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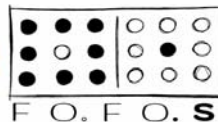
**Desk study report on:
State of the art of Self-Employment in Austria**
(Project Deliverable 2.1 English)

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1 Introduction

This desk study report on the state of the art of self-employment in Austria is a part of a project called *Self-Employment*, i.e. “*Guidance and counselling for self-employment*”. The aim of the whole project is to identify the location and the value of guidance and counselling services aimed at people considering self-employment. The project partners are from Poland, Romania, Finland and Austria. In the whole project we define self-employment as a one-person company.

The importance of research on self-employment is obvious, taking into account that micro, small and medium-sized enterprises represent 99 % of all enterprises in the EU and provide around 65 million jobs and contribute to entrepreneurship and innovation. (SME Definition 2003.)

Though in the European Commissions definition for small and medium-sized enterprises the self-employment (one-person companies) are not mentioned. The European commission presents following definitions (SME Definition of DG Enterprise and Industry):

Medium-sized enterprises have fewer than 250 employees. Their annual turnover should not exceed 50 million Euro or their annual balance-sheet total should be less than 43 million.

Small enterprises have between 10 and 49 employees. They should have an annual turnover not exceeding 10 million Euro or an annual balance-sheet total not exceeding 10 million.

Micro-enterprises are enterprises, which have fewer than 10 employees and an annual turnover or annual balance-sheet total of less than 2 million Euro.

The main target groups of the self-employment project are 1) *students* that have just graduated and will soon graduate who consider self-employment, 2) *unemployed* people that consider self-employment, and 3) *people that are working* somewhere else at the moment, but consider self-employment as a future option.

The main research question in this desk study report on Austria is: *What is the state of the art of self-employment in Austria?*

This research question can be divided into the following three sub-questions:

How is self-employment defined in Austria?

What kind of national support for and actions on self-employment are there?

What national and international research has been made on self-employment?

The first sub-question will be answered in chapter two. The second sub-question is discussed in chapter three and the third one in chapter four. In chapter five a summary and conclusions will be presented.

2 Descriptions and definitions

2.1 Austria in the context of self-employment

Economic environment and population

Small and medium sized enterprises dominate the economic environment in Austria. The Austrian Institute for SME Research estimates a number of 252.400 companies in 2004 with an average size of 6.3 employees (without agriculture and personal services). The institute shows the following economic structure, those businesses are related to: industry and craft 31%, trade 30%, tourism 18%, information and consulting 15% and infrastructure and traffic 6%.¹

The central organisation of the public social insurance system (Hauptverband der Sozialversicherungsträger, HSV) shows the following data about companies in 2004: 85.5 % of the companies employ 1 to 9 persons, 13.4 % a number of 10 to 49, 2.7 % from 50 to 300 and 0.4 % more than 300 persons (data about companies with 0 employees is not available in Austrian statistics).²

According to the Austrian Chamber of Commerce around 203.900 companies have been set up during the decade from 1993 till 2002, and a raising dynamic can be seen since 1996.³

The quota of self-employment according to EUROSTAT has been 10.9 % including agriculture and 8 % without agriculture in 2002. From altogether 408.000 persons in self-employment, 229.000 work in the field of services, 126.000 in agriculture and 52.000 in the field of production. Referring to self-employment a quota of 53.2 % of one-person-companies without employees is estimated for the year 2000. Around 25 % of all self-employed persons have been unemployed before the founding of their one-person-company.⁴

According to AUSTRIA STATISTIK the total population in Austria in 2003 was 8.117.754. All together 3.320.300 households include 1.050.600 single households (quote: 2.4 persons / household). In February 2004 the number of employees in Austria was 1.459.758 woman and 1.662.616 man, together 3.122.374 persons (BMWA⁵).

According to the Austrian Chamber of Commerce the structure of qualification of employees is like follows:

¹ www.kmuforschung.ac.at

² www.hauptverband.at

³ Hauth, A. (2003), Unternehmensgründungen in Österreich 1993-2002

⁴ Studie Neue Selbständigkeit - Atypische Beschäftigung als Chance für den Arbeitsmarkt (2002)

⁵ Austrian Ministry of Economics and Labour, BMWA

	1981	1991	2000
Highest level of qualification	%	%	%
Universities and equal qualifications	4,7	7,2	9,6
Higher schools providing vocational education	4,0	5,6	9,7
General higher schools	3,4	4,3	6,4
Middle schools providing vocational education	11,8	13,0	11,3
Apprenticeship Training	35,5	40,5	41,5
Obligated school	40,6	29,4	21,4
In absolute numbers	3,411.521	3,684.282	3,917.700

According to preliminary computations for AUSTRIA STATISTIK economic growth in Austria has been 2.0 % in 2004.

The nominal gross domestic product for the years 1999 – 2004 has been in Mia. EUR:

1999	2000	2001	2002	2003	2004
200,0	210,4	215,6	221,0	226,1	235,1

The inflation rate for February 2005 has been 2.8 % which is a bit below January 2005 und December 2004 (each 2.9 %), but higher then in Autumn 2004 (November and October each 2,6 %, September 2,1 %).⁶

Demographic environment

According to the database of the Austrian Institute of Economic Research (Österreichisches Institut für Wirtschaftsforschung, WIFO) the population in Austria amounted 8.078.500 persons in 2003. The number of children born was 75.898 (-1.8 % referring to 2002). The number of persons getting the Austrian citizenship rose continiously to 24.1% and amounted 44.694 new Austrian citizens (around one third based on birth in Austria). Compared with the year 2000 the number of new citizens has nearly doubled.

In 2003 the quota of working population was 72.1% referring to man between the age of 15 and 65 (+0.4 compared with 2002) and 67.5% referring to women between 15 and 60 (+0.9% compared with 2002).⁷

⁶ vgl. www.statistik.at

⁷ AMS Arbeitsmarktlage 2003 – Jahresbericht

Juridical environment

The Austrian law does not define self-employment obviously, meaning that different definitions have to apply to taxation, social insurance and labour regulations. The law of taxation for income (Einkommenssteuergesetz, EstG) applies to self-employed persons having independent income based on professional services as well as to self-employment in the field of trade and businesses. The local taxation authorities establish a person being self-employed in relation to its declaration of taxes.

The situation regarding work and income shows many parallels between one-person-companies and so called "new self-employment". Those persons working without trading licence on the basis of a contract of manufacture are an insured party according to the Austrian law concerning social security issues (Gewerbliches Sozialversicherungsgesetz, GSGV). Due to the regulations of contracts of manufacture persons in new self-employment have for the most part an obligation to be an insured party as well.⁸

The Austrian law for supporting the foundation of new companies (Neugründungsförderungsgesetz, NEUFÖG) is part of the taxation reforms of 2000 and can free from diverse costs of founding and transmitting a company as well as supplements to wages and salaries in the first year, independent from a foundation as trade company, freelancer or farmer.⁹

Geographical environment

According to the data of the Austrian Rating Agency (Kreditschutzverband von 1870, KSV), foundations of companies from 1998 to 2001 have taken place in the states of Austria as shown in the following table. Whereas the number of foundations in the city and state of Vienna rose strongly in 2000 the table has to report a clear drop again in 2001. All other states of Austria show a continuous increase of foundations. According to KSV Austria altogether increased the number of foundations in the decade from 1993 to 2003 by 90 %.

States in Austria	1998	1999	2000	2001
Vienna	4.929	5.124	8.005	6.145
Lower Austria	3.860	4.685	4.528	5.351
Styria	2.561	2.805	3.286	3.781
Upper Austria	2.638	3.059	3.307	3.313
Tyrol	1.611	1.705	1.816	2.134
Salzburg	1.343	1.484	1.624	1.975
Carinthia	1.222	1.268	1.371	1.499
Vorarlberg	973	1.059	1.072	968
Burgenland	585	765	753	869
Foundations in Austria altogether	19.722	21.954	23.762	26.035

KSV reports that the amount of foundations in 2002 decreased little to 25.828 whereas it has grown again in 2003 to 28.237 foundations.¹⁰

⁸ AMS Info 50

⁹ www.diegruender.at

¹⁰ www.ksv.at

Political environment

The Austrian Labour Market Service sums up due to a secondary literature study and several interviews (see AMS report 19) that politically there is a need of action and urgency because of a transition of atypical work from a sociopolitical side issue to normality, often related to unsatisfactory social security and income. Furthermore economical, social and cultural gender inequality is forced by this developments due to an extreme shaping of fields, atypical work is done differentiated by gender.

Considering an increase of employment, success can only be seen conditionally, the report mentions, when the number of full-time jobs decreases at the same time. This is what is happening actually in Austria constantly since 1995.

In its "AMS report" of 1999 the Austrian Labour Market Service can not find a political will that is orientated on a minimum of agreement. The assesment of atypical work is in the same way very different as the strategic political orientations. Considering a high unemployment rate and decreasing working volume options can rather be seen on the side of the companies.

On side of the labour union the most active representation of interests for one person enterprises and atypical employment ist work@flex of GPA. In an open letter GPA makes aware about 50.000 persons in Austria with a free contract of employment or contract of manufacture which means without collective agreements nor beeing protected by the labour laws. One of the central points the labour union is demanding lies in the social insurance for the group of persons mentioned.¹¹

Labour market policy in Austria are more and more developing their active performance components compared with passive services by the state as the following developments between 2000 and 2003 clarify (the numbers given in Euro and percentage are related to the total expense in Austrian labour market policy):¹²

	2000	2001	2002	2003
Passive Services (in Euro) earnings-related benefit and other financial support	2.635 Mio 62%	2.683 Mio 56%	2.434 Mio 49%	2.524 Mio 55%
Active Services (in Euro) counselling, training and other active support	771 Mio 18%	946 Mio 20%	1.079 Mio 22%	1.420 Mio 31%

History

In the U.S. the first centre of entrepreneurship has been founded in 1930 in Harvard to deal with the issue form a scientific perspective. Only six decades later this development has reached the German speaking university system with the opening

¹¹ www.interesse.at

¹² BMWA, Arbeitsmarktpolitik in Österreich im Jahr 2003 – Analyse, Prognose, Forschung

of the first department for entrepreneurship at the European Business School in Östlich-Winkel (Germany) in 1997.

Both cornerstones of entrepreneurship, technology and economics, are on a very high developed level in Austria, what can be seen by the number of scientific publications per inhabitant. For 1 million inhabitants 703 scientific reference articles are published compared with 609 in the EU average or 480 in Japan. The U.S. lies in front of Austria with a number of 738. Nikolaus Franke from the university of economics in Vienna considers a non sufficient ensemble acting of technological ideas and economical know-how to be the main obstacle for stronger innovations in foundings of companies.¹³

2.2 Self-employment in Austria

Definitions

One-person-companies can belong to group 1) having a trading licence and no employees, group 2) persons in “new self-employment” having no trading licence and no employees or group 3) working as classical freelancers (i.e. architects, lawyer etc.) without employees. The view given below is concentrated on the work of these first two groups.

1. One-person-companies with a trading licence

This group contains all individual enterprises having no employees. The trading licence is connected with an obligatory membership in the Austrian Chamber of Commerce. 37 % of all business establishments are assigned to this group.

2. New self-employment

The Austrian law defines the legal form of new self-employment in the contract of manufacture only. Persons in a free contract of employment are seen as employees. Though in the current development of the labour market in Austria, one-person-companies are still a diffuse group in a “grey area” of self-employment, where both groups, persons in a contract of manufacture and persons in a free contract of manufacture fulfill, as formal self-employed contractors, activities that correspondent to those of employees in a classic sense.

The Austrian Labour Market Service defines normal employment to be a full-time job with a permanent perspective being completely in the system of the welfare state. The following indications of definitions consider work being different to normal employment, that can apply to one-person-companies but not necessarily has to. At the same time it shows the current status of developments around names and definitions of micro-enterprises in Austria.¹⁴

2a Persons in a contract of manufacture are those who do not get paid by their hours of work but have an obligation to fulfill some work or product defined in a contract. The risk of being able to fulfill the contract is on the side of the self-employed person that besides has to take care about his own means of

¹³ Franke, Nikolaus, in Journal für Betriebswirtschaft (2002)

¹⁴ Endbericht abif “Atypische Beschäftigung – Merkmale und Typen von Prekarität” (Juli 2002)

production. Those persons have to get in a social insurance system by their own and have no demand for vacation or christmas pay.

2b Persons in a free contract of employment are not subject to directives but have to fulfill a target agreement which is fixed in a contract. In contrast to a contract of manufacture, a free contract of employment is based on a constant contractual obligation.

A **dependent** form of **self-employment** is given when a contractor is dependent from only one contract awarder and has little autonomy concerning his work, contract, working place and time or payment. Franchising is seen on the border of this type of dependent self-employment.¹⁵

Franchisee is seen close to dependent self-employment.

Statistics

The statistical database in Austria referring to micro-enterprises and self-employment missing comparable methods of measuring, has different reference basics or misses data at all (0 – 9 employees is the current level of inquiry).

Statistics at the moment cannot make a difference between one-person-companies and self-employed persons with employees. To compare the number of persons in self-employment with employees, the Austrian social insurance shows the following numbers.

Contributors to the social insurance in annual average:

1993	total number:	5.311.351
	employees:	4.819.825
	self-employed:	491.526
2003	total number:	5.924.560
	employees:	5.247.120
	self-employed:	677.440

In 2003 the annual report of the Austrian Labour Market Service about the labour market shows decreasing developments of self-employment in the field of agriculture. In a balanced gender relation all persons working in this field in Austria as self-employed have been 108.000 in 2003 compared with 240.000 around 20 years ago. The amount of persons beeing self-employed in the trade sector rose from 224.900 in 1983 to 273.200 in 2003, in a relation of around one third of women and two third of men.

Stated with a slight decrease the Austrian Labour Market Service reports about 23.684 persons with free contracts of employment in 2003 on a balanced level concerning gender.

¹⁵ AMS Info 50

Based on more than 500 interviews with persons in new self-employment and freelancers the Austrian Trade Union Federal (Österreichischer Gewerkschaftsbund, ÖGB) with its project "flexpower" shows a quota of 57 % of women in atypical work and an overall quota of 45 % in the age between 25 – 35 years.

59 % of women and 57 % of men asked in the study feel themselves forced to atypical work due to the situation on the labour market – a quite remarkable result referred to the a very high quota of graduates taking part in the study. The average net income is 1.083 Euro a month for men and 958 for women.

In Austria persons with a contract of manufacture and persons with a free contract of employment are summarized as the group of new self-employed persons since 1996. The AMS report 19 shows an amount of 17.500 new self-employed persons in 1997, representing 0.5 % of employees. A representative study on behalf of AMS shows that in 1999 already 1 % of all employees can be seen as new self-employed persons, with a distribution of 0.6 % (around 38.000 persons) working with contracts of manufacture and 0.4 % (around 23.000 persons) with free contracts of employment.¹⁶

In the field of company foundations in Austria, the university of economics in Vienna estimates an amount of 30.000 in 2003, including around two third of them (20.000) as one-person-companies.¹⁷

The following data of the Austrian Chamber of Commerce shows the number of company foundations along ten years till 2002.

Year	Foundations in Austria
1993	14.631
1994	14.306
1995	14.161
1996	19.843
1997	21.706
1998	19.722
1999	21.954
2000	23.762
2001	26.035
2002	25.828 (estimated)

Data referring to 2000 show a main field of foundations in tourism with 54.3 % followed by trade with 27.2 %, crafts and services with 11.5 %, transport, traffic and telecommunications with 5.4 % and 1.6 % in the field of industry, banking and insurance companies.¹⁸

The Viennese Business Promotion Funds (Wiener Wirtschaftsförderungsfonds, WFFF) Service for Women shows fields in which women like to start their self-employment, based on 2.200 consultations between the start of this service in 1999

¹⁶ AMS report 19, p. 27

¹⁷ Mugler, J. in "Neue Kronen-Zeitung", 14.08.2004

¹⁸ www.diegruender.com

and 2004. Around one third of the women intend self-employment in the field of economical services like accounting or office services in general, data processing or advertisement agencies. 15 % intend to found a company for trade and 14 % a company in the field of social services like work with children, consulting for life and social matters or mediation. For each field 8 % want to be self-employed in tourism and crafts. The remaining 26 % can be seen as new self-employed persons without a licence of trade, working in fields of language training, yoga or dancing or trainers in the field of wellness.

Besides to foundations of new companies, there is an upcoming need estimated referring to the succession in the management of small and medium-sized enterprises in Austria. About one quarter of SME in Austria has to find a new management till 2013 what is a number of 51.500 companies with 440.000 employees.¹⁹

Following information of the Austrian Research Institute for SME companies with less than 10 employees are particularly affected by this matter in business succession. Looking a business succession referring to a one-person-company the institute rather expects new foundations instead of a succession.

Political aspirations connected with one-person-companies

In Austria company foundation is distinguished into free and regularized businesses. Both have to be registered at the commercial authority. After this the social insurance and the Austrian Chamber of Commerce is contacting the founder. A company must belong to both institutions which is connected with fees.

After having registered the new business at the commercial authority, a self-employed person must apply for a taxpayer identification code at the responsible tax authorities and has to organize accounting for income and spendings, which has to be a balance sheet from a certain amount of profit or turnover. There are deadlines for the tax return as well as for taxes and fees. As soon as the own data processing contains sensible data about persons, the company has to be registered at the register for data processing and sign an agreement for the handling of these data. As soon as the company has employees it is in its responsibility to point out any kind of dangers and evaluate the working places from a certain number of employees on. There are additional regulations for companies working in the field of hygiene or goods and certain controls that have to be allowed.²⁰

Personal requirements of founding a company are independent of a free or a regularized business. They are referring to the Austrian Chamber of Commerce:

- Completion of the 18. year of life, being completely competent
- Austrian citizenship, citizenship of another country of the EU or European economic area. Other persons have to have a residence permit in Austria which allows to be self-employed
- No condemnation in front of judge due to frauds, damage of creditors, preferential treatment of creditors or negligent disregard of interests of

¹⁹ "Wiener Zeitung", 07.10.2004, p. 25

²⁰ www.gruenderservice.net/WKO

creditors; no condemnation in front of judge leading to a prison sentence of more than 3 months or more than 180 daily rates as long as these sentence is not wiped out

- No condemnation due to a financial offence in the last 5 years
- No withdrawal of a trading licence through a judgement
- Certain regulations referring to a former bankruptcy
- A suitable location where the where the commercial enterprise is allowed

Push and pull factors to become an entrepreneur

According to a study of the research institute abif about new self-employment two main directions of motivation to become self-employed are identified: the economy of need (pull) and the economy of of self-realization (push). Besides of those persons following an economy of need into self-employment due to missing realistic and acceptable alternatives in the labour market, work as such can be regarded as economically necessary. This explains that self-employment is based on both, the economy of need and the economy of self-realization.²¹

The report of abif provides an overview about the state of the art on research in the field of factors regarded as relevant to the personality behind different field of businesses in self-employment:²²

Achievement motivation

Older as well as recent studies show a stronger achievement motivation of persons in self-employment then employees.

Self-determination

Studies prove that founders and businessmen have a strong interest in self-determination and do not want to be determined by others.

Assumption of risk

Not to risk the most, but having the sense for assumption of risk in average, is regarded as most suited for self-employment.

Orientation in problem solving

Compared with employees persons working self-employed show a stronger orientation in problem solving.

Forcefulness

Similar to the assumption of risk it is regarded as most suited for self-employment to have an average of forcefulness which enables to carry through business ideas and on the other way is orientated on co-operation and integration.

Referring to gender differences the final report of abif shows a picture about Austria similar to one-person-companies in Germany. The German institute of resarch for medium-sized enterprises stated in 1999 that 46 % of men in self-employment and 59 % of women in self-employment have no employees. In Austria this is shown

²¹ Endbericht abif "Atypische Beschäftigung – Merkmale und Typen von Prekarität" (Juli 2002), p. 43

²² Endbericht abif "Atypische Beschäftigung – Merkmale und Typen von Prekarität" (Juli 2002), p. 36

especially in foundations where a significant worse financial starting position is accompanied with a lower size of new founded companies compared with men.

Gender differences can besides be identified looking at the motivations to work in self-employment. A foundation of a company is motivated more in personal ambitions and self-realization at the side of women, while man more often expect financial advantages from being self-employed.

The résumé the final report of abit draws referring to studies on obstacles for potential founders has five different assignments:

- Economical barriers (i.e. foundation capital or missing demand on the market)
- Barriers in law (i.e. proof of ability)
- Barriers in society (image of management)
- Barriers in infrastructure (i.e. obtaining of information)
- Personal and psychological barriers (i.e. sense of responsibility)

The Austrian Trade Union Federal (Österreichischer Gewerkschaftsbund, ÖGB) and the chamber of workers (Arbeiterkammer, AK) have a common consulting project called "flexpower" where there has been realized a study on atypical employment with 528 persons in 2002. The results are the the first comprehensive data material in Austria informing about questions around atypical employment in detail.²³

Almost 60 % of persons asked see themselves forced into atypical employment due to the situation on the labour market. A large part of persons asked has been dependent to one single enterprise, 80 % in case of persons having a free contract of employment and 63 % of those with a contract of manufacture. 70 % of persons asked see difficulties with atypical employment in case of illness, unemployment and pension. Around one half of the persons asked tend (again) to a normal employment and nearly one third to self-employment. Almost throughout all a strong lobby for atypical employment is missed in Austria.

A study by the Austrian Institute for Development Planning on behalf of the Austrian Labour Market Service identifies motivations for atypical employment.²⁴

5 % of the persons asked being atypical employed with a free contract of employment say that they have had no other perspective on the labour market. This statement is given by 19 % of the persons asked with a contract of manufacture and has its highest answer with 52 % from persons being in casual labour.

Significant higher motivations for a contract of manufacture have been identified in the group of beginners or persons in professional re-entry. Persons asked with a contract of manufacture belonged in 42 % to the group of beginners (30 % referring a free contract of employment) and in 17 % to the group of persons in a professional re-entry (2 % referring to a free contract of employment).

²³ www.interesse.at

²⁴ Atypische Beschäftigungsverhältnisse – Entwicklungstrends und Handlungsoptionen (1998) table 1, p.15

3 National support for and actions on self-employment

Austria provides national and regional programs with different target groups. A comprehensive program for foundations including seminars and consulting is offered by the Austrian Chamber of Commerce as well as a service for founders offered by the Austrian Ministry for Labour and Economics. The Austrian Labour Market Service is able to finance the participation of unemployed on programs for foundations. Besides several competitions on business plans are held. An interesting perspective for founders is as well the possibility to establish their businesses in one of the numerous local centers for foundations.²⁵

The following programs and initiatives for supporting self-employment and one-person-companies can not follow the approach of completeness. It is rather intended to offer a comprehensive overview that on the one side largely avoids repetitions of services and on the other side should also show where programs and initiatives are still missing in Austria's economy. It is especially remarkable that most of the support and actions showed in the following chapters are not orientated on the needs of one-person-companies in special but rather follow the the goal of founding companies in order to create jobs, unconsidered if a founder wants to employ other persons or not.

3.1 Regional or local initiatives

The organisation of supporting economy in Styria (Steirische Wirtschaftsförderung) has established a fair for founders in Graz beginning in 1999 that meanwhile became a central point to meet the scene of foundations in Austria.²⁶

The state Styria has established an own center of foundations especially for women. As a non profit organisation the center provides counselling and qualification for women on every stage of their foundation process, as well as business angels and business mentors, offers platforms for networking and own business rooms for women.²⁷

In the city and state of Vienna the Viennese Business Promotion Funds (Wiener Wirtschaftsförderungsfond, WWFF) is active in several services including an own service especially for women, programs for supporting creative industries and own centers of technologies.²⁸

The Chamber of Commerce in Vienna organises the "Vienna evening for microbusinesses 2005" in spring 2005. The event is organised by the chambers departments for social policy, law and finance and focusses especially to businesses with not more than one employee.²⁹

The state Salzburg established the initiative "women and work" together with the Austrian Labour Market Service and the Chamber of Work (Arbeiterkammer, AK).

²⁵ Studie Neue Selbständigkeit - Atypische Beschäftigung als Chance für den Arbeitsmarkt (2002)

²⁶ www.gruendermesse.at

²⁷ www.gruenderinnenzentrum-stmk.at

²⁸ www.wwff.gv.at

²⁹ www.wkw.at

The offer concerning counselling and seminars aims to strengthen the professional identity of women who:

- Want to re-entry in their profession,
- Change their professional orientation,
- Need information about further education and legal framework
- Look for support in consistency of work and family³⁰

3.2 Supporting

Referring to the database for business support of the Austrian Chamber of Commerce (January 2005) this chapter shows exemplary supporting services in financial issues. Other financial support can also be received at the following institutions: Bürges-Bundesförderungen, ERP-Bundesförderungen, FFF Technology, FGG Finanzierungsgarantien, Innovationsagentur Technologieförderungen, ÖHT Tourismusförderungen und Kommunalkredit Austria.

Austria (including the state of Vienna)

Austria Wirtschaftsservice GmbH

- Double equity guaranty funds
Supporting financing by doubling equity capital
- Equity capital guaranties
Improvement of the financial structure of small and medium-sized enterprises
- Foundation bonus
Supporting foundations of competitive small enterprises of young founders
- Innovation program
Improvement of the innovative potential of small and medium-sized enterprises
- Action for micro trade
Facilitation of long-term financing by credits to small and competitive enterprises
- Program for financing technologies
Facilitation of financing by imbedding venture capital corporations

Common action for credits by the city of Vienna and the Chamber of Commerce in Vienna

Investments and bridging loans for temporary illiquid enterprises

ÖHT TOP Support for tourism 2001 – 2006

- part A – investive measures

³⁰ www.frau-und-arbeit.at

Improvement of competitiveness and securing in obtainings, support of foundations in the field of tourism

- part E – Foundations and Transitions of enterprises
Support for foundations and transitions of small and medium-sized enterprises in the field of tourism

Foundation program of the Austrian Labour Market Service
Support for unemployed to become self-employed

State of Upper Austria

State of Upper Austria program for young entrepreneurs
Measures to support the foundation or transition of competitive small enterprises (related to the structural and regional political goals of the European union to enhance employment, dynamic and innovative potential of businesses by strengthen the support of small enterprises)

State of Carinthia

KFW-Guideline “Supporting technology orientated foundations”
Support of foundation and growth of competitive, innovative and technology orientated enterprises.
The program aims to support those enterprises in financing their foundation and first activities in research and development, transfer and product development

KFW-Guideline “small enterprises”
Support of foundations of small enterprises in industry and trade, enhancement of products and processes, increase in capacity, enhancement of productions, investments in context of co-operations

State of Lower Austria

State of Lower Austria model of participation
Improvement of the economical structure of enterprises in Lower Austria, especially in the fields of small and medium-sized enterprises and foundations

State of Lower Austria foundations financing
Program for foundations to develop future orientated products, technologies and services

State of Salzburg

Action for supporting foundations and transitions
Supporting foundations and transitions of competitive small and medium-sized enterprises in the field of trade businesses

State of Styria

Guideline of the Styrian support of business - Action program for foundations and transitions

Building of young enterprises to secure the sustainable strengthening of the economy in Styria and to enable new and qualified jobs

State of Tyrol

WIFÖ-Program of the state of Tyrol

Strengthening of the competitiveness of micro-enterprises

State of Vorarlberg

State of Vorarlberg supporting of young entrepreneurs

Support of foundations and transitions by subsidies in credits

3.3 Services

In Austria the measures of counselling for one-person-companies and foundations should always be seen in a comprehensive context with regional and national initiatives, programs or trainings (please see additional chapters 3.1, 3.2 and 3.4). Several organisations that offer trainings start with individual counselling i.e. and most of the bigger organisations operate on various levels of supporting at the same time like counselling, trainings, networking of financing. Instead of a strict demarcation the chapter 3 tries to see these various levels of supporting at a glance, as i.e. lectures or workshops, as they are shown in chapter 3.4 trainings, can be taken up by any person as a service of counselling without being obliged to take part on a training.

Initiatives working with founders and one-person-companies basically come from the field of non profit organisations as well as private economy, especially business and tax consultants.

Identifying the field of counselling for founders in Austria, ÖSB-Unternehmensberatung GmbH is the leading private consulting company working on behalf of the Austrian Labour Market Service. Furthermore the company supports in tasks of labour policy on behalf of the Austrian Ministry of Labour and Economics and other organisations.³¹

The Austrian Chamber of Commerce offers a service for foundations, transition and franchising. Besides to the online information portal www.gruenderservice.net the chamber holds service points in every state enabling personal counselling for founders.

Furthermore the chamber organises the initiative “women in the economy” which is a platform for contacts and networking as well as information about women specific issues.

³¹ www.oesb.at

3.4 Training

In Austria among others the following organisations are imbedded in supporting and programs for founders and young entrepreneurs: institutions for further education of the Austrian Chamber of Commerce and the Austrian Ministry of Labour and Economy, the private consulting company ÖSB on behalf of the Austrian Labour Market Service, universities etc. and private companies, initiatives and networks.

The methods of education programs are seminars, coaching and counselling. The seminars offered to young entrepreneurs by WIFI are hold as presence programs and as well with methods of e-learning. The foundation service of the chamber offers counselling services that are free of charge or reduced. The initiative GO! Gründer Offensive concentrates on support for preparing business plans and organises information events for further transfer of know-how. The program UNIUN combines information events, lectures, workshops, an own business plan competition and networking events with seminars and coaching.³²

The programs in Austria aim to support founders on their way into self-employment. Unemployed persons are encouraged to found their own company and create their own job as special programs are offered to graduates and assistants in universities. Many programs include kick-off events and workshops to develop concepts for an own company, which enables to take part on competitions for business plans.

The program GO! Gründer Offensive is also a competition for business plans offering the possibility to take part on a training. The general aim of the program is to support foundations that can survive on the market. Trainings all over Austria are besides offered by the GO! Founders Academy on support of the saving banks (Sparkasse). The concept of this academy is to offer three events with each for days concentrated on know-how in business administration and personality development.

Till now the only training program in Austria that is orientated on the needs of one-person-companies is SOLOCOM, that has been funded as a project by the European commission. The method of SOLOCOM is blended learning which combines self-studies with group work in the fields of entrepreneurial thinking and acting, marketing, business plan, accounting and practical organisation. After a successful test phase of three month in the summer of 2004, the program is now developed to be implemented by trainings organisations and other initiatives on the labour market in Austria.³³

Self-employment as a professional perspective is awarded with a increasing importance on the academical level in Austria. The university of Klagenfurt is preparing a certificate for entrepreneurship open to all students that can be acquired by the participation of six additional semester hours organized in two moduls. The starting modul is obliged for all participants and handles with an introduction into business administration, foundations in Austria and getting self-employed successfully. The second modul is a choise of seminars i.e. with the issues of business plans, financial plans or creative techniques.³⁴

³² Studie Neue Selbständigkeit - Atypische Beschäftigung als Chance für den Arbeitsmarkt (2002)

³³ www.solocom.at

³⁴ "Kurier", 11.12.2004

As correspondent degree courses the open university Hagen (Fernuniversität Hagen, Germany) offers two programs in German language, "Getting founder?" and "Start-up counselling".³⁵

"Getting founder?" is conceived as a study of orientation providing insights in the reality of living and working of a founder. The program aims to stimulate an individual discussion with entrepreneurial thinking and acting and self-employment as an alternative to dependent employment. Students are confronted with the following steps:

- Foundation of an own company and life perspectives as a founder
- Individual analysing of the question if self-employment is a professional alternative
- Possibilities to try the first steps into self-employment

"Start-up counselling" is a course providing a comprehensive know-how in the field of counselling founders. Students should diagnose problematic situations in the processes of foundations and develop professional solutions.

The central points of the course are:

- Analysis of founding processes
- Identification of the factors leading to a successful business
- Development of training programs and strategies for coaching
- Assessment of ideas for foundations
- Development of strategies for counselling and supporting founders
- Strategies of self-qualifications

As an initiative of the Chamber of Work funds for further education have been initiated in Austria that offer a co-financing of at least 50 % for measures of professional orientated further education or retraining. The support is open to all employees except of university graduates. The state of Lower Austria is recently the first and only where such support is also enabled to one-person-companies. Since August 2004 one-person-companies have the same right as employees for getting up to 2.180 Euro financial support in general further education in their professional life time and up to 3.633 Euro additionally for specific trainings. A single course is normally supported with up to 730 Euro and in the average the state has approved 415 Euro for each application.³⁶

Initiated by the Austrian Chamber of Commerce the project "entrepreneur driving licence" has been designed especially for pupils. The program aims to strengthen economical knowledge and social skills in an early stage of youth showing economy as an engine for jobs and social welfare of a nation. Besides that the "entrepreneur driving licence" should have a positive impact to economy in general and reduce fear of embarking on something new.

The program is subdivided into four moduls:

³⁵ www.fernuni-hagen.de

³⁶ „Neues Volksblatt", 13.08.2004, p. 4

- General contexts in economy
- Aspects of national economy
- Basics of business administration
- Additional contents of business administration on the level of the test to receive the “licence”

The target group of this programs are pupils at the age from 10 – 19 years.

4 Research made on self-employment

4.1 Internationally

Support Services for Micro, Small and Sole Proprietor's Businesses

On behalf of: European Commission, DG Enterprises

Co-operation partners: European Network for SME Research and other European Partners

Completion: 2002/06

Project management: Sonja Sheikh

The study analyses support services for micro-enterprises in the European union and focuses on the mismatch between the characteristics of the services offered with the specific needs of small and micro-enterprises. The survey is based on the analysis of 335 support services existing in the countries of the European union and Norway as well as 1.200 telephone interviews with micro, small and sole proprietor's businesses.

The study comes to a main conclusion in the importance for creating more awareness about support policy in the future. More than three quarters of the enterprises asked lack information on the existence and availability of support for their respective business. Information rates even decline with the decreasing size of a company. In general European micro-enterprises prefer being contacted directly or even personally visited to gain information about support services. However, this is hardly applied by service providers, which are centralized in most cases and obtainable only with difficulties on a regional or local level.

In opposite to bigger companies a main need on support for micro-enterprises is identified in financial questions, as well as in the fields of accounting and law. However more need of support could not be found in the fields of innovation, management or personal qualifications.

Although the majority of micro-enterprises which have taken up a support service in the last five years before completing the study are satisfied with their experiences, they award to the counsellors only little experience and know-how in their own field of business. The study therefore invites the responsible public authorities to offer service providers better access to information about differences in fields of business in order to secure first class consulting.

Besides to the necessity of quality assurance referred to support services offered the study also shows that a coherent pricing policy of those services is especially important for micro-enterprises.

Self-employment and Becoming Entrepreneurs as Second Career for Dependant Employees

On behalf of: European Commission, DG Enterprises

Co-operation partners: EIM Business & Policy Research, European Network for SME Research

Completion: 2004/01

Project management: Irene Mandl

The study analysis the structural barrier employees are confronted with when they want to change into self-employment. Besides best practices are identified in the countries of the European union that enhance the flexibility of employees to dare the step into self-employment.

The starting point of the study is the significant contribution to the economic development in Europe between 1988 and 2001 with increasing employment in the sector of small and medium-sized enterprises and growth in self-employment, whereas in large enterprises, on balance, jobs were lost. Analysing small and medium-sized enterprises, most jobs were created by micro-enterprises (0 – 9 employees). At the same time these micro-enterprises are characterised by high dynamic, flexibility and innovation, what explains the high interest of governments in the member countries of the European union as well as on the common European level.

The study comes to the result that most of the programs and supports are orientated on foundations and entrepreneurship in general. Besides that a policy of dealing with niches takes place that addresses two main directions: At the one side segments in the population that are underrepresented in self-employment such as women, unemployed persons, ethnic groups or handicapped persons. On the other side target groups are advised by whom a significant potential of growth is expected, such as scientific analysts, technologists and graduates.

The study works out that foundations increased in the years 1995 to 2000, but have been allocated very different to the European nations. Germany at this time showed the highest amount of foundations followed by Ireland, Finland, Spain and Portugal. Belgium and Italy had quite low rates of foundations. The research undertaken shows that one of the most important factors of growth and economical surviving in self-employment is the relevant knowlegde and experience a founder has before the foundation. Further push and pull factors are shown in the study refering to structural fields as well divided into the European nations.

Examination and Evaluation of Good Practices in the Promotion of Female Entrepreneurship

On behalf of: European Commission, DG Enterprises

Co-operation partners: European Network for SME Research and other European project partners

Completion: 2003/03

Project management: Sonja Sheikh

The study identifies information about measures in the field of national support for femal entrepreneurship in the countries of the European union and European economic area, showing as well good practice examples. In every nation between one and 19 measures to support women as entrepreneurs could be identified with an overall result of 132 services. Those measures could be classified into the types of support services (110), institutions (47), information brochures (39), electronic platforms (36) and regular events (29).

In the field of research studies could be assigned as follows: information survey (92), foundations (83), consulting services (81), networking (67), trainings (67), financing (42) and mentoring (41).

The study shows the following main results: the extent of trainings should be further supported, including the development of entrepreneurship. Besides to business skills like accounting and marketing also trainings to strenghen self-confidence of women in self-employment should be improved.

Networking has been identified as a valuable measure for the exchange of experiences and new ideas. Furthermore it can encourage prospective women in business to realize business activities.

The access to credits should be a key element of supporting foundations. In this context banks should be supported to provide micro-credits to femal founders.

Education in entrepreneurship should begin in schooldays. Doing this it is especially important to encourage girls in their ideas to go into business and trust in their own abilities.

New Self-Employment - Atypical Employment as a Chance for the Labour Market

Supported by: Leonardo da Vinci

EU-Project: SOLOCOM

Completion: 2002 (Study)

Project management: Martina Schubert, Forum for Supporting Self-Employment and SME, Vienna

In order to obtain relevant information about the target group the situation of one-person-companies has been shown in state of the art reports in every European partner country of the project. The national results have been summarized in a comparative study. Furthermore programs for founders from different partner countries have been compared.

As the aim of the whole project a training program that accompanies jobseekers on their way into a one-person-company in the field of service businesses has been developed and testet in a pilot training in sommer 2004.

As the group of one-person-companies as such is between employees and self-employment, there are very special requirements in running such a business. As soon as a companies has employees, work is divided up on the basic of different

competences. Being self-employed without an employee means to be responsible for all actions by oneself. Besides to the entrepreneurial tasks as such, a one-person-company is responsible for accounting, marketing, data processing etc. as well. The project SOLOCOM aims to prepare jobseekers for this special situation of a one-person-company.

4.2 In Austria

Female Entrepreneurs in Austria – The current Situation and Possibilities for Development

On behalf of: Austrian Chamber of Commerce, Austrian Ministry of Labour and Economics

Completion: 2005/01

Project management: Eva Heckl

The project is a fundamental research about female entrepreneurship in Austria. Around 30 % of entrepreneurs in Austria are women. This quota of women in self-employment is higher than the average of the nations in the EU and OECD as well.

The study compares the economic development of companies with female and male managers and identifies possible reasons for different performances. Based on the needs of female entrepreneurs the study shows different possibilities for economic policy about how to promote female entrepreneurship.

As a result the study shows the same good results of female entrepreneurs compared with their male colleagues, but still missing framework conditions. Besides to the multiple charges in family, household and profession, education and support after having founded a company is a main aspect of the development of female entrepreneurship.

71 % of the female entrepreneurs in Austria are mothers, of which 33 % have one child, 41% two children and almost one fifth three children. The study comes to the result that therefore one of the most effective measures to take pressure from women working self-employed would be a flexible offering of day nursery and other possibilities as well as the tax reduction for individual services referring to kids.

The study shows a main importance in services for female entrepreneurship after founding a company in the fields of business administration. In their self-assessment the women asked classify their skills in communications and organisation as strong or distinctive. Nearly 90 % assess their knowledge in their field of business and branches as very good. Though the study shows a need of action in questions concerning financing or the fields of taxes and law.

Referred to trainings and counselling in these fields the study recommends to strengthen communication and information about the services and keep in mind possibilities of taking care about the children of female entrepreneurs in order to make it possible for women to attend appropriate further education.

Atypical employment – Typical for the Labour in the Future?

On behalf of: Chamber of Work and Employees in Vienna

Co-operation partner: Flexpower (GPA/Union of Salaried Employees)

Completion: 2003/07

Project management: Angelika S. Laburda, Ulrich Schönbauer

More than 500 persons asked who have claimed the counselling for new self-employment of Flexpower, 60 % said that they did not want to choose this form of employment. Another 50 % want to return into a normal employment. Besides to losses in demands of social and labour law the persons asked complained about their working conditions. Working time and income showed considerable differences in the group of new self-employed persons asked. The average net income per hour is 7.73 Euro.

Amongst the persons asked with a free contract of employment 70 % see themselves forced to work in this legal form. They have a income that is a bit smaller than persons with a contract of manufacture and in most risk areas like illness, accident or unemployment they feel themselves affected stronger. 80 % of those persons asked are in self-employment depending to only one company.

Furthermore the study identifies specific problem groups in the group of persons being in new self-employment such as older persons that are pushed out of the labour market and for whom only this form of employment resists. Another problem exists for women as they earn less than men in new self-employment as well and additionally suffer from lacks in social security. Atypical self-employed persons without graduation are identified as another problem group in the fields of new self-employment.

Entrepreneurial Acting or flexible Reacting? The Situation of New-Self-Employed Persons

In: Austrian Labour Market Service (Editor): Report on the Structure of Qualifications of the AMS Austria for 2001

Authors: Brigitte Mosberger, Karin Steiner

The research institute abif realized on behalf of the Austrian Labour Market Service from December 2000 till November 2001 the project "Entrepreneurial Acting or flexible Reacting? The Situation of New-Self-Employed Persons".

Summarized the research has identified new self-employment as the result of different effects on various levels. On the macro level caused by a structural change and a change of structures in organisations and systems of interacting on the meso level. On the micro level employees are looking for alternative designs of living.

The research base new self-employment on an important part on the attempt to combine work and private life and to realize oneself. The result is a fusion of non working fields with everyday work. From the persons affected this form of employment requires a maximum amount on flexibility and effort.

The research comes to the result that new self-employment is on the same parts motivated by an “economy of self-realization” and an “economy of need”. Embarrassing forms were identified especially referred to self-employed persons with low qualification and dependent from only one company, but also in the group of persons with middle qualification. The majority of all persons asked is not protected against a longer loss of work caused by little jobs or illness. A security for existence is not given in case of unemployment.

In the face of a rising amount of persons being in new self-employment and atypical employment, the research institute regards policy generally asked to secure the social risks of these forms in the same way as it is in normal employment. Besides to the complete inclusion into social security systems the implementation of minimum standards related to the income is faced.

Present University Research

According to the University of Klagenfurt the division of innovation management and foundations of the institute of economic science is currently undertaking among other the following studies:³⁷

Success of new founded Enterprises

Abstract: The research about factors having influence on the success of new founded enterprises are one of the main topics in the work of the division of innovation management and foundations. For this study a representative sample of foundations in the year 1999 and a longitudinal section in 2002 and planned in 2006 should provide data for several analysis, that are divided in main points of content and methods as well. Time period: 1999 – 2006/07

Common Foundation

Abstract. Which factors promote and which prevent success of new and young companies is a central question in the field of research about entrepreneurship. On the research on success determinants the question will be discussed if foundations in a team are more successful than as a single person. The research aims to analyse common foundations in Austria and to identify appropriate success determinants. The center of the analysis are the actions of the persons taking part on common foundations. It shall be identified how persons act when they build up a company together, which behaviour has a potential of success and which actions lead to conflicts and crises. The time period of enterprises analysed are the first six years of the company's development. Time period: 2004/05 – 2006/05

Strategy in SME

Abstract: Based on literature analysis of the research on strategic planning in entrepreneurship a conceptionell model should be constituted that helps to explain the strategic behaviour of young small and medium-sized enterprises. To compare the empirical reality with the suggestions worked out theoretically, a panel of foundations in Austria in 2005 should be analysed. Time period: 2004/04 – 2006/04

³⁷ www.uni-klu.ac.at/iug/html/aktuelle_projekte.html

4.3 What kind of research would be needed

A fundamental need referring to additional research in the field of one-person-companies is to complete statistical inquiry by data about one-person-companies and persons in self-employment without employees. This approach would be necessary in Austria and the European union in general.

As previous research has shown clearly, one of the most important success factors of self-employment are economic experience, knowledge and contacts of the founders before they start being self-employed. Therefore research in future could divide persons in self-employment into the following groups, taking into consideration their economic past: 1.) one-person-companies that enter into the labour market as the first economic experience of the founder, 2.) persons in self-employment with certain professional experience and motivated to a foundation due to unemployment, 3.) founders who directly (want to) change from employees into self-employment. According to such a research structure the results could directly be of benefit in order to design support for one-person-companies by taking into account the personal and economic situation of the founders. More or less in the shade there is another group of one-person-companies in Austria, 4.) freelancers that do not assign to classical professions like lawyers, architects etc. Against the background of innovative services and offerings in niches provided by specialized one-person-companies, research could show how legal regulations (i.e. liability in co-operations) have an influence on the market chances of one-person-companies and how the general framework could enhance the access to business.

Studies have already shown the difficulties in economical surviving as a micro-enterprise in the first three years, but it not yet identified why aid money to support founders is mostly spend in the time before founding a company and starting to run its business. Therefore additional research could take into consideration the differences between support for founders in form of information before the foundation (i.e. legal form and registrations etc.) and the support in form of counselling accompanying the processes in the first years of the foundations (realizing and improvement of accounting, marketing etc.). Thereby it could also come into question to realize conselling this counselling in the first years of foundation with the support of experts in the different fields of business, probably by consulting coupons for founders. The particular time when support services for one-person-companies is most effective should become a fundamental question for additional research.

Not yet available in form of research but necessary due to the practical experience in supporting foundations, is an orientation for one-person-companies referring to their economical value to the market. Fundamental questions in this connection are i.e.: "How much costs do I have in self-employment?" "How can amortization be a profit for my business?" And most important: "What can or do I have to account to a customer for one working hour?" Such research could besides result in concrete best practice examples that picture the life situation of a person in self-employment and particularities of branches and businesses. Best practice can for sure not replace consulting but could serve as a first orientation for the own self-employment and help in finding the essential questions referring to the own business.

In addition to surveys in Austria having showed that more than one third of the companies are founded by women of which around two third have children, research could be strengthened in the field of (young) women, especially those without children, taking into account their motivation for self-employment in connection with their personal lives plannings. In this context also the role of a “modern” father who is working at home as an one-person-company being more bound in the family could be identified. In case the one-person-company of the mother or / and the father is bound into a virtual organisation, research could be made in these working conditions that untill now are little known. Furthermore similar situations identified referring to teleworking as an employee could be helpful for comparisions with one-person-companies.

Against the background of continously increasing naturalisation in Austria, especially in congested urban areas, more research would be necessary taking into account the situation of one-person-companies in the immagrant population. The local supply with goods, crafts or services in the cities is more and more linked to the economical activities of immigrant population. Research refering to their experience and possible barriers in the contact with local and national authorities as well as their access to support services like entrepreneurial trainings in several languages could not only strengthen business development but also gain in importance in the field of social integration.

The access to micro-credits for founders and one-person-companies can be a significant factor regarding the motivation for a foundation and the economical security as well as the growth of a company. Since the financial regulations of Basel II the framework refering to credits for micro-enterprises and small and medium-sized enterprises in general make future business more difficult. Research could be more intensified with the financial components of one-person-companies and analyse the offerings of financial support and the needs of one-person-companies in order to provide recommendations to economic and financial policy.

Regarding large enterprises, one-person-companies often result involuntarily due to outsourcing contracts. To a large extend such one-person-companies do the same work for the enterprise that has formally been their employer, but now without legal and social claims related with their work as employees. Research could be strengthened to show the developments of this form of outsourcing of employees in Austria and the European union in general as well as the general framework of persons in dependent self-employment and also put these strategies in the context of corporate social responsibility which is a more and more upcoming topic for enterprises.

To implicate one-person-companies more clear into economic growth and dynamic, research could be strengthened in the field of more and better co-operations between one-person-companies. It is conseivable to put into comparision a bigger company with a project related co-operation of persons in self-employment. In order to realize as an one-person-company common projects through flexible and dynamic co-operations with other (one-person-)companies, practical support would be needed to show how partnerships function and should be structured in order to organise a trustfull recognition in the market as well as a most professional realization of the job.

5 Summary and conclusions

In order to focus the situation of one-person-companies in Austria, there is the fundamental problem of missing data in the statistics about companies without employees. Only by a statistical inquiry of one-person-companies it will be possible to meet the needs of the heterogeneous group of micro-enterprises.

In this context there is also a missing obvious definition about self-employment in the Austrian law leading to ambiguous classifications in the field of founders, entrepreneurs, persons in new self-employment and atypical employment.

Two numbers point out the influence of foundations on the economy in Austria: around 250.000 enterprises in 2004 and over 200.000 foundations between 1993 and 2003.

The quota of self-employment according to EUROSTAT has been 10.9 % including agriculture and 8 % without agriculture in 2002. From altogether 408.000 persons in self-employment, 229.000 work in the field of services, 126.000 in agriculture and 52.000 in the field of production. Although according to Austrian data for 2000 more than 50 % of persons in self-employment are one-person-companies without employees, most of the support services in Austria are designed for growing foundations that create additional jobs while the fact that a one-person-company has already created a job for its founder seems to be neglected in many statements related to labour market policy.

Recapitulating research in Austria, atypical employment is seen on the changeover of an appearance on the fringes to economic normality, often in connection with insufficient social security and income. The report of the Austrian Trade Union Federal about its counselling project "Flexpower" shows: 60 % of the persons asked in atypical employment see themselves forced into their job due to the situation on the labour market. Although there are first initiatives, one-person-companies and especially those in new self-employment still have to be regarded as persons without a lobby.

In order to establish self-employment in Austria as a socially attractive alternative and therefore gain more economic innovation and added value by one-person-companies, an interaction of stronger lobbying and specific support services should directly be based on the research of the needs of the persons affected.

Support services that are established in Austria mainly for the qualification and further education of employees are not available for entrepreneurs, what is a central problem for one-person-companies. Future programs referring to one-person-companies should be designed in a way that enables on the one side an easy understanding of the topics and on the other side can be learned with little expenditure of time. Lastly an one-person-company has no further staff or divisions for its tasks. Particular attention should be paid for women and immigrants as well as for jobs in the service sector. To work out the differences between a one-person-company and an enterprise with employees in more differentiated ways would be necessary for a better understanding of the general framework and needs referring to

self-employment and to realise one-person-companies as an economic and social phenomenon.

Adjustments and simplifications in the handling with authorities and the legal documentation (tax declaration etc.) could also help to improve the every day work of an one-person-company. Taking into account the criterion that one-person-companies have no employees could lead to a reduction of documents and formulas needed for social matters, tax etc. helping on both sides, one-person-companies and authorities, to work more transparent and faster.

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