



Der Mikrokredit, Austria

What?

The integrated scheme provides microcredit and business counselling to unemployed people interested in returning to work through self-employment. Those at risk of losing their job are also eligible.

Why?

Insufficient access to finance is a significant barrier for unemployed people when starting or maintaining self-employment. The scheme provides support during business start-up and is designed to facilitate access to credit and to finance investments without collateral requirements. An eligibility criterion is that the applicant has restricted access to the regular credit market, which ensures additionality of the scheme and also minimises deadweight effects.

Key activities

The scheme is financed by the Ministry of Labour, Social Affairs and Consumer Protection, with contributions from private banks. It is implemented and managed by ÖSB Consulting GmbH in co-operation with Austria *Wirtschaftsservice* GmbH (a public business development bank), Erste Bank, *Sparkassen* and CARE. Eligible applicants are those who are unemployed but have a plausible, viable and sustainable business idea and participate in the *Unternehmensgründungsprogramm* (UGP) ('Business Start-up Programme') of the Public Employment Service (PES). People threatened by unemployment or poverty, and atypical workers and disadvantaged people in the labour market are also eligible. Applications are made online. Counsellors from ÖSB Consulting GmbH assist in the preparation of the application, including all documentation (e.g. business plan and financing plan) by phone, e-mail or in person. When the credit commitment is given by the banks in co-operation with the Ministry, the client is further supported via e-mail, telephone or personal coaching by consultants. Microcredit can be used for all investments and operating resources. The banks provide a credit of up to EUR 12 500 to individuals and up to EUR 25 000 to business partnerships. The maximum term of the credit is five years, and there is a grace period of six to nine months. A fixed interest rate for the entire term is guaranteed (three percentage points above the three-month Euribor rate). There are no processing fees. The scheme was launched in May 2010 – initially as a pilot action and limited to Vienna and Styria – by the Federal Ministry of Labour, Social Affairs and Consumer Protection. In 2011, the scheme was extended and is now

available in all Federal provinces of Austria.

Impact

Evaluation evidence shows that approximately 90% of the accepted applicants were still self-employed at the time of the survey (Spring 2013). A lack of industry experience was the major cause of failure for the remaining 10%. On average, enterprises that received support created 0.4 additional workplaces. One-fifth of the accepted applicants stated that they would have started-up without the microcredit, but indicated that they would have relied on financing from family and/or friends.¹

*This case study was adapted from material published in: OECD/European Union (2015), *The Missing Entrepreneurs 2015: Policies for Self-employment and Entrepreneurship*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264226418-en> [1]*

¹Oberholzner, T. (2013), “*Evaluierung des Programms ‘Der Mikrokredit’*”, Austrian Institute for SME Research.

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Links

[1] <http://dx.doi.org/10.1787/9789264226418-en>