



Inclusive Entrepreneurship Policies, Country Assessment Notes

Austria, 2016



Acknowledgements

This note is part of a series of notes on country-level inclusive entrepreneurship policies and programmes prepared by the Organisation for Economic Co-operation and Development (OECD) for the European Commission. These notes provide an overview of current and planned policy actions and identify some actions that could be implemented to address gaps in the current support offering, or improve current offerings.

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FOREWORD

Inclusive entrepreneurship policies aim to offer all people an equal opportunity to create a sustainable business, whatever their social group. This is an important requirement for achieving the goal of smart, sustainable and inclusive growth set out in the Europe 2020 strategy. It is also a means to respond to new economic challenges, to create jobs and to fight social and financial exclusion. Among the key targets of inclusive entrepreneurship policies and programmes are women, youth, older people, the unemployed, migrants and people with disabilities, who all continue to face challenges in the labour market and are under-represented or disadvantaged in entrepreneurship activities. ‘The Missing Entrepreneurs’ series of publications of the Organisation for Economic Co-operation and Development (OECD) and the European Union discuss how public policies and programmes can support inclusive entrepreneurship. This includes refining regulatory and welfare institutions, facilitating access to finance, building entrepreneurship skills through training, coaching and mentoring, strengthening entrepreneurial culture and networks for target groups, and putting strategies and actions together for inclusive entrepreneurship in a co-ordinated and targeted way. Governments are increasingly recognising the challenge of inclusive entrepreneurship, but there is still much to do to spread good practice.

The self-employment rate has been stable over the past decade but was below the European Union average in 2015 (11.0% vs. 14.1%). However, people in Austria were more likely than the European Union average to be involved in starting or managing a new business between 2010 and 2014. This was particularly true for women. Policy objectives and related measures are encompassed within the Work Programme of the Austrian Government 2013-18 (*Arbeitsprogramm der österreichischen Bundesregierung 2013-2018*), including the Austrian entrepreneurship strategy “Start-up Country” (*Gründerland-Strategie*). The latter, however, does not explicitly address key social target groups other than youth, leaving room for improvement. Entrepreneurship education should also be further strengthened within the education system and incentives to start-up should be intensified especially for older people.

This note is part of a series of annual country assessments prepared by the OECD in collaboration with the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission on the state of inclusive entrepreneurship policies and programmes in each European Union Member State. Each note provides an overview and assessment of policies and programmes that support people from under-represented and disadvantaged groups in business creation and self-employment and suggests policy actions to address gaps in the support system and to improve the quality of available support offers. The notes cover national-level policies and programmes and, where relevant, sub-national initiatives and actions by the non-governmental sector.

The notes are part of a wider programme of work by the OECD and the European Commission that includes ‘The Missing Entrepreneurs’ publications, a series of Policy Briefs on specific target groups, policies and issues, country reviews of youth entrepreneurship and women entrepreneurship, and the production of online policy guidance. For more information please refer to: <http://www.oecd.org/employment/leed/inclusive-entrepreneurship.htm>.

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KEY MESSAGES

- A wide range of entrepreneurship policies and programmes are in place to support youth, women and migrants in entrepreneurship. The majority of these tailored entrepreneurship initiatives seek to facilitate the acquisition of entrepreneurship skills and to improve access to start-up finance.
- The self-employment rate has been stable over the last 10 years at approximately 11%. This was below the EU average, which stood at 15% in 2015. In contrast, the proportion of people involved in starting and managing new businesses over the 2010-14 period was above the European Union average (9% vs. 7%). Men (11%) and youth (10%) were the most active social target groups, while women (8%) and older people (5%) were less active.
- Tailored entrepreneurship policies and programmes are advanced in their development in Austria. Furthermore, policies and programmes tend to be well-evaluated. However, the impact of these policy actions could be greater if there was a stronger policy objectives and clear targets to help prioritise actions and distribute resources.
- While inclusive entrepreneurship offers are generally strong and reasonably comprehensive, there is room to strengthen the support system for these entrepreneurs. The following key recommendations are offered: (i) raise awareness of existing tailored measures and initiatives; (ii) strengthen the linkages between financial supports and entrepreneurship training and coaching and mentoring; (iii) develop more support for senior entrepreneurs; and (iv) strengthen and extend entrepreneurship education within the formal school system.

1. INCLUSIVE ENTREPRENEURSHIP OBJECTIVES AND TARGETS

The Work Programme of the Austrian Government 2013-18 (*“Arbeitsprogramm der österreichischen Bundesregierung”*) lays out the principles, measures and actions to be implemented by the government during this period, including actions that support Europe 2020 targets (Bundeskanzleramt, 2013). The programme covers a wide range of policy issues, ranging from growth and employment to education, European and international affairs, and state reforms and democracy. Business creation is also covered, with objectives including boosting the number of start-ups, improving access to finance for entrepreneurship (e.g. loan guarantees, venture capital, equity), reducing bureaucracy and administer barriers for enterprises, supporting entrepreneurship in rural areas, and addressing business succession challenges. Groups that are under-represented or disadvantaged in the labour market (i.e. women, youth, the unemployed, seniors, and migrants) are covered with respect to labour market and employment challenges; however, they are not specifically mentioned in relation to business creation.

Supporting business creation is also a key objective put forward in the economic policy programme outlined in the annual Economic Report of the Federal Ministry of Science, Research and Economy (BMWFV). In 2015, the Ministry launched a “Start-up Country Strategy” (*“Gründerland-Strategie”*), which provides a road map of 40 measures related to innovation, business financing, entrepreneurship networks, regulations and infrastructure to make Austria the most “start-up-friendly” country in Europe. It also seeks to foster an entrepreneurial spirit among children and young people,

and teach entrepreneurial thinking in education. Other measures include instruments to increase innovation activities, tools to improve financing and to reduce red tape for new start-ups. Key social target groups of inclusive entrepreneurship (e.g. women, youth, older people, immigrants, the unemployed) are not explicitly addressed in this strategy.

The objective to foster entrepreneurship among specific groups such as young people, migrants, women and people with disabilities is, however, highlighted in the report on the state of small and medium-sized enterprises (SMEs) of the Industrial Federation in Austria (“*Mittelstandsbericht*”). It is prepared biannually by the Federal Ministry of Science, Research and Economy (BWF) and presented to the National Assembly. The report describes recently implemented measures to promote SMEs, structured along the 10 principles of the Small Business Act (SBA) and describes the relative performance of Austria in achieving the SBA goals in comparison with the other European Union member states as well as recommendations on where and how to improve performance.

In addition to these broad strategies, there are several group-specific strategies that seek to outline how entrepreneurship and entrepreneurial behaviour can be boosted within the respective groups. For example, the Austrian Youth Strategy (“*Österreichische Jugendstrategie*”), which is in line with the “EU Youth Strategy” 2010-18, aims to address youth inclusion into society and the labour market, including strategic goals related to increasing start-ups by youth, entrepreneurial learning and entrepreneurship education. Similarly, the Austrian Strategy for Lifelong Learning (“*LLL:2020*”) outlines action to improve learning across all stages of life. One of the cross-cutting competences highlighted in the strategy is “entrepreneurial competences”, which seeks to build on the previous actions related to entrepreneurship education.

Several National Action Plans (NAPs) have been prepared by the government for the integration of key social target groups into society and the labour market. The Federal Ministry of Education (BMBWF) currently prepares a national action plan up to 2025 for entrepreneurship education for youth. Furthermore, there are national action plans (NAP’s) in the field of gender equality, integration, and disabilities: The NAP for gender equality (“*NAP Gleichstellung*”) from 2010 calls for better access to finance for women who want to start a business, stronger support for start-ups led by women, especially when granting loans, and empowering women as business founders. For instance, measure no. 32 seeks to increase the maternity allowance for women entrepreneurs and farmers, with the goal to improve the incomes of the self-employed¹. The NAP for integration (“*NAP Integration*”) from 2010 explicitly calls for entrepreneurship support for migrants and long-term residents with a migration background. In doing this, existing offers for the target groups shall be continued and expanded. There is also the NAP for people with disabilities (“*NAP Behinderung*”) for 2012-20. However, no specific measures to support entrepreneurship of this target group are mentioned there.

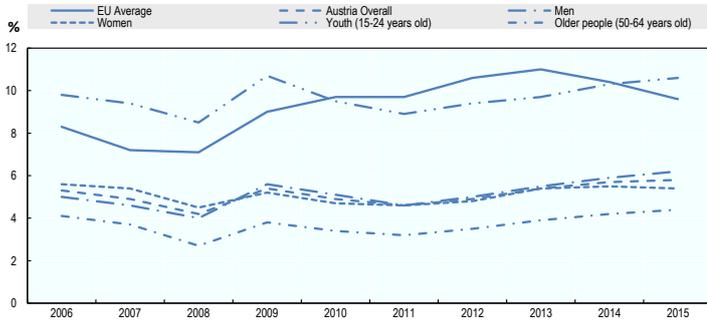
2. KEY INCLUSIVE ENTREPRENEURSHIP INDICATORS

The labour market has been strong in Austria over the last decade, despite the economic crisis. Although the unemployment rate has increased slightly since 2011, it remains well below the average for the European Union (Figure 1a).

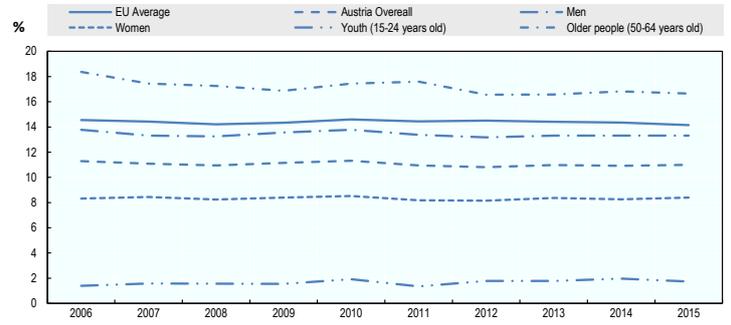
¹ This measure has already been implemented.

Figure 1. Key inclusive entrepreneurship indicators

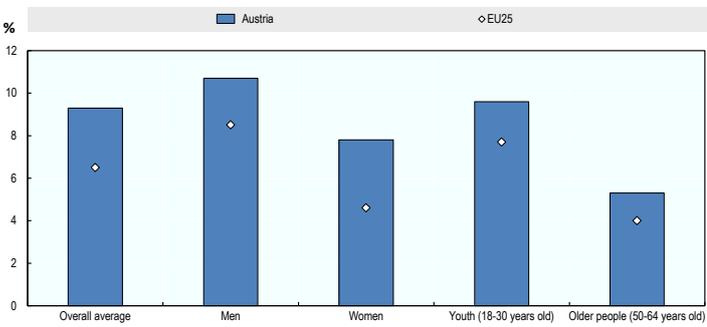
a. Unemployment rate, 2006-15



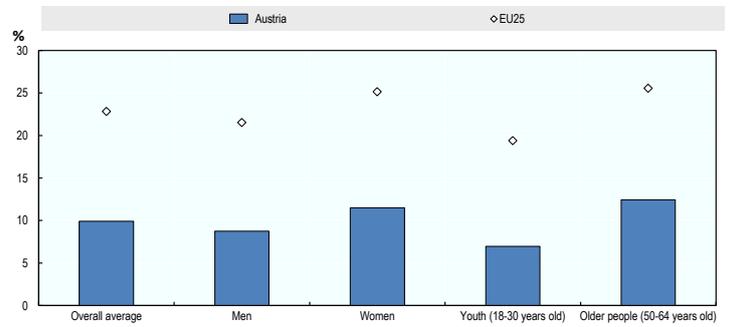
b. Self-employment rate, 2006-15



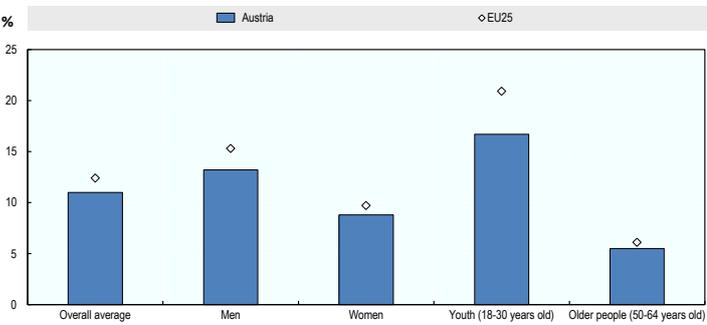
c. TEA Rate, 2010-14



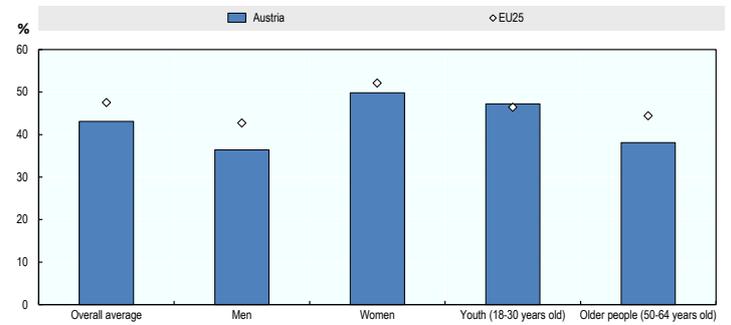
d. Proportion of TEA that is necessity entrepreneurship, 2010-14



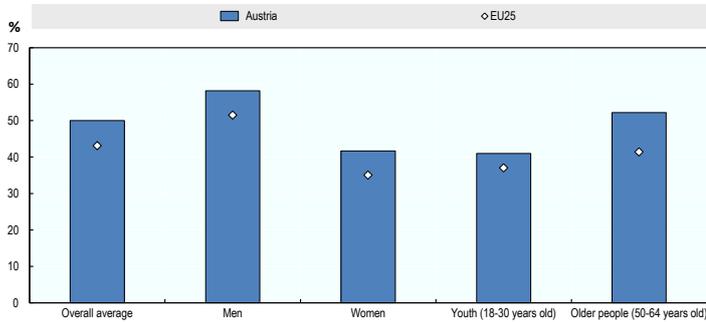
e. Proportion who expect to start a business in the next 3 years, 2010-14



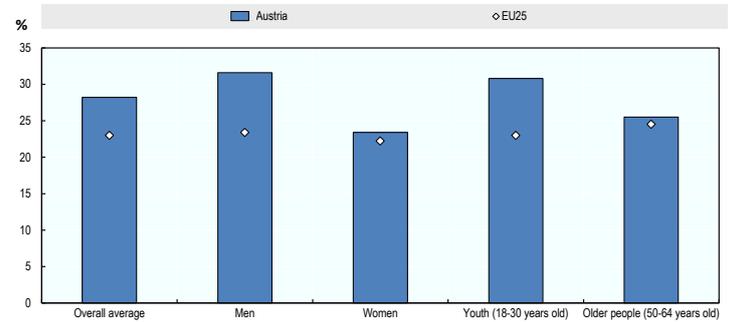
f. Proportion who report that a fear of failure prevents them from starting a business, 2010-14



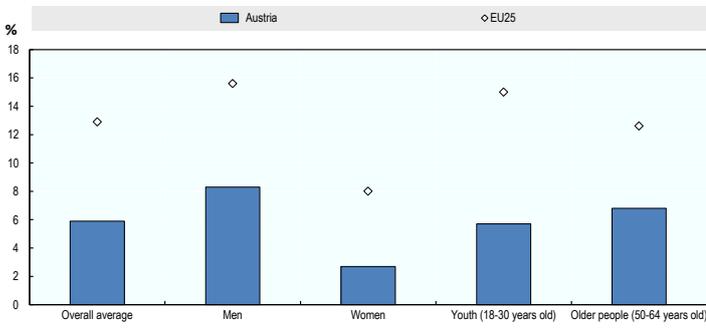
g. Proportion who perceive that they have the skills to start a business, 2010-14



h. Proportion of new entrepreneurs whose products or services are new to all or some customers and who have few or no businesses offering the same products or services, 2010-14



i. Proportion of early-stage entrepreneurs who expect to create more than 19 jobs in 5 years, 2010-14



Note: The self-employment rate is defined as the proportion of those in employment who are self-employed. The TEA rate is the Total Entrepreneurial Activity rate, which is defined as the proportion of the population actively involved in pre start-up activities and those who have started a new business within the last 42 months. The proportion of TEA that is necessity entrepreneurship is the proportion of entrepreneurs involved in setting-up a new business or operating a business that is less than 42 months old, who were motivated to start their business because they had no better options for work. Data for panels c, d, e, f, g, h and i were pooled for the period 2010-14, producing an unweighted average. The EU25 average in panels c, d, e, f, g, h and i covers all EU28 countries, except Bulgaria, Cyprus and Malta.

Source: Panels a and b contain data from Eurostat (2016), Labour Force Survey; Panels c, d, e, f, g, h and i contain data from the 2010 to 2014 Global Entrepreneurship Monitor household surveys that were tabulated for the OECD (2016).

The self-employment rate has been stable over the past decade but was below the European Union average in 2015 (11.0% vs. 14.1%) (Figure 1b). However, the Total Entrepreneurial Activities (TEA) rate in Austria was above the European Union average for the 2010-14 period (Figure 1c), indicating that people in Austria are more likely than the European Union average to be involved in starting or managing a new business. These may seem contradictory but can be explained by the nature of the measures: the self-employment rate measures the proportion of those working who are self-employed (i.e. a stock) while the TEA rate measures the proportion of those starting and managing new businesses (i.e. a flow). The level of “necessity” entrepreneurship is very low in Austria compared to the EU average: Only 9.9% of Austrian entrepreneurs who were involved in setting-up a new business, or operating a business that is less than 42 months old, were motivated to start their business because they had no better options for work over the 2010-14 period (Figure 1d). This was substantially lower than the EU average of 22.8%.

Austrians were slightly less likely to expect to create a new business in the future (Figure 1e) but report that fear of failure is not a barrier (Figure 1f) and feel that they have the skills to be successful in business creation (Figure 1g). Women, youth and older people were all more likely than the EU

average to believe that they had the skills and knowledge to start a business. While many entrepreneurs operate businesses that offer new products and services, young Austrian entrepreneurs substantially more likely than the EU average between 2010 and 2014 to offer new products and services to their customers (30.8% vs. 23.0%) (Figure 1h). However, young entrepreneurs, between 2010 and 2014, were much less likely than the EU average to expect to create at least 19 jobs over the next five years (5.7% vs. 15.0%) (Figure 1i). Similarly, new women and older entrepreneurs were also less likely than the EU average to expect to create a substantial number of new jobs.

In 2014, according to data on business demography, 40% of all active enterprises² (sole proprietorship) were led by women - a proportion that has increased continuously since 2007 (31%) (Statistics Austria, 2014). However, the proportion of women among the business closures has risen from 34% in 2007 to 46% in 2014. In 2014, the share of women among all business entries is already at 53% (as compared to 36 % in 2007). Not only the business entry rate is above those of men (11% vs. 7%), but also the business exit rate (9% vs. 7%). The share of women among start-ups, defined as young, fast-growing and innovative businesses, amounts to 15.5% (Fassl and Dömötör, 2015).

In 2015, 45.6% of the active members of the Austrian Federal Economic Chamber were women.³ Most women enterprises were in crafts and trades (57%)⁴ as well as tourism and leisure (42%), followed by commerce (33%), information and consulting (26%), transport and communications (14%) and industry (10%). Since 2015, in crafts and trades, a newly-found association in the field of counselling and nursing services ("*Personenberatung und Personenbetreuung*") is included – approximately 80% of entrepreneurs in this field are women.

According to the Federal Economic Chamber, 19.6% of entrepreneurs in 2015 were between 55 and 64 years old, and 6.1% were 65 years old or older. Similarly, the Vienna Economic Chamber (WKW) reports that 14.6 % of all entrepreneurs in Vienna were 60 years and older in 2015.

Between 1998 and 2016, approximately 75 000 unemployed people started a business within the Business-Start-up Programme ("*Unternehmensgründungsprogramm*" UGP) by the Austrian Public Employment Service (*Arbeitsmarktservice* AMS). The number of new business start-ups increased from approximately 1 000 per year to approximately 5 000 per year currently. The proportion of unemployed participants in the programme who started businesses was 75% in 2006, and increased to 84% in 2015 (OECD / European Union, 2016).

Data in the statistical yearbook on migration⁵ show that approximately 9% of migrants in Austria are self-employed (agriculture excluded), which is about the same proportion than people without a migration background (Baldaszi et al., 2016). According to the Vienna Chamber of Commerce (WKW), in Vienna, approximately 40% of the businesses are owned by entrepreneurs with a migrant background, with the main countries of origin being Slovak Republic, Romania, Poland, Bulgaria, Germany, Hungary, Turkey and Bosnia, Croatia and Serbia (WKW, 2016).

² A company is considered economically active if it achieved sales and / or had employees at any time between 1.1. and 31.12. of the reporting year, regardless of whether the company has passed the year or only parts of it. In 2014, there have been approx. 404,000 active enterprises in Austria (reference number).

³ Every single person who is entitled to operate an independent business venture in crafts and trades, industry, mining, finance, banking and insurance, transport, information and communication, broadcasting, tourism and leisure, as well as other services, is a member of the Federal Economic Chamber under Austrian law.

⁴ 46% without counting entrepreneurs in the field of counselling and nursing services ("*Personenberatung und -betreuung*")

Data on entrepreneurs with disabilities in Austria is scarce. However, the online platform Help.gv.at provides some insight on their website on grants for disabilities and it estimates that there were approximately 3 700 people with a disability who were self-employed in 2012. Data from the Vienna Economic Chamber (WKW) show that in Vienna there were approximately 750 entrepreneurs with disabilities in 2013.

3. ASSESSMENT OF CURRENT AND PLANNED INCLUSIVE ENTREPRENEURSHIP POLICIES AND PROGRAMMES

3.1. Policy framework

The Work Programme of the Austrian Government 2013-18 (*Arbeitsprogramm der österreichischen Bundesregierung 2013-18*) promotes various measures of entrepreneurship and the Austrian entrepreneurship strategy “Start-up Country” (*Gründerland-Strategie*) guides SME and entrepreneurship policy overall. However, neither explicitly addresses key social target groups of inclusive entrepreneurship.

In addition to these strategies, there are a number of initiatives that seek to support people from under-represented and disadvantaged groups in business creation and self-employment. For example, one of the eight key competences identified in the Austrian Lifelong Learning Strategy “LLL:2020” is “entrepreneurial competences” – it is a cross-cutting issue in all ten action lines that are support learning in all phases of life, from youth, professional career, civil engagement to post-professional life. One of the key target groups of “LLL:2020” is young people and since 2004, the strategy supports entrepreneurship education in schools and awareness raising measures. Action Line 2 refers to entrepreneurship as one of the eight key competences, outlining the measure: “Develop new curricula (for all types of schools) which are consistently aimed at learning outcomes and sustainability, and interdisciplinary teaching models which focus on key competences”. Moreover, Action Line 8 specifically focuses on entrepreneurship: “The concept of lifelong learning is a major element of economic and labour market policy and promotes the competitiveness of companies as well as employees’ opportunities in the labour market” (European Commission/EACEA/Eurydice, 2016).

Another strategy related to promoting entrepreneurship for youth, especially through the education system, is the Austrian Youth Strategy (*Österreichische Jugendstrategie*). A core objective of the Youth Strategy is the active inclusion of young people in society and the labour market. One of the eight fields of action is “employment and entrepreneurship”, aiming at producing more company founders under the age of 30”. The recommendations in this strategy call for more entrepreneurial learning, an increased use of practice firms, and to increase the number of young people participating in projects and becoming involved in voluntary work (European Commission/EACEA/Eurydice, 2016).

Another important policy initiative is the “Platform Entrepreneurship”, which was established in 2013 as a policy dialogue forum in response to the EU’s “Action Plan Entrepreneurship 2020”. The platform focuses on measures for young people between 10 and 19 years old, but focuses on other target groups such as women. It has two key objectives. First, it seeks to identify measures for priority action 1 (“Entrepreneurial Education to promote the growth and creation of businesses”) and priority action 3 (“Role models and reaching specific target groups”) of the “Action Plan Entrepreneurship

2020". Second, it aims to facilitate future collaborations and projects. This platform brings together key entrepreneurship education stakeholders biannually, including the Ministry of Science, Research and Economy (BMWFW), the Ministry of Education (BMB), the Federal Ministry of Families and Youth (BMFJ), the Austrian Federal Economic Chamber (WKO), the Federation of Austrian Industry (IV), and the Austrian National Bank (ONB).

There are also national action plans (NAPs) in the field of gender equality ("*NAP Gleichstellung*") and integration ("*NAP Integration*"), that call for actions to improve entrepreneurship for women and migrants. A further national plan for entrepreneurship education addressing young people is currently being prepared.

For the unemployed, tailored entrepreneurship support provided through the Business Start-up Programme ("*Unternehmensgründungsprogramm*" UGP), which is operated by the Austrian Public Employment Service (*Arbeitsmarktservice* AMS). The UGP seeks to support unemployed people in sustainable business start-up.

In addition, there are several initiatives for migrants such as the project "Mentoring for Migrants", which was established in 2008 by the Austrian Federal Economic Chamber (WKO), the Austrian Integration Fund (ÖIF) and the Public Employment Service (AMS). The programme is targeted at immigrants to help them integrated into the labour market, either as employees or as self-employed. There are also city-level initiatives such as "Migrant Enterprises", which is implemented by the Vienna Business Agency.

Overall, the promotion of entrepreneurship and the improvement of the attitude towards entrepreneurship (generally) is a clear objective of the Austrian government. Apart from the target group youth, entrepreneurship connected with the other target groups (women, migrants, older people, and people with disabilities) is not explicitly mentioned in national strategies and action plans. Usually, in Austria, programmes that support entrepreneurship, just like any other public programmes, have to undergo systematic monitoring and regular evaluation. All of the above noted programmes are well-evaluated and demonstrate a positive impact.

3.2. Government regulations

The Austrian statutory insurance system forms the basis of the social security system. It provides health, pension and accident insurance. The provision of unemployment benefits, social care and support further extends the social safety network. The main principles on which the Austrian social security system is based are those of statutory insurance, solidarity and the self-administration of the insurance providers. The social security system is mainly funded through a pay-as-you-go scheme, which means that current pensions are mainly financed through contributions of the working population. The rest is financed through general taxation.

According to economic branches and type of employment, there are 22 organisations that make up the group of statutory insurance providers in Austria – they are responsible for health, pension and accident insurance. One of these organisations is responsible for the social security of all self-employed and entrepreneurs (except some medical branches), i.e. the Social Security Institution for Trade and Industry ("*Sozialversicherungsanstalt der Gewerblichen Wirtschaft*" SVA). In this context, there is "particular support" ("*Besondere Unterstützung*") for the self-employed who are in a difficult situation:

- Unemployment: the self-employed are eligible to receive unemployment benefits if they have paid voluntary unemployment insurance contributions for a specific amount of time before closing their business.
- Interim benefits (“*Überbrückungshilfe*”) in case of severe, unpredictable events, e.g. long-lasting illness, natural disasters.
- Support through SVA case managers if self-employed are in situations threatening their business’ existence, e.g. a combination of health-related, medical and economic, professional and social restrictions.

There are also measures that temporarily cover the loss of state income support for the unemployed. The Business Start-up Programme (“*Unternehmensgründungsprogramm*” UGP) of the Austrian Public Employment Service (*Arbeitsmarktservice* AMS) targets registered unemployed persons, irrespective of receiving unemployment insurance benefits or not. The duration of UGP is generally six months and is individually agreed upon between the potential entrepreneur and the AMS. UGP training is provided at no charge, and an additional allowance is offered to cover living expenses. The financial support is guaranteed for the duration of participation in the programme and extends to two months beyond the start-up date to ensure that the foundation is stable and safeguarded in the long term. Apart from that, UGP provides information on financial support and start-up support from other organisations.

There have also been efforts to reduce administrative procedures for entrepreneurship, including a reduction in social security contributions. These measures apply to all entrepreneurs and there are currently no special provisions for entrepreneurs from under-represented or disadvantaged groups.

In 2010, the Austrian public administration launched a one-stop-shop Business Service Portal called *Unternehmensserviceportal* (USP), which is a single entry point for businesses to interact with the administration. By offering information and transaction services, it intends to help businesses to fulfil their legal obligations and to reduce their administrative burdens.

There two regulatory measures that are aimed at women entrepreneurs. A female entrepreneur is entitled to “maternity allowance for women entrepreneurs” (*Wochengeld für Unternehmerinnen*) to the amount of EUR 52.69 (as of 2016) on a daily basis if she employs a correspondingly appropriate worker at least four days per week, or to the amount of 20 hours per week to her own relief in the claiming period. The total duration of the maternity leave (*Mutterschutz*) is eight weeks before birth and eight weeks after birth. If the trade license of the women entrepreneur does not permit an auxiliary force or if no temporary help can be found due to the local situation of the company, it is also possible to not employ a helping hand and just receive the maternity allowance.

Instead of the maternity allowance, women entrepreneurs are allowed to make use of “operational support” (*Betriebshilfe*). In each Austrian province, appropriately qualified replacement staff will be provided by the regional Operational Support Association (“*Betriebshilfeverein*”), who carries out the work in place of the women entrepreneur.

3.3. Financing entrepreneurship

There are numerous grants for business creation or business take-overs, at national and regional levels, for all entrepreneurs. Examples include the start-up guarantee that supports the launch or take-over of economically self-dependent small commercial enterprises (with the exception of tourism and

leisure industry) with a loan guarantee from the Austrian federal development bank (*Austria Wirtschaftsservice Gesellschaft mbH* aws).

Grants are also used to support business creation by youth and people with disabilities. For the youth a start-up grant of up to EUR 500 is available through the programme “Your Projects” (*Eure Projekte*), which is implemented by the Ministry of Families and Youth (BMFJ) and the *Bundesnetzwerk Österreichische Jugendinfos*. Another important grant programme for youth is “First – Your Future. Youth Business.”, which is implemented by the Austrian federal promotional bank.

People with disabilities can apply for two different business start-up grants, which are offered by the Federal Office of Social and Disability Affairs (*Bundesamt für Soziales und Behindertenwesen*). The “Business start-up grant” (*Zuschuss zur Begründung einer selbstständigen Erwerbstätigkeit*) is a one-time grant for the purpose of starting a business. It also covers personal living expenses. The second grant is the “Grant to cover current disability-related additional expenses of entrepreneurs” (*Zuschuss zur Abgeltung eines laufenden behinderungsbedingten Mehraufwandes von UnternehmerInnen*). It supports self-employment by covering disability-related expenses. The grants shall be used to hire a replacement worker in order to secure the existence of the company. The grant is paid as monthly lump sum (EUR 251 in 2016). The compensation may be doubled in special circumstances.

Microcredit is also available for Austrian entrepreneurs. One of the most important programmes is “Microcredit” (*Mikrokredit*), which was established in 2010. It is open to all entrepreneurs who are not employed and are debt free. The scheme was initiated by the Ministry of Labour, Social Affairs and Consumer Protection (BMASK), with contributions from private banks. It is implemented by ÖSB Consulting in co-operation with the Austrian federal development bank (aws), Erste Bank Group and CARE. Evaluations of this programme have been generally positive.

There are also a number of different loan guarantee schemes, most notably awarded by the Austrian federal development bank (aws). These loan guarantee products are generally open to all entrepreneurs and are complemented with other supports such as business counselling. Loan guarantees are also offered at the city level. In Vienna, the bank “*Wiener Kreditbürgschafts- und Beteiligungsbank AG*” offers loan guarantees for Viennese enterprises. These guarantees can be accessed for the financing of investments in new production structures (e.g. replacement and expansion), relocation, operational start-ups and acquisitions, growth financing, internationalisation, working capital financing, and down payments.

Business angel investment in entrepreneurs is supported through the programme “aws i2 Business Angels”, which is implemented by the Austrian federal development bank (aws). It offers a match-making service between equity-seeking entrepreneurs and private investors. This service is open to all entrepreneurs. In addition, aws manages the “Business Angels Fund”, which provides financing for selected business angels by doubling their equity for future investments. The private sector is also active in promoting and supporting business angel investment, notably the Austrian Angels Investors Association (AAIA).

Another growing investment mechanism is crowdfunding. There are currently 12 national crowdfunding platforms in Austria, specialised in different fields such as start-ups, creative industries, innovation, regions, real estate, etc. Crowdfunding in Austria is unique in that the Alternative Financing Act (*Alternativfinanzierungsgesetz - AltFG*) came into force in 2015, which provides a legal basis framework for crowdfunding. There is a specific crowdfunding platform for the target group youth in the frame of the platform “Start your project” (*Starte dein Projekt*), which is for students in technical and vocational schools. The platform is part of an integrated education programme that was

developed by the bank Erste Group Bank AG, IFTE (Initiative for Teaching Entrepreneurship) and the Vienna School Board (*Stadtschulrat Wien*).

3.4. Entrepreneurship skills

Information provision

The Business Start-up Service (“*Gründerservice*”) of the Austrian Federal Economic Chamber (WKO) is an important source of information on business creation, succession and franchises. It also provides information on available support programmes through more than 90 offices across the country.

In addition, a number of actors provided tailored information on business creation for various target groups. For women, the “Network Diversity” of the Vienna Economic Chamber (WKW) provides tailored information on entrepreneurship (and also for other groups such as migrants, older people, people with disabilities, LGBT people). Youth receive start-up information through entrepreneurship education programmes, university initiatives (e.g. u:start, the alumni association of the University of Vienna) and the “Start your project” initiative (*Starte dein Projekt*) (see section 3.3). For older people, the Vienna Economic Chamber (WKW) published a brochure called “Naturally self-employed” (*Selbstverständlich Selbstständig*), which includes good practice case studies on senior entrepreneurs, information on pensions and additional income, issues regarding social insurance and relevant contact points. Non-governmental organisations support these efforts, especially for smaller target groups such as people with disabilities.

Entrepreneurship training

Entrepreneurship training is widely available in Austria, notably through the training institutes *Wirtschaftsförderungsinstitut Österreich* (WIFI) of the Austrian Federal Economic Chamber (WKO), *Berufsförderungsinstitut Österreich* (bfi) of the Austrian Chambers of Labour, as well as the Austrian Trade Union Federation and numerous (private sector) training providers.

Training tailored for women is provided nation-wide by the Academy for small-scale women entrepreneurs (*Akademie für Kleinstunternehmerinnen*), which is organised by the Women in Business group (*Frau in der Wirtschaft - FiW*) of the Austrian Federal Economic Chamber (WKO). It offers training that covers business plan development, marketing, co-operation and networking, and time management. It also offers group coaching. In addition, FiW organises events such as the “Ladies Lounge”, where role models share their experiences and expertise, and a biannual congress for women entrepreneurs.

There are numerous tailored entrepreneurship training initiatives for youth. Entrepreneurship education is included in the school curricula at all levels, including post-secondary vocational education and training, and higher education. Much of this has been developed by the Working Group Economy and School (*Arbeitsgemeinschaft Wirtschaft und Schule AWS*), which is an initiative of ibw Austria - Research & Development in VET, the Austrian Federal Economic Chamber (WKO) and *Österreichischer Sparkassenverband*. Most universities offer entrepreneurship courses and modules and the larger universities typically have start-up centres and business incubators to support higher education students in business creation. These formal learning activities are complemented by various initiatives and competitions such as the “Next Generation” business plan competition and the EU-funded “Youth Start Entrepreneurial Challenges”, which produced a programme and learning material for teachers. The Austrian Federal Economic Chamber also offers some certificate programmes for youth, including Entrepreneurial Skills Pass, which was developed with Junior Achievement Austria,

and Entrepreneur's Skills Certificate (*Unternehmerführerschein*). In addition, Junior Achievement runs a programme called "Junior – Students establish enterprises" (*Schüler gründen Unternehmen*).

Tailored entrepreneurship is also available for the unemployed through the "Business Start-up Programme" (*Unternehmensgründungsprogramm UGP*). Participants can also access business consultancy from private sector experts and some financial supports are also available.

Coaching and mentoring

One-to-one or group coaching and mentoring is also common in Austria and is frequently tailored to the needs of different target groups. Often, coaching and mentoring are offered as part of integrated support offers that include entrepreneurship training and financial support. Examples include "aws First - Your future. Your business." for youth and the Business Start-up Programme (*Unternehmensgründungsprogramm UGP*) for the unemployed. These offers typically support participants during the business start-up phase and for up to an additional two years to help the entrepreneur develop a sustainable business.

In addition, there are some dedicated entrepreneurship coaching and mentoring initiatives for various target groups. This includes initiatives such as the Austrian Senior Experts Pool (ASEP), which offers business start-up coaching and mentoring for seniors (among other supports) and Mentoring for Migrants (*Mentoring für Migranten*), which is offered by the Austrian Federal Economic Chamber (WKO) and the Austrian Integration Fund (OIF), and Migrant Enterprises, which is offered by the Vienna Business Agency. These supports tend to be well-used. For example, Mentoring for Migrants has supported more than 1 500 migrant entrepreneurs.

3.5. Entrepreneurial culture and social capital

Entrepreneurship is actively promoted by the Ministry of Science, Research and Economy (BMWF) and the Austrian Federal Economic Chamber (WKO) through various channels such as the European SME Week, television programmes and advertisements, websites, advertising, and public presentations and events. Another important activity is the European SME week, which is organised by the Austrian Federal Economic Chamber (WKO), *WIFI-Unternehmerservice* and supported by the Ministry of Science, Research and Economy (BMWF) and regional partners.

There are also many initiatives that promote entrepreneurship for specific groups, including "Economic impulses by women in research and technology" (*w-fORTE – Wirtschaftsimpulse von Frauen in Forschung und Technologie*) and "Business Start-ups" (*Junge Wirtschaft*) by the Austria Economic Chamber (ÖKW) for youth. The Chambers of Commerce in each Länder also actively promote entrepreneurship for each of their target groups, i.e. migrants, women, seniors, people with disabilities and LGTB people, and the Austrian Public Employment Service (*Arbeitsmarktservice AMS*) works to increase awareness about the potential of entrepreneurship among the unemployed. There are also many city-level initiatives such as "Chance – Start-up centre for people with a disability" (*GründerInnenzentrum für Menschen mit Handicap*) in Styria, which promotes role model entrepreneurs with a disability and organises workshops.

There are many entrepreneurship networks in Austria, both at national and regional levels. Many of these initiatives are targeted at specific target groups. For example, the "Women in Business" group (*Frau in der Wirtschaft - FiW*), which is part of the Austrian Federal Economic Chamber (WKO), is also active in organising networking events for women entrepreneurs.

4. POLICY RECOMMENDATIONS

In general, programmes that promote and support entrepreneurship often address all potential entrepreneurs, regardless of the target group. However, there are a number of tailored initiatives for various groups that are either under-represented or disadvantaged in the labour market. The following recommendations are offered to further develop policies and programme to address the barriers to business creation and self-employment by these groups:

1. *Raise awareness of existing tailored measures and initiatives.* In Austria, there is a multitude of entrepreneurship measures, initiatives and projects offered by various public institutions and non-governmental organisations. Many of them are not fully exploited by the target groups. Therefore, it is necessary to raise the awareness and the visibility of the measures through targeted outreach campaigns that use appropriate channels that are widely used by the targeted communities.
2. *Strengthen the linkages between financial supports and entrepreneurship training and coaching and mentoring.* There is a need to strengthen linkages between these different types of support so that the multiple barriers that are faced can be addressed in a cohesive manner.
3. *Develop more support for senior entrepreneurs.* There are currently no specific initiatives and programmes for the target group of seniors, although single measures could be identified. There is still need for action in order to create alternatives for older workers to stay in working-life. This is particularly important against the background that Austria has a relatively low employment rate of seniors and therefore a high pressure on the retirement system.
4. *Strengthen and extend entrepreneurship education within the education system.* The target group youth is explicitly addressed in the national policies, strategies and actions plans in terms of promoting entrepreneurship. Entrepreneurship education is included in school curricula of compulsory subjects (e.g. geography and economics, business studies). However, among others, there is room for improvement in the following fields: specification and clarification of curricula contents, better presentation of entrepreneurship in school textbooks, and improvement of training for teachers.

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ANNEX: METHODOLOGY

Each note was prepared by a national expert in co-operation with the OECD Secretariat. Information was collected through desk research and interviews (i.e. telephone, face-to-face, email) with key stakeholders and government representatives. The information was then verified by government partners, programme managers and other inclusive entrepreneurship stakeholder groups through email exchanges and one-day seminars in selected countries.

The notes are based on an assessment framework that was developed by the OECD Secretariat. The assessment framework provided a common analytical framework and report structure for the 28 notes that are in this series.

The framework contains 5 pillars:

1. Policy framework

- Is there an entrepreneurship strategy or action plan that explicitly covers the promotion and support of entrepreneurship for people in under-represented and disadvantaged groups?
- Is there a mechanism for co-ordinating inclusive entrepreneurship policy actions across relevant national ministries, and with regional and local governments and civil society organisations?
- Is there a systematic monitoring and evaluation process for the policies, programmes and schemes that promote and support entrepreneurship for people in under-represented and disadvantaged groups?

2. Government regulations

- To what extent are entrepreneurs from under-represented and disadvantaged groups treated equally with employees by social security schemes?
- Do measures exist that temporarily cover the loss of state income supports (e.g. unemployment benefits, disability allowances) for entrepreneurs amongst under-represented and disadvantaged groups when they start a business?
- Do measures exist to support under-represented and disadvantaged entrepreneurs in dealing with administrative procedures for entrepreneurship amongst under-represented and disadvantaged groups (e.g. information provision, support with administrative requirements)?
- Are there any entrepreneurship policy initiatives or schemes to address group-specific institutional challenges related to dependents (e.g. childcare, eldercare)?

3. Financing entrepreneurship

- Are there grants for business creation offered to support entrepreneurs from under-represented and disadvantaged groups?
- Is microcredit for business creation available to support entrepreneurs from under-represented and disadvantaged groups?
- Are there loan guarantee schemes for business creation to support entrepreneurs from under-represented and disadvantaged groups?

- Are there self-financing groups for business creation to support entrepreneurs from under-represented and disadvantaged groups?
- Are there public policy schemes that encourage and support business angel networks to support entrepreneurs from under-represented and disadvantaged groups?
- Are there schemes that encourage and support crowdfunding and peer-to-peer lending to support entrepreneurs from under-represented and disadvantaged groups?
- Is financial literacy training offered to support entrepreneurs from under-represented and disadvantaged groups?

4. Entrepreneurship skills

- Are there entrepreneurship training initiatives for entrepreneurs from under-represented and disadvantaged groups?
- Do high potential entrepreneurs from under-represented and disadvantaged groups have access to one-to-one or group coaching and mentoring?
- Are there public initiatives that provide information on available support programmes or on business start-up procedures for entrepreneurs from under-represented and disadvantaged groups?
- Are there business consultancy and advisory services for entrepreneurs from under-represented and disadvantaged groups?
- Are there business incubators for entrepreneurs from under-represented and disadvantaged groups?

5. Entrepreneurial culture and social capital

- Is entrepreneurship actively promoted as an employment opportunity amongst under-represented and disadvantaged groups through the education system, media, role models, etc.?
- Are there public policy actions that attempt to build specific business networks for entrepreneurs amongst under-represented and disadvantaged groups?