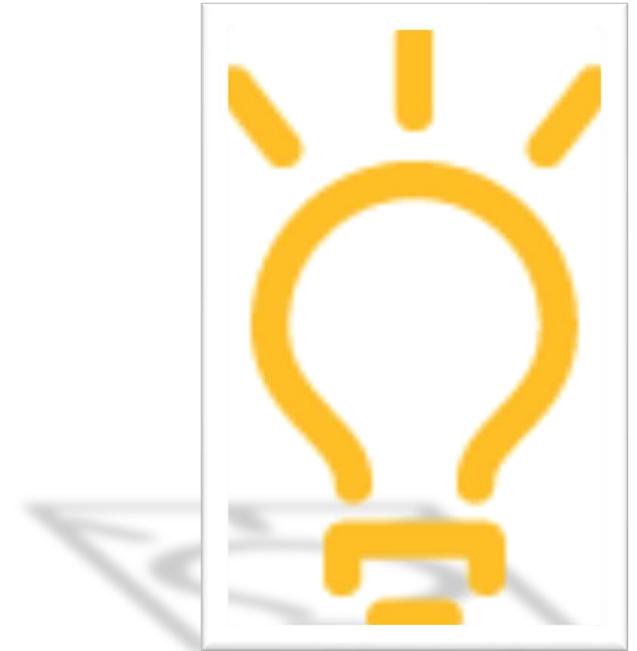


MIGRATORY PATHWAYS FOR START-UPS AND INNOVATIVE ENTREPRENEURS TO AUSTRIA

Alexander Spiegelfeld
Krems, 27 August 2019

In the next 15 minutes ...

- 1. The Start-Up Ecosystem**
- 2. Red-White-Red Card for Start-up Founders**
- 3. Attraction and Retention**



Ecosystem

... a geographically and politically defined space that comprises numerous factors that influence the entrepreneurial environment ... it represents the relationships between actors and institutions, the goal of which is to facilitate technological progress and innovation.

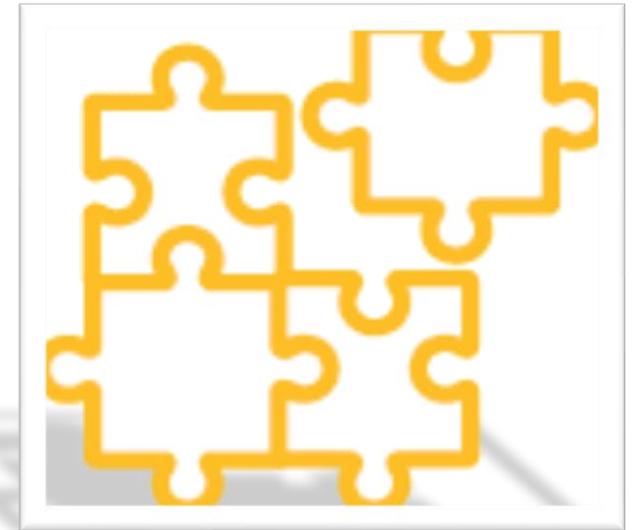
(Hebing, M., J. Ebert and T. Schildauer, 2017:22; Jackson, D., n.d.:2)

Positive

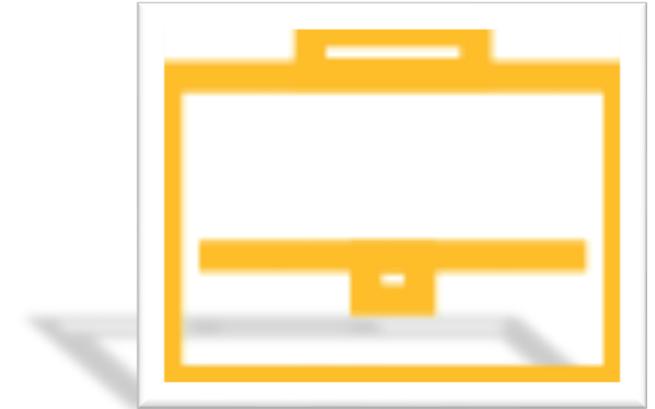
- + **G**eneral economic upswing;
- + **A**tttractive business environment;
- + **H**igh survival rate of businesses;
- + **E**arly stage funding.

Negative

- **S**hortage of skilled workers, labour market regulations, high public fees and taxes;
- **B**ureaucratic obstacles to businesses;
- **F**ailure to set up a dynamic ecosystem for innovative entrepreneurs;
- **L**oss of innovative potential;
- **L**ack of funding in expansion face.



- Implemented in 2017, issued only 1 time (April 2019);
- Prior: RWR Card for self-employed key workers;
- Objective:
 - a. Counteract the shortage of skilled workers;
 - b. Make Austria a “start-up magnet”;
 - c. Reducing restrictions for young foreign entrepreneurs;
- Draft amendment presented in March 2019;
- No special residence permit third-country national employees of start-ups;



Requirements

- General requirements set out in Part 1 of the Settlement and Residence Act;
- Special requirements (Art. 24 para 2 Act Governing the Employment of Foreign Nationals)
 1. Achieve the minimum number of points awarded for the criteria listed in annex D;
 2. Develop and bring to market innovative products, services, processes or technologies within the framework of a newly established undertaking;
 3. Submit a plausible business plan for founding and operating the undertaking;
 4. Personally have a major influence on the actual management of the planned undertaking;
 5. Provide evidence of at least EUR 50,000 in capital for starting the company, with at least half the amount held as owner's equity.



Responsible authorities, steps and time frame

- Applicants must apply in person to the competent authority representing Austria in another country and await the outcome of the decision in the foreign country;
- The application with the appropriate documents, certificates and evidence is forwarded to the settlement and residence authority in Austria;
- The settlement and residence authority requests an assessment from the provincial office of the Public Employment Service Austria and are to decide within eight weeks on whether to issue an RWR Card (no information on average time);
- Positive decision: a visa is issued to personally collect the residence permit in Austria.

Challenges

Bureaucratic obstacles and the lengthy process

- Requirement to apply to the local authority representing Austria in another country;
- Required capital of EUR 50,000;
- Opening a bank account in Austria;
- Expenses associated with the application;
- Legal assistance for a third-country national to start a company in Austria;
- Inflexible point system.



Incentive measures



- Introducing the RWR Card for Start-up Founders;
- The Global Incubator Network (GIN) - goAustria programme;
- Vienna Start-Up Package;
- Access to special funding and investments;
- Co-working spaces, consultation services, access to networks;

Legal regulations or bureaucratic processes are not the only factors determining the attractiveness of a country!

Retention measures

- No special measures aimed at third-country nationals;
- General support programmes and tax relief measures exist for start-up founders;
- E.g.: TOGETHER:AUSTRIA Start-ups (Austrian Integration Fund), Migrant Enterprise (Vienna Business Agency), Immipreneurs of Austria (private initiative);



Challenges

- Discrepancy between policymakers' avowed intention to attract start-ups and the actual policies → too restrictive;
- Bureaucratic obstacles;
- Legal uncertainty existing for students from third countries in Austria who start a business;
- Too few incubation centres for academic spin-offs at universities;
- Lack of funding instruments, especially in the growth phase.

- Austria's start-up ecosystem appears to be developing positively;
- General interest on the part of policymakers to have third-country start-up founders and innovative entrepreneurs immigrate to and settle in Austria;
- Bureaucratic obstacles and requirements are a major challenge for applicants;
- To broaden the group of eligible applicants third-country nationals employed by start-ups could be included in the group of eligible applicants;
- Good introduction to Austrian Ecosystem;
- Lack of alternative funding options.

Publication of the study: approx. **mid-September 2019**

Publication of the synthesis report: **approx. October 2019**

For more information and to order other publications, please visit
www.emn.at

Hebing, M., J. Ebert and T. Schildauer, *Startup Ökosysteme – Wege zu einem verbesserten Benchmarking*. Alexander von Humboldt Institut für Internet und Gesellschaft, Berlin, 2017. Available from www.hiig.de/wp-content/uploads/2017/06/2017-06-15-startup-ecosystems-v1.0.pdf (accessed 5 May 2019).



Thank you for your attention!

**National Contact Point Austria
in the European Migration Network**

IOM Country Office for Austria, Nibelungengasse 13/4, 1010 Vienna

Tel: +43 1 585 33 22 | emnaustria@iom.int | www.emn.at