

21 Germany

This country profile presents entrepreneurship and self-employment indicators for women, youth, seniors, immigrants and people with disabilities, benchmarking Germany against the European Union average. It also highlights new policy developments and current policy issues related to inclusive entrepreneurship.

Recent trends in inclusive entrepreneurship activities

The overall entrepreneurship conditions are similar to the European Union (EU) average. There were more than three million people actively working on starting a business or managing one that is less than 42 months old (i.e. TEA rate) over the period 2018-22. This accounts for about 7% of the adult population, which is very similar to the EU average. Women were less likely than men to be involved in early-stage entrepreneurship (6% vs. 9%) and young people (18-30 years old) were more active than older people (50-64 years old) (10% vs. 4%). Each of these rates were essentially the same as the EU average. However, if everyone was as active as 30-49 year old men in business creation, there would be an additional 1.6 million early-stage entrepreneurs. Of these “missing” entrepreneurs, 75% would be women.

The proportion of people working as self-employed is among the lowest in the EU. This is largely due to strong labour market and the low proportion of people starting businesses because they cannot find a job. As with the EU average, self-employment rates are declining.

Recent policy developments

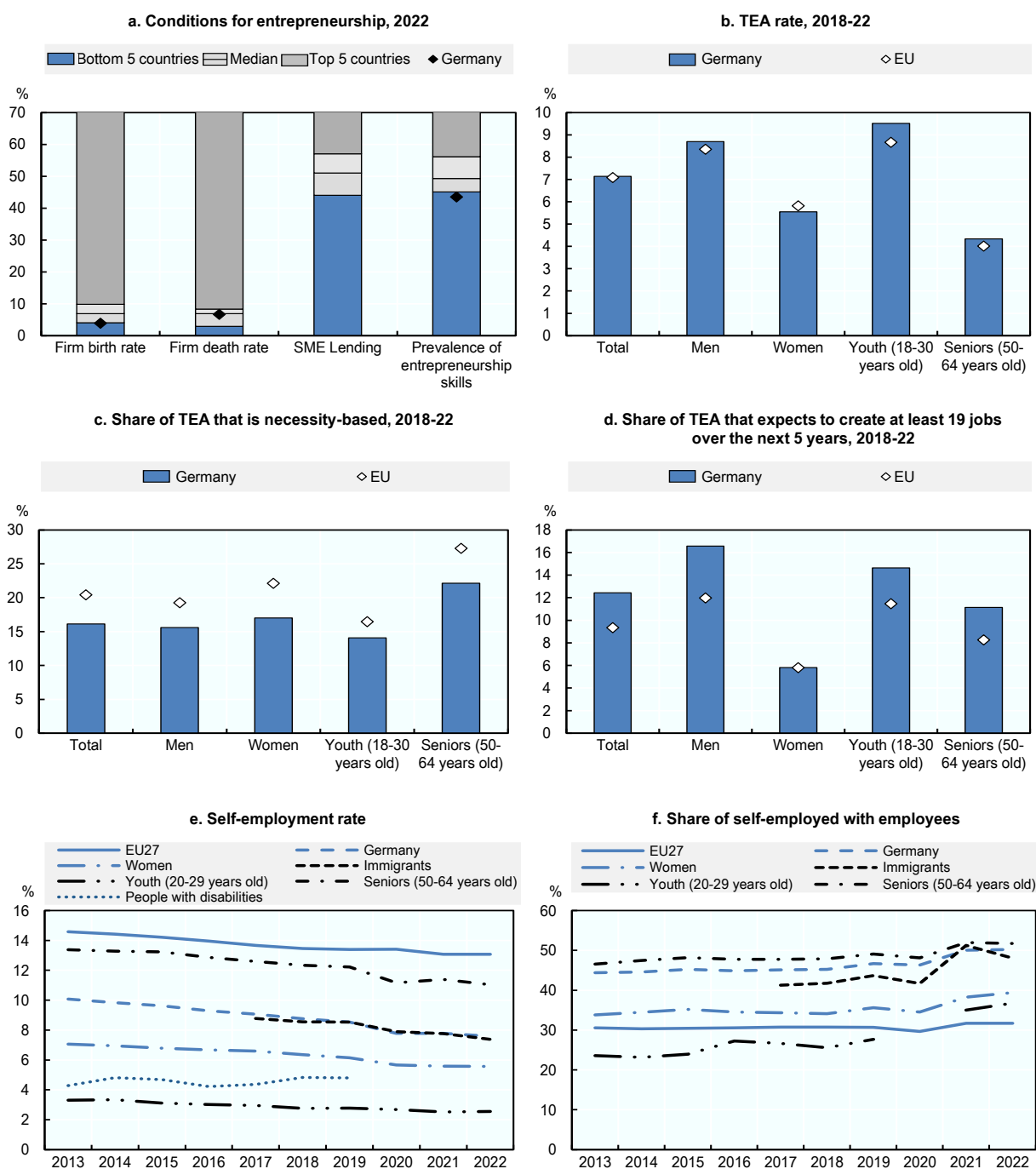
The action plan “More female entrepreneurs for the *Mittelstand*” was launched in May 2023. It was developed by five federal ministries and 27 stakeholders from business associations, networks and scientific institutions. Convinced that self-employed women are indispensable for a vital and successful German SME sector, these institutions launched over 40 concrete measures that help to make self-employment a better career option for women. With more self-employed women in SMEs, skilled trades, new businesses and start-ups, additional growth can be created, and a significant contribution to the green and digital transformation can be made. Please see Chapter 2 for additional information on this plan.

Hot policy issue

A persistent challenge for many German entrepreneurs – especially those from under-represented groups – is access to finance. The government has launched many programmes to address both demand- and supply-side issues and recently extended the INVEST start-up funding programme until 31 December 2026. This aims to stimulate entrepreneurship and investment in young and innovative businesses through convertible loans and a range of incentives to stimulate more business angel investment.

Inclusive entrepreneurship indicators

Figure 21.1. Entrepreneurship and self-employment data for Germany



Note: In Panel a, the data for the EU median for SME lending excludes the following countries: Austria, Bulgaria, Croatia, Cyprus, Denmark, Finland, Germany, Luxembourg, Malta and Romania. The EU median for the entrepreneurship skills indicator excludes: Belgium, the Czech Republic, Denmark, Estonia and Malta. In Panels b-d, the data for the EU average refers to a population-weighted average and excludes Belgium, the Czech Republic, Denmark, Estonia and Malta. Please see Chapter 10 for detailed notes on the figures.

Source: (Eurostat, 2023; GEM, 2023; OECD, 2023). Please see Chapter 10 for full citations.



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