

Innovation Policies for Inclusiveness – Policy Cases

Initiative for Start-ups and Business Transfer

Country: **Germany (Federal State of Baden-Württemberg)**

1. Short Description

The *Initiative for Start-ups and Business Transfer (IFEX)* aims to promote **business start-ups among individuals with a migration background**.¹ It is a key element of entrepreneurship policy in the Federal State of Baden-Württemberg (“Gründungsoffensive”). The initiative launches targeted public awareness campaigns promoting entrepreneurship through the organisation of fairs and seminars addressing a broad range of actors. Participants include business chambers, business development bodies, universities, schools, local authorities and representatives from the private sector. IFEX also co-ordinates targeted activities to promote entrepreneurship, including the provision of bilingual information, training, advice and coaching for migrants.

This policy profile is part of a [policy toolkit on innovation policies for inclusiveness](#). It is relevant for social inclusiveness.

2. Policy Characteristics

Basic Information

Country and implementing institution(s):	Timeline:
Germany Ministry of Economic Affairs, Labour and Housing of Baden-Württemberg	2012 to the present
Target group	Size and budget:
Individuals with a migration background in Baden Württemberg	Number of policy recipients: Several seminars and events open to the public are organised every year. On average, 300 persons receive individual coaching per year. IFEX promotes measures such as DTW (Deutsch-Türkisches Wirtschaftszentrum Mannheim), which has provided bilingual coaching on start-ups to over 400 persons since 2004.
Type of policy instrument(s)	Inclusiveness focus
Non-financial support: counselling and training/public campaigns	Social inclusiveness

¹ Persons with a migration background include immigrants to Germany, as well as persons whose parents have immigrated to Germany.



Policy objectives

The policy objective of IFEX is to inform the target group about critical success factors and barriers related to entrepreneurship. The audience consists of actual and potential entrepreneurs with a migration background, business chambers, financiers and the private sector. IFEX further aims to better connect potential entrepreneurs with organisations providing bilingual business consultancy, existing migrant entrepreneurs (as role models), local authorities and financiers (e.g. the investment bank KfW).

Rationale

Start-ups led by entrepreneurs with a migration background show higher exit rates than those from entrepreneurs with no migration background. While 30% of all German start-ups close three years after creation, this share rises to 39% for the start-ups of entrepreneurs with a migration background (Metzger, 2016). The main barriers for migrants are restricted access to finance, language problems and the recruitment of skilled personnel.

Policy target recipient and selection mechanism

IFEX organises public seminars and events that are open to all without restriction. It also supports initiatives of the Federal State of Baden Württemberg that organise seminars and events targeting migrants (e.g. Landesarbeitsgemeinschaft Migrantenökonomie).

IFEX does not select the target group directly. Instead, it provides financial support to initiatives that offer targeted coaching and advice services. For example, DTW (Deutsch-Türkisches Wirtschaftszentrum Mannheim) offers bilingual coaching to individuals with a Turkish background. DTW selects the beneficiaries based on a review of their business plans. Once selected, the person receives bilingual coaching and advice on financial and legal issues and intercultural barriers to entrepreneurship, as well as information on possible cooperation partners. They also receive assistance with their business plan, marketing, recruitment, and training and instruction of personnel.

Policy instrument(s)

- A **web campaign** targets individuals with a migration background to inform them about existing support measures. These mainly take the form of seminars for migrant entrepreneurs and coaching and counselling services. The associated website provides information on opportunities and risks related to entrepreneurship. It also provides an example of a migrant entrepreneur in the form of the fictional character Dimitri (Frag Dimitri),² who describes problems and rewards related to his experience as an entrepreneur. IFEX also operates a platform³ that provides information on funding opportunities for migrant entrepreneurs and entrepreneurs in general.

² See www.frag-dimitri.de (accessed 28 September 2016).

³ See www.gruendung-bw.de/foerderung-finanzhilfen/datenbank-foerderprogramme-und-finanzhilfen/?tx_rtfoerderprogramme_foerderprogramm%5Baction%5D=list&tx_rtfoerderprogramme_foerderprogramm%5Bcontroller%5D=foerderprogramm&cHash=f2da89f6f2a9129b1aba6f4bec979e97 (accessed 7 October 2016).



- **Seminars and events** aim to link the target group with a broad range of actors, by providing access to information and a network of experts. In 2016, IFEX organised or financially supported six seminars,⁴ which were advertised on their website and through local business chambers. These addressed mostly representatives from the local business community (e.g. business chambers) and the local migrant community (e.g. Turkish business firms), including migrant entrepreneurs. For example, in 2013 IFEX organised a fair in Stuttgart on skilled employees in firms run by migrants. The 40 participants included representatives from local business chambers, local funding agencies and local education institutions, as well as the Italian Business Association (VIU-FIDI), the Turkish Association of Entrepreneurs and Industry in Europe (ATIAD), the Association of Turkish Employers in Southern Germany (TÜMSIAD), the German-Greek Business Association DHUV and migrant entrepreneurs.
- Although IFEX does not provide direct coaching and counselling, it does **provide financial support to coaching and counselling initiatives** (e.g. DTW, an initiative of German-Turkish business firms that provides bilingual coaching for persons with a Turkish background). Another example is Landesarbeitsgemeinschaft Migrantenökonomie, an initiative organised between the city of Karlsruhe, the University of Mannheim and IKUBIZ, an intercultural centre for the training of skilled employees in Mannheim. Landesarbeitsgemeinschaft Migrantenökonomie organises seminars and workshops around the issue of skilled employees at migrant firms. They bring together local business chambers, labour agencies, education institutions, migrant business associations and migrant entrepreneurs.

Policy challenges

The main challenge faced by IFEX is the limited funds available to support individual coaching by organisations such as DTW. On average, 300 individuals per year receive non-financial support co-funded by IFEX, however this is insufficient to meet demand.

Actions undertaken to address challenges

No actions have been taken.

Evaluation and outcomes of the scheme

Sachs et al. (2016) provide an overview of policies in Germany that target migrant entrepreneurs and assess the impact of selected case studies. For example, DTW (Deutsch-Türkisches Wirtschaftszentrum Mannheim) in Baden Württemberg provided coaching to 400 selected individuals between 2004 and 2014. Out of these 400 persons, 35 successfully established firms and created 170 jobs. Similar initiatives include Xenex and I.S.I. e.V. Xenex (Ausbildungsring ausländischer Unternehmer, Bavaria) provides bilingual coaching to 100-400 selected persons per year, while I.S.I. e.V. (Initiative Selbstständiger Immigrantinnen, Berlin) supports up to 280 young female migrants per year. Both provide advice on finding investors, establishing the business, business and legal issues, recruitment, training and instruction of personnel, and related intercultural issues.

⁴ See www.gruendung-bw.de/service/veranstaltungen/events/Event/list (accessed 7 October 2016).



Sources

Metzger, G. (2016), "Migranten überdurchschnittlich gründungsaktiv – Arbeitsmarkt spielt große Rolle" [Migrants' above-average start-ups – the labour market plays a major role]. *KfW Research Fokus Volkswirtschaft*, 115, www.kfw.de/PDF/Download-Center/Konzernthemen/Research/PDF-Dokumente-Fokus-Volkswirtschaft/Fokus-Nr.-115-Januar-2016-Migrantengr%C3%BCndungen.pdf (accessed 28 September 2016).

Sachs, A. et al. (2016), "Migrantenunternehmen in Deutschland zwischen 2005 und 2014: Ausmaß, ökonomische Bedeutung, Einflussfaktoren und Förderung auf Ebene der Bundesländer" [Migrant enterprises in Germany between 2005 and 2014: extent, economic importance, influencing factors and promotion at the level of the Federal states]. *Inklusives Wachstum für Deutschland*, No. 5, Bertelsmann Stiftung, Gütersloh, Germany, www.bertelsmannstiftung.de/fileadmin/files/BSt/Publikationen/GrauePublikationen/NW_Migrantenunternehmen.pdf (accessed 28 September 2016).

Background

*This document is part of a repository of examples of **innovation policies that have for explicit aim to contribute to territorial, industrial and social inclusiveness**. The repository is part of an innovation policy toolkit developed for the **Innovation for Inclusive Growth** project and gathers national innovation policy programmes that:*

- A.** Explicitly target **lagging and less innovative regions** (outside of regions that are highly innovative) or by design are more likely to support these lagging / less innovative regions.*
- B.** Explicitly aim to include in innovation activities **individuals and groups that are not usually participating** in those activities and in support of broadening the group of innovators.*
- C.** Explicitly aim to foster innovation activities in non-innovative firms, in particular by targeting **non-innovative sectors and non-innovative Small and Medium-sized Enterprises (SMEs)**.*

Policies are searchable by inclusiveness type, objective and implementation challenge on:
<https://innovationpolicyplatform.org/inclusivetoolkit>