Interreg
CENTRAL EUROPE
TASKFORCOME
European Union
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AUSTRIA – DRAFT REPORT

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1. EXECUTIVE SUMMARY

Scope of the Survey

The Republic of Austria is a country in Central Europe comprising nine federated states (regions). According to the regional scope of the actual project and aiming to target the InterReg definitions, based on "Nomenclature of Territorial Units for Statistics" – NUTS, the Austrian Project Partners (P4 WIFI-WKO, P6 VM) will, within the TASKFORCOME Project, focus on the following regions (all data provided by WIFI-WKO, Statistical Services on 25.07.2019):

Vienna (NUTS: AT-126, LAU-2: 90001, Area: 41.478 ha, Population: 1,897.491)

Innsbruck (NUTS: AT-332, LAU-2: 70101, Area: 10.491 ha, Population: 132.110)

Vienna is the federal capital, largest city and one of nine states (regions) of Austria. Vienna is Austria's primate city, with a population of about 1.9 million (2.6 million within the metropolitan area, nearly one third of the country's population). It is the 7th-largest city by population within city limits in the European Union.

Innsbruck is the capital city of the region **Tyrol** in western Austria and the fifth-largest city in Austria. Innsbruck is a substantial tourist centre.

Austrian economy

The Austrian economy has already been booming for three years. Even though domestic and international growth impulses have lost some of their dynamics in the second half of 2018, real economic growth in Austria achieved an annual average of + 2.7 %. The favourable economic situation also mitigates the situation on the labour market – the registered number of unemployment rate reduced by 0.8 % to 7.7 %.

Labour market

The number of employed persons increased by +2.4 %; thereof 1.741.328 employed women (+ 2.1 %) and 2.000.156 men (+ 2.6 %). The share of women remained at the same level as in the last year at 47 %. The average number of employed grew most in absolute figures in Vienna (+ 2.4 %), followed by Styria (+ 3.0 %) and Tyrol (+ 2.5 %). The increase of employment is predominantly attributable to employees of age 50 and older (+ 5.6 %). The number of registered unemployed reduced by 8.2 %. Considering registered unemployed and training participants for re-qualifications, the number of registered persons decreased by 7.6 % in comparison with the previous year. The unemployment rate in 2018 was at

7.7 %. In international comparison Austria ranked ninth with an unemployment rate of 4.9 % behind the Czech Republic, Germany, Hungary, Malta, the Netherlands, Poland, the United Kingdom and Romania.

Shortage of specialists

The skilled labour shortage is already being felt by almost all Austrian companies (87 %) in the spring/early summer of 2018, it increases the workload on entrepreneurs and current staff, it compromises the quality of service provision and the satisfaction of customers, and additionally leads to a clear decline in the economic success of Austrian companies (drops in sales and higher costs). The skilled labour shortage is experienced particularly intensely in medium-sized companies, in tourism, in artisanal/technical fields and in the west of Austria. At the level of formal qualifications, it is mainly apprenticeship graduates who are urgently sought.

Migrant Entrepreneurs

As has already become clear from the perspective of Austria as a whole, one can roughly assume that about half of the self-employed with a migration background were born abroad in the regions, but now hold Austrian citizenship.

Popular sectors in which companies are founded by Migrants are trade, crafts and transport. Gastronomy and trade dominate in Vienna. According to studies conducted by the Vienna University of Economics and Business Administration, people with very good and very poor education are the most likely to set up their own business, because some want to realize themselves and others have to start up in order to have a job.

The majority of enterprises with a migration background can be assigned to the category of small and medium-sized enterprises. About a quarter of the enterprises do not have any employees, about half of the enterprises have between one and nine employees. The remainder have at least ten employees. Branches with an above-average proportion of self-employed migrants are education, hotels and restaurants, transport and communications as well as the provision of other public and private services.

Basic data at a glance			*Forecast*	
		2018	**2019**	**2020**
Economic growth real change of GDP (%)		2.7 %	1.7 %	1.5 %
Supply of labour *Change from previous year*		**4.053.591**	**4.107.600**	**4.155.700**
	abs. *p.c.*	*+ 58.319* *+ 1.5 %*	*+54.000* *+ 1.3 %*	*+48.100* *+ 1.2 %*
Dependent employees *Change from previous year*		**3.741.484**	**3.794.400**	**3.830.900**
	abs. *p.c.*	*+ 86.188* *+ 2.4 %*	*+ 52.900* *+ 1.4 %*	*+ 36.500* *+ 1.0 %*
Unemployment *Change from previous year*		**312.107**	**313.200**	**324.800**
	abs. *p.c.*	*+ 27.868* *- 8.2 %*	*+ 1.100* *+ 0.4 %*	*+ 11.600* *+ 3.7 %*
Unemployment rate		**7,7 %**	**7,6 %**	**7,8 %**
EU rate		*4.9 %*	—	—

Source: AMS Forecast, March 2019

2. GENERAL TRENDS ON AUSTRIAN LABOUR MARKET

Labour market data for Austria, Vienna (VIE, region) and Tyrol (TIR, region, incl. Innsbruck)

	Region	Women	Men	Total
Labour force	AT	1.894.603	2.197.226	4.091.892
	VIE	467.600	508.991	976.591
	TIR	68.184	74.392	142.576
Dependently employed	AT	1.769.411	2.057.898	3.827.309
	VIE	418.758	448.619	867.377
	TIR	65.862	71.645	137.507
Foreigners employed	AT	322.694	493.734	816.428
	VIE	108.690	136.966	245.656
	TIR	13.846	18.623	32.469
Employed marginally	AT	234.391	144.713	379.104
	VIE	52.212	41.579	93.791
	TIR	9.494	5.930	15.424
Unemployment rate	AT	6,6%	6,3%	6,5%
	VIE	10,4%	11,9%	11,2%
	TIR	3,4%	3,7%	3,66%
Registered unemployed	AT	125.192	139.328	264.520
	VIE	48.842	60.372	109.214
	TIR	2.322	2.747	5.069
Unemployed aged 24 or less	AT	11.185	13.927	25.112
	VIE	3.604	5.129	8.733
	TIR	247	341	588
Unemployed aged 50 and over	AT	36.998	50.888	87.886
	VIE	12.204	19.317	31.521
	TIR	692	973	1.665
Foreigners unemployed	AT	39.925	43.601	83.526
	VIE	21.069	24.893	45.962
	TIR	702	892	1.594
Apprenticeship applicants	AT	2.328	3.387	5.715
	VIE	982	1.430	2.412
	TIR	55	65	120
Apprenticeship vacancies	AT			5.693
	VIE			501
	TIR			120

Source: AMS (06/2019), WKÖ calculations (2019)

The female employment quota grew, but remained clearly below that of men

The number of employed men increased slightly stronger (+ 2.6 %) than that of women (+ 2.1 %); the female gainful employment quota of 76.1 % continuing to remain clearly below that of men (79.5 %). Employments ending in 2018 lasted on average for around 22 months.

In 2018 unemployment of men decreased over proportionally by -9.3 %. A decrease in women's unemployment was also recorded in 2018 (- 6.7 %). The proportion of unemployed women was at 44 %. The unemployment quota for men was however at 8.0 % significantly higher than the unemployment quota for women at 7.3 %.

If training participants are added to the registered unemployed then a total of 380.846 were on average without jobs (- 7.6 %) in 2018. Here the number of unemployed men again decreased over proportionally (- 9.1 %) whereas the number of female unemployed declined at a slightly lower rate (- 5.7 %).

Foreign citizens still have a higher risk of unemployment compared to Austrian citizens

Nearly two thirds of the overall increase in the number of actively employed persons (+ 2.5 %) are attributable to foreign citizens (+ 7.8 %). Terminated employments involving non-Austrian citizens were on average shorter (298 days) than those of Austrian citizens (876 days).

The annual average of registered unemployed with Austrian citizenship was - 10.1 %. The unemployment of non-Austrian citizens also decreased compared to the previous year by - 3.5 %. The proportion of foreign citizens in all registered unemployed increased slightly compared to the preceding year and was at 31 % in 2018.

Persons between age 20 to 24 have the highest risk of becoming unemployed

The highest risk of unemployment is faced by persons of age between 20 and 24 (37.1 % of the potential labour force in this age group were registered as unemployed for at least one day in 2018). With an increasing age the number of affected persons reduces, increasing again from age 55.

62 % of the potential labour force with maximum compulsory education were registered as unemployed for at least one day in 2018

The risk of becoming unemployed is at 62 % significantly higher for persons with maximum compulsory education compared with persons with completed apprenticeship training (21 %), completed secondary education (11 %), completed higher school education (15 %) or university graduates (10 %).

A total of 529.589 vacancies and 37.606 apprenticeship placements were registered for staffing. The average annual base of vacancies increased by 25.8 %. The number of newly registered apprenticeship placement seekers (+ 1.7 %) was higher in 2018 compared to the previous year. The number of vacant apprenticeship placements notified increased slightly (+ 0.4 %). More than half of the vacant apprentice placements staffed in 2018 were already taken before becoming “immediately available”.

3. OCCUPATIONAL AND SECTORAL TRENDS

Three trends are changing the labour market in Austria:

- **Digitalisation**
- **Automation**
- **Demographic change**

Digitalisation

The increasing digitalisation of our society leads to the fact that more and more processes of the daily (working) life are provided with digital interfaces and thus on the one hand generate data and on the other hand can be controlled by data.

Automation and control

Rapid progress in the analysis of large amounts of data, in data processing in general and in artificial intelligence in particular, means that more and more types of collected data can be analysed and interpreted in a meaningful way and translated into control data in order to partially or completely automate work steps or processes.

Technical progress will also enable the automation of processes in the future, for which the input data is available in a less structured form. Studies show that around 50 % of current global work activities can be automated.

At the same time, however, only less than 10% of all job profiles will disappear completely. Most other occupations will experience a corresponding - in some cases substantial - change in the skills required.

Demography

The shortage of skilled workers today is essentially due to the cyclical economic situation. In the future, on the other hand, it is to be expected that the shortage of skilled workers will increasingly be due to demographic factors in the medium to long term, despite the overall increase in the population.

This is illustrated by a population forecast, according to which the number of people aged 20 to under 65 in Austria (all regions) will decline continuously from 61.7 % in 2018 to only 53.9 % in 2050. The population structure in Austria (all regions) will increasingly develop into an "inverted pyramid". The proportion of young people is decreasing, whereas the proportion of older people is increasing.

This leads on the one hand to the fact that the economic productivity of fewer people has to be maintained (and thus the need for automation increases), and on the other hand to the fact that an ever greater demand for labour is emerging, particularly in the area of health and social services.

Changing expectations of young generations

In addition to the abovementioned trends "digitalisation, automation and demographic change", in Austria (for all regions), the changing expectations of young generations also set special challenges for learning in the future.

In the following, the "Generation Y" born between 1980 and 1994 as well as the "Generation Z", to which the years 1995-2010 belong, are described as examples and some implications for learning in the future are pointed out. The "Y" is characterized by a pronounced need for flexibility and a good work-life balance. Their target system is described as a "synthesis of performance and enjoyment of life”. The “Z” as “digital natives” is also attributed a strong affinity to digital media, which they take for granted. In contrast to the “Y” who are more interested in the common good, the “Z” is attributed with a stronger individualism and the desire to maximize one's own happiness.

Professions and skills in demand in the future

Of the trends presented, automation and digitalisation will lead to major changes in the world of work in the next 10 to 15 years: Employees in all industries will interact with increasingly intelligent and partly autonomous machines. Automation will mean that more and more work will be taken over by machines, which will transform many occupations and at the same time create entirely new occupations that require workers with new skills.

Future skills in demand

Physical and manual factors tend to decline until 2030, but, remain the largest factor. Even simple cognitive skills tend to be less needed. At the same time, higher cognitive, social, emotional and technological skills will be required more in 2030 than at present. The speed change varies depending on assumptions about the speed at which new technologies are advancing. However, the emerging activities will be fundamentally different in their nature from the dropped.

4. SKILLS: DEMAND AND SHORTAGES

Key indicators

The skilled labour shortage in all Austrian Regions has intensified since 2015 in almost all occupational groups and economic sectors and the increase has led to an additional dynamic, especially in 2017.

The fact that the skilled labour shortage is not only a topic at present but will probably remain an issue in the longer term is illustrated by analysing the projection of the development of labour supply, for instance. In this respect, “demographic pressure” will be exerted on skilled labour availability from two sides in the coming years:

- **Decreasing or stagnating number of job entrants and/or**
- **Increasing number of people leaving the labour market by retirement.**

The projected development of the number of 20- to 60-year-olds in the period 2018-2030 based on the main scenario of Statistics Austria shows the future lacking demand for skilled labour/personnel in Austria due to demographic reasons.

The number of 20-to 60-year-olds will decline dramatically in almost all regions, albeit to different degrees, between 2018 and 2030. In absolute figures, the regions of Upper Austria and Styria can expect an especially marked decline of 20- to 60-year-olds although they are already affected by a noticeable skilled labour shortage in many areas now.

An analysis of the number of unemployed people per vacancy based on AMS data reveals that skilled labour shortage has gained momentum in recent years. Of course, it needs to be noted that not all vacancies are registered with AMS.

According to data, across Austria the number of unemployed people per vacancy (related to jobs and unemployed people with at least an apprenticeship diploma) decreased in 2017, in line with the commonly used logic of reference date-related data, from 5.99 (in 2016) to 4.27 (in 2017) job seekers per vacancy – for this mode of calculation, the annual average of job seekers and vacancies at the end of each month has been used (reference date analysis).

When using another mode of calculation for the number of unemployed people per vacancy – the entrance logic – the skilled labour shortage and demand becomes even more apparent: While the number of unemployed people per vacancy in the occupation “electrician” (related to vacancies and unemployed with at least apprenticeship diploma) is 1.03 on an Austria-wide basis according to the logic of reference date-related data, it is only 0.45 according to the entrance logic.

The calculation of the number of unemployed people per vacancy based on entrance data describes the labour market situation overall over the entire year rather than only at individual times/reference dates (such as in cases when reference date-related data is used).

The use of entrance data for calculating the number of unemployed people per vacancy also supplies more up-to-date values and does not only describe the dynamic of the labour market better and more realistically because it really records all new entries of a year but also because the “old stock" (the value of the previous year) of vacancies and registered unemployed is not/no longer recorded.

The evaluation of indicators regarding the demand for skilled workers at the level of regions or districts reveals that the differences between the regions (mainly between Vienna and western Austria) are considerable in many occupations.

The number of unemployed people per vacancy by occupations or occupational groups is, in Vienna, very often many times more than (according to the entrance logic often even more than ten times) the number of unemployed people per vacancy in the western regions (including Upper Austria).

Whereas a clear skilled labour shortage can therefore already be observed in the western regions (including Upper Austria) in many occupations, in Vienna there is frequently still a relevant number of unemployed in some of these occupations. This mismatch has not been resolved to date and it can hardly be expected that it will be eliminated in the future solely by stepping up incentives for commuters.

Company survey

A total of 87 % of the around 4.500 companies (member companies) questioned on behalf of the Austrian Federal Economic Chamber (WKO) state that they felt the shortage of skilled workers last year, 75 % already in a pronounced form (time of survey: April 2018). This lack of skilled labour is experienced particularly intensely in medium-sized companies, in tourism (mainly cooks), in artisanal/technical fields, and in western Austria.

59 % of current vacancies for skilled labour have not been filled for already more than 6 months. Last year there was also already a clear decrease in the number and quality of job applications whereas the duration and money required to search for staff increased significantly. Broken down by occupational groups, difficulties are encountered by companies mainly in their search for suitable staff in artisanal occupations (the crafts) (45 %), followed by technicians outside the IT area (21 %) and staff for the hotel, restaurant and catering sector (19 %). Extrapolated to Austria it can be assumed that there is an estimated demand for skilled labour of around 162.000 people (among all member companies of WKO) at the time of survey April 2018.

Apprenticeship diplomas are especially in demand. The situation has additionally become worse in recent years because of the decline in the number of apprentices (which is mainly due to demographic reasons). This is by no means the result of a lack of willingness to provide training on the part of Austrian companies. On the contrary: around half of the companies (38 % "clearly", another 22 %) would train a greater number of apprentices if they found sufficiently qualified and interested young people for their jobs.

The effects of the skilled labour shortage mainly have an impact, due to an additional workload, on the companies' bosses and their family members (86 %) and their current staff members, who also need to make up for insufficient staffing by taking on a greater workload (84 %) and working more overtime (70 %). In around 60 % of the companies which felt the lack of skilled labour last year, this also led to drops in sales (such as due to turndown/cancellation of orders, restrictions in the service portfolio, less marketing, less efforts to acquire new orders/customers etc.).

At the same time, expenses for searching for staff (76 %), salaries (66 %) and providing qualifying measures/continuing education and training (58 %) increased. As a result of the skilled labour shortage, less qualified applicants also often need to be recruited (60 %) and the possibilities of innovation and the development of new products are restricted (49 %). Subsequently the quality of products, services and apprenticeship training deteriorates considerably, which in turn leads to higher costs in the medium and long term (such as for repairs/complaints).

Conclusions

In the medium and long term, not only Austria's stance on international investment and location-related decisions (installation of companies) but also the entire long term and sustainable success of the economic location of Austria, including funding by the public, will depend on the extent to which it will be possible to stop the impending further growth of the skilled labour shortage in Austria.

5. IMMIGRANTS ON AUSTRIAN LABOUR MARKET

According to Statistics Austria persons with a migration background are defined as people whose both parents were born abroad. This group can subsequently be subdivided into first-generation migrants (persons who were themselves born abroad) and second-generation migrants (children of migrants who were born in their own country).

In an EU comparison, the employment rate of 15- to 64-year-old non-EU nationals in 2017 was particularly high in the Czech Republic (74 %) and Estonia (71 %). At 54 %, Austria was roughly on a level with the EU average (55 %). By contrast, the employment rate of non-EU nationals was much lower in Croatia (37 %), Belgium (40 %) and France (45 %).

Persons with a migrant background are less likely to be in employment than Austrians. In 2017, the employment rate of persons aged 15 to 64 with a migrant background was 64 %, while that of the population without a migrant background was 75 %.

Lower employment of the population with a migrant background

Since 2008, the labour force participation of persons from the EU accession states has increased the most in 2004 (+ 8 percentage points), followed by persons from EU states before 2004 or the EFTA states and persons from the EU accession states from 2007 (+ 5 percentage points each). By contrast, the labour force participation of persons from the former Yugoslavia (outside the EU) and Turkey remained largely unchanged or even fell slightly.

The employment rate of women from the EU states before 2004 and EFTA states (71 %) and from the EU accession states in 2004 (68 %) was similar to that of women without a migration background (71 %). On the other hand, less than half of Turkish women (42 %) and women from other third countries (52 %) participated in the labour force. For women from the former Yugoslavia (outside the EU), the participation rate was 61 %.

Age-specific differences in labour force participation

In 2017, the labour force participation of the population with a migrant background in the age groups under 55 years was significantly lower than that of persons without a migrant background. The difference between persons with and without a migrant background was smallest among those aged 55 to 64 (46 % vs. 52 %). This applied to both men and women. Higher labour force participation in this age group was recorded for persons from EU countries before 2004 and EFTA countries (59 %), while it was particularly low for the population with a Turkish migrant background (24 %), especially for women (8 %).

Foreign workers are predominantly blue-collar workers

In 2017, workers with a migrant background were employed almost twice as often (43 %) as those without a migrant background (22 %). Among the latter, salaried employees, civil servants, contract staff and freelancers predominated (together 65 %; vs. 49 % among persons with a migrant background). Particularly high proportions of workers were found in the population from the former Yugoslavia (outside the EU; 56 %) and Turkey (60 %).

Occupational status of the second generation is like that of people without a migrant background

The occupational position of the working population in the second generation of immigrants is clearly different from that of the first generation and more like that of the population without a migration background.

For example, the proportion of workers in the population without a migrant background is 22 %, 45 % for immigrants of the first generation and only 30 % for those of the second generation.

The proportion of self-employed is also lower in the second generation of immigrants (8 %) than in the first (9 %). This also means that the proportion of employees and civil servants in the second generation of immigrants is greater than in the first (62 % vs. 47 %); however, it is somewhat smaller than in the population without a migration background (65 %).

Among the women of the second generation of migrants, the proportion of salaried employees, female civil servants and free-lance workers are even like women without a migrant background (74 % vs. 77 %); for women of the first generation of immigrants this proportion is only 58 %.

More frequent unemployment of foreigners with little education

In 2017, foreign nationals with only compulsory schooling had a significantly higher unemployment rate (31 %) than equally qualified Austrians (27 %). For example, the unemployment rate of persons who completed an apprenticeship or vocational middle school was hardly higher among immigrants (7 %) than among Austrian nationals (6 %). The differences in unemployment were somewhat greater for people with a school-leaving certificate (7 % for foreigners; 5 % for residents) and somewhat smaller for those with a university degree (4 % to 3 %).

6. IMMIGRANT ENTREPRENEURSHIP AND PUBLIC SUPPORT FOR ENTREPRENEURS

The Austrian Industrial Act of 1994 applies to every type of industrial, commercial, self-employed activity. In this regulation (Art. 1 GewO 1994, Par. 1, Par. 2, Par. 5) a trade is, inter alia, defined as follows: “An activity is exercised on a professional basis if it is carried out independently, regularly and with the intention of generating income or other economic advantage, regardless of the purpose for which it is intended; it makes no difference whether the income or other economic advantage intended by the activity is to be generated in connection with an activity falling within the scope of the Austrian Industrial Act in connection with an activity not subject to the Austrian Industrial Act.”

The above-mentioned regulations, basically, make no distinction between activities carried out by residents, migrants or foreigners. Regarding social purposes of any entrepreneurial activity, they are basically not foreseen by Austrian Laws. This is an important fact when dealing with SE and CbSE within Taskforcome in Austria.

Social Enterprises in Austria – Quick overview

Whilst seeing an expanding array of activities by social enterprises (SE), in certain countries of the EU, the legal definition of social enterprise reduces the allowable range of activity. One example would be understandings of activities contained within legal definitions of ‘public benefit’ which are held by social enterprises in Austria.

In Austria there are only very limited or non-existent schemes specially designed for and targeting social enterprises.

Foreign natural persons located in Austria may only exercise a trade (be entrepreneurs) such as a resident of Austria:

- In case of a State Treaty, whereby Austrians are granted the same right (= reciprocity) in the foreigner's country of origin.
- In case of a legal residence in Austria and the Residence Permit permits the pursuit of Self-Employment.
- Stateless persons (persons without citizenship) and refugees recognised in accordance with the Refugee Convention (= persons who have been granted asylum) as well as Asylum seekers and Foreign students may carry on a trade if they are permitted to carry out a (self-employed) gainful activity in Austria.
- For the exercise of a trade by Nationals of third countries, a settlement permit is required in accordance with the Aliens Act. The permit must include the exercise of self-employment. In order to obtain a settlement permit for the exercise of a trade, a certificate must be obtained from the competent trade authority for the prospective trade location that the other requirements for the exercise of the trade concerned are met (in the case of regulated trades, in particular the certificate of qualification or declaratory decision on the “individual” qualification or recognition of the foreign training by the Federal Minister of Economy).

Entrepreneurs	Total	Percentage
	497.281	100 %
Austrian citizenship	447.869	90.06 %
Non-Austrian citizenship	49.412	9.94 %
Birth in Austria	422.929	85.05 %
Other country of birth	74.352	14.95 %

Source: Statistics Austria (2018), WKÖ calculations (2019)

Country of birth	Total	Percentage
Austria	422.929	85.05 %
EU countries before 2004 (1)	19.483	3.92 %
EU countries from 2004 (2)	21.277	4.28 %
EEA. Switzerland. associated small states (3)	1.211	0.24 %
Former Yugoslavia (4)	9.903	1.99 %
Turkey	6.933	1.39 %
Other European countries	2.278	0.46 %
Africa	2.456	0.49 %
The Americas	2.041	0.41 %
Asia (excluding Turkey and Cyprus)	8.531	1.71 %
Oceania	235	0.04 %
Unknown	4	< 0.01 %

(1) Belgium. Denmark. Germany. Finland. France. Greece. Ireland. Italy. Luxembourg. Netherlands. Portugal. Spain. Sweden. United Kingdom.
(2) Accession on 01.05.2004: Estonia. Latvia. Lithuania. Malta. Poland. Slovakia. Slovenia. Czech Republic. Hungary and Cyprus; accession on 01.01.2007: Bulgaria and Romania; accession on 01.07.2013: Croatia.
(3) EEA States: Iceland. Liechtenstein and Norway. Associated small States: Andorra. Monaco. San Marino and Vatican. Also includes territories in Europe dependent on EU or EEA states (e.g. Gibraltar).
(4) Excluding Croatia and Slovenia.

Source: Statistics Austria (2018), WKÖ calculations (2019)

Citizenship is only a conditionally meaningful criterion for the migration background. In 2016 there were almost 49.400 self-employed persons with non-Austrian citizenship. In addition to these. there are about 25.000 self-employed persons who have Austrian citizenship but were born abroad (naturalised persons). Roughly speaking. it can be assumed that of the 74.400 or so self-employed with a migrant background. about one third were bor abroad but now hold Austrian citizenship.

Detailed figures

The number of self-employed with Austrian citizenship. excluding the primary sector. rose from about 220.000 in 1981 to just under 260.000 in 2001 and to just under 497.000 in 2016. Self-employed persons with non-Austrian citizenship were also able to grow both in absolute and relative terms. The share of self-employed persons with non-Austrian citizenship (measured against all self-employed persons) rose from 3.2 % in 1981 and 7.1 % in 2001 to 9.94 % in 2016:

Citizenship	Percentage 1981	Percentage 2001	Percentage 2016
Austrian	96.80 %	92.90 %	90.06 %
Non-Austrian	3.20 %	7.10 %	9.94 %

Source: Statistics Austria (2016), WKÖ calculations (2019)

The number of self-employed persons with non-Austrian citizenship was about 6.800 in 1981; 19.800 in 2001 and 49.400 in 2016. Foreign nationals are disproportionately responsible for the increase in the number of self-employed persons, especially in the period 1981 to 2001:

Year	1981	2001	2011	2012	2013	2014	2015	2016
Percentage Non-Austrian	3.2 %	7.1 %	8.7 %	8.9 %	9.2 %	9.3 %	9.5 %	9.9 %

Source: Statistics Austria (2016), WKÖ calculations (2019)

Over time, the distribution of the self-employed with non-Austrian citizenship has remained relatively stable according to the criterion of nationality: In total. 12.28 % of all non-Austrian-born self-employed persons are citizens of an EU country. 3.9 % come from a western EU country and 4.3 % from an eastern EU country. About 2 % come from Former Yugoslavia;

about 1.4 % from Turkey. The remainder are divided among a large number of other countries:

Branches & Sectors

On average across all sectors, 10 % of the self-employed have a migration background. The sectoral distribution of the self-employed outside the primary sector is very similar between residents and persons with a migrant background. The dominant sectors in terms of volume are trade (incl. repair of motor vehicles and consumer goods), real estate (incl. business services) and hotels and restaurants. Taken together, these sectors account for just over half of the self-employed in both groups:

– Naturalised persons are above average in health, veterinary and social work
– Foreigners in hotels and restaurants and the
– "Second generation" in real estate and business services.
– Self-employed persons with a migrant background are generally less strongly represented in construction and in the production of tangible goods than nationals.

Branch	Austrians	Non-Austrians	Total	p.c. non-Austrians
Commerce	54.165	10.891	65.056	16,7 %
Freelance/technical services	59.885	9.865	69.750	14,1 %
Accommodation & gastronomy	26.141	7.831	33.972	23,1 %
Other services	22.765	6.832	29.597	23,1 %
Construction & building	18.716	6.484	25.200	25,7 %
Real estate and housing	22.098	6.049	28.147	21,5 %
Traffic & transportation	6.418	4.558	10.976	41,5 %
Health & social services	24.521	4.285	28.806	14,9 %

Other economic services	10.512	4.132	14.644	28,2 %
Agriculture & forestry	120.314	3.069	123.383	2,5 %
Art, entertainment and recreation	10.294	3.026	13.320	22,7 %
Information and communication	13.424	2.465	15.889	15,5 %
Manufacture of goods	16.819	1.900	18.719	10,2 %
Education & teaching	5.331	1.363	6.694	20,4 %
Financial & insurance services	9.411	1.193	10.604	11,3 %
Water supply & waste management	431	159	590	26,9 %
Private households	815	98	913	10,7 %
Exterritorial Organizations	13	10	23	43,5 %
Total	**422.929**	**74.352**	**497.281**	—

Source: Statistics Austria. WKÖ calculations

Austrian Regions

The regionally specific self-employment rates (share of self-employed in the labour force) also show the analogous pattern for Austria as a whole in all regions: the self-employment rates of naturalised persons in most regions are slightly higher than those of nationals.

Region (Federal Land)	Austrians	Non-Austrians	Total	p.c. non-Austrians
Burgenland	14.811	2.128	16.939	12,6 %
Carinthia	31.581	3.691	35.272	10,5 %
Lower Austria	92.828	10.719	103.547	10,4 %
Upper Austria	74.299	7.411	81.710	9,1 %
Salzburg	31.506	4.882	36.388	13,4 %
Styria	68.722	6.591	75.313	8,8 %
Tyrol	39.885	6.190	46.075	13,4 %
Vorarlberg	15.653	2.511	18.164	13,8 %
Vienna	53.644	30.229	83.873	36,0 %
Total	**422.929**	**74.352**	**497.281**	**15,0 %**

Source: Statistics Austria, WKÖ calculations

WKO Statistics for existing businesses and founders

The following tables provide facts and figures in the area of existing businesses and founders (regardless of the legal form), referring to 2018 and both to Austrians and foreigners (migrants, in the broadest sense). The data are regularly collected in cooperation between Statistics Austria and WKO. The individual aggregates are related to the countries of origin (regions, areas or continents).

Total	Companies		Founders	
	Abs.	%	Abs.	%
Total (Austrian + Non-Austrian)	**497.281**	**100,00%**	**69.708**	**100,00%**
Austrian	**422.929**	**85,05%**	**53.494**	**76,74%**
EU, EEA, Switzerland, associated small states (A + B + C)	**41.971**	**8,44%**	**13.903**	**19,94%**
Non-Austrian (A + B + C + D + E + F + G + I + J + K)	**74.352**	**14,95%**	**16.214**	**23,26%**

A	Companies		Founders	
	Abs.	%	Abs.	%
EU Countries before 2004	**19.483**	**3,92%**	**1.710**	**2,45%**
Belgium	211		15	
Denmark	121		8	
Finland	92		12	
France	494		60	
Germany	13.602		1.178	
Greece	328		30	
Ireland	80		10	
Italy	2.113		182	
Lichtenstein	-		3	
Luxembourg	82		6	
Netherlands	786		61	
Portugal	82		12	
Spain	255		33	
Sweden	256		10	
United Kingdom	981		90	

B	Companies		Founders	
	Abs.	%	Abs.	%
EU Countries from 2004	**21.277**	**4,28%**	**12.137**	**17,41%**
Bulgaria	1.645		451	
Croatia	1.836		1.432	
Cyprus	24		2	
Czech Republic	1.525		1	
Estonia	30		5	
Hungary	3.368		1.528	
Latvia	128		37	
Lithuania	59		15	
Malta	4		1	
Poland	3.975		396	
Romania	5.656		5.735	
Slovakia	2.369		2.347	
Slovenia	658		187	

C	Companies		Founders	
	Abs.	%	Abs.	%
EEA, Switzerland, associated small states	**1.211**	**0,24%**	**56**	**0,01%**
Iceland	14		2	
Liechtenstein	16		-	
Norway	35		3	
Switzerland	1.146		51	

D	Companies		Founders	
	Abs.	%	Abs.	%
Former Yugoslavia	**9.903**	**1,99%**	**750**	**1,08%**
Bosnia and Herzegovina	4.764		252	
Montenegro	66		4	
Serbia	3.413		288	
Northern Macedonia	786		51	
Kosovo	874		155	

E	Companies		Founders	
	Abs.	%	Abs.	%
Turkey	**6.933**	1,39%	**297**	**0,43%**

F	Companies		Founders	
	Abs.	%	Abs.	%
Other European countries	**2.278**	0,46%	**209**	**0,30%**
Albania	150		12	
Belarus	99		12	
Moldova	130		16	
Russian Federation	1.250		95	
Ukraine	649		74	

G	Companies		Founders	
	Abs.	%	Abs.	%
Africa	**2.456**	**0,49%**	**103**	**0,15%**
Algeria	44		2	
Ivory Coast	-		2	
Cameroon	29		4	
Democratic Republic of Congo	23		1	
Ethiopia	20		-	
Ghana	49		2	
Gabon	-		1	
Gambia	-		3	
Kenya	38		5	
Morocco	85		1	
Nigeria	351		19	
Senegal	-		1	
Somalia	42		16	
South Africa	212		2	
Zimbabwe	23		-	
Sudan	22		1	
Tunisia	156		10	
Egypt	1.173		30	
Libya	-		3	
Other	189		-	

H	Companies		Founders	
	Abs.	%	Abs.	%
The Americas	**2.041**	**0,41%**	**100**	**0,02%**
Argentina	146		2	
Brazil	272		15	
Bolivia	-		1	
Canada	189		5	
Chile	72		4	
Colombia	93		7	
Cuba	47		5	
Dominican Republic	63		4	
Ecuador	31		1	
Guatemala	25		1	
Mexico	103		7	
Nicaragua	-		2	
Peru	82		7	
USA	734		33	
Uruguay	30		-	
Jamaica	-		1	
Venezuela	75		5	
Other	79			

I	Companies		Founders	
	Abs.	%	Abs.	%
Asia (excluding Turkey and Cyprus)	**8.531**	**1,72%**	**835**	**1,20%**
Afghanistan	372		136	
Azerbaijan	64		5	
Bangladesh	144		24	
Armenia	165		15	
Cambodia	39		-	
Sri Lanka	42		2	
China	1.920		46	
Taiwan	119		3	
Georgia	147		13	
India	1.191		71	
Indonesia	38		4	
Iran	1.241		141	
Iraq	274		58	
Israel	200		10	
Yemen	-		1	

Japan	254		7	
Kazakhstan	87		11	
Jordan	51		3	
South Korea	160		8	
North Korea	-		1	
Kyrgyzstan	34		44	
Lebanon	151		4	
Malaysia	24		-	
Myanmar	-		2	
Mongolia	40		8	
Nepal	44		2	
Pakistan	451		45	
Philippines	149		8	
Vietnam	179		8	
Syria	394		114	
Tajikistan	36		1	
Thailand	274		33	
Uzbekistan	121		7	
Other	126		-	

J	Companies		Founders	
	Abs.	%	Abs.	%
Oceania	**235**	**0,05%**	**12**	**0,02%**
Australia	183		9	
New Zealand	44		3	
Other	8		-	

K	Companies		Founders	
	Abs.	%	Abs.	%
Unknown	4		5	

Public Support for (Migrant) Entrepreneurs in Austria

Subsidies play a special role in Austria. They are offered in various branches and regions of Austria. The support offered applies to all companies, including those with a migration background. Funding is usually understood to mean financial support in very different forms, often provided by public authorities or related bodies. There are grants at federal, state and regional level. These grants are used to pursue economic or political goals.

Subsidies for companies are primarily intended to strengthen Austria's innovative strength. It is also intended to support the areas of technology and research. It is also intended to facilitate the establishment of a new company or start-up and thus entrepreneurship in Austria's regions. The same also applies to the establishment of companies within Austria's regions, which is partly also supported.

The different types of funding:

- Investment grants - cash grants, which usually do not have to be repaid.
- Subsidised loans - interest rebate in the form of a more favourable interest rate on loans.
- Small loans, especially for start-ups. Loan amount: 10,000 Euro to 500,000 Euro.
- Loans for growth and innovation projects in company takeovers or start-ups; loan amount: 300,000 up to 30 million Euro.
- Assumption of liability for credits and loans.
- Venture capital / equity investments.
- Support for advisory services

Support and development programmes, especially for migrants

Support offered by the Austrian Federal Economic Chamber

The Austrian Chambers of Commerce, as representatives of all companies in Austria, offer a comprehensive range of services. Each of the 9 regional chambers has a promotion service that supports in finding and applying for a subsidy. The Start-up Service offers information and advice and regularly organises events, including special events for entrepreneurs with a migration background.

The regional chambers of Upper Austria, Styria, Tyrol and Vienna offer their own contact partners for entrepreneurs with a migration background.

The multilingual information offer includes 10 languages: Arabic, Bosnian / Croatian / Serbian, English, Italian, Polish, Romanian, Slovakian, Slovenian, Turkish, Hungarian, etc. (https://www.wko.at/site/mehrsprachige_info/start.html)

Topics of the multilingual information

Legal information:

- Modification of installations subject to authorisation
- Waste management in enterprises
- Supported energy consulting for companies
- Checklist - The way to an operating facility approval
- Information on the Packaging Ordinance 2014
- Delegation of female employees of companies based in EU/EEA countries to work in Austria

Taxes, duties and human resources

- Current values - income tax/corporation tax
- Small business regulation- the home office
- Requirements of an invoice
- Value added tax
- Social security for small traders
- Social security for traders
- The Basic Flat Tax

Establishing and operating companies

- New online guide for personal care operators: Individual information on business registration and FAQ
- Certificate of competency
- Business registration
- Business practice by companies from other EU/EEA countries in Austria
- Steps in setting up a business
- Establishment of a branch office in Austria by EU/EEA entrepreneurs
- Practice of a trade by third-country nationals, asylum seekers and stateless persons in Austria
- Leaflet Personal Care

Funding programs

Mentoring for migrants

The project, which is run jointly by the WKO, AMS and the Austrian Integration Fund, supports qualified persons with a migration background in entering the Austrian labour market by bringing together mentees with a migration background with mentors.

Migrant Enterprise - Business Agency of the City of Vienna

The Business Agency's start-up service now provides advice in more than a dozen languages. And the range of consulting services and the opportunity to expand networks have also been expanded in recent years. The Business Agency's website offers its own advisory service for start-ups with a migration background.

Business start-up consulting MINGO of the Vienna Business Agency - Consulting for start-up companies with a migration background

Up to five consulting hours can be used free of charge if the company is founded in Vienna. If the company has already been founded, the total duration of self-employment may not exceed five years and the entrepreneur or founder may not be a member of the AMS Business Start-up Programme.

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