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# Foundations For Self-Employment

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CREATING A NEW WAY OF  
IMPROVING THE KEY  
COMPETENCIES OF ADULTS

# Introduction

Entering or re-entering the labour market is difficult for many people.

- ▶ Refugees
- ▶ Job seekers with a migration background
- ▶ Job seekers 40+
- ▶ Job seekers after parental leave

A possible alternative to unemployment is to take up self-employed or freelance work.

This course provides an overview of what to consider when planning to become self-employed or freelance.

# Self-employment

- ▶ Self-employed persons do not have a fixed employment relationship with an enterprise and work on their own account.
- ▶ You must be a registered trader and a compulsory member of the Chamber of Industry and Commerce or, for registered trades, the Chamber of Crafts.
- ▶ You can register in the commercial register.
- ▶ There is an obligation to keep accounts.
- ▶ Social security costs are the responsibility of the applicant.

# Freelance employment

- ▶ Freelancers practise a catalogue profession.
- ▶ Examples:
  - ▶ Doctors, lawyers, architects, accountants, physiotherapists, journalists, artists.
- ▶ They are not subject to compulsory membership of the Chamber of Commerce and Industry or the Chamber of Crafts.
- ▶ Accounting can be done with a profit and loss account.
- ▶ For some catalogue professions it is possible to take out insurance, e.g. with the Künstlersozialkasse (Artists' Social Security Fund), which covers half of the social security costs.

# Professional independence? A good idea!

- ▶ Both responsibility and opportunity
- ▶ Create your own job and decide your own responsibilities
- ▶ Economic independence from employment
- ▶ Flexible working hours
  - ▶ helps for parents with school-age children or caring for relatives
- ▶ Realise your own ideas
- ▶ Giving meaning to your own work
- ▶ Develop and break out of a stuck routine
- ▶ Ending long-term unemployment

# Prerequisites for professional self-employment in Germany

- ▶ Full legal capacity
- ▶ Persons who are legally able to make and accept declarations of intent are considered legally competent. Unrestricted or full legal capacity is reached at the age of 18.
- ▶ Nationals of a member state of the EU, the European Economic Area or Switzerland
- ▶ Other citizens and refugees require a residence permit
- ▶ Good knowledge of German.

# An idea is born

Consider the following:

- ▶ A location
- ▶ A business idea with a business plan
- ▶ A name and logo
- ▶ Check financing and funding programs
- ▶ What legal form, commercial or freelance?
- ▶ Permission requirement yes or no.
- ▶ How do I manage accounting and taxes
- ▶ Insurance and pensions

# Advice

Get advice as often as you can! It will pay off later.

The public employment service or your local job centre will help you get started. They can also tell you what benefits you can get. They can also give you basic information about setting up a business and contact details for further advice.

You should have a good professional qualification for the area in which you want to become self-employed. There are special rules for trades that require registration. Examples include Painters, roofers, carpenters, electricians. Information is available from the regional Chamber of Crafts.



# Help

There are many places where you can get help to start your business:

- ▶ The start-up platform <https://gruenderplattform.de>
- ▶ <https://www.selbststaendig.de/>
- ▶ Federal Ministry for Economic Affairs and Climate Protection BMWK  
<https://www.existenzgruender.de/DE/Service/Beratung-Adressen/inhalt.html>
- ▶ BMWK  
<https://www.existenzgruender.de/DE/Gruendung-vorbereiten/Finanzierung/inhalt.html>

# Financing Options

It is not easy to start a business with no capital. In most cases you will have to use some of your own money (on average 15% of the initial requirement) or apply for a loan.

If you want to apply for a loan, you will need to draw up a business plan.

You can get help with this on the internet. You can find a good guide on the Gründerküche website

<https://www.gruenderkueche.de/fachartikel/so-schreibt-ihr-einen-businessplan-aufbau-struktur-inhalte/>

The business plan is the basis for the discussion with the bank.

# The First Steps

- ▶ Self-employment (including part-time)
  - ▶ Obtaining a trade licence
  - ▶ You can get this from your local trade association
- ▶ Freelance work
  - ▶ Register your business with the Inland Revenue
  - ▶ No trade licence required
- ▶ Trades that require registration
  - ▶ Obtain a trade licence
  - ▶ Apply for registration in the Handwerksrolle

# How to start

- ▶ Open a business account
- ▶ Take out public liability insurance
- ▶ Take out health insurance
- ▶ Plan your private pension
- ▶ Start advertising your business
  - ▶ Website
  - ▶ Social media channels
  - ▶ Local newspapers and magazines
  - ▶ The best advertising in the early days is word of mouth!

# Summary

With good planning and advice, you can lay the foundations for a successful start in self-employment.

It can be your way of avoiding impending or existing unemployment and realising your own ideas.

It is not an easy road, but it is a rewarding one.