

# GETTING BY WITH A LITTLE HELP FROM YOUR FAMILY: TOWARD A POLICY-RELEVANT MODEL OF THE HOUSEHOLD

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## ABSTRACT

Recent decades have seen dramatic changes in the ways in which households in developed Western economies gain their livelihoods, with marked elements of a return to old ways of working. There has been a shift from reliance upon one family *wage* to the need for family *employment* as well as growing reliance on self-employment and small business. These changes mean that childcare for working parents, and the promotion of new small enterprise, are key areas of policy concern. Drawing on original English empirical research around both these themes, this article shows the ways in which UK households draw on redistribution between the generations as a—generally decommmodified—contribution to livelihoods and “getting by.” We argue that these results confound widely utilized models of how people behave, and take particular issue with how economists and policy-makers model the household and its boundaries as the institutional context for individual decisions.

## KEYWORDS

Household boundaries/decision-making, policy models, childcare, small business, gendered work, economic individualism

## INTRODUCTION: ECONOMIC VITALITY OR SOCIAL WELL-BEING?

Recent decades have seen dramatic changes in the ways that households in developed Western economies gain their livelihoods in the labor market, with elements of a return to nineteenth-century ways of working. These changes include the shift from reliance upon a single family *wage* (the male breadwinner's) to the need for both mothers and fathers to be employed. Another change is the distinct shift away from waged employment and toward a variety of forms of self-employment and small businesses. In the UK, these shifts have caused childcare for working parents and the promotion of new small enterprise to become key areas of policy concern. In this article we argue that British policy-makers have

a limited understanding of the household as an institution, ignoring intra-household relations and assuming a fixed boundary to the household. As a result, British social policies concerning work and employment have not necessarily improved social well-being. The following analysis of original English empirical research on childcare and small-business development shows how households draw on various forms of redistribution between the generations as a contribution to their livelihoods and to "getting by."

The orthodox economic view of the household assumes a co-resident unit with affective relations within the institution and economic relations with the outside (effectively criticized by Paula England 1993, for example). In Weberian terminology, relations outside the household boundary are governed by formal rationality, based on economic calculations of costs and benefits, while substantive rationality informs behavior inside the household (see Åge Mariussen and Jane Wheelock 1997; Jane Wheelock and Elizabeth Oughton 2001; Susan Himmelweit 2001). The limitations and criticisms of this model will be familiar to readers of *Feminist Economics*.<sup>1</sup> We agree with Maureen Mackintosh when she argues that the household is best understood as culturally diverse, but rooted in the joint consumption of certain elements of domestic labor. The household, then, is constructed by the social relations of domestic labor in a particular context (Maureen Mackintosh 2000: 131). Nevertheless, British policy-makers persist in using the paradigm provided by orthodox economics, lured by its simplistic vision of economic vitality, and this is true of family policy as well as economic policy (see Simon Duncan and Rosalind Edwards 1997).

Drawing on the theoretical foundations provided by Karl Polanyi (1946), we use two empirical studies to explore how the boundaries of the household are constituted. Yet because this paper is concerned with areas of economic life that are inherently difficult to quantify, there are no enumerated populations of micro-businesses or informal childcarers. We base this paper on studies undertaken in the north of England, a region that has experienced intense economic and social change over the last quarter century. Each study focused upon an aspect of household livelihoods subject to substantial policy interventions in the United Kingdom. The first study examined childcare for parents employed in the marketplace, a cornerstone of the New Labour government's measures to "make work pay." The second turned to a more long-standing feature of economic policy in the UK: the promotion of an "enterprise culture" linked to the creation of new small businesses. The research reported on here confirms that, in conditions of economic change, the boundaries of the household are porous and permeable, and should not be defined simply in terms of co-residence (Oughton, Wheelock, and Agnete Wiborg 1997). In placing our two novel sets of empirical findings within the context



of the relationship between the formal economy and the unpaid, unmeasured complementary economy that makes paid work possible (Wheelock 1992), we cast light on policy processes. In this article we raise questions which can be pursued with respect to the culturally specific ways in which household boundaries may evolve within any given economy. Here we explore a post-industrial exemplar within Britain.

### THE POLICY BACKGROUND

The background to policy concern with both childcare for employed parents and with the promotion of new small enterprise has been the shift in household livelihoods from reliance upon a family *wage* to reliance upon family *employment*, as the British economy has shifted from a regime of security during the long post war boom to one of insecurity (Wheelock 1999a), from a Keynesian welfare state to a Schumpeterian workfare state (Bob Jessop 1994). This shift of economic regime is common across developed Western industrialized economies, though historical and institutional contexts mean that its specific form may differ between countries. Here the emphasis is on the British experience. Like Gary Becker's (1981) household models the UK policy-makers' family-wage model of the post war years—inherited from the (male) trade-union struggles of the nineteenth and twentieth centuries—assumed a single utility function for the household (Agarwal 1997; Himmelweit 2001). This model hid gender imbalances inside the household. The welfare state remained largely outside the front door, leaving the individuals within to manage the financial dependence of wives and the domestic dependence of husbands in whatever way they saw fit.

Over the following decades, this gendered model came under increasing strain (Phillip O'Hara 1995; Agarwal 1997; Irene Bruegel, Deborah Figart, and Ellen Mutari 1998). The growing insecurity of labor markets, the abandonment of Keynesian employment policies, the shift to means-tested welfare benefits, a new wave of women's liberation, and aspirations for higher living standards meant a shift to family *employment* for more and more households (Wheelock 1999b). Generally, this involved *part-time* employment for women in Britain, enabling mothers to retain their traditional caring roles. The gendering of working time is an example of the way in which a regime of insecurity can take different forms, depending upon historical and institutional factors.<sup>2</sup> This gave wives only a *constrained* financial independence, as households tended to consider any childcare costs as a deduction from *women's* wages, rather than from *household* income. Men continued, as before, to be domestically dependent. Feminist research of the 1980s and 1990s demonstrated that it was women who were proving flexible in relation to changing economic and policy circumstances (Mutari and Figart 2001). Policy models associated with the shift to family



employment pay some attention to gender issues (for example, with family-friendly employment policies) but they retain the fixed definition of the household boundary (except in the case of family breakdown: Susan McRae 1999; Bob Simpson 1999). As we present our empirical work, we draw attention to the key role that household boundary changes—which include the (unpaid) work of nonresident grandparents—may have played in easing the (gendered) time burden of shifting to a family-employment model in the UK (Carmen Sirianni and Cynthia Negrey 2000). Under conditions of socio-economic change it appears that unpaid activities and work relations spread beyond the co-resident nuclear family.

Although the family employment model was the most common development, after the long postwar boom ended, a further, contrasting model became increasingly common in the UK: the long-term state benefits-dependent household.<sup>3</sup> Two different tendencies gave rise to this. First, increased rates of divorce and separation caused a rising number of family breakdowns. Second, changes in the labor market and in benefits meant that many men were unable to earn a family wage, while at the same time it did not make sense for multiple members of the *family* to earn, thanks to the constraints of an insecure labor market.<sup>4</sup> Empirical work has shown that traditional gender roles are, if anything, reinforced in the long-term benefits-dependent household (see Lydia Morris 1990). Again, there has been a tendency for policy to assume a single utility function for the household, staying outside the front door. It is the growing number of benefits-dependent households that successive British governments, including New Labour, have sought to tackle.

In common with previous British Conservative administrations, the current Labour government has encouraged setting up in business as an alternative to (insecure) employment opportunities or to benefits dependency (HM Treasury 1999). Small business has been billed as an *individual enterprise* model, and policy-makers have consistently ignored the growing empirical evidence that this should rather be seen as a *family self-employment* model, essentially a variant on the *family employment* model (Susan Baines, Wheelock, and Oughton 2002).<sup>5</sup> Again, government policy thereby remains outside the household. New Labour has, however, been decidedly innovative in the other policy it has adopted to deal with long-term benefits dependency. In its concern to “make work pay,” the British government has identified childcare as a macroeconomic issue which, if made affordable, could move both two-parent and one-parent households into family employment. In this model the policy is based upon a co-resident model of the household (whether one- or two-parent) with impermeable boundaries, and merely *modifies* traditional gendered caring roles by implicitly delivering state additions to childcare to *mothers* in particular.



The analysis presented here provides a framework for extending this study beyond the British case. The kinds of economic and social changes associated with the shift to a regime of insecurity have occurred in varying forms throughout the OECD countries of North America and Western Europe (see, for example, Ash Amin 1994; Dean Baker, Gerald Epstein, and Robert Pollin 1998). Policy responses to gendered labor-market changes have, however, varied. Why does Britain make a good exemplar to start from? Social-policy analysts make contrasts between broad types of welfare states (Martin Powell and Martin Hewitt 2002 provide a recent overview). Gøsta Esping-Andersen is a prominent theorist here. His 1990 book suggests a threefold classification that distinguishes the social-democratic welfare regimes of Scandinavia from corporatist European welfare states and liberal (transatlantic) Anglo-Saxon ones. He analyzes the differences between these welfare-state types along a continuum between state and market and uses social-stratification characteristics (poverty and the distribution of income) and a "decommodification" index for this purpose. Gøsta Esping-Andersen's (1990) analysis suggests that the British case can be particularly relevant in that the UK economic structure lies between that of the US (high levels of poverty, more inequalitarian distribution of income) and the more egalitarian European economies (Jared Bernstein, Lawrence Mishel, and John Schmitt 1998). The extent to which decommodified services are available through the welfare state is greater in Britain than in the United States but generally lower than in many other European countries. Britain is usually seen as more liberalized and *laissez-faire* than the rest of Europe, but less so than the US, Australia, and New Zealand.

Feminists have criticized the 1990 Esping-Andersen approach on the grounds that much of the welfare work undertaken by women within the household has never been part of the market, and continues to be performed outside the purview of the welfare state (Diane Sainsbury 1994). Esping-Andersen has more recently (1999) accepted that family welfare services still have not generally been replaced by welfare-state-provided services. He acknowledges that women provide these services on a decommodified basis (though he does not discuss the significance of household boundaries for how unpaid caring is provided). Any national comparative analysis of the contrasting composition of welfare services in terms of the mix of decommodified public service provision and commodified market provision therefore fails to take into account the huge amount of unpaid, decommodified welfare work undertaken by women.

A welfare-state classification which takes account of feminist concerns needs to distinguish among approaches to managing social risks in three arenas—not only the market and the state, but also the family household. The Nordic welfare regime stands out in terms of state support for welfare



services for household caring, in terms of direct services as well as of tax and family allowances (Esping-Andersen 1999). The picture for other welfare regimes is more complex once we consider the market's role in the provision of caring, since inequality of income is both a cause and an effect of greater provision of child and elder care (Nancy Folbre 1994). The US stands at the opposite pole from the Nordic welfare regime in terms of its substantial private market in (low-cost) childcare. In Britain the limited availability of both market- and state-provided childcare suggests a concomitant welfare state and market failure, confirming the UK as a useful exemplar for exploring the evolution of the intergenerational household boundary as a contribution to livelihoods and "getting by."

## POLICY AND COMPLEMENTARY CHILDCARE IN THE UK

Our first policy example is taken from research in the UK into informal, or complementary, childcare, which we define as care provided by family, neighbors, or friends, but which proves to be overwhelmingly grandparenting (Jane Wheelock and Katharine Jones 2002).<sup>6</sup> The National Childcare Strategy is at the heart of New Labour's policy and combines elements of labor market and family policy. Putting this five-year program in place was one of the earliest initiatives of the British Labour government elected in 1997. It was a novel program at the time, in that policy-makers conceived of childcare as a macro-level issue, of concern to the economy as a whole, rather than a micro-level matter to be dealt with by the individual family (Himmelweit 2000). According to the framers of the initiative, childcare is important for its own sake in that it may benefit children, counteract social exclusion, and support women (*sic*) in going back to work. The Childcare Strategy is based on three principles: parents should have choice; childcare must be high quality; and it should be affordable. To date, however, the program has considered childcare needs and provisions almost entirely in terms of *formal* childcare—that offered by childminders, nurseries, or out-of-school programs.

What choices do people in families in fact make about their childcare? In Britain there has been very little research on the use of informal care by parents or other carers (Peter Moss, Anne Mooney, Tony Munton, and June Statham 1998). Our findings dovetail with national surveys, which have occasionally included a series of questions on childcare preferences (e.g., Katerina Thomson 1995). The research reported on here indicates how British parents make use of substantial amounts of informal, or complementary, childcare. This is likely to have an impact on what parents perceive as *affordable* childcare. Parental perceptions of the *quality* of childcare may also be informed by the value they put on complementary care. However, the UK National Childcare Strategy is based on parental tax credits, which can be claimed only in relation to formal, regulated



provision.<sup>7</sup> At the same time, formal childcare alone is being subsidized by the British government.

So will childcare that is being conceived of as a final (albeit regulated and subsidized) market frontier actually meet the goals of policy-makers? What will the medium and long-term effects of encouraging parents to use formal childcare have on the provision of complementary, informal childcare? It is only by paying attention to the interrelations between formal economic activity (which may be driven by choices based on individualist motivation) and complementary economic activity (which is more likely to be based on social and nonmonetary values) that answers to these important questions can be found. While policy-makers consider the delivery of childcare in terms of a co-resident household, family behavior may relate to a more flexible one—which includes nonresident grandparents.

The study reported on here is unique in its focus on the informal childcare that employed parents use, combined with a survey of carers. The research team defined “informal” childcare as the care provided by relatives, friends, or neighbors while parents are working, studying, or training. The study was undertaken in the major conurbation of the northeast of England; Tyneside was seen as “post-industrial” even in the 1980s (Fred Robinson 1988). The socio-economic experience of Tyneside over the last quarter of a century is typical of the processes affecting the de-industrialization of the European Union economy (David Charles and Paul Benneworth 2001). Economic and social change has transformed the regional labor market. The caricature of this region—that old, heavy industry employing male manual labor has been replaced by call centers employing part-time female labor—is not so far from the truth (*ibid.*). There have been some changes in the divisions of labor in households as a result (Wheelock 1990). Some Tynesiders have moved away thanks to rates of unemployment that have consistently exceeded the national average, so that population structure has been affected by out-migration (David Byrne 2000). But otherwise, apart from its large student population, the northeast is not characterized by population mobility, so that for working-age families that do not leave, grandparents will often live close at hand (Peter Sturman 1998/99).

## METHODOLOGY OF STUDY

Here we present the analysis from a two-stage investigation of complementary childcare. The research was commissioned by a government agency, which provided both methodological strengths and weaknesses for the work. On the one hand, it gave access to groups of employees for whom childcare was a significant concern. On the other, the sample had to be selected through only a limited number of employers. By taking selected characteristics of the resulting data (such as proportion of lone parents, age



of children, and economic sector) our sample showed fewer manual workers, a much higher proportion of very young children, but the expected proportion of lone parents in comparison with the regional average (Office of National Statistics 2001). There is no identified population against which to compare our sample. This is because of the informal nature of complementary childcare, which like many caring activities, has not been accounted for in social statistics (Marilyn Waring 1989).

The data collection consisted of a survey of parents ( $n=425$ ) and a survey of carers ( $n=224$ ), followed by telephone interviews with parents ( $n=30$ ) and focus groups with carers. In the fall of 1999 (before the implementation of the tax and subsidy provisions of the National Childcare Strategy), 3,000 survey packs for parents and carers were distributed through employers in a range of sectors, public and private. Parents receiving the pack were asked to give their "informal" caregivers a questionnaire designed for them. The eight-page questionnaires were returnable by post. Respondents were overwhelmingly female, and in line with the regional incidence, 14 percent were lone parents. Just over half the families had one child and most of the rest had two. There was a preponderance of young children, and nearly a quarter of the families had a child aged 1 year or younger. Taking mothers alone, respondents were evenly divided between part-time (30 hours a week or less) and full-time employment. Respondents held overwhelmingly non-manual jobs, with two-thirds in administrative and professional employment and the rest in white-collar work. (This was partly as a result of the distribution of the questionnaires.) Telephone interviews were used to tease out additional information on the regular use of complementary childcare (identified as once a week or more) for both two-parent and lone-parent households. Five focus groups were held in which thirty-nine carers participated, recruited mainly through advertising, but including a small number of survey respondents. Relatively few carer questionnaire respondents indicated that they were willing to take part in a focus group. Despite extensive efforts to recruit male carers, all group members were female, and 90 percent were grandmothers.<sup>8</sup>

### COMPLEMENTARY CHILDCARE AS AN INTER-GENERATIONAL REDISTRIBUTION

The survey showed that well over half of the employed parents used complementary childcare on a regular basis (i.e., once a week or more). Almost another third of working parents relied on this form of childcare at least a few times a month. The overall use of complementary childcare was significantly higher than the overall use of market-based childcare. However, more than a fifth of parents accessed both formal and informal



childcare on a weekly basis. Only 14 percent used no complementary childcare. Grandparents were the most important providers of childcare: taken together, grandmothers and grandfathers were providing childcare for 52 percent of the parental sample on a regular basis (i.e., once a week or more). The study thus showed often complex "jigsaws" of childcare with high levels of reliance on grandparental childcare, in particular to complement formal care. The carer survey showed the very large amount of childcare that carers were undertaking: 224 carers (three-quarters of whom were grandmothers) were looking after some 391 children, nearly half of whom were under 5.<sup>9</sup>

The empirical findings of our study provide considerable evidence that complementary childcare involves a redistribution of care-giving responsibilities between parental and grandparental generations. This redistribution, which transcends household boundaries, demonstrates the extension of the boundaries of the household decision-making and resource unit beyond the nuclear family. However, our findings are culturally specific. In contrast, for example, Brenda Wyss (1999) uses a case study of Jamaica to indicate the culturally specific nature of childcare. She analyzes the way in which neoclassical economists have (and have not) incorporated cultural differences into models of child support behavior. Esping-Andersen (1999) analyzes data showing different patterns of state, market, and household-based childcare across a selection of OECD countries. His data suggest varying cultural practices of childcare. However, he does not discuss the jigsaw of childcare provision that individual households use or the significance of household boundaries. A study in the United States of intra-family exchanges (Peter Brandon 2000) uses national survey data to provide a better understanding of parents' choice of kin-provided childcare.

Although complementary childcare is predominantly a redistribution in terms of an in-kind gift or reciprocal relationship, in Britain, money does sometimes change hands. As the analysis of the telephone interviews and the focus groups makes clear, grandparents take on complementary childcare work for a whole range of reasons, but a prominent element is the wish to help parents to go out to work. Grandparents recognize that the cost of formal childcare could easily mean that parents would not find it worth their while going out to work.

While the 1942 Beveridge Report provided a foundation for the British welfare state to provide insurance against life-cycle poverty or privation (Sally Baldwin and Jane Falkingham 1994), more than half a century later, we still see this insurance supplemented in very significant ways by the complementary, unpaid, sector of the economy. Economic change toward the *family* earning household appears to be eliciting institutional change in the structure of the household, widening household boundaries to include the nonresident grandparental generation.



Effectively, complementary childcare is, in part, a gift of caring time given by grandparents to parents. Nearly three-quarters of carers said that they did not want to be paid by parents for the caring they undertook, and this percentage was even higher for grandparents. Similarly, Brandon (2000) notes that grandparents in the United States required cash payments for childcare only 19 percent of the time. This is of course not all that complementary childcare is. It is also a source of well-being to all three generations. The grandparents surveyed claimed to enjoy better health and well-being, parents trusted the care their children were getting, and children themselves appreciated that blood is thicker than water. However, it is important to be aware that this redistribution may involve opportunity costs for grandparents. For example, we found that some grandparents gave up their own paid work to allow them to look after grandchildren (without pay), which in turn allowed their daughters (and sometimes daughters-in-law) to earn in the labor market. There can, then, be very complex patterns of cross-cutting shifts between paid and unpaid work between the generations.

On an intergenerational level, the management of childcare was very evidently gendered. The survey revealed that support was substantially delivered through the distaff side of working families: mothers predominated over mothers-in-law. There was evidence from the interviews that the shared values and "ways of doing things" between mothers and daughters was one of the social-reproduction mechanisms through which the gendered provision, organization, and management of childcare could be reinforced. Childcare was also most frequently organized and managed by mothers, and it is therefore unsurprising that it should be more frequently delivered through maternal relatives. There are many factors, then, that militate against paternal involvement. Indeed, perhaps one of the most unexpected findings from the study was the extent to which grandfathers and paternal grandparents nevertheless participated in the intergenerational caring jigsaw.

In a study of childcare in contemporary China, Feinian Chen, Susan Short, and Barbara Entwistle (2000) show the importance of kin beyond the household boundary. In contrast to our research, they show maternal grandparents to be significantly less important than paternal grandparents, a result they argue "indicates the continued strong effects of the patrilineal family system in China" (p. 585). Brenda Yeoh and Shirlena Huang (1995), in a study of childcare in Singapore, focus on the cultural concerns of women of different ethnicities. Grandparents in northern Britain generally appeared to give time freely to their daughters to allow them to work: there was little evidence that complementary carers made their decisions in accordance with substantive economic rationality. However, mothers going out to work did seem to operate on this basis. In the interviews, mothers frequently commented on the careful calculations they made of whether it



was worth their while to enter or stay in the labor market, something that the literature on women and employment remarks upon (e.g., Susan Yeandle 1984). It is not difficult to guess why this should be the case. Mothers retain the time-consuming and stressful responsibility for arranging childcare. It is this double burden (alongside the comparatively smaller part that husbands in two-earner households play in other domestic work: Michael Anderson, Frank Bechhofer, and Jonathan Gershuny 1990) that encourages women to calculate the financial gains and losses of work so carefully. There is clearly an additional burden on mothers if they are not fully satisfied with the childcare arrangements that they have for going out to work. Part-time employment is a compromise that enables women to undertake paid work, but also fulfill their unpaid domestic and parental duties without over-committing their time and energy. There is evidence that mothers combine formal *and* substantive rationality in reaching decisions about childcare within the household. Both elements should be recognized by policy-makers.

Our research strongly confirms the indications from other studies that a substantial proportion of parents see grandparents as the next-best source of childcare if mothers cannot look after their children themselves due to their work commitments (e.g., Thomson 1995).<sup>10</sup> Formal childcare is not always a substitute for this family-based childcare (see Brandon 2000 for an empirical study of the US situation). Families using complementary childcare will now find that they cannot claim for the Childcare Tax Credit (CCTC) (as the legislation stands)—an unfair situation. CCTC is likely to penalize this relatively high proportion of childcare users whose choice of complementary childcare is based precisely on its “informal” characteristics. Grandparents play a significant role in keeping families with children in the labor market, and deserve public recognition. It is important to note here that, in general, there is much less population mobility in the UK than, for example, in the United States, and therefore grandparents are more generally available. A small grandparenting allowance could provide public recognition of grandparents’ roles as carers, counteracting the tendency of CCTC to downgrade, de-motivate and discourage complementary childcarers. At the same time, such an allowance would underpin parental choice and intergenerational welfare. A clear understanding of how and why working parents use complementary childcare—extending the boundary of the household—is essential for any childcare policy that hopes to be attuned to what families actually want.

## POLICY AND SMALL-BUSINESS PROMOTION

Our second policy example is taken from research into new small enterprises and the households that gain a livelihood from them. The promotion of small enterprise is also a key theme in the economic policies



of Britain—and, indeed, of other European countries (Robert Gavron, Marc Cowling, and Andrea Westall 1998). In contrast to childcare policy, this is not an innovation on the part of the New Labour government. Under the Thatcher administration, people were exhorted to take more individual responsibility for their economic survival, to embrace “flexibility, individualism and entrepreneurialism, in place of collectivism and rigidity” (Harriet Bradley, Mark Erickson, Carol Stephenson, and Steve Williams 2000: 58). To this end, self-employment and small business start-ups were energetically encouraged and, as in many other countries, an industry of enterprise promotion was developed. The number of people entering self-employment in Britain rose so steeply over the 1980s that some analysts claimed that there was “hitherto untapped interest in and potential for entrepreneurship” (Catherine Hakim 1989: 289). New Labour appears no less committed than its predecessors to the conviction that Britain needs an enterprise culture linked to more small businesses (Jim Curran 2000). British people are still exhorted, as they were in the 1980s, to seek personal solutions to changing economic conditions, to become more enterprising and risk-taking, and to achieve all this by entering self-employment and small business (Simon Bridge, Ken O'Neill, and Stan Cromie 1998). Policy-makers promote enterprise formation with appeals to personal motivation, attitude shifts, and individual behavioral change (Colin Gray 1998). It is our contention that this intense focus on “individual” efforts by policy-makers and commentators masks the organization of work and rewards in micro-enterprises, which, far from being individualized, are frequently deeply embedded within a household whose boundaries often prove to be permeable.

The study reported below is different in concept and execution from most UK studies of small enterprise because it was undertaken at the level of the household and its members (Wheelock and Oughton 1996). This approach accords with feminist critiques of the idea that the household (or the micro-business) can be modeled as though a single economically rational individual were acting as proxy for all. We investigated the nature and extent of contributions to micro-business from family members, whether co-resident or not, in a sample from a regional database of small businesses. The business household may have a permeable boundary, and it is in this light that we explore the interaction between the collective and the individual to consider how economic and noneconomic dimensions of behavior may be constructed.

#### RURAL MICRO-BUSINESS: INDIVIDUAL PROPRIETOR OR FAMILY SELF-EMPLOYMENT?

The fieldwork reported in this article took place in a particular socioeconomic and spatial context. It must be emphasized that the aim of this



research was not to make statistical generalizations to a wider population but to tease out the processes and dynamics of maintaining household livelihoods in one particular setting. The empirical study of rural micro-business households was undertaken, like the childcare study, in the northeast of England. That region, as discussed above, has a long history of heavy industry and is normally thought of as urban in character but there is also a substantial rural hinterland. In Britain, micro-businesses and self-employment are more significant providers of employment and services in rural than in urban areas (Philip Lowe and Hilary Talbot 2000). We used a qualitative methodology, undertaking in-depth interviews in twenty-eight case-study households to investigate small enterprises in remote, rural districts of Northumberland (between Tyneside and the Scottish borders). More than one household member was interviewed wherever possible. Details of the sample selection and interview procedure are given in the Appendix.

We will examine briefly the joint participation of spouses in these businesses. In the eyes of economists and policy-makers, it is adult spouses who make up the traditional co-resident household with its single utility function. Co-ownership and partnership can involve many levels of actual participation and our earlier research study of urban micro-businesses showed that equal sharing of tasks and decision-making between married owners was quite rare (Baines and Wheelock 1998a; Elizabeth Chell and Susan Baines 1998). In the next section, we turn to the variety of ways in which family members from the younger and older generations participate in businesses, providing evidence that household boundaries are very different in nature from the model. It must be emphasized that these were relatively new businesses, almost all founded in the 1990s. They were certainly not businesses with a long-standing family tradition, where intergenerational issues would almost inevitably be prominent.

Most typically, both women and men worked in the micro-businesses led by their spouses, whether they were formally co-owners and whether they themselves had another job or owned another business. Of the twenty-eight business households, twenty-three contained two adults who were married or cohabiting and there were only three instances among all these couples in which the partner played no practical role at all in the business. These were three male business owners whose wives had outside employment that contributed substantially to the household income. These households could be considered as examples of family employment, in which wives had employment and husbands had self-employment. In one of these cases, the wife had worked for her husband's business in the past and only recently acquired her outside job. Of the five business owners in the study who were single at the time of the interview, two reported that an ex-spouse had been closely involved in the business in the past. There were also three lone parents, all women, each of whom had started their businesses following



divorce. (These cases provide an unusual example of a family-breakdown route to self-employment.)

On occasion, a respondent described a spouse's work as a direct alternative to taking on a nonfamily employee. As with mothers' taking on employment, formal economic calculations were being undertaken *inside* the household. Maeve's husband Pete, for example, gave two hours' work to her bakery business every morning despite having another, full-time job. Otherwise she would certainly have needed to pay an additional part-time employee. Wendy could hire an employee to replace her husband's work in her village shop if he wished to take a full-time outside job. The couple had discussed this option, but felt that as long as he could keep some outside work (he did occasional, seasonal farm contracting) "to get away from the place for a little bit," it did not make sense for him to earn more money, as this would only mean paying a nonfamily member to work in the shop. Nancy, on the other hand, did take on a nonfamily employee when she first started her pet boarding business. Since then, she and her husband had both reduced the hours they worked in their outside jobs and managed the business together on their own. In such cases an economic calculation had been made, although substantive noneconomic benefits of the present working patterns were also emphasized.

In each of those three cases business owners revealed that they were conscious of the monetary value of their spouse's contribution because they knew that it could be replaced by a market transaction. Much more characteristically, however, respondents did not reveal such awareness. When they spoke of how they participated with their spouses in business, they described work and rewards that were intertwined in such a way that it was not easy to unravel who gained and who lost. For example, Nick and Barbara each owned a business in very different sectors, which were separate for accounting purposes: "We work together all day, every day, basically." As in many of the urban micro-businesses from our earlier study, the business project was acknowledged as a joint marital project, where an affective commitment as spouses became additionally an economic commitment (Baines and Wheelock 1998b). In some instances, however, situations that respondents described as sharing could be interpreted as the re-confirmation of gendered power roles. Olivia's words, for example, illustrate this when she was asked to talk through her feelings about leaving her job to give administrative support to her husband's consultancy business. She made it clear that working for the micro-business was less interesting and challenging than her old job, yet, "the 'me' bit really doesn't come into it, it's always been an us thing." The work that spouses, husband or wife, undertook in these businesses was frequently not commoditized. For women, this implies that financial independence in many such "micro-business" households may be even more constrained than is the case in family employment households. Empirical study of



employed households indicates that women do not have the same right to personal spending money as men unless they bring in their own wage (Jan Pahl 1989), and even then childcare is seen as a deduction from women's wages. Noncommoditized work in a business seems likely to reinforce such traditionally gendered norms.

Children of primary school age or younger were present in eleven of the twenty-eight business households, and some of the households with older children had been in business when their children were still young. As reported from the informal childcare project, childcare arrangements were, overall, the responsibility of the mother, whether she was a business owner, a participant in her husband's business, and/or had an outside job. There were two exceptional cases, however, in which the father was the main carer. A theme that emerged from some rural businesses was the way in which the forms of work can be flexible enough for the working day to be arranged around young children, or for the business to be carried on in their presence. In contrast with the case of family employment considered earlier, caring *may* remain inside the co-resident parental unit. Jenni, who boarded pets, described how her baby could sleep with seventeen dogs barking in his ears. Joe remembered that, when his three children were young, "the fact that you also had a brat with you when you were doing a delivery to somebody in the van you know was neither here nor there because it was all part of the fun of it and it enriched their lives to a certain extent." Not all accounts were so positive and the pressures that caring for children and working for a business simultaneously can give rise to should not be ignored. Paula recalled an occasion when her son was sick and she continued to serve in her shop, constantly rushing upstairs to the flat where he lay on the sofa, crying, "Oh mammy, please don't go." Parents of young children did sometimes need childcare for all or part of their working day, and they sometimes called upon grandparents, as in the cases of Tyneside employed mothers. We return to the role of owners' parents and in-laws after considering their teenage children.

### THE FLEXIBLE BOUNDARY OF THE MICRO-BUSINESS HOUSEHOLD

Sixteen respondents had children between the ages of 15 and 21, either resident or partially resident. Only four respondents from that group said that their children took no part at all in the business at the time of the interview, and in one of those cases an 18-year-old daughter had worked regular Saturdays in the recent past. Two respondents reported that younger teenagers also contributed on a small scale. Overall, then, there was a very high incidence of young people's participation in their parents' business. There were variations in the nature, extent, and rewards of such work but by far the most typical arrangement was casual or occasional work,



which was remunerated. In this respect, these arrangements were in stark contrast to the noncommoditized relations between spouses in business. Owners' daughters and sons assisted when the business workload was high on account of seasonal or other peaks of activity. They usually worked alongside other casual staff at these times. Rarely was work in their parents' business seen as likely to be long term. For example, only once was a business said to be dependent on the work of the younger generation, an extreme case in which the owner of a bed and breakfast establishment had become seriously debilitated by illness and could not continue it without considerable effort on the part of both her husband and son.

Turning to adult children, there was only one business that employed an owner's child on a full-time basis and the idea of children succeeding their parents in the business was hardly articulated at all. (Three owners mentioned this possibility, but very tentatively.) In just one case was the occasional assistance of adult sons described as "gratis." This was a business in which both the parents worked exceptionally long hours for very low rewards indeed. In two cases, grown-up sons living at home worked in return for their board (both had other jobs). Overall, older children worked for their parents' businesses on an ad hoc basis according to the variable need for labor, almost always in return for some reward, usually monetary. In other words, in these cases the affective relationship that defines membership of a household from an economic or a policy model perspective was overlaid by a formal economic one.

Participation by the oldest generation in the rural micro-businesses was rarer than for the youngest one, and its patterns much more varied. Nevertheless, a theme of some importance does emerge, with substantial transfers from the older to the middle generation. Some businesses certainly would not have been sustainable without such intergenerational exchanges; without, in other words, extensions to the boundaries of the households.

Of the three women business owners who were lone parents, two were extremely dependent on their mothers for childcare. In one of these cases the mother also worked in the business (not for money but for payment in kind), and in the other she did most of her daughter's housework. In two-parent business households, as in family employment households, childcare could be an important contribution from owners' parents. Gina, for example, was one of the few owners' wives who did not work for her husband's businesses. She was a civil servant, and her salary formed half the household income. Her case closely reflects the experiences of the employed mothers in the childcare study. Gina's husband Ross had a joinery business, with a nonfamily partner and a family employee, and his work took him away from home on a regular basis. Gina was able to manage the care of their 8-year-old child and her job with daily support from her parents. The childcare was paid for, but there had been a period in the



recent past when they could not afford it and Gina's family had willingly provided help with care without money changing hands. In other cases childcare by business owners' parents was combined with work for the business, which could be an ongoing and time-consuming commitment. There were also instances in which substantial work, a material gift, or both, provided vital assistance to the business start-up. It is noteworthy, moreover, that in five cases an inheritance was a resource that helped to make a business venture viable.

The case of Barbara and Nick, who each had a business, included almost all the permutations of parental support. Barbara offered catering services and Nick had a land-based business. Barbara worked with the animals for his business on a daily basis and Nick contributed to the catering business with more occasional but substantial effort, for example by renovating a vehicle. The couple had a young baby. Barbara's mother had a share in the catering business and worked for it on a flexible basis around Barbara's busy schedule. She did not take out income but was repaid in kind by Nick, who looked after her animals. She also helped out occasionally in his business and minded the baby. Nick's parents were not involved in the practicalities of the business on a day-to-day basis but they gave him a start-up loan (which he has not repaid). Nick said his business was not really viable at present, mainly because of the high rent he had to pay for premises. In common with some of the other younger male business owners, he was seriously thinking of looking for an employed job to increase the household income. The land-based business could be viable in the longer term if Barbara's parents retired and enabled the younger couple to take over their farm.

Susan Baines and Jane Wheelock have argued elsewhere that the much-cited flexibility of small business characteristically involves a return to distinctly old ways of working, including traditional practices in household organization and gender divisions of labor (Mariussen, Wheelock, and Baines 1997). Women and men as spouses typically worked together in the micro-businesses studied, but not often under conditions of equality. Baines and Wheelock's earlier research demonstrated that this inequality was also a salient feature of working practices in micro-businesses in the business-service sector in urban England in the mid-1990s. (Baines and Wheelock 1998b; 2000). In other words, traditional practices in household organization and gender divisions of labor occurred in a context not stereotypically associated either with tradition or with the family. Here we have shown the results of new research investigating the interface between household and business in a rural context. Analysis suggests that for rural business owners, contributions from family members are more diverse than for their urban counterparts and that in some instances business livelihoods would not be sustainable without unpaid work and other contributions from owners' parents, in-laws, and other family members. Once again, the impermeable



boundaries to the household assumed by the models are contradicted in the real world (Sirianni and Negrey 2000).

### TOWARD A MORE POLICY-RELEVANT MODEL OF THE HOUSEHOLD?

Feminist scholarship has demonstrated that much of the caring that goes on in post-industrial economies is done by women within the co-resident family household. Yet some rather unexpected findings came out of our recent studies in northern England: the economic survival and social well-being of some households proved to be heavily dependent upon in-kind gifts from or reciprocal relationships with those outside its co-resident members. Although money occasionally changed hands, our studies of employed parents and of rural micro-businesses indicate that unpaid work, especially from grandparents, retains considerable importance in a post-industrial economic setting.

The study of complementary childcare in northern urban England suggests a number of features that do not correspond with policy assumptions. Families seemed to insist on "good enough" childcare and this could include a nonnegotiable element of support from near relatives. The supply of family carers is inevitably limited, so that childcare subsidies may not encourage labor-market participation. It may be the case that families will only contemplate mothers' working if they have childcare in place that they are happy with. This implies that the traditional economic analysis of marginal costs and benefits does not apply to childcare in this situation. Duncan and Edwards' (1997) work supports this argument from a slightly different perspective. Indeed, most family carers in this study do not seem to want to be rewarded at all! Susan Himmelweit's (1995) article suggests (controversially) that caring should perhaps not be viewed as work because the work performed is inseparable from the individual person who does the caring (e.g., mother/father). This means that caring as a product cannot be depersonalized as usually happens in a market. Certainly, Susan Himmelweit appears to confirm our study with respect to family choices over childcare. People do indeed want caring to coincide with a family relationship, if possible, and they do not generally want the caring relationship to be a fully market one. It also provides empirical confirmation of the discussion by Nancy Folbre and Thomas Weisskopf (1998) of the factors determining the supply of caring labor.

What of the forces determining the supply of complementary childcare for the future? In the UK, a combination of historical circumstances make it likely that the supply of active grandparents is currently particularly high. Many contemporary grandmothers in the UK are from a generation of mothers whose labor-market activity levels were relatively restricted. The current cohort of mothers has much higher employment rates. Although



the average age at which British women have their first child has risen to an historical high, grandmothering is something that is generally required at the age of 50-plus, rather than after retirement. There may therefore be a sharp fall in the future availability of grandmothers for the childcare economy. Grandfathers too may provide childcare. Because of sickness and early retirement among men (only around half of men over 50 are active in the labor market in northeast England), there is a stock of grandfathers currently available to supplement, or even substitute for, grandmothers. Clear evidence that grandmothers were caring for grandchildren in the face of ill-health is available both in the study reported on here and in Lesley Hall's unpublished work. Grandfathers are likely to do the same. However, contemporary changes in the UK labor market make it unlikely that as many men will be able to afford to take early retirement in the future. The limited availability of grandparents is also likely to be exacerbated by the geographical mobility requirement of a labor-market increasingly subject to global forces.

Can anything be done to retain the early twenty-first-century army of grandparents? This would involve recognition by UK policy-makers that household boundaries need to be conceptualized as shifting and variable, jettisoning the invariant economic model. Changes to pension arrangements could be helpful here. Older workers who wish to reduce their paid work to a part-time basis, in order to combine it with grandparenting or other voluntary activities, incur major penalties in terms of their pension entitlements. It is possible that today's generation of working parents may be even keener to take on a grandparenting role as second-time-around parents, given that many are adopting a "next-best" strategy of childcare for their own children. Pension arrangements should allow this, and be based on best pay over a number of years, rather than the final two years before complete retirement (see Geneviève Reday-Mulvey 1998).

Recently, a report for the Economic and Social Research Council, *Britain Towards 2010: The Changing Business Environment*, predicted that the next decade will be characterized by the growth in the UK of an entrepreneurial economy with a more varied and flexible labor market, greater self-employment, the growing importance of small firms, and more work carried out in the home (Richard Scase 1999). In the section on rural micro-businesses, we drew on empirical material to show that the ways of working this evokes are far from new. What is rarely recognized is that they are ways of working often unsustainable without unpaid, unmeasured work from a household institution that has porous or flexible boundaries. In other words, they depend on an integration of household and paid and unpaid work that was considered anachronistic in the very recent past. It can also be said that family (self) employment involves going back to the future. It was the perceived immorality of men and women working alongside each other underground in the heat and intimacy of the



European coal industry (Emile Zola 1972 [1885]) that led to successive nineteenth-century Factories Acts and to the restrictions on women's employment that laid the foundations for what was at the time a progressive (male breadwinner) family wage. In failing to fully acknowledge the return to such old ways of working and surviving, thanks to the model of the household that they implicitly adopt, UK policy-makers have chosen to ignore the ways in which (women in) households may make good the resultant deficit in caring with the household boundary extending to include grandparents. Can we afford to pay so little attention to the flexible ways that people in households behave in the real world of the twenty-first century?

The studies we have reported show that a combination of market failure and welfare-state failure has led some households in the UK to adopt new ways of getting by that still fulfill strongly held values and norms. Intergenerational redistribution of time and sometimes other resources can do something to substitute for the income and well-being gaps left between the labor market and the benefits system during the shift to a regime of insecurity. But how sustainable are these new ways that depend so heavily on an unpaid care economy? The reliability of the answer will depend upon how far UK policy-makers are willing to take on the evidence from socio-economic study, jettison the simplistic and reductionist economic model of the household, and pay serious attention to the ways in which household decision-making reproduces gendered and traditional behavior. We hope that feminist researchers will take up these questions for other developed Western economies.

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## NOTES

- <sup>1</sup> See, for example, Bina Agarwal (1997), who argues that bargaining models of the household need to say more about gender relations beyond the household as well as developing the links between extra-household and intra-household bargaining power.
- <sup>2</sup> Ellen Mutari and Deborah Figart (2001) identify four distinct "work/time regimes" in the European Union, constituted by flexibility in work hours and gender equity in work schedules and economic roles.
- <sup>3</sup> In the UK, insurance-based unemployment benefit is time-limited (at one time for twelve months, now for six months). Heads of household who do not qualify for unemployment insurance or who have used up their entitlement and are still unable to find employment may claim means-tested state "safety net" benefits for themselves, with allowances for dependents. As unemployment rates continued to rise in Britain during the 1980s, the numbers of long-term (over twelve months) unemployed also rose, along with the number of households reliant on means-tested state benefits. Lone-parent households where absent fathers did not pay maintenance and mothers did not have jobs were also dependent upon means-tested state benefits.
- <sup>4</sup> Margaret Nelson and Joan Smith (1999) analyze these mechanisms for American families in a deprived rural economy who have no-one with a "good job" that is secure enough for the household to maintain the resources (such as a childcare place or a car) to undertake more than one job and so achieve a sustainable household income. In Britain, the Labour government has done much to address the institutional factors that were driving households as well as individuals into dependency on means-tested benefits. The introduction of a minimum wage has encouraged women to stay in the labor market if their partner becomes unemployed. The "income risk" of leaving benefits for short-term employment has also been reduced by making it easier to reclaim benefits if a job does not last, and there are special provisions, for example, for those who have been sick for a long time and are then trying to re-enter the labor market.



- 5 The "family self-employment model" is an original interpretation based on our reading of historical data, our own qualitative fieldwork, and our take on some empirical evidence from small-business academics. Baliyar Sanghera (2002) has drawn on our work and takes an approach which is consistent with this interpretation.
- 6 This case study draws heavily on parts of Wheelock and Jones (2002), where fuller details of the empirical results are available.
- 7 A means-tested Childcare Tax Credit is now (as of 2001) available for working parents, supplementing a Working Families Tax Credit in aiming to "make work pay" for families with children.
- 8 Further details of the methods of selection and the nature of the groups studied are available in Wheelock and Jones (2002).
- 9 A recent unpublished report (2002) based on PhD research carried out by Lesley Hall at Newcastle University supports these findings. Lesley Hall takes a representative sample from the Newcastle region of parents of school children aged between 4 and 11, which resulted in a larger proportion of low-income households. She finds that just under 50 percent of childcare was provided by grandparents, although in this sample there are less complex patterns of care overall (to be expected with an older age-group of children). Class variations in the use of complementary childcare are not clear-cut. Lesley Hall compares the behavior of parents in deprived and better-off areas of the city. Parents in employment in the deprived area are statistically more likely to rely on complementary childcare. However, there is not a statistically valid relationship between income and the use of complementary childcare.
- 10 The debate on the delivery of childcare quality is characterized by confusion and ambivalence in Britain. There has long been policy support for "home-like" settings for preschool childcare. Self-employed childminders, although declining in numbers in recent years, still provide the largest number of formal places for pre-school childcare. Childminders work in their own homes to provide childcare while they look after their own children. They have to register with local authorities, who make annual safety checks of all areas of the house (and garden) used for childcare, but with no requirement for training or qualifications beyond being "mothers" (*sic*) themselves. Their husbands, meantime, may co-register to protect themselves against possible accusations of abuse (Ulrike Gelder 2002). If parents agree, childminders may smoke in the presence of minded children, and slap them. However, Sure Start programs in deprived urban areas are now placing the quality of parenting at the center of the agenda for social inclusion, providing parenting classes based in schools. Interestingly, there is a pilot scheme for teenage mothers in which childminders are expected to provide guidance to mothers as well as care for their children. Some efforts are now being made to professionalize formal childcare, but a bill to ban parents' slapping under-3s is now not to go through Parliament after all. Meanwhile, middle-class parents make much use of parenting manuals, which certainly do not advocate either smoking or slapping. Such confusion contrasts with the United States, which seems more inclined to professionalize parenting as well as formal childcaring.
- 11 The survey was undertaken by the Centre for Rural Economy, University of Newcastle upon Tyne, with funding from the European Regional Development Fund, the Rural Development Programme and the University of Newcastle upon Tyne. We are grateful to our colleagues from the Centre for Rural Economy for access to these survey data.



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## APPENDIX

Information about potential respondents for the micro-business study was initially collected from a questionnaire survey of micro-businesses in the northeast of England.<sup>11</sup> This was the first large-scale regional survey of rural micro-businesses in the UK. The sample size was 1,294, representing a response rate of just under 25 percent (Marian Raley and Andrew Moxey 2000). Access to the database from this survey provided us with excellent information upon which to select case studies for our qualitative research. This selection was guided by an aspect of the study beyond the scope of the article, a comparison with households dependent on micro-businesses in rural Norway. We selected interviewees on personal and business criteria (in particular gender of owner and size of business) in order to address in depth the key themes of household behavior, gender, and economic decision-making. In this sense the sample was "purposive." We were not, it must be emphasized, aiming at a statistically representative sample of a micro-business population. We selected the business households from across a variety of business sectors to include manufacturing, craft, retail, personal services, business services, and tourism. Households wholly dependent on farming were excluded, but a farm business or farming employment could contribute to the household livelihood.

In two important respects the businesses in the case study households differed quite radically from the profile of the rural northeast and the UK in general. First, women owners were overrepresented. Estimates for the UK (there are no definitive data) suggest that around a quarter of existing



businesses and a third of new start-ups are female owned (Sara Carter, Susan Anderson, and Eleanor Shaw 2001) although British policy-makers aspire to promote women's entrepreneurship at the much higher levels reported from the USA (Cabinet Office 2000). To tease out the gender issues that were central to our research we aimed to include equal numbers of businesses managed by women and men. However, we recognized that many businesses were likely to be mixed-sex partnerships and that work and responsibility do not neatly map onto ownership. Seven case study businesses were formally co-owned by husband and wife, but in 5 of those cases the business was described by both partners as the main responsibility of one of them. Of the 28 micro-businesses, 12 were led by a man, 14 by a woman and 2 by a husband-and-wife team in a (fairly) symmetrical partnership. Our second deliberate departure from the business population profile was that micro-businesses with nonfamily employees were overrepresented. This again was a decision we took in order to collect rich data on interpersonal relationships although that aspect of the study is not the subject of this article.

Forty-nine people were interviewed in 28 micro-business households. These interviews were conducted in the life history tradition. Life histories capture the overlap between the individual and social and institutional structures (Shirley Dex 1991). They take the individual as the unit of analysis but are not totally individualistic because they capture how individual lives move through history and structure (Gill Musson 1998). We asked people to tell their stories, accounting for their understanding of what is right and what is expected of women and men, of old and young, when it comes to income-generating and caring responsibilities.