

## **“I am an artist not an entrepreneur” – Non-economic reasons as drivers for home-based self-employment?**

**Authors:** Andrea Dittrich-Wesbuer, Thomas Handke, Cornelia Toppel  
**Institution:** ILS – Research Institute for Regional and Urban Development, Dortmund, Germany

### **Theoretical Background**

Work is increasingly organised in projects in the context of transforming labour markets in late modern societies (Beck 2000). In the course of this process economic risks are deferred to the individual and new social figures like the ‘Entrepreneurial Self’ (Bröckling 2015) and the ‘Entreplooyee’ (Voß and Pongratz 1998) have risen. These concepts state that entrepreneurial principles gain increasing importance in all life domains. Self-organisation is becoming a crucial competence for individual participation in transformed labour markets. In the German context a shift from full-time paid employment toward atypical forms of labour like solo-entrepreneurship, part-time jobs, fixed-term jobs, mobile work and working from home is observable (Fritsch et al. 2015). Home-based self-employment is one of these rising atypical forms of how work is now organised. Main drivers for home-based self-employment are the outsourcing of tasks and projects to small businesses by large companies, the ubiquity of information and communication technologies and the struggle for work-life-balance by parts of the working population.

The consequences of these new uncertainties differ especially in the margins. Highly paid freelancers, who gain further scopes of autonomy and can increase their incomes, are at the top of the ladder (Voß and Pongratz 1998). At the bottom of the ladder, workers have to cope with the individualisation of occupational and economic risks. Jobs and incomes are increasingly precarious and these workers are sometimes referred to as ‘modern peons’.

In our contribution we argue that home-based self-employment is a social practice to cope with these new and rising economic and biographical uncertainties. Therefore, home-based self-employment can be part of portfolio as well as boundaryless careers. Self-employed people sell their individual labour power and deal with economic risks. Furthermore, the boundaries between the spheres of home and work are blurred in an exemplary way in the type of the home-based self-employed worker. But on the other hand, home-based self-employment enables people to practice self-employment without taking the risks of taking out a loan or renting business premises (Phillips 2002). Furthermore, everyday practices of economic action can be organised in and around the home. Foundation and pathways of home-based self-employment is also strongly related to legal frameworks, especially the access to social security systems.

The social dimension is a relevant resource of home-based self-employed people coping with these economic risks and uncertainties. We argue that the home is one of these resources which enable people to experiment with self-employment after biographical changes and occupational crises while minimising the risks usually coming along with self-employment (Daniel et al. 2015). According to this, non-economic reasons can play a role for starting a home-based business (Hanson 2003). Therefore, a holistic perspective is appropriate to analyse the social dimension and embeddedness of home-based self-employment (Aldrich and Cliff 2003, Ekinsmyth 2011).

In our contribution we raise the question, whether non-economic reasons play a role for becoming home-based self-employed and what these reasons are. We analyse whether coping with uncertainties and responding to new opportunities are relevant reasons for becoming a home-based self-

employed person (De Haan and Zoomers 2005). Furthermore, we investigate how economic and social life domains are interconnected and whether the home is indeed a crucial resource for home-based self-employment.

### **Methods and first results**

Our contribution is based upon results from the ERC funded research project 'Reshaping society and space: home-based self-employment and businesses' (Work and Home). The project follows a mixed-methods-approach. Semi-structured interviews with home-based self-employed were conducted in the Rhine-Ruhr-Region, Germany. The sample was chosen according to theoretical sampling in the explorative stage. In the main stage semi-structured interviews and visual methods are conducted in two different neighbourhoods in the Dortmund region. The sample in the main stage was recruited randomly through a doorstep method. Interview topics in both stages were work, home and everyday practices.

First results of these interviews indicate that home-based self-employment is founded after biographical or household changes. Other relevant motivations are individual occupational crises resulting from previous paid employment like unemployment, dissatisfaction with the job, conflicts or work overload. Therefore, the transition from paid toward self-employment is often fluent. Thus, we argue that non-economic reasons play a key role for experimenting with home-based self-employment. Furthermore, work stages with paid and self-employment are interchanged or self-employment is combined with paid employment resulting from institutional regulations regarding health insurance. Additionally, the social dimension is a crucial factor when starting home-based self-employment. Family and relatives provide access to branches, clients or customers, give advice or simply raise the idea of becoming self-employed. Incomes from home-based self-employment are often not the only household income. Instead, they are additional to incomes from other household members, rental incomes, pensions or inheritance.

Indeed, the home is a further resource to experiment with self-employment without taking great risks. Home-based self-employment is founded in the home where the entrepreneur had lived – none of the interviewees moved for starting a home-based business. Rather, business related criteria are taken into account when moving for other reasons. In the course of self-employment, stages with home-based self-employment and with business premises outside the home interchange. This depends on the opportunities and restrictions given by the home and the life stage.

Based on these results, quantitative analyses with the German Socio-Economic Panel (GSOEP) are conducted. GSOEP is a longitudinal survey of German private households which provides high quality data on a wide range of socioeconomic variables. Its sample is large enough to investigate the development of new, atypical forms of employment and to draw meaningful inference also for home-based businesses. We analyse people with home-based self-employment experiences during the period from 2006 to 2015. We investigate the socio-demographic characteristics of homebased self-employed and compare them to people in paid work. Thereby, we focus on biographical changes and assume that biographical events like birth, unemployment or separation are related to the foundation of home-based self-employment. Especially monetary aspects are taken into account by investigating income gains and losses due to the foundation of home-based self-employment and their relation to other forms of (household) income.

### **References**

- Aldrich, H.E. and J.E. Cliff (2003), 'The pervasive effects of family on entrepreneurship: toward a family embeddedness perspective.' *Journal of Business Venturing*, 18 (5), 573-596.
- Beck, U. (2000), 'The Brave New World of Work.' Cambridge.
- Bröckling, U. (2015), 'The Entrepreneurial Self. Fabricating a New Type of Subject.' London, New Delhi, Singapore.
- Daniel, E. M., M. Di Domenico and S. Sharma (2015), 'Effectuation and home-based online business entrepreneurs.' *International Small Business Journal*, 33 (8), 799-823.
- Ekinsmyth, C. (2011), 'Challenging the boundaries of entrepreneurship: The spatialities and practices of UK 'Mumpreneurs'.' *Geoforum*, 42 (1), 104-114.

- Fritsch, M., A. S. Kritikos and A. Sorgner (2015), 'Why did self-employment increase so strongly in Germany?' *Entrepreneurship & Regional Development*, 27 (5-6), 307-333.
- De Haan, L. and A. Zoomers (2005), 'Exploring the Frontier of Livelihood Research.' *Development and Change*, 36 (1), 27-47.
- Hanson, S. (2003), 'Geographical and Feminist Perspectives on Entrepreneurship.' *Geographische Zeitschrift*, 91 (1), 01-23.
- Phillips, B. D. (2002), 'Home-based firms, e-commerce, and high-technology small firms: Are they related?' *Economic Development Quarterly*, 16 (1), 39-48.
- Voß, G. G. and H. J. Pongratz (1998), 'Der Arbeitskraftunternehmer. Eine neue Grundform der Ware Arbeitskraft?', *Kölner Zeitschrift für Soziologie und Sozialpsychologie*, 50 (1), 131-158.