, Italy, (2009)
- University of Tampere, Finland, (2009-2011)
- The Institute for Economic Studies, the Foundations for Human Education, and the Mises Youth Club, (2009)
- Itinera, (2010)
- Hayek Institute Vienna, (2010)
- Taxpayers Association Europe, (2008, 2010)
- Schuman Associates (2010)
- The University of Lille France, (2011)
- Vesalius College (VUB), (2011-)
- The Institute for Urban History for East Central Europe + The Lviv Regional Institute of Public Administration Ukraine, (2011, 2013)
- Instytut Misesa, Poland, (2012-)
- UNDP, Lithuania, (2012-)
- UBI, United Business Institute, (2012-2014)
- GoldMoney Foundation, (2012, 2019)
- New Direction, (2014)
- EPICENTER, (2015)
- YES, (2015)
- BVMW, Bundesverband Mittelständische Wirtschaft (2015, 2019-)
- Austrian Economic Center, (2016, 2017, 2018-2020, 2021)
- Mitsubishi, (2015-2018)
- Swiss Mises Institute, (2016-2018)
- Open Europe, (2016-2017)
- Cobden Center, (2018-)
- Atlas, (2020-)
- The American University, (2021-)
- The Jean Monet Association, (2022)

2.6 Ludwig Von Mises Institutes in Europe and Beyond

Ludwig von Mises Institute Barcelona

Ludwig von Mises Institute Brazil
Ludwig von Mises Institute Czech Republic and Slovakia
Ludwig von Mises Institute Estonia
Ludwig von Mises Institute Finland
Ludwig von Mises Institute Germany
Ludwig von Mises Institute Greece
Ludwig von Mises Institute Italy
Ludwig von Mises Institute Netherlands
Ludwig von Mises Institute Poland
Ludwig von Mises Institute Portugal
Ludwig von Mises Institute Romania
Ludwig von Mises Institute Russia
Ludwig von Mises Institute Spain
Ludwig von Mises Institute Sweden
Ludwig von Mises Institute Switzerland
Ludwig von Mises Institute Turkey
Ludwig von Mises Institute Ukraine



3. Events Organized by the Ludwig Von Mises Institute – Europe

3.1 LVMI General Assembly Meeting 2023

Date: 14th June 2023

Time: 5.30pm – 6.30pm

Venue: Holland House, Rue d' Arlon 20, Brussels

Attending:

Mrs. Annette Godart-van der Kroon, President of LVMI-Europe

Philip Close, Secretary of LVMI-Europe

Ulrike Haug (via Zoom), Board Member of LVMI-Europe

Rody Mens (via Zoom), Member of LVMI-Europe

Olivia Santini, Assistant LVMI-Europe

Absent:

Mr. Filip Smeets was unable to attend and sent his apologies

Mr. Stephan Woodard, sent his apologies later

Meeting:

The meeting formally began at 5.32 pm on June 14, 2023.

The minutes for the General Assembly 2022 were approved.

The accounts of 2022 were approved.

Mrs. Godart and Mr. Close signed the Annual Accounts of 2022.

The first topic addressed was the adaptation of the bylaws to be completed by a notary.

Mrs. Godart-van der Kroon emailed him several times and had not yet received a reply.

Mrs. Godart-van der Kroon also said she has investigated the possibility of crowdfunding. She encouraged board members to come up with humanitarian or education-related goals that could help raise money for the institute.

The prognosis of the accounts for 2023 was approved.

The Board of Directors were discharged.

The next subject at hand was Mr. Close's request to be relieved of his duties as secretary which was approved.

The subsequent topic of discussion was the future strategy of the LVMI and its communication policy. The president of European Journalists, Lieven Taillie, promised Mrs. Godart-van der Kroon that she could public blogs on Brussels Morning to give LVMI-Europe greater visibility.

The schedule of the upcoming activities has been changed. On September 27, 2023, LVMI-Europe is hosting a dinner debate with Professor Rudy Aernoudt which will take place at Holland House.

The launch of the new book was initially planned for April 25th but was cancelled. It was then scheduled to be launched in November in London by the Institute of Economic Affairs. However, Mrs. Godart-van der Kroon asked the board members if it could be rescheduled for October to be presented in Brussels, which they agreed to. Mrs. Godart-van der Kroon added that October is a very busy time for events in Brussels so finding a date for the launch of the book will be difficult. She said she would ask the manager of Holland House and the speakers to find a new date for the launch of the book.

The president suggested at an earlier meeting that LVMI-Europe should reach out to other Mises Institutes in Europe, and, in previous years, Mr. Smeets has offered to take care of that. However, during the last board meeting, he recommended that LVMI's outreach efforts should focus on younger ages, and the members of the Board of Directors agreed. Mrs. Godart-van der Kroon mentioned that LVMI-Europe used to have a youth club, but it was eventually dissolved. Mrs. Godart asked Mr. Mens if he would be willing to gather a group of students interested in LVMI-Europe who would be able to meet at Holland House. Mrs. Godart said she could send Mr. Mens the names of students who are already members of the institute.

Mrs. Godart-van der Kroon discussed a request from the US/UK received in May and wondered how she should respond. The Board Members advised to not get involved.

Mrs. Godart-van der Kroon asked Mr. Mens about other information he might need about the institute. She said she would send the names of students involved in LVMI-Europe and a leaflet to provide him with more information.

When Mrs. Godart hears of a potential candidate for the secretary position, she will inform the board.

Mrs. Godart will send the board members the names of some organizations involved in crowdfunding. These organizations primarily deal with humanitarian issues, and she suggested that LVMI-Europe could potentially receive funding for education initiatives.

The meeting was concluded at 6.09pm.

3.2 LVMI Dinner Debate “Towards a new European Impetus Post-Brexit”

“Towards a new European Impetus Post-Brexit”

Speaker: Professor Rudy Aernoudt, University of Ghent

Location: Holland House

Date: September 27, 2023

Time: 6.30 pm-10.00 pm

On September 27, LVMI-Europe organized a dinner debate with Professor Dr. Aernoudt as the primary speaker.

Annette Godart-van der Kroon, president of LVMI-Europe and hostess of the debate, opened the evening with a welcoming word. She explained that the idea to organize dinner debates, originated years ago and took place in the Atelier Européen which does not exist anymore. These dinner debates temporarily ceased to exist due to the COVID-19 pandemic but are now resuming. The purpose of these dinner debates is to have discussions in a small group, specifically under Chatham House rules.

Mrs. Godart-van der Kroon quoted Henri Malosse, former president of the European Economic and Social Committee and former president of the Jean Monnet Foundation, who wrote in his foreword that Professor Aernoudt still has a passion for Europe but is not blind to bureaucracy, its dangers, and the dissociation with the European citizen. On the contrary, the speaker can provide solutions. Mrs. Godart-van der Kroon continued, “There are several important issues waiting to be solved: What do we do with the increasing populism? Can the extreme Right be stopped? What about monetary policy, harmonization, and bureaucracy”?

Then she introduced Professor Aernoudt of Ghent University, a prominent person, who served at several posts at the European Commission and other functions. Professor

Aernoudt published his latest book, "Towards a New European Impetus Post-Brexit", which was deemed very ambitious by Colin Mason who wrote an introduction to the book.

In his speech, Professor Aernoudt posed the question: How should Europe move forward? With that question, the author takes the reader behind the scenes, offering unique, personal insights and positive solutions to address these issues, whilst also encouraging readers to develop their own vision of Europe and its future. He pointed out the danger, as is shown by Max Weber, that the formalism of bureaucracy can lead to cumbersome and rigid administrative procedures. The author argues that Europe should stop meddling in everything and focus clearly on things where it can make a difference to the well-being of its citizens.

Professor Aernoudt diverted the topic to the European Union's faults and downsides. He pointed out that the European Union was too large to focus on the everyday person, but that this was part of the natural expansion of any institution. Professor Aernoudt discussed how the EU is so large it is unable to effectively govern regions further away from Brussels. As an example, he brought up Brussels trying to regulate how Corsican cheese should be made to avoid health risks. Professor Aernoudt portrayed this as a failure of the EU, saying the Corsicans should be able to regulate how their cheese should be made instead of bureaucrats in Brussels. Another problem he pointed out is how regulations meant for one region can negatively affect other regions within the EU. Regulations on the manufacturing of playground slides in Italy, for example, were regulated by people living in Scandinavia. Professor Aernoudt was alluding to the notion that the European Union was not made to serve countries or regions, rather it was made to serve its citizens. Professor Aernoudt continued, saying "Where the European story began with strategic sectors, its influence gradually extended to all areas that shape the lives of Europeans. In its legislative zeal, Europe regulated the length of cucumbers, the production processes of cheeses, the cod desalination technique, the orientation of children's slides, and so on...the whole comes across as a cluttered patchwork of rules."

One of the guests, Mr. Geert van Sonsbeeck, brought up an idea to back up Aernoudt's argument - the Bubble theory. This political theory speculates that the EU's institutions - the Council, the European Commission, and the European Parliament - freely talk and intermingle among each other, yet rarely if ever interact with the world outside of their community.

Mrs. Jun Jiang asked Professor Aernoudt how he can be so certain that what he is proposing will work. Professor Aernoudt responds by saying that, if it benefits the citizens, if it is something they want, it will automatically work. According to Professor Aernoudt, one of the contributing factors leading to Brexit was the fact that the EU institutions continuously kept ignoring the everyday citizen, causing growing resentment. Professor Aernoudt further explains his argument on the detriments of ignoring the average citizen in his book. "Europe became too bureaucratic and too expensive. 'I want my money back,' shouted former Prime Minister Margaret Thatcher at the opening of the College of Europe in 1985...this Euroscepticism would lead to Brexit 30 years later."

From there, the topic of discussion moved on to Brexit and other world affairs. Professor Aernoudt asked Ben Crable, assistant of LVMI-Europe, about his opinions as an American. It was evident that Americans and Europeans both agreed that it was unfortunate Great Britain decided to leave the EU and that there would be a lot of hoops to bring the UK back into the EU. Building off this topic, many guests continued to ask about American politics - ranging from the 2016 election to the COVID pandemic and anti-trans movement. Mrs. Jun Jiang was especially interested in how American society cared so little about its homeless population. Most, if not all, the guests are afraid of a post-2024 American with Trump as president, trying to figure out and implement contingency plans for Europe in case of another Trump presidency. The discussion of American-European relations continued until the event officially ended at 21:53.

3.3 "Austrian Economics: An Overview and Defence of its Relevance", a lecture by Bart Vanderhaegen

Organizer: The Ludwig Von Mises Institute - Europe

Date: November 7, 2023

Time: 6.00-8.30 pm

Venue: Holland House

Speakers: Annette Godart-van der Kroon and Bart Vanderhaegen, Management Consultant

Agenda

- Key figures
- Economic versus political theory important discussion
- Key ideas of Austrian economics
- The defense of AE compared to other economic schools

Key Figures

There have been many individuals who all contributed to how we define Austrian school economics in the modern day. Karl Menger (1840-1921) introduced marginal analysis and the concept of an opportunity cost to economics. Of course, there was also the famous Ludwig von Mises (1881-1973) who did a lot to develop and define human action which is defined as the people in the economy having full control over their actions resulting in a stable market. Mises also deduced the whole of economics from a single action, that people use purposefully and use their actions to realize what they want. There was also Friedrich Hayek (1899-1992) who won a Nobel prize in economics for his theory that prices communicate information about their value in relation to other goods. Murray Rothbard (1926-1995) also has relevance to this specific aspect of economics as he was one of the creators of anarcho-capitalism – a form of capitalism with no government oversight. All of these economists contributed to the modern-day definition of Austrian school economics.

Economic vs Political Theory

Economic theory is not normative, it describes and explains but doesn't tell you what to do. For example, in economic theory, the questions to answer are: what are the regularities in the economy, conditions of wealth creation and stagnation, does money printing create wealth? Political theory, however, is normative, as it claims about what should be done. Here, the questions could be: how free should the market be, what should the government do and not do, should we have a central bank, requires extra arguments. Examples of economies closely aligned with economic theory include the Marxian economic theory, the Keynesian school, the Chicago school, and the Austrian school of economics. The main concern of these economies are how to benefit the individual participant in the economy. Meanwhile, examples of economies more aligned to political theory are communism, socialism, liberalism, and libertarianism. These economies are more focused on what the government should and should not do, instead of focusing on the individual. However, disregarding economic theory, there is little in common between the Austrian school of economics and Marxian economic theory. Marxian economic theory is in favor of the government outright controlling the economy, Keynesian economics is in favor of government intervention but not control.

Meanwhile, the Chicago and Austrian schools are both in favor of limited government interactions with the economy.

Key Ideas of Austrian economy

Overview

	Wealth creation	Protection and conflict resolution
Free Market	Yes	Yes
Market plus government	Yes <ul style="list-style-type: none"> • Public goods • Intervention (tariffs, taxes, etc.) • Monetary policy (Austrian business cycle theory) 	<ul style="list-style-type: none"> • Central vs decentral approach

The provided table shows a general overview of the Austrian school of economics in practice. Wealth creation and protection/ conflict resolution is possible in a free market under Austrian economics. Both are also possible under a market with some government regulation according to Austrian economics.

The Austrian School of Economics has a framework about wealth creation – specifically, the four factors that drive wealth creation.

1. Division of Labor

Dividing labor into specialized roles has greatly improved productivity in the market while creating wealth for much more people than any other economic system in history and has allowed for the creation of capital goods – goods produced which allow for the production of intermediary goods – and capital formation – the replacement of capital goods by ever more productive goods.

2. Savings and capital formation

Savings allow the individual to set aside resources and funds to construct the capital goods. Savings are, in essence, the sacrifice in the now for a more productive world in the future. If we were to print money, we would in theory have no sacrifice, no resources set aside, or any connection to the time preference of consumers. The main difference between savings and capital formation is that Mises valued savings and accumulation while Keynesian economics values consumption.

3. Technology

Replacing capital goods with newer technology keeps the economy in a state of constant expansion which is greatly beneficial for wealth creation.

4. Entrepreneur

The Austrian school of economics places a very important role on this topic. This role plays a crucial role in wealth creation because it engages in rational economic calculation. Rational economic calculation calculates the profit and loss and uses market feedback and supply/demand to calculate their value. The Austrian definition of profit and loss is whatever the entrepreneur's reward or punishment is for optimally or sub-optimally allocating scarce resources to satisfy consumer needs.

There are also two enablers which guarantee wealth creation – freedom of private property and sound money. Freedom of private property raises an important question: even with private property and freedom why would people trade? People would still trade because value is subjective and different people value different things, so thanks to this and voluntary trade being mutually beneficial, exchanges are guaranteed to happen. Sound money is the amount of money in line with the real scarcity of resources. It cannot arbitrarily increase in supply, and its interest rate is determined by the market, meaning it reflects the real preferences of people. For example, if the interest rate is high, that means people want to consume, and if it's low, they want to save. Sound money is also not influenced by government intervention meaning it is a good choice for people who want intervention-proof money and value.

In a system where the market is heavily regulated by the government, public goods do not contribute but only influence economic calculation according to the Austrian school of Economics. Examples of this are education, postal services, and infrastructure. While these all may be industries, they are so entangled with the government that what they produce is not considered in economic calculations. Because the Austrian school of economics states that a government cannot engage in economic calculations, the services provided do not account for it. In addition, the Austrian school of economics also believes that a government cannot rationally decide how to allocate scarce resources to the most productive and valued needs, always leading to inadequate distribution. The market, on the other hand, knows what it needs and where it should go, and this is reflected in how goods and services are priced – which measures their value. In fact, it is through pricing that the government can influence economic calculations. Examples of this type of influence in action include the government setting a price cap or price floor on a good as well as market interventions. All of these

methods employed by the government influence the price of goods and thus influence the economic calculation. Interventionism is not helpful to the economy.

Interventionism is equal to trying to win the whack-a-mole game – the more futile the events are the more you try to intervene.

A major part of any economy is what is known as the business cycle, or “boom and bust.” In less legalistic terms, the business cycle is the cycle where demand for a specific product rises and falls, or falls and rises. There are many causes for business cycles, including government interference in the economy. While other economic schools attribute business cycles to sudden events in the economy, the Austrian school explains the concept of boom and bust – if everything goes up at some point and down at some point, and money is involved, then money in itself is the cause of booms and busts because it is the only factor present in all stages.

Business cycles also tie in with the theory about malinvestments. Newly created money will artificially lower interest, as inflation increases due to more money entering the system. Your savings pay for capital formation and shape the structure of production, and because it does not involve money printing, it is generally more stable. Money printing leads to a boom first as investments increase and lower interest rates but then goes bust as inflation kicks in. Investments in this stage, both long term and short term, are at their most beneficial before money printing leads to inflation. Malinvestments are investing at the wrong place and wrong time, causing the proverbial bust to be devastating. Saving money, as opposed to spending and consuming, is better for the economy because of stable interest rates and investments.

The key ideas to Austrian economics are protection and conflict resolution with the government. This is because negative externalities, such as government regulations against pollution, are not an argument against the free market. To be well-versed in Austrian school of economics, it is imperative to compare how a free market defends private rights versus how the government achieves this as well. The government protects rights through what is called the “Central approach” where the government decides what certain products from the market which may harm citizens. In this approach, the government prohibits certain products – CO2 emissions, single-use plastics, etc. – by putting quotas and taxations on these products to discourage production. This generally discourages production of this product, and for firms that still produce this, the government has a new source of revenue from the taxes. This approach is widely unpopular with consumers and producers, so the government usually goes for what is called the “de-central approach.” Here, instead of prohibiting production, the government’s goal is to protect property rights and provide jurisdiction and enforcement of the law, and overall facilitating conflict resolution. The government

works then with the free market instead of against it, which generally creates a better market outcome as opposed to bans or quotas. Because the government is not involved in curtailing the market, settlement directly between market parties is possible. The problem with this method is that the government now has the responsibility of upholding the rights of its citizens, on top of not having a revenue source that the central approach would have provided.

Defense of Austrian Economics versus Other Economics

Milton Friedman, a statistician, and economist, argued in favor of instrumentalism. What this means is, that to understand reality you need to model reality, calculate, and predict what will happen. Friedman applied this theory to economics, arguing that the economy itself can be measured and understood in mathematical terms. However, there are flaws to this mathematization of the economy. For instance, there are real entities that have a causal impact on the world. An individual, or real entity, acting to pursue preferences, the price of a good, and an individual employed or unemployed person all have very specific, autonomous impacts on reality (new situations, new actions based on new situations, new consequences). There are too many real entities acting that any statistical measurement of the economy is difficult to conclude. Austrian economics, however, does not mathematize economics because it recognizes that the human element influences statistics. Austrian economics looks at real causes, how they affect reality, and calculates the measurement of reality from that given data.

3.4 Book Launch - **The Austrian School of Economics in the 21st century**” on Tuesday, November 21, 2023, London, UK

Location: at the Institute of Economic Affairs, 2 London North Street, London SW1P 3LB.

The beforementioned book was presented during a lunch with academics, contributors to the books and students. That was a very generous gesture of Baron Syed Kamall, head of IEA who is our High patron. Speakers were Max Rangeley, manager of Cobden Centre, member of the Advisory Board of LVMI-Europe and contributor to the book and myself. Due to modern facilities, Mrs. Godart-van der Kroon could pronounce her speech via Zoom.

The event was moderated by Dr. Juan Castaneda, the Director of the Vinson Centre at the University of Buckingham. Professor Carmen Dorobat and Matthew McCaffrey, also contributors to the book, gave their comments. A lively discussion followed the speeches surrounding the question of which aspect of the theories of the Austrian School would best be taught if there would be a chair for Austrian Economics at a university.

The response was that teaching the theories on finance politics from the Austrian Perspective could be recommended as that is one of the biggest differences between the Classical School and the Austrian School.

3.5 Book Launch “The Austrian School of Economics in the 21st Century” in Brussels

On November 29, 2023, In Holland House

Rue d’ Arlon 20, 1050 Brussels

Speakers Annette Godart-van der Kroon, President of LVMI Europe

Federico Ottavio Reho, Strategic Coordinator and Senior Research Officer at the Wilfried Martens Centre for European Studies, and

Professor Mateusz Machaj, Institute of Economic Sciences, University of Wroclaw, Poland (via zoom)

Annette Godart van-der Kroon opened the meeting with the following words.

Welcome to the launch of the new book “ The Austrian School of Economics in the 21st Century” that has been published on January 7, 2023. The idea to publish another book after the previous book “Banking and Monetary Policy from the Perspective of Austrian Economics” in 2018 started in 2020, when I proposed to the Springer Verlag to draft a new book. The title was quickly found, but then the content had to be conceived.

It was important to illustrate and explain our ideas on how politics should function, also on finance, because it is totally contrary to the mainstream. For those who are not familiar with the Austrian School: The ideas of the Austrian School or Classical Liberalism are not commonly accepted by the mainstream. Perhaps only the idea of Hayek on time and place. So, in any case the Past, but then also the Present and the Future of the Austrian School should be discussed. Finances and institution. Once we started, the continuation and finishing of the book was not that self-evident as we thought first. Let’s start at the beginning.

The question arose about how the ideas of the Austrian School could contribute to enhancing the economic progress and welfare of society in the 21st century. Answering this question required a book much broader in scope than the previous book. Accordingly, the book contains essays providing Austrian analyses of the economic effects of pandemics, trade blocs, federalism and European integration, and the Chinese impressive economic development.

Three chapters survey the present position of the Austrian school in different countries, specifically the progress and achievements of the school in the last decades. Professor Christopher J. Coyne and Peter Jacobsen together with Peter Boettke, Mateusz Machaj and Krzysztof Turowski, and Hiroyuki Okon and Karras J. Lambert contribute chapters on the present state of Austrian economics in the U.S., Europe, and Japan, respectively.

The chapter on Europe by Professor Machaj and Dr. Turowski is especially important because it demonstrates the crucial but oft-neglected role played by property and institutional infrastructure in the development and flourishing of an intellectual movement. They put into map the movements, institutes and important persons in Europe.

There are two chapters dealing with money, central banks, and interest rates. Steve Baker and Max Rangeley, a MP and now a Minister of State at the Northern Ireland Office and think tank manager, respectively, deal with the neglect of Austrian ideas within central banks and other monetary institutions and the dire consequences of such neglect for economic policy. The question of Federalism and how the EU should be governed were discussed by Professor Roland Vaubel and Mr. Federico Reho and Carmen-Elena Dorobat and Matthew McCaffrey contributed a thoughtful and well-researched chapter demonstrating that Austrian thinkers working in Geneva during the interwar period developed an original perspective on international trade theory and policy.

The authors show that this heretofore neglected perspective can contribute valuable insights to the current discussion among mainstream economists and policymakers regarding the efficacy of trade blocs in the future.

Philipp Bagus and Eduardo Blasco took into consideration the main theoretical differences between the Austrian and mainstream schools of thought and attributed them to a deep-seated incompatibility between their respective methodologies. Last but not least, Professor Weede contributed a remarkable chapter on China.

To sum up, the editors have published this book for three purposes. The first is to familiarize readers with the fundamental ideas of the Austrian School. The second is to present a clear picture of the current state of Austrian economics and the persons and institutions that sustain it as a vibrant intellectual movement. The third purpose is to highlight the original ideas and solutions the school offers for the pressing problems of the 21st century. How well the editors have achieved these purposes can only be judged by the readers.

The editors would like to express their gratitude to all the authors of this book. The editors are also grateful to Paweł Dziędziul for finishing the heavy task of proofreading the texts.

Then Ottavio Reho, one of the contributors of the book spoke on Hayekian Federalism and European Integration, a chapter of the book.

Federico Ottavio Reho, a strategic coordinator and senior research officer at the Wilfried Martens Center for European Studies, begins his presentation with three queries Friedrich von Hayek addresses in his 1939 article "The Economic Conditions of Interstate Federalism". The historical context for Hayekian Federalism, which Hayek says is the search for a new European order in post-World War I Europe. However, as the Second World War had just begun, Hayek repurposed this idea to serve a post-Second World War Europe. Hayek also addressed what the main goal of a democratic federation should be, saying it must go after peace. Hayek then predicts it's expected economic consequences - that being more liberal economic policies at both the supranational level and the national level.

Hayekian Federalism is the idea that there should exist a large association, or federation, of European nations with the focus of preserving free trade and free movement of goods and people. This association would be extremely limited in its competencies, in order to preserve the autonomy of the member states.

Reho continues, discussing the economic logic of a supranational federation. In such a system, Reho argues, there will be no national monetary policy, or monetary manipulation. The free circulation of goods, services, people and capitals (four freedoms, negative integration) would all be promoted in a supranational federation. Reho also explains that this system of federation would promote competitive pressures on countries with onerous taxation and regulation. Federal intervention would become difficult due to high diversity in development, values and interests. There will also be no feeling of national solidarity, which would lead to a decrease in nationalism and populism. Reho includes the following quote summarizing his discussion on the economic logic of the federation, "Hayek's federation is a limited framework for continental openness, not a strong and intrusive central government. It only deals with core federal functions - defence, foreign policy and the four freedoms of the internal market - and it encourages decentralisation and competition, not centralisation and harmonisation".

Reho continues his presentation by bringing up Altiero Spinelli, referred to as one of the founding fathers of the European Union. In 1941, Spinelli wrote the article "For a Free and United Europe". Spinelli shared many of the same opinions brought up by Hayek. Reho points out that Spinelli advocated for a strong anti-capitalist drive, due to his belief that "capitalist imperialism" was a cause of authoritarianism. In Spinelli's federation, "both the federal government and the federated entities are programmatically intrusive and centralised". Spinelli had openly socialist goals for his idea of a supranational federation, which came into conflict with Hayek's classically liberal ideas.

The presentation turns into a discussion of European integration through Hayekian lenses. Reho discussed Hayek's vs. Jean Monnet's idea of a supranational federation. Both visions of European federalism were incompatible with each other, as Monnet desired a federation with more control than Hayek's vision. Reho described Hayek's liberal federalism as a wish but also a prevision - alluding to the fact that the modern European Union still adopted traits from Hayekian federalism. This is despite the fact that there were no Hayekian dynamics in early European integration. The early European Coal and Steel Community adopted policies closely aligned to that of Monnet, but as time went on and the European Union was formed, Hayek's ideas gained a wider audience. Reho then discussed the constitutionalization of the four freedoms and its consequences, the limits of positive integration in removing trade barriers, and Hayekian federalism's relation to monetary nationalism.

Reho continues, proclaiming that Hayek captured the essence of European federalism much better than Spinelli had, in the sense that a European federation must be minimalist, competitive and decentralized. With the essence of decentralization in mind, the more a polity is large and diverse, the lesser role politics should play in it, so as to preserve the minimalist nature of the federation. There also should be no detailed regulation of economic life and no attempts to reshape the social and cultural values of constituent members in such a federation.

Reho concludes his presentation with a few final thoughts. He argues that European integration has liberal and illiberal tendencies at once - influences from both Monnet and Hayek and their ideas on what a European supranational federation should be. European integration, Reho continues, is not a process of federalization. European integration is compatible with protecting the autonomy and competencies of member state governments. Reho continues by saying that Illiberal tendencies and policies, which harm the economy more than it helps, have multiplied in recent years. Examples of this are ECB monetary policy, the European Green Deal, RRF, competition and industrial policy, where the European Union puts 'morality politics' above practicality.

After Professor Machaj's presentation, the Professor answered the question of why in the former communist countries the ideas of Liberalism had more impact than in the "old" European countries. The reason for this change, especially in Poland (and the Baltic States as well) is the fact that they still fear Russia as a possible occupier. He also mentioned that they put into the map the institutions and persons who are involved in Europe to set up and maintain Liberalism, more than executing a deep research of the ideas. That is already an enormous achievement, because the situation for Liberal Institutions in Europe is absolutely different from that in the USA.

4 Announcements of the projects to be started in 2024

Research

4.1 Research Group “How to develop an internal market in Europe without impediments?”

Introduction

The complaint came from businessmen during a conference, nl: that there is no good functioning internal market in Europe. There are too many impediments. They complained that they had to start all over again when they started in another country. Legislation was completely different.

However, the Ruling European institutions and also the business world think that centralization and harmonization is the solution while classical liberals aim at diversity and decentralization.

The Goal

What is needed is a fully effective single market.

The idea is to examine what the possibilities are for a single European Market and to investigate how that is regulated in the United States. There, the states are not centralized and still there is a homogeneous market.

Explanation of the Topic:

First Impediment: It is vital to underline the importance of SMEs (Small and Medium Enterprises) in the Internal Market of the EU. They represent 99% of all EU enterprises and 58.6% of the European market value.

This allowed companies to develop policies in support of SMEs based on three main points:

- Promotion of entrepreneurship and skills
- Improvement of SMEs access to market
- Improvement of SMEs growth potential

Second Impediment: Import and Export

A survey from SME United in 2007 ranks difficulties for imports/exports as the second largest threat to SMEs.

Third Impediment: Overregulation of the single market

Around 700 new regulations are implemented each year across all member states of the European Union. If the regulatory environment at the EU level becomes too complex, there is a risk that SMEs will stop exporting and instead stick to their national markets where they already know the rules. It is a fact that 59.1% of start-ups find the differences in national legislative regulations to be one of the biggest obstacles to internationalization.

Fourth Impediment: The legal framework

This leads to another problem and that is the lack of comparability of the legal frameworks that we have in the individual member states. Just to give an example, if you are producing car parts in the UK, you have to subscribe to 24 additional public insurance schemes that you need to know if you are going to fully exploit the single market.

Conservative estimations say that a fully effective single market could increase the value of the EU's GDP by 651 billion euros and more positive numbers say by 1.1 trillion. That would equal a GDP growth of between 5 and 8.63% per year, mostly through SMEs.

Helping Small and Medium Enterprises is not rocket science, it is actually quite simple: make it easier and more accessible. Less is more when it comes to regulation.

MEPs urged the EU Commission to better shape their legal definition to identify the right beneficiaries of SME schemes more accurately and to provide the specific support that these businesses need.

The reason is the following: Because of this incomplete definition, it is not possible to collect comparable data in the EU member states. Those SMEs are also excluded from funding programs and easing of the burden of bureaucracy.

Fifth Impediment: language and culture. It is also difficult to understand the difference between doing business in one country or in another one. In fact, you may offer the same product or services to various consumers that may have diverse traditions and culture. You must take time to examine how the market works in the country in which you wish to do business in. The initiative mobilizes "Mobilize SMEs" is an important step in that direction.

Sixth Impediment: financial instruments. The EU cannot use tax incentives as the US does, and tax harmonization can be seen positive but certainly also very negative.

For example, Bulgaria has a ten percent flat tax which is a big advantage and a big pooling factor for companies. They also have a relatively low cost for social security and labor. If we are talking about all things we are discussing at European level like tax harmonization, harmonization of security standards, European minimum wage, then you are killing the economy in those countries. Of course, it is very easy to say let's have another European program, let's have more European region development funds. However, the best way for the economy to develop for those countries is for the EU to get out of the way.

Decisions/EU regulations will have a much different impact on a large company with the financial strength to adapt to it than on Small and Medium Enterprises which may lack the expertise to conform to the decision.

Target Audience

Representatives of the European institutions of those financial world, policymakers, civil society organizations, politicians, and journalists.

Project Governance

The research project will be under the supervision of Heiko de Boer, Pictet Asset Management and members of the Board of Directors of LVMI – Europe in cooperation with Mrs. Godart-van der Kroon, President of LVMI – Europe and Max Rangeley, Advisory Board LVMI – Europe.

Methodology

The researcher will conduct interviews among three categories of actors:

- Directors and Suppliers of SMEs
- European Institutions (ECB, EC, EP, EESC)
- Business associations (Business Europe and SME United), Consumer's associations (BEUC)

The researcher will regularly present his work to the supervisors and members of the Advisory Board. His/her report will be approved by the boards.

The final report is to be drafted in a communication-savvy manner and to be presented at an international conference to be organized by LVMI – Europe in Brussels whereby its findings and recommendations can be debated at an appropriate European level. The report will be presented also at a Press Conference organized by the Press Club of Brussels, rebroadcasted among 223 Press Clubs all over the world.

Project Means

The LVMI – Europe has already and will continue to provide the funding for the project via office costs, administrative costs, staff costs, travel costs, renting the rooms, unexpected costs and human capital while the Advisory Board will look together with other parties for additional and complimentary ways to find and/or finance the project.

The Institute

The Expertise of LVMI- Europe includes more than 20 years of experience: the conferences organized in the European Parliament count over 33 (including the Mises Circles) and far more outside the European Parliament. The Institute has published several books, two of which have been published by Springer Verlag, Germany a world-wide well-known publisher, both of which were well received. Our members include financiers, academics, think tank analysts and politicians and we therefore bring together the best of both (all) worlds when it comes to these matters. LVMI – Europe is not “just theoretical” but in fact has vast expertise which means that the result of the research project will be far better than, for instance, when only treated and discussed by academics.

4.2 Project Lectures on the theories of the Austrian School of Economics

By Annette Godart-van der Kroon, President of LVMI – Europe

As always, time has come to change the direction of the wheel with the return of borders, interventionism, and the state’s involvement in the economics as a result also of the new threats and challenges we are facing.

In the last decade, we have seen central bank policies like zero percent, or negative interest rates, Q.E. (quantitative easing) and the overheating of the economy because of unprecedented monetary policies by central banks in the West, unseen public support to help society and economies facing the challenges of the COVID-19 pandemic situation and the surge in transitory or structural inflation, including the consequences of the war in Ukraine at hand.

Isn’t it the time to come back to the “Classical-Liberal Perspectives” to bring stability, reliability, and accountability?

The Goal

These lectures aim to teach participants about the theories of the Austrian School as they are rather unknown to most people in the EU and beyond. In addition, the goal is to demonstrate the advantages of a “Classical-Liberal Perspective” with stable and sound financial markets acting in favor of a real economy and to avoid bankruptcy, failures and social-political turmoil.

The Topic

Several topics will be discussed to promote the theories of the Austrian School of Economics and the benefits of liberal policies can bring to society by implementing sound and stable economic policies. The following events have been planned for 2024:

- “Austrian Economics: an overview and defense of its relevance”
- “Austrian Economics: Stimulating the economy is counterproductive and creates tensions”
- “Javier Milei, new President of Argentina and the consequences of the Austrian School”
- “The gold Standard and Sound money”

The Content Format

Lectures will be given at the premises of Holland House by different teachers.

Targeted Audience

1. Representatives of the financial world, policymakers, civil society organizations, politicians, journalists and banking experts, including hedge-funds and pension funds.
2. The public at large, especially students and professionals who are critical of the ongoing socioeconomic developments and who are interested in an alternative view based on sound economic theories from the Austrian School.

Strategy

- The first lecture took place on November 7, 2023 titled: A lecture on “Austrian Economics: an overview and defense of its relevance” with speaker Bart Vanderhaegen
- The second lecture took place on April 17, 2024 titled A lecture on “Austrian Economics: Stimulating the economy is counterproductive and creates tensions” with speaker Heiko de Boer, Pictet Asset Management

- The third lecture will take place on June 12, 2024 titled A lecture: “The government: what is it, what does it do & what is it capable of doing? An Austrian perspective” with speaker Bart Vanderhaegen
- The fourth lecture will be on “The gold Standard and Sound money” in October 2, 2024 with speaker Alasdair Macleod, Goldmoney Foundation
- The fifth lecture will be on “More Direct Democracy” with Dorien Rookmaker, MEP (date tbc)
- The sixth lecture will be on “Javier Milei, new President of Argentina and the consequences of the Austrian School” with Max Rangeley (Cobden Centre) and Dr. Lourdes Moutin, Pontifical Catholic University of Argentina, Faculty of Law and Social Sciences of the Rosario Department, Alumnus. Argentina on November 6 or 20, 2024
- The seventh lecture is planned with Els Ampe on her new political party “Voor U, you have already paid enough” (date tbc)

The idea is to organize at least ten lectures.

Project Communication

Communication will include posts of reports, videos, or case studies on distribution channels such as:

- The website of LVMI – Europe and of the other partners
- A blog, landing pages, and social media
- Native advertising, promoting via external websites
- WordPress, Drupal, and LinkedIn
- Via third parties to share the content of the research via LinkedIn

The project will be laded y Mrs. Godart-van der Kroon, President of the Ludwig Von Mises Institute – Europe and a member of LVMI – Europe.

Methodology

To organize a lecture every three months in Holland House.

Project Means

The LVMI – Europe has already and will continue to provide the funding for the project via office costs, administrative costs, and staff costs, but it is necessary to look for additional and complimentary ways to find and/or finance the project, like paying the speaker, travel costs, renting the rooms, unexpected costs and human capital.

The Institute

The Expertise of LVMI- Europe includes more than 20 years of experience: the conferences organized in the European Parliament count over 33 (including the Mises Circles) and far more outside the European Parliament. The Institute has published several books, two of which have been published by Springer Verlag, Germany a world-wide well-known publisher, both of which were well received. Our members include financiers, academics, think tank analysts and politicians and we therefore bring together the best of both (all) worlds when it comes to these matters. LVMI – Europe is not “just theoretical” but in fact has vast expertise which means that the result of the research project will be far better than, for instance, when only treated and discussed by academics.

At the moment, it has 2100 followers on Facebook and almost 1900 followers on LinkedIn.



Ludwig von Mises Institute-Europe

LVMI-Europe



