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**SPOUSES IN THE HOUSEHOLD AND THE FAMILY BUSINESS –
WHO (DOES) THE CARE AND WHO (DOES) THE WORK**

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Abstract: *In this pilot study we explore the mutual conditionality of bargaining power between spouses in the processes of intra-household allocation of resources (care work) and the assignment of their roles in family businesses (paid work) in Vojvodina, Serbia. Our intention is to explain the changes in gender relations in family businesses run by spouses under different socio-economic and institutional conditions, and especially in the context of enforced postsocialist neoliberal transformation after 2009. We formulate a theoretical and methodological*

framework based on the case of ten firms and check its validity for deeper and wider research into the key causes, forms and characteristics of gender bias in this area.

Keywords: *care work, family business, gender role, household, unitary and bargaining models.*

1. Introduction

Family businesses have recently been attracting an increasing amount of attention in academic, public and policy discussions due to their great contribution to economic and social development and their strongly entrepreneurial character (*Final Report of the Expert Group Overview of Family Businesses* 2009). Successful management of family firms at large determines the performance of the whole economy and it is therefore vital not only to appreciate their specific strengths and weaknesses, dynamic and challenges, but also to provide a stimulating institutional environment that will support the development of family businesses (*Overview of Family Business Relevant Issues* 2008). In addition, a family business is an area in which gender relations between males and females in the private and public spheres are very strongly interlocked and gender biased, and this affects both family and business in a specific way. However, these specific gendered power relations have not as yet been sufficiently explored in the context of postsocialist transformation in Serbia. It is for this reason that we decided to carry out this pilot research in order to gain an initial insight into the key causes, forms and characteristics of gender bias in a particular kind of family business – family firms run by spouses.

The focus of our research is primarily to test the mutual (interlocking) dependence of spouses' bargaining power in intra-household

allocation of resources (*care work*) and the assignment of their roles in family firms (*paid work*). We also wish to observe the changes in gender relations and patterns between spouses in the context of the different socio-economic and institutional conditions under which they have operated during the recent decades of postsocialist transformation and especially after 2009. The timing of the setting-up of private and family firms is connected with the transformation of the socio-economic system and the introduction of the market economy. The potential for the establishment of family firms did exist during the socialist period, but wider opportunities became available after the country entered a period of transition after 2000. One specific aspect that we examine are changes in gender relations in family firms run by spouses, which have become more significant economic actors during these processes of economic and social transformation.

Previous studies of gender relations and the regime in Serbia have confirmed that the fall in the standard of living as a consequence of postsocialist transformation and of the global economic crisis that affected Serbia too led to a deterioration of the economic situation of families, with the state rapidly withdrawing from providing minimum social security for its citizens and leaving this to the private sphere of the family, i.e. making it the responsibility of women (Djuric Kuzmanovic, Vukovic 2011; Blagojevic Hjuson 2013). For this reason, one of the important social issues that arises is the care economy, the social role and positions of *caregivers*. The reproduction of patriarchal and authoritarian patterns and the emergence of new gender relations can be observed by testing the ways in which spouses have organised care work and paid work within their family business households and firms. As one paper cannot cover all aspects of this complex phenomenon, we decided to consider, in this pilot study, the

significance of these changes in relation to gender bias towards women in family businesses run by spouses, where care work and paid work are strongly interlocked and where wives face a twofold challenge. On the one hand, the scope of care work has increased significantly and this task falls chiefly on women (wives, or third parties, paid and/or unpaid, who are again predominantly women). On the other hand, under the weight of all the adverse economic circumstances and the falling standard of living, women are coming under increasing pressure to engage in the sphere of paid work. In this pilot research we check the patterns of distribution of care work, how much awareness husbands have, through their socialisation, of its dimensions, and how patriarchal, traditional and authoritarian patterns remain strong in circumstances in which the man and woman are spouses in the family and the sole owners/managers of the business. Do women who are partners in the business have greater or less bargaining power in relation to colleagues who are also their partners?

Family businesses run by spouses form an area that has been analysed from a variety of socio-economic, business, managerial and other perspectives. In this paper we employ the feminist perspective and pay attention primarily to the links of bargaining power that spouses have in the private and public spheres, rather than to the flow and characteristics of the business process itself. The aim of this pilot study is to provide a first insight into the relevance of this issue, check the validity of the model constructed and identify the key benchmarks for the formulation of gender sensitive aims for care policy in Serbia.

In addition to the Introduction and Conclusion, the paper consists of two parts. The part defines the theoretical and methodological framework, objectives, hypotheses, research methods and sample. In the second part we

analyse and discuss quantitative and qualitative research results. The conclusion summarises the results and puts forward recommendations to relevant actors for further research and policy in the field of family businesses and the economy of care.

2. Theoretical and Methodological Framework of the Research

In formulating the theoretical and methodological gender sensitive framework of this study, appropriate to the specific contextual conditions in Serbia, in the next part of the paper we briefly discuss the following referent categories and models from which we set out: care work, household budget, and bargaining models of the household allocation of resources.

As opposed to the traditional approach, the feminist approach emphasises mutual interlocking of the private and public spheres and the importance of *care work* in the household for the stability and development of the whole economy. Care work comprises specific activities such as providing for others' needs without expected reciprocation and without remuneration. The most common motives of care providers, widely adopted through the period of socialisation of generations all over the world, are altruism, expectation of long-term reciprocation, sense of obligation, and responsibility (Himmelweit 1999:27-38; Folbre 1995:73-92). Household bargaining processes regarding allocation and assignment of care work between spouses integrate gender at the household level through different situations in which one or both spouses contribute to the *household budget*. This contribution is obtained by taking the total sum of available monthly funds in the household together with the total household resources, and then spouses share the benefits. The household budget, along with unpaid work, is the key element in constituting the total resources that determine the

bargaining power of spouses. Who does what depends on their own individual bargaining power, which is based on actual and perceived contributions to the household, their alternative options in the family business, and their possible fall-back position. Spouses' paid work alternatives outside the household are determined by their individual income-earning capacity, family wealth, gendered social institutions and the changes in the care regime in Serbia.

One of the most famous economic bargaining models of intra-household resource allocation, the *unitary model* (Becker 1993:385-409), is based on the comparative advantages of all household members and on their decisions as to how their work is allocated between the household and the market. However, maximising household welfare (in the unitary model) is based on the assumption that the household is a single unit of analysis with a single and gender neutral decision-maker. Consequently, this model ignores the systemic gender inequalities between household members, the reproduction of gender roles in subsequent generations during the process of allocation of resources (food, healthcare and attention given to boys and to girls, paid and unpaid work) as well as during the process of socialisation, knowledge and skill transfer, and social expectation formation. Accordingly, feminist criticism of the unitary model (Blau, Ferber and Winkler 1998:31-75) warns that decisions as to the allocation of resources within the household are often based on the decisions of the male member of the household, who may be a benevolent dictator.

Other *bargaining models* of intra-household resource allocation go further and explain inequality and conflict among household members in terms of their decision-making power. Such bargaining models are *cooperative* and *non-cooperative* and may be reflected in conflict and in

consensus among household members. Although those models show a degree of openness to acknowledging inequality in terms of within-household distribution, the majority of them regard businesses as gender-neutral spaces and their average representative actors as gender-neutral.

3. Model, Aims and Hypotheses

The model in this paper is based on the interpretation of the family business as a complex system of two mutually partially overlapping subsystems – families and firms. The family and the firm have different goals that are intertwined in an unbalanced or balanced way, and this has different effects on the success of the family business. Unbalanced management of the family business puts a predominant emphasis on either family or business goals, while under balanced management these aims are mutually accommodated and supported (Carlock 2001:Ward 6-7). Bearing in mind the above-mentioned, we can assume in this initial model that the spouses agree to strive, through this type of business, to achieve over time the welfare of their family and the business success of their firm.

This model examines the causes, forms and characteristics of the gender bias of spouses in relation to their bargaining power in intra-household allocation of resources and the assignment of their roles in family firms. In the subsystem of family business (household) we analyse the allocation of care work between the spouses, together with the perception of their bargaining strength in the different areas of family power, knowledge and success in managing the family budget. In the subsystem of family business (firm) we analyse their business roles as exercised in paid work on the basis of ownership and/or managing the firm and the perception of their power in business decision-making.

The main aims of our pilot research are to:

1. Identify, understand and explain unequal power relations between spouses and differences in their care work and paid roles in firms;
2. Explore and explain the main characteristics of caregivers within the family and the assignment of their roles in firms.

The hypotheses whose validity we check are as follows:

1. Power relations are gender biased and determine the allocation of spouses' roles in the household and the firm;
2. Caregivers in the household are predominantly women and therefore the role of women in family firms is largely subordinate to that of males.

4. Research Methods and Sample

The empirical data for this research were collected by two methods: separated depth interviews, and questionnaires applied to spouses in ten family firms.

We selected the depth interview as our qualitative method in order to obtain deeper insights into the relations between spouses in terms of their roles and bargaining power in the decision-making process within the household and in the firm. The separate interviewing of spouses was necessary so that they could express their opinions and views freely and so that we could gain more objective and complete information. In this way we collected data on how spouses perceive various aspects of the establishment, management and development of the family business. We obtained information on whether or not they used professional or other forms of support in the setting-up of the business, what their motives for starting the business were, and what the sources of their startup capital were. Particularly important information we collected related to their bargaining

power in the allocation of care work and management of the family budget within the household and the roles (positions) they played in the decision-making process in their firms.

Quantitative data about the firms and spouses were collected through the standardised questionnaire, which asked for information on the year the business was started, its ownership, size, number of employees, and business sector.

For our sample we deliberately selected both registered and unregistered firms (the legal and grey areas of business) and included companies with a range of business activities, sizes and locations. The firms in our study are exclusively micro, small or medium-sized, with areas of activity typical for Vojvodina¹, and with spouses as their owners and/or managers. The sample is made up of 10 firms operating in towns of different sizes: (Novi Sad, Sombor, Zrenjanin, Sremski Karlovci, Sremska Kamenica, Veternik, Cerevic, Budisava and Kulpin). These firms operate in many different business areas: tourism, hospitality, IT and intellectual services and consultancy, the production and purchasing of food, bread and pastry, wine, water, animal feedstuffs, plastic packaging and cereals, selling of bathroom interiors and tools, the manufacture and marketing of concrete products.

5. Presentation of Research Results and Analysis

Looking at the *time of establishment* of firms in the sample, it can be concluded that they were founded at a steady rate until 2009 but that after

¹ The Autonomous Province of Vojvodina is the northern province of the Republic of Serbia, covering an area of 21,506 square kilometres and home to 27.1% of the total population. Its economy is based on the wealth of its fertile arable land, food and basic industries, high technology industries and tourism.

the global economic crisis the number of startups decreased. This is clear from the sample, which shows that three firms were established before 1990, three in the period from 1991 to 2003, three from 2004 to 2008 and only one between 2009 and 2014. *The size of firms* in the sample by number of employees shows that most of the businesses are micro and small enterprises with up to 50 employees (8), while there are only two medium-sized enterprises with from 51 to 250 employees.

As for the *gender structure* of the family, it is evident that either women or men predominate in an equal number of firms, while the gender structure of employees outside the family is predominantly male (9), with a woman in only one case. Responses to the *Educational level* of spouses question indicate that, in general, those persons with higher levels of education take the lead. A relatively higher level of education in the case of the male spouses indicates that their educational level is one of the factors contributing to their leading role in these businesses, while the lower educational levels of women can be seen as one of the reasons for their subordinate role. *Actual ages* of spouses show that most of the spouses are over 40, with no significant differences in age between women and men. Most of the men had had prior employment, and in most cases they had worked in non-family firms. The data suggest that this type of business is primarily established with the aim of ensuring the family's survival in difficult times of economic and social crisis, significant changes in the labour market and increasingly serious job losses.

Property structures of these firms include the following patterns: co-owners, male owner, and female owner. Only one of the ten firms is owned by a wife, and this firm is micro in size; husbands are partners in four cases and owners in five cases. Regarding other sources of income, it is clear that

the majority of the spouses have no other source of income, meaning that this type of business is usually founded with the intention of providing what the family needs in order to survive. The sample is dominated by spouses living in nuclear *types of families* at the time of the research, with children, but there is a range in terms of number and age of children. Additionally, the involvement of children, either formally or in an assisting role, in almost all these family firms (9 out of 10) reflects the founders' aspirations to secure a long-term livelihood for their successors too. Although the spouses as owners and/or managers of firms were the focus of our attention, analysis of the data collected pointed to the fact that in the majority of cases children and close relatives are involved in the business. The data suggest that we are witnessing a very dynamic transformation of ownership and management patterns in this type of firms and make possible a first, partial insight into the challenging process of the transfer of ownership from generation to generation (parents and children, brothers and sisters, family partnerships, etc.).

The *Business success* of firms was tracked through the dynamics of annual revenue. From this we can conclude that most of the firms have sustainable (5) or declining (4) income levels, while in only one case is revenue increasing. This is primarily a reflection of Serbia's current difficult economic situation and unfavourable business environment.

The *Initial idea* for starting family businesses comes mainly from males. Most spouses discuss the startup idea together and then with professional advisers, but the final decision is usually made by the husband. The *Main motives* for starting a family business were to ensure and improve living standards (household subsistence and family wealth) in conditions of economic and political instability. On this point there were no differences in

attitude between spouses. A very small number of spouses in family businesses considered entrepreneurial challenges as the main motivational factor, and these all belong to medium-sized enterprises established in the period from 1991 to 1998. This finding can be interpreted as a logical consequence of the collapse of the socialist system and the unsuccessful postsocialist transformation (Djuric Kuzmanovic 2010) and subsequently less stable economic conditions.

The sources of the startup capital showed some diversity, but almost all the firms combined their own funds with inherited money and none of them used bank loans at the point when the business was set up. The initiative for seeking additional financial support (credit, loans, etc.) and/or investment generally came from the males involved, while all the females were sceptical and said that they themselves were not keen to take this step but that they were prepared to support their husbands.

In accordance with our set goals, we analysed the data collected on the distribution of care work in the household. This bore out our initial hypothesis that this sphere of work is still strongly gender biased and that caregivers are predominantly women. Generally speaking, female spouses undertake more unpaid and care work within the household and family, especially in connection with children, than their husbands, despite the fact that they mostly receive various kinds of unpaid support from parents and/or a paid third party.

All the women and men in the sample believe that women are directly engaged in care work or hire a third person to deal with it, whether this is someone paid or an unpaid member of the extended family (usually the wife's mother). It can be seen from their answers that when it comes to

medium-sized enterprises most of the women have paid assistance from a third party.

The results of this pilot research revealed three possible situations in connection with *care work*. The first is that spouses work only on the activities that make them happy, since they usually bring in a paid *third person* to take care of an older person and/or small children, for household cleaning, cooking, gardening, etc. The second situation is that they are supported by their parents, particularly their children's grandmothers, especially with childcare, although the lion's share of that job still falls on wives. The third situation is that husbands are regularly involved in the process of providing transport for children and even in some cases for spouses, as well as in taking care of pets. The main activity of husbands in the family and within the household in their free or leisure time is practising or watching sports.

When it comes to assessing the family's power spouse by spouse it is evident that in the majority of cases men perceive the power of the family more strongly than women do. Thus, most of the husbands in the sample believe that family relationships are strong, or that they need to be strengthened somewhat, often in the area of time spent together with their wife and children and in that of family and social ties. By contrast, wives are generally more critical when assessing family strengths. Most of them find that their families need empowerment in a larger number of family domains, especially in caring, encouraging clear division of responsibilities and duties, and in the field of mutual flexibility and communication. When there is a situation in which the family is in great need of empowerment, the attitudes of men and women are fairly evenly balanced. In such cases, both believe that their partnership is not satisfactory in the majority of family

domains, with wives being more critical and feeling that they need considerable empowerment in a larger number of domains than their husbands think. The area of family power in which the spouses most agree with each other that they need empowerment is that of mutual communication.

Regarding management of the family budget, i.e. the funds available in the household, it is clear from the spouses' responses that there are two typical situations. The first situation is that all the women in the sample are managers of the household budget. The other situation is that most of the men know nothing about the family budget and are unable to roughly estimate amounts that need to be spent on various items in the budget. An important issue in the management of the family budget concerns the process of bargaining between the spouses in terms of satisfying the household's needs and desires. The majority of male spouses believe that the bargaining process regarding the budget is successful in terms of meeting the needs of the household (9 out of 10), while wives are somewhat less satisfied (7 out of 10). The process of bargaining about the spending of the family budget in line with the wishes of members is considered successful by most husbands (7 out of 10), while only a small number of wives share their opinion (4 out of 10).

The fact that the caregivers in the household are predominantly women certainly affects their position in the firms. The division of tasks and functions in the firms in the sample indicates that the position of director of the firm is held exclusively by men (10). In three cases wives have the position of deputy director (0 male) or are technical and administrative staff (0 male), while four wives are assisting alongside other family workers (0 male). This confirms our hypothesis that women's role in firms is generally

subordinate to that of males. Male spouses make major business decisions in consultation with their wives (in the expectation of compliance from them). It is notable that when the wife has the power of business decision-making this is limited to specific kinds of business decision such as personnel management, business interior design, or the business being socially responsible towards employees and local communities.

The dominance of the unitary model of distribution of resources in the household, as well as in the allocation of operating roles in the firm, confirms that the bargaining skills of the spouses are strongly gender-biased and that business decision-making in the public sphere of paid work is vested exclusively in men.

The most illustrative answer in our research study was that given by one female spouse to the question of why she and her spouse do not experience any conflicts either in the family or in the business: “My principle is to always give in so as to keep the peace at home even if I disagree with my husband”.

In a smaller number of cases, the bargaining process between spouses in the intra-household distribution of resources and responsibilities is based upon various degrees of mutual co-operation and conflict. The bargaining cooperative model shows up in the sample in two cases in which there were open conflicts between the spouses in the spheres of household and business. These are situations in which both the marriage and the spouse-run business ended, but with different economic and social consequences for the husband and wife. In one case, both marriage and business failed, while in the second the marriage ended, but the husband continued to run the business and his wife was excluded.

The bargaining cooperative model is characterised most often by a clear division of responsibilities and spheres of decision-making between the spouses, with the care work in the household still resting predominantly on women's shoulders, while in the business there is teamwork but often also with clearly delimited roles in business decision-making. Spouses in such cases agree in their assessment that there is no conflict in the family or the family business. However, in situations where there are conflicts between spouses, one has the impression that they are more visible in the household.

Generally speaking, female spouses' position in family firms is more favourable in some already feminised areas, types or phases of bargaining and decision-making processes, while male spouses generally still have the key role in the decision-making process in situations in which strategic decisions are involved. In this case the wife states that they agree with each other, but in fact this is an instance of the transformed patriarchal pattern, where women create their independent bargaining position on the basis of paying other women for their labour. This finding applies to firms that have sufficient economic potential and business success to pass on care work to paid third parties.

6. Conclusion and Implications

The question of who controls the household resources and how much bargaining power household members have is important for understanding the actual processes taking place in the household and for the quantifying of their economic and other effects, not only within the household but in business and society as well. Current empirical research supports the idea that resources are allocated within a household as a

function of the competing preferences and unequal bargaining power of household members, so for an economic analysis it is important to understand not only the level of resources in the household but also the manner of their distribution (Appendix 4 of World Bank:307-12; Quisumbing, Maluccio 1999). Hence, those who formulate economic policies can have an impact on the reduction of the gap between male and female access to resources in the household by means of a variety of instruments, such as pricing policy, better designed service delivery, and investments in infrastructure. However, the neoliberal path of economic and social management is leading to a large-scale pauperisation and feminisation of poverty and burdens women with additional care-related responsibilities.

The results of our pilot research indicate that the actual business dynamic within the spouse-run family business sector does not support the idea that the changes are leading in the direction of greater gender equality. There are still many signs that demonstrate the perpetuation of patriarchal, traditional and authoritarian patterns of gender relations. It seems that changes in spouse-run family businesses are following the general direction of the changes in business environment, economy and society implied in the process of enforced neo-liberal economic and social change of Serbia.

We anticipate that our applied theoretical framework and empirical data will be useful in giving an understanding of these specific processes taking place in Serbia. We are also aware that our interpretation has limits in terms of generalisation. However, our research results may stimulate further and similar research in other postsocialist countries, especially in the immediate area. We continue our research in the hope that its results will be useful not only in the definition of more gender sensitive care and other

public policies, but also in contributing to a real improvement in the position of women in family businesses, the economy and society.

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