

The entrepreneurial potential of households – A real-life economics perspective –

Presented at the IFHE-Conference on
“Management skills from your house to your professional life:
Boosting household’s entrepreneurial potential”

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Academic links between private households and business models

- § Modern Economics: Household versus firm
- § Business Administration: Medium and large enterprises
- § Entrepreneurship Research: Successful start-up process
- § "Schumpeter Entrepreneur": Pioneer entrepreneur
- § OECD: Micro-enterprise = sub-category of small enterprise
- § Traditional & New Home Economics: Household production
- § Agricultural Economics: Family farm / firm-household-model
- § => Evolutionary theory of households and firms
- § => Statistical analysis of small sector business
- § => Empirical theory of Household-Enterprise-Complex

Household-Enterprise-Complex

- § The production function of the unit includes household and market production.
- § The firm is small in terms of employees from outside the household or family, but may have family help.
- § The management function is carried out by the entrepreneur her/ himself or by a family member.
- § The money income of the household stems to a certain degree from the entrepreneurial activity.
- § Special conflicts arise with regard to ends and means, e.g. investment or consumption, labor or leisure.
- § There is a mental interdependence between work and life: "The firm, that's me".



Business
concept:
"Power selling"

Source: tv14,
8/2005



Ich lebe von eBay

Mit 135 Millionen Mitgliedern ist eBay der größte Internet-Markt der Welt.
Mehr als 400 000 Menschen leben schon vom eBay-Handel – einige als Millionär.
Ob hauptberuflich oder als Nebenjob – hier sind ihre geldbringenden Geschäftsideen



Business concept: Creative recycling



Die Berliner Franziska Wodicka hat es gern ordentlich – und zudem ein Herz für alte Dinge. Da verwundert es kaum, dass die gelernte Landschaftsarchitektin aus Beiden Vorlieben eine Geschäftsidee entwickelte: Aus ausrangierten Schubladen fertigt sie in Kreuzberg neue Möbelstücke.

www.schubladen.de

Business concept: Creating luminaries



DEUTSCHLAND

Teilzeit-Designer

Stefan Türk ist im Hauptberuf Chemiker, nebenbei kreiert er Lampen.

- **Vorreiter**
1,6 Millionen Deutsche haben sich 2003 selbstständig gemacht, die Mehrzahl im Nebenberuf.
- **Vernachlässigt**
Staatliche Förderprogramme lassen die Teilzeitgründer jedoch meist außen vor.

JOBS **Mittendrin und nebenbei**

Die meisten Gründer starten ihren eigenen Betrieb als Nebenjob und fallen deswegen oft durchs Förderraster

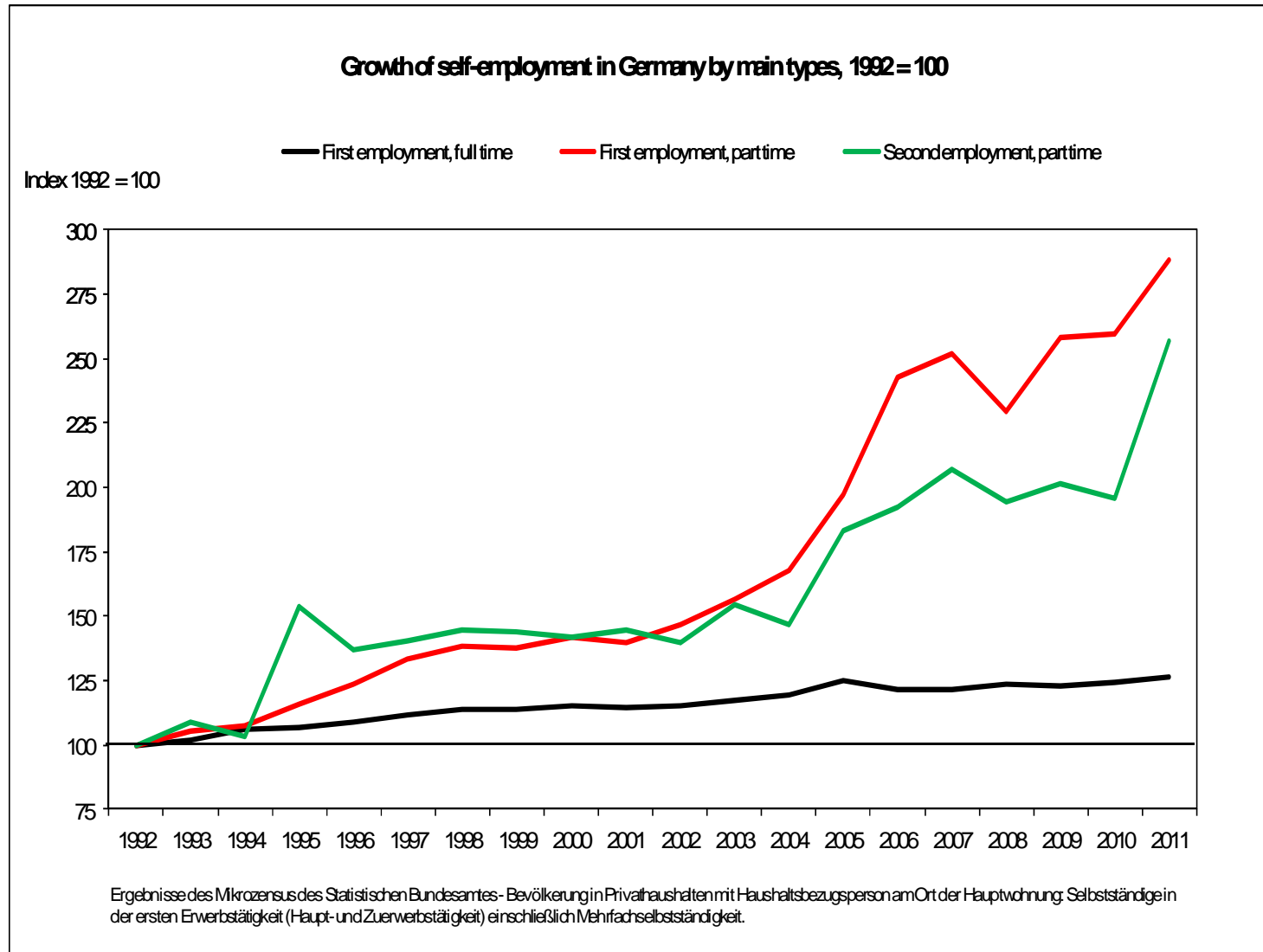
Source:
Focus
17/2005



Self-employment – three main types

- § First or sole – full time – self-employment, i.e. main personal monetary income – in Germany: 68 % of all, 76 % male, 24 % female, 49 % without employees
- § First or sole – part time – self-employment as a self-employed person, beside a non-earning activity, esp. household and family work – in Germany: 18 % of all, 40 % male and 60 % female, 86 % without employees
- § Secondary – part time – employment as self-employed, i.e. beside a main employment – in Germany 14 % of all, 63 % male and 37 % female, 92 % without employees

Most businesses in Germany start in part-time as mini firms.



Source: Selbstständige in Deutschland 1992 – 2011. Universität Bonn, 2013.
<http://www.huk.uni-bonn.de/aktuelles/s-monitor-2011-1>

Entrepreneurial competencies in business

- § Organizing ability & Problem-solving ability
- § Ability to absorb setbacks and recovery
- § Human relations ability & Communications ability
- § Ability to make sound decisions and to take full responsibility for decisions made
- § Persistence and patience to wait until the business really becomes successful
- § Technical knowledge on how to operate the business
- § Sense of independence and self-confidence
- § Good health and enthusiasm

Household and family functions

- § Economic function = household and market production
- § Regeneration = recreation and tension management
- § Procreation = biological reproduction
- § Socialization = enculturation and life long learning
- § Political function = collective and public goods provision
- § Ecological function = using and saving matter and energy

Entrepreneurial competencies in household management

- § Self-perception as a resourceful economic actor
- § Feeling responsible for own actions
- § Insights into the social, economic and ecological nexus
- § Setting up responsible life goals
- § Generating and allocating resources carefully
- § Understanding money as a means, not as an end
- § Staying informed about economic and social facts
- § Starting and running a household and family
- § Making “a house a home”





Thank you for listening!

Think entrepreneurial!



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