



National State of the Art Report

ReEntry – Supporting Migrants into Self Employment

Prepared by E-C-C Association for Interdisciplinary Education and
Consulting

Spring 2017

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Socioeconomic Profile of Migrants in Austria

In 2015, the total inflow of foreign nationals to Austria increased to 198,700, an increase of 44,400 (29%) over 2014. By January 2016, the stock of foreign nationals amounted to 1.6 million (18.3% of the total population), constituting an increase of 110,100 persons (+11%) compared to January of the previous year. The largest groups were German (219,900), Nationals of Bosnia-Herzegovina (162,000), Turkish (160,200) and Serbian nationals (137,100).

Of the 198,700 newly arrived foreign nationals, 91,600 (46%) came from the EEA and Switzerland. An additional 107,000 (54%) came from non-EU countries, the largest group (67,500, 34%) coming from Asia, largely refugees from Syria (22,600), Afghanistan (19,500) and Iraq (10,400). Inflows of foreigners from other European countries (including Turkey) have remained more or less at the level of the previous year (26,100). Immigration from Africa (3.5 percent) and the Americas (2.1 percent) are rising but continue to be small in comparison.

Austria has experienced a steep increase in asylum applications from 28,100 in 2014 to 88,300 in 2015. The main groups were nationals of Afghanistan, Syria and Iraq.

❖ *Migrants and entrepreneurship*

In 2013, 13.3% of the foreign workforce of 642,300, i.e. 85,500, was self-employed, clearly more than in total employment (11.5%). The differences between the various nationalities were pronounced. While the self-employment rate of third country citizens, largely persons from Turkey and former Yugoslavia (excluding Slovenia and Croatia), was fairly low with 5.5% (14,900), 42.5% of all workers from the Bulgaria and Romania were working as self-employed (21,200). Also citizens from the EU10 member states worked to a large extent as self-employed, namely 36,000 or 21% of total EU10 employment. The remaining 13,300 persons are coming from non-European countries.

About 36 per cent of "ethnic entrepreneurs" are working in arts and crafts; 31 per cent in trade and 30 per cent in information and consulting. Most of these companies are small and medium-sized enterprises. About a quarter are single-person companies. About half have one to nine employees and then the rest employs more than ten workers.

Policy Analysis

The government has budgeted 250 million Euros annually for the integration of refugees, mostly to finance German Courses and to support education and training of refugee children. An additional 70 million Euro has been earmarked for the labour market integration of refugees in 2016.

With the amendment to the regulations on the establishment of a business in 2002, access of third country migrants to self-employment has been changed. The amendment had a positive effect on third country migrants wanting to establish a liberalised trade. From then on the only requirement has been a valid residence permit which grants the right to establish a business in the category of liberalised trades.

However, the acceptance rate of applications for self-employment is very low, amounting to 13% in 2010 and 11% in 2011.

In December 2015, a legislative initiative for the recognition of skills and qualifications acquired abroad was put up and entered parliamentary procedures in April 2016. The Act came into force in July 2016. In a quest to combat wage and social dumping, the government passed a draft bill in April 2016, which is going to require an amendment to the Foreign Employment Act (currently under parliamentary review). The major focus of the amendment is on intercompany transfers and posted workers; in the latter case, foreign enterprises who post workers to carry out a service in Austria have to ensure the application of Austrian Labour Law (wages, working hours, vacation) and equal treatment relative to Austrian workers.

National Initiatives and Programmes

Various political actors and institutions are involved in the promotion and management of business migration, namely: the Federal Ministry for Science, Research and Economy, the Federal Ministry of the Interior, the Federal Ministry of Labour and Social Affairs, the Federal Ministry for Europe, Integration and Foreign Affairs, as well as the Austrian Business Chamber, the Federation of Austrian Industries and the Austrian Business Agency.

Furthermore, some Austrian provinces have their own agency, such as the Vienna Business Agency, since about 30 percent of Viennese entrepreneurs have a migration background. Among them, almost 90 different nationalities can be identified. For 2010, the Vienna Chamber of Commerce has estimated that some 36 per cent of new founders have a non-Austrian passport.

Despite of these figures, apart from budgets for integration and education that have been mentioned earlier, no stately initiatives have been identified. The reason might be that for start-up of an enterprise, the same regulations apply for Austrian as well as for non-Austrian citizens.

Immipreneurs of Austria (IoA) is a private initiative to help young ethnic / minority enterprises, 'ImmiCo', located in Austria by providing support and financing. It offers in particular general consulting and support, and also funding to cover working capital, capital assets specific operating expenses. The initiative limits the initial investment up to €50,000; however, with the achievement of agreed milestones, the amount of total investment can be doubled to €100,000 over a period of two years.

The Start-up Guide Vienna is an Entrepreneur's Handbook filled with case-studies, expert advice, insights, interviews and local tips. The Guide portrays how diverse and dynamic the Viennese scene is and contributes to both national and international visibility.

In the recent years, the Vienna Business Agency has organised yearly start-up competitions. The Vienna Start-up Package 2017 offers a two month programme and supports selected start-ups who want to develop their business idea in Vienna and explore the Austrian and European market. The winners of the last round were from Slovenia, Japan, Spain, Passivdom, Indonesia, and from South Korea. The start-ups will not only enjoy free flight tickets, housing, office space and coaching, but get an exclusive introduction to the Austrian start-up ecosystem and its players supported by Pioneers, one of Europe's largest start-up communities made in Vienna.

The Impact Hub Vienna community is made up of social businesses addressing challenges both locally and globally. Members are entrepreneurs, social investors, freelancers, advocates, campaigners, creatives, artists, consultants, coaches and more. They have access to training and support, work spaces, lectures, training workshops, community networking events and incubation programs. Impact Hubs unite people from every profession, background and culture with imagination and drive to pursue enterprising ideas for the world.

The Vienna Business Agency was founded in 1982 as the Vienna Economic Development Fund by the City of Vienna, the Vienna Chamber of Commerce, and by two big banks. It is the first point of contact for national and international companies. It offers financial support, real estate and urban development incentives as well as free service and advice.