

# Riding the roller coaster

Family life and self-employment

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# Introduction

'Family friendly' denotes working practices that facilitate the combination of paid work with caring. The government launched the Work–Life Balance Campaign in 2000 in order to highlight best practice and encourage employers to become more 'family friendly'. Since April 2003, following the recommendations of the Work and Parents Taskforce, employers have been required by law to give serious consideration to requests by parents to work flexibly. This report is about the work–life balance for families when parents fall outside the scope of such policies and legislation because they are self-employed.

Self-employment is promoted in government policy today, as it was two decades ago, under the banner of creating an 'entrepreneurial culture'. In recent years such policies have also become associated with agenda to combat social exclusion. The aims of the Small Business Service (created in April 2000) include "championing entrepreneurship across society and particularly in under-represented and disadvantaged groups" (Small Business Service, 2001). In places suffering from a legacy of industrial decline and unemployment, regional and local policy makers seek to combat 'lack of entrepreneurial culture' by increasing the rate of new business start-ups.

Policies for increasing self-employment and policies for improving the balance of work and family life are not usually thought of together. One exception at government level is a short statement from the Women's Unit. A document entitled *More choice for women in the new economy* announced that in the knowledge-based economy self-employment and enterprise "offer women opportunities for income earning and achieving flexibility in their working lives" (Women's Unit, 2000). There is research

evidence that this can be true for women with skills in high demand although self-employment does not resolve all the tensions they face if they have sole or main caring responsibilities (Fraser and Gold, 2001; Perrons, 2003). Self-employment takes numerous forms with widely different working patterns, rewards and levels of independence. Recent survey data indicate that, across all sectors of the economy, many self-employed mothers choose this option in order to reconcile paid work with caring but self-employed fathers, as well as some mothers, work long and unsocial hours (Bell and La Valle, 2003). Family friendliness (or lack of it) in self-employment outside the 'knowledge economy' has rarely been examined in depth.

## Aims and scope of the study

This study took a qualitative, household-based approach to understanding the everyday experience of self-employment for parents and their children. Its focus was not the highly skilled workers of the 'knowledge economy' but people who enter self-employment without their advantages. In particular, the research was designed to address the opportunities and constraints that underpin work–family arrangements when people have turned to self-employment in places characterised by economic decline.

Self-employed workers in the UK are predominately male, despite policy and academic interest in women's self-employment. We interviewed self-employed men and women, and other people in their households. Studies of working parents make many references to children but children themselves are not often asked questions on this subject. This research

included the perspective of children and young people. Its specific research aims were:

- to investigate childcare and other caring arrangements, needs and preferences for the self-employed who work from home or other premises;
- to identify the resources available to self-employed households and how these affect household incomes and work patterns;
- to investigate the sustainability and vulnerability of expenditure patterns and the implications for family well-being;
- to investigate gender and generational patterns of managing and sustaining family life and relationships.

### Household-based research

This study belongs to a qualitative research tradition in which, in contrast to large-scale surveys, a few cases are investigated in depth. Qualitative data are characterised by complexity, detail and context. 'Data' in this study are the words in which people describe and explain their actions and experiences. Throughout the report we use simple counting to help the reader to get a sense of the material as a whole but there is no claim that numbers are statistically generalisable. Instead, we draw upon interviewees' own accounts and understanding in order to offer insight into how everyday lives are affected by the trends and policy changes discussed in Chapter 2.

The 30 households that took part had at least one dependent child and one self-employed adult. Recognising the diversity of household forms, we did not set any selection criteria regarding numbers of adults and children, or their relationships. Lone-parent households and households with three generations were included. Definitions of 'self-employment', 'small business' and 'entrepreneur' can be a minefield for researchers (Corden and Eardley, 1999). It is possible to be 'self-employed' without being the owner of a business. Sub-contractors hired by large employers and many agency workers are self-employed for taxation and National Insurance purposes. Those groups are sometimes called 'pseudo' or 'dependent' self-employed and we did not include them. Someone in each of the study households was the owner of an independent business. There

was considerable variation in the size of the businesses, in their capacity to provide income for a family, and in the hours their owners worked but there were no cases in which the owner was working very short hours<sup>1</sup>. Half the businesses were run from the home or adjacent premises and half had a separate workplace. In this report we use the terms 'self-employed' and 'business owner' interchangeably. We avoid 'entrepreneur' because we believe it evokes positive attitudes towards risk and business growth that we rarely encountered.

We interviewed more than one person in each household wherever possible. Altogether 49 adults and 22 children and young people from the business households took part. In addition, we talked to representatives of 10 organisations dedicated (in whole or in part) to supporting and advising people entering self-employment.

### Contacting business households

The self-employed are a problematic group to research because they are fragmented, and often isolated. Good databases are not generally available, even for small geographical areas or specific sub-sectors (Curran and Storey, 2002). We identified business households for the study by a variety of routes. These were: local business directories; referrals from enterprise agencies; respondents to a postal questionnaire conducted two years earlier<sup>2</sup>; a childminders' network; and following up on contacts suggested by interviewees.

Enterprise agencies and the childminders' network were not able to divulge contact details but helped us by asking people they worked with to volunteer to participate. This process

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<sup>1</sup> Bell and La Valle (2003) found that 30% of self-employed mothers without employees worked less than 15 hours per week. We excluded cases in which business hours were so short.

<sup>2</sup> The survey of rural micro-businesses in the North East of England was undertaken in 1999 and 2000 by the Centre for Rural Economy, University of Newcastle upon Tyne, with funding from the European Regional Development Fund and the Rural Development Programme.

resulted in 13 interviews<sup>3</sup>. In all other cases we wrote to business owners about the research and followed up with a telephone call a few days later. Businesses were located in County Durham and Teesside, in areas of economic decline where rates of business ownership per head of population are low and policies are directed at raising them (One NorthEast, 1999). As a guideline, when selecting businesses from directories, the team matched the business postcode with the Index of Multiple Deprivation of English wards as a proxy for disadvantage. Seventeen businesses owned by members of the study households were located in wards classed as within the 10% most deprived in the country. A further seven were in wards in the most deprived 20%. Postcode information was not available to us for cases recommended by intermediaries. In these instances we relied on the intermediaries' assessment of disadvantage.

Unless the owner was a lone parent or had a spouse working away from home we asked for a meeting that would include their spouse. In most cases this worked well but occasionally we found that the spouse was not available or not willing to participate when we arrived for the interview. Research ethics prescribed that access to children was through parents<sup>4</sup>. With older teenagers, we usually obtained permission from parents to contact them directly in order to request their participation. Summary information about adults and children living in each household and who was interviewed is included in Appendix A.)

## About the interviews

The fieldwork took place in summer 2002. We interviewed parents together and asked them to reconstruct and reflect upon key events in their working and family lives before and after one (or both) of them became self-employed. We had a

checklist of key points to cover but we encouraged them to tell us their stories in their own words and to bring issues and concerns to the interview if they wished. The interview topics were:

- histories of work experiences and family life;
- daily routines including caring and income-earning activities;
- support networks (family and non-family);
- experience of policy interventions (for example, business training or start-up loans);
- owning and managing a business;
- household incomes and material resources;
- perceptions of financial, physical and emotional well-being.

With children, as with adults, it was necessary to be flexible in arranging the interviews. Some of them were interviewed on a one-to-one basis while others were interviewed together with siblings. One child asked her mother to be present. Another family permitted the interview with their child only if they could be present. In neither case did parents seize the agenda or attempt to answer for their children. However, they helped out when children were not certain about, for example, who had been looking after them in the past.

The ages of the children and young people we interviewed ranged from 6 to 19 years. Their wide age range and different life experiences meant that a considerable amount of flexibility was required of the interviewer. The interview topics were:

- history of family life (and work experience if applicable);
- daily routines;
- support networks available to children (relatives, friends, neighbours);
- household resources and access to them;
- opportunities from parent's business.

As expected, age can be used as some indicator of how to adjust questions and which interview tools to use. However, the interviews showed immense differences in children's ability to communicate with an adult and in formulating their experiences and thoughts. Our initial plans of using task-centred activities changed. For example, asking children to use coloured stickers to indicate how much say each person (including themselves) had about various childcare

<sup>3</sup> One agency offered business support and advice mainly to the minority-ethnic community. Although the advisor was generous with time and information we did not succeed in reaching any respondents from that source. All respondents were white.

<sup>4</sup> We were able to interview the children in all five childminder households; the other 11 households in which children or young people were interviewed were active in a variety of different business sectors (see Appendix A).

possibilities was dropped. Children themselves appeared not to be involved in childcare decisions and did not know how much say others have in this. A very good task-centred activity turned out to be a ‘pots and beans’ exercise. Younger children were asked to place one, two or three beans into pots with themes in order to explore how happy they are with rules and customs in their household. For some older children, this task was described and they were asked if there were a pot how many beans they would put into it. The interviewer had the impression that children liked to be interviewed and tape-recorded because this was a way for them to be taken seriously.

All the interviews with parents and children were tape recorded with just one exception: an (adult) respondent became uncomfortable with the tape recorder after about 10 minutes and asked us to turn it off. In this case it was necessary to rely on handwritten notes. In all other cases, the interviews were transcribed in full. Transcripts were indexed and managed with the aid of the software package QSR N6.

## Overview of participating business households

The businesses were in a variety of sectors, typically low-value-added services (for example, hairdressing, childcare, gardening), construction and manufacturing. Highly skilled professional workers were not part of this study. The choice of sectors was made in consultation with business advisers in County Durham and Teesside. We tried to capture, so far as possible, the range of business activities typical of the least advantaged entrants to self-employment. Most business start-ups, advisers told us, are in traditional sectors where large numbers of businesses are already present in the local economy. Construction, manufacturing, gardening and vehicle repair are characteristic male activities while women favour hair and beauty, catering and domestic services. The number of businesses (mostly run by women) offering alternative healing therapies is growing particularly fast. Both sexes opt for retailing, usually using rented premises but increasingly working from home using the Internet. A breakdown of the business activities, in broad categories, is given in Table 1. ‘Other services’

**Table 1: Business activities**

Business activity	Number of businesses
Caring	6
Hair/beauty	4
Manufacture/repair	4
Construction	3
Healing	3
Retail	3
Catering	2
Other services	5
Total	30

were gardening, ironing, pet boarding, sports training and employee training. The ‘retail’ category consisted of two conventional retailers (one of which also offered printing services) and a business marketing household goods from home by telephone and Internet.

Most of the businesses were quite recently founded. Just over two fifths of them (13) dated from 1999 or later and only two had been in existence before 1990. We did not select respondents on the basis of business-size criteria such as level of turnover or number of employees. The majority of the businesses were solo enterprises without employees but just over a third (12) of them employed at least one person. The largest business in the study employed 18 people and the next largest 10. There were 10 businesses employing between one and four people, most of them part-time. Only a few family members participated in the businesses as employees or partners but many made a significant contribution, which we examine in Chapter 6. Only three businesses were registered for VAT at the time of the interview. Another two had been registered in the past but later de-registered when their turnover fell below the threshold for compulsory registration<sup>5</sup>.

We describe businesses as ‘male’, ‘female’ or ‘mixed-sex’ led. The mixed-sex-led businesses were all husband-and-wife enterprises. We assigned businesses to these categories from the

<sup>5</sup> At some points in this report we draw comparisons with a recent study of minority-ethnic-owned businesses in the South of England (Basu and Altinay, 2003). It should be noted, however, that the businesses in the North East sample were younger and smaller than those included in Basu and Altinay’s study.



detailed information interviewees gave to us about how their businesses were run and managed. Leadership usually reflected formal ownership but this was not invariably so. In two cases, a wife was officially a co-owner but worked for the business in a supporting role and took no part in decision making. On the other hand, one business was officially owned by a woman with her husband as her employee. However, he referred to himself during the interview as a “partner” and it was clear from both their narratives that husband and wife were full-time workers and joint decision makers. We categorised this business as mixed-sex led. Nine businesses were led by men, 18 by women and three by a husband-and-wife team.

The research team saw work–life balance issues as relevant to both sexes and set out to collect the experiences of fathers and mothers in business. It was not part of the original project design that female-led businesses would so heavily outnumber male ones but some decisions we made about sampling inevitably increased the proportion of women (for example, targeting activities such as hairdressing and childcare). It is possible that reliance on enterprise agencies for some of our contacts had an effect on the gender of respondents. Six of the nine business owners contacted in that way were women. It may be that advisers perceived this research topic as more relevant to their female clients. The female business leaders we interviewed divide equally between women with continuous labour-market involvement (nine cases) and those with broken labour-market experience (nine cases). This background was significant in accounts of entering self-employment (Chapter 3) and attitudes to income generation and childcare (Chapters 4 and 5).

The average age of the self-employed adults at the time of the interview was 41. Five were over 50 and just two were under 30. The age of the youngest child ranged from a few months to 17 years. In just over a third of the households (11) the youngest child was five or under. Nearly half of the households (14) had a youngest child between six and 15. In five households the youngest child was post compulsory school age. These five young people were in some form of education or training (sometimes with part-time jobs) and largely dependent financially on their parents. The living arrangements of the study households were quite diverse. The majority of

them (20) consisted of two parents and their children. There were four lone mothers (one sharing a home with her elderly father) and four households with a mother, her children and a stepfather. There was a father who shared parenting of his four children with his ex-wife and a household containing grandparents, their adult son and his partner, and the young couple’s baby.

The interviews collected data on the overall level of gross household incomes. Only two interviewees refused to supply any information on this subject. In Chapter 4 we examine the composition of household incomes and show that most households relied on self-employment in combination with other income sources. A descriptive summary of household-income levels (from all sources) gives an indicator of the relative disadvantage of these business households. Seven households had incomes of below £15,000 a year, and three of these were lone-parent households. A further 12 households had incomes of between £15,000 and £25,000 (and it seems likely that one of the non-respondents also fell into this category). Two thirds of the sample, then, had household incomes of below £25,000 a year.

Demographic information about the study households is included in Appendix A. Each person interviewed is given a pseudonym and each household a case number. The pseudonyms used throughout the report can be cross-checked with the household case number by using Appendix B, but in a few instances we leave names out when reporting details that could potentially reveal identities.

## Structure of the report

Chapter 2 sets the context for the study in more detail, reviewing the different policy domains of relevance to the family lives of self-employed people in economically disadvantaged areas. The encouragement of new business start-up and the work–life balance are discussed together with childcare issues, the adequacy of household incomes, and the availability of in-work benefits. Chapter 3 considers the factors that influenced people to move into self-employment, and the resources upon which they were able to draw. The self-employed are more likely to fall into low-earning groups than their employed

counterparts and Chapter 4 examines ways in which self-employed households maintain themselves in the face of low and unreliable incomes. Chapter 5 looks at how parents mesh caring for their children with responsibility for the household livelihood, and at how far this corresponds with the aspirations of childcare policy. Long and atypical working hours, as well as low earnings, can put pressure on families with children. Chapter 6 focuses upon the organisation of work time and family time and offers a typology of self-employed working arrangements. Chapter 7 brings children and young people to centre stage. Earlier chapters comment on children's experience in the light of adult preoccupations. Here that analysis is drawn together and extended. Work-life balance is controlled by adults and often looks different from the perspective of their children. Finally, Chapter 8 summaries the main findings of the report and their implications for policy. It considers how far small business promotion policies can combat social exclusion in a family-friendly way.

# Context and policy background

This study draws together two high-profile policy agenda rarely examined together: the encouragement of small business start-ups and the improvement of the work–life balance. In this chapter, both sets of policy are considered in the context of households' ability to generate an adequate income.

With the change from a Conservative to a Labour government in 1997, the dilemmas of combining paid work and family life ceased to be understood as purely private (Dex and Joshi, 1999). One of the first actions of the Labour government was the introduction of a National Childcare Strategy. Another area of government policy has concentrated on employers, who – in the light of European legislation – were first exhorted to introduce 'family-friendly' practices and then compelled to consider flexible working arrangements for parents who request them.

Policies promoting a more entrepreneurial society have a much longer history than those concerned with the work–life balance. Under the Thatcher administration, self-employment and small business start-up were energetically encouraged with some success (Bridge et al, 1998). At the beginning of the 1980s only one in 10 of the UK labour force was self-employed and this proportion had risen to one in 8 by the beginning of the 1990s (Campbell and Daly, 1992). Some writers on management declared that the organisational career belonged to the past, and that reliance on organisations was being replaced with reliance on the individual with only temporary, task-based loyalties (Handy, 1995; Kanter, 1995). The present Labour government appears no less committed than its predecessors to the conviction that Britain needs an enterprise culture linked to more small businesses (Curran, 2000). Today start-up

policies are increasingly linked to policies to combat social exclusion and aimed at groups whose uptake of business ownership has tended to be low. A wide range of programmes and initiatives exist to encourage enterprise in deprived areas (Social Exclusion Unit, 2003) and a new strategic framework has been launched to raise the number of women entering business (Small Business Service, 2003). It has been argued, however, that low earnings, long hours and a precarious position regarding social protection can make self-employment part of social exclusion as well as, potentially, a route out of it (Westall et al, 2000; Oughton et al, in press).

## Childcare

The National Childcare Strategy was a novel programme 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 left to the individual family. The National Childcare Strategy is at the heart of New Labour's policy, combining as it does elements of labour market and family policy. Those framing the policy saw childcare as a means of counteracting social exclusion, important for its own sake in that it benefits children, and as a support for women going back to work. The National Childcare Strategy is based on three principles: parents should have choice; childcare must be high quality; childcare must be affordable and accessible. To date, the programme has considered childcare needs and provisions almost entirely in terms of formal childcare (Wheelock and Jones, 2002). The policy has been implemented at the local level by Early Years Development and Childcare Partnerships (EYDCPs) and serviced by local

authorities. EYDCPs now report to Sure Start and have responsibility for identifying childcare needs, prioritising the development of childcare places, providing a childcare information service, and applying to government for funding for their plans on an annual cycle. Subsidies to set up new childcare places are replaced in the longer term by charging market rates to parents whose ability to pay is supplemented by childcare tax credits for those on low incomes. These tax credits can be claimed only in relation to formal, regulated provision<sup>6</sup>.

Self-employed parents, along with their employed counterparts, can take advantage of childcare provisions under the National Childcare Strategy. Little is known about their attitudes and experiences but Bell and La Valle (2003) found evidence of unmet childcare needs among self-employed mothers.

### The work–life balance

The work–life balance has come to prominence as employment patterns and government policies have tended to increase the demands of the workplace on parents. Since 1997, work – meaning paid work – has assumed central importance to social policy. The work ethic is a stronger than ever dimension of policy, with the government firmly holding the view that social inclusion is achieved through paid work. The government sees ensuring a decent parental income through paid work as the key to reducing childhood disadvantage and this applies to all groups including lone parents (HM Treasury, 2002). Measures to remove barriers for people moving from benefit dependency into work include minimum-wage legislation and in-work benefits for the low paid, now delivered as tax credits.

Working lives are squeezed more and more between the ages of 25 and 50, typically the parenting years (Mutari and Figart, 2001). Fathers work longer hours than men who are not fathers (Hatten et al, 2002). Women now account for about half the UK working population and

most of the increase in women's economic activity in the 1990s was among women with children under five years old (Dench et al, 2002). The post-war 'sequencing system' for women of remunerated employment followed by unremunerated domestic work has broken down without being replaced by a system that resolves the conflicting demands of paid and family work.

Although the male breadwinner with a financially dependent wife is now the exception rather than the rule, there is evidence that fathers continue to see being a provider as their main role (Hatten et al, 2002). Thirty per cent of men with full-time jobs in the UK work more than 48 hours per week (Equal Opportunities Commission, 2000). Workplace cultures that make working longer than contracted hours an expected part of life at work contribute to the difficulty employees, especially men, experience in meeting family needs: fathers often think it is acceptable for mothers, but not for fathers, to work part-time and flexible hours (Hatten et al, 2002). It is against this background that family-friendly workplace practices get associated not with parents but with mothers. Part-time work, flexible work and term-time work are most common in large organisations with a high proportion of women in the workforce and are rarely found in male-dominated working environments (Dex and Smith, 2002).

Some writers have argued that in practice 'family-friendly' measures perpetuate traditional work and family roles. 'Flexibility' can mean accommodating life to demanding working hours (Fagan, 2001; McDowell, 2001). A more radical solution – work-redistribution policies that combine a shorter standard working week with shared responsibility for reproductive labour – would require changes in both public policy and private behaviour (Lister, 2000).

### Self-employment and the work–family balance

Can self-employment be an individualised family-friendly strategy for workers and members of their households? Self-employed people, overall, work longer hours than their employed counterparts. Moreover, they often work at times traditionally regarded as family time (Bell and La Valle, 2003). Long working hours and Sunday

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<sup>6</sup> There is currently considerable debate about tax credits in relation to informal childcare. There is at least one local authority that has encouraged grandparents to register as childminders so that parents can claim childcare tax credit with respect to the childcare provided.

work are particularly disruptive to family life according to recent research on atypical working hours (La Valle et al, 2002). Self-employed earnings cluster at the highest and lowest end of the spectrum but a self-employed person is three times more likely than an employee to fall into the lowest 10% of the income distribution (Bell and La Valle, 2003). People trying to escape unemployment congregate in traditional, overcrowded, low-value-added sectors (Meager et al, 1994). The more insecure people feel at work, the more likely they are to experience tension at home (Burchell et al, 1999). All this suggests that self-employment may have negative implications for family life that are rarely examined or discussed.

Nevertheless, self-employment has some attributes associated with ‘family-friendly’ working practices. More than half the self-employed work at home or use the home as a base (Bell and La Valle, 2003). Work at home is included in lists of ‘family-friendly’ practices that employers could adopt to help employees balance their work and family but in practice it is far from widespread. Indeed, it is a privilege normally extended by organisations only to their most valued and trusted employees (Dex and Smith, 2002). There is evidence that family members are incorporated into the daily work routines of the self-employed in ways not characteristic of other forms of work (Baines and Wheelock, 1998; Corden and Eardley, 1999). These characteristics of self-employment suggest that long hours may not *necessarily* be at the expense of family life. Indeed, adults and children in self-employed households may be able to enjoy more time together than most families dependent on waged labour. This seems likely to be true if one or more of the following feature in the lives of self-employed people and their families: they work at home; there is choice about when and how much to work; they can participate together as a family in work activities.

The most popular reform in the workplace, for both sexes, would be increased time control in the organisation of their work schedules (Fagan, 2001). Individuals identified as ‘time pioneers’ or voluntary ‘downshifters’ do not rely on employers to implement such changes. Instead they reject the demands of organisational employment in order to humanise the balance between their work and personal lives (Horning et al, 1995). Mauthner et al (2001) found from

qualitative investigation of working families in rural Scotland and England that a few were successful in rearranging the equation between time, earning and caring through self-employment of one or two adults. It has been noted, however, that this can also be a version of what mothers have always done – accepting lower-status work and sacrificing their career prospects and financial independence (Franks, 1999). In other words, ‘family friendliness’ is achieved at the cost of individuals within households. Few questions have ever been asked about the experiences of an increasingly significant subgroup of the self-employed – those entering it from a position of relative disadvantage.

## Self-employment and social inclusion

There is substantial literature on motivations for business start-up and an enduring debate about whether ‘entrepreneurial pull’ or ‘unemployment push’ factors predominate. Much of this has been based on analysis of trends in the 1980s, ‘the decade of enterprise’ when the UK saw a historically unprecedented growth in self-employment. Hakim (1989) found among new recruits to self-employment evidence of “hitherto untapped interest in and potential for entrepreneurship”. Storey (1994), in contrast, identified the role of unemployment as the most powerful influence encouraging self-employment. Push from unemployment into self-employment has been emphasised in research on places such as the North East of England that have suffered large-scale job loss as a result of the decline of traditional industries (Storey and Strange, 1992). On Teesside, for example, people entering self-employment in the 1980s “strove to establish working lives in the cracks of a local economy devastated by mass unemployment” (MacDonald, 1996, p 432).

Enterprise policy in the 1990s concentrated on small businesses with growth potential. Today, support for new small enterprises has increasingly become based on social as well as economic rationales (Curran and Storey, 2002; North et al, 2003). Employment advisers and government policy in general encourage individuals to consider self-employment as a route out of worklessness although a recent study for the Department for Work and Pensions has indicated that movements from

unemployment directly into self-employment are now relatively uncommon: take up of self-employment options in the New Deal programmes has been low (Kellard et al, 2002). An HM Treasury report (1999) on enterprise and social exclusion identified three obstacles to enterprise in poor communities: lack of business support and advice; lack of training; and market failure in access to finance.

The empirical work for this study was undertaken in the North East of England in the Tees Valley and three districts of County Durham (Easington, Sedgfield and Derwentside). These places share disadvantages associated with both the urban and the rural. Their settlement patterns are the product of the industrial functions of the past. County Durham was once a land of industrial mining villages in a rural setting. The last deep mine there closed in 1993. Under the former Rural Development Commission (whose rural-regeneration functions have now been incorporated into the Regional Development Agencies), 80% of County Durham was designated a Rural Development Area. This designation was based on a set of criteria including persistent high unemployment, low economic activity, overdependence on a narrow range of economic activities, decline of local services, and geographical remoteness (Ward and Lowe, 2001). The Tees Valley Joint Strategy Unit (whose role is to provide planning, transport, information, forecasting and economic strategy services) reports that, although the dominant image of the Tees Valley is urban, 65% of the subregion is rural. The Tees Valley economy is historically based in heavy industry (iron and steel, heavy engineering, oil and chemicals). Although there has been a growth in services, much of the economy still reflects its historical development as an area of heavy industry, with basic engineering and specialist fabrication skills being prevalent in the workforce (Tees Valley Joint Strategy Unit, 2001). At a regional level, creating “a more entrepreneurial society” is part of the vision of the Regional Development Agency (One NorthEast, 1999). The same theme is repeated at local level throughout the region. For example, “lack of entrepreneurial culture” is identified as a weakness in Easington (County Durham), the fourth most deprived district in England (District of Easington, 2000).

## The household and self-employment

Recent studies in the Joseph Rowntree Foundation Work and Family Life Programme (Basu and Altinay, 2003; Bell and La Valle, 2003) have addressed the lack of research on the links between self-employment, parenting and family responsibilities. The contribution of this report is a critical, in-depth examination of how self-employment as a route out of economic disadvantage may or may not be family friendly.

The self-employed working in small businesses are recognised by researchers as a notoriously diverse grouping. To take some examples, characteristics vary by sector of business activity, by ownership type, by whether they employ or not, by number of employees, by involvement of family, and by size of turnover. Any evaluation of how far work–life balance is achieved in small-business households involves understanding how time is allocated between all types of work undertaken, whether paid or unpaid. This includes work in the business, employment work, caring for children and other domestic work. Evaluating the distribution of the benefits or otherwise of work–life balance between mothers and fathers and its impact on children requires knowledge of which members of a household undertake what kind of work and whether it is done at home or in business premises. Underlying all these dimensions remains the fact that any work–life balance must be underpinned by an adequate and sustainable household livelihood. Thinking about the *household* and self-employment, rather than the individual businessman or woman, has implications for several policy domains including: business start-up and support policies; in-work benefits and policies to promote social inclusion; the National Childcare Strategy. In the next five chapters we draw upon the narratives of self-employed women and men, their partners and their children in order to understand the implications for individuals and their families when they turn to self-employment as a route out of economic disadvantage.

# Entering self-employment

In this chapter we are concerned with business start-up. We examine factors that influenced men and women to move into self-employment, the resources they were able to draw upon, and the consequences that individuals and their families anticipated.

## Reasons for entering self-employment

People in this study explained their adoption of self-employment in terms of the positive attraction of freedom and independence, of responsibility for childcare, and of 'push' from the workplace by unemployment or poor conditions. This range of motives was as anticipated from the substantial literature on business start-up (Hakim, 1989; Birley and Westhead, 1994; Granger et al, 1995; Bogenhold and Leich, 2000). Only a few self-employed interviewees expected to improve their earnings substantially and none claimed to desire the excitement or challenge of building up a new enterprise. An unexpectedly strong theme for men was a wish to escape the disruption to family life of working outside the region. Women tended to talk about a combination of events and circumstances in their lives, especially if they had been absent from the labour market.

Workers in areas suffering from industrial decline may be pushed into self-employment as a way of creating work in the face of job loss (Storey and Strange, 1992). Enterprise agency advisers told us, however, that there was little interest in self-employment from people made redundant after large-scale closures. Kevin was atypical of the interviewees in that he had followed that path:

"I got cut down to short hours – or rather they asked me to go on to short hours,

onto a three day week, where I was working – which I didn't want to do. I refused and at that point I started the process of going round trying to set up the business and making enquiries. In between me doing that I got laid off and that helped me and gave me sort of a boost to set up and that's basically how I started."

Two lone mothers also described how they had turned to self-employment as an alternative to unemployment. Both these women had become unemployed not as a result of declining local industries but because they could not reconcile their responsibilities to their children with available employment opportunities. Debbie, for example, had moved to another region for an interesting and well-paid job. She had taken her daughter, then eight, with her but worried about her elderly father who was left at home. Here she explains the tensions that forced her to leave that job and return to the North East to face a prolonged period of unemployment before "desperation" led her to start a business:

"I couldn't find any childcare. I managed to find some sixth-formers from a school that used to come and cook dinner for her, but I used to get in at midnight. So we did that for six months. So I thought, no [heavy sigh] all the money in the world's not worth this. So I thought, well, I'll just have to go back to Dad's."

Childcare, work experience, life events and a spouse's employment situation overlapped in most partnered women's accounts of their entry into self-employment. Men never referred to childcare as a factor in their decisions to become self-employed. We return to childcare needs and preferences at start-up in Chapter 5.

Debbie was the only female interviewee who had left the region in search of a job. Seeking work in the South of England or overseas, however, was a recurrent theme for men. Other research has pointed to an increasing trend towards a long-distance-commuting lifestyle for some households, with one adult living away from the family during the working week (Green and Canny, 2003). The ability of families to cope with 'living together apart' varies enormously: while some become accustomed to it, others suffer stress and eventual family break-up (Green and Canny, 2003). For the men we interviewed in Teesside and County Durham, self-employment could be a means of creating a job locally as a direct alternative to working for whole weeks or longer away from the family home.

The impact of away-work on family life was often distressing. Terry had found a well-paid job in the South of England after the closure of his North East workplace but the family could not afford to move there. He hated living away from home and worried about his wife and sons. Lloyd described the poor conditions he experienced working overseas as a builder while his wife Carla recalled with bitterness that he had been away from home at Christmas:

Lloyd: "Away for Christmas which I couldn't believe. You know *Auf Wiedersehen Pet* on the telly?"

Carla: "In Germany, obviously."

Lloyd: "Yeah, some of the places they used to put us in to sleep – it was cabins to sleep in, freezing.... I was away two or three weeks at a time sometimes."

Carla: "That was quite upsetting, that Christmas day."

Men's away-work could account for women's self-employment. Fiona's husband, after a period of unemployment, resorted to long-distance commuting while she stayed at home with their young children. It was this situation that led directly to her decision to start a childminding business at home:

"He desperately wanted to come home but, of course, being abroad he was earning a decent wage so I wanted to do something

where I could contribute to the money coming in. But because we had two young children I wanted to be able to stay at home and look after them. He did four years in London, then he went to Germany for a year and, of course, I mean it wasn't cost-effective to come home every weekend. You had to make your money over the weekend really [pause] but he was really unhappy. He is a family man."

Away-work represents a trade-off of time with the family for money. It was not invariably hated. One woman described a long period of prosperity when her husband worked in London and she lived above her shop (not her present business) in the North East with three children. Laura appreciated the high income her husband was able to earn overseas. It was this financial security, she said, that enabled her to start a business using her newly acquired healing skills whereas other women she had trained alongside would have dearly loved to do so but dared not take the financial risk.

Some self-employed men explained that aspects of their former employment other than away-working had become unpleasant or unacceptable to them. Ken, for example, started his own manufacturing business because he felt unhappy at work following a takeover. John – now a shop owner – had walked out of his job because he was "disgruntled" at the way employees were treated. Others put more emphasis on the positive attractions of self-employment in contrast to employment. Mike told us that, despite reduced earnings, he relished freedom and independence in his new gardening business after many years of working for other people:

Interviewer: "Is that something you've always wanted to do?"

Mike: "YES YES – for a lot of years – at least 10 years, yeah."

Interviewer: "And was there anything specific that made you decide on that?"

Mike: "I love it [laughs] I'm very lucky – I love what I do, truly LOVE it."



## Resources for start-up

### Skills

Nearly all the businesses in this study were set up in sectors where other small businesses were already competing and used skills and knowledge gained in previous employment or the domestic environment. Men's businesses almost invariably drew on skills acquired in the workplace (for example, vehicle repair, joinery). Women also sometimes started businesses offering the same services as their previous employers (for example, hairdressing, pet care). Other women drew upon domestic skills that all women are presumed to have, most typically childcare but also ironing and cooking. Some women owners had learned new skills (for example, hair and beauty treatments, alternative forms of healing) but none of them had originally embarked on a study of these subjects with the intention of turning her new skills into a business.

Basu and Altinay (2003) found that, for minority-ethnic business owners in the South of England, family networks were likely to be a useful resource for business start-up only if the family had relevant business experience. In our study in the North East, business owners did not usually have an extended family with business experience or expertise, so it is not surprising that they did not draw upon such support. Wider family could be extremely important to these business owners for help with caring for their children as we discuss in Chapter 5. The family could also provide financial support at start-up (see below).

It was exceptional for owners of new businesses, or their spouses, to have management, marketing or bookkeeping skills when the business started. The support of enterprise agencies sometimes played a role in providing training in those skills but people tended to have little awareness of such opportunities or to say that they lacked time to take advantage of them.

### Finance

The businesses in this study were typically started with limited financial resources. The cost of entering the sectors in which most

respondents worked was relatively low. Indeed, there were seven respondents who said they had not needed to finance the start-up at all. These included four childminders, two people who had moved into a family business for which they had previously worked and the owner of a kennels based on her husband's farm<sup>7</sup>. Others told us that their expenditure at start-up was minimised by using the home as a workplace and buying only essential equipment.

The most common source of start-up finance mentioned by interviewees was grants obtained via enterprise agencies. Nineteen of the 30 business households reported receiving start-up grants of some kind. One of the most generous and most appreciated sources of start-up support was The Prince's Trust, which assists people under the age of 31 entering business. Three interviewees had received start-up grants of between £1,000 and £2,000 from The Prince's Trust, in addition to 'soft' loans for similar sums. Some people who had started up several years ago could not recall the exact sums but two respondents said they had received grants and allowances amounting to around £2,000 in the 1990s. The most typical sum reported by people who had started in the past two years was £500. A few owners felt unhappy because they had hoped that more substantial funding would be available. Business advisers told us that publicity around government support for new small businesses often leads people to have unrealistic expectations. In general, however, even small sums were described as extremely valuable and sometimes a lifeline. Millie, for example, reported the good use she was able to make of a small grant when she started her catering business:

Millie: "I went to [local enterprise agency] at the beginning – well they were the only people who actually helped. They came and they looked at my books. They give me £500 and I mean some people might think it's not a lot, but when you are struggling and you are starting off it is a great deal."

Interviewer: "What did you use the £500 for?"

<sup>7</sup> It should be noted that childminders are now able to obtain grants for set-up costs such as toys and safety gates on stairs.

Millie: “I used the £500 and built it up with another £500 and I bought new tables and chairs for the shop which made it look better.”

Sometimes financial assistance was not a key factor for new business owners but nevertheless highly valued. When we asked Roy if he could have started his business without his start-up grant he commented that he could but the grant was an incentive to seek advice. Business advisers also put this point to us.

Financial assistance in the form of start-up grants has been reduced since most of the participants in this study started their businesses. The picture is complicated and differs across the study areas. A ‘grant culture’ that used to characterise small-business support was referred to by some of the business advisers. Those working wholly or mainly in areas of deprivation, for the most part, regretted the withdrawal of grants. Some were quite outspoken (off the record) on this subject. Their comments included:

“It is surprising how many people make enquiries about business start-up. Their first question is always ‘are there any grants?’ – The answer is usually ‘no’. People are very keen but their enthusiasm just goes when you say ‘this is what is available’.”

“Small Business Service policy – that business start-ups should not get grants but be encouraged to take out loans – does not take into account the circumstances of areas of severe deprivation where most people have no savings or very small savings and few assets.”

Only six business owners told us that they had taken out bank loans at start-up. Many thought that going into debt to start a business was something other people did:

“Some people are like, oh well, I’m going to get a 10 grand loan, and then when they go to bed and sleep it wouldn’t bother them. Now I couldn’t. I don’t know if I’m too much of a worrier at times, but I couldn’t do that – me. That would really, really worry me.” (Mike, gardener)

Those who did take out loans were nervous about this step and usually tried hard to keep their debts as low as possible. Financial help from the wider family, in some cases, enabled them to avoid bank finance or minimise it. Eight respondents reported financial input at business start-up from parents, parents-in-law or grandparents. This was not a quantitative study and numbers can only be taken as indicative. It does appear, however, that patterns of bank finance and of finance from family among white business owners in the North East of England were similar to those reported in a sample from minority-ethnic backgrounds in the South (Basu and Altinay, 2003). Sums of money from family sources in the North East study were usually small and loaned on the basis of informal understandings, as for minority-ethnic owners (Basu and Altinay, 2003). Small sums could be enormously valuable in minimising the risk of borrowing on a commercial basis as Ken explained:

“I mean I put everything into the business, not so much in a financial side, which I have done, but I mean when we started off my mum and dad gave us like £2,000 to start the business off rather than to go to the bank. So we used that to start a business. So in a way we hear some people talking, oh we’ve got the bank loan paid, when we started off we got a £15,000 bank loan to start their business off, they are paying that bank loan. We haven’t got that to do.”

### Perceptions of risk at start-up

Some of the advisers reported that they see business start-up as a risky undertaking, especially for people who lack resources; for clients with a partner in employment the risk is likely to be cushioned. Sometimes they advise people against coming off benefit because the income stream from a proposed business would be too precarious. “We have a moral obligation to warn people”, one of them told us. Almost all of the advisers stressed that they urge their clients to think about the viability of the household income.

Business owners and their spouses told us again and again that they associated risk with debt. As discussed above, ways of avoiding such risks

included accepting financial support from family members and minimising start-up costs. In two-adult households, men's entry into self-employment was more likely than women's to reduce the household income and make it more precarious. Usually husbands and wives emphasised their mutual support although both men and women sometimes suggested that women were more fearful for the financial consequences than their husbands. Liz, for example, told us before Roy arrived for the interview that he had left a secure job after 20 years to start his construction business. Tensions behind that choice are hinted at in this exchange when the interviewer asked Roy if he had any fears or concerns about his business start-up:

Roy: "No, I had no worries whatsoever. I don't know why, maybes I should have done, because I was, you know, roof over my head. Was I putting that on the line, you know? Was I dicing with it you know? Liz might have been a bit wary about it."

Liz: "I was wary about starving."

Roy: "But you didn't disagree with what I was doing did you? You went with us all the way didn't you?"

Liz: "Backed you all the way."

Roy: "Backed us all the way, you know."

Leaving benefits was perceived as risky. Lloyd said at one point in the interview that he had had nothing to lose after working away from home became unbearable for the family. Yet this exchange between Lloyd and his wife illustrates how frightening moving off dependence on benefit can be:

Lloyd: "I was in and out of work all the time – the Social, err, I was sort of trying to leave that behind, taking a jump from the Social to starting my own business, you know. But you haven't got that there any more, you know, that giro."

Carla: "It was not a great deal but you knew it was going to be there."

Lloyd: "It was frightening really to sort of to think I'm not going to have that no more –

certainly – 100 per cent – I earn the money – I'll have to bring it in."

A similar point was made by Leanne, who had been on benefit since being deserted by her husband soon after the birth of her second child eight years ago:

"I don't think people realise [pause] it sounds awful and it's not what I mean – I can't explain what I mean – but being on benefits is [pause] is quite comfortable [long pause]. I've never had much money. I wouldn't say that I was well off on benefits because I struggled to feed us and manage every week, but I knew that my rent was paid every week, I knew that my council tax was paid, I didn't have to worry about anything like that."

Leanne had started her business more recently than Lloyd and in her case the anxiety was somewhat relieved by the provision of a period of 'test trading' without losing benefits under New Deal. Children were presumed by their parents to be unaware of financial risk but some did pick up on it and felt anxiety that they did not share with their parents. We return to this topic in Chapter 7.

## Hopes and fears

In this chapter we have looked at the explanations women and men gave for entering self-employment and considered them in the household context. The study was undertaken in places known to have suffered severe economic deprivation and unemployment for many years. It was hardly surprising that the interviews were dominated by accounts of the need to make a living under difficult conditions, and that people thought they had limited choices. For men and women in this study, self-employment could promise an escape route from poor working conditions, away-working, unemployment or long-term benefit dependency. Yet many embarked upon it with trepidation.

Most people had been in contact with enterprise agencies and received some form of start-up support. Businesses were typically started with limited financial resources and business owners and their domestic partners were very nervous about debt. Some were given financial support

by family members, and this could be particularly important for women and for lone mothers.

Childcare was never the only factor in the decision to become self-employed. Women returning to the labour market by starting a business tended either to wait until their children were older or to set up as childminders so that they could look after their own children at home. Women and men thought it important for fathers to 'be there' for their families. Starting a business could provide a solution to working away from the region.

# Making a livelihood

Any investigation of work–life balance for the self-employed must start from their need to sustain and underpin household livelihoods. Precisely when family *economic* well-being is at issue, there are pressures to increase the time and effort put into work, to the likely detriment of other dimensions of family well-being. This chapter analyses the ways in which small-business households provide for their families, looking at the implications for livelihood sustainability, economic well-being, and the distribution of economic insecurity and well-being between women and men. Later chapters assess how this livelihood provisioning impacts on work–life balance in the lives that families lead.

## Earning a household income

There is an implicit assumption in the UK small-business policy literature that the income-earning capacity of a business will provide a sufficient household income for its owner(s)<sup>8</sup>. Among the relatively disadvantaged businesses interviewed in the North of England, this assumption did not hold. Table 2 provides an indication of the pattern of income sources for one- and two-parent households. Most obtained their income from a variety of different sources. These included part-time or full-time employment in one or more jobs, income from a pension or property, in-work benefits, and income from more than one business. In other words, small-business households are regularly reliant upon what can be called a ‘livelihood package’. In

two-parent households, building up this livelihood package always required income-earning activity on the part of both husband and wife, though this might take the form of wives working unpaid (or paid) in their husband’s business.

The table shows that a mere four households rely on just one business for the household income (line A). All the other households (26) provisioned themselves through some form of ‘livelihood package’. Two households were reliant upon two or more businesses, with husband and wife owning separate businesses (B). A further five households ran a business and drew in-work benefits (Working Families’ Tax Credit [WFTC]) to make up the business income (D). As might be anticipated, three of the five lone-parent households fall into this group. Two households ran businesses, but also had unearned incomes coming in: an army pension in one case, and rental from property in the other (C).

The largest group of households, 18 in all, had livelihood packages anchored in a varying combination of business and waged work. There were two households that drew predominantly upon the (male-owned) business as a source of income, where the wife worked only limited part-time hours in low-paid work (E). Both these wives, it should be noted, were also working in their husband’s business. Eight households were reliant upon a substantial contribution from wage earning in addition to the income component from their business (F). No business in the sample was run as a hobby without the intention of income earning. There was, however, a group of six households – most with relatively high incomes – in which the business provided what could be called a ‘component income’ made up

<sup>8</sup> Westall et al (2000) contrast policy and practice in the USA where business start-up is more likely than in the UK to be seen as part of poverty-reduction strategies alongside paid employment.

**Table 2: The components of household livelihood packages**

Household livelihood type	Interview number	Total number
A One business only	7, 23, 24, 27	4
B Two or more businesses	3, 12	2
C Business and other income	4, 22	2
D Business and WFTC	6, 15, 16, 25*, 30	5
E Business mainly (some wage)	8, 9	2
F Income package (with wage)	1, 2**, 5, 11, 14, 17, 20, 26	8
G Business component to higher wage	18, 19, 21, 28, 29, 31	6
H No income from business	10*	1
		30

\* Also includes a wage element. \*\*Still in receipt of WFTC, but not eligible in future.

by a considerably larger wage brought in by the domestic partner (G). These were all female-owned businesses, and included all but one of the childminding businesses and two of the alternative-health businesses. Finally, one household was currently drawing no income from the business and relied upon the husband's labouring job to pay the interest on the substantial loans taken out for the business (H).

## How the business can contribute to household livelihoods

Business income generally comprised just part of a household's overall income package. Let us look at the role played by the business income in a selection of cases: an (uncommon) exemplar where the business alone provided the income; a typical example of a household where business income was part of a package of income components; and finally the case of a household in which the business provided a 'component income' only.

Kevin set up a manufacturing business in 1997 to escape low wages and short-time working. He was not prepared to divulge the household income but said it had "definitely increased ... the extra money's nice and everything, but it's the time". Kevin worked long hours in the business, and his wife contributed on a part-time basis as well, relying on grandparents to care for their children (aged seven and four). There were worries when they started the business: they used their own savings, and the business premises and house were on the same mortgage, meaning more debt. "My wife is definitely more worried about it than I am", said Kevin, who nevertheless acknowledged that "it's obviously

we're more in debt now so the home's more at risk".

Here we see a business that provisioned a whole household at a better level than employment, yet required both husband and wife to work and left both concerned about the risk to their home that business debt exposed them to. Absolute economic well-being had improved, but there were doubts about gains in relation to household hours of work, as well as worries about sustainability and risk to household livelihood, giving a negative in the overall balance of household well-being.

It is not surprising then, that most families pursue household-income strategies that depend only in part upon a business. Nancy earned more at the time of the interview from her childminding business (started in 1991) than her husband George – a former miner – earned from his shift work in a factory. Household income was between £15,000 and £25,000 and, says George:

"We find it hard because when you have been in the miner's job.... You have to tighten your belt, and if it wasn't for her doing this job we'd struggle with Neil and Tina [the children: aged 19 and 15]."

This household did not worry about money, partly because they had used George's mining redundancy to pay off most of the mortgage, and they were always careful with money, trying "not to get too much debt on". They gave an indication of the standard of living that they attained:

Nancy: "We've always had a car, since we were married."

George: "I mean we've never been abroad

since '89, we'd rather have our holidays in this country and sacrifice for [the children] doing sports and things."

Nancy, however, pointed out the insecurity of relying on earnings from a childminding business:

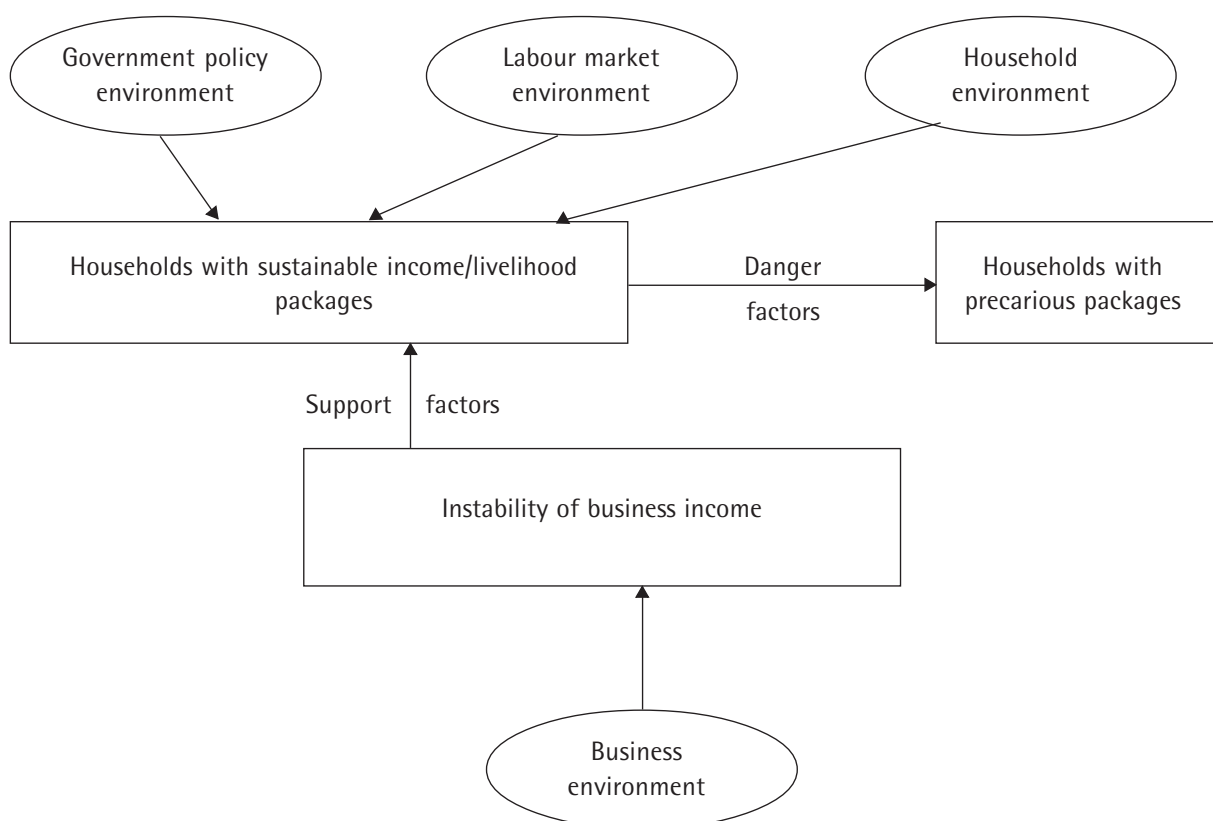
"At the moment it's worth doing now. I've still done it with a couple [of minded children] part-time. You have got to take all of it or nothing; you've got to put up with that."

At the other end of the scale are businesses that bring in a component income, with the bulk of household income deriving from a (husband's) wage. Shirley gave up her local-authority employment to set up a healing business in 1999, and household income went down as a result (to between £25,000 and £35,000 a year). As her husband, Martin, put it, this was anticipated: "I think we just accepted it was going to happen." They had to cut down on "extras", but going into business from a household-income point of view was only possible says Shirley "because I've got a cushion. Martin has got the income to do both."

## Underpinning a sustainable income package

The majority (24) of the households interviewed appeared to have been able to devise more or less sustainable livelihood packages, generally thanks to combining wages with the business income. Figure 1 provides a diagrammatic representation of the context. A number of factors can be identified which assist small-business households to achieve a sustainable income package, deriving from the labour market, household, government policy and business environments. Some business owners were confident that their labour-market skills would be in demand should the business not prove viable; others had a sufficient level of resources to be able to ride out temporary financial crisis. Some households developed individual members' labour-market skills, either for use in the business, or to underpin the waged element of the household income package. A small number of businesses enjoyed something approaching a niche market, or provided a quality service that commanded an order-book premium. There was a sizeable group of businesses that provided a sustainable household

Figure 1: Underpinning household livelihoods



livelihood due to receipt of in-work benefits. Finally, some income packages were sustainable thanks to the work contribution to the business of either spouses, or wider family members (see Chapter 6). It must, of course, be remembered that such businesses need to generate sufficient income to at least compensate for the opportunity costs of possible employment elsewhere.

Five households were in receipt of WFTC, of which three were lone parents. Debbie, a lone parent who ran a training business, was a real success story for in-work benefits. After a tough start working very long hours – and relying on her co-resident father to provide childcare – Debbie had moved her business out of the home and into an office. She was about to stop claiming WFTC as her income had risen substantially above the threshold. Ivy's café, on the other hand, enjoyed a subsidised rent from the community centre in which it was located and seemed unlikely to become sustainable without in-work benefits and local-authority subsidy. Ivy implied that there were some weeks when she did not draw a wage at all:

"I know it's hard work but it can get disheartening, you know sometimes at the end of the week ... everything has gone back in and there's nothing left."

There was a substantial minority of households in which starting a business could provide the

foundation for female financial independence, and this is illustrated in Box 1.

### The instability of the business income

Achieving a sustainable household-income package is not the same as enjoying income stability. Even partial reliance upon business activity means dependence upon an insecure business environment (see Figure 1), which almost always translates into a greater or lesser element of uncertainty in the level of household income. Income from business ownership relies, of course, upon generating a financial surplus. Moreover, the associated benefits of employment such as a pension, paid holidays and sick leave are not available to the business owner (unless specific provision has been made – also out of the surplus generated). Business owners regularly contrasted the security of their employees' wages with the insecurity of their own income. It was, therefore, interesting that many owners either thought of the business income in terms of a wage, or quantified income taken out of the business in terms of the extent to which household bills were paid:

Alice: "It's not a great wage, but it's a wage that [pause] a little more than we would get from an employer."

Mike: "I just take out of my business one fixed wage."

### Box 1: Female financial independence and women breadwinners

A business could provide the basis for female financial independence, and there were as many as 12 cases (including lone parents, of course) in which businesses allowed women to become main household providers. By definition, all the female lone parents (four) were household breadwinners. Two former lone mothers who had recently started living with new partners were also notable for the store they set by their financial independence. Women who derived an element of financial independence from their businesses were almost invariably in traditional female arenas (for example, hairdressing, catering, health). Although these are generally low-paid sectors, starting a business had provided an escape route from the worst aspects of exploitation. Heather saw herself as "definitely definitely better off":

"Well, like I say, hairdressing is noted as being a bottom band wage bracket, so I do alright."

There is tremendous pride of achievement from this independence. As café owner Millie put it:

"I can see what I've worked for ... I could say, we couldn't afford that previously, so the money is there for Andrew [son, aged 18]. I've just rung up for his [driving] test, and I've paid for all the lessons, and I think well I couldn't have given that."



Karen: “Where mine is not [fixed].”

Haley: “My business is approximately one third [of household income]. I pay nursery fees and all groceries, clothes and holidays and my car (which is an old banger).

Derek pays the mortgage and household bills. He has a car through the company.”

The uncertainty of the income deriving from the business element of the household livelihood package was an almost constant theme of the interviews. There were some very severe stories of the impact of livelihood insecurity among the households that we interviewed. Janice and Terry made a risky business decision to open a retail outlet and were still living with the consequences. Janice: “We had to tighten our belts a lot ... only necessities got bought.” Terry: “‘Nice to haves’ are no longer on the agenda”. As parents they felt strongly about the impact this had on their sons (aged 19 and 17):

“It’s been a big thing for quite some time that we haven’t been able to provide them with the things that we would have if he’d still been at his job.” (Janice)

Ken and Elaine told a similar tale of the impact of the uncertainty of business income on household livelihood. Here Ken explains how this impacts on psychological well-being:

“It worries the living daylight out of me because I’ve never been in a situation where I’ve owed people money. I’ve always paid my debts, I’ve always had money in the bank, and now I’m overdrawn.”

Relatively small emergencies requiring a cash outlay can have a heavy impact. For example, when the vacuum cleaner broke, Elaine relied on the gift of a replacement from her father.

But there were also stories of business owners moving towards greater livelihood sustainability. Jill’s retail business, for example, was a very recent venture, set up in 2002, and the household relied upon her domestic partner’s (temporary) teaching salary, bits and pieces of freelance art and design work, and in-work benefits. Even though Jill was not yet paying herself anything from the business: “I feel, we both feel a lot more secure now than we did.”

The contrast is with Jill’s previous teaching contracts:

“In job security, I have been let down a LOT by employers in the past. And then what do you do? You are left with that worry of ... how am I going to pay the mortgage ... and each time that happens you get a little bit more into debt because you know for that couple of months where you are looking for work ... you want to keep your bills up to date and you eat into your savings.”

In a local economy with a slack labour market in which employment itself can be distinctly insecure, the uncertainty of taking a reliable wage out of a business may be at least partly offset by the sense of control and self-reliance deriving from enterprise ownership. As Millie (a café owner) puts it: “I can see what I’ve worked for”.

## Precariousness in household livelihoods

Relying on a package of components of which the business is only a part can help to ensure that the overall household livelihood is less vulnerable to fluctuations of business income or indeed to outright business failure. Nevertheless, for as many as one fifth (six) of the businesses, household livelihoods appeared to be precarious at the time of interview. What leads to livelihood precariousness? We identified a range of ‘danger factors’ (see Figure 1). Risky business decisions, unsustainable debt, being trapped in self-employment, consumption behaviour, family illness – and being the victim of crime – came across as the key factors.

In three cases, risky business decisions had rendered household livelihoods vulnerable. An example is Janice and Terry’s manufacturing business. Their income was underpinned by in-work benefits that they expected to lose within the year, as their youngest son was already 17. Terry acknowledged with hindsight that he did not use his own former management training or expertise when the couple made an ill-judged decision to open retail premises in a poor location. Nor did they take advice on this matter from enterprise agencies. Opening the shop involved borrowing money and taking on staff, who – Janice noted resentfully – were

earning more than the owners. They decided to 'cut and run' and even took on a second mortgage on their home "to sort of put things right". In another case, a cash-flow crisis in a business, made worse by bad debts, was putting the household livelihood in question. The owner's wife was putting household expenses onto her credit card without informing her husband because she thought he was already suffering enough anxiety about his business.

John and Anna had one of the highest incomes in the sample, but they appeared trapped in their business – a shop providing for their local community. They set up with some thought of providing income-earning opportunities for their son and daughters and for a while the extended family was involved. Their son worked in the business for four years that helped to spread the load of the demanding hours required to make the business competitive. The shop was up for sale at the time of the interview but there had been no takers – because, as John saw it, only an extended family could cope with the hours. Although John and Anna had paid off the large debts they took on to start the business and been able to make savings for their retirement, they still stood to lose some of their investment if they failed to sell the business. Coming up to their mid-fifties, both appeared overstretched and exhausted by the hours they worked.

Just one of the households in which the business comprised only a component income appeared to be 'precarious'. They had taken out a loan for the people carrier required for the childminding business and recently remortgaged the house with a facility that allowed them to put household bills onto an overdraft tied to the mortgage. This looks like a household that may – very uncharacteristically for the sample – have been building up unsustainable consumption debt, especially given the insecurity of childminding enrolment.

Economic precariousness could be a result of family illness or being a victim of crime, both unpredictable events that can put a household business livelihood at risk. Indeed, fear of crime was mentioned on several occasions and two interviewees had actually been victims of violent crime while carrying out their businesses.

## Riding the roller coaster

Policy blandishments that many small businesses are undercapitalised, and need to borrow in order to grow to their full potential, seem particularly out of place for the type of business that is set up in local economies characterised by economic decline. Most households tell stories of how they adapt to the unreliability of business income and how they cope with falls in income levels. Many also have to cope with temporary periods without income: during illness, maternity or family holidays, or at times of year when customers do not make purchases and work cannot be done (over Christmas and New Year, during the summer or in winter). For many households there was a great reluctance to go into debt, and it is in this light that borrowing for the business is often also avoided if at all possible. This seems only wise in the light of the potential precariousness of household livelihoods – and, in some cases, the risk to the family home – as already discussed.

Geoff and Brenda relied entirely on his building business for their income, and this is how Brenda managed the household finances:

Brenda: "We never buy anything on credit, we don't get loans and things like that. If we want anything doing we tend to save."

Geoff: "Just in case – if you have debt around you!"

Brenda: "It's because you don't know that next week he's going to have work or the week after, you don't know if you can pay the loan."

Avoiding debt meant that many seemed to take it as a matter of course that spending had to be cut back, perhaps on a permanent basis.

Doing without the 'extras' appeared as a regular occurrence. Take Hannah's daughter, Monica:

"I'd get clothes if there was a wedding. I'd get something... I never got clothes when I wanted them and like any 14-year-old you want clothes all the time. And my friends used to come back with bags and bags and I'd sit there, like 'OK that's nice', it'd be awful, but..."

For Janice and Terry's son, Paul (17), it was the basics that had to be cut back on when his father resigned from his job in the South of England and the household became entirely reliant on the business:

"Not to eat as much. Because me and my brother were always eating. Cutting down on spending money too.... My mum ... put in a lot of money just for starting up the business.... Just trying to keep down the spending. All those little things, like shopping would go down. She would go to a cheaper supermarket, and things like that."

People can take it hard when they have to cut back on special occasions: at Christmas or in terms of family holidays. Although Karen and Mike "knew it would happen" when they started up their businesses:

Karen: "Christmas was the worst, Christmas was terrible, because we were stuck money wise."

Mike: "... We couldn't even afford to buy each other a Christmas card to be honest with you."

Karen: "We didn't go for a big shop, we were just buying day to day.... And Ben [Karen's son] was complaining all the time

'there's nothing to eat' – things like what he wanted."

Indeed, there is often particular concern to protect children from the impact of reductions in income. Box 2 illustrates some of the dilemmas that parents face with respect to their children when they have to cut back on spending. For a noticeable number of households, uncertainty about income levels impacts on their ability to plan for the future, a documented feature of low-income households.

Reliance on business activity almost always means a greater or lesser element of instability in the level of household income. Most households told stories of coping with falls in income levels, but there was widespread unwillingness to go into debt. Worry over instability of livelihood was an endemic topic in the interviews, and this impacted on women's and men's well-being. For some, livelihoods appeared precarious. Nevertheless, most small-business households appeared able to put together an adequate, if not generous, livelihood. This was usually because they put together a livelihood package with incomes from a variety of different sources, including waged work and in-work benefits. Businesses could provide the basis for female financial independence, and allow women (including lone parents) to become main household providers.

## Box 2: Cutting back where there are children

For a proportion of parents, the need to be careful with money – especially at business start-up – can be an opportunity to instil desirable values that will stand children in good stead for the future:

"I've always been quite strict on what Charlotte [aged 13] has with regards to material things, simply because I've always wanted her to realise that if she wants something she's got to work for it." (Jill)

A few parents said that they had discussed the implications of starting a business with their children beforehand, although most did not. Karen's son was 16:

"I said to him that it would be really hard, but in another year and a half – he wouldn't get half the things what he'd had, but we would be better off in the long run."

Others did not like having to restrict what they spend on their children – and may choose to make sacrifices in terms of their own living standards. Alice and Jack had not had any luxuries for the last four or five years, but "the kids don't go without" (Jack). On the other hand, some, like lone parent Lynne, point out that they now have more to spend on their children and see this as a considerable plus.

# Caring for children in small-business households

How do small-business households combine the time necessary to earn their livelihoods with bringing up their children? Earning a livelihood generally means that all household members are economically active – whether in the business or in employment. Lives in small-business households are, therefore, often constrained by long hours of work – not necessarily only for the business owner. This chapter looks at how parents mesh caring for their children with their responsibility for the household livelihood package, and at how far childcare behaviour corresponds with the aspirations of childcare policy. We find varying household patterns of childcare, examine the combinations of formal and family childcare used by parents, and analyse how gender affects childcare choices and practices<sup>9</sup>.

## Childcare and business start-up

All the interviewees were parents at the time of the interview and most had children when they embarked upon self-employment. Some seven women referred to childcare as a factor in their decision to become self-employed, though never as the only factor. For men, ‘being there’ for their families was important, rather than childcare as such. There was one example of a father who had always worked nights so that he could look after his daughter after school; Roy did not start

his joinery business until his daughter was older. Men’s wish for more time with their families was a particular factor in entering self-employment when the alternative was long absences from home in pursuit of work.

It was largely those women who had spent time out of the labour market for whom childcare was a significant issue. There were two ways in which this was played out in interview narratives. First, there was a group of women returners who only started their businesses once they considered that their children were old enough not to require as much attention. Millie, now the owner of a café and outside catering business, explained her thinking about working when her two sons were young:

“I had two babies growing up together, and I thought well it’s not fair to have them minded and one thing and another. I always promised myself when they got older ... it’s time for me.”

Ivy, whose youngest is now 14, said that she could not have started up her café when her children were younger, while Laura was only prepared to start up her healing business once her younger son had done his last set of school exams. It was noticeable, however, that children might have a different view on this from their parents. According to Laura, her adult sons remained very demanding, while Roy’s daughter (aged 14) was definitely not pleased that she saw so little of her father once he started his business.

The second group of women returners was those who set up as childminders in their own homes, meaning they could earn an income without

<sup>9</sup> In this chapter, we use the term ‘formal childcare’ to indicate paid childcare using registered providers such as nurseries or childminders. ‘Informal childcare’ is used to cover (unpaid) childcare provided by non-resident family members – largely grandparents. There were no cases of paid childcare provided by unregistered friends or neighbours.

ceasing to be full-time carers for their own children<sup>10</sup>. Childminders and their partners asserted that the mother staying at home is the best way to look after children. Sometimes childminders referred to the irony of holding this view:

“I just couldn’t give my children up, you know. I couldn’t put my children in childcare – which is I know it’s awful coming from a childminder but there is other childminders are the same.” (Emily)

Childminding is unlike other business activities in that it can be carried out simultaneously with looking after one’s own children at home. Indeed, it is precisely this family milieu that appeals to parents using this business service (Mooney et al, 2001; Gelder, 2002).

## Households that have never accessed formal childcare

Let us now turn to current patterns of childcare in businesses at the time of interview. Over half (16) of the households had never accessed formal childcare<sup>11</sup>. Recent research alerts us to the fact that this level of non-usage is not just a characteristic of self-employed households. Investigations into the use of informal (predominantly grandparental) childcare by Wheelock and Jones (2002) showed that 46% of a sample of Tyneside employed parents made no use of formal childcare at all. The Wheelock and Jones study relied on employers to distribute questionnaire packs, but Lesley Hall (2003) has since established levels of informal childcare usage from a representative survey of parents of children of primary school age in a North East city. Her results show that 79% of employed parents rely entirely on informal childcare and the level is even higher at 94% for parents who reside in deprived wards.

Why was it that such a high proportion of parents had never used formal childcare? Sandra expressed the positive side:

“I had the kids little at home all day so they didn’t feel like they were missing a mum and I could see them grow up.”

But her husband Jim then went on to a more negative perception of formal care:

“We don’t ... not childminders. I’m sure they are very nice but it’s just not something that we were comfortable with. I’m sure they are very good, it’s just us personally. We’ve only ever left them with family.”

Others also emphasised the personal nature of their standpoint, but were equally firm in rejecting formal childcare. As Sylvia put it:

“So I’ve never had paid childcare, no I’ve always had them haven’t I? Because like I said earlier, I don’t like leaving them. I’m very funny about leaving any of them, and more so – I wouldn’t have nobody baby sit him on a night, no way at all.”

Shawn, Sylvia’s oldest son (aged 13), echoed his mother’s sentiments in more colourful language:

“We don’t get looked after [by] like strangers or people like that. There is always my mum or my nana who would be looking after us.”

Often recognising the irony, childminders made some of the strongest statements about formal childcare, but it could be the husband who acted as the spokesperson for the couple:

“I never wanted her to go to work you know. I’m one of these that if you have kids, you have kids and you look after them. You don’t give them to somebody else just to further your career.” (Stuart)

Abby added with a raucous laugh: “you’d do me out of a job!”

Kathy married relatively late and postponed starting a family until her business was well established and voiced particularly explicit views about bringing up children:

<sup>10</sup> One of the five childminders, Jenny, had moved directly from employment to childminding after weighing up the childcare costs of continuing in her job after the birth of a third child. In Mooney et al’s (2001) national survey of childminders, this type of case made up one third of the sample.

<sup>11</sup> Ironically, but not altogether unexpectedly, this includes more than half of the childminders (three).

“To me parents miss too much if they have a childminder because they are too busy.... I don’t know what they gain from having children when they are not there to bring them up. To me it’s ... imparting your character into that child, if somebody else has put their character into it by being the childminder they are almost not your child in a sense, you know. It isn’t just blood and genes, ... that childminder gives an opinion; it might be a different opinion to yours. I wouldn’t have missed bringing her up ... for the world.”

It is clear that in aiming to encourage parents to use formal childcare, the National Childcare Strategy has some strongly held views on the value of family-based childcare to contend with among small-business households.

## Households that keep childcare within the co-resident family

Nearly half (seven) of those who had never accessed formal childcare kept regular childcare within the two-generation co-resident family alone, with only occasional hours undertaken by others. Such households might make some limited use of non-family assistance, but if this was anything more than an evening’s babysitting, it was unpaid. This was a group that had not involved grandparents or other family in childcare on any regular basis, perhaps because grandparents did not live sufficiently near by. However, undoubtedly some parents did not wish to involve grandparents on principle. Janice and Terry had this to say:

Janice: “He has family, I don’t have family here now, my family has moved out of Hartlepool ... and they are there if we need them, but we don’t, we never really ask anybody for help, we like to do everything ourselves.”

Terry: “We’ve never really had to ask someone to put themselves out, if we’ve needed someone we found someone, paid them a couple of quid or something.”

This group of households (just under a quarter of the sample) appeared to practise a substantially self-reliant model of childcare, calling on a

minimum of (almost invariably unpaid) support from outside the co-resident household.

## Relying on extended household boundaries for childcare

There was a marked pattern of parents relying upon childcare provided by non-resident relatives, confirming the studies of employed parents by Wheelock and Jones (2002) and Hall (2003). About a third of households relied on grandparental childcare from outside the co-resident household on a regular basis, with a few relying on other relatives (for example, a sister or aunt). Not all these parents called upon grandparental care alone; such family care could be part of a jigsaw made up of formal as well as informal childcare. In some cases, households were reliant on grandparents not just for support with childcare, but also to support the business (see Chapter 6).

Kevin and his wife said they would not use formal care, but relied on both sets of parents to look after the children while they worked in their manufacturing business:

“It is quite often most days or every other day but not six days or set times – we sort of work it between us when we can get available.” (Kevin)

Carla (whose husband is a builder) could call on her father to take the baby (aged one) out when, for instance, she wanted to clean upstairs. For Carla this was a help to her father too:

“I don’t pay my dad. Yeah a couple of cans and his telly ... so he’s quite happy when he comes down here.... At one time [the baby] wouldn’t go to anybody whatsoever except my dad, and she’s really good for him so that’s a bonus too.”

Given the extent to which parents relied upon other family members for childcare, it was not surprising that there were tales of the difficulties that arise when grandparents become ill. Sandra’s story was particularly fraught:

“Right, I worked full-time in the local hotel, so Jim was doing his bit here [in the business] and I was doing my bit there....

Then my dad took poorly which was like another, well a big kick in the teeth really because ... it was uneconomical for Jim to come home and sit with the kids whereas he could charge himself out obviously a lot more than I was getting [minimum wage]... So Jim's parents used to have the kids quite often overnight so that they could get them up for school and I could go to work.... It was a matter of everybody chipping in."

There were in fact five further households who had had to adapt to the illness (and sometimes death) of grandparents who had formerly looked after their grandchildren. Grandparental (and, in a few cases, other family) carers were heavily relied on on a regular basis by some third of the sample households. Box 3 shows how grandparents may fulfil a vital role in stepfamilies in particular.

### Formal childcare as part of a childcare 'jigsaw'

Nearly a third of households (nine) made use of formal childcare during the time they were operating a business, including (part-time) places at nurseries or childminders. This was always as part of a childcare jigsaw made up of elements of informal childcare as well. For women business owners, husbands may be timetabled into such a childcare jigsaw. Cost and availability are both factors in choosing formal childcare, despite the

fact parents who use it see the social benefits of this form of childcare for their children<sup>12</sup>.

Ken's manufacturing business was dependent upon Elaine working full-time, and this household had one of the most complex childcare 'jigsaws' in the sample. The baby had originally been in nursery full-time, but there had been a number of changes:

"So then we realised we couldn't afford it, so we cut it down. And basically it works out now that Ken's mum has [child] Monday and Tuesday and we used to bring him home each night, but his mum said 'do you want him to stay', which we didn't really but it made more sense than getting him up all the time. Wednesday he's at nursery, and the other morning he goes to Ken's mum, and Friday my dad has him."

Claire and Mark, who had no family at hand, found themselves with a childminder who had a car accident and was not available for four months, forcing them to change their type of

<sup>12</sup> The North East has the lowest regional figure for day nurseries, playgroups and pre-schools per 10,000 children in England (below 1,500), although it is better than the English average with respect to childminders (DfES, 2001). Numbers of registered childminders have, however, been falling nationally since the mid-1990s, and, in addition, childminders never fill all their registered places (Mooney et al, 2001; Gelder, 2003).

### Box 3: The role of grandparents in 'blended' or stepfamilies

There were five households involving a step-parent-child relationship. In most of these households, grandparents were looking after grandchildren as a means of giving new relationships additional support. Shawn (13) can decide to go to his paternal grandmother at weekends, making his own arrangements when he wants to. Sometimes there was a continuation of a practice that gave lone parents a break from childcare, as in the case of Leanne (alternative health practitioner). Leanne's parents lived at a distance, and regularly took the two children (now aged nine and eight) for weekends and holidays. The grandparents continue this practice now that Leanne has a new domestic partner, giving the couple time alone together. Such support can also provide a much-needed break from sheer hard work. Take the case of Jill and her daughter (aged 13):

"Charlotte stays at my parents' house on a Saturday evening, and from about 9.30 on a Saturday evening till about 1.30 on Sunday I don't move."

childcare. Three-year-old Orla went to a nursery two days a week instead:

“(a) To give me a break because we’ve got no family support and (b) also for her development, so she’ll have a couple of years before she gets a state pre-school nursery place.” (Claire)

Cost was an issue for Claire and Mark, and they commented that they would have a year without childcare costs before the baby started nursery at two years old.

### The gendering of childcare in small-business households

We have so far been describing household childcare strategies, indicating the patterns of reliance upon formal and informal childcare. What of the impact of having a business in the family on the gender divisions of unpaid work inside the household? At start-up, it was predominantly women returning to the labour market who were influenced by childcare responsibilities. Once up and running, small-business households on the deprived urban–rural fringe confirm the findings of previous urban and rural studies that traditional divisions of childcaring predominate (Wheelock et al, in press). It was generally mothers who took the primary role in providing and, where required, organising childcare. Fathers usually took only a minor role at most, although ‘being there’ for the family was significant, particularly where businesses had been set up as an alternative to away-working.

We found a number of mechanisms operating to reinforce traditional practices. In some cases (female-headed) businesses were organised around the maintenance of traditionally gendered roles. Childminders, as already indicated, made a particularly notable example here, where this form of business venture allowed mothers to care for their children at home. One childminder, Fiona, expressed herself as trapped in her business, with family pressure from her husband and her mother to continue, and Fiona saying that she wished she could do something else before she retires and becomes a grandmother. This type of gendered reinforcement of traditional roles is one feature of the work–

family-inclusive group, discussed in more detail in the next chapter<sup>13</sup>.

Already referred to are those women who had in the past taken on most of the childcare, waiting to set up the business until these commitments were less pressing. Five of the female-headed businesses had followed this route. In such cases, traditional female roles were not challenged, but allowed to continue. Laura reported, for example, that her husband believes that it is too late for their sons (now aged 19 and 16) to learn that their mother is not available to respond to their every need.

In other cases it was the growing amount of childcare that precipitated a change to more traditional roles, sometimes combined with the rising expense of formal childcare. For several of the female business owners (including two childminders and a hairdresser) it was the arrival of a third, considerably younger, child that precipitated a shift to a more traditional, domestically based pattern of childcare.

There were also several households where the adoption of traditional roles was primarily a response to the economic requirements of the business. Male business owners worked extremely long hours, often with part-time support from their spouses in tasks such as bookkeeping and invoicing (see Chapter 6). This part-time involvement still allowed women time to undertake the bulk of childcaring and reinforced traditional gender roles, even if wives were undertaking these business tasks at anti-social times of the day or week.

Reliance upon extended household boundaries for childcare can be an intergenerational mechanism for reinforcing women’s predominance in childcaring. Given that maternal grandparents were most relied upon, this tended to confirm practices in which mothers are responsible for organising childcare (Wheelock et al, in press). However, extending caring beyond the nuclear household could also mitigate the time pressure on mothers in particular. Lack of grandparents – or their unavailability – could be a factor that pushed households to adopt traditional childcare roles.

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<sup>13</sup> Kathy and Brian make an exception.



There was some evidence that a number of female-owned businesses allowed mothers to combine childcare and contribute to household income at the same time. This was evident among women who had never taken any appreciable break from the labour market, and who often expressed strong views about maintaining their financial independence within their marital relationship. It is interesting that it was predominantly in the case of female-headed businesses that fathers were also enjoying an element of sharing in bringing up their children.

The predominance of traditional gendered divisions of childcare may not raise questions for household/family work–life balance if one views the household as a single undifferentiated unit (Wheelock et al, in press). Certainly, there were a number of households where there was evidence that traditional views were fully shared by husband and wife, in which case it could be argued that neither loses out in terms of well-being. However, there were certainly cases where it appeared that business ownership by fathers – and the long hours they worked – had constrained mothers into more traditional roles with which they were not altogether happy. Men, too, could find themselves constrained into the traditional role of working long hours to bring in sufficient income, but having very limited time with their children. (Pressures on fathers to work long hours are discussed in Chapter 6.) The two three-generation households in the sample brought up particular intra-household well-being issues, illustrated in Box 4. Finally, children might not be happy with

the childcare that was organised on their behalf (see Chapter 7).

## The involvement of fathers in childcare and its limitations

The traditional post-war gender order largely excluded fathers from childcare. The paternal role was as financial provider working for as many hours as it took to bring in a family wage while the wife was full-time mother and homemaker. Yet the National Childcare Strategy – in aiming to provide childcare for working mothers – appears to continue to assume that fathers do not take a caring role with respect to their own children. This assumption is perhaps justified in the light of the long hours that British men work, in comparison with their European counterparts. Research commissioned by the Equal Opportunities Commission has nevertheless shown that British fathers are now becoming substantially more involved in childcare (Hatten et al, 2002). Government policy, too, has more recently started to recognise the claim that fathers as well as mothers should be able to balance work and family life, for example with policies for minimally paid paternity leave and unpaid parental leave and the right to ask for flexible work patterns when there are young children.

What evidence was there for fathers' involvement in caring for their children in the interviews? At first blush, it might seem surprising that

### Box 4: Three-generation households

There were two households where grandparents were living under the same roof. They highlighted particular difficulties of regular and long-term reliance on grandparental care, and of the distribution of household well-being. As a lone parent, Debbie had called upon her live-in father for childcare since her daughter (now 13) was six months old. It was very important for establishing her business that Debbie's father was at home for Sandy after school and during the holidays, but there was some evidence from the interview that the caring relationship between grandfather and granddaughter may now be at least partly reversed.

John and Anna (village shop) – who were providers of care for their grandchildren (one of whom was co-resident) – had this to say of the difficulties:

"We happen to be the youngest grandparents of all the grandparents in their [their children's] families, then we are the first choice, and they get upset if we say 'oh, I'm sorry we have to do the warehouse, we have to look after the shop' ... so it's caused problems within the family, family friction ... and it's more or less because we have the business. It takes first call."

approximately one third of fathers played an appreciable role (nine households; 10 including the non-resident father). Interestingly, however, of the nine households, seven comprised female-headed businesses. Hairdressers, like Heather for example, relied on a husband to look after the children on Saturdays or on late-night-opening nights. Husbands' shift-working patterns might assist in enabling them to take part in childcare. Unusually for a childminding household, George took part in caring for his children, and was also involved with the children whom Nancy minded. This was made possible by the shifts that George worked. Kathy and her husband both ran businesses: this was a very unusual case where a man owning a business took an appreciable role in childcare. Mark was the only other example, and he no longer took the role that he used to when the first child was a baby. This was at a time when Claire had returned to nursing part-time. Lost working time for the business was given as the cause:

“We just chose to leave Orla two afternoons with a childminder, so Mark minded her on the two mornings that I worked.... And looking back, Mark felt almost that he really was losing two days work because by the time he'd looked after her for the morning, got her ready to go to the childminder ... so he only got a few hours work done in the afternoon.”

There was a further difficulty, particularly when the childminder was off due to an accident:

“It was an awful time really, because ... we had no time as a family, because we were literally like ships that passed in the night. Either one of us was at home looking after Orla, the other was at work.”

It is not surprising, then, to find that an altogether different pattern was typical for male business owners and their families: one in which men were minimally involved in bringing up their children because of the long hours they worked. Wives and mothers in these households were generally combining virtually all the childcare (sometimes with help from relatives) with part-time work, either in the labour market or in their husband's business. (These working patterns and the pressures that led to them are discussed in more detail in the next chapter.) It is nevertheless worth reflecting that for Lloyd and

Carla, for example, his long hours as the owner of a building business still gave him more time with the family than away-working. There were also two cases in which female-headed businesses were not able to call on husbands because the latter worked away.

## Childcare values and behaviour

What policy implications can be drawn from analysing the childcare values and behaviour of small-business households in deprived locations? It is not easy to make generalisations about childcare patterns as these are likely to change quite considerably over time. The amount of childcare needed will be shaped by the need to earn a household livelihood and will depend on the external paid-work demands deriving from business and labour market requirements. Given that these small-business households are deprived along one or more dimensions, it is likely that they will face particularly strong constraints in these respects. Factors internal to the family such as the stage of family formation, the ages of children, employment status and the availability of grandparents are clearly important, along with availability and cost of formal childcare. The choices that parents actually make with respect to childcare within these constraints will depend upon the values and norms that they hold. Sue Himmelweit (2002) has found evidence that, if the attitudes people hold with respect to childcare and their own childcare behaviour are out of line with each other, parents may make adjustments to both values and behaviour to bring them into line with each other. Childcare decisions are also likely to impact differentially on different members of the household: mothers, fathers and children; business and non-business owners. Childcare arrangements that have been through several permutations are described in Box 5. This case also illustrates the differential impact of childcare arrangements on members of the family: the business owner, her children and her new domestic partner.

Any childcare policy that is based on aspirations which run counter to the attitudes and values of the parents whom it purports to assist will have an uphill struggle to gain acceptance. The evidence from the childcare practices of small-business owners on the deprived urban-rural fringe suggests that more formal childcare would

be helpful for some female business owners. It is also apparent that in male-headed businesses, mothers have substantial needs for childcare support, and that fathers and children could benefit from more time together. However, there is a noticeably weak culture of using formal childcare in self-employed households. The household or family self-reliant model of childcare is the predominant pattern – reinforced by lack of affordability and availability of formal childcare. Yet crises of informal childcare

regularly occur, due to pregnancy and birth, illness, death and changing labour market or business constraints. More flexibility in childcare policy with respect to formal provision – including finding ways of allowing Childcare Tax Credit to be claimed where grandparents are acting as childminders – might provide a way forward.

### Box 5: Changing childcare patterns in a recently formed household

Leanne stated the childcare values she held when she was still a lone parent:

"Well ideally, even when I did my part-time work I started at 9 after I'd dropped the children off at school and I finished at 3 in time to pick them up from school, because they've only ever had me here."

At the same time, she was reliant upon her parents as a backstop:

"They've always been there if I needed anybody, but unfortunately they don't just live round the corner ... but they've always been there for the odd weekend."

When Leanne started her business the Employment Service paid for her childcare, and the children went to an out-of-school club for two hours a day. Although it was a "proper child care facility" Leanne was not happy because the children were mostly younger and she felt that Richard (nine) and Ruth (eight) were not being stretched. But Richard said that he was not involved in the decision to take them out:

"I'd made some friends there ... mum stopped us from going ... because we had to be picked up ... Mum doesn't think the price was right."

Instead Leanne got a friend to pick the children up from school two afternoons a week, but this had its own problems:

"I found that this is difficult because then you are obliged to do things in return that you maybe don't have the time to do."

Leanne has now changed her hours: she does the part-time job from 9 to 3 each day, picks up the children from school herself and opens her business from 3.30 to 5.30 and from 7 till 9 "so I haven't lost any clients, but ... I've doubled my hours of work ... I've actually doubled the guaranteed income". Leanne was also happy because this coincided with her childcare values once more: "I can pick the children up from school which is great". Ruth seemed happy too: "Now my mum works 9 to 3. It's either mum picks us up in the car or we come home on our own".

From what Leanne said, it was apparent that most of her alternative health clients attended the evening slot. This meant either that the children had to be in bed by 7 o'clock or Phil, her new domestic partner, picked them up "when they are out and about" (unless Leanne did not have a client). It is easy to imagine that the children may not be happy with such a rigid bedtime. Richard (aged nine) gave an insight into the complex tapestry of reliance on other parents:

"My friend's parents – his mum and his Auntie Jean, we go to her house on Wednesdays. And he comes to our house on Tuesdays sometimes. On Thursdays we sometimes go to my sister's friend's house and her mum is called Anne. She takes Ruth to the Girls Brigade. Sometimes I go to Ricky's house. His mum usually takes us to Cubs some of the time."

It is perhaps small wonder that the whole family was happy that the children were due to spend a fortnight with their grandparents just after the interview took place. Richard saw that his mother and Phil needed this too:

"Sometimes we go on holiday with our nanna and grand-dad ... so that mum and Phil can do the housework and that and do what their jobs.... Just to give them time on their own."

# Time, work and space in self-employed households

In this chapter, we draw upon the household interviews to examine the organisation of work and family life, assessing the extent to which these arrangements are ‘family friendly’, and for whom. We start with a typology of self-employed working arrangements. They are labelled time greedy, rigidly scheduled, flexibly scheduled and work–family inclusive and their key characteristics are summarised in Table 3. After a discussion of this typology, we examine family life with respect to the workplace and the home. We then take a look at domestic work before turning to closer examination of work (paid and unpaid) by family members for businesses. Finally, we consider the role of non-family employees.

## A typology of self-employed working arrangements

In common with working parents in general, adults in the study households had to coordinate income-generating activities with care for young children, meeting the needs of older children and ensuring that domestic tasks (cleaning, cooking and so on) were performed. As we have already seen, parents usually had to undertake some form of work for wages as well as for a business in order to make a livelihood. Actual working arrangements, however, were quite diverse. The four-fold typology is drawn from the wealth of information interviewees gave us about their businesses and their work and family lives. It provides a tool with which to evaluate the structuring of the time allocated to work and family, including the childcare practices.

### *Time greedy*

The term *time greedy* alludes to workplace cultures in which ‘greedy’ organisations – usually large corporate employers or the public sector – make excessive demands on the time and commitment of their employees and squeeze out workers with non-work responsibilities (Franks, 1999). In this study, the time-greedy businesses involved the longest and most unsocial hours, often at the expense of the time, energy and emotion required for family. Owners of time-greedy businesses often found it hard to calculate their hours of work. Indeed, sometimes, as they answered our questions, they seemed rather shocked at how long they worked (see Box 6). Their working hours were unpredictable and it was this lack of predictability that had the most detrimental impact on family activities. There were stories of holidays being postponed and family celebrations missed as a result of unexpected demands from clients. When owners and their spouses talked about the need to respond to customer expectations, they usually stressed the importance of the business to the household livelihood. Some of the owners were painfully conscious of their lack of participation in family life and the strain on their partners. A few owners said that such relentless demands were to be expected when a business was young. For example, Jim told us that after two and a half years in business he had begun to have the confidence to tell clients to wait when he was overworked, although he still worked long hours. However, although change was possible, there were owners who had been in business for many years who remained in a permanent state of anxiety about losing work (see Box 6).

Table 3: A typology of working patterns in small-business households

	Type of working pattern			
	Time greedy ( <i>n</i> =11)	Rigidly scheduled ( <i>n</i> =7)	Flexibly scheduled ( <i>n</i> =4)	Work-family inclusive ( <i>n</i> =8)
Typical business activities	Construction Manufacturing Services (for example, training)	Hairdressing Catering	Personal services (for example, healing)	Childcare Pet care Sales
Working times	Long, unpredictable hours in response to market demand (Saturdays, Sundays and evenings)	Weekdays plus some regular evenings and Saturdays	Daytimes and evenings, fitted around family routines and the needs of children and others	Very long hours in some cases, in others confined to weekdays and daytimes
Place of work	Usually premises or clients' sites. Some work takes place at home whether home-based or not	Premises separate from the home	Home or premises or both	Home
Childcare	Usually managed within the household and wider family	A jigsaw of household, wider family and formal	A jigsaw of household, wider family and formal	Usually managed within the household, occasional help from wider family. No use of formal childcare
Gender division of domestic work	Rigidly traditional	Traditional but men 'help'	Traditional but men 'help'	Rigidly traditional
Issues for children and young people	Some resent fathers' lack of time	The structured day is liked	Work intrudes on family time	Lack of privacy

Most time-greedy businesses were owned by men. Indeed, all but one of the nine male-led businesses in this study fell into the time-greedy category. There were also two female owners and a husband-and-wife partnership in the grouping. Time-greedy businesses tended to be the ones that provided a relatively large part of the household income. Half of the eight women married to men with time-greedy businesses did not have any employment outside the business at the time of interview. Childcare was often kept within the co-resident household, where mothers sometimes got assistance from grandparents.

### *Rigidly scheduled*

The working hours and practices in these businesses had a structure similar to a traditional 40-hour week. *Rigidly scheduled* businesses had very different working patterns from the time-

greedy group. They provided services from business premises and were tied to opening hours typical of their sector and appropriate for their location. The rigidly scheduled businesses were hairdressers (four), cafés (two) and one caring business. Hairdressers, for example, opened their shops from around 9am to 5pm most weekdays plus one or two late evenings and Saturday mornings.

It was typically women who ran rigidly scheduled businesses (six out of the seven cases). Boundaries around home and work were much less porous than in the other businesses in this study. The group invariably had business premises outside the home. Although there was a fixed working day, a little give and take at the beginning and end of the day was usually possible for the owner by agreement with clients and employees. Some weekend and evening work was normal but, unlike the time-greedy

## Box 6: Work that never stops

Jill was one of only two female sole owners of a *time-greedy* business. She had recently opened a shop and also offered design and printing services:

Interviewer: "Do you have any idea how many hours you work altogether in a week?"

Jill [Laughter]

Interviewer: "A lot of people find it hard to say."

Jill: "Yeah – it'd be really scary [long pause] dedicated to the business I would say at least 12 – at least 12 a day."

Interviewer: "And in a week er five days, six days?"

Jill: "Six days – yeah, yeah – and then usually on a Sunday evening. Once Charlotte is in bed I'll do graphic design due for the next day [pause] or sort of whatever needs to be done for the shop."

Geoff had been the owner of a construction business for 14 years. He and his wife Brenda explained why he was willing to accede to apparently unreasonable demands from clients despite the disruption to family life:

Brenda: "These last few years summertime has been the lean period."

Geoff: "But I have had it happen that when it looks like there is plenty of work people have either been threatened with redundancy which obviously they have to shelve the job..." "

Brenda: [interrupting] "... things are so poor this year we'd arranged to start a holiday on the Saturday hadn't we?"

Geoff: "Hmm"

Brenda: "And you came in and said there was a job that wanted doing and if you didn't do it you were going to lose it – so we put the holiday off."

businesses, it was regular and predictable and therefore easier to fit into the schedules of other household members. Owners with young children needed childcare and this was usually a mixture of informal and formal forms. All these businesses provided more than a minor component income. Four women owners, with husbands in waged work, contributed substantially to their household incomes. Two lone mothers were supported by Working Families' Tax Credit.

### *Flexibly scheduled*

*Flexibly scheduled* self-employment, as the name implies, has some characteristics of 'family-friendly' employment. It was not typical in this

study. Business hours were arranged to be compatible with family needs and routines. The group consists of three healing practitioners and an ironing service. The owners – all women – were able to schedule work for their businesses around the needs of children, young people and other adults in the household. For example, clients for healing therapies can be treated at home in the evening when children are in bed. It is possible to break off from ironing to make tea after school and resume it later in the evening. This way of working makes organising care for young children, and being around for older children, easier than employment – or self-employment – with rigid hours. However, flexibly scheduled businesses do not provide a complete solution to problems of combining paid work and caring. None of their business

activities could safely or reasonably be performed in the presence of young children. Households used a combination of informal and formal childcare to supplement childcare within the resident household. Flexibly scheduled businesses were not necessarily perceived as 'friendly' by all family members. In the case of one of the healing businesses, for example, the children resented that they had to go to bed early when their mother treated clients at home in the evenings.

No flexibly scheduled businesses in this study provided for a household without some other income source: two were owned by married women whose households were largely dependent on their husband's wage, and one was part of a household-income package including a partner's wage and her own part-time employment. A lone parent with some unearned income also had a flexibly scheduled business. All four flexibly scheduled businesses were 'one-woman-bands' without employees. Spouses did not participate in business activity except in casual and superficial ways (occasionally taking telephone messages, for example). Businesses could be wholly or partially home-based, but owners and their families tried hard to maintain separation between home and work. The household context was played down, as far as possible, to clients.

### *Work-family inclusive*

All the businesses we label *work-family inclusive* were based inside or adjacent to the home. Unlike other home-based cases, however, the home and family were physically and emotionally incorporated into the business. Superficially, the work-family-inclusive businesses may be described as 'family friendly' because they enable income earning to be combined with caring. However, they do not achieve this in the same way as the flexibly scheduled group. Work for the business is not arranged around the home and family, but incorporated into them. As a result, common assumptions about what is 'public' and what is 'private' do not apply. Children's lives cannot fail to be intimately affected.

The most characteristic businesses in this group were the providers of family daycare (five cases). Three other businesses shared work-family-

inclusive characteristics: a home-based enterprise retailing household products by telephone and internet, a boarding kennels, and a village shop. In all these cases, the home environment was actively promoted to clients as an asset. It was possible to conduct the business in the presence of young children. Indeed, owners and their spouses usually disliked the idea of formal care for their children and often resisted using any form of childcare outside the co-resident household. Working hours varied from very long to relatively short. It was almost impossible for family members in work-family-inclusive businesses not to participate in some way. None of these businesses provided a whole household income. Two of them (the shop and kennels) had non-family employees.

### **The workplace and the home**

For employees, workplace and home are generally separated. For the self-employed, the boundary between workplace and home can be constructed in different ways. The households we interviewed had a variety of locations for their businesses. There were home-based businesses (10), businesses with premises adjacent to the home (four), and businesses with separate premises (16). Even for businesses with separate premises, some work often went on in the home as well. Occasionally, the reverse occurred with domestic life entering business premises. Jill (time-greedy business) resolved some of the conflicting demands of being a mother and a business owner by encouraging her 13-year-old daughter to spend time in her shop:

"Charlotte comes back here from school and does her homework here, ..., it's usually quiet around that time, so I can help her, and then I can be involved with her school work as well."

Only the group labelled rigidly scheduled made little use of the home for business activity. Sometimes, like Jill, they brought 'the home' into the workplace. Hairdressers, for example, reported taking very young children, even babies, into their salons, although not as a matter of routine.

Most owners of time-greedy businesses had premises or used the home as a base but, in fact,



mainly worked on clients' sites. Nevertheless, the heavy demands of the business tended to impinge on the home. The most extreme case was in the household of Mike (gardener) and his partner Karen who had her own separate business. The extent to which Mike's business invaded their small house was a cause of friction within the family. He had an outbuilding full of gardening tools but he kept a cement mixer and a lawn mower in the kitchen. As a result, the family could not sit around the kitchen table. According to Karen, her teenage son, Ben, was embarrassed by the kitchen and took care not to let his friends see it.

Others had permanent workspace at home. Roy, for example, had an office in the attic; Lloyd's wife, Carla, revealed that he had a desk in their bedroom although he had recently moved his office out of the home. The main way in which work intruded into the home was by customers telephoning there. This could be unpleasant, especially at night:

"It doesn't happen as much now, but it can be quite startling. The phone is next to you, and just going – you don't know if some part of your family has got something wrong or something, you know, health wise or something, when something has gone wrong. You don't know what to think, you know, not until you answer the phone anyway." (Roy)

Conflict between business needs and domestic ones occurred around telephones in other ways. In this example, the necessity for a business owner to be available to potential customers in the evening clashed with his teenage children's use of the internet for their homework:

"We went through a stage where there didn't seem to be any customers phoning, and what was happening was they were phoning sort of between 6, 8 o'clock which was the time the girls were coming in from school. They wanted to use the computer for homework or whatever they were using it for. With the result that people couldn't get through and were just giving up. So the Internet – unless it's serious homework – is banned between 6 o'clock and 8 o'clock now." (Geoff, two daughters aged 15 and 19)

Owners of flexibly scheduled businesses were better able to avoid intrusion on their families by telephone. They made use of answering machines and refused to take work calls at mealtimes or late in the evening. Clients visiting the home, however, could be a source of conflict within the family. Leanne, working from home, was concerned about clients' perception of the home environment. She worried about them seeing a domestic mess as they walked through the kitchen and living room to her specially adapted treatment room. This meant that she had to ensure that washing up and vacuuming were completed before clients arrived and that the children did not leave toys lying around the living room.

A theme that emerged from our earlier study of small businesses in remote, rural Northumberland was the way in which work for the business was conducted when young children were around (Wheelock et al, in press). Rural small-business owners tended to present this to us as a positive aspect of their working lives. The businesses we label work–family inclusive in County Durham and Teesside shared that characteristic. These were businesses in which income-generating work was not arranged around the family but as part of it.

The archetypal work–family-inclusive businesses are childminders whose homes and families are part of the 'family' childcare they offer. The daily work of a childminder has many features of her role as a mother (Gelder, 2002). The family-like environment distinguishes the care she can offer from the services of a nursery. When she takes children into her home for payment, a childminder and her family accept that their 'private' space has, to some extent, become public. The childminders' husbands in this study sometimes, but not always, took an active interest in the minded children and played with them. They inevitably found aspects of childminding affected their day-to-day lives and sometimes complained about minor inconveniences, for example that parents stayed too long when they came to collect children. In general, however, they liked the constant presence of their wives at home, and strongly approved of their ability to remain full-time mothers while earning income.

Children of childminders often appreciate that their mothers are at home but the presence of a

childminding business cannot fail to impact upon their daily lives<sup>14</sup>. For example, they have to ensure the safety for younger children by keeping stair gates closed and not leaving small objects around. Their activities and movement around the house may be restricted when babies are sleeping. An issue that can be difficult for children of childminders is how to share toys:

“He [minded child] always goes, ‘Oh well, I’m not letting you play with my stuff.’ Mum goes, ‘If you don’t let her play with it then you are not playing with Josh’s Playstation. Or you are not going on the computer. You can just sit there and do nothing.’ If they bring toys then they have to share them.” (Josh aged 12)

Childminders’ children assist their mothers in various ways with the minded children. Girls were likely to talk of “helping” with the children while boys would describe similar activities as “playing” with them. Being the child of a childminder can offer teenagers opportunities to babysit for money. Tina (15) could earn £10 an hour (£15 when it was getting late) by babysitting children in their home who were also looked after by her mother during the day. (Chapter 7 looks at the work that children from other types of business household undertake.)

Three businesses providing services other than childcare had work–family-inclusive characteristics. They too involved close integration of the family and the business. Integration, moreover, was represented as both a business asset and a good way of working for the family. Sylvia and Graham (husband-and-wife owners) market themselves as a family business. A family story that the product was devised for the children is part of its public image and displayed prominently on the business web site. The business was located in the home (a small ex-council house) and extremely invasive of the limited space – the ‘living room’ was unusable because it was full of wrapping materials. Sylvia worked for the business at home with her youngest child (aged three) present although this was not easy and could result in some fraught situations. For example, she related an anecdote about watching him

open the fridge and empty its contents onto the floor while she took orders from a client over the telephone. The oldest child (Shawn, 13) was very positive about the business because he sees it as belonging to the whole family.

The work–family inclusive businesses enable mothers and children to spend much more time together than other forms of self-employment. Fathers’ involvement in the business and family is more varied although they cannot fail to be affected in some ways. However, these businesses make demands on family members and household space that are unlike most other forms of work.

## Domestic work

Both maternal and paternal self-employment is associated with a more traditional division of labour within the household than in households dependent on waged labour (Bell and La Valle, 2003). In this qualitative study, domestic tasks were overwhelmingly the responsibility of women in two-parent households whether they were business owners themselves or partners of male business owners. The most extremely gender-traditional arrangements were in the homes of men whose businesses were time greedy and in the work–family-inclusive households.

Undertaking domestic work is an essential part of provisioning a household. A man or woman with children can only run a time-greedy business if someone else takes on responsibility for caring and domestic work. Men in this category and their wives often seemed puzzled to be asked questions about the domestic division of labour. A characteristic response was to refer jocularly to men’s domestic incompetence:

“She does everything – I would not know where to start.” (Roy, joiner)

“He wouldn’t know how to work the washing machine.” (Carla, wife of Lloyd, builder)

There were just two sole female owners of time-greedy businesses, Debbie (trainer), a lone parent who lived with her elderly father, and Jill (retail of art materials, design and printing). Debbie’s father had taken on domestic

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<sup>14</sup> The research allowed us to gain particularly clear insights into this issue as children from all five childminder households were interviewed.

responsibility in the recent past (but at the time of the interview his health was failing). Jill's partner not only helped out in her business, but played an unusually egalitarian domestic role in their household. Although gender-rigid, traditional divisions of labour were typical in the study households, there were a few other exceptions. In common with Jill and her partner, these tended to be younger couples, especially in relatively new relationships.

Women business owners in flexibly scheduled and rigidly scheduled businesses rarely had partners who shared domestic labour but they usually described them as "helping": by washing up, making babies' bottles, or ironing their own shirts, for example. Women business owners talked of domestic tasks as their responsibility and sometimes expressed anxiety about fitting them in:

"On a Monday I can't sleep if I know I haven't ironed. I wash on a Sunday, iron on a Monday and I won't go out on a Sunday morning, will I? Because I know I've got my housework to do. So it becomes maybe a bit too much of an obsession. I like to keep the house clean and tidy." (Alice, hairdresser)

"I'm so used to having the house immaculate, what kills me is leaving them [sons 16 and 19] you know, because they are at college at different times and it kills me just going back and finding the house in utter disarray." (Laura, therapist)

Traditional divisions of labour were persistent and almost never questioned by women, men or children in the households of childminders and other work-family-inclusive businesses. Nine-year-old Emma – a childminder's daughter – for example, revealed how she is learning the female domestic role. She was asked who did the shopping in her household:

"My mum but sometimes my dad does but I have to go with him because sometimes he doesn't know what to get ... because he doesn't know round the shops like me."

## Participation of family in businesses

As we have seen in Chapter 4, work by family members may contribute to business viability. Although only three businesses in this study were family partnerships, sole owners often relied heavily on family members who had no formal business role. Over two thirds of the businesses (21) had some form of family participation, confirming the significance of this kind of contribution, as found in other studies (Baines and Wheelock, 1998; Corden and Eardley, 1999; Ram et al, 2001; Baines et al, 2002; Sanghera, 2002; Wheelock et al, 2003). In many cases, it was co-resident spouses who worked in the business; older children and wider family members – parents, siblings and so on – also participated in various ways. Sometimes this was in the form of occasional help but there were businesses that would not have been sustainable without hard work and commitment on the part of family members. It will also be remembered from Chapter 4 that spouses were often active in the labour market, so that working in the business might be just part of their income-earning workload. It was the norm for wives of the male owners to supply their labour on a regular basis to the business, as indicated in Chapter 4. Of the eight women married to owners of time-greedy businesses, only two (both with young babies and other children) were not working for the businesses at the time of the interview. Both women had worked for their husbands in the past and still made occasional contributions (for example, looking after business guests in the home, banking money).

The long and irregular hours men worked for their businesses could make holding any kind of job outside the business, even a part-time one, difficult for their wives. Elaine was the only woman in the study with a full-time job and a husband in a time-greedy business. This was one of the most economically vulnerable households and time was also a source of great stress. Ken worked evenings and most weekends. He came home tired, anxious and, by his own admission, sometimes bad tempered. Despite her job and her responsibility for their three-year-old child, Elaine also worked for the business. She worked at home on the computer in the evenings and took a one-day 'holiday' every month from her job to help out with administrative tasks in the business premises.

Her husband's long hours, shortage of money and the heavy demands of the business made on her own time meant that she had given up leisure activities, voluntary work in the community and her plans to take evening classes in computer skills.

The most typical tasks performed by wives of male business owners were bookkeeping, ordering, making out invoices and answering the telephone. Men's attitude to these tasks could be ambivalent. They were essential for the viability of the business and men sometimes commented that they lacked the time, the ability or both to undertake them. At the same time, they were not seen as productive like the physical labour involved in building, manufacturing and so on. The implication was that such 'unproductive' labour lacked the status of 'real' work. Roy, for example, admitted that he could not do his own bookwork. Yet when his wife described their joint contribution to the business as "team work" he responded facetiously:

"There is a man there wants his house knocking down so you can go along if you want [laughs raucously]. That would be team work wouldn't it?"

In contrast, men in the households of female business owners tended to commit less time to the businesses. This is hardly surprising as they almost invariably had full-time jobs (though Chapter 5 showed that they might contribute to childcare). In general, women owners in this study who lived with men described their partners as helpful and encouraging. Their practical support to the business was often particularly important at start-up when they helped to get premises ready and install equipment.

Some owners' children made an important contribution to the businesses because they were the only members of the household with computer skills. Young people in the study households – if paid – were almost invariably paid cash in hand when they worked for their parents, as was the case in remote rural areas where there is a stronger tradition of family participation in businesses (Baines et al, 2002). Parents sometimes talked about their businesses as possible career opportunities for their children. In general, the young people themselves did not share such hopes although

they appreciated opportunities to earn money in the short term. We return the children's roles as business workers in Chapter 7.

Only two of the businesses provided long-term jobs for members of the owner's wider family. Lloyd was proud that he was able to give his father a part-time job that made a substantial contribution to the income of his parents' household. The other example of family employment was not successful. An owner's brother was described as an irresponsible employee and this was an ongoing 'bone of contention' for the owner and his wife. In addition, two owners told us about past employment of family members that had ended acrimoniously. Members of wider family were often described as too busy or lacking skills to make a contribution to the businesses. Nevertheless, family members who were not employees were participants in some businesses. Lynne, a hairdresser without employees who was a lone parent, was supported in her business by her large extended family, most importantly by her mother and sister who worked in the salon at busy times. Laura (healing) was a sole owner whose mother had the same qualification and treated clients when Laura needed to be at home for domestic reasons or wanted to visit her away-working husband overseas.

For many families, despite long hours and poor rewards, there were satisfactions in working together for a business. A positive aspect of having a business in the family for young people was the opportunity to gain experience of the world of work (see Chapter 7). For women who helped in their husbands' businesses, however, there could be personal losses. Women may find themselves trapped in work for which they are not trained, and without the time to maintain or develop their own labour-market skills. This jeopardises female financial independence and raises the risks to household livelihoods in the event of business failure. What is more, the risks arising from business failure are likely to fall more heavily on women who have not maintained labour-market skills due to involvement in their husband's business. Women are also subject to greater risk of relationship failure in respect of their independent income-earning capacity.

## Non-family employees

Just over a third (12) of the study businesses employed non-family members at the time of the interview. The presence or absence of staff was in part related to sector. Some owners believed that the nature of their business precluded any possibility of ever employing other people. This was invariably true of the childminders<sup>15</sup>. Healing practitioners thought their services were too personal to entrust to others. Hairdressers, on the other hand, usually had employees. The only one with no staff at the time of the interview had briefly employed a young woman but found that the business did not generate enough money to pay her wage. As noted above, she was reliant on family members to take on work that staff would typically do in a salon.

Business owners who potentially could become employers were not necessarily ambitious to do so. Some of them simply did not want to take on an employer role. Roy, for example, said he was “not a boss type”. Jim explained his wariness of becoming an employer in terms of fairness to potential employees under uncertain market conditions:

“The only people that I knew that could do the job were already employed. So I would have had to try and entice them from their present job to come and work for me, and I would have felt quite rotten if I’d took them on and three months down the line the contract ends, you know.”

Some people thought that ideally the business and any income it generated should stay within the family. Shop owners Anna and John, for example, bitterly regretted that their business could not rely entirely on family labour and spoke of their employees as “strangers” who could not be trusted, in contrast to family who could. Jill hoped that her new business would grow, and, if it did, her first employee would be her sister.

There were owners who were proud of their achievement in becoming employers and so sustaining the livelihoods of people beyond the family:

“One of the girls has just had a fortnight in Turkey. She could never, ever have afforded that. So it’s a case where, now she’s working, her kids are looked after. She said ‘I even got myself out of debt’. So it’s, it’s worked out well for her.” (Millie, café owner)

Millie and several other female owners claimed they were flexible employers, considerate of their employees’ family needs.

Having several employees could make additional demands on owners but could also provide opportunities to adjust workloads when necessary. (Basu and Altinay [2003] found that owners tended to work longer hours in larger businesses but in the North East study, where businesses were small and most did not have employees, there was no such clear pattern.) Taking on staff gave some owners a little freedom for domestic needs that they could not enjoy as a one-person band. This was true in the case of hairdressing, in the sense that staff could deal with clients if the owner wanted a day or part of a day away from her salon. On the other hand, the needs of staff and those of the employer were occasionally in conflict. Two hairdressers (Haley and Heather) said they had gone back to work after the birth of a child sooner than they wished because they felt guilty about the burden of their absence on their staff. Yet workers in the low-waged industry of hairdressing were not always reliable. Haley complained of the strain on her domestic arrangements when her employees suddenly “decide to throw a sickie” on her day off.

Male business owners similarly gave accounts of the benefits and pressures of having staff although they tended not to express them directly in terms of effects on domestic life. One of the largest employers, Lloyd, took a paternalistic interest in the welfare of his workers, excessively so in the view of his wife. His “lads” seemed to add to, rather than diminish, his anxiety about the business and this spilled over into family life. Geoff, who had only one employee, said he had found a conscientious worker after several bad experiences and felt less stressed about his business as a result.

Taking on staff was described by employers and non-employers alike as a serious responsibility,

<sup>15</sup> However, two childminders did have wider family help from an aunt and a grandmother respectively.

not to be undertaken lightly. In general, businesses existed to contribute to household livelihoods and only a minority provided employment beyond the family. Owners looked to their spouses and other family members for most of the help they needed.

### Flexibility or self-exploitation?

Although few businesses in this study were 'family' businesses in a formal sense, most of them made heavy demands on family members. The most obvious and dramatic impact on families was the very long and variable hours that many owners themselves worked. Any increase in household income from starting a business was usually at a high cost in terms of working time. Many owners had limited options in the labour market and it cannot be assumed that their long hours in self-employment were solely the result of a freely made choice to maximise income at the expense of family time.

Undertaking domestic work is an essential part of provisioning a household. Domestic tasks were overwhelmingly the responsibility of women in two-parent households, whether they were business owners themselves or not. The most traditional arrangements were in the homes of men whose businesses were time greedy and in the work-family-inclusive households. Husbands of women business owners in rigidly scheduled and flexibly scheduled businesses often 'helped' their wives domestically. The boundary between workplace and home is constructed in a variety of ways by the self-employed. Some work went on at home even in businesses with separate premises.

A business in the family often involved work on the part of owners' spouses, even when they had other jobs. Young people also contributed time and effort to the businesses. Although some interviewees (adults and children) emphasised the enjoyment of working together in a 'family' business, the demands of a business could make it difficult to find time to spend together as a family. Working arrangements reported by business owners and their families in Teesside and County Durham are consistent with other studies that have found that the celebrated 'flexibility' of the small business can amount to an extreme form of self-exploitation (Baines and Wheelock, 2000; Sanghera, 2002).

# The experience of children

How does any work–life balance, controlled by adults, look from the perspective of their children? With respect to the ‘family life’ side of any balance, children are the ones in need of nurturing, care and protection. They are the recipients of balance – or imbalance. Parents clearly like to spend time with their children but, when busy earning money to provide for their children, they may have to share out some of their childcare responsibility. In families where parents are employed outside the home, children are generally excluded from the ‘work’ side of their parents’ lives, but this is not the case with self-employment. We draw on interviews with children from 16 households, whose parents were active in a range of business sectors, but including all five childminding households. In this chapter, we will look at the ways in which children may play an active role in their parents’ work–life balance, showing children’s involvement in the ‘work’ side of any such balance in self-employed households.

## Children and ‘family life’

### *Surviving and making do*

In Chapter 4 we have seen the link between a household’s economic well-being and a family’s well-being. Children observe the financial decisions of their parents and register the changes in living standards:

“She makes more money than what she did when she was just employed by someone else. [I] get a lot more presents.... Recently my mum has stopped smoking. So she’s had more money, so she’s been buying us a

lot of clothes. Before that she was just buying our Robyn [four years old] stuff because she was little and she was growing.” (Tom, 11)

“If she didn’t do that [work as a childminder] then you wouldn’t like, have nice clothes.” (Tina, 15)

Parents are not always able to protect their children from the consequences of cutting back. However, children are not just recipients of provisioning. They take an active role in consumption decisions. Of particular interest to children are the food on the table, their leisure activities and their clothes. Some children appear to have a considerable say in what food is bought. Shawn (aged 13) “would tell them what [he] wants” or Annie (aged 14) would “write mum a shopping list”. Most children liked the family’s diet, particularly if it had elements of fast food, like burgers and fish fingers. Frozen or tinned food that can be prepared in the microwave allowed children access to hot food when their parents had no time to cook. Nearly all children were, to a varying extent, involved in food preparation, at least for themselves or their brothers or sisters. Even young children, where parents felt the use of a conventional cooker or oven would be too dangerous, were allowed to heat up food in the microwave.

Decisions over clothes are more contentious. Many of the interviewed children had developed expensive tastes. “The sport stuff I like most is Nike which is the most expensive stuff” (Josh, aged 12). Children knew how much parents were willing or able to pay. Pocket money can fulfil the function of a buffer between children’s and parents’ interests. Some of the children received a pocket-money package made up by

parents and grandparents. None of the children reported clear restrictions in what they could or could not buy for their pocket money. However, expectations could be attached. Children may be supposed to save up money in order to have spending money when they go on holiday.

Others were expected to save pocket money for buying clothes. Some children explained that they tried to save up their money to buy a hobby item or a pet. Pocket money could be used in a more abstract way. Children with expensive hobbies did not receive pocket money in the form of a fixed amount at a fixed time:

“She pays for all my hobbies, all my clothes and all my make-up and everything like that. So I would say, if I got pocket money I’d get a bit spoiled. So I don’t think I need any pocket money.” (Tina, 15)

Older children had access to other sources of money. Within the wider family, babysitting was an opportunity. One young man had a part-time job in a bar. A 16-year-old interviewee had a Saturday job in a shop. Some money-earning opportunities were connected to their parents’ business. Two of the interviewees (Paul, 17 and Andrew, 18) received money for attending a college course (one £40, the other £45 a week). One of these two young men earned an additional £20 a week from work as part of his college course in his mother’s café.

Exceptionally, another young woman who works regularly in her mother’s café is only paid when the café made enough money:

“I don’t get paid. I do it voluntarily. Only every now and again I get paid, you know, when she’s made the money.” (Kelly, 17)

Paul had the opportunity to “do joinery things” for his parents’ business and claimed he set the price he charged. Younger children seemed to have fewer opportunities to earn money from their parents’ business. None of the children where the business was situated within the family home received money for their contribution. Being the child of a childminder offers babysitting opportunities, as we saw in Chapter 6. Ironically, Tina (aged 15) can earn considerably more than her mother charges per hour for formal childcare. Money earned in this way by children is not put into the household’s kitty. Yet it relieves the pressure on parents to

finance their children’s hobbies, clothes and socialising.

### *Contributing to household work*

Another aspect of the family side of the work–life balance is domestic tasks. Children add to the amount of necessary domestic work. However, with increasing age children are able to take on domestic tasks – in principle. The interviews with children of self-employed parents showed two interesting points. Firstly, as we saw in Chapter 6, in all of the households mothers were mainly responsible for domestic labour. Secondly, children, even teenagers, were hardly involved in domestic tasks at all. There was only one daughter who claimed that, due to her mother’s business activities, she had to spend more time on cooking and cleaning. However, all of the children were expected to keep their room tidy. Some had minor cleaning tasks, for example vacuuming the stairs or doing the washing up. This was loosely connected to the amount of weekly pocket money children receive. None of the children was involved in washing clothes and only the older girls ironed some of their clothes.

### *Being looked after*

Most of the children interviewed were attending school, college or were in training. These commitments structure their daily lives, but also result in commitments on the part of parents. Younger children had to be taken to school or arrangements need to be made to arrive there safely (Skinner, 2003). After school, children need to be collected and parents are supposed to support their children in completing set homework.

In their accounts of who looks after them apart from their parents, children did not necessarily differentiate the underlying reasons for parents’ need for childcare. Parents may engage in paid work, undertake unpaid work, spend some leisure time without children and view childcare as benefiting the child. As Chapter 5 has demonstrated, most of the childcare is organised within the closer and wider family. Siblings may be expected to look after a younger one for a while, for example, Andrew was 11 when his mother started her business:



“Yeah, it was all right because we just came home from school and he just kept an eye on me until my mum came back, which was only a half hour like.” (Interviewer: “But if there is only this little age difference then did you keep an eye on him too?”) “No because I’m the youngest, so I’m the baby.” (Andrew 17, brother 19)

This was not always possible or does not work out: “Mum doesn’t like it because we always fight.” (Josh, 12, has 14- and 6-year-old sisters). A younger child may be too demanding on the older brother or sister:

“I don’t really like that, because she’s just four years old, and she’s getting into her naughty stage. And she’s just really annoying. She doesn’t do what you tell her to, and she’s just always naughty.” (Tom, 11)

In the eyes of children, grandparents were seen less in their role of providing informal childcare than as people they liked to be with. Some children claimed to have considerable choice in whether they would like to stay with their grandparents:

“I ask, ‘can I phone my nanna, please?’ And then my nanna says, ‘will you – you can sleep. Do you want to sleep at your nanna’s?’ And I say, ‘yeah, can I come up tomorrow?’” (Barbara, 9)

Other sources of unpaid childcare were neighbours and friends. How they developed or how arrangements are maintained, for example, through reciprocity, was not of interest to children. Children’s accounts of who looks after them show that it is difficult for them to define ‘childcare’. Children are in relationships that, among other things, result in something that provides parents with childcare of some kind. Children arranged to visit their friends after school or spent time together during school holidays. This freed parents from the duty to supervise their children and could take the function of childcare. Yet it depended on which friendships between children developed and were maintained, and whether the other households’ schedules could accommodate young visitors.

A different source of childcare is leisure activities for children. Their most important objective may not be to provide working parents with childcare during working hours, but to offer children opportunities to learn or practise new skills. In some communities, holiday schemes operate and were used by some of the interviewed children. There were only a small number of children who had been looked after in such formal childcare settings. This, and the decision to end these arrangements, had been entirely the parent’s decision.

As children grow older, the time they are allowed or expected to be without direct supervision extends. Some of the interviewed children valued times when their parents were tied up, because they “get free time and it’s fun playing about, and not having any rules” (Richard, aged nine).

## Children and ‘work’

Being the child of a self-employed parent offers opportunities to be involved in the work side of the work–life balance that is unlikely to be available to other children. They learn about self-employment by listening to their parents, by observation and from their involvement in the business. Being involved in the work of their parents allowed children either to contribute to the running of the business by using specific skills or by developing new skills. Observations and involvement of children depended on the location and the nature of the business, and, in some cases, on the imbalance of computer skills within the family.

### *Being there when the business starts up*

Despite their involvement, children did not have a say in the decision to start up a business. A considerable number of children were too young to remember the time when their mother or father had started a business or were not born at the time. Those who were old enough to remember the time of the business start-up were most likely to have been informed about this decision but were not involved in taking it. This appeared to be the case even where the 17-year-old daughter worked every day alongside her mother.

Sandy was nine years old when her mother started a business as a trainer. When she was asked whether this decision was discussed she replied: "No, she just was really excited and she told me that's what she wanted to do. And I said, great, go for it." However, Sandy was not always so approving of her mother's career decision, and once she tore up all her mother's business cards. Sandy explained that she then lacked the level of understanding and that she resented that her mother did not pay her full attention. Karl provides an example of a child who was able to verbalise his disappointment and disapproval:

"I remember her telling us what her new job was going to be. I was pretty disappointed when she said that because I thought I did not like 'a bit more kids' and that." (Karl, 10)

Similarly, to continue with the chosen form of self-employment remains the parents' decision,

even when met with disapproval by their children. Karl still had not warmed entirely to the idea of having a childminding business in the home, and sometimes tells his mother. Then:

"She'll either go a bit angry, or she'll probably like discuss it again with me, and just say, 'this is right, I need to do this. And it's really good for all of us, because I don't need to go out' and I don't need to go to childminders where it's going to cost lots." (Karl, 10)

There were two children who talked about the risk their parents took in starting up a business. Both had in common that they did not confide in anybody that the things they had overheard or seen unsettled them. Perhaps they picked up on their parents' aim to protect them from worries of this kind and their parents' understanding that children are not to be involved in this kind of decision. The hopes and fears of an eight-year-old are illustrated in Box 7.

### Box 7: Hope and fears

Ruth (eight): "[My mum] started it off just like going to college. And she told us about going to college and starting to work and stuff. And going to London to do like styles and things, examples. And she said that it would get a lot better in the future."

Interviewer: "What would get a lot better?"

Ruth: "Well, my mum getting better at the [work] and stuff. And we might be able to get better food and maybe get a holiday with the money that mum gets."

Interviewer: "Do you remember what you were thinking about her plans?"

Ruth: "I was thinking that it might not work out. But it did. I was thinking if anything happened, like went wrong. Because it says on my mum's certificate this high amount of money would, she'd have to pay if the client didn't like what she did or something.... If something like that happened I was thinking it might be really bad. And we'd have to lose the house, move to other property."

Interviewer: "So were you worried a bit?"

Ruth: "A bit."

Interviewer: "Did you talk to your brother about it?"

Ruth: "No."

Interviewer: "Did you tell your mum that you were worried?"

Ruth: "No."

There was only one girl, Monica (14 at the time), who claimed some involvement, because she “likes to have [her] stamp on everything”. Monica’s concern was the physical demand on her mother of this business idea. Monica claims to have been shielded from the financial considerations and implications.

### *Developing and applying skills*

A number of businesses appear to rely heavily on the IT skills children achieve at school. The school project “designing personal stationery” turned out to be a real-world exercise for Andrew and the resulting letterheads and business cards are used for his mother’s business. Attempts to pass on IT skills to parents turned out more difficult than anticipated by children:

“I am really good with the computer. None of them is really very good on the computer. They are not really patient with it and I get quite annoyed because.... So I don’t really have a choice. I always have to scan forms for them because they don’t know how to use it.” (Annie, 14)

Children of other self-employed households achieved knowledge of the healing power of oils and how to blend them, learned how to handle animals and observed wagon maintenance and repairs. Observing her mother’s work with young children helped Tina (15) to develop personal skills. She learned “not to lose your temper, because I lose it very easily”. Taking a wider perspective, some children were interested in observing how a business idea developed into the self-employment of their parents and the steps they needed to take.

For some of the children, their parents’ business allowed them to consolidate their skills by offering opportunities to earn money with skills learned in an apprenticeship, or access a work placement in the café of their mother in connection with a college course. Similarly, skills acquired in their parents’ business could help to find work. Monica (aged 16) claimed that her childhood experience in her mother’s shops helped her to find a Saturday job in retail. Older children of childminders could gain the opportunity to babysit the minded children in the evening.

Yet participation in their parents’ business – depending on skills, connected to age – could result in a skewed image. Older children, as we have seen, often contributed their computer skills to the running of their parents’ business. Younger children were involved in packing goods, some assembly work or looking after animals. Children of parents with this kind of self-employment could find it more difficult to grasp other sides of the business, for example customer care, banking and forward planning. These aspects of self-employment did not figure in their description. Being paid for a piece of work for the furniture-restoration business of his parents offered Paul, 17, an opportunity to show his skills and offered him insight into this type of work, but might not result in a better understanding of customer care and the business side. In a different kind of business, a hairdressing salon, helping out during holidays and a period of staff shortage taught Tom, aged 11, the need to be polite to customers and offering tea as good business practice. Annie, 14, did not know a lot about her father’s work as a joiner but might know more about the administrative side of this form of self-employment. Annie and her mother supported him by doing paperwork for the business.

Similarly, children of childminders have ample opportunities to observe and participate in the work of their mothers, and at the same time need to define the boundary between themselves and the looked-after children:

“Some kids will come, little kids and big kids, will come and our mum would have to mind them until their parents have finished whatever they’re doing, and then they come to pick them up.” (Karl, 10)

“We play with the babies to help our mum, but the other two are just friends.” (Interviewer: “do you help feeding?”) “No, I don’t usually help doing that. My sister does. She’d usually assist my mum changing the nappies and stuff like that, but I just stay in here and occupy the children.” (Josh, 12, sister 14)

These children described the work with children, but did not talk about the business side of childminding or the need to negotiate their working conditions with parents.

In contrast to the children of childminders, other children appear to have more agency in their level of involvement. In the household of an aromatherapist, the nine-year-old son did not seem to know a lot about the work of his mother and was not interested in helping, whereas his eight-year-old sister did help and enjoyed being involved.

At one end of the scale of involvement, Sandy did not participate in the business although she seemed to be well informed about the nature of her mother's work:

"She's a training and development consultant and she specialises in customer care. And that basically means that she designs, like, courses for people that come and do, they like help them like to treat the customers better or like get the staff more involved with each other and sort of better teamwork and stuff." (Sandy, 13)

On the other end of the spectrum, there are Kelly and Andrew (both 17), who worked in their respective mothers' cafés. Andrew worked as part of a college course in customer care:

"Well she works in the café and she does like all the meals and things, well most of them it's like shared around with the other staff and I work out the front on the till and serve people and take the meals and things off them." (Andrew, 17)

Apart from daily work in the café, Andrew gained further insight into running this type of business because he typed business letters for his mother. Kelly was aware of her limitations:

"I couldn't like, cook a chicken. I can do like breakfasts, sandwiches. My mum does the dinner... I could not do [the paperwork]. I'd knock it up and then I'd get wrong off my mum." (Kelly, 17)

Kelly was the only child interviewed who appears to see her future in her mother's business. For example, Paul detested the financial insecurity of his parents' business, Andrew was more interested in training and work in IT and Shawn would like to become a lawyer.

## A balance for children?

How do children experience and view their parents' attempts to achieve a suitable work-life balance? Taking as a starting point the four-fold typology of self-employment introduced in Chapter 6 shows that the consequences for children differed considerably in two of the groups. Children's stance towards the time-greedy business ranged from appreciation – because it allowed them freedom to do what they liked – to resentment – because there was a lack of time that could be spent with the father. In one case where parents described their business as work-family inclusive, the daughter's description had an implication of time-greedy self-employment. In fact, Yvette was concerned for her parents' well-being:

"I would probably change, like, the long hours they work. They don't get like very much sleep. They feel like really tired the next day and everything. And it would be nice for them to having more time to sleep. Mum's really tired all the time with working long hours. It would be nice if my mum and dad, well if my mum would have more time to come out to places." (Yvette, 11)

Other children did not mind, because their mother was looking after them. Similarly children growing up with a work-family-inclusive business may feel proud of the family business and its achievements, or enjoy, for example, the chance to meet new friends or play with babies. Others resented the intrusiveness of such businesses. The latter was particularly the case for children of childminders:

"Paying a bit more attention, try not to be as naggy because of minding so many kids. If she could try and mind some older people who I could make friends with. And if she could pay a bit more attention to [my sister] and me, because she's very busy with the little kids, looking after them." (Karl, 10)

The children with mothers attempting to set up a flexibly scheduled business appreciated the aim. However, in two households (Leanne and Phil's and Hannah's) the flexibility had reached its limits, such that work demands ate into the family time. The least criticised set-up was that of the rigidly scheduled business. Parents' own

structured working time also translated into a clear structure for children.

Being the child of self-employed parents is a mixed experience. On the positive side it can result in a sense of achievement and a strong feeling of joint activity. It allows children to use the skills acquired in school or to learn new skills, and provides children with earning opportunities. However, the price may be less time spent with their parents. For others, the disadvantage was that parents did not pay them the amount of attention they would have liked, or were too tired. Most parents appeared to be successful in protecting their children from feelings of financial insecurity. Yet when this was not achieved, children worried and did not talk to their parents or anybody about their fears.

# Conclusions and policy implications

Business start-up policies are increasingly linked to measures to combat social exclusion and aimed at groups whose uptake of business ownership has tended to be low. 'Family friendliness' in the workplace has had a high profile in recent years but it has rarely been considered from the perspective of owners of small businesses and their families. The research upon which this report is based sought out their narratives in order to uncover how far small-business promotion policies can address social exclusion in a family-friendly way. In this concluding chapter, we summarise the key findings and set them in the policy contexts of business start-up, livelihood sustainability, childcare and the work-life balance for parents and children.

## Entering self-employment from a position of relative disadvantage

The businesses in this study were founded against a background of limited livelihood choices. Low-waged jobs, work away from home, and unemployment were often the alternatives. Businesses were typically started with limited financial resources. Start-up grants of around £500 could make a considerable difference to households with a low resource base and ensure that they did not take unsustainable risks with indebtedness. A few interviewees had started up businesses as an escape from long-term benefits dependency. They perceived leaving benefits as risky, but the possibility of 'test trading' under the New Deal could relieve some of this anxiety. Many of the owners we interviewed had received grants that are no longer available to their counterparts starting today. Business advisers, and some

owners, made the point that small start-up grants are an important incentive to seek expert advice and make a business plan.

Business start-up is usually thought of as an individual, entrepreneurial act, but these data add to evidence that it is more likely to be a household undertaking. The businesses were almost never truly 'one-person-bands'. Family members (especially the wives of male business owners) were often called upon to perform business tasks for which they had little training, as is common practice in minority-ethnic family businesses (Basu and Altinay, 2003). Few business owners, or their spouses, had skills or experience in bookkeeping, marketing or IT. Owners who had accessed training on these topics via enterprise agencies tended to be positive about it although many commented that they did not know about opportunities or had no time to take advantage of them after start-up. It could be that if the role of family members, especially spouses, became more formally recognised they too could be encouraged to participate in training to enhance their business skills.

## Making a livelihood

Reliance upon business activity almost always means a greater or lesser element of insecurity in the level of household income. Most of the small-business households in the study were able to put together an adequate, if not generous, livelihood because they had a 'package' of income sources including, most typically, an element of waged work. In some cases, it was in-work benefits that underpinned a sustainable livelihood, and Working Tax Credit is likely to continue to be significant in this respect.

Businesses could, however, provide the basis for female financial independence, and allow women (including lone parents) to become household providers.

Livelihoods were precarious for one fifth of the businesses in the study households. Reasons included risky business decisions, unsustainable debt, being trapped in self-employment, consumption behaviour, family illness and being the victim of crime. Most households told stories of coping with falls in income levels, and many had to cope with temporary periods without income. Worry over insecurity of livelihood was common to all.

Owners and their domestic partners were nearly always nervous about debt. There were, however, a few instances in which people had taken on heavy debts secured on their homes either at start-up or subsequently. This resulted in severe anxiety. Indeed, the worst cases could be used as precautionary case studies of how not to do things. The limited resources of households in areas of economic deprivation and the frightening consequences of debt for them raise questions as to whether improving access to borrowing should be advocated as a solution to problems of low business start-up rates.

## Looking after children

Business owners, unlike most employees, are not tied to the routines and practices of employing organisations. Nor are they part of workplace cultures that demand long hours and 'presenteeism' as evidence of commitment. Prima facie, then, they appear likely to have more opportunities than their employed counterparts to re-arrange income earning and caring in new ways with, for example, shared responsibility for provisioning and bringing up children. The evidence from this research, however, is that small-business ownership tends to structure childcare practices along traditional gendered lines. In male-headed businesses, long and unpredictable hours of work restrict fathers' involvement.

Many small-business households in this study (more than half) had never accessed formal childcare. There was a marked pattern of parents relying upon childcare provided by non-resident relatives, particularly grandparents. Yet crises of

informal care regularly occurred due to pregnancy and birth, illness and death as well as changes in the labour market or the business. Those who made use of formal childcare (under one third) did so as part of a childcare jigsaw made up with other types of care. The household or family self-reliant model of childcare was usually described as a preference but it was reinforced by lack of affordability/availability of formal childcare.

Feeling at ease with childcare arrangements is a key element of work-life balance, and is crucial to perceptions of well-being for mothers and fathers. Attitudes and values are important in choices of whether childcare is undertaken by mothers, fathers, wider family or formal child carers. There are tensions between policy aspirations for more market-based social childcare provision and the values of self-reliance exemplified in the childcare behaviour of small-business owners. Further consideration of the inclusion of informal childcare within the National Childcare Strategy would be likely to appeal to the self-employed in particular. More high-quality and affordable childcare would not be a panacea for all the work-life balance issues faced in small-business households. However it would certainly benefit many female owners as well as some women who bear all the caring, and part of the income-earning, responsibilities in the households of male business owners. Business advisers could play a role in encouraging owners to apply for Childcare Tax Credit and make use of formal childcare.

Feeling at ease with childcare arrangements is crucial to perceptions of well-being for children too. The daily routines of older children showed the importance of friendships among children and that visiting each other can result in temporarily relieving parents from their childcare duties. Older children value autonomy in decisions about whom they spend their time with. An extension of informal youth clubs offering safe spaces for children to meet could support young people's drive to become more independent (and parental concerns about keeping their children safe).

## Gender and working arrangements in self-employed households

The qualitative interviews illustrate, often in painful detail, some of the struggles and sacrifices behind statistics reporting the long hours of the self-employed. Few businesses in this study were formal family businesses, but most of them made heavy demands on family members. Although the picture accepted in popular imagination is that hard work and family labour are typical in many minority-ethnic-owned small businesses, this study supports evidence that they are endemic in small-business life whatever the ethnicity of the owners (Jones et al, 1994). In the context of debates about family friendliness, long, unsocial and variable hours working for oneself (or a spouse) are analogous to what has been described as 'greedy' corporate employment. They are, however, even less amenable to policy and legislation to curb excessive working hours.

The data collected for this study shed new light on the household patterns of income earning and caring that support often precarious livelihoods in areas of economic decline. While hard work was characteristic of nearly all the households, their actual patterns of working arrangements were diverse. The various ways in which self-employed people structured their work and family lives in time and place can be summarised using a four-fold typology that we denoted with the terms *time greedy*, *rigidly scheduled*, *flexibly scheduled* and *work-family inclusive*. In describing this typology, we used the language of debates around the work-family balance although interviewees rarely invoked this directly. The typology highlights the extreme difficulty of achieving family friendliness in the *time-greedy* group. This group accounted for almost all the businesses led by fathers and some by mothers.

Working in a self-employed household is frequently gendered. In male-headed businesses – almost always *time greedy* – men work long hours often supported by part-time work from their spouses who contribute to the paperwork. These invisible women-in-business are often untrained for the work they do. They are often in no position to develop other labour-market skills as they usually look after the children as well (though sometimes with wider family

support). Fathers in *time-greedy* businesses have little time with their children.

Female-headed businesses take a number of different forms. Some do not set up until their children are older, so that childcare is no longer an issue. Other women set up or participate in *work-family-inclusive* businesses without recall to formal childcare. (Note that children's experience of such businesses is ambivalent.) Finally, women with children may achieve financial independence – this was the case for 12 female-led businesses – by setting up a business in a typically female sector such as hairdressing. For lone parents, in-work benefits provide the security to make this a viable livelihood option. Partnered mothers may rely on a jigsaw of childcare which often includes the husband if his employment allows him some flexibility and which may include some formal childcare. Foreshortened periods of maternity and sickness leave were common.

## Children's experience in self-employed households

Children generally take a passive role as the recipients of any work-life balance – or imbalance – that their self-employed parents achieve, but they may contribute positively with respect to work. Children can learn skills from observation or involvement in their parents' business, and this may help them to find work either in the business or the labour market. A number of businesses rely heavily on the IT skills that children develop at school.

Children never had a say in business start-up. Parents were usually successful in protecting their children from feelings of financial insecurity, but not invariably. Children watched the financial decisions of their parents and were aware of changes in living standards. Business advisers almost invariably said that they asked clients to consider the implications of business start-up for their spouses. Children, too, may benefit from being more informed about financial implications. Parents are not always able to protect their children from the consequence of cutting back on spending.

Children's stance towards *time-greedy* businesses ranged from resentment at the lack of time with



their father, to not minding because their mother was available, to appreciation for the freedom to do what they wanted. Children with mothers who had set up *flexibly scheduled* businesses appreciated the general aim, but still sometimes experienced work demands eating into family time. The least criticised set up was that of the *rigidly scheduled* business, where parents' structured working time translated into a clear structure for children too. Those growing up in a *work-family-inclusive* business may be proud of the family business achievements, although others – particularly the children of childminders – may be resentful of its intrusiveness.

## Implications for policy

Throughout this study we have referred to business start-up policies and the work–life balance and taken the unusual step of thinking about them side by side. While the work–life balance is relatively new, small-business policy has been around for more than two decades. There is evidence that the power of notions such as the entrepreneur, entrepreneurship and the entrepreneurial society has discouraged critical assessment of policies promoting self-employment (Curran and Storey, 2002). The working arrangements of business households in this study provide evidence of some seriously family-unfriendly outcomes. Worry over security of livelihood was endemic, even in some cases for children. Livelihood pressures mean that self-employed households tend to exploit themselves in terms of working hours and family well-being. Life and work get out of kilter, bringing different pressures on women and men, whether as providers or carers. Uncritical policy efforts to increase business birth rates as an answer to economic disadvantage are almost certain to run counter to well-meant efforts to improve work–life balance, unless government is prepared to extend more employment rights and benefits to the self-employed. There is an urgent need for more joined-up thinking across enterprise development and work–life balance agenda.

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# A

## Appendix A: Sample overview

Case no	Interviewees' pseudonyms (age)	Others in household (age)	Business activity	Start year	Business leader	Business located	Non-family employed	Typology
1	John (54) Anna (52)	Son (26) Son's partner Baby	Retail (village shop)	1991	Husband and wife	Premises adjacent to home	3 p-t	Work-family inclusive
2	Alice (36) Jack (36) Tom (11)	Daughters (5, 17)	Hairdressing	1994	Female	Premises	3 f-t 1 p-t	Rigidly scheduled
3	Karen (42) Mike (36)	Son (16)	Floristry, landscape gardening	2001	Two separate businesses	Home	None	Time greedy
4	Mark (45) Claire (38)	Baby Child (5)	Sports instruction	1996	Male	Premises	1 p-t	Time greedy
5	Haley (36)	Husband Son (3)	Hairdressing	1992	Female	Premises	3 p-t	Rigidly scheduled
6	Lynne (26) (lone parent)	Child (6)	Hairdressing	2001	Female	Premises	None (1 in past)	Rigidly scheduled
7	Laurence (47) (divorced, children partially resident)	Children (10, 12, 14, 16)	Caring	1999	Male	Premises adjacent to home	18 (f-t and p-t)	Rigidly scheduled
8	Jim (37) Sandra (37) Simon (9) Lee (7)		Manufacturing	2000	Male	Premises	None	Time greedy
9	Roy (42) Liz (40) Annie (14)		Joinery	1998	Male	Premises	None	Time greedy
10	Sylvia (36) Graham (41) Shawn (13) Barry (7)	Son (3)	Retail by telephone and internet	1999	Husband and wife	Home	None	Work-family inclusive

contd .../

Case no	Interviewees' pseudonyms (age)	Others in household (age)	Business activity	Start year	Business leader	Business located	Non-family employed	Typology
11	Leanne (36) Phil (34) Ruth (8) Richard (9)		Healing	2001	Female	Home	None	Flexibly scheduled
12	Kathy (51) Brian (50) Yvette (11)		Pet boarding	1980	Female	Premises	1 p-t Casuals	Work-family inclusive
13	Laura (43) Margaret (64) (mother, non-resident)	Husband (works away) Sons (16, 19)	Healing	2001	Female	Premises	None	Flexibly scheduled
14	Nancy (48) George (49) Tina (15) Neil (19)		Childminding	1991	Female	Home	None	Work-family inclusive
15	Janice (45) Terry (44) Paul (17)	Son (19)	Manufacturing	1997	Husband and wife	Premises adjacent to home	None (2 in past)	Time greedy
16	Debbie (41) (lone parent) Sandy (13)	Father (70+)	Employee training	1998	Female	Premises (moved from home)	None	Time greedy
17	Millie (40) Andrew (18)	Husband	Catering	1998	Female	Premises	2 p-t	Rigidly scheduled
18	Jenny (33) Trevor (36) Karl (10)	Daughter (3)	Childminding	1999	Female	Home	None	Work-family inclusive
19	Emily (39) Barbara (9)	Husband (43) Sons (16, 19)	Childminding	1996	Female	Home	None	Work-family inclusive
20	Ken (45) Elaine (44)	Son (3)	Manufacturing	2001	Male	Premises	2 f-t 1 p-t	Time greedy

contd .../



Case no	Interviewees' pseudonyms (age)	Others in household (age)	Business activity	Start year	Business leader	Business located	Non-family employed	Typology
21	Fiona (42) Josh (12) Sarah (6)	Daughter (14)	Childminding	1992	Female	Home	None	Work-family inclusive
22	Hannah (52) (lone parent) Monica (16)		Ironing	2000	Female	Home	Casuals	Flexibly scheduled
23	Lloyd (33) Carla (38)	Daughters (1, 7, 9, 14)	Building	1994	Male	Premises (moved from home)	10 f-t Casuals	Time greedy
24	Kevin (33)	Wife (40) Children (4, 7)	Manufacturing (textiles)	1997	Male	Premises	2 f-t Casuals	Time greedy
25	Jill (31)	Partner (34) Daughter (13)	Retail, design and printing	2002	Female owned	Premises	None	Time greedy
26	Heather (29) Gary (31)	Daughters (9 months, 5)	Hairdressing	1997	Female	Premises	1 f-t 1 p-t	Flexibly scheduled
27	Geoff (50) Brenda (47)	Daughters (15, 19)	Building	1988	Male	Home	1 f-t	Time greedy
28	Abby (37) Stuart (38) Emma (9) Alex (11)		Childminding	1996	Female	Home	None	Work-family inclusive
29	Shirley (41) Martin (41)	Sons (4, 10)	Healing	1999	Female	Premises	None	Flexibly scheduled
30	Ivy (47) (lone parent) Kelly (17)	Daughters (14, 19)	Catering	2002	Female	Premises	None	Rigidly scheduled

# B

## Appendix B: Alphabetical list of interviewees

Name	Generation	Household case number	Name	Generation	Household case number
Abby	Adult	28	Ken	Adult	20
Alex	Child, 11	28	Kevin	Adult	24
Alice	Adult	02	Laura	Adult	13
Andrew	Child, 18	17	Laurence	Adult	07
Anna	Adult	01	Leanne	Adult	11
Annie	Child, 14	09	Lee	Child, 7	08
Barbara	Child, 9	19	Liz	Adult	09
Barry	Child, 7	10	Lloyd	Adult	23
Brenda	Adult	27	Lynne	Adult	06
Brian	Adult	12	Margaret	Adult	13
Carla	Adult	23	Mark	Adult	04
Claire	Adult	04	Martin	Adult	29
Debbie	Adult	16	Mike	Adult	03
Elaine	Adult	20	Millie	Adult	17
Emily	Adult	19	Monica	Child, 16	22
Emma	Child, 9	28	Nancy	Adult	14
Fiona	Adult	21	Neil	Child, 19	14
Gary	Adult	26	Paul	Child, 17	15
Geoff	Adult	27	Phil	Adult	11
George	Adult	14	Richard	Child, 9	11
Graham	Adult	10	Roy	Adult	09
Haley	Adult	05	Ruth	Child, 8	11
Hannah	Adult	22	Sandra	Adult	08
Heather	Adult	26	Sandy	Child, 13	16
Ivy	Adult	30	Sarah	Child, 6	21
Jack	Adult	02	Shawn	Child, 13	10
Janice	Adult	15	Shirley	Adult	29
Jenny	Adult	18	Simon	Child, 9	08
Jill	Adult	25	Stuart	Adult	28
Jim	Adult	08	Sylvia	Adult	10
John	Adult	01	Terry	Adult	15
Josh	Child, 12	21	Tina	Child, 15	14
Karen	Adult	03	Tom	Child, 11	02
Karl	Child, 10	18	Trevor	Adult	18
Kathy	Adult	12	Yvette	Child, 11	12
Kelly	Child, 17	30			