



## **Migrant Entrepreneurship Growth Agenda**

### **MEGA**

#### National Needs Assessment Germany

#### Executive Summary

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Migrant Entrepreneurship plays an important role in the German economy. In recent years, with a disproportionately high start-up activity migrants have been the main driver for the development of self-employment in Germany. The number of self-employed Migrants increased by almost 50 percent between 2005 and 2018 (from around 460,000 to around 690,000). At the same time, self-employment in the German-born population decreased by over 5 percent (from 3.52 million to 3.32 million) (ifm Mannheim 2020).

Compared to entrepreneurs born in Germany, migrant entrepreneurs are not directly disadvantaged by rules or laws. However, many migrant entrepreneurs must overcome high hurdles and obstacles. This includes social inequalities, but also (depending on origin) unequal opportunities due to the institutional framework. In addition, migrant entrepreneurs are now particularly badly affected by the effects of the corona pandemic.

At the federal level, the government has various programs and portals that provide information to migrant entrepreneurs. In all federal states, besides general advisory services, target group-specific advisory services are offered as well. However, these are usually individual programs on national level, some of which are funded by the state through ESF funding. Since the entrepreneurship support landscape in Germany is very heterogeneous, a comparison is difficult.

The entrepreneurship support programs are divided into those that offer individual advice for migrant start-ups, general information on business start-ups, as well as campaigns and high-profile projects to raise awareness to the topic. However, in many places there is a lack of target-group-specific and needs-based support for migrants willing to start a business.

Studies on the need for and use of support programs lead to the conclusion that large groups of migrants do not feel addressed by the programs of public institutions. Previous migrant entrepreneurship support programs and instruments have so far only been individually developed and successfully tested in regional projects. They are not yet institutionalized to the necessary extent

## **Recommendations**

- Larger range of target group-specific and needs-based support programs for migrant start-ups and entrepreneurs.
- Integration and mainstreaming of migrant entrepreneurship support in support organizations' and public institutions' regular services.
- Easier immigration and market access conditions for people who are willing to set up a business, especially from third countries.
- Equal educational opportunities, in the form of improvement of the qualification level among migrants.

- Support programs, including financial ones, for the recognition of foreign qualifications.
- Give a stronger focus on further education programs for migrant entrepreneurs.
- Expansion of support programs specifically aimed at migrant women to reduce the gender gap in self-employment as early as possible in the early phase of socialization.
- Give a stronger focus on Migrant entrepreneurs as potential candidates for company takeovers.
- Expansion of existing micro-credit programs and checking for their target group friendliness, transparency, and comprehensibility.
- Closer integration of advice, financing, and loan support to facilitate access to relevant loan information for migrants.
- Link existing public information portals (e.g. [www.existenzgruender.de](http://www.existenzgruender.de) oder [www.wir-gruenden-in-deutschland.de](http://www.wir-gruenden-in-deutschland.de)).
- Providing students and academics from non-EU countries with the option of self-employment at an early stage as an opportunity for integration.
- Using the option of self-employment to integrate refugees.
- Targeted information for well-educated migrants about the possibilities of German innovation funding.
- Improvement of the entrepreneurship statistics in Germany through changed data collection methods (e.g. also migration background) and an expansion to all economic areas as well as an increase in the number of collected indicators in order to generate more knowledge about migrant entrepreneurs.

Migrant entrepreneurs are particularly affected by the consequences of the corona pandemic, as they are more often self-employed and work in restaurants and retail. In order not to be disadvantaged by language and information barriers when applying for state emergency aid measures, the prompt provision of multilingual information and forms as well as support in the application process from professional advisory institutions is recommended. The provision of multilingual information materials and individual advice options in the application process for state funding measures is recommended to support migrant entrepreneurs during the crisis.