Home-Based Business Enterprises and the Third Sector: Conceptual and Methodological Developments in Identifying and Profiling This Hidden Economy

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There is little known about the home-based business sector (HBB) of the business economy in tropical Far North Queensland (FNQ), Australia. It consists of a wide variety of ability and experience. There is a necessity to value this growing (national estimates are 6% per annum) but hidden sector and its potential as a viable sector of the economy given that futurists predict that people will increasingly create their own jobs/work. Current assumptions about this sector based on anecdotal local evidence are that considerable diversity exists in nature, distribution, profiles (needs and issues) and sustainability in relation to location, class and gender aspects. There are three key concerns for this sector: the viability of individual HBBs; the sustainability of HBBs as a sector of the economy; and the potential for growth from individual or clusters of HBBs to mainstream businesses.

The key methodological and conceptual research questions at this stage are:

How could we identify and access HBBs? Who might they be and what might be their characteristics? How many HBBs could there be there in this area? What service/product types might be present? How may local HBBs operate? What could the phenomenon of HBBs be about (need, life style, childcare, real alternative/choice)? What could be the range of needs and issues for HBBs? Are they likely to be stable as HBBs or could they be in transition to larger businesses? How could local third sector development agencies support/sustain HBBs? How could appropriate HBBs or cluster of HBBs be assisted to grow to become mainstream businesses?

Industry and university partners agreed to incrementally develop a research program in the area of micro and home-based business enterprises in tropical Far North Queensland. The industry partners' needs are for conceptual development on micro and home-based business definitions and parameters in specific areas of FNQ and quantitative and qualitative empirical evidence on the nature, distribution and profiles (defining characteristics and needs) of micro and home-based businesses. The industry partner is a third sector organisation with a mandate that includes the support of this sector in this region.

University researchers are interested in engaging in location, class and gender analyses of this growing alternative employment sector and the role of third sector organizations and networks in enhancing the viability and sustainability of this sector. These analyses would seek to link existing theorising on local alternate economies, social capital, and social/economic entrepreneurship (risk and opportunity) with empirical evidence from this region. The university is a large third sector organisation with a mandate to provide research support to the region.

Conceptual development and field authentication of definitions, identification strategies, access and rapport-building strategies, sampling strategies, information collection methods and analysis methods was the critical first project in this research program. This paper will share these conceptual developments with other researchers interested in researching other economies.