

REFUGEE



**TREND**  
Training Refugee  
Entrepreneurs

&

IMMIGRANT ENTREPRENEURSHIP

***German National Report***

***edited by KulturLife gGmbH***

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**Erasmus+**

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## **I. History of Immigration in Germany**

Germany is a country looking back at a long history of immigration and emigration as people naturally have been moving from one place to another since centuries. The most important development regarding migration in the recent past happened after the year 1955, in the following the most important turning points will be outlined.

In 1955, West Germany started to conclude the labour recruitment agreements with several countries such as Italy, Spain and Turkey due to growing economic developments for which more workers were needed.<sup>1</sup> Through these agreements, 14 million so-called “guest workers” came to West Germany. The recruitment ban caused by an economic stagnation led to 11 million of those foreign workers return to their home countries in 1973 while especially people from Turkey, Italy and Yugoslavia stayed in the country and their family members were joining them to be reunited in Germany.<sup>2</sup>

After the fall of the Berlin Wall, the number of people applying for asylum was marked by a peak of 438.191 people in 1992. Most of them were from East and Southeast Europe fleeing from the Yugoslavian war or escaping persecution and discrimination in Romania and Bulgaria because of their belonging to an ethnic minority (Roma).

In 1993, the so-called “asylum compromise” was concluded which led to a decrease of numbers of asylum seekers to a low of 28.000 until the year 2008. Because of policies regarding the return and deportation of refugees, many people from Yugoslavia had to leave Germany again to find shelter in other host countries.<sup>3</sup>

Since 2006 many people from EU member states have come to Germany for work which is made easier by the freedom of movement inside of the European Union. But also people from third state countries made their way to Germany in order to seek asylum.<sup>4</sup>

## **II. Current Situation**

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<sup>1</sup> The internal migration from East Germany to West Germany came to an end when the Berlin Wall was built in 1961, which made it hard, if not impossible, for people to work in West Germany (Cf. Mediendienst Integration, 2015, p. 3.).

<sup>2</sup> Cf. Mediendienst Integration, 2015, p. 3.

<sup>3</sup> Cf. Mediendienst Integration, 2015, pp. 3-4.

<sup>4</sup> Cf. Mediendienst Integration, 2015, p. 4.

*“Germany is experiencing an influx of refugees that it has not seen since the beginning of the 1990s. An influx that is likely to continue on a large scale in the coming years.”<sup>5</sup>*

This citation shows that forced migration is currently one of the main reasons for the increased immigration into Germany, the other two being the freedom of movement within the European Union, including the newer member states as well as the debt crisis.<sup>6</sup>

In the year 2015, more than 2.1 million people (see figures 1 and 2) came to Germany of which almost three fifths were originally from other EU states, mainly from Romania (26.2 per cent), Poland (22.6 per cent) and Bulgaria (10.2 per cent). The migration balance, which indicates the number of influxes minus departures, is in total 1.139.403 people, including people from Non-EU countries.<sup>7</sup>

Abbildung 1-3: Zuzüge im Jahr 2015 nach den häufigsten Herkunftsländern

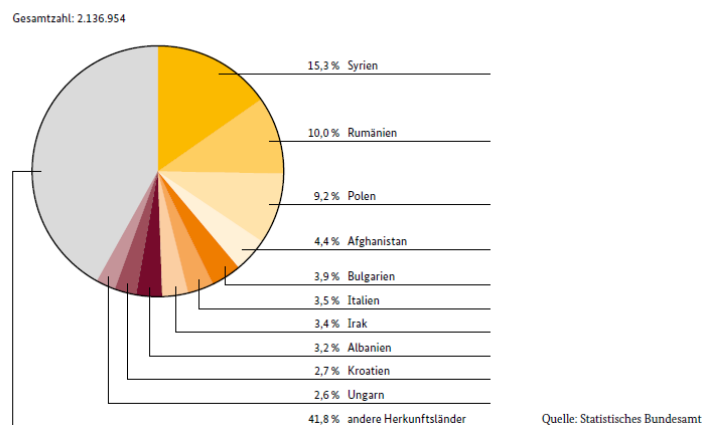
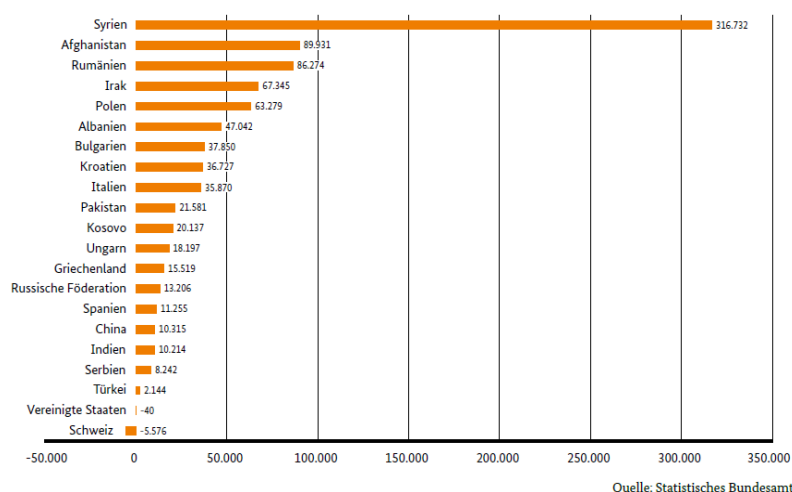


Figure 1: Immigration in 2015 according to countries of origin<sup>8</sup>

Abbildung 1-6: Wanderungssaldo gegenüber den häufigsten Herkunfts- bzw. Zielländern im Jahr 2015



<sup>5</sup> Sänger/ Siebert/ Förster, 2016, p. 6.

<sup>6</sup> Cf. Bundesagentur für Arbeit, 2018, p. 5.

<sup>7</sup> Cf. Bundesamt für Migration und Flüchtlinge & Bundesministerium des Innern, 2015, pp. 30/31/34/48.

<sup>8</sup> Bundesamt für Migration und Flüchtlinge; Bundesministerium des Innern, 2015, p. 33.

Figure 2: Migration balance with countries of origin and countries of destination in 2015<sup>9</sup>

In 2015, about 65.3 million people have been “forcibly displaced worldwide as a result of persecution, conflict, generalized violence, or human rights violation”. “Refugees, asylum-seekers, and internally displaced persons” are described by the term “forcibly displaced”. During the last five years, this number has increased by more than 50 per cent.<sup>10</sup>

Most of the refugees flee from Africa and the Middle East due to local conflicts and civil wars escaping those unbearable living conditions and mainly looking for shelter in neighbouring countries. But also Europe and especially Germany has experienced an increased influx of refugees escaping war and persecution in their home countries during the last few years.<sup>11</sup>

The closing of the Western Balkan route and the EU refugee agreement with Turkey in 2016 led to a decrease of people reaching Europe.<sup>12</sup>

The majority of people coming to Germany in 2015 (see figures 1 and 2) is originally from Syria with a migration balance of 316.732 people, followed with a larger margin by Afghanistan and Iraq.<sup>13</sup> In detail in 2016, 37 % come from Syria and the Arabian Republic, 18 per cent from Afghanistan, 13 % from Iraq and 4 per cent from Iran/Islamic Republic (see figure 3).<sup>14</sup> This makes clear that many asylum seekers are from countries that allow only a little perspective to return in the near future.<sup>15</sup>

Abbildung I - 7:  
Die zehn zugangsstärksten Staatsangehörigkeiten  
des Jahres 2016

2016

Gesamtzahl der Asylerstanträge: 722.370

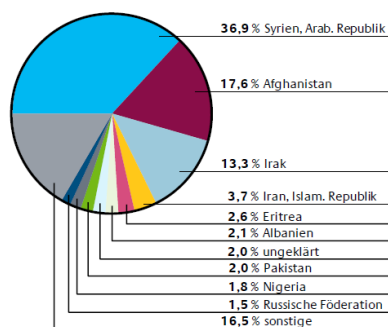


Figure 3: The ten nationalities with the highest numbers of immigration in 2016<sup>16</sup>

<sup>9</sup> Bundesamt für Migration und Flüchtlinge; Bundesministerium des Innern, 2015, p. 34.

<sup>10</sup> Cf. UNHCR, 2016, p. 2/5/8.

<sup>11</sup> Cf. Brücker/ Hauptmann/ Trübswetter, 2015. pp. 2-3.

<sup>12</sup> Cf. Stürzenhofecker et al., 2016, p. 2.

<sup>13</sup> Cf. Bundesamt für Migration und Flüchtlinge & Bundesministerium des Innern, 2015, p. 34.

<sup>14</sup> Cf. Bundesamt für Migration und Flüchtlinge, 2017, p. 20.

<sup>15</sup> Cf. OECD, 2017, p. 7.

<sup>16</sup> Bundesamt für Migration und Flüchtlinge, 2017, p. 20.

Various motives can make third-country nationals to leave their home countries among them education and work (7.9 %), mobility due to family issues (7.3 %) or out of humanitarian reasons (8.2 %) or others in 2015.<sup>17</sup>

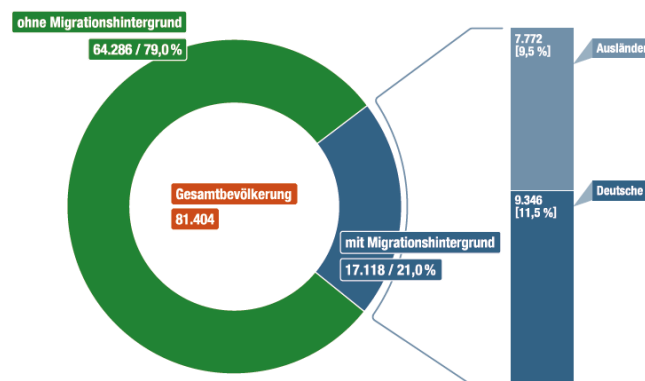
To sum up, one needs to consider that the reasons for people to come to Germany may differ significantly. There are people who migrated to Germany because of work or other economic reasons and people who had to leave their home countries escaping war and persecution.

In 2015, 17.1 million (21 %) of the German population has a migration background of which 9.3 million possess the German citizenship (54.6 %). Immigrants into Germany and following generations are meant by the term “people with migration background” implying that descendants born in Germany are also included.

Most of the people with migration background living in Germany are from Turkey which makes a percentage of 16.7, 9.9 % originally come from Poland, 7.1 % from Russia and 4.5 % from Italy.<sup>18</sup>

### Bevölkerung mit Migrationshintergrund I

*In absoluten Zahlen, Anteile an der Gesamtbevölkerung in Prozent, 2015*



Quelle: Statistisches Bundesamt: Mikrozensus – Bevölkerung mit Migrationshintergrund  
Lizenz: cc-by-nc-nd/3.0/de/

Figure 4: Population with migration background (in absolute numbers), percentage of total population (state 2015)<sup>19</sup>

According to a source from 2016, 18.6 million people currently have a migration background of some sort which equals 22.5 per cent of the German population. This difference is explained by the increased immigration of people seeking asylum in 2015.<sup>20</sup> Even though Europe is still the most important region of origin, 2.3 million people with migration background have their roots in the

<sup>17</sup> Cf. Bundesamt für Migration und Flüchtlinge, 2015, p. 42.

<sup>18</sup> Cf. Bundeszentrale für politische Bildung, 2016, p. 1-2.

<sup>19</sup> Bundeszentrale für politische Bildung, 2016, p. 1.

<sup>20</sup> Cf. Statistisches Bundesamt, 2017, p. 1.

Middle East.<sup>21</sup> Of the non-western immigrant population 40 % have spent less than 5 years in Germany whereas 28 % have lived there for more than 25 years.<sup>22</sup>

The city Offenbach in Hessen has the highest percentage of immigrants which is currently 37%<sup>23</sup>, the German capital Berlin has 15.5 %, and other areas close by capital city and the other major cities have a considerable immigrant population. With 27 % the federal state Nordrhein-Westfalen has the highest immigration rate (see figure 5).<sup>24</sup>

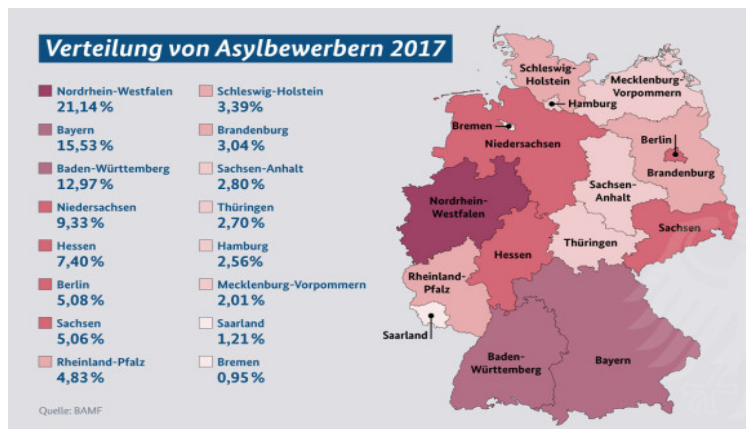


Figure 4: Distribution of asylum seekers (state 2017)

### III. Dynamics of Immigrant Self-employment

As shown above immigrants always played an important role within the German labour market system and will continue to do so. The percentage of the immigrant population in Germany being and becoming self-employed is growing: According to the journal "Zeit" 44%<sup>25</sup> of all enterprises are owned by a person with migration background or in other words 709.000 people with migration background run their own business in 2014 (compared to 570.000 self-employed with migration background in 2005).<sup>26</sup> There are no striking peaks with regard to specific regions, apart from Berlin reaching a rate of self-employed with migration background of 20%.<sup>27</sup> In terms of characteristic branches for self-employment, a concentration on the service sector can be noted, with around 80% of entrepreneurs with migration background having a business in this field.<sup>28</sup>

<sup>21</sup> Zeit Online, 2017, p. 1.

<sup>22</sup> Statistisches Bundesamt, 2016, p.1 (only immigrants from Syria, Afghanistan, Iraq, China and Turkey were taken into account).

<sup>23</sup> Cf. Focus Online, 2017.

<sup>24</sup> Bundesregierung der Bundesrepublik Deutschland, 2017 in: Welt, 2017, p. 5.

<sup>25</sup> Zeit Online, 2016.

<sup>26</sup> Cf. Sachs/ Hoch/ Münch/ Steidle, 2016, p. 11.

<sup>27</sup> Cf. Sachs/ Hoch/ Münch/ Steidle, 2016, p. 12.

<sup>28</sup> Cf. Sachs/ Hoch/ Münch/ Steidle, 2016, p. 19.

In a system full of bureaucratic obstacles in terms of labour market access, starting a business might be perceived as an attractive alternative to unemployment or accepting jobs with lower qualification requirements due to the non-recognition of foreign certificates. With regard to the net income people with migration background running a business earn 2.167 Euro (state 2014) which is 40% more than people from the same group in paid employment.<sup>29</sup>

#### A. Push and Pull Factors: Immigrants' Path to Entrepreneurship

##### 1. Reasons for High Dynamics

###### a. *Unemployment / Exclusion from Waged Labour*

Regarding the current situation on the German labour market one of the indicators for evaluation is the employment rate.<sup>30</sup> In October 2017 32.788.000 people have been in an employer-employee relationship subject to social security contributions and other 7.481.000 people in minor employment.<sup>31</sup>

Nevertheless, when analysing in depth there is a need to distinguish between different ethnic groups regarding employment rates. According to current statistics the employment rate for German nationals equals 61.2 %<sup>32</sup> while rates for different ethnic groups of foreigners differ from that. Employment among foreigners from Eastern European countries (51.0 %) and the GIPS states (49.7 %) are significantly higher than the general employment rate for the general group of foreigners registered on the German labour market (41.0 %). Different percentages are recorded for nationals from non-European countries where many asylum seekers come from: currently 18.5% are employed in jobs subject to social security contributions.<sup>33</sup> This rate is to be evaluated in consideration of enlargement of the said group as people are continuously coming to Germany.

Considering the low employment rates of nationals from countries the most asylum seekers come from it is not surprising that within this group unemployment rates<sup>34</sup> are rather high as well (42.8%) and a specifically high percentage of 63.4 %<sup>35</sup> of people drawing welfare benefits is identified among

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<sup>29</sup> Cf. Sachs/ Hoch/ Münch/ Steidle, 2016, p. 21.

<sup>30</sup> Note: The employment rate is subdivided into two categories: employment subject to social security contributions and minor employment. Cf. Bundesagentur für Arbeit, 2018, p. 15.

<sup>31</sup> Cf. Bundesagentur für Arbeit, 2018, p. 15.

<sup>32</sup> Cf. Bundesagentur für Arbeit, 2018, p. 16.

<sup>33</sup> Cf. Bundesagentur für Arbeit, 2018, p. 16.

<sup>34</sup> Note: The unemployment rate shows the relation between numbers of registered unemployed and the civilian labour force. Cf. Bundesagentur für Arbeit, 2018, p. 15.

<sup>35</sup> Cf. Bundesagentur für Arbeit, 2018, p. 16.



this group.<sup>36</sup> The figure below illustrates inter alia the numbers of “Arbeitssuchende” (people registered to be searching a job) and “Arbeitslose” (unemployed persons) split up into countries of origin. The highest numbers for both categories can be found in the last row showing the absolute numbers for non-European countries where the majority of people seeking asylum in Germany come from.<sup>37</sup>

**Tabelle 3: Arbeitssuchende, Arbeitslose, Unterbeschäftigung (i.e.S + Selbständigkeit) und Regelleistungsberechtigte im SGB II nach ausgewählten Staatsangehörigkeiten**  
Arbeitssuchende und Arbeitslose im Dezember 2017; Unterbeschäftigung und Regelleistungsberechtigte im SGB II im September 2017  
Deutschland

Staatsangehörigkeit	Arbeitssuchende				Arbeitslose				Unterbeschäftigung				Regelleistungsberechtigte SGB II			
	absolut	Anteil in %	Veränderung gegenüber Vorjahr		absolut	Anteil in %	Veränderung gegenüber Vorjahr		absolut	Anteil in %	Veränderung gegenüber Vorjahr		absolut	Anteil in %	Veränderung gegenüber Vorjahr	
			absolut	in %			absolut	in %			absolut	in %			absolut	in %
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
<b>Insgesamt</b>	<b>4.595.509</b>	<b>100</b>	<b>-248.965</b>	<b>-5,1</b>	<b>2.384.961</b>	<b>100</b>	<b>-183.312</b>	<b>-7,1</b>	<b>3.404.670</b>	<b>100</b>	<b>-119.104</b>	<b>-3,4</b>	<b>6.026.389</b>	<b>100</b>	<b>105.679</b>	<b>1,8</b>
Neue Osteuropäische EU-Staaten	228.392	5,0	-2.226	-1,0	106.003	4,4	-2.616	-2,4	137.779	4,0	-855	-0,6	279.385	4,6	4.437	1,6
8 neue EU-Staaten (2004)	104.497	2,3	-7.424	-6,6	49.068	2,1	-4.397	-8,2	65.453	1,9	-4.752	-6,8	113.081	1,9	-8.096	-6,7
2 neue EU-Staaten (2007)	102.734	2,2	4.378	4,5	46.468	1,9	1.469	3,3	59.681	1,8	3.202	5,7	149.383	2,5	11.966	8,7
Kroatien (2015)	21.161	0,5	820	4,0	10.467	0,4	312	3,1	12.645	0,4	695	5,8	16.922	0,3	567	3,5
GIPS-Staaten	118.451	2,6	-7.882	-6,2	58.164	2,4	-5.000	-7,9	76.622	2,3	-4.973	-6,1	134.795	2,2	-6.056	-4,3
Balkan	50.490	1,1	-1.312	-2,5	26.997	1,1	-1.199	-4,3	58.963	1,7	-1.757	-2,9	120.816	2,0	16	0,0
Osteuropäische Drittstaaten	49.112	1,1	-2.631	-5,1	22.789	1,0	-1.708	-7,0	37.001	1,1	-2.157	-5,5	57.854	1,0	-2.083	-3,5
Nichteuropäische Asylherkunftsländer	505.779	11,0	61.670	13,9	182.052	7,6	6.912	3,9	435.393	12,8	93.633	27,4	935.549	15,5	370.730	65,6

© Statistik der Bundesagentur für Arbeit

Reasons for these data can be found, inter alia, in a delayed access to the labour market due to bureaucratic recognition procedures (asylum procedures, recognition of a refugee in accordance with the Geneva Refugee Convention, etc.) so that people are kept in unemployment and dependent on the state welfare.<sup>38</sup>

As an early access to the labour market is a significant factor for long-term employment and what is more an important factor in integration processes, the German government took measures to facilitate conditions for asylum seekers: under certain conditions and, provided that a permit is granted by the authorities, the access is provided after a period of 3 months.<sup>39</sup> As part of the integration efforts in August 2016 the first integration law was launched on a national level setting up several measures to enhance integration among the newly arrived, e.g. “integration courses” composed by language classes and orientation units.<sup>40</sup>

<sup>36</sup> Note: In comparison to that the rate for German nationals is 5.2% and for the general group of foreigners is 13.7%. It results in a similar picture when looking at rates of people drawing welfare benefits: German nationals (7.0%), general group of foreigners (21.4%). Cf. Bundesagentur für Arbeit, 2018, p. 15/16.

<sup>37</sup> Cf. Bundesagentur für Arbeit, 2018, p. 14.

<sup>38</sup> Cf. Bundesagentur für Arbeit, 2018, p. 16.

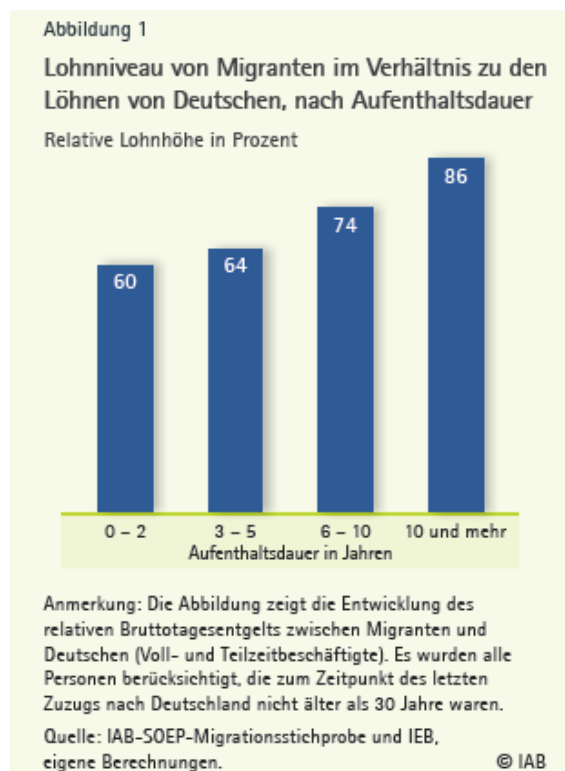
<sup>39</sup> Cf. OECD, 2017, p. 8/9.

<sup>40</sup> Cf. OECD, 2017, p. 9.

### *b. Socio-Economic Situation*

As Germany has a highly differentiated welfare system, economic conditions for unemployed or underemployed can't be described as critical in terms of basic supply. Depending on the status of an unemployed person then again contingent on the duration of work performed in Germany the person concerned is eligible for state support as well for offers by specific institutions (e.g. job centers).

What is noticeable is that within employment relationships there are still differences between German nationals and people with migration background with regard to income. The figure below<sup>41</sup> shows the income level of migrants in relation to income of German nationals (according to duration of stay in years). This illustrates the differences in income and the consequences for the socio-economic situation of migrants which might result in a higher probability that self-employment is perceived as an alternative to employment – even though the first years of a business founding are not necessarily profitable while welfare support is already reduced.



### *c. Entrepreneurial Culture*

People with a migration background are frequently assumed to be more apt to start their own business. This is also what the high numbers of this group among founders (in 2016 around 21%)<sup>42</sup>

<sup>41</sup> Cf. Institut für Arbeitsmarkt- und Berufsforschung (IAB), 2015, p. 1.

<sup>42</sup> Cf. KfW Research, 2016, p. 1.

confirm when compared to German nationals. Apart from this there is little scientific research on a potentially more developed entrepreneurial culture and which factors might be attributed to it or might have influence on it. What is true is that self-employment is much more common in other countries and a big share of those foreigners starting a business looks back on many years of self-employment in their countries of origin which might influence the decision.

In general, there is a need to distinguish between people with migration background who came to Germany several years ago and those who recently came due to forced migration.

Currently, there is no strong and representative data basis for confirming assumptions such as a higher entrepreneurial nature among recently arrived migrants. Although first surveys with advisors in the field point at a high flexibility, mobility, perseverance and risk tolerance among the group of persons with migration background.<sup>43</sup>

Based on the experiences with former migrants coming to Germany and indications from life situations before migration (e.g. higher percentage of self-employment in countries of origin<sup>44</sup>) projections can be made so that recently arrived migrants might be especially highly motivated to set up a business and to be self-employed.<sup>45</sup> Calculations on the basis of former trends among migrants allow the estimation of 10-15% self-employers to be among the refugees. Nevertheless, the unfolding of entrepreneurial activities will take some years so that numerical effects will occur only in the mid-term and therefore delayed.<sup>46</sup>

#### *d. Ethnic Resources*

Immigrants have already significantly contributed to diversification of markets in Germany and will continue to do so with several new arrivals unfolding their economic potential, especially in the sector of self-employment. In this regard, it is assumed that many migrants can rely on so called ethnic resources meaning for example support within the own ethnic group on site, strong family ties and networks (potential employees, suppliers, customers)<sup>47</sup> which might facilitate starting a business. For explaining the increase of enterprises set up and run by migrants and the assumed tendency to self-employment<sup>48</sup> previous research focused on the three following approaches which then dominated societal and political thinking: “Kulturmodell” (meaning “culture model”), “Nischenmodell” (meaning “niche model”) and “Reaktionsmodell” (meaning “reaction model”).<sup>49</sup>

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<sup>43</sup> Cf Sanger/ Siebert/ Forster, 2016, p. 13.

<sup>44</sup> Cf. Sanger/ Siebert/ Forster, 2016, p. 6.

<sup>45</sup> Cf. Sanger/ Siebert/ Forster, 2016, p. 13.

<sup>46</sup> Cf. Wrede, 2016.

<sup>47</sup> Cf. Tolciu/ Schaland, 2008, p. 537.

<sup>48</sup> Cf. Tolciu/ Schaland, 2008, p. 537.

<sup>49</sup> Cf. Leicht/ Langhauser, 2014, p. 15.

The “culture model” considers cultural features as relevant for the higher probability of choosing self-employment rather than other forms of employment and also for success rates of businesses run by migrants.<sup>50</sup> Following this model it is assumed that some immigrated ethnic groups tend to possess norms/values or characteristics playing a pivotal role in their economic behaviour (e.g. risk tolerance, flexibility).<sup>51</sup>

The “niche model”’s explanation departs from migrants identifying a certain demand potential within their ethnic group on site for business in specific economic sectors (groceries, import/export, services, etc.) and therefore a higher propensity for self-employment evolves.<sup>52</sup>

The “reaction model” explains high self-employment rates among migrants as a result of structural and institutional framework conditions, more precisely, the situation and chances for this group on the labour market and legal barriers as well as Germans withdrawing from certain economic sectors. The model therefore considers the combination of restrictions on the one hand and specific chances for entrepreneurial activities on the other hand as the main encouragement.<sup>53</sup>

These explanatory approaches fall short and cannot be contemplated in isolation as the factors leading to self-employment are manifold.<sup>54</sup> That’s why the main point of criticism is that the approaches focus primarily on external factors (characteristics of the specific ethnic groups, economical parameters, etc.) without taking personal competences, educational background, financial capacities and knowledge about economic sectors into consideration. Nevertheless, these aspects are essential for understanding and evaluating the current state and future tendencies of migrant entrepreneurship.<sup>55</sup>

Whatever the motivation for starting a business, there is an undeniably high potential within the group of migrants when using their ethnic resources, networks and knowledge about another economic markets and another culture which should be way more taken into account within the German economy.

#### *e. Market Opportunities*

General labour market conditions in Germany are currently good, meaning that unemployment rates are rather low (3.9% in 2016) which makes the second lowest rate after Iceland within the OECD area. Especially employment rates for migrants rose disproportionately (see figure below)<sup>56</sup> which is

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<sup>50</sup> Cf. Tolciu/ Schaland, 2008, p. 537.

<sup>51</sup> Cf. Tolciu/ Schaland, 2008, p. 537.

<sup>52</sup> Cf. Tolciu/ Schaland, 2008, p. 538.

<sup>53</sup> Cf. Tolciu/ Schaland, 2008, p. 537.

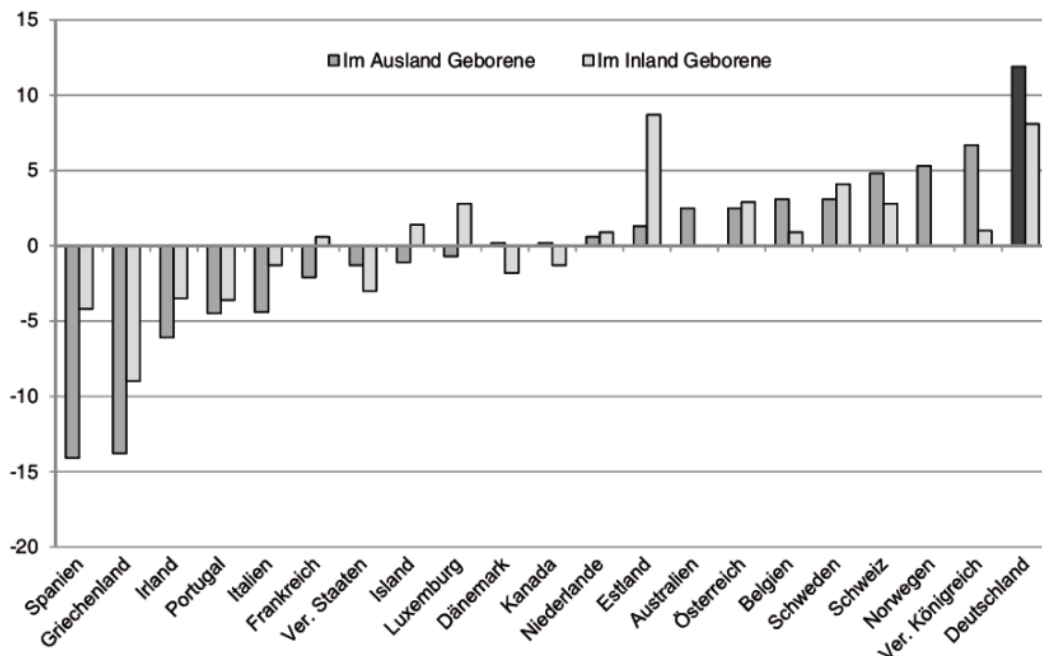
<sup>54</sup> Cf. Leicht/ Langhauser, 2014, p. 15.

<sup>55</sup> Cf. Tolciu/ Schaland, 2008, p. 538.

<sup>56</sup> Cf. OECD, 2017, p. 31.

inter alia to be traced back to labour migration from EU member countries before large flows of asylum seekers set in.<sup>57</sup>

**Abbildung 2.1 Veränderung der Beschäftigungsquote der Bevölkerung im Erwerbsalter (in Prozentpunkten), zwischen 2005 und 2015**



Anmerkung: Die Daten für Kanada betreffen den Zeitraum 2008-2015.

Quelle: Berechnungen des OECD-Sekretariats auf Basis von Daten aus der Arbeitskräfteerhebung.

The German founder scene is quite vibrant with 380.000 founders starting their business in 2016.<sup>58</sup> Furthermore it is heterogeneous and diverse: People with migration background continuously gain importance and the numbers of self-employed within this group rose by 30% up to 737.000 (from 2005 to 2015).<sup>59</sup>

A KfW<sup>60</sup> research found significant correlation between business founding among people with migration background and the situation of the labour market, meaning that the decision to become self-employed within this group is more dependent on job/income alternatives than within the group of German nationals.<sup>61</sup> Another finding of the research is that the percentage of migrants starting a business out of unemployment is higher than for German nationals with the same features, which nevertheless shouldn't lead to the assumption that business creation could be reduced to economic misery.<sup>62</sup>

<sup>57</sup> Cf. OECD, 2017, p. 32.

<sup>58</sup> Cf. Sängler/ Siebert/ Förster, 2016.

<sup>59</sup> Cf. Bundesministerium für Wirtschaft und Energie, 2017.

<sup>60</sup> Note: KfW is a German development bank (see: <https://www.kfw.de/kfw.de-2.html>).

<sup>61</sup> Cf. KfW Research, 2016, p.1.

<sup>62</sup> Cf. KfW Research, 2016, p.1.

In terms of presumed typical branches, there is no data stating noticeable concentration in specific business sectors among the group of immigrant entrepreneurs, stakeholders working in the field start-up consultancy report about a wide range as: service industry, gastronomy, sales, cosmetics, IT, translation agencies, arts, etc. Sometimes the business idea is linked to former fields of occupation in the country of origin but that is not necessarily the case.<sup>63</sup> Noticeably there is an under-representation of people with migration background running businesses within the area of crafts which is due to strongly regulated requirements (e.g. holding a master craftsman's diploma).<sup>64</sup> Migrant entrepreneurship is often assessed as serving niches, e.g. focussing their own ethnic group and providing them with imported products from the countries of origin. But this is only the case for some business as immigration to Germany also opens up new opportunities regarding innovation, new products and new markets in the countries of origin as well as in Germany. And that's only one of the reasons why immigrant entrepreneurs are of great potential for the German economy which should be used and supported.

## 2. Reasons for Low Dynamics

First of all, almost every reason for a high dynamic can theoretically be turned into a reason for low dynamic as well. This is due to individual conditions and characteristics of each individual's status, meaning that e.g. the temporarily denied access to the labour market might result in inactivity or it might stimulate entrepreneurship leading to preparations for starting a business before the final permission for economic activity. In the following within the light of the already discussed high dynamics, the reasons for low dynamics will be briefly discussed.

### *a. Inactivity Trap / Unemployment / Socio-Economic Situation*

The development of the German labour market is increasingly influenced by migration.<sup>65</sup> But there is a need to distinguish at least between the two following forms of migration: labour migration and forced migration. Integration into the labour markets depends highly on aspects such as degree of preparation before migrating in particular in terms of language skills, certifications, qualifications, etc.<sup>66</sup> People coming to Germany within the context of forced migration will usually need several years before framework conditions (among them resident status, language skills, recognition of

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<sup>63</sup> Cf. Sanger/ Siebert/ Forster, 2016, p. 40.

<sup>64</sup> Cf. Tolciu/ Schaland, 2008, p. 540.

<sup>65</sup> Cf. Bundesagentur fur Arbeit, 2018, p. 5.

<sup>66</sup> Cf. Bundesagentur fur Arbeit, 2018, p. 5.

foreign certificates if available, knowledge about the German labour market) for a full integration into the labour market will be given.<sup>67</sup>

Besides the legal restrictions for actively taking part on the labour market (see next section) there are several other aspects to consider which impede employment or self-employment for migrants.

Although there are diverse offers for language support it is difficult to find thematic language or integration courses regarding entrepreneurship or company start-up which might facilitate processes especially in terms of bureaucracy when taking the perspective of self-employment into consideration.<sup>68</sup> Nevertheless, lacking or poor German language skills can only be one factor of the big picture.

Another issue which should not be underestimated is the non-recognition of educational attainments or professional certificates as the systems in the countries of origin might differ a lot from the German one. This can cause temporary unemployment of skilled workers as they have to give proof of their competences first or even have to start from the beginning or it pushes them into other work fields then often low-paid. Self-employment then becomes attractive as it gives the possibility of a demanding and at best an occupation according to the person's qualification.<sup>69</sup>

No matter the reason impeding economic activity or prolonging the denied access to the labour market the current practice pushes the people affected into the role of passive social welfare recipients.<sup>70</sup> Studies in OECD-states show that the sooner migrants get access to the labour market the better are long-term chances for integration, while long-term inactivity can affect future employment chances and may also have negative psychological effects as well as the risk to turn towards informal labour markets rises.<sup>71</sup>

With regard to the socio-economic situation as a possible reason for low dynamics a changing into a self-employment status presents a risk, but a complete withdrawal of welfare benefits in the first period of a business foundation does not occur when the earnings don't cover basic provision. This means that unemployment benefits continue to be paid to supplement the income in the first stages of a start-up. As well there are possibilities to apply for special funding for prospective business founders which are designed to give financial support in the first months of the realization.<sup>72</sup>

#### *b. Restrictive Legislations for refugees & immigrants*

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<sup>67</sup> Cf. Bundesagentur für Arbeit, 2018, p. 5.

<sup>68</sup> Cf. Sänger/ Siebert/ Förster, 2016, p. 38.

<sup>69</sup> Cf. Sänger/ Siebert/ Förster, 2016, p. 40.

<sup>70</sup> Cf. Sänger/ Siebert/ Förster, 2016, p. 6.

<sup>71</sup> Cf. Liebig, 2007.

<sup>72</sup> Cf. Existenzgründer und Jungunternehmer, 2018.

A precondition for the integration into the labour market is a legal access to it also in terms of self-employment. The access underlies legal restrictions with regard to state of residence and work permit of the individual concerned (see figure below)<sup>73</sup>:

Abbildung 3.3 **Mindestwartefristen beim Arbeitsmarktzugang für Asylbewerber in ausgewählten OECD-Ländern, um 2016**  
In Monaten

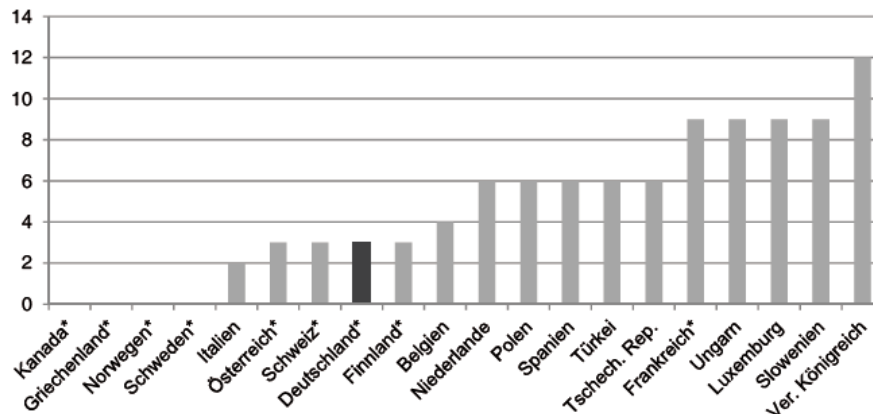


Figure: Minimum waiting period for asylum seekers till legal access to the labour market (state 2016)

While nationals of member states of the European Union don't need a residency permit nor a work permit as this is the essence of the freedom of movement within the Schengen area<sup>74</sup>, there are other groups of foreigners facing more bureaucratic hurdles.

Non-European nationals migrating to Germany are dependent on the German authorities to issue a residence or settlement permit and based on this a work permit. There are different regulations with regard to nationalities, as there are special programs for "guest workers" from the Western Balkan states, or with regard to fields of skilled work in order to counter skills shortage.<sup>75</sup>

The case is again different for people coming to Germany within the context of forced migration, while being in an initial reception centre for refugees and asylum seekers no dependent or independent economic activity is allowed. It then depends on the probability of a positive decision on the asylum claim if it can already be made use of courses (except for language courses) and consultancy offers provided by public institutions such as the job agency.<sup>76</sup> When moving into a refugee home or a comparable housing an employment, on the contrary to self-employment, could be permitted by the immigration authority provided that certain criteria are met. At this point unlimited access to labour market policy services is provided including German language and integration courses and start-up consultancy offers.<sup>77</sup>

<sup>73</sup> OECD, 2017, p. 44.

<sup>74</sup> Cf. Universität Freiburg, Zentrale Universitätsverwaltung, 2017.

<sup>75</sup> Cf. Czycholl, 2017.

<sup>76</sup> Cf. Sänger/ Siebert/ Förster, 2016, p. 8.

<sup>77</sup> Cf. Sänger/ Siebert/ Förster, 2016, p. 8/9.



### *c. Bureaucratic Hurdles on Business Creation*

After settling bureaucratic hurdles due to residency status and work permissions, the first step for becoming an entrepreneur in Germany and precondition for support by official agencies is to elaborate a business plan. It has to be detailed and well thought out including a risk management plan. According to stakeholders, this seems to be a difficult step to take for entrepreneurs to be and especially for those not familiar with the German labour system. Bureaucracy issues, permissions and licences as well as certificates (e.g. within the sector of crafts) turn into obstacles in practice.

The problem doesn't consist in a lack of information on how to proceed when starting a business but in getting the relevant information to the people. A "one-stop-shop" concept might be helpful to get first information on the topic.

Ideas for a targeted support of migrants and especially for refugees and asylum seekers in their start-up project have been developed but so far there are no tried and tested formats and mechanisms for a Germany-wide scale.<sup>78</sup>

## **IV. Supportive Measures for refugee & immigrant entrepreneurship**

### **A. Entrepreneurs's Needs**

Mohammad F. is highly dedicated and very active in the field of consultancy for entrepreneurship and supported foreigners on their way to integration into the German labour market. He draws on his own experiences as someone with migration background starting a business in Germany and facing several obstacles until getting where he is now.

Mohammad was born in India and came to Europe for his master's degree in Lille, France, in 2007. He got the chance to take a well-paid employment in Norway afterwards but already knew that he wanted to start his own business. The decision from secure employment to self-employment is never easy but he knew that it was now or never that he would dare to take the risk. He left Norway and came to study his Phd in Kiel where he also participated in his first workshop on entrepreneurship which finally tipped the scales. Originally studying within the field of ecotrophology, Mohammad dived deep into economics and management and also learned autodidactically within his field of interest: the IT-sector. In 2014, he started to work on the project of starting his own business. Back then, he faced many obstacles especially regarding support by the official institutions, e.g. waiting time for appointments were long, from minimum one month up to six months for a first presentation of the business idea. And what is more, the appointment could only be made on the basis of an already elaborated business plan, which constitutes a big difficulty for people not being familiar with

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<sup>78</sup> Cf. Sanger/ Siebert/ Forster, 2016, p. 45.

the German economy and labour market system. Mohammad F. started his business in the field of IT-solutions and has successfully built a professional network in Germany and India. He started by employing international students which turned out to be problematic as they coded parts of the programme but stayed only limited time in Germany. He then opted to change the business model: he transfers the needs for IT-solutions of German companies turning to him to Indian partners which then process the orders.

Today Mohammad F. is the program manager for management at the “University of Applied Sciences Kiel” and lectures about entrepreneurship. He is involved in “open campus”

(<http://www.opencampus.sh/>) –an independent education provider- where networks and contacts for interested people are provided and courses on entrepreneurship are offered. He is one of the founders of the project “job starter” ([https://www.international.uni-kiel.de/en/advising-activities-services/service-information/jobstarter?set\\_language=en](https://www.international.uni-kiel.de/en/advising-activities-services/service-information/jobstarter?set_language=en)) focusing mainly on the labour integration of international students during their studies in Germany or afterwards. Run from July 2015 to December 2017 the project is financed by the “Deutscher Akademischer Austauschdienst (DAAD)” (“German Academic Exchange Service”) and also offered e.g. courses on Business German to help entrepreneurs-to-be to find their way through the demanding process of starting a business and dealing with bureaucracy.

Mohammad F. considers the three following aspects as most important:

- There should be well-functioning networks within the consultancy structures so that institutions and initiatives work hand-in-hand when supported migrant entrepreneurs. Cooperation between initiatives, local authorities and companies should be encouraged.
- There should be clear responsibilities and contact points as well as transparency regarding competences and accountabilities when dealing with authorities as job centres, chambers of commerce, etc.
- Information for migrant entrepreneurs have to be prepared and delivered in a well elaborated and well understandable way in order to reach the target group.

## B. Access to Finance

### 1. Access to Banks

A central obstacle for recognized refugees and also for other migrants in becoming self-employed entrepreneurs consists in the regulations of access to financial support. Studies for 2013/2014

showed that immigrants face this kind of problems above average, so that in total about 28% of them declared to have struggled with financial support for starting their business.<sup>79</sup>

Within the forced migration context many of them don't possess net capital or have no access to it back in the country of origin anymore, lacking identity documents aggravate the situation. Even opening an account with a German bank is only possible after clearing several bureaucratic hurdles meaning that especially for those with a temporary residence permit it becomes almost impossible to get external financial support from a credit bank or state mechanisms.<sup>80</sup>

The access to bank therefore strongly depends on the legal framework of a migrant's residence permit. Although the approval of bank loans depending on collateral is far from being discriminating but it is handled this way regardless of whom asks for a credit to start a business all the more since the person applying will become self-employed meaning no solid monthly income will be gained to pay off the loan.<sup>81</sup>

The lacking access to finance capital is a structural problem and without this being solved first there is less sense in consultancy offers or preparation courses for self-employment if in the end there is no capital to implement the business plan.<sup>82</sup>

Customized loans of small sums with low-threshold access might be an incentive for people to consider bank finance and take them one step forward to starting a business.

## 2. Public and Private Financial Support Schemes

The access to public financial support is regularly restricted by formal application procedures and reporting obligations which makes it therefore vital to possess skills in the relevant language, finances, management as well as a well-designed business plan. This is not necessarily the case for everybody thinking about self-employment and not even for all of those who already ran a business in their country of origin as now they face a different bureaucratic and labour market system.

While there is hardly low-threshold finance support, different structures for capital gaining are established on a nationwide level (e.g. development banks' promotional loans or other financial support formats focusing on founding projects). Similar programmes can be found on a federal state level. The problematic consists in the nature of these offers as they are rarely tailored to the target group's needs, they are open to anyone being interested in starting a business and therefore the specific characteristics a migrant entrepreneur might have are ignored.<sup>83</sup>

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<sup>79</sup> Cf. Sachs/ Hoch/ Münch/ Steidle, 2016, p.35.

<sup>80</sup> Cf. Sängner/ Siebert/ Förster, 2016, p. 32.

<sup>81</sup> Cf. Sängner/ Siebert/ Förster, 2016, p. 43/44.

<sup>82</sup> Cf. Sängner/ Siebert/ Förster, 2016, p. 32.

<sup>83</sup> Cf. Sachs/ Hoch/ Münch/ Steidle, 2016, p. 37.

### 3. Microcredit: Why and How?

A research paper published on the European Microfinance Network's webpage named «Financial Inclusion of Germany's Refugees: Current Situation and Road Ahead» aims to describe and analyse different aspects of the financial lives of refugees and asylum seekers (collectively 'newcomers') in Germany. It maps out the current situation of access to financial services for the newcomers, their unique financial needs, and the challenges from demand as well as supply-side perspective. The findings of the research are based on a thorough review of existing literature, qualitative in-depth interviews with newcomers, and interviews with key informants from the financial sector and other stakeholders involved in refugee integration (NGOs, social workers, researchers, international organisations). While the focus of the research is on financial strategies used by the newcomers, it recognises and looks at other spheres of integration— especially social and labour market—which heavily influences their financial choices. The other key focus of the research is to understand the behavioural factors and biases that influence their economic and financial choices.

The DMI is the quality assurance provider for the German microfinance industry

Our benchmarks, training courses and accreditations ensure that the money invested in our funds is particularly beneficial - over a long period of time.

We not only value the good quality of advice and procurement, but are also in the daily responsibility towards the investor, who can expect a responsible handling of the money invested.

How DMI does this?

1. Only the best and most experienced MFIs take part.
2. They are looking for competition and growth, with reliable partners.
3. Careful handling of investment and social impact belong together for us in order to be able to offer microfinance products in Germany tomorrow.

This is their promise of quality.

Background / structure

Organizations providing start-up support saw an explosive funding gap looming at the end of the 1990s

- - More and more business start-ups arise from unemployment and other economically difficult situations.
  - At the same time, access to capital is generally becoming more difficult for micro businesses.

Against this background, the first regional model projects were created, supported by the Federal Employment Agency, foundations and banks. This resulted in a supra-regional cooperation and in 2004 the establishment of the German Microfinance Institute. In the work it became clear that for the majority of such "self-employment companies" the capital squeeze does not exist immediately upon establishment, for example:

- - Service providers often have very little capital requirements.
  - Financing from the personal environment is possible.
  - Used equipment is available or can be borrowed.
  - Financing is provided through private credit cards, private bank loans or leasing.

Due to possible indebtedness, it is also recommended in many cases to start without bank liabilities.

A major obstacle to such companies, however, turned out to be a lack of funding in the post-start-up phase - to secure their existence or for the first growth steps. This is often formulated as follows: "I don't want to take out a loan at all now. But in the event that my computer breaks down or an order has to be pre-financed, for example, I need the certainty that it will continue." This is exactly what the internationally successful "microlending" methods are suitable for.

The Deutsches Mikrofinanz Institut (DMI) is the direct result of the experience of a number of EQUAL Development Partnerships and particularly of the National Working Group they set up on "finance for start-ups". The DMI aimed from the start to build on existing projects in order to develop national solutions to what is generally considered to an important financial gap at the lower end of the financial market for start-ups in Germany.

In 2003, unemployed people accounted for approximately 250,000 start-ups in Germany, slightly more than half business start-ups in the entire country. A state supported bank, the KfW SME Bank provides them with a range of small loans of under 50,000 euros and other financial products guaranteed by the European Investment Fund. However, these are only available through recognised "house" banks, and despite a special programme of micro loans a high proportion fall within the upper range of 25-50,000 euros.

Based on their own experience and an analysis of the situation in other European countries, EQUAL DPs argued that there was still an unmet need for smaller, more gradual financial instruments closely linked to specially adapted business support. This is the reason that 22 microfinance initiatives have sprung up in Germany over the last few years (two public KfW micro-loan programmes; some loan schemes run by regional ministries or state banks, community business support services, a social security office and five microlending initiatives of self employment services (start-up centres) with the financial and technical support of Deutsche Bank-Stiftung (Stiftung = Foundation) and GLS Gemeinschaftsbank eG). However, many of these initiatives are extremely small (less than a 100 loans p.a) and have great difficulty in achieving sustainability. The DMI was set up in order to respond to this challenge.

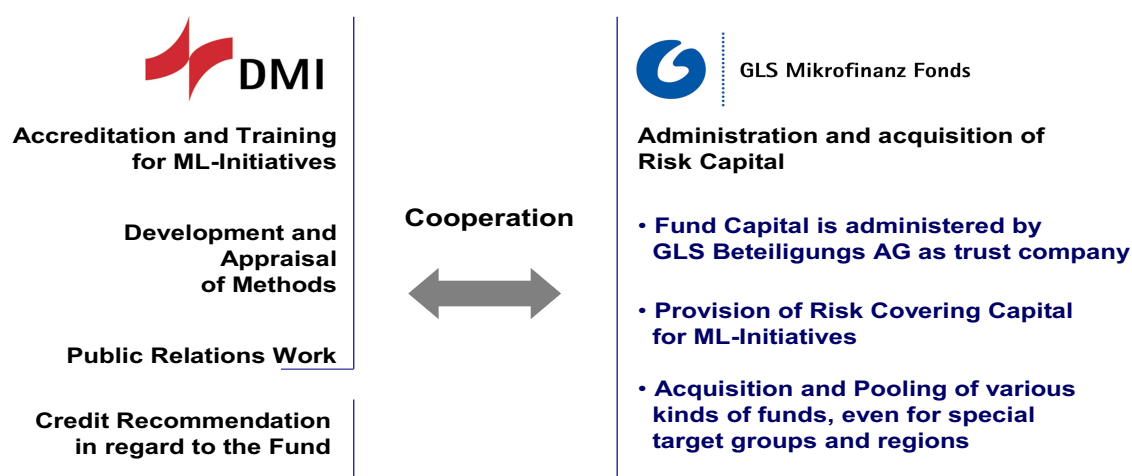
The first stage of the process involved benchmarking studies of microlending initiatives in both Germany and other European countries, the creation of several local microlending schemes and the creation of working group and network. The members of the network also analysed the legal and institutional changes required to create a "friendly environment for self employment".

The development of a common model. On the basis of this information and the experience of some of the members the network went on to develop a common model for microcredit under the current German Credit Services Act. This involves a partnership between a start-up centre providing training, coaching, mentoring, monitoring and control combined with a microcredit facility (credit board for approval of loans, collateral, staff for supervision of repayments and debt collection) and a bank.

**The launch of DMI.** The DMI was formally created as a registered association in April 2004. It now consist of more than 50 organisations from all German regions (Oktober 2004): 5 EQUAL DPs (EXZEPT ([DE-EA-54090](#)), Women Way of Entrepreneurship ([DE-EA-96982](#)), Enterprise ([DE-XB4-76051-20-BE/206](#)), MaGNet ([DE-EA-66029](#)) and Gründerbegleitnetzwerk Brandenburg ([DE-EA-26261](#))), 36 self employment services / start-up initiatives and incubators with microlending experience, 2 financial institutions GLS Gemeinschaftsbank eG (ethical-ecological cooperative bank) and GLS Beteiligungsaktiengesellschaft (investment company), scientists, consultancies, certain public bodies and organisations representing women and ethnic minority entrepreneurs

At its initial general meeting, DMI was supported by the federal public SME bank KfW, the Federal Ministry for Economies and Employment and the Federal Employment Services although they are unable to become members. .

## DMI and GLS Mikrofinanz Fonds



**A federal fund.** The model involved the creation of a federal fund – the GLS Mikrofinanz Fonds. Local Initiatives – which are accredited and recommended by DMI - tap into this fund by adopting the common local funding model mentioned above, thereby increasing their economies of scale.

#### 4. Case Studies: Successful and Inclusive Services

Theoretically and de jure, the option of self-employment and starting a business is given when a residency permit is issued. Practically, this is where the problems start as migrant entrepreneurs face obstacles within acquisition of financial capital, legal barriers, assurance struggles, etc. As the

migration of people to Germany continues and therefore numbers of people searching for employment and seeking integration into the labour market, innovative approaches and solutions are needed.<sup>84</sup>

Granting micro credits for refugees is a just emerging mechanism in Germany: The “Investment Bank Berlin (IBB)” informed in October 2017 that it has expanded its offers within the “KMU-Fonds” (“SME fund”) to the group of refugees with a granted permanent or even temporary residence permit.<sup>85</sup> The loan duration would then be matched with the time of the permit or if not, accompanied with a guarantee. By involving cooperation partners, it is ensured that a business concept is well elaborated before an application for a credit is filed. The maximum loan volume is 25.000 Euro while application processes are designed to be accessible and decisions are made quickly. The fund is financed by the European Regional Development Fund and the “Investment Bank Berlin”.

A similar concept was already set up in 2016 by the “NRW.Bank” (for the Region of the Federal State of Nordrhein-Westfalen: This development bank recognised the potential of migrant entrepreneurship and enlarged its microfinance program to the group of people with recognised refugee status<sup>86</sup>, provided that the proposed business concepts fit into the bank’s regular criteria for credit awarding. The maximum loan volume is 25.000 Euro enabling refugees with good prospects to stay in Germany to start their own business so that an alternative to dependent employment is given.

### C. Access to Non-Financial Business Support

#### 1. Access to Mainstream Business Support Services

There are several support structures within the sector of non-financial support provided by the respective authorities as the job agency and others to which everyone interested has access to and which are not target group oriented.<sup>87</sup> Some support structures and initiatives are designed for training and consulting with regard to the specific group of migrant entrepreneurs. A good practice example is the “IQ-Netzwerk” (meaning “network for qualification”) which -supported by many stakeholders among them the ministry for work and social affairs- aims to improve labour market prospects for people with migration background and which set up a unit dedicated to migrant

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<sup>84</sup> Cf. Arlt, 2016.

<sup>85</sup> Cf. Investitionsbank Berlin, 2017.

<sup>86</sup> Cf. NRW.Bank, 2016.

<sup>87</sup> Note: As stated before there are certain waiting periods in relation to residency status and work permit in which the access to consultancy and training is temporarily denied.

entrepreneurship.<sup>88</sup> These specific offers are mostly not set on a nationwide level but limited to certain regions throughout the country and therefore quite heterogeneous.<sup>89</sup> In the following different formats for support and approaches are presented:

*Comprehensive, individual support:*

Support structures of this kind accompany the person concerned on the way throughout all phases of a business creation. Business plans are elaborated and trainings regarding finance raise are offered. Especially, the approach of “immigrants consulting immigrants” is in many cases advantageous, e.g. in the format of mentoring programmes.<sup>90</sup>

*Informative events:*

These support structures focuses more on the initial provision of information regarding business foundation and self-employment and they are mostly designed for groups of people interested in the topic.<sup>91</sup>

*Campaigns, Awareness raising project, networks:*

Measures for sensitisation are essential to prepare the labour market and the environment for business creation by people with migration background. Projects start from raising awareness and motivation within the target group and involve experts.<sup>92</sup>

## 2. Refugees & Immigrants as a Specific Target Group for Business Support

When talking to responsible persons of projects especially taking refugees and immigrants as a target group in terms of entrepreneurship and self-employment it seems, that in Germany the attention for this group and its potential is just emerging.

It is essential to enable a low-threshold access to information on the topic in order to stimulate founding intentions and to motivate potential founders-to-be. The group of migrant entrepreneurs is a group which due to various reasons might be more difficult to reach via regular information processing, so that new grounds of providing assistance are to be broken.

Within consultancy offers provided by official institutions the demand on the part of refugees is perceived as high but support structures still remain mostly on a regional or federal state level but the importance of targeted offers on a bigger scale catches on. Target group specifically designed trainings constitute an essential promotion of versatile entrepreneurship and an important

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<sup>88</sup> Cf. Sachs/ Hoch/ Münch/ Steidle, 2016, p. 37.

<sup>89</sup> Cf. Sachs/ Hoch/ Münch/ Steidle, 2016, p. 37/38.

<sup>90</sup> Cf. Sachs/ Hoch/ Münch/ Steidle, 2016, p. 38.

<sup>91</sup> Cf. Sachs/ Hoch/ Münch/ Steidle, 2016, p. 40.

<sup>92</sup> Cf. Sachs/ Hoch/ Münch/ Steidle, 2016, p. 41.



precondition for starting a business.<sup>93</sup> Challenges can be seen in finding a suitable format to address the group of people with migration background interested in starting a business as well as long-term support is needed which does not end with the business creation but accompanies through the tough initial period of self-employment. Current consultancy and training offers focus mainly on the preparation of a business creation and on acquiring knowledge about management and finances.<sup>94</sup>

### 3. Case Studies: Successful and Inclusive Non-Financial Services

There are various existing and emerging initiatives providing inclusive non-financial service based on different approaches. In the following the project “Star-up your future” is presented as an example.

“We aim to reach out to refugees who want to take responsibility for their own future – by setting up their own business.”<sup>95</sup> Start-up your future is a pilot project initiated by the association “Wirtschaftsjunioren Deutschland” (<https://en.wjd.de/>) focusing on giving support to refugees who live in the Berlin-Brandenburg region and who are interested in starting an own business in Germany. The aim is to open up the perspective of self-employment as an option to integrate into the labour market.

The approach is based on the method of mentoring: Successful founders act as volunteer mentors and are matched to lead and support the entrepreneurs-to-be on their whole way to a business creation. Apart from the mentorship, intercultural training, simulations and work shadowing is inter alia offered. The benefits are not limited to the expertise but the personal contact between refugee entrepreneurs and their mentors also enables personal contact on an eye-to-eye level and a first access to a professional network.

The project cooperates with partners such as the chamber for industry and commerce Berlin and the investment bank Berlin and is funded by the Federal Ministry for Economic Affairs and Energy. It is open to people with a recognised refugee status or for asylum seekers with good prospects for a positive decision on their asylum request.<sup>96</sup>

## V. Conclusions and Recommendations

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<sup>93</sup> Cf. Sachs/ Hoch/ Münch/ Steidle, 2016, p. 42.

<sup>94</sup> Cf. Sachs/ Hoch/ Münch/ Steidle, 2016, p. 42.

<sup>95</sup> Start-up your future, Homepage: <https://www.startupyourfuture.de/en/about-us/>.

<sup>96</sup> Note: Best Practice stories can be found here: Start-up your future, Homepage: <https://www.startupyourfuture.de/en/best-practises/>.

## A. Outreach

### 1. Working with Partners: Raising Awareness Regarding Potential of Immigrants as Entrepreneurs

“TREND” as an Erasmus+ funded project can contribute to raising awareness of migrant entrepreneurship on a regional, national and European level. People migrating to other countries should be seen as a chance when new grounds for integration are broke. Innovative approaches are needed but the precondition for their elaboration is the recognition of potential among this group. This should not be limited to stakeholders and people involved in labour market consultancy but should to the same extent address the public. The project partners will therefore inform about the topic and disseminate their findings to contribute to a change in perception of the different migrant groups and entrepreneurship.

### 2. Targeting Specific Communities Directly

Throughout the project’s flow, the partnership will identify stakeholders and will try to reach and involve them by integrating experiences regarding obstacles and needs of the group of migrant entrepreneurs-to-be into the project’s outputs. These will be provided to all interested initiatives, institutions and organisations so that the target group can be reached as comprehensively as possible. The partnership therefore makes an effort to use different channels for dissemination and for presenting information and offers as a website, training of trainer events, etc. in order to raise the probability of usage of the developed materials among migrants interested in entrepreneurship. It is vital to contribute to a stronger creation of networks of all those involved in the topic: information and consultancy providers, support initiatives, finance providers, etc.

## B. Improving Access to Finance

As mentioned above, there are different approaches emerging (e.g. micro credits for refugees with a residence permit) and evolving. It is vital to design specific approaches to finance for migrant entrepreneurs according to their specific needs with regard to financial capital which have been analysed above. Instruments have to be therefore created or already existing mechanisms should be adapted.

- Strengthening the Microfinance access and networks in Europe

*Unni will complete this part for each country*

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