



# GERMANY

OECD Global Action on Promoting Social and Solidarity Economy Ecosystems

Germany does not have a national framework around the social and solidarity economy (SSE). In Germany, there were **113 963** associations, mutual companies, cooperatives and other similar forms in 2015, accounting for **6.7%** of total employment.

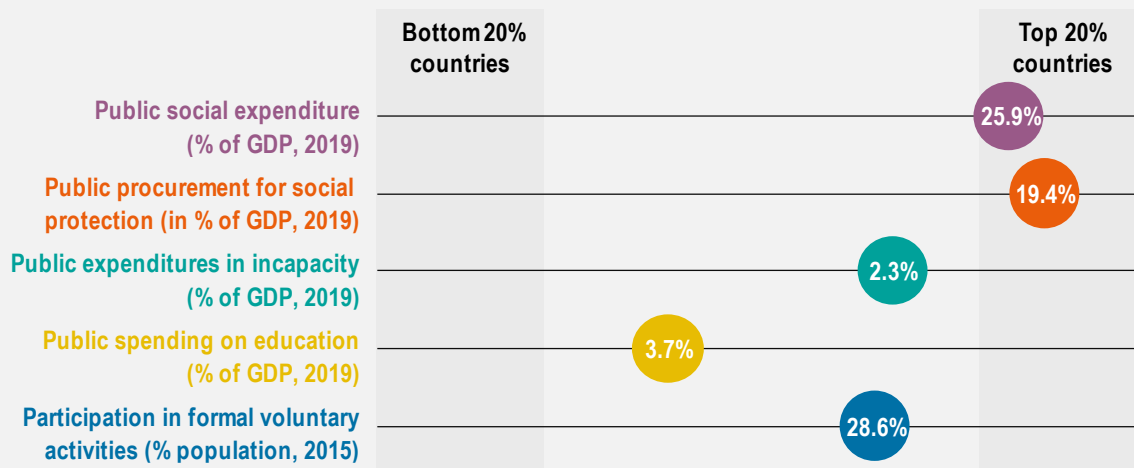
## SOCIO-ECONOMIC INDICATORS

Germany is a federal country and a member of the European Union. It is a high-income country with a very high human development level.

	GDP per capita	Labour force participation rate	Youth not in employment, education or training (NEET)	Poverty rate	Gini coefficient	Rural population	Stakeholder engagement for developing regulations
Germany	USD 63 409	79.4%	10.2%	10.9%	0.296 / 1	15.6%	1.8 / 2
OECD	USD 53 937	73.2%	14.8%	11.0%	0.313 / 1	23.1%	2.1 / 4

Note: Data from Hungary refer to 2022, except for NEET (2021), poverty rate (2019), Gini coefficient (2019) and stakeholder engagement (2017). OECD data refer to 2022, except for poverty rate (2018), Gini coefficient (2020) and stakeholder engagement (2017). GDP per capita for Germany is a provisional value, for OECD is an estimated value. See sources at the end of the document.

## Country position in selected social indicators



Note: For each indicator, the position of the bubble on the line represents the country's ranking compared to OECD and EU countries. Higher rankings are on the right. The panel of countries for the international ranking can vary from an indicator to another due to data availability. See sources at the end of the document.

## SOCIAL AND SOLIDARITY ECONOMY ECOSYSTEM

### Definition of the social and solidarity economy in Germany

No official definition of the SSE is available in the country.

## Institutional frameworks



### Institutions

Different ministries are in charge of SSE-related matters. The **Federal Ministry for Economic Affairs and Climate Action** recently started to take a stronger interest especially in social enterprises. The **Federal Ministry of Family Affairs, Senior Citizens, Women and Youth** and the **Federal Ministry for the Environment** initiated some actions to support social innovation.



### Legal instruments

In Germany, there is no legislations on the social and solidarity economy. There are acts on SSE constituents such as cooperatives.



### Stakeholder engagement

The **“REACT with Impact” programme**, funded by the EU, was launched in 2023 by the Federal Ministry for Economic Affairs and Climate Action to support social enterprises and reinforce the ecosystems in regions.

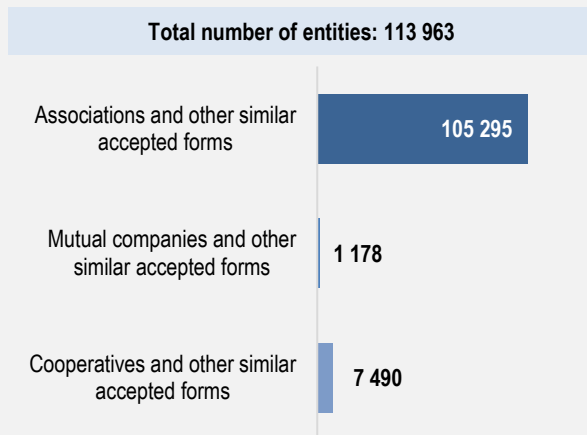
## Main figures

In Germany, there were **113 963** associations, mutual companies, cooperatives and other similar forms in 2015, accounting for **6.7%** of total employment. The total estimated number of social enterprises was **77 458** in 2017.

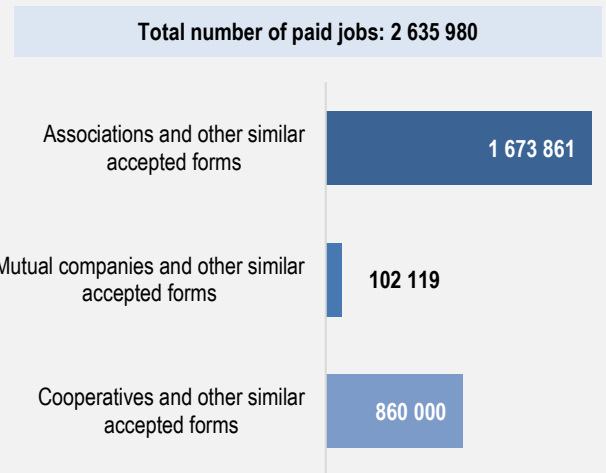
**SCOPE** The data below are retrieved from previous studies conducted in the country: CIRIEC, 2017 for the social economy and European Commission, 2018 for social enterprises.

### SOCIAL ECONOMY ENTITIES

#### Number of some social economy entities (2015)



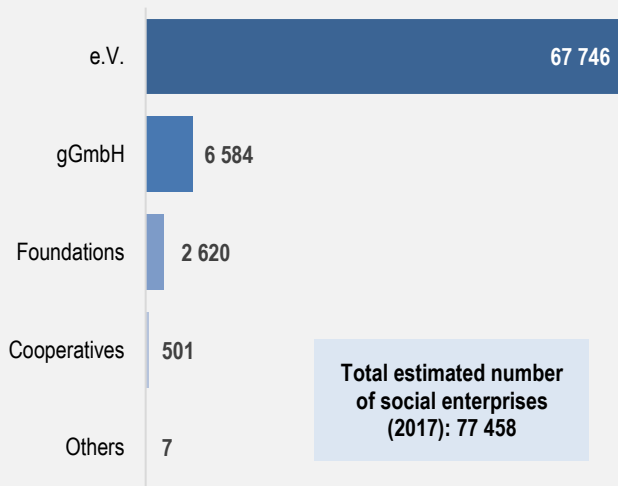
#### Paid employment in social economy entities (2015)



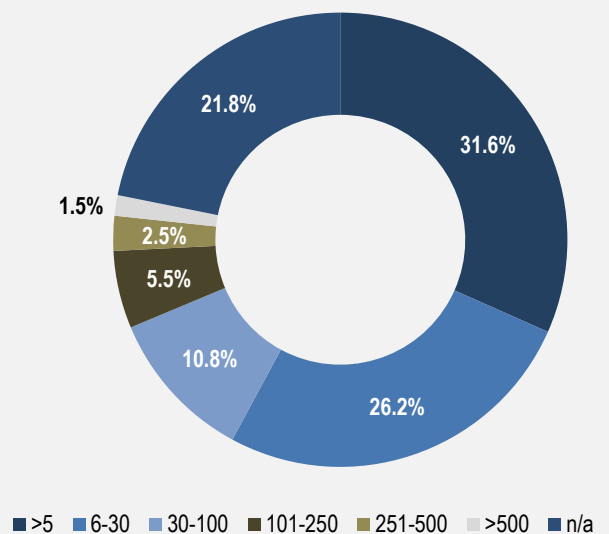
Note: The data above on SSE entities by legal form and employment are retrieved from CIRIEC, 2017. See sources at the end.

### SOCIAL ENTERPRISES

#### Estimated Number of Social Enterprises by Legal Form (2017)



#### Number of Employees in Social Enterprises (2017)



Note: “e.V.” stands for “eingetragener Verein” (incorporated association) and “gGmbH” stands for “gemeinnützige Gesellschaft mit beschränkter Haftung” (non-profit company with limited liability)

Note: The data above on social enterprises are retrieved from European Commission, 2018. See sources at the end.

## Legal frameworks

Legal frameworks to support the development of the SSE can be adopted at the national and subnational levels. They can regulate the SSE as a whole, or specific legal entities of the SSE (such as associations, cooperatives, mutual societies, foundations and social enterprises).

<b>For the SSE</b>	<ul style="list-style-type: none"> <li>• <i>Not available.</i></li> </ul>
<b>For specific SSE entities at national level</b>	<ul style="list-style-type: none"> <li>• Fiscal Code (1977, revised in 2002) – <a href="#">Link</a></li> <li>• German Civil Code (2002) – Associations, Foundations – <a href="#">Link</a></li> <li>• Cooperatives Act (1889, revised in 2006) – <a href="#">Link</a></li> </ul>

Note: The list above is not exhaustive of all existing legal frameworks around SSE in Germany.

## Fiscal treatment

Different fiscal treatment can be established for the social and solidarity economy as a whole, or for specific SSE entities, at the national and subnational level.

Fiscal treatment of SSE entities	Fiscal treatment for contributors to the SSE
<ul style="list-style-type: none"> <li>• Entities with public benefit status are exempt from corporate income tax, local business tax and Value Added Tax (VAT) on their activities related to their social objectives. Revenues from related economic activities is subject to income taxation if it exceeds EUR 45 000. The entity may benefit from tax reductions if the economic activities are directed towards achieving the tax-privileged purposes.</li> </ul>	<ul style="list-style-type: none"> <li>• Individual donors may benefit from a tax deduction up to 20% of the yearly taxable income. Donations to the endowment of a foundation can also be deducted under some conditions.</li> <li>• Corporate donors may benefit from a tax deduction on the income up to 20% of yearly taxable income (or 0.4% of the sum of the turnover and salaries).</li> </ul>

Note: The list above is not exhaustive. Information is retrieved from OECD desk research and "Relevant taxation frameworks for Social Economy Entities" published in 2023 by the European Commission.

## Social impact measurement initiatives

Driven by a mission of social purpose, SSE entities are increasingly requested to demonstrate the positive value that they generate through their activities. Social impact measurement enables them to assess their positive contribution to society. A diverse range of possible initiatives are available to governments and practitioners to foster a social impact measurement culture.



### Policy Framework

- [Nationale Engagementstrategie der Bundesregierung - National Engagement Strategy](#) (2010) △ Federal Cabinet
- [Appointment of a special Representative for Social Innovation in the Federal Ministry of Education and Research](#) (2022) △ Federal Ministry of Education and Research
- [Directorate General 1 Strategy](#) (2022) △ Federal Ministry of Education and Research
- [A common concept to support social innovation](#) (2021) △ Federal Ministries
- [INSIGHT programme: Impact Assessment of Social Innovation Cases](#) (2021) △ Federal Ministry of Education and Research
- [The Coalition Agreement \(incl. measures to support SSE\)](#) (2021) △ Federal Government



### Guidance-based

- [Social Impact Navigator](#) (2017) △ Phineo with support from the Federal Ministry for Family, Senior, Women and Youth
- [Living Labs \(Reallabore\) and methodological handbook](#) (2019) △ Federal Ministry for Economic Affairs and Climate Action
- [Research projects by consortia of partners to develop indicator systems of \(regional or organisational\) social innovation](#) (2020-2023) △ Federal Ministry of Education and Research
- [Social Reporting Standard: Guide to results-based reporting](#) (2010) △ Ashoka Germany, Auridis gGmbH, BonVenture Management GmbH, PHINEO gAG, Vodafone Foundation Germany, Schwab Foundation, University of Hamburg and the Technical University of Munich with support from the Federal Ministry for Family, Seniors, Women and Youth



## Evidence-based initiatives

- [Strategy to support research for sustainability \(FONA\) oriented towards implementing the SDGs](#) (2020) △ Federal Ministry of Education and Research
- [Sustainability strategy with 40 sustainability/ impact indicators](#) (2021) △ Municipality of Berlin
- [“i-share” research project on sharing economy](#) (2015-2019) △ Federal Ministry of Education and Research
- [Integrated Greenhouse Gas Monitoring System \(ITMS\)](#) (until 2025) △ German Meteorological Service and Federal Ministry of Education and Research



## Capacity support initiatives

- [Competition for Social Innovation \(Gesellschaft der Ideen\)](#) (2021) △ Federal Ministry of Education and Research

Note: Policy frameworks create enabling conditions and set targeted incentives to conduct social impact measurement. Guidance-based initiatives deliver guidance on social impact measurement approaches, which are tailored to the specific needs of the social and solidarity economy. Evidence-based initiatives help produce and disseminate impact evidence to raise awareness on the social and solidarity economy as a whole, and to reduce the cost of accessing data for single and particularly small-sized entities. Capacity support initiatives offer dedicated funding or training from specialised intermediaries and mobilise networks of expertise and other resources.

## FURTHER READING ON THE SSE IN GERMANY

[OECD: Boosting Social Entrepreneurship and Social Enterprise Development in Brandenburg, Germany](#) | [CIRIEC: Recent Evolutions of the Social Economy in the European Union](#) | [European Commission: Social Enterprises and Their Ecosystems in Europe Germany Country Report](#) | [EU Social Economy Gateway Germany](#)

## DATA SOURCES

- Socio-economic data refer to 2022 unless stated otherwise, and relate to data downloaded as of 17 July 2023. Datasets used: GDP per capita, current PPP: OECD national accounts statistics, <https://doi.org/10.1787/na-data-en>; Labour force participation rate (15-64 year old): OECD Employment and Labour Market Statistics, <https://doi.org/10.1787/data-00310-en>; NEET (15-29 year olds, all levels of education): OECD Education at a Glance 2022, <https://doi.org/10.1787/19991487>; Poverty rate (after taxes and transfers, poverty line 50%): OECD Social and Welfare Statistics (database), <https://doi.org/10.1787/data-00654-en>; Gini coefficient (disposable income, post taxes and transfers): OECD Income Distribution Database, <https://www.oecd.org/social/income-distribution-database.htm>; Rural population (OECD): OECD, CFE Regions and Cities databases, <http://oe.cd/geostats>; Stakeholder engagement for developing regulations: OECD Better Life Index, <https://www.oecd.betterlifeindex.org/#/111111111111>; Public social expenditures: OECD Social Expenditure Database (SOCX), <http://dotstat.oecd.org/Index.aspx?QueryId=26920>; Share of public procurement for social protection (in % of total general government procurements): OECD (2022), "Government at a Glance - 2021 edition", <http://dotstat.oecd.org/Index.aspx?QueryId=107598>; Public spending on incapacity: OECD (2022); Public spending on incapacity (indicator), <https://doi.org/10.1787/f35b71ed-en> (Public spending on incapacity refers to spending due to sickness, disability and occupational injury); Spending on education (primary to tertiary level, in % of GDP): OECD Education Statistics (database), <https://doi.org/10.1787/c4e1b551-en>; Participation in formal voluntary activities (% of people): Eurostat table [ilc\_scp19], based on the 2015 EU-SILC ad-hoc module.
- SSE data were collected using existing repositories of information on SSE constituents, mainly CIRIEC's 2017 report "[Recent evolutions of the Social Economy in the European Union](#)" and the European Commission's 2018 report "[Social Enterprises and Their Ecosystems in Europe: Germany Country Report](#)" based on [ZIVIZ Survey 2017](#).
- Further information on the methodology followed in the country fact sheets can be found [here](#).

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.



Promoting  
Social & Solidarity  
Economy ecosystems

### Centre for Entrepreneurship, SMEs, Regions and Cities Local Employment and Economic Development (LEED) Programme Social Economy and Innovation Unit



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