

20 Germany

This country profile reports entrepreneurship activity rates by women, youth and seniors relative to the European Union average. It also benchmarks the conditions for entrepreneurship against the EU Member States and reports highlights current inclusive entrepreneurship policy issues and recent developments.

Conditions for inclusive entrepreneurship

The framework conditions for entrepreneurship are comparable to most European Union (EU) Member States. The federal government continues to simplify the regulatory environment with actions such as strengthening e-government services. Entrepreneurship support policies have become an important and effective component of economic policies over recent decades. This includes actions to stimulate a more inclusive entrepreneurship culture (e.g. Start-up Campaign “GO!” [*Gründungsoffensive* “GO!”]), as well as a broad suite of schemes to support women, students and migrants in business creation.

Recent trends

The share of people involved in early-stage entrepreneurship was about equal to the EU average for the period 2016-20 (6%). Gaps across population groups were generally small relative to the EU average yet many of these groups remain under-represented in entrepreneurship. If all groups engaged in early-stage entrepreneurship at the same rate as core-age men, there would be an additional 1.3 million entrepreneurs. More than one million of these “missing” entrepreneurs are female and 55% are over 50 years old.

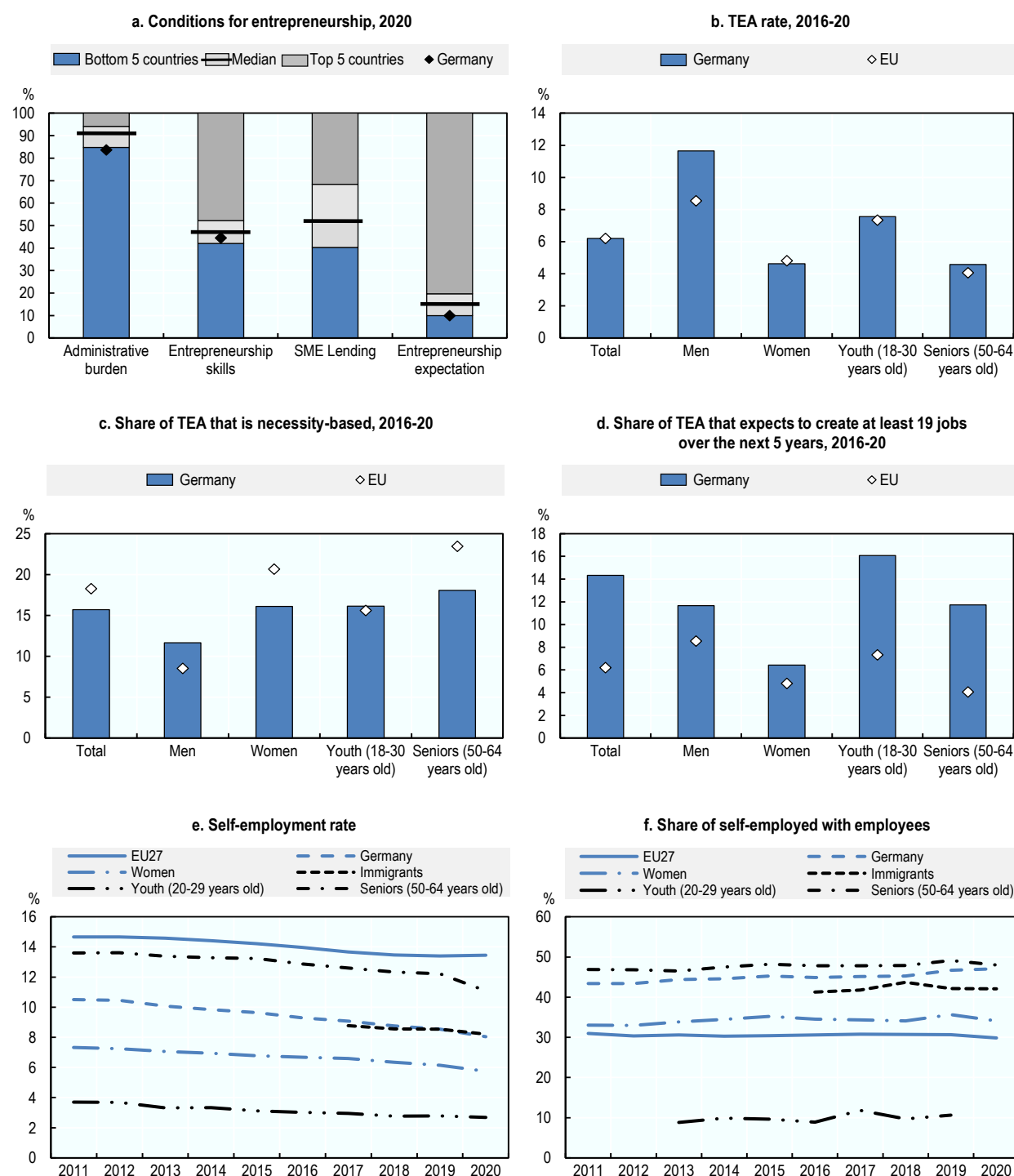
The self-employment rate steadily declined from 11% in 2011 to 8% in 2020. This decline was observed across all target groups, notably among seniors (14% to 11%) and women (7% to under 6%).

Hot policy issue

In response to the COVID-19 crisis, a multi-billion-euro assistance programme was established with the KfW group (state-owned investment bank) to provide liquidity to businesses, self-employed people and freelancers. Entrepreneurs (up to 5 employees) were eligible for a one-time payment of EUR 9 000 for a three-month period while entrepreneurs with up to 10 employees received EUR 15 000. Around 426 000 solo self-employed and micro-entrepreneurs received the grant in its first phase ending in June 2020, totalling EUR 4.5 billion. A successor programme (*Überbrückungshilfe*) launched in July 2020 to facilitate financial assistance for micro-entrepreneurs and freelancers. In a subsequent phase running from December 2020 to June 2021, applicants could receive grants of up to EUR 200 000 per month (in special circumstance even up to EUR 500 000 per month) and solo self-employed workers could receive a lump sum payment of up to EUR 7 500 for the months of January 2021 until June 2021. On 30 April 2020, the government introduced an additional EUR 2 billion package aimed at start-ups and small enterprises with sustainable business models. There are also regional measures such as aid (EUR 1 000 per month) for solo artists in Bavaria.

Inclusive entrepreneurship indicators

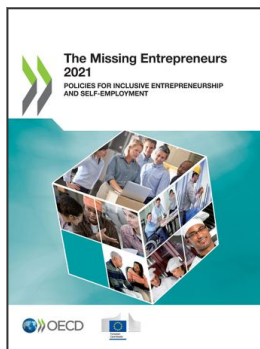
Figure 20.1. Entrepreneurship and self-employment data for Germany



Note: The EU average in panels b-d excludes Belgium, Czech Republic, Denmark, Lithuania, Malta and Romania. Please see Chapter 9 for notes on the figures.

Source: Panel a: (World Bank, 2020^[1]; Global Entrepreneurship Monitor (GEM), 2021^[2]; OECD, forthcoming^[3]); Panels b-d: (Global Entrepreneurship Monitor (GEM), 2021^[2]); Panels e-f: (Eurostat, 2021^[4]). Please see Chapter 9 for the full citations.

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