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Entrepreneurship and Independent Professionals: Why do Professionals not meet with Stereotypes of Entrepreneurship?

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Fakultät für Wirtschaftswissenschaften
Faculty of Management and Economics



Institut für Soziologie
Department of Sociology

IfS Discussion Paper 04/2013

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Dieter Bögenhold, Jarna Heinonen and Elisa Akola

Discussion
PAPERS

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Institut für Soziologie, Alpen-Adria-Universität Klagenfurt
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Abstract

The study discusses myths of entrepreneurship by looking at the overlapping areas of entrepreneurship, self-employment and professions. The study argues that professions are part of the category of self-employment. Additionally, the study presents empirical findings drawn from a unique empirical data set from Finland: a survey (N=733) including freelance journalists, translators, interpreters and artists at the blurred boundaries between waged work and entrepreneurship. Findings reveal that the professions are clearly different and the manifestations of entrepreneurship vary, reflecting the work and the labour market situation within the profession. The life and work situations of those in the liberal professions cannot be interpreted in simple black and white schemes or as winners and losers. Instead, many different socio-economic situations can be found 'in between', which are driven by different social logics. For entrepreneurship researchers the study opens up new avenues by taking us beyond the push-pull-dichotomy, which over-simplifies the decision to enter self-employment. The term entrepreneurship is often used in an undifferentiated way, and it therefore easily generates myths and stereotypes, which are challenged by the study. A narrower and more realistic view shows that there are diverse agents under the flag of entrepreneurship, who are usually not regarded as core entrepreneurs although they exist in everyday life.

Keywords

Entrepreneurship, Professions, Self-employment, Occupational Careers, Waged Work, Transitions, Labour Market

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1. Introduction: Current myths of entrepreneurship

There has been a tremendous growth in entrepreneurship research worldwide (Kuratko 2006). Entrepreneurship is portrayed as a driver of economic growth and, thus, is regarded as being of crucial importance for the economy as well as for job and wealth creation (van der Praag and Versloot 2007; Sanders 2007; Thurik and Wennekers 2004). Entrepreneurship is also characterised by change and newness and it may even have a central role in improving society at large (Wiklund et al. 2010). The problem with the extant knowledge in entrepreneurship is that it tends to treat entrepreneurship in a social, cultural and historical vacuum (Ogbor 2000), disengaged from broader occupational and employment conditions and from individuals' perceptions of work.

In contrast to stereotypical assumptions, the phenomenon of entrepreneurship may look totally different when it is studied as a phenomenon embedded in the labour markets and specific occupational contexts, applications and sectors (see e.g. Welter and Lasch 2008; Welter 2011). Some types of small businessmen and independent professionals belong to a category which does not fit with an image of entrepreneurship (Hytti 2005). They do not show ambition for growth and they are sometimes very close to low income ranges, occasionally even to poverty (Kautonen et al. 2010). Empirical studies on diverse groups of self-employed individuals in larger societal and labour market contexts may produce alternative pictures, challenging stereotypical assumptions and rhetoric related to entrepreneurship. Better theorisation with relevant empirical data may lead researchers to question whether entrepreneurship is 'inherently a good thing' and 'who is the agenda for' (see Blackburn and Kovalainen 2008).

Our study discusses links between entrepreneurship, self-employment and professions. Academic discussion on professions has a tradition which goes back several decades. Since that time, liberal professions have been an integral part of the trend towards tertiarisation. In some respects, they can be regarded as something 'between' entrepreneurship and traditional waged work. Within this context, our study discussing the myths of entrepreneurship has two aims: Firstly, the argumentation is focused at the reasoning of professions as part of the category of self-employment. Secondly, the study refers to findings of a unique empirical study conducted in Finland: a survey (N=733) including freelance journalists, translators, interpreters and artists at the blurred boundaries between waged work and entrepreneurship provides insights into their career patterns, work and different socio-economic matters and sheds light upon many questions

related to entrepreneurship and particularly its myths. Findings reveal that the life and work situation of liberal professions cannot be interpreted in simple black and white schemes, such as 'close to poverty' and 'pushed by missing employment chances into the sector of waged work' on the one side, versus 'working without hierarchies' and 'being independent and self-realized' on the other side. Instead, many different socio-economic situations can be found 'in between', which are driven by different social logics. They have to be acknowledged carefully in order to arrive at a differentiated perception of the phenomenon, otherwise we are in danger of ignoring what actually happens in everyday life (Rehn 2008). Looking at the margins of the economy contributes to challenging some stereotypes of entrepreneurship. Finally, we argue that the term entrepreneurship is very often used in an undifferentiated way, so that talk about entrepreneurship generates myths. A narrower and more realistic view shows that there are diverse agents under the flag of entrepreneurship, who are usually not regarded as core entrepreneurs.

2. Entrepreneurship, self-employment, and independent professions

Entrepreneurship serves as an umbrella for a variety of different items and various debates in science and in politics, which associate differing issues and aspects with the term. The literature is full of definitions of entrepreneurship, *"which differ along a number of dimensions, i.e. whether entrepreneurship should be defined in terms of dispositions, behaviour, or outcomes; whether it belongs in the economic-commercial domain or can be exercised also in not-for-profit contexts; whether it belongs only in small and/or owner-managed firms or in any organizational context, and whether purpose, growth, risk, innovation or success are necessary criteria for something to qualify as entrepreneurship"* (Davidsson 2003, 316). Even in the history of economic thought, different positions can be determined, regarding how entrepreneurship is defined (McMullen 2011). The changing historical, regional, and social contexts in which entrepreneurship takes place are diverse, increasing the difficulties associated with a unifying definition (Welter 2011).

Since the term 'entrepreneurship' covers wide-ranging issues, such as those relating to small and medium-sized enterprises, innovative ventures, business start-ups, socio-economic perspectives, and market behaviour, among others, there is no precise and commonly shared source upon which universal discussion

of entrepreneurship can draw. According to Shane and Venkataraman (2000, 218) three sets of research questions about entrepreneurship are central: (1) why, when, and how opportunities come into existence; (2) why, when, and how some people and not others discover and exploit these opportunities; and (3) why, when, and how different modes of action are used to exploit entrepreneurial opportunities (for a discussion and further interpretation see Davidsson 2003).

When discussing links between entrepreneurship and the division of occupations and changes in the labour market, the analytical category of 'self-employment' seems to be used as an adequate *modus operandi* for operationalising a quantifiable understanding of entrepreneurship. Self-employment as a labour market category can be numerically counted and individual fractions of the category can be compared (Carter 2011). However, referring to self-employment raises the difficulty that it usually serves as a kind of proxy for entrepreneurship, even though self-employment and entrepreneurship are never the same. Entrepreneurship covers only parts of the category of self-employment and the population of self-employed people also includes people who can rarely be identified as entrepreneurial agents (Bögenhold 2004b; Verheul and van Stel 2007; Stam 2008). As a result, entrepreneurship proves to be a free mix of changing interpretations and applications, especially when scrolling through the history of economic theory (Landström and Lohrke 2010; Hébert and Link 1982, 2009).

Among those agents who do not match with conventional assumptions of entrepreneurial behaviour (independent), free-lanced occupations as a sub-category of self-employment own a large and growing share. A long-lasting debate refers to the question whether professionals act differently compared to 'regular' businessmen. Classically, people have been arguing that businessmen incorporate 'egoistic' motivation while liberal professions feature a proximity to 'altruistic' motivation, which leads to two completely different rationalities of economic individuals. However, Parsons (1939) already observed that the dichotomy that "*the business man has been thought of as egoistically pursuing his own self-interest regardless of the interests of others, while the professional man was altruistically serving the interests of others regardless of his own*" (Parsons 1939, 458) is somehow problematic. Even businessmen differ in their ways of operating their firms and their underlying ethical goals and procedures, while independent professions are also not a unique group so that the portrayed

contrast *"is not the whole story"* (Parsons 1939, 458).¹

Since those early reflections, related social structures have changed considerably. Recent professions exist at the interface of processes of academisation and tertiarisation. As long as they are economically independent, professions are a subcategory of the labour market category of self-employment, but they do not really match with the image of entrepreneurship. The existence of modern professions mirrors the rising dimensions of expertise (Stehr and Grundmann 2011) within trends towards a knowledge society (Stehr and Meya 2005) and an entrepreneurial society (Audretsch 2007; Bonnet et al. 2010). They are also a piece within a concept of a transitional labour market (Schmid 2000) with the key words of flexibilisation, globalisation and new challenges for higher education (Allen and Velden 2011). As more of these professions are involved in general trends of dynamics, especially within self-employment, one also has to start distinguishing within this category, where winners and losers (Støren and Arnesen 2011) appear at the same time.

3. Dynamics in the labour market: service sector trends as driving engine

With growing self-employment (Arum and Müller 2004; Bosma et al. 2009; Kelley et al. 2010) new facets in the structure of the labour market and in the division of occupations have emerged. How does the landscape of self-employment in general change and which effects emerge for those at the lower fringes of economic stability and financial income? The forces which are responsible for the new emergence of those stakeholders are of crucial research interest. Must they be regarded primarily as a result of 'pushes' by labour market deficiencies, or are they a response to new lifestyles and working demands, which act as 'pulling' factors into self-employment?

The problem in relation to the question of self-employment is that the economic and social material is rich and diverse, from both a theoretical and an empirical standpoint, because the reservoir of self-employed labour is highly diverse and the socio-economic factors governing people's motives for seeking to

¹ Although the spheres of professions are becoming progressively commercialized, as Parsons (1939) said, there was a specific distinction of the professional agent: "The professions, it was said, enjoyed the kind of freedom, not so much because they were free from the control of an employer ... but rather because ... choice was not restricted and confined by economic pressure. The professional man, it has been said, does not work in order to be paid, he is paid in order that he may work" (Marshall 1939, 325).

move in the direction of self-employment are extremely varied and divergent (Shane 2003). The category of self-employed personnel includes social winners and losers simultaneously, but also new indefinite types have appeared, which are difficult to characterize. We observe secular changes of employment and industrial relations, which also affect self-employed workers (Kalleberg 2009). Gartner (1985, 696) argues that differences between positions within self-employment can be higher than differences between individual self-employed people and employees.

In the last hundred years or so we have seen a considerable rise in productivity, which has many different consequences for the division of labour, occupations, and corporations. Karl Polanyi (1944) described this in his perception of the 'great transformation', which with its (disembodied) vicious circle of the markets, first created a system of (market) economy in society. Simultaneously, we have experienced a steady process to establish a labour market (Granovetter and Tilly 1988; Tilly and Tilly 1994) in which, historically, the number of self-employed people decreased and that of waged workers increased. In recent years, the level of self-employment has no longer been shrinking, but is climbing again, which must be interpreted as a new phenomenon within a historical process.

Looking back over the 20th century we see, with the rapid increase of knowledge in the form of school and university education, a creeping revolution in the sense of a fundamental change in social and work structures, to which the technical developments in the economy and the demands, which have grown out of them, have certainly contributed. To simplify the information, which was described by Daniel Bell (1973) 40 years ago, a steadily decreasing number of people are concerned with directly productive functions in their vocations, but more and more with administrative and technical tasks including clerical work, planning, researching, repairing, maintaining, supervising, checking and controlling, training and further education and with doing trade or transport. To bring a complex phenomenon to one denominator, those professional groups that Max Weber (1972, 179) had described as the "*poor Intelligentsia and with specialised knowledge*", are meanwhile well on their way to becoming the majority of society. As far as the work, which is not directly done in productive parts of economy and especially manufacturing, will further expand, it will become an important as well as difficult task to capture it in appropriate words (Castells 2010).

The existence of new and – at least initially – small firms is nurtured above all else by the shift in the economy towards the service sector. First of all, new occupations and job profiles are emerging; these are then in turn associated with the emergence of a multiplicity of new self-employed occupations and job profiles. The significance of the growth in professional services for the future of self-employed activity is revealed by a glance at the trend in those occupations, which belong primarily to the segments of business services and education, health and culture. Principle changes in society provide a basis for new areas of independent liberal professions as well as for new firms in the service sector, especially when the so-called creative industries (Flew 2012) also become a domain of professional expertise and when trends of globalization and company strategies of outsourcing interact (Oshri et al. 2008; Bharat 2012).

Interpreting new markets as a complex result of occupational changes at a macro level and social mobility within the life-course of individual agents (Kohli 2007; Mayer 2009), gives an idea of how changes serve as sources of newness (Figure 1).

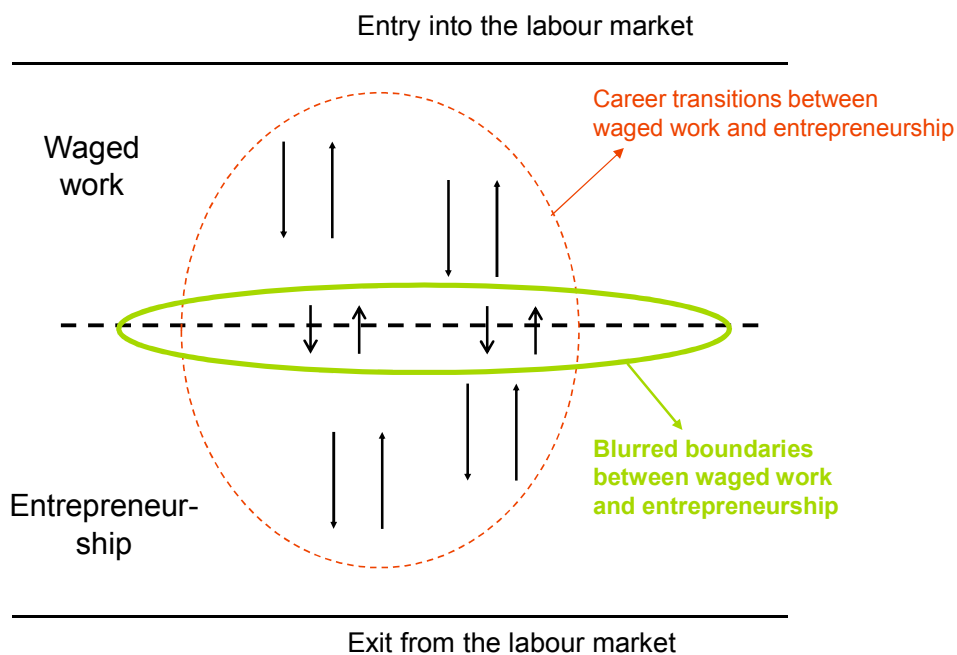


Figure 1. Entrepreneurship and waged work in the labour market

4. Self-employment and small firms at the margins

With a view to self-employment it is of considerable interest to learn by which modes and for which reasons different transitions into self-employment (and – vice versa – out of self-employment) are frequented. This question is important, since the socio-economic situation of self-employment is principally characterized by a wide heterogeneity, which presents a difficulty for carrying out general categorizations on the nature of self-employment. Therefore, we have to establish whether the division of occupations is primarily the result of free choice rather than of pressure through unemployment or missing alternatives. Five interdependent trends regarding the socio-economic situation of self-employed labourers in the employment system can be found when looking at the past 15 years.

Rise of micro self-employment

After the historically long-lasting decline of self-employment, the number of self-employed people has been increasing for one or two decades now. A differentiation for size categories shows that the specific subcategory of self-employed people without employing further staff in their enterprises (solo-self-employment) has increased significantly. This fraction of one-man- and one-woman-firms is contributing most to the ongoing renaissance of independent entrepreneurship.

Increased unsteadiness

Increased unsteadiness of labour market activity with multiple changes between waged work and unemployment or lack of contracts is significant. Here, new forms of career patterns are increasing, which are connected to a high degree of uncertainty and which sometimes imply high financial risks. The socio-economic category of self-employment seems to be in a state of permanent creation and re-creation, and parts belong to a category of vulnerable work (Pollert and Charlwood 2009; Weissbrodt and Rusey 2011) and the working poor (Fields 2011).

Destandardisation and mobility

In parallel, a high extent of destandardisation within the category of self-employment has become evident. Considerable divergencies concerning social situations exist as they become especially clear through their economic activities. One indicator of divergencies is working time. Weekly workloads are very

heterogeneous. Many have working hours, which are considerably higher than 40 hours per week, but also significant proportions of marginal working hours can be registered. Different aspects of destandardisation demonstrate a high degree of diversity within self-employment. (e.g., Clinton et al. 2006; Fraser and Gold 2001)

Hybridization of employment

In the context of unsteadiness, destandardisation and heterogeneity of different hybrid forms of labour market activity are emerging. The individual employment biography covers not only different periods of dependent employment and self-employment consecutively, but also the possibility of multiple employment activities and combinations at the same time, e.g. being a free-lance quasi self-employed translator in the morning hours, tutoring pupils in a private coaching institute on an hourly basis in the afternoon, working as a salary-dependent supervisor in a cinema in the evenings, and giving paid tennis instruction at the weekends.

Precarisation of labour

Precarisation of labour addresses the fact that income through regular work in the employment system can be very low, so that it is close to poverty. In particular, the wide gap between the lowest and the highest incomes must be acknowledged (Kalleberg 2011). Currently, no firm indication exists, if a new line of segmentation will come up with the expansion of hybridisation of employment and if new forms of precarisation will emerge due to low incomes and instable social positions in short-termed contracts and risky market locations. One can speculate that a substantial number of people newly in the group of self-employment belong to a group hosting potential future bankruptcies in the course of precarisation. Parts of the labour market group are overlapping with the phenomenon of the working poor. Consequently, the question about analogies with forms of proletaroid self-employment (Geiger 1932) and new forms of day labourism is on the agenda.

One can suppose that new roots of social mobility effect new forms of occupational and biographical discontinuity. There is no ultimate evidence that shows whether emerging new forms of self-employed activities and liberal professions are primarily the result of free individual decisions or if they emerge against a background of missing alternatives. In addition, there is only limited knowledge about the concrete contents of activities, life-courses of actors,

working conditions, and incomes related to these re-emerging forms of self-employment.

The frontiers between wage- or salary-dependent work and self-employment on the one side, and the black economy on the other side, are difficult to capture adequately, analytically, theoretically, and empirically. Many employees are treated as quasi self-employed people and some self-employed people are in reality very close to a working world of dependent work without having the positive protecting umbrella of social security of dependent people (see e.g. Clinton et al. 2006; Gold and Fraser 2002). Last but not least, tremendous sectoral changes towards a service economy are fostering trends of destandardisation and fragmentation. Not only due to new technological developments in the IT related fields and to new opportunities in the wide fields of leisure and tourism, many new occupations, products, opportunities, technologies, markets and self-employed activities are emerging, but also with tertiarisation itself: The numbers of those engaged in free-lanced occupations are increasing much more than the numbers of all other self-employed people (see for Germany Bögenhold and Fachinger 2007, 2011).

Developments within the category of occupational self-employment are – using a different wording – part of the reconfiguration within the division of labour and their industrial relations: *"Work is intimately related to other social, economic, and political issues, and so the growth of precarious work and insecurity has widespread effects on both work-related and non-work phenomena"* (Kalleberg 2009, 8). All employees stand in relation to enterprises and their different stakeholders. Therefore they belong *prima facie* to the issue of 'employment relations', but self-employed labourers can also be sorted into such a system of industrial relations: *"Even self-employed people can be considered to have 'employment relations' with customers, suppliers, and other actors"* (Kalleberg 2009, 12).

5. Data and methods

The empirical part of the study attempts to draw an empirical picture of the division of self-employment and professions. Specific mobility channels between dependent and non-dependent work will be investigated, in particular for the case of some professionals with a university degree in Finland. The focus is on specific professionals – freelance journalists, translators, interpreters and artists – who, due to a lack of a traditional career structure, may actively seek or are forced

to take freelance work and work in a self-employed capacity (see Fraser and Gold 2001).

Data

The data were collected by means of a web-based and postal survey during the autumn of 2006. The surveys were sent to the members of three professional associations: The Freelance Association SFJ, The Finnish Association of Translators and Interpreters, and The Artists' Association of Finland. These professions have not been widely studied from the perspective of self-employment/entrepreneurship. The data is unique as, given the changing nature of the labour markets, the selected professions are positioned at the blurred boundaries where waged work and self-employment co-exist and constitute an individual's livelihood.

The sampling frame was comprised of 2,036 self-employed professionals and the data collection generated 733 responses (response rate 36%). 89% of all self-employed professionals worked alone – only 3% had employees and 7 % had other owners involved with their business. There were no statistical differences between the three professions. The sample included 29% men and 71% women with an average age of 46 years. Almost all of the respondents (96%) had at least one professional degree, and the majority had a university degree (72%). 30% of the respondents were freelance journalists, 44% interpreters and translators, and 25% artists. The role of the data is to illustrate our discussion on the professions and their mobility at the blurred boundaries. Due to the nature of our data we do not aim to make any statistical generalisations or test statistical hypotheses.

Measures

Profession was measured with a three-category variable based on the professional association of the respective respondent. *Desirability of self-employment* was measured by combining two different variables: how long the respondents had considered self-employment before starting their activities² and how they had prepared for self-employment³. We categorized the desirability of self-

² The question was "How would you define the process of becoming an entrepreneur/self-employed/ freelancer/artist?" The response options were: a) It had already been in my mind for several years b) it had been in my mind for some months, and c) it was not really in my mind previously.

³ The question was "How did you prepare for becoming an entrepreneur/self-employed/freelancer/artist?" The response options were "a) I trained to the profession to be

employment into three groups. The group 'high' includes respondents who had considered self-employment for a long time (from several months to several years) and built their earlier career and/or trained to the profession in order to be self-employed. The group 'low' contains those respondents who had not really considered self-employment and who had not prepared systematically for it. The respondents belonging to the group 'middle' had either considered self-employment for a long time but had not prepared for it or had not considered it but had trained to the profession and/or built their earlier work career in order to be self-employed.

Entrepreneurial behaviour was measured with four original items concerning the self-assessed perception of creativity and risk-taking. *Customer focus* was assessed with two original items related to number of assignments and role of customer needs. *Satisfaction with the way of working* was measured with four original items describing self-fulfilment and suitability of life situation for self-employment. The fit of the items was assessed with exploratory factor analysis. The statements used in the factor analysis are presented in the Appendix to this paper. Each statement was measured on a Likert scale ranging from 1 = totally disagree to 5 = totally agree. The reliability was acceptable for all composite variables (entrepreneurial behaviour – Cronbach's $\alpha = 0.812$, customer focus – Cronbach's $\alpha = 0.583$ and satisfaction with the way of working – Cronbach's $\alpha = 0.710$).

Analyses

Cross-tabulations and analyses of variance (ANOVA) were utilized to examine the differences across the professions. In the results section only statistically significant differences among professions are reported in the tables. If the chi square tests were statistically significant, post hoc tests were conducted to find out differences among the three professions. If not indicated otherwise, the differences between all professions were statistically significant. Statistical significances between some of the professions are indicated in the table with a symbol a, b or c, where a = the difference in relation to freelance-journalists, b = the difference in relation to translators / interpreters and c = the difference in relation to artists. The reporting style described above applies to all tables.

entrepreneur/self-employed/ freelancer/artist, b) I built my earlier work career from the point of view of it, c) I did not prepare systematically but, when an alternative came, I considered it and made the decision, and d) I did not prepare systematically, mainly I drifted to it as a consequence of various situations and opportunities.

6. Freelancers and artists: heterogeneous working lives within necessity, challenges and satisfaction

In the following we will take a closer look at different routes to self-employment, formation of livelihood, organisation and content of work as well as satisfaction with self-employment at the boundaries of waged work and entrepreneurship. The differences between professions are demonstrated by the exemplary data on freelance journalists, translators/interpreters and artists.

Routes to self-employment

There are two different socio-economic paths into self-employment. On the one hand, an individual may become self-employed for reasons of self-fulfilment and self-realisation, indicating that self-employment is a desirable option among other possible options (i.e., waged work). On the other hand, self-employment may be the only available option to participate in working life and exercise a particular profession due to a poor labour market situation (Bates and Servon 2000). In practice, all possible combinations of the two rationales exist. (Bögenhold 2004b). Our empirical data come from professions in relation to which the labour market situation is either poor or inadequate (Akola et al. 2007). However, as shown in Table 1, there are differences between professions with regard to desire and preparation for self-employment.

Table 1. Desirability of and preparation for self-employment

	Freelance journalists	Translators/ interpreters	Artists	Total
Desire and preparation for self-employment ($p < 0.001$)	% (n)	% (n)	% (n)	% (n)
High	19.4	18.9	77.9	34.1
Middle	51.9	55.0	18.4	44.8
Low	28.7	26.1	3.7	21.2
<i>Total</i>	100.0 (160) ^c	100.0 (238) ^c	100.0 (136) ^{a, b}	100.0 (534)

Artists stand out as a particular group. Almost 80% of these had prepared and trained to work as artists, which evidently implies working in a self-employed capacity. Most of the translators/interpreters and freelance journalists belonged to the group in the middle, indicating that the idea of being self-employed is not totally strange, but they had not actively prepared themselves for self-employment. It seems that for freelance journalists, the idea and desirability of self-employment

before the transition was the lowest among the studied professions.

Similarly, Gold and Fraser (2001) found in their study that freelance translators 'just grew' into a freelance career and self-employment without any real planning. The status of the work was simply a means to an end, although there was perhaps some initial compulsion rather than a conscious choice to become self-employed. However, later they wanted to remain self-employed and not move back into employment. Table 2 demonstrates the prior labour market situation of the studied professions.

Table 2. Prior labour market situation

	Freelance journalists	Translators/ interpreters	Artists	Total
Labour market situation before self-employment? (p<0,001)	% (n)	% (n)	% (n)	% (n)
Waged work (permanent, temporary, occasional)	65.0	58.6	24.7	52.2
Unemployed	8.6	9.3	3.4	7.6
Economically inactive (students, different kinds of leave)	26.4	32.1	71.9	40.2
<i>Total</i>	<i>100,0 (220)^c</i>	<i>100,0 (321)^c</i>	<i>100,0 (178)^{a, b}</i>	<i>100,0 (719)</i>
Unemployed during the past 5 years (p<0,001)	% (n)	% (n)	% (n)	% (n)
Yes	13.0	15.9	35.4	19.8
No	87.0	84.1	64.6	80.2
<i>Total</i>	<i>100,0 (215)^c</i>	<i>100,0 (321)^c</i>	<i>100,0 (175)^{a, b}</i>	<i>100,0 (711)</i>
How well have the salaried positions corresponded to your education? (p<0,001)	% (n)	% (n)	% (n)	% (n)
Well	66.8	54.5	37.3	54.1
Partly	24.8	30.1	45.3	32.2
Not much	8.4	15.4	17.4	13.7
<i>Total</i>	<i>100,0 (202)</i>	<i>100,0 (286)</i>	<i>100,0 (161)</i>	<i>100,0 (649)</i>

65% of the freelance journalists and 59% of the translators/interpreters worked in waged work prior to self-employment. About 72% of the artists were economically inactive prior to self-employment, as most of them entered self-employment immediately after their studies. Unemployment was not an important route to self-employment. In all of the studied professions less than one tenth was unemployed prior to self-employment, but during the past five

years 13% of the freelance journalists, 16% of the translators/interpreters and about 35% of the artists had faced unemployment. For most of the freelance journalists (67%) and translators/interpreters (55%) their prior waged work had corresponded well to the education, whereas that was not the case for the artists – only 37% of the artists perceived that the waged work corresponded well to their education and 17% stated that it did not correspond much to their education. These figures clearly demonstrate the differences in the labour markets and salaried job opportunities among the studied profession. For artists, self-employment was a natural choice due to a non-existent labour market, whereas for translators/interpreters and particularly for freelance journalists, the labour market offers some opportunities.

Formation of livelihood

Several studies have highlighted the dramatic loss of income an individual may face when moving from employment into self-employment (e.g., Blanchflower and Shadfort 2007; Shane 2008), indicating the precarious nature of entrepreneurship (Carter 2011). On the other hand, contradictory evidence also exists (e.g., Cagetti and De Nardi 2006), suggesting that the living standards of entrepreneurs exceed those of employees (Carter 2011). In the study of Fraser and Gold (2001) they found out that typical earnings of freelance translators were comparable with average earnings for similar groups nationally. In addition, although the translators had other sources of income (such as copy-editing and teaching or even non-language activities) they mostly chose to pursue other activities rather than be forced to do so because of the low income derived from translations. Table 3 below presents annual income figures among the studied professional groups.

Table 3. Income from self-employment and waged work

	Freelance journalists	Translators/ interpreters	Artists	Total
Annual income from self-employment (p<0,001)	% (n)	% (n)	% (n)	% (n)
0–9.999 €	7.7	23.5	75.4	31.8
10.000–29.999 €	42.1	41.0	18.3	35.6
More than 30.000 €	50.2	35.5	6.3	32.6
<i>Total</i>	<i>100.0 (209)</i>	<i>100.0 (310)</i>	<i>100.0 (175)</i>	<i>100.0 (694)</i>
Perception of the current income from self-employment (p<0,001)	% (n)	% (n)	% (n)	% (n)
Good	32.3	34.3	17.7	29.4
Satisfactory	44.1	39.9	33.3	39.5
Poor	23.6	25.9	48.9	31.1
<i>Total</i>	<i>100.0 (220)^c</i>	<i>100.0 (321)^c</i>	<i>100.0 (186)^{a, b}</i>	<i>100.0 (727)</i>
Annual variation of income from self-employment (p<0,001)	% (n)	% (n)	% (n)	% (n)
A lot	27.4	30.5	69.2	39.5
A bit	53.9	51.3	24.3	45.2
Not much	18.7	18.2	6.5	15.4
<i>Total</i>	<i>100.0 (219)^c</i>	<i>100.0 (318)^c</i>	<i>100.0 (185)^{a, b}</i>	<i>100.0 (722)</i>
Development of income during self-employment (p<0,001)	% (n)	% (n)	% (n)	% (n)
Improved	59.5	62.8	60.4	61.2
Remained about the same	17.3	22.4	18.1	19.7
Weakened	19.1	11.0	9.3	13.1
Difficult to say as my income varies a lot annually	4.1	3.8	12.1	6.0
<i>Total</i>	<i>100.0 (220)</i>	<i>100.0 (317)</i>	<i>100.0 (182)</i>	<i>100.0 (719)</i>
Parallel waged work (p<0,001)	% (n)	% (n)	% (n)	% (n)
No	86.0	66.7	53.1	69.4
Yes, one or several	14.0	33.3	46.9	30.6
<i>Total</i>	<i>100.0 (222)</i>	<i>100.0 (294)</i>	<i>100.0 (180)</i>	<i>100.0 (696)</i>

Of the studied professions the freelance journalists were better off than the others. About half of the respondents had an annual income of €30,000 or more from self-employment and only 8% had less than €10,000, whereas the situation was much worse among the artists: 75% of the artists earned less than €10,000 a

year and only 6% earned more than €30,000 from self-employment. The translators'/interpreters' position was in the middle, with 35% of the respondents earning more than €30,000 and 24% less than €10,000. Accordingly, about one third of the freelance journalists and translators/interpreters perceived their income from self-employment as good, whereas the share was 18% among the artists, almost half of whom considered the income to be poor. The annual income varied a lot, particularly among the artists (69%) and about half of the freelance journalists and translators/interpreters claimed that their income varied a bit. The annual income had improved during self-employment among most of the respondents (60%) in all the studied professions. 19% of the freelance journalists stated that their annual income had dropped during self-employment. Among the translators/interpreters the respective figure was 11% and among the artists only 9%. This again clearly demonstrates the labour market differences: salaried job opportunities related to the respective profession are rare for artists but more common for freelance journalists.

We also studied whether the respondents were engaged simultaneously with waged work in order to create a 'portfolio' of work activity for themselves, as the concept of portfolio work and career suggests (Fenwich 2006; Clinton et al. 2006). Only 14% of the freelance journalists, 33% of translators/interpreters and 47% of the artists had parallel waged employment. It seems that this merely reflects the income gained from self-employment rather than the labour market situation. In addition, it seems that translators/interpreters would have preferred employment to self-employment, if there had been vacancies available. The artists with a modest income from self-employment needed to compensate it with waged work, even though waged work would not necessarily serve their professional needs and desires.

Organisation and content of work

Freelance work usually involves tasks that are required for a limited time and therefore 'termination' is an intrinsic property of the freelance work relationship (Storey et al. 2005). The customer base may be restricted to only one or two customers but may also cover wide client-bases providing their portfolio of work. A genuine portfolio with a range of assignments from different clients distinguishes the self-employed from the home-working wage labourers. (Fraser and Gold 2001). This implies, thus, customer focus, a direct relationship with the contractor and accommodation to customer needs (Fenwick 2006). Accordingly,

although the self-employed may have autonomy and flexibility of getting organised, their independence is still quite limited due to market factors and the commercial nature of the customer relationship (Fraser and Gold 2001; Fenwich 2006).

Similarly, Clinton et al. (2006) found out that portfolio workers experience their working lives through processes of high levels of autonomy, uncertainty and social isolation. Financial uncertainty is acknowledged, although the uncertainty – of not knowing the future, and where the next offer of work will come from – can also be perceived as a pleasant and exciting experience. It is necessary, however, to make a further distinction between uncertainty and job insecurity. So, despite high levels of uncertainty – experienced both negatively and positively – portfolio workers reported favourable career security when compared to waged employment – because they do not "*keep all the eggs in the same basket*". (Clinton et al. 2006) However, most self-employed freelance translators, for example do not intend to grow or expand their businesses (Gold and Fraser 2002). The success is defined in more modest terms such as 'getting by', referred to as staying in the game, not necessarily as winning (Storey et al. 2005).

Table 4. Content of work and satisfaction with self-employment

Factors	All			Freelance journalists		Translators/ interpreters		Artists	
	Mea n	Sd.	Sig.	Mea n	Sd.	Mea n	Sd.	Mea n	Sd.
Customer focus (2 items, $\alpha=0,583$)	3.28	1.177	<.00 1	3.89	0.753	3.60	0.938	1.99	0.953
Entrepreneurial behaviour (4 items, $\alpha=0,812$)	2.88	1.188	<.00 1	2.88	0.924	2.13	0.913	4.17	0.673
Satisfaction with the way of working (4 items, $\alpha=0,710$)	4.25	0.775	.003	4.21	0.817	4.35 ^c	0.750	4.11 ^b	0.743

α =Cronbach's alpha

In our sample the vast majority of freelance journalists (79%) and translators/interpreters (83%) worked mainly at home, whereas about half (51%) of the artists worked in their own or rented premises separate from their home. Freelance journalists perceived themselves to be more customer focused than the other professional groups. Interestingly, artists put only little emphasis on

customer focus but rather conduct their work based on artistic terms. However, they perceived their work to be very entrepreneurial, whereas the entrepreneurial work dimension of freelance journalists and translators/interpreters particularly, scored much lower. (Table 4) The work of the artists, thus, included many entrepreneurial characteristics, such as unique products, innovative renewal of activities, creativity and investments as well as separate work premises. Perhaps the modest customer focus was also reflected in their small-scale operations and modest income, respectively.

Satisfaction with self-employment

When studying portfolio work and careers, Fenwick (2006) found two contrasting views: a mixture of liberating and exploitative elements, which are related to individuals' conflicting desires for both contingency and stability. On the one hand, self-employed portfolio workers enjoy freedom and autonomy in their work and declared, thus, high satisfaction. On the other hand, the additional stress of uncertain income and contract juggling with client relations is also acknowledged, although not emphasised. Accordingly, anxiety, risk and contingency are perceived both as exhausting and exhilarating by the individuals involved (Fenwick 2003; Clinton et al. 2006). The emphasis lies on professional or occupational identity, and self-employment may only be a means to an end, i.e., to conduct one's profession.

In our study the self-employed were highly satisfied with their way of working as self-employed freelancers or artists. Although the satisfaction among the artists was lowest, even they were reasonably happy with their work. (Table 4). Our further analyses indicate that – understandably – the income level (both in absolute terms and in its subjective perception) was positively associated with satisfaction.

7. Conclusions and implications

The study discusses myths of entrepreneurship, which are ongoing in academic reflections. One of the problems is connected to the definition of entrepreneurship merely as a stereotypical rhetoric, which does not acknowledge empirical data carefully enough. Neither the identification of entrepreneurship with self-employment is satisfying nor do both perfectly match with the category of independent professions. Professions are self-employed and they are a sub-

category of self-employment and entrepreneurship accordingly. Our findings serve as an instructive example that those professions differ in many aspects from conventional assumptions of entrepreneurship. Insofar we duplicate a discussion and statements, which have already been produced by Parsons (1939) or Marshall (1939).

Based on our analysis, the studied professions at the blurred boundaries of entrepreneurship and waged work are clearly different and the manifestations of entrepreneurship vary, reflecting the work itself and the labour market situation within the profession. Particularly for translators/interpreters, entrepreneurship appears as a flexible way of gaining one's livelihood. Self-employment involves small-scale activity with unstable income. Although they are satisfied with their way of working, their work includes only a few entrepreneurial characteristics and it seems that they would prefer waged work to self-employment if they could make a choice in the first place. For freelance journalists, entrepreneurship appears as a tempting opportunity. In comparison to the translators/interpreters their work has more entrepreneurial characteristics and the customer focus is stronger. The labour market situation is more favourable for them and many consider self-employment as a viable option offering an improved livelihood. The economic scale of self-employment is also wider in comparison to translators/artists. For artists, self-employment is a pre-requisite or an elementary part of their activities – they simply need to work in a self-employed capacity in order to be able to create art, as they have no real options in the labour market. Artists do not, however, perceive themselves as entrepreneurs, but as artists in the first instance, which is reflected in their modest customer focus and income. Otherwise their work has many entrepreneurial characteristics including separate working premises. (Figure 2)

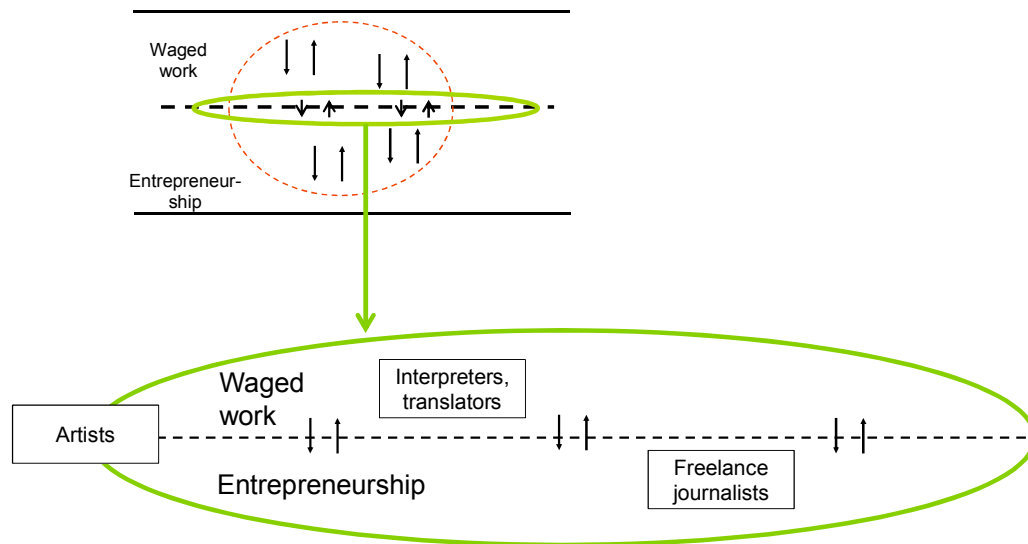


Figure 2. The studied professions at the blurred boundaries of entrepreneurship and waged work

The empirical study confirmed all our assumptions based upon an evaluation of the existing literature. Independent professionals contribute to a *rise of micro self-employment* and they mirror this trend. Our findings highlight increased unsteadiness among this group of labour market agents and they show particular patterns of destandardisation and mobility. So-called emerging forms of hybridization of employment can be studied among the group of professionals in an instructive way. Many people in our sample had to maintain forms of parallel employment, but significant differences among the three groups of professions were also apparent. Finally, the incomes varied and also an increase of incomes could be noted for the period of self-employment but, nevertheless, many cases could be observed, where independent professions met with an understanding of a precarisation of labour. Incomes for those forms of self-employed activity were earned for non-economic rationalities of so-called self-realization, which must be alimanted by other waged activities.

The analytical approach of taking entrepreneurship as a phase in the career of a person helps to contextualise the entrepreneurial decision (Gustafsson 2006) within the work-life story and history of the individual (Cohen and Mallon 1999; 2001; Dyer 1994; Hytti 2005; Mallon and Cohen 2001). For entrepreneurship research, this opens up new avenues and takes us beyond the push-pull dichotomy that is currently popular both in the field of entrepreneurship and career theories. For example, in the studies discussing 'necessity-driven' vs.

'opportunity-driven entrepreneurship' (e.g., Bosma and Harding 2006), necessity entrepreneurs are without other job alternatives and therefore considered to be pushed into entrepreneurship. However, this seems to be too reductionist an approach and over-simplifies what may be the result of a complex array of factors. The decision to enter self-employment may be taken for multiple reasons, combining push and pull factors, and these reasons may be regarded as present in all career decisions, including the one leading into entrepreneurship. Instead of such simplistic black and white figures, research should shed light on the spaces 'in between'. The same holds true for the dichotomy of winners and losers, since careers very often appear as packages of some relative advantages versus disadvantages. One can gain advantages in the organisation of family life and happiness and simply by 'staying in the game', while other dimensions like earnings may decline and no entrepreneurial financial rewards are achieved. These different situations need to be acknowledged without any ideological pre-assumptions in order to be able to understand what actually takes place in everyday life (see Rehn 2008).

Changes in careers imply the emergence of a new 'portfolio career' or 'portfolio work', where individuals accumulate skill and personal reputation as key career resources by frequent movements between firms and in and out of self-employment and job opportunities that extend beyond a single employment setting. The focus is no longer on the positions but on the skills and employability of an individual. (DeFillippi and Arthur 1994; Mallon 1998; Sullivan et al. 1998; Sullivan 1999; Templer and Cawsey 1999). There is also a potential downside to 'portfolio work', as it may be regarded as the individuals' responses to labour market insecurity caused by, for example, redundancy or unemployment or through varying levels of disaffection brought about by organisational restructuring, new management methods, broken promises and lost promotion hopes (Mallon 1998).

By having looked at different professions at the blurred boundaries of waged work and entrepreneurship we have reasoned that professions can be seen as part of the category of self-employment. The term entrepreneurship is very often used in an undifferentiated way, and it therefore easily generates myths and stereotypes, which are challenged by our study. Not all entrepreneurs aim at growing or creating wealth. Also, their job creation may be limited to themselves only. This does not imply, however, that their contribution would not be valuable or needed in society. Merely 'staying in the game' can be considered as an

important and meaningful individual and societal outcome: a division between winners and losers is not that simple and its relevancy may be questioned. A narrower and more realistic view adopted in our study shows, thus, that there are diverse agents under the flag of entrepreneurship, who are usually not regarded as core entrepreneurs, although they do exist in everyday life.

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9. Appendix 1 Factor analysis

Rotated Component Matrix (n=733)

	Factors		
	1	2	3
Entrepreneurial behaviour			
I often try my new ways of action even if I was not sure of their success beforehand	.869	-.040	-.019
I have reformed or made considerable changes in my ways of action during the past three years	.868	-.018	.056
I have invested plenty of my own money in my activities	.741	-.013	-.310
My work of art/services/products offered to the customers are unique and are not available from anywhere else	.641	.077	-.387
Satisfaction to the way of working			
I am satisfied with my decisions to become an entrepreneur/self-employed/ freelancer/artist	.009	.808	-.086
I am able to fulfil myself best as an entrepreneur/self-employed/freelancer/artist	.141	.795	-.146
I am able to influence on matters related to my work as an entrepreneur/self-employed/freelancer/artist	-.056	.701	.226
My current life situation is favourable from the point of view of the working as an entrepreneur/self-employed/freelancer/artist	-.166	.590	.388
Customer focus			
I have several simultaneous assignments to different customers	-.027	.121	.823
The needs of the most important customers or principals often direct my activities	-.218	-.023	.752
Eigenvalue	2.57	2.15	1.72
Percentage of explained variance	25.66	21.50	17.22

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

KMO 0.775; Bartlett's $p < 0.001$

Descriptive statistics and measurement reliability

	Mean	Sd.	Alpha
Entrepreneurial behaviour			.812
I often try my new ways of action even if I was not sure of their success beforehand	3.06	1.386	
I have reformed or made considerable changes in my ways of action during the past three years	2.79	1.360	
I have invested plenty of my own money in my activities	2.66	1.561	
My work of art/services/products offered to the customers are unique and are not available from anywhere else	3.41	1.395	
Satisfaction to the way of working			.710
I am satisfied with my decisions to become an entrepreneur/self-employed/ freelancer/artist	4.50	0.791	
I am able to fulfil myself best as an entrepreneur/self-employed/freelancer/artist	4.44	0.816	
I am able to influence on matters related to my work as an entrepreneur/self-employed/freelancer/artist	4.31	0.922	
My current life situation is favourable from the point of view of the working as an entrepreneur/self-employed/freelancer/artist	4.06	1.136	
Customer focus			.583
I have several simultaneous assignments to different customers	3.62	1.464	
The needs of the most important customers or principals often direct my activities	3.39	1.286	

Likert scale 1–5 (1 = totally disagree, 5 = totally agree)