



Business Start-Up Programme, Austria

What?

The objective of the Business Start-up Programme (*Unternehmensgründungsprogramm* – UGP) is to support unemployed people in starting their own business. The programme is operated by the Austrian Public Employment Service (AMS) and participants must be registered with the AMS as unemployed, or looking for work. They must also be interested in starting a business, have a specific business idea and relevant professional experience and skills.

Why?

The programme was developed in response to challenges faced by the AMS in supporting unemployed people who considered self-employment. In order to qualify for unemployment benefits, one must declare to be available for work. Those interested in becoming self-employed, however, risked losing unemployment benefit because they would be unavailable to work in the process of business start-up. Hence, the unemployment benefit system discouraged people from considering self-employment as a way of returning to work.

Key activities

The programme was launched in 1995 as a pilot but eventually rolled-out nationally. The UGP offers an integrated support package, comprising training modules, workshops, business advice and counselling, in addition to financial support to cover general living expenses during the early stages of business development. The support is delivered in co-operation between the AMS and external management consultants. The AMS decide on the extent and type of services in each Federal State while the external consultants are contracted to implement the support programme. After the initial pre-screening of the business idea by AMS officers, clients are referred to an external consultant. The support is structured into four phases: clarification, preparation, realisation and follow-up. At the clarification phase, the consultants check the feasibility of business idea, select those suitable for support and identify clients' training needs. During the preparation phase, the clients develop their business ideas and financial plans, and are assessed on skills needs, through meetings and optional workshops. In the realisation phase, the clients launch their business and receive a start-up allowance for two months in addition to optional business consultancy. The final phase involves monitoring of business activities. Clients are offered four consultancy sessions within two years of start-up.

Impact

Between 2006 and 2014, approximately 65 000 unemployed people started a business within the programme. In 2013 and 2014, 5 074 and 5 167 clients, respectively, created a business. Evaluations show that the programme has been successful in helping unemployed people start businesses and develop them into sustainable and growing businesses. In 2006, the start-up rate for programme participants was 75% and this increased to 83% in 2011. Business survival rates for one-year and three-years have increased over the last decade, while the five-year survival rate has been relatively constant. Moreover, the survival rates of businesses supported by the programme have surpassed the survival rates of the overall business population. The evaluations also demonstrate that business start-ups supported by UGP create employment for others.

This case study was adapted from material published in: OECD/EU (2016), Inclusive Business Creation: Good Practice Compendium, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264251496-en> [1]

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