

Press release

There are more hybrid self-employed entrepreneurs than previously assumed

IfM Bonn study shows the unique features of this employment form

Institut für
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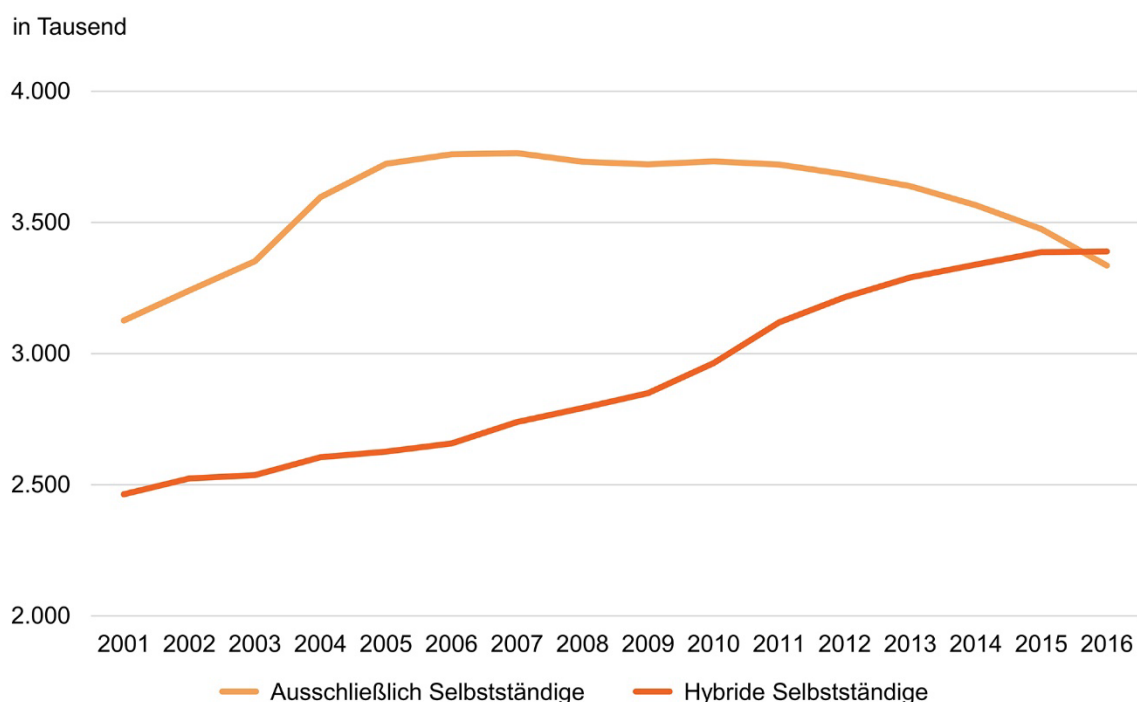
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Bonn, 12.07.2022. Both the total number of hybrid self-employed entrepreneurs as well as their share of the workforce increased significantly since 2001. In 2001, there were 2.46 million hybrid self-employed entrepreneurs registered. In 2016, this number had increased to 3.39 million. By 2016, their number had also exceeded the number of exclusively self-employed for the first time.

Number of hybrid and exclusively self-employed entrepreneurs



Hybrid self-employed entrepreneurs are those who maintain self-employed and employee roles. IfM Bonn researchers - funded by the German Pension Insurance's German Research Network on Old-Age Provision (FNA) - quantified this work form for the first time using Taxpayer Panel data, and examined its structure. They found that six out of ten hybrid self-employed entrepreneurs were employed before their change, and only 26% were self-employed. Around 700,000 people change to hybrid self-employment every year, but almost as many also leave during this period.

"The tendency towards hybrid self-employment has increased among both men and women measured as the respective share of hybrid self-employed entrepreneurs of the workforce. Nevertheless, the fluctuation among women is higher than among men because women start this form of employment from inactivity more often," says study director Dr Rosemarie Kay. Men, on the other hand, switch more often than women from dependent employment to hybrid self-employment.

Hybrid self-employment mainly in the service sector

The vast majority (71%) of hybrid self-employed entrepreneurs work in the service sector; especially in personal services (30%) such as education and training, health and social services, arts or entertainment, and recreation. Almost 20 % of hybrid self-employed service providers work in business-related services such as freelance scientific and technical services. Around 18 % of the hybrid self-employed are active in trade, hospitality, transport/warehousing, and information/communication. About 3 % are self-employed in agriculture and forestry.

Hybrid self-employment is more common in West Germany than in East Germany

According to micro census data, in 2016, about 8 % of the workforce were hybrid self-employed. A comparison between eastern and western Germany shows that the share of hybrid self-employed in the workforce is about two percentage points higher in the West than in the East. East Germans also leave this work form more quickly than West Germans. In contrast, exclusive self-employment is more widespread in East Germany than in the West.

Share of exclusively and hybrid self-employed in the work force (East or West Germany, in %)



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The study "Development of Hybrid Self-Employment in Germany; Analyses based on the Taxpayer Panel 2001-2016" is available on the Institute für Mittelstandsforschung website (www.ifm-bonn.org).

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