

Are Self-Employed Time and Money Poor? Results by an Interdependent Multidimensional Poverty Approach Using GSOEP and GTUS Time Use Diary Data

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Abstract

It seems to be common knowledge that the self-employed – as professions and entrepreneurs – are rich by money and, because of their independence and time sovereignty, are rich by time, too. However, time stress and the variety of small businesses sometimes tell another story. This study – based on recent German satisfaction and time use diary data – tries to shed empirically based light on the issue and its dynamics by asking not only about money poverty but also about time poverty by a new interdependent multidimensional poverty approach.

Income as the traditional single measure in well-being and poverty analyses is extended in recent studies by a multidimensional poverty concept. Though this is certainly a progress, however, two important aspects are missing: time itself as an important well-being dimension and its interdependence with the money dimension, which so far are inspected separately.

Our paper set the focus on the important group of the self-employed – as liberal professions (*Freie Berufe*) and entrepreneurs – and contributes to both aspects: First, we consider time – *and* income – as striking and restricting resources of everyday activities. Second, we incorporate the interdependence of both poverty dimensions which will be evaluated by the German population via a CES-utility/satisfaction function to allow an advanced approach to understand possible substitution effects and the respective trade off between time and money.

Based on the German Socio-Economic Panel (GSOEP) and the German Time Use Surveys (GTUS) 1991/92 and 2001/02 we combine individual satisfaction/happiness/utility with time and income data and disentangle time, income and multiple interdependent poverty regimes and quantify further socio-economic influences and personal/household characteristics for each poverty regime by microeconomic approaches (such as multinomial logit). In addition, we analyse its dynamics over a decade.

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