

**Maria Lauxen-Ulbrich / René Leicht:
Do family responsibilities hinder or
encourage self-employment?
Household configurations and
working schedules of self-
employed women in Germany.**

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ABSTRACT

This study deals with the household configuration of self-employed women and female start-up entrepreneurs based on German Microcensus data. We asked whether the family status of these women differs from those women in dependent employment and from those of self-employed men. Our objective was to determine whether certain factors – such as having a partner and/or offspring - are conducive to or rather hinder entrepreneurial activity. Assuming that mainly women with children are looking for more flexibility through self-defined work arrangements, we examine the working hours and schedules of self-employed women in comparison with others.

Descriptive statistics show that the household configurations of self-employed women differ only slightly from those of female wage and salary earners. Family work does not seem to have a negative influence on self-employment. On the contrary, self-employed women tend to have more and younger children than do female employees. Finally regression models – controlling for other/additional variables – confirm that economically active women are more likely to be self-employed (rather than in dependent employment) if they have pre-school children. Men's tendency to become self-employed however is much less influenced by the presence and number of children in the household.

Another question is how many women – under these circumstances - correspond to the image of the restless entrepreneur: the self-employed women do work longer hours than female employees but will not attain the working hours of self-employed men. Obviously, the time budget of a self-employed mother is limited by her family commitments. The younger the children the fewer the working hours. However, self-employed mothers do not take advantage of flexible work arrangements more often than self-employed women in general. We observed that a big share of self-employed women work “mainly” at home. Nonetheless, there is no evidence that self-employed mothers (compared to self-employed women without children) tend to work much more from home, or during evenings or on weekends. Therefore we can assume that other self-employed women take advantage of flexible work schedules to the same extent. This of course depends on the economic sector or the nature of the work where the person is involved.

1 INTRODUCTION AND THEORETICAL CONSIDERATIONS

Because women do still carry the main burden of household- and family work, it is partly assumed that the concrete living conditions resp. the household configurations of women are influencing their wishes and possibilities to be self-employed much stronger than those of men (e.g. Lohmann 2001; Lombard 2001; McManus 2001; Boden 1999). Carr (1996: 47) points out, that “family characteristics – especially having young children (which constrains women's workforce options) and marital status (which facilitates women's self-employment decision) – are the strongest predictors of women's self-employment.” However, family-based aspects basically can point into two completely different directions when explaining female start-up activities: On the one hand, self-employment may offer “greater flexibility than jobs in the employee sector, allowing women to tailor their work schedule around their family schedule, and in some cases, to combine paid work with domestic responsibilities right within the home” (McManus 2001: 88). On the other hand, family work and a corresponding tight time budget inhibit the acquisition as well as the application of entrepreneurial resources (Lohmann 2001). Hence it is unclear to what extent gender-specific

circumstances of living can rather explain the rise in female start-ups or the continued underrepresentation of women in self-employment.

Furthermore, it seems to be obvious that self-employment – with regard to certain household configurations – possibly requires adequate compromises in work structuring. Therefore especially women with children have different priorities than men regarding the workplace, extent of work and working hours (Leicht 2003; Lohmann 2001; Hakim 1998). It is assumed that there is a close connection between the household configuration and the job design. For instance it appears comprehensible that self-employed mothers do organise their work differently than fathers or single women without children.

1.1 Family: restriction or reason for self-employment?

Even if married women as well as mothers in the meantime clearly have become more economically active than just a few decades ago and their periods of family work or interruption of gainful employment have become more rare and at the same time shorter, they still bear the main responsibility for household and family (Sommerkorn and Liebsch 2002; Nave-Herz 2002; Peuckert 1999). So the question arises in which employment status family and job-related responsibilities can be harmonised best.

With a view to previous findings, one has to differentiate whether the topic is the search for determinants of the decision to start-up a firm or the compatibility of family work and running a business. Several studies stress a negative influence of family responsibility on the success of enterprises, a fact which is especially due to the double pressure and the lack of time (Loscocco and Leicht 1993; Longstreth et al. 1987; Hisrich and Brush 1986). Thus, according to Jungbauer-Gans (1993) women refer to reasons resulting from private or family responsibilities as the main reasons for the closure of an establishment. Moreover, since women are more likely than men to have discontinuous work histories they accumulate work experience and entrepreneurial resources at a slower rate (McManus 2001). This would then be a sign that fiduciary duties to family have to be seen as constraints to women's self-employment activities.

However, the majority of the studies rather deals with the question in how far the desire to balance family responsibilities with paid work can be a motivation to establish an own enterprise. Thus, many examinations ask directly for the motivation of entering self-employment. Results vary strongly, depending on country and research method. Quite a few studies (e.g. Kehlbeck and Schneider 1999; Ziegerer 1993; Rehkugler et al. 1993; Scott 1986) indicate that family factors are of comparatively minor significance.¹ Against it Stitger (2000) accounts in the Netherlands for a higher percentage of women who are mentioning the compatibility of family and gainful employment as a start-up motif. And according to Boden (1999), this is the main motif in the USA too.

As opposed to “motivation research”, structural comparisons of self-employed women and female employees are looking statistically whether children in the household are increasing or reducing

¹ Because empirical research is comparatively rare in gender-comparing start-up entrepreneurship research, only few studies asking for family aspects exist. The part of women who are explicitly naming “compatibility”, “flexible working hours” or similar reasons as a main reason for the step into self-employment in those surveys lies at merely one fifth to one tenth, Arai (2000) names one quarter.

the probability to be self-employed or whether self-employed women do live in a familial context more often.² Descriptively, no noticeable differences arise between dependent- and self-employed women regarding the extent to which children have to be taken care of.³ Yet, multivariate studies controlling further factors of influence are more productive than bivariate structural comparisons. Connelly (1992) shows for the USA that women with younger children rather tend to be self-employed. Arai (2000), Hundley (2000), Boden (1999), Caputo and Dolinsky (1998) as well as Carr (1996) are arriving at nearly the same result. All of them are showing that especially child care commitments for very young children – and therefore probably the need for flexibility – are raising the self-employment rate of women, while for men other factors are of more importance. Against that, – on the base of a longitudinal analysis of women with young children – Taniguchi (2002) cannot state a higher possibility of becoming self-employed, but certainly for those with older children.

In principle, one has to act on the assumption that the propensity of mothers to become self-employed also depends on a country's institutional environment. In contrast to France and Sweden, the pressure of finding an adequate source of income during the family phase should be much higher in liberal welfare states, e.g. in the USA where job protection and social security for mothers is weakest. In Germany (due to parental leave) mothers are not so much forced to be engaged in a job. As far as we know, only Lohman and Luber (2000) as well as Lohmann (2001) have presented gender-comparing analysis for Germany that includes family background. Their results verify a positive effect of children on women's decision to be self-employed, too. However, no significant effect occurs for women with younger children, but only for those with older ones (Lohmann and Luber 2000).⁴

One has to annotate that practically no study deals with the question whether – vice versa – just self-employment and the ownership of an own company or rather the status and income linked to it cause someone to set up a family. Admittedly, here arises – like also in this study – the problem that longitudinal data usually does not exist.⁵

The discussion about the influence of different factors on start-up decisions is not only limited to the existence of children, whether a woman is married resp. lives together with a partner is also considered to be important. For this one can formulate two contrary assumptions: On the one hand, various positive acts of support can come from the partner, on the other hand a relationship can have negative effects if it limits the freedom of decision, the independence and the willingness to take a risk necessary for start-up entrepreneurship. Most studies rather assume the first case, especially if the self-employment of women is concerned.⁶

² However, if these are based on cross-sectional analysis, problems can show up if start-up and questioning time are lying a long time away from each other and the household configuration of the questioned persons has changed. This is especially important if the assumed causalities are different and the decision for a certain household configuration resp. for children is influenced by the form of employment, not vice versa.

³ Devine (1994) observes for the USA that self-employed women do not have to take care of children more often than dependent-employed. In contrast, Ziegerer arrives for Switzerland at the conclusion that female entrepreneurs have children in the household more often than the average.

⁴ While this effect appears for mothers in Great Britain, it is missing for Germany. Hence the author asks whether this might be linked to the "rather far-reaching regulations for child care leave and payment in Germany" (Lohmann und Luber 2000: 20).

⁵ Compare footnote 2

⁶ For a broad research overview compare Lauxen-Ulbrich and Leicht (2003).

1.2 Other occupational status – other working conditions?

Every consideration which postulates that the compatibility of family commitments and paid work is higher when being self-employed than when being in dependent employment acts on the assumption that the latter allows less autonomy and flexibility. Numerous authors are of that opinion. That way, Carr (1996: 30) argues “that self-employment offers women an adaptive alternative or 'escape route' from less convenient or less flexible work arrangements in the wage and salary sector.” As far as the limited scopes of action are indeed enlarged by the step into self-employment, the question arises how the everyday working life of female entrepreneurs is structured in comparison to that of women in dependent employment, e.g. with a view to working hours and place of work.

Of course, findings concerning the *working times* of self-employed women differ heavily, depending on the analysed country, economic sector and occupation. If one considers the hours worked per week, the findings prove predominantly that self-employed women work longer than women in dependent employment, but less than self-employed men (e.g. Hodenius 1994). However, the distribution of self-employed women’s working hours on the whole exhibits a very bipolar structure, i.e. on the “lower end” a large part works very little and on the “upper end” another part rather much. (Germany: Lauxen-Ulbrich and Leicht 2003; Great Britain: Hakim 1998; USA: Carr 1996). Here, one has to keep in mind that many studies did not take into account whether women have children or not. Furthermore, the special working time patterns resulting from a certain business environment had to be taken into stronger consideration.

Of potentially even bigger importance than the mere amount of time necessary for family duties and gainful employment is the autonomy of deciding e.g. freely about the times of day used for work. Thus, a further start-up motif for women might be having the possibility of doing their job at atypical working hours (i.e. outside the usual times of day or week) rather than in dependent employment. For example, this might be working on Saturday, Sunday, on public holidays and in the evening or night. Usually, these are times at which the partner can muster the necessary time for child care or at which the children do not need care any more.⁷ Therefore, we will pursue in the study at hand also the question to what extent self-employed mothers do have atypical resp. non-regular working times in comparison to self-employed women without children (as well as to women in dependent employment and self-employed men). A better compatibility of job and family can possibly also be achieved if place of work and residence are the same (Allen et al. 1992). It is to be expected that mothers are filled with the desire to work at home far more often, so that they can match gainful employment and family responsibilities.

2 SOURCES OF DATA

The annual Microcensus of the Federal Statistical Office Germany serves as data source for the study at hand. The basic program of the Microcensus covers a wide range of socio-demographic variables, including especially details concerning gainful employment and job design. Because the

⁷ However, Franco and Winquist (2002) show for gainfully employed women and men in several European countries, that mothers with younger children are working more infrequently on the weekends than mothers with older children resp. women without children.

Microcensus' aggregate data (2002) only offer a limited scope of indicators and won't suffice for a sophisticated analysis (especially links to different types of household configuration or data concerning women and the age of their children are missing), the scientific use file (70% subsamples of the factually anonymized Microcensus and the 45% subsamples of the Labour Force Survey contained therein) of the year 2000 is used here mainly. The fallback on these individual data allows not only a stronger disaggregation of the data, but furthermore also the possibility of realising multi-dimensional analysis and offers therefore a variety of much differentiated information concerning the social structure of gainfully employed women and men.⁸

3 SELF-EMPLOYED WOMEN AND THEIR HOUSEHOLD CONFIGURATION

In this chapter we compare the living conditions resp. the household configurations of self-employed women with those of women in dependent employment and those of self-employed men. Furthermore, a multivariate analysis will shed some light on the question, whether certain factors – such as having a partner and/or offspring – are increasing or reducing the probability to be self-employed.

Definitions

The modes of cohabitation and the family structures have changed in the course of time (Peuckert 1999). That way, the term “family” has become less important as analytical unit due to the rise in “single households”, “single parents” and “non-married cohabitating couples”. Deviating from many, mainly international studies, we will therefore not analyse the family status⁹ of self-employed women, but differentiate according to four so-called types of household configurations:¹⁰

- *Single household*: Women/men without child(ren) (under the age of 18¹¹) and without partner in the household.
- *Single Parent*: Single mother or father living with child(ren) (under the age of 18) in the household.
- *Couple without children*: Cohabited and married couples in household without child(ren) (under the age of 18).
- *Couple with child(ren)*: Cohabited and married couples in household with children (under the age of 18).

⁸ The following evaluation alludes to employed persons living at the main residence, who are in their main employment either self-employed, family workers or dependently employed.

⁹ The „family status” was also considered in Laußen-Ulbrich and Leicht (2003). According to this, self-employed women are married more often than women in dependent employment. However, this difference also has to be seen in connection with the fact that self-employed women are older on the average and therefore married more often.

¹⁰ So-called “types of household-configuration” can only be identified with the help of micro data. On that account, the findings concerning this matter are based on the scientific use file 2000.

¹¹ Since the influence of children on the exertion of self-employment has to be evaluated in the following (among other things), only those types of household-configuration with minors below 18 years will be considered as types of household-configuration “with children”.

3.1 Descriptive results

3.1.1 Household configuration and self-employment

One has to ascertain at first that the gross of self-employed women (74%) are living in cohabitation resp. together with a partner and most of these without minors (Table 1). If one turns the attention to the children, not the partner, all in all 38% of the self-employed women are mothers (with children of minor age).¹² It is not very astonishing that the share of single parents among women is with a little bit more than 5% by far larger than among men (1%). In exchange, self-employed men are still living in cohabitation more often (81%) than women.

Table 1: Employed persons by employment status, household configuration^{*)} and gender (column-%)

| | women | | men |
|--|---------------|-----------|---------------|
| | self-employed | employees | self-employed |
| Single households ^{*)} | 21,3 | 19,3 | 18,4 |
| Single parents ^{*)} | 5,3 | 5,6 | 0,8 |
| Couples without children ^{*)} | 41,3 | 41,4 | 43,7 |
| Couples with children ^{*)} | 32,2 | 33,7 | 37,1 |
| Total | 100,0 | 100,0 | 100,0 |

*) Definitions at the beginning of chapter 3.

Source: Federal Statistical Office Germany (Microcensus 2000, 70%-subsample); own calculations ifm University of Mannheim

An interesting and at the same time central finding is that one finds nearly no difference in the importance of individual household configurations for self-employed and dependently employed women on this level of observation. Even if the distribution structure is rather similar, it has to be clarified consecutively in detail and under consideration of further factors whether certain household configurations still do not hinder or boost the step into self-employment.

3.1.2 Motherhood and self-employment

Incentives and possibilities of self-employment are, among others, probably affected strongly by child care commitments. That is why we will pay special attention to those who live with a very *young* child in their household in the following. Still, child care is left mainly to the women. From there the question arises in which occupational status job and family commitments (especially concerning young children)¹³ are to be matched best. Self-employed women have children who are younger than 10 years somewhat more often than women in dependent employment (table 2).¹⁴ In

¹² Also in the following the statements concerning “mothers“ resp. their “children“ will always allude to minors living in the household and being younger than 18.

¹³ Besides the age, the *number of children* is also of interest (not shown here). Referring to this, one has to remember that self-employed women, if they are mothers at the same time, are having solely one child in more than 50% of all cases and two children in well above one third. Among women in dependent employment, the share of mothers with only children is even higher however. It turned out that the number of children is tentatively a little higher among self-employed women than among the women in dependent employment (compare also Lauxen-Ulbrich and Leicht 2003). It is especially noticeable that more than every tenth self-employed mother (11,5% women without children excluded) has more than 3 minor children in the household. Among the women in dependent employment, this is only true for every twelfth.

¹⁴ In the German Microcensus, mothers (with children at the age of below 3 years) who are on child care leave (“parent-time“) are counted among the gainful employed. Only since 1999 parents on child care leave can be identified by naming “child care leave“ as a reason for less hours worked (as

particular, the distance between self-employed and dependently employed mothers with young children (of ages below 3 years and from 3 to below 6 years) is noticeable.

But generally speaking, one has to annotate that the structure of self-employed women does not differ very much from that of women in dependent employment. On a whole, these findings then can not be interpreted as a clear proof that women with children become self-employed more often. This conclusion can not be reached from the depicted structural comparison alone. However, seen from a different angle: the marginal differences in the household configurations of self-employed and dependently employed women show that a self-employment job obviously doesn't mean to do without children. In other words: family responsibility probably affects gainful employment of women in general, but does not seem to be an even bigger hindrance in the exertion of self-employment. Yet, another question is to what extent they become "entrepreneurial" active resp. how they structure their work. We deal with these points in the following.

Table 2: Employed persons with and without children by employment status and gender (column-%)

| With children at the age of ... till under... years | women | | men |
|--|---------------|-------------------------|---------------|
| | self-employed | employees ¹⁾ | self-employed |
| 0 - 3 | 5,8 | 4,1 | 8,2 |
| 3 - 6 | 7,9 | 6,3 | 9,0 |
| 6 - 10 | 11,2 | 10,6 | 11,8 |
| 10 - 15 | 16,9 | 17,0 | 16,1 |
| 15 - 18 | 11,2 | 12,9 | 11,0 |
| 0 - 18 total ²⁾ | 37,4 | 37,5 | 37,9 |
| No children < 18 | 62,6 | 62,5 | 62,1 |
| total | 100,0 | 100,0 | 100,0 |

1) Without mothers in parental leave (German: „Erziehungsurlaub/Elternzeit“).

2) Not sum of age categories, multiple naming are possible because parents can have children in different age groups.

Source: Federal Statistical Office Germany (Microcensus 2000, 70%-subsample); own calculations
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The question whether children rather offer an incentive or an entry barrier to self-employment also has to be pursued in the context of a gender comparison. Because women usually carry the main responsibility for children resp. family work, one has to assume that the age of the children is of comparatively less importance for men than for women. Our findings (table 2) show that self-employed men do have children below 3 resp. below 6 years in their household to a little higher share than women. However, the observed structural differences between self-employed and dependently employed mothers do not appear in the same manner for fathers.¹⁵ That is to say for men there does not seem to be a link between occupational status and the age of their children, what was to be expected against the background of traditional role allocation.

to the normal hours worked). In the scientific use file 2000 the share of women on child care leave among all mothers in gainful employment with children of ages below 3 years was nearly 40% after all, which comes up to a share of 3% of all women in gainful employment. Women on child care leave were not taken into consideration in the following (a more extended view on this problem in Lauxen-Ulbrich and Leicht (2003)).

¹⁵ Fathers in dependent employment were not depicted here, but show a structure nearly identical to self-employed fathers.

3.2 Results based on regression-models

The findings described above could among others be attributed to the fact that e.g. mothers who can or do not want to take parental leave or can not revert to the possibility of an at least temporary “time out” take up self-employment as a form of employment that offers more flexibility. This might also explain why “young motherhood” boosts tendencies for start-up entrepreneurship in countries like the USA, where such rules of social security usually do not exist (Boden 1999; Carr 1996).

To pursue this question resp. substantiate the plausibility of this thesis somewhat, further potential factors of influence will be controlled below in a multivariate data analysis. So the influence of children as well of a partner in the household on the probability for women resp. men of being self-employed rather than dependently employed is estimated in a Logit-Model. Thereby, we differentiate between mothers with children of different ages, between women with and without partner and moreover, the influence of further socio-demographic characteristics (age of the employed person, schooling and vocational training) as well as place of residence (East/West Germany) will be controlled especially.¹⁶

Concerning the whole model (not shown here, cp. Lauxen-Ulbrich and Leicht 2003), one has to say firstly that positive influences on the chance of being self-employed rather than dependently employed are given especially by the age resp. work experience, by education and the geographical affiliation to West Germany for women as well as for men (cp. also Strohmeyer 2004).

Table 3 displays the results of the models in shortened form and with focus on the influence of children and partner. The first value (regression coefficient) shows the direction of the effect, the second value ($\exp(B)$) describes the chance ratio for a person to be self-employed rather than dependently employed in comparison to the reference group.

As already pointed out in the descriptive findings, one can state also if further variables are controlled that the probability of being self-employed varies according to the age of the children in the household: Especially among mothers with infants younger than 3 years the chance for self-employment is more than twice as large as for female employees without a minor. This factor possesses a smaller but nevertheless still significant positive effect if women have a child between 3 and 6 years, i.e. even under control of other central variables, e.g. age and education, the chance of self-employment rises for women the younger their children are. Because only cross-sectional analysis could be done here, no statements can be made about how long ago the start-up happened resp. of what age the children were at the start-up time.¹⁷

¹⁶ Only the “active” employed persons will be considered in this model, too, resp. the persons on parental leave will be factored out.

¹⁷ One has to bear in mind that not the change into self-employment resp. the start-up decision is in focus as dependent variable here. Hence factors that take influence on the decision for self-employment at a certain time are not measured exactly, e.g. a self-employed mother with a child at the age of 16 might have founded her enterprise when her child was considerably younger or she come to the decision until the child had already been “out of the wood”.

Table 3: Determinants for the possibility of being self-employed or dependently employed (binary regression analysis) ¹⁾

| employees = 0 self-employed = 1 | Model ²⁾ 1: women | | Model ²⁾ 2: men | |
|--|------------------------------|---------|----------------------------|---------|
| | regression coefficient | exp(B) | regression coefficient | exp(B) |
| <i>Age of children</i> ³⁾ (reference: no child) | | | | |
| children 0 < 3 | 0,700 | 2,013** | 0,210 | 1,233** |
| children 3 < 6 | 0,463 | 1,589** | 0,219 | 1,245** |
| children 6 < 10 | 0,112 | 1,119 | 0,063 | 1,066 |
| children 10 < 15 | 0,042 | 1,043 | 0,033 | 1,034 |
| children 15 < 18 | -0,101 | 0,904 | -0,075 | 0,928 |
| <i>Partner</i> (reference: without partner) | | | | |
| with partner | -0,039 | 0,962 | -0,135 | 0,874** |
| constant | -5,238 | 0,005** | -4,183 | 0,015** |

Significance: ** at $p < 0,01$, * at $p < 0,05$

1) For relevant question here we only show the relevant independent variables. In the regression models we controlled also age, schooling / vocational education and region (East /West Germany).

2) Actively employed women and men at the age of 18 to 59 without mothers or fathers in parental leave and without family workers.

3) Women and men with children in different age groups have been disposed into the age group of the youngest child.

Source: Federal Statistical Office Germany (Microcensus 2000, 70%-subsample); own calculations

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Of course, it is of special interest whether the effects of responsibility for minors described above also arise for men. Namely, it is eye-catching that fathers with children under the age of 3 resp. below 6 have a somewhat higher probability for being self-employed (in comparison to men without children), yet children in the household altogether influence the tendency towards self-employment to a lesser extent for men than for women.

One has to answer the question whether *cohabitation with a partner* influences the likeliness for women resp. men of being self-employed with “no”. Actually, a negative (significant) effect shows up for men. On the other hand, Strohmeyer and Lauxen-Ulbrich (2003) showed that the start-up decision of women is not influenced positively by the partnership itself, but rather by the resources of the partner as well as his employment situation and course (e.g. self-employment of the partner, high level of education, high income).

4 WORKING TIME AND FLEXIBLE WORK ARRANGEMENTS

The conclusion that women with children in the household tend towards self-employment comparatively stronger under certain circumstances (and under control of further variables) leads to the question whether the compatibility of family and job resp. the desire for greater flexibility and autonomy is responsible for this effect. But to begin with, it is of interest what amount of time self-employed women, especially those with children, spend on their job. Further points of interest are to what extent the choice of the place of work and also a flexible timing in self-employment does meet the flexibility needs of women.

4.1 Self-employed women and their working time

As one can see from table 4, almost one quarter (22%) of the self-employed women works up to 20 hours per week, a share somewhat lower than among dependently employed women. Another quarter (26%) of the self-employed women is “on duty” between 31 and 40 hours, short of one half (43%) works even more than 40 hours. So it turns out a kind of *bipolar distribution of working time* among self-employed women: One part works rather little, but a relatively large number - particularly in contrast to the women in dependent employment – stands out by a high number of working hours per week.

Still, *in comparison to the male self-employed*, the working time of self-employed women is at a rather low level. While men work 53 hours per week at an average, the mean value for women is 41 hours. It is especially eye-catching that only a very small proportion of self-employed men work less than 30 hours. Whether the high quota of women in this group is due to family restrictions will be answered below.

Table 4: Employed persons by employment status, working hours and gender (column-%)

| Working hours from ... to ... hours per week | women | | men |
|---|---------------|-------------|---------------|
| | self-employed | employees | self-employed |
| 0 – 20 | 22,0 | 26,2 | 5,1 |
| 21 – 30 | 8,9 | 13,0 | 2,5 |
| 31 – 40 | 25,8 | 56,0 | 21,4 |
| 41 and more | 43,3 | 4,7 | 71,1 |
| Total | 100,0 | 100,0 | 100,0 |
| <i>Mean</i> | <i>40,8</i> | <i>31,3</i> | <i>53,0</i> |

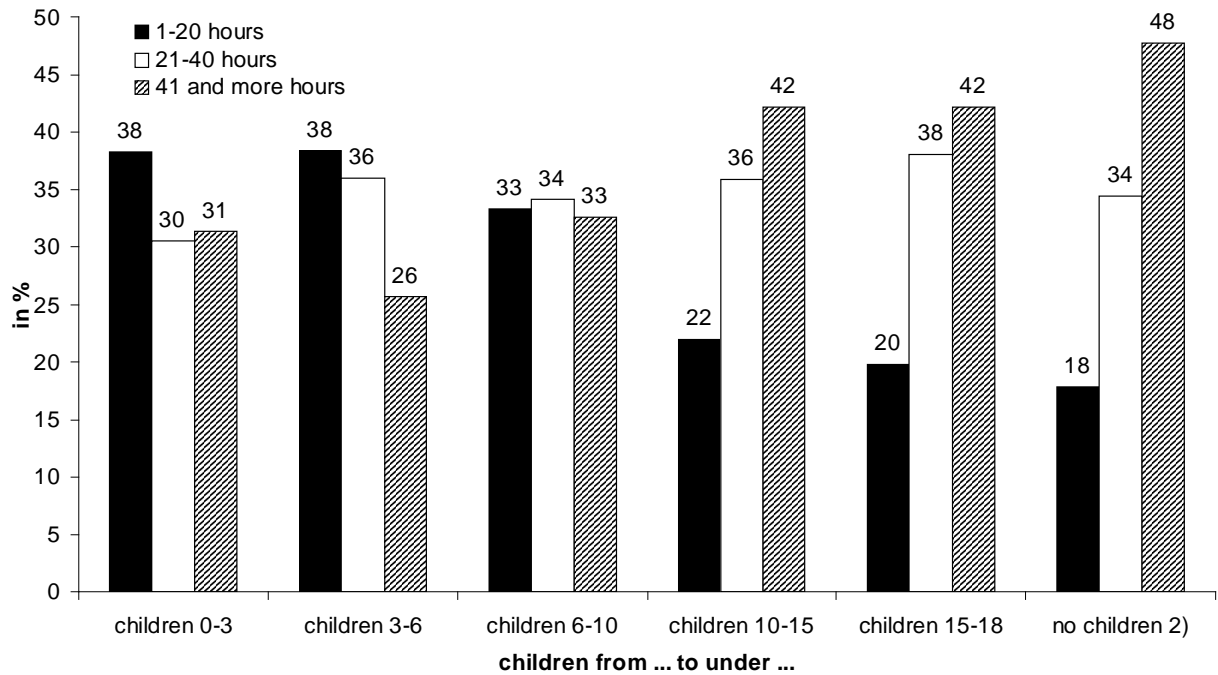
Source: Federal Statistical Office Germany (Microcensus 2000, 70%-subsample); own calculations ifm University of Mannheim

4.1.1 Working hours of self-employed mothers

Just a more differentiated view on the group of those working less than 20 hours makes clear that the lesser working times of women are obviously connected to childcare. One can see from figure 5¹⁸ that the working hours of self-employed mother’s tendentially grow with the age of their children.

¹⁸ A differentiation of the working hours according to the age of self-employed mother’s children like in table 4 leads to a lower case number. So the working time categories in figure 5 do not match those in table 4.

Figure 5: Distribution of self-employed women with and without children by working hours per week 1)



1) Women with children in different age groups have been disposed into the age group of the youngest child.

2) Or children older than 18 years.

Source: Federal Statistical Office Germany (Microcensus 2000, 70%-subsample); own calculations ifm University of Mannheim

In other words, among the women with children below 6 years the group that works less than 20 hours is the largest and vice versa the group that works more than 40 hours the smallest. On the other hand, self-employed women without minors in the household invest a lot more working time. Nearly one half (48%) of these women works more than 40 hours per week, while this is the case for about only one fourth to a maximum of one third of the self-employed mothers with children below 10 years. So we can summarize that the younger the children of self-employed mothers are the less hours are dedicated to the exertion of self-employment.¹⁹

4.1.2 Motivation for less working time

As one can already see indirectly from the connection between the age of the children of self-employed women and the respective working hours, one can also deduce directly from the statements of the women why they work part-time instead of full time in a similar way.²⁰

To begin with, table 6 points out again that the part-time quota of mother's drops with the increasing age of the children. More than three quarters (78% - 84%) of the self-employed mothers with children below 10 years name reasons resulting from private or family responsibilities as reasons for their part-time work. The share of women stating these reasons declines with the increasing age

¹⁹ The situation looks different if women, e.g. single mothers, are more or less forced to invest more working time into their "enterprise" to earn a living. Although the group of the single parents can not additionally be differentiated according to the children's age (a problem of case numbers), one can nevertheless show that on the whole self-employed single mothers (have to) invest significantly more working hours per week into their enterprise than mothers with a partner (for more specific information, compare also Lauxen-Ulbrich and Leicht 2003).

²⁰ Besides the really and usually done working hours per week, the Microcensus also asks for full time and part-time. Part-time is defined here as up to 32 working hours per week. In this context, for the reasons for part-time are asked.

of the children. But anyhow, about two thirds of all mothers with minor children still work less due to personal/familial reasons. For them it takes priority over all other motifs. On the other hand, for self-employed women without children prevails the factor that they do not wish to work full time. As far as fathers work part-time at all, they mostly name “other reasons” (not shown here), regardless the age of their children.

Table 6: Self-employed women according to reasons for part-time employment and age of children

| | With children at the age of ... till under... years | | | | | no children |
|---|---|-------|--------|---------|---------|-------------|
| | 0 – 3 | 3 – 6 | 6 – 10 | 10 – 15 | 15 – 18 | |
| Part-time share (%) in self employment | 44,0 | 47,3 | 42,5 | 28,2 | 24,7 | 22,5 |
| <i>Reasons for part-time work (%)</i> | | | | | | |
| Reasons resulting from private or family responsibilities | 83,6 | 78,3 | 79,7 | 69,3 | 63,5 | 30,9 |
| Full-time not wanted | 7,5 | 10,9 | 10,7 | 18,8 | 18,8 | 37,8 |
| Other reasons | 8,9 | 10,8 | 9,6 | 11,9 | 17,7 | 31,3 |
| Total (part-time workers) | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 |

Source: Federal Statistical Office Germany (Micro Census 2000, 70%-subsample); own calculations ifm University of Mannheim

4.2 Flexible work arrangements

Some studies asking generally for the motifs of entering self-employment show that, besides the possibility of reducing labour time, a flexible timing or the creation of a work place at a suitable location are also rated as very important by many women (e.g. Meyer and Harabi 2000). It is of interest here to what extent these wishes are realisable by exercising self-employment and whether the basis for the creation of more freedom for a better compatibility of family and job is recognisable at all.

The Microcensus asks for the place of work (at home) and additionally for the extent of rather atypical working hours (e.g. in the evening, at night or at the weekend). At first, the extent to which this flexibility potential is used by self-employed women in comparison to dependently employed women is described. Following, the differences between the working conditions of self-employed mothers and self-employed women without children are shown.

4.2.1 Does self-employment offer more flexibility?

For many women working on their own account, home-based work should be the most convenient and the one with fewer expenses. Of course, this also depends on the kind of professionalism or on the economic sector.²¹ After all, one quarter of all self-employed women works “mainly” at home (24%). And for nearly another quarter, this is the case at least “sometimes” (22%). Compared by this, the portion of “female home workers” among the dependently employed women is very small (figure 7).

Concerning Saturday, Sunday and holiday work however the differences are explicit but not as big. As far as women are self-employed, they work at atypical working hours more often than dependent employees. Of course, the circumstance that nearly one third of the women works on Saturdays “permanent” is due to the high quota of female entrepreneurs owning a shop resp. work in the retail trade (or also in the hotel and restaurant sector). Working at night plays a rather secondary role for self-employed women as well as for women in dependent employment.

Figure 7: Non-standard work schedules of employed women by employment status 2002 (%)*)



*) “Working at Home”: breakdown by “mainly”, “sometimes”, “never” and “not reported”; “Saturday / Sunday / Evening Work and Working at Night”: breakdown by “permanent”, “regular”, “casual”, “not the case” and “not reported”.
 Source: Federal Statistical Office Germany (LFS); own calculations ifm University of Mannheim

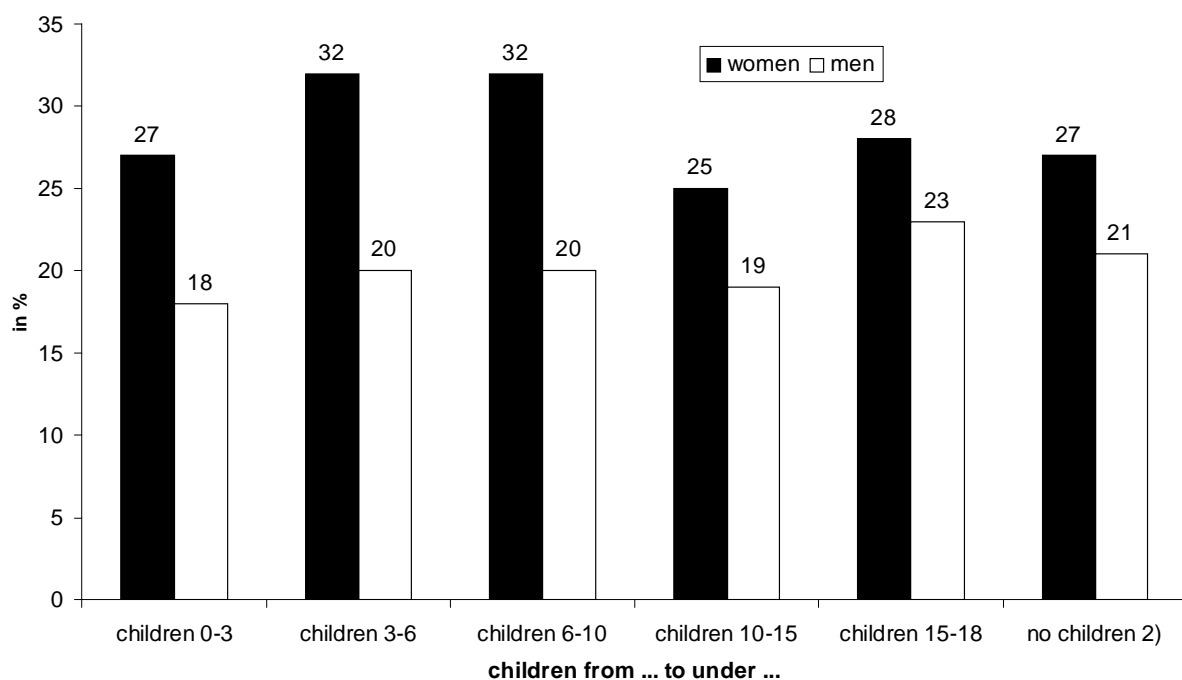
²¹ Of course, a flexible job design is not possible in all jobs and branches to the same extent (e.g. in the retail or hotel and restaurant industry; for doctors).

4.2.2 Work arrangements of self-employed mothers

Finally we can point out that women have more freedom to choose their work place freely and to work at atypical working hours when being self-employed. Nevertheless, one can assume that not all forms of work arrangements arise from the wish for more flexibility. Thus, e.g. working at home or evening work might also be caused by sectoral conditions and less by the “grades of freedom” of self-employment. Against this background, e.g. with a view to the motive of the compatibility of family and job, one has to ask to what extent the flexibility potentials of self-employment are used especially by mothers.

Regarding working at home, figure 8 shows that no big differences exist between women with and without minor children. Surprisingly, mothers with children below 3 years work at home about as much as women with children older than 15 or without children. Although mothers with children between 3 and 10 years work at home somewhat more often, but this difference is not very important. After all, one can find a noticeably stronger tendency towards homework among mothers with younger children than among fathers.²²

Figure 8: Self-employed persons working at home¹⁾ by gender and age of children (%)



1) Only those persons who work „mainly“ at home.

2) Or children older than 18 years.

Source: Federal Statistical Office Germany (LFS 2000, 70%-subsample); own calculations ifm University of Mannheim

At large, the findings indicate that self-employed women do not necessarily working at home to a somewhat higher portion because they have children. Some other forms of private welfare and household work are possibly also connected to homework. It is also of interest in this context then to what extent connections between family work and *atypical* working hours are recognisable. Re-

²² It seems to be rather unimportant for the work place of self-employed men whether they have children and of what age they are (cp. Lauxen-Ulbrich and Leicht 2003).

garding this we find out that self-employed women take advantage of such flexible work schedules not depending on whether they have children or not.²³

5 CONCLUSION

The main purpose of this paper was to show the particularities of female self-employment in Germany, especially in context with family factors. We tested (firstly) to what extent the household configurations of self-employed women differ from those of female employees as well as of those of self-employed men. Moreover, it was (secondly) of interest whether one can also find evidences in Germany for the thesis that the step into self-employment offers an attractive way of combining job and family especially for women with minor children. This calls for adequate work strategy, wherefore we (thirdly) analysed which amount of work self-employed women do and how flexible they are in their work arrangements.

The descriptive findings show that self-employed women do not differ considerably from other gainfully employed women in their *household configurations*. More than three quarters of all self-employed women live in cohabitation with their partner and about one third with children.

A central question was to what extent *family responsibility* rather hinders self-employment or vice versa even motivates to found a business. According to our findings, child care duty represents constraints to women's employment decisions in general, but does not necessarily seem to be an even bigger handicap in exercising self-employment. Actually, one has to assume that especially mothers with younger children search for an autonomous and flexible work strategy to combine family and paid work when working on their own account. This is at least the case when they do not have the possibility of calling upon parental leave and when other potential sociodemographic aspects in the analysis (like age and education) are controlled.

Another question is to what extent self-employed women does then become really "entrepreneurial" active resp. how they organize their work. At first on the whole we find that self-employed women at an average work much less than self-employed men. A kind of bipolar distribution of the working time of self-employed women may be evidenced: A significant number works rather few and another (in comparison to the dependently employed women equally remarkable) part works much. Obviously, the time budget of many self-employed women is limited by family responsibilities. While nearly one half of all self-employed women with children below 6 years work part time, the part time share declines with the rising age of the children resp. among women without children. About 64 to 85% of all part time self-employed mothers therefore name reasons resulting from private or family responsibilities as reason for their shorter working hours.

As expected, self-employed women differ from gainfully employed women in their *work arrangements*, too. Self-employed women work at home far more often than women in dependent

²³ Nearly one third (figure 7) of all self-employed women works on Saturdays. However, Saturday work does not seem to be chosen out of the wish for flexible working hours, but in fact in almost the same manner by the branch of trade in which the women are self-employed. That way, e.g. the majority of self-employed women working on Saturday "permanent" are active in trade or the hotel and restaurant industry (Lauxen-Ulbrich and Leicht 2003). Yet, practically no influence of children on the question whether to work on Saturdays or not becomes apparent. The differences concerning evening work as well as Sunday and Saturday work are also smaller than we expected. Men do not only work altogether longer than women but work (correspondingly) somewhat more often at "atypical" working hours. Yet, it is by far of more interest that the question whether children live in the household or not has practically no influences on the form of the job design of self-employed men as well.

employment or self-employed men, which are not only cheaper but also self-evident, if one considers the mostly small enterprises (cp. Leicht 2003). After all, one quarter of female self-employed works “mainly” at home. They also have to face Saturday, Sunday and evening work more often than dependently employed women. However, against our expectation such forms of atypical working conditions are not to be found much more among self-employed mothers. It is true that they work less, but not necessarily at other hours. That means that flexible work strategies are not only sought by women with family responsibilities, but to a similar extent also among a greater part of women who want to achieve autonomy at work in general. On the other hand, one has to keep in mind that many atypical working hours arise less from the wish than in fact many a time also from compulsion, too, because the nature of work or the economic sector simply demands it.

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