MARIJA BABOVIĆ

Economic Strategies of Households during the Period of Recovery Following the Global Financial Crisis

Abstract. The aim of this article is to provide longitudinal insights into the economic strategies that households from differing social strata have adopted as they attempt to adjust to the changing socio-economic environment of the postsocialist transformation. A survey conducted in 2012 showed a significant decline in proactive economic strategies and a strong reliance on pensions and formal employment, occurring as a result of the 2008 financial crisis. The latest data, from a 2018 survey, show that post-crisis recovery has been followed by a renewal of proactive economic strategies, along with a more diverse range of labour strategies, and that households adopting these are achieving a better economic position. As was the case before the financial crisis, the economic position of households has been strongly influenced by the type of strategy they choose. This has greater significance than their starting position in the social strata.

Marija Babović is Professor of Sociology at the Institute for Sociological Research in the Faculty of Philosophy, the University of Belgrade.

Introduction

The monitoring of changes in the economic strategies adopted by households in Serbia has come of age. Since the first survey conducted in 2000, only two months before the overthrow of Slobodan Milošević's regime, six successive surveys have so far been conducted. They date from 2000, 2002, 2003, 2007, 2012, and 2018. The first survey was carried out by the Centre for the Study of Alternatives and the Institute for Sociological Research in the Faculty of Philosophy in Belgrade, while the remaining ones were conducted—within research projects—solely by the Institute for Sociological Research. The surveys sought to identify changes in the economic activity of households of differing social strata as they adjusted to the complex socio-economic changes occurring in Serbia. At the time of the first survey (2000), the socio-economic context was characterized by the destruction of the former system and institutions, as well as by delayed postsocialist reforms—a situation described as 'blocked

transformation'.¹ A period of intensive reforms then followed the regime change in 2000, shaping Serbian society in the form of political or state-centred capitalism.² The society was now characterized by strong clientelistic patterns of intertwined political and economic power, and political patronage.³ Such an environment posed challenges both for individuals and for households, who were forced to adapt their economic strategies in order to maintain their social position. These challenges were linked to the difficulties they experienced in developing new forms of social integration, due to the 'nationalization' of social relations and the existing value-normative dissonance.⁴ Their plight was intensified by the effects of the global financial crisis that started in 2008. Because, in Serbia, the postsocialist transformation had not been completed, the crisis had longer-lasting consequences there than in other countries with a similar socialist heritage. These other countries had not gone through a decade of involvement in war, and, not surprisingly, they experienced a more successful transformation, with higher economic development, a greater rise in living standards, less marked economic inequalities, and a better quality of life. Slovenia and the Czech Republic are good examples.

The aim of this article is to show how the economic strategies employed by households from different social strata have been (re)shaped during the latest post-crisis period. The start of this period may be located in 2015, the year when the Serbian economy began to show positive economic growth rates. The survey prior to this upturn, the one made in 2012, had indicated a decrease in diversified, proactive labour strategies among households of all strata: they relied more on formal employment, pensions, and social benefits and had less engagement in flexible, occasional, or informal work, which had been an important source for increasing household income in previous years.⁵ By comparing

¹ Silvano Bolcic, Blocked Transition and Post-Socialist Transformation. Serbia in the Nineties, *Review of Sociology* 9, no. 2 (2003), 27–49, DOI: 10.1556/revsoc.9.2003.2.2; Mladen Lazić, Osobnosti globalne društvene transformacije Srbije, in: Silvano Bolčić, ed, Društvene promene i svakodnevni život. Srbija početkom devedesetih, Belgrade 1995, 57–77; Mladen Lazić, ed, Račji hod. Srbija u transformacijskim procesima, Belgrade 2000.

² On the political reforms, cf. Slobodan Antonić, Srbija između populizma i demokratije. Politički procesi u Srbiji 1990–1993, Belgrade 1993; Slobodan Antonić, Elita, građanstvo i slaba država, Belgrade 2006. On reforms towards capitalism, cf. Mladen Lazić / Jelena Pešić, Making and Unmaking State Centered Capitalism in Serbia, Belgrade 2012.

³ Slobodan Cvejić, ed, Informal Power Networks, Political Patronage and Clientelism in Serbia and Kosovo, Belgrade 2016.

⁴ Cf. Silvano Bolčić, The Features of a Nationalised Society, *Sociologija* 37, no. 4 (1995), 473–483. On the value-normative dissonance Mladen Lazić / Slobodan Cvejić, Class and Values in Postsocialist Transformation in Serbia, *International Journal of Sociology* 37, no. 3 (2007), 54–74; Mladen Lazić / Jelena Pešić, Društvene promene i promene vrednosnih orijentacija pripadnika osnovnih klasa u Srbiji, in: Mladen Lazić / Slobodan Cvejić, eds, Promene osnovnih struktura društva Srbije u periodu ubrzane transformacije, Belgrade 2013, 281–306.

⁵ Marija Babović, Promene u ekonomskim strategijama domaćinstava u Srbiji 2003–2012, in: Lazić / Cvejić, Promene osnovnih struktura društva Srbije, 99–118, 111–112.

the 2018 data with conditions in 2012 and with those in the period before the outbreak of the crisis (revealed in the 2003 and 2007 surveys), this study traces new changes in economic strategies, their effectiveness in terms of raising or lowering the economic position of households, and the varying opportunities households from different social strata have to profile their economic strategies towards those that better themselves.

Theoretical Framework

The theoretical approach applied in the surveys made in Serbia is grounded in the analysis of household economic behaviour. It has followed the lead of the new Social and Political Economy of the Household studies which in the early 1990s provided a new approach for studying the interaction between structure and economic activity within the context of intense post-Fordist changes in the United Kingdom.⁶ This approach was fruitful heuristically because it enabled scholars to study simultaneous changes in activity and structure occurring within broader social transformation processes. Although such social changes still continue intensively, both in developed capitalist countries at the heart of global capitalism and in peripheral and semi-peripheral countries, the new Social and Political Economy of the Household has only rarely been developed further. Recent scholarly approaches to studying the socio-economic strategies of households have mainly been reduced to the basis they started from—examining the economic strategies of poor households in developing countries. There have been only a few exceptions, such as a thematic issue of *Südosteuropa* in 2017 fully dedicated to the topic of household strategies during the economic crisis.⁷ Research on socio-economic household strategies usually delves into the *livelihood strategies* of households and aims to investigate the effects of measures and policies intended to bring some economic empowerment to social groups experiencing poverty.⁸ Even though, in developed capitalist societies, processes of economic restructuring have been resumed and even intensified, going hand-in-hand with a labour market flexibilization that promotes an increase in precarious work, the approach to the question how

⁶ Michael Anderson / Frank Bechofer / Jonathan Gershuny, *The Social and Political Economy of the Household*, Oxford 1994. For Serbia, cf. Marija Babović, *Ekonomske strategije domaćinstava u post-socijalističkoj transformaciji Srbije*, in: Anđelka Milić, ed, *Društvena transformacija i strategije društvenih grupa. Svakodnevica Srbije na početku trećeg milenijuma*, Belgrade 2004, 239–275; Marija Babović, *Post-socijalistička transformacija i socio-ekonomske strategije domaćinstava u Srbiji*, Belgrade 2009, 23–44; Babović, *Ekonomske strategije domaćinstava u Srbiji 2003–2007*, 93–98.

⁷ Predrag Cvetičanin / Miran Lavrič, eds, *Household Strategies in the Period of Economic Crisis*, special issue, *Südosteuropa. Journal of Politics and Society* 65, no. 3 (2017).

⁸ Olivier Serrat, *The Sustainable Livelihoods Approach*, Singapore 2017.

households and individuals adapt to conditions by using their potential for economic activity has lost its significance. The reasons for this lie in the decline in importance of structuralist approaches in sociology (those dealing with stratification and class), to which the study of economic strategies is connected; as well as in a predominance now given to nominalist approaches; and also because of the transformations that households, as basic units of economic and social reproduction, have undergone—shrinking in average size, and increasingly encompassing single-person composition, temporary cohabitation, and other such set-ups.⁹ As this article shows, the economic activity of households needs to be studied as a complex phenomenon, and enquiry should go beyond whether individuals are employed or unemployed as well as beyond observation of the structure and trends of the labour market. Analysing ways in which economic activities—market and non-market, paid or unpaid, formal and informal—are combined at the household level offers us valuable insights into the ways in which different social strata adapt to social conditions using diverse forms of economic activity and how, through this, they achieve a certain level of economic well-being. In this approach, socio-economic strategies are defined as ‘relatively stable patterns of economic activity directed to collection and (re)distribution of economic resources (including conversion of different forms of capital) with the aim of ensuring social reproduction of households at the existing social position, or of changing social position’.¹⁰

The shaping of economic strategies is conditioned by the economic, cultural, and social resources at a household’s disposal, but also by household needs which, apart from the existential ones, include an array of other needs, such as cultural consumption, recreation, saving up for future plans, education, and medical treatment. A strategy is profiled in interaction with the resource base of a household and its dynamic needs, but within the specific opportunity structure that households of particular positions and given resources can attain to. The outcome of economic strategies may be reproduction of households at the same social position, improvement in position (whether only of economic or of class/stratification position) or a fall off the ladder in the pursuit of maintaining a position.

The socio-economic strategies a household adopts entail a broader set of actions than the ones analysed in this article. In addition to work activities, which are focused on here, they also include consumption activities. The first

⁹ On importance of class and stratification approaches cf. Rosemary Crompton, *Class and Stratification*, Cambridge 2008, on changes in household structures and embeddedness of economic action cf. Simone Ghezzi / Enzo Mingione, *Embeddedness, Path Dependency and Social Institutions. An Economic Sociology Approach*, *Current Sociology* 55, no. 1 (2007), 11–23, DOI: 10.1177/0011392107070131.

¹⁰ Babović, *Ekonomске strategije domaćinstava u post-socijalističkoj transformaciji Srbije*, 244.

survey of economic strategies in Serbia included data on consumption (reduction of consumption, structure change, scope of consumption, quality of goods/commodities bought by a household, etc.), but the later surveys conducted by the Institute for Sociological Research in the Faculty of Philosophy were mainly limited to the investigation of labour strategies. This was due to limited survey opportunities. Other studies of socio-economic household strategies in Serbia have provided very valuable insights into consumption aspects of household strategies (or a combination of production and consumption aspects), starting from a different theoretical approach based mainly on the work of Pierre Bourdieu, Ann Swidler, Charles Taylor, and Theodor Schatzki.¹¹

In the present study, households are compared by the type of economic strategy they use, their stratification, and their economic position. While the stratification position of a household is a fairly broad measure, referring to the occupation and also economic, organizational, and cultural resources of its members (the dominance approach),¹² the economic position is narrower. The economic position is defined by the set of economic resources possessed by a household, including real estate, movable/personal property, and financial assets, as seen within a hierarchical scale of economic positions. It might be expected that there would be some consistency between the stratification and economic position of a household, but the survey revealed that, during the postsocialist transformation and during the times of economic crisis, the link between the two was weak and was actually mediated by the type of economic strategy a household employed. The analysis of the typology of economic strategies is grounded on several criteria. The first rests on whether there is any labour activity in a household (market or non-market). According to this criterion, households are divided into those that are economically passive and those that are active. The second criterion distinguishes between market and non-market strategies—whether a household sells the products it produces or consumes them itself. Households that produce solely for their own consumption are classified as households with a ‘substitution strategy’, meaning that they substitute market products and services with their own. This self-provision usually includes food production in a home garden, clothes-making, services such as repairs and renovation of housing, as well as social services like caring for children, chronically ill individuals, or the elderly, without any compensation. These activities, done within the household, could theoretically be performed on the market; likewise, the household’s needs could be satisfied by purchasing products or services outside its own confines; but instead the members choose to keep their activities outside of the market, performing them

¹¹ Predrag Cvetičanin / Miran Lavrič, Typology of Households Strategies of Action in Economic Crisis, *Südosteuropa. Journal of Politics and Society* 65, no. 3 (2017), 449–458.

¹² Robert Erikson / John H. Goldthorpe, *The Constant Flux*, Oxford 1992, 265–277.

themselves. The third criterion refers to the formalization of work. Formal work arrangements include work with a written contract, irrespective of whether it is temporary or permanent, whether it is work for an employer, self-employment, or entrepreneurship with a registered company. Finally, the fourth criterion distinguishes between agricultural and non-agricultural economic activities.

There are eight types of strategy according with these criteria. Besides passive households, whose members do not perform any economic activity, and households that engage in subsistence activities where only non-market economic activity is performed, two remaining categories of household strategy are classified on the basis of the number of different types of activities they perform. Those that rely on only one type of activity are labelled 'focused work' strategies, while those that combine different types of work are designated as 'diversified work' strategies. Households with a focused work strategy are further differentiated into those that rely on formal employment, those that rely on irregular employment (including informal or irregular temporary employment), and those engaged solely in agriculture. In the category of households with a diversified work strategy, there are those that combine formal employment with additional non-agricultural work (irregular or informal), households that combine formal employment with agricultural production and households that combine agricultural production with non-agricultural irregular or informal work.

In previous studies of socio-economic strategies, I have demonstrated a significant relation between the type of economic strategy a household adopts and the economic position it manages to maintain.¹³ Strategies relying on formal employment are linked to a higher economic position, and if formal employment is combined with additional non-agricultural work, the effects on the economic position are even better. On the other hand, irregular forms of work, such as informal temporary employment, or a combination of agricultural work with irregular work, tend to bring unfavourable outcomes in the maintenance of economic position. Households engaged in subsistence activity — those that perform only non-market economic activity — occupy the most unfavourable economic position of all. These earlier studies have also shown that opportunities for profiling different strategies are not equal among households in the different social strata. Opportunities to develop successful strategies of formal employment, whether as a single-type activity or as one in combination with additional non-agricultural work, were primarily present in households of the middle strata, while working-class households had to rely more on precarious forms of work, such as informal employment, temporary employment, or a combination of these insecure forms of employment with agriculture, and other activities.

¹³ Babović, *Ekonomске strategije domaćinstava u Srbiji 2003–2007*; Babović, *Promene u ekonomskim strategijama domaćinstava u Srbiji 2003–2012*, 111–112.

Survey Methods

The four successive surveys made in 2003–2018 on socio-economic strategies were implemented by the Institute for Sociological Research in the Faculty of Philosophy, Belgrade, on representative samples of the general adult population aged between 18 and 75. In each survey, a module on socio-economic household strategies was included as part of a broader questionnaire assessing stratificational changes. One part of the questionnaire was designed to collect data on the entire household, establishing the socio-demographic characteristics of household members, their activity status and the household's assets and incomes, while the other part of the questionnaire contained questions on a single household member randomly selected as the main respondent. On that person, more detailed data were collected. Samples were of different sizes, with 1,635 households surveyed in 2003, 1,993 households in 2007, 2,558 households in 2012 and 2,211 households in 2018. It is important to note that these were not panel surveys.

The Post-Crisis Socio-Economic Context

The period after the outbreak of economic crisis in Serbia may be divided into two phases. The first lasted from the outbreak of the crisis in 2008 up to 2014 and was marked by years of recession and economic stagnation, a decline in employment and activity, and a rise in unemployment and inactivity. Such conditions provided fertile ground for the strengthening of clientelistic relations and the power networks already established between members of the political and economic elites—between government institutions, led by parties, and individuals who exercised authority in public and private companies.¹⁴ The resources exchanged through these power networks were quite diverse—information, money, control mechanisms, privileges to bidders in open calls for tenders, and more. Political patronage became one of the leading mechanisms determining employment during the first period after the onset of the crisis. Inclusion in the winning party's network became the foremost factor in finding or keeping a job when the labour market shrank, especially when the numbers of employees in state administration fell during the implementation of austerity measures.¹⁵ The political situation in this period was characterized by a strengthening of authoritarian tendencies and the centralization and concentration of power in the hands of one man, Aleksandar Vučić, who was first prime minister and then became president of the state. Vučić engaged in

¹⁴ Cf. the contributions in Cvejić, ed, *Informal Power Networks*.

¹⁵ Dragan Stanojević / Marija Babović / Dragana Gudogan, *Actors, Resources and Mechanisms of Clientelism in Serbia*, in: Cvejić, ed, *Informal Power Networks*, 44–64.

controlling the media, systematically destroying the opposition, and marginalizing civil society. The second phase, from 2015, has seen continuous economic growth and an increase in employment and activity. Annual growth rates were: 3.3 % in 2016; 2.0 % in 2017; and 3.4 % in 2018.¹⁶ Economic growth was stimulated by higher public investment and increasing consumption.¹⁷ Consumption growth, in its turn, was stimulated in 2018 by a rise of 7 % in people's earnings compared to what they had received the previous year.¹⁸

In the wake of this economic growth came an increased level of activity and employment. According to the Labour Force Survey (LFS) conducted by the Serbian government, the activity rate rose a 1.1 percentage point (from 66.7 % to 67.8 %) between 2017 and 2018; the employment rate rose 1.5 percentage points (from 57.3 % to 58.8 %); while the unemployment rate declined 0.8 percentage points (from 14.1 % to 13.3 %) and the inactivity rate fell a 1.1 percentage point (from 33.3 % to 32.2 %) (Table 1).¹⁹

The official statistical data indicate unequal opportunities on the labour market. Women have lower activity and employment in comparison to men, young people in comparison to the middle-aged population; and people with lower qualifications tend to fare badly. These individual characteristics are certainly significant when economic activity at the level of households is studied, but we need to bear in mind that the economic strategies of households entail far more than the mere employment of their members. Opportunities for profiling strategies are defined by the characteristics of human capital, such as the number of working-age members, their education and qualifications, as well as the characteristics of the household resource base, including, among other elements, possible means of production and property significant for economic activity that may be available. Official statistical data about conditions on the labour market actually indicate the opportunity structure, which is differently structured according to the different personal characteristics individuals present (sex, age, education, previous work experience) and to different household backgrounds (the total cultural, social, and economic capital of the household).

When it comes to the outcome of economic strategies, it is the types of strategy the various households adopt that determine their chances of achieving any particular level of economic position — secure well-being or the risk of poverty.

¹⁶ Republički zavod za statistiku, Statistički godišnjak 2018, Belgrade 2018, <http://publikacije.stat.gov.rs/G2018/Pdf/G20182051.pdf>; Republički zavod za statistiku, Mesečni statistički bilten 2 (2019), Belgrade 2019, <http://publikacije.stat.gov.rs/G2019/Pdf/G20193005.pdf>.

¹⁷ World Bank Group, Reform Momentum Needed, Western Balkans Regular Economic Report 15, Washington, Spring 2019, <http://documents.worldbank.org/curated/en/219231554130333324/pdf/Reform-Momentum-Needed.pdf>.

¹⁸ Republički zavod za statistiku, Mesečni statistički bilten 2 (2019).

¹⁹ Republički zavod za statistiku, Anketa o radnoj snazi u Republici Srbiji 2018, Belgrade 2019, <http://publikacije.stat.gov.rs/G2019/Pdf/G20195646.pdf>.

Table 1. Indicators of the labour market in Serbia for the working-age population (15–64), 2017–2018

<i>Indicator</i>	<i>2018</i>	<i>2017</i>
Activity rate	67.8	66.7
Employment rate	58.8	57.3
Unemployment rate	13.3	14.1
Inactivity rat	32.2	33.3

Source: Republički zavod za statistiku, Anketa o radnoj snazi u Republici Srbiji 2018, Belgrade 2019, 13, <http://publikacije.stat.gov.rs/G2019/Pdf/G20195646.pdf>.

Statistical data about income and living conditions show that, in Serbia, one-quarter of the population is at risk of financial poverty, and 36.7 % of the population at risk of both poverty and social exclusion.²⁰

Changes in Economic Strategies of Households, 2012–2018

Changes in socio-economic strategies, observed from the beginning of the period of 'unblocked postsocialist transformation' up to 2012, mirrored the curved path of structural change in Serbia. The findings of the first survey conducted at the very end of the period of 'blocked transformation'—that made in 2003—reveal a picture of ineffective strategies. Opportunities for bringing off relatively successful economic strategies declined for all social strata. This 2003 survey was the first in which changes were measured by comparing answers to questions about given aspects of life (such as employment and consumption) as they were in the previous period and as they now were during the survey period.²¹ A high proportion of the strategies disclosed were informal and non-market economic activities, which had only weak effects on the economic position of households. The change of political regime that occurred at the end of this period can perhaps be understood as a partial consequence of the aspirations voiced by different social groups who each wanted to change conditions currently preventing them from running satisfactory economic strategies at the individual and household level.²² At the beginning of the 'unblocked transformation' in early 2000, despite intensified reforms, the picture

²⁰ Republički zavod za statistiku, Siromaštvo i socijalna nejednakost 2017, Belgrade 2018, <http://www.stat.gov.rs/oblasti/potrosnja-prihodi-i-uslovi-zivota/>.

²¹ Slobodan Cvejić / Marija Babović, Strategije opstanka domaćinstava u Srbiji. Izveštaj iz istraživanja, Belgrade 2000.

²² Marija Babović, Akteri blokade društvenih promena i akteri transformacije, in: Silvano Bolčić / Anđelka Milić, eds, Srbija krajem milenijuma. Razaranje društva, promene i svakodnevni život, Belgrade 2002, 67–93.

of strategies gained from the survey still indicated a preponderance of informal and non-market economic activities, along with a high proportion of diversified strategies combining different forms of employment with additional economic activities. There was considerable status inconsistency – the condition in which a household's position on the labour market or its performance of economic activities is not in accordance with its cultural capital and its actual economic position. Households belonging to the same social strata were using very different economic strategies, with big differences in the economic outcomes. This contributed to prominent intra-strata differences in economic position.²³ For example, middle-class households with diversified work strategies were much better off than middle-class households reliant on formal employment alone.

The overall picture of strategies given by the survey immediately before the outbreak of the crisis indicated significant changes taking place primarily at the top of the social ladder. In households of the middle strata there was an increased reliance on formal employment, while the proportion of households in this group managing diversified strategies decreased.²⁴ The global financial crisis, which hit Serbia hard, led to a contraction of total economic activity among households. This was primarily due to unfavourable and extremely unequal opportunities for employment among the different social groups. A labour market deregulation had led to adverse employment conditions, with the informal economy taking a prominent role and privatization encouraging clientelism, corruption, and an increase in inequality. Hence, the proportion of households with passive and defensive strategies increased significantly, and the proportion of those with active and diversified activities decreased. A higher number of households relied on formal employment as the only strategy available to them, or they depended on pensions or some form of social assistance. A worsening of economic position was evident among the lower middle strata and among skilled workers. This time, differences in economic position increased between the social strata, while internal, intra-strata economic differences decreased, and this led to higher status consistency.²⁵

Changes in Components of Economic Strategies

Four basic types of economic activity can be named as possible components of complex household strategies: non-market work (subsistence activities); formal employment; irregular employment; and agricultural production. The changes

²³ Babović, *Post-socijalistička transformacija i socio-ekonomske strategije domaćinstava u Srbiji*, 149.

²⁴ Babović, *Promene u ekonomskim strategijama domaćinstava u Srbiji 2003–2012*, 113–114.

²⁵ Babović, *Post-socijalistička transformacija i socio-ekonomske strategije domaćinstava u Srbiji*, 117.

Table 2. Proportions of the total number of households in the sample performing chosen economic activities

<i>Distribution of different forms of economic activities</i>	<i>in %</i>			
	2003	2007	2012	2018
Households with subsistence activities	74.8	71.6	62.7	71.0
Households with formal employment	56.2	63.9	58.8	56.2
Households whose member(s) perform irregular work	55.3	48.7	33.8	32.5
Households performing only agricultural production (farming households)	22.9	13.6	7.8	7.6

registered between 2012 and 2018 indicate an increase in the proportion of households engaged in subsistence activities, a decline in the proportion of those in formal employment, and no change in the prevalence of irregular and agricultural work.

When changes are observed in the broader timeframe of the years from 2003 to 2018, subsistence activities can be seen to have declined significantly after the crisis and to have recovered in 2018 but still at a lower level than at the beginning of the ‘unblocked transformation’ period. Formal employment is set back to the level of the early 2000s, while irregular work and agricultural work are in strong decline (Table 2).

However, agricultural production is still relatively highly represented in the economic activities of households. In total, 37.5 % of households perform some kind of agricultural production as their sole economic activity or in combination with other activities.

Changes in the Distribution of Economic Strategies Adopted by Households

As explained above, household economic strategies take complex forms and are shaped as a combination of components. These are presented in Table 3, which indicates several significant changes. The proportion of passive households has declined in the period between the two latest surveys (dropping from 11.7 % in 2012 to 9.5 % in 2018). However, this proportion is still higher than it was in 2003, at the beginning of the period of ‘unblocked’ transformation. The proportion of households with a subsistence strategy has increased in the 2012–2018 period and is up in comparison with 2003 as well. The proportion of those with focused work strategies has declined in comparison to 2012, and that of diversified work strategies has increased, although the figure for the latter is considerably lower than the one at the beginning of the period. The percentage of households focusing their economic activity on formal employment alone is

Table 3. Households according to types of strategy. Comparative data for 2003, 2007, 2012, and 2018

<i>Type of strategy</i>	<i>% of households</i>			
	2003	2007	2012	2018
Passive	6.4	5.7	11.7	9.5
Subsistence	12.3	8.9	13.6	14.7
Work focused – in total	40.7	45.2	51.5	43.9
Formal employment	20.6	29.2	37.3	31.6
Irregular work	10.0	11.4	11.0	9.4
Agricultural work	10.1	4.6	3.2	2.9
Work diversified – in total	40.6	40.2	23.2	31.9
Formal employment combined with irregular forms of work	28.1	31.2	19.7	18.0
Formal employment combined with agricultural production	8.4	5.3	1.3	7.3
Agricultural production combined with irregular work	4.0	3.8	2.2	6.6
Total	100	100	100	100

higher in comparison to 2003, but it is lower in comparison to the period after the crisis. The proportion of economic strategies comprising irregular forms of work or agricultural production is in decline. Looking at the share of households adopting a diversified work strategy, notably agricultural households shifting to mixed households, it is clear that there is an increase in households ready to combine agricultural production as the basic activity of one of its members with formal employment or irregular work done by another member. The proportion of strategies combining formal employment with additional non-agricultural work is in constant decline.

A 'passive strategy' is the designation allocated to pensioners' households, households with low work intensity, and jobless households. The sources of income in these are mainly pensions (79.6 % of passive households have a pension as their main income). Other sources of income include pensions from abroad (5.6 %), social benefits (7.7 %), remittances (5.1 %), financial assistance from relatives in Serbia (6.6 %), income from renting property (4.1 %) and other kinds of funding (10.2 %). An increase in the proportion of passive households during the entire observed period indicates that a higher number of pensioners' households than previously recorded have been able to live from their pension—something that was not possible during the 'blocked' transition. Consequently, while the 2000 survey found a significant portion of retired individuals active in the informal economy at the end of the 1990s, today this is no longer the case. This finding is in accordance with other findings on the effects of pensions and social transfer on poverty. According to the Statistics on Income and Living Conditions (SILC),

pensions play a significant role in protecting people from poverty. Without social transfer and without pensions, the risk of poverty among older people would be as high as 82.3 %. Instead, the actual figure is 21 %.²⁶

Households following a subsistence strategy perform non-market activities covering a wide range. This may include agricultural production in a home garden whose produce is used only by the household, repair services (fixing installations, appliances in apartments, or cars), house renovation, and social services such as regular care for children or care for the chronically ill, the elderly, and people with impaired mobility. These activities are usually neglected in economic analyses because they are performed outside the market and are unpaid. However, as indicated earlier,²⁷ according to heterodox economic approaches and the feminist economy, these activities produce economic value just as market activities do. Subsistence activities are often present in households that do not have the means of obtaining goods or services on the market, or else the households may simply want to provide for themselves and have the resources (including the skills) to do so.²⁸

In 2018, at the level of the entire sample, 35.5 % of households produced food from their farm or home garden, 49.7 % did repairs, painting work, and suchlike, 31.1 % made clothes, 22 % provided care services, and 13 % provided personal services for others (such as hairdressing beauty treatment and so on), all without financial compensation. Except for care services, like looking after children and tending older people or invalids, which do not show differences in their distribution, engagement in the various types of subsistence activity diverges significantly across households of different social strata. Such activities are less common in households of the higher strata, and most frequent among unskilled workers. For example, food production in a home garden is practised in only 12 % of households that belong to the higher strata and in one-fifth of middle-strata households, but it can be found in 40 % of skilled workers' households and in as many as half of the households of unskilled workers. Repairs and renovation services are carried out the least in households of the higher strata (recorded in 28.7 % of cases), and are most frequently resorted to in the unskilled workers' strata (65.5 %). Making clothes is most often present among households of small farmers (occurring in 40.5 % of cases).

²⁶ Marija Babović et al., *Socijalna uključenost starijih osoba (65+) u Srbiji*, Belgrade 2018, 18.

²⁷ Marija Babović, *Ekonomске strategije domaćinstava u Srbiji 2003–2007*, in: Slobodan Cvejić, ed, *Suživot sa reformama. Građani Srbije pred izazovima 'tranzicijskog' nasleđa*, Belgrade 2010, 91–124.

²⁸ On the different models of subsistence activities (as elements of survival strategies or as postmodern 'do it yourself' tendencies) through which the value of an independent rendering of services previously provided on the market can be determined, cf. Babović, *Post-socijalistička transformacija i socio-ekonomske strategije domaćinstava u Srbiji*.

Households following a subsistence strategy are similar to economically passive households in terms of their income structure. In this 'passive household' bracket, the source of income in the highest number of cases is a pension (received by 88.6 %). Aside from this, 9.4 % of such households receive social benefits, 4 % remittances, 6.2 % financial aid from relatives and friends, and 4.2 % income from renting property.

In the surveys discussed, the types of strategy were defined on the basis of the work activities performed by all the members of a household, but the more detailed data fielded about employment characteristics—data going beyond the basic information on employment status and type—were collected only from the main respondent(s). It was therefore not possible to analyse the characteristics of all types of work performed by household members very thoroughly. In order to get more precise insights, an analysis was made of the income structures of households adopting different types of strategy.

Table 4 shows that there are significant differences in income structure between households with such different types of strategy. It is noteworthy that, while households relying on formal employment usually report their main income as 'income from employment', households relying only on irregular work report their income as 'additional income'. Research conducted throughout the postsocialist transformation shows that people who have moved from being formally employed to making do with informal work arrangements will not identify their new irregular work as proper 'employment'. They will describe it as 'additional work', even if it is the only work they perform. This goes against the definitions of the Labour Force Survey, which classify such forms of work as basic employment even when they are occasional or informal.

Pensions are one of the most common forms of income and can be found among households employing all types of economic strategies. However, they are found, considerably more than in other types of households, in households that combine agricultural work with irregular employment. This might indicate that these households try to compensate for their very low agricultural pensions with some additional work. Social benefits and informal financial aid from abroad or from the Serbian state are most often found in households engaged in irregular work.

Social Strata and Opportunities for Profiling Successful Economic Strategies

The position of households in social stratification is defined by the so-called 'dominance approach'. In this, the stratum position of a household is not defined by the position of the main respondent, but by the position of the member with the highest individual position in terms of employment and activity. (We

Table 4. Income structure of households with focused and diversified work strategies (by percentage) in 2018

<i>Sources of income</i>	<i>Work focused strategies</i>			<i>Work diversified strategies</i>		
	<i>Only formal employment</i>	<i>Only irregular work</i>	<i>Only agricultural production</i>	<i>Formal employment and additional non-agricultural work</i>	<i>Formal employment and additional agricultural work</i>	<i>Agricultural work and irregular employment</i>
Regular employment	97.1	36.4	0	95.0	37.0	16.9
Income from farming	0	0	85.2	0	32.0	47.2
Pension	33.0	40.9	41.0	32.1	16.9	67.6
Social benefits	4.1	19.2	9.8	8.2	1.8	9.9
Pension from abroad	0.9	4.0	3.3	4.0	0.8	3.5
Financial aid from abroad	2.7	8.6	1.6	4.0	1.3	3.5
Financial aid from relatives from the country	3.2	10.6	0	4.2	0.3	4.2
Rent income	2.9	0.5	8.2	6.1	2.3	2.8
Additional earnings	0	55.6	0	46.2	7.1	31.7
Other	1.7	4.5	4.9	3.2	0.8	0

Multiple answers are possible in each question, so the total exceeds 100 %.

‘Regular employment’ may refer to formal and informal (self)employment.

can find this from the data on employment and activity status collected for all household members.) For instance, if a respondent is a farmer, but lives with a child who is a professional (for example, a physician), then the household will be classified as ‘professional’ and not as ‘agricultural’.

The 2018 data revealing the economic strategies of households of different social strata indicate significant changes that have happened since 2012. There has been an increase in the proportion of proactive strategies in comparison to passive ones. While the proportion of strategies focused only on formal employment has decreased, that of diversified strategies combining formal employment with irregular work has gone up.

Graph 1. Households of different social strata with their strategy focused only on formal employment in the period 2003–2018, in percent

Passive strategy has declined among households of professionals (from 10.5 % to 9.2 %), of administrative clerks and technicians (from 13.2 % to 10.6 %) and of unskilled workers (from 16.7 % to 11.0 %), while it has remained unchanged in households of skilled workers (9.7 % and 9.9 %) and of farmers (3.0 % in both years). The proportion of those opting for a formal employment strategy has declined in all strata in comparison to the figures gathered in 2012 (Graph 1). Nevertheless, it has remained higher than it was in 2007 in households of all strata, except for the group of clerks and technicians.

The decline in the proportion of those adopting an economic strategy that focuses on formal employment has occurred because of an increase in those whose strategy relies on irregular work, subsistence, and diversified approaches combining formal employment or irregular work with agriculture. Resort to a subsistence strategy has increased in all strata except for clerks and technicians: among professionals it has nearly doubled (from 4.8 % to 8.4 %); among highly-skilled workers and skilled workers it has increased from 12.1 % to 16.7 %; among unskilled workers it has gone from 20.9 % to 26.0 %; and among farmers from 8.5 % to 9.2 %. While a diversified strategy combining formal employment and additional non-agricultural work remains much as it was represented in 2012, a strategy that combines formal employment with agriculture production shows a rise, although it is still below the level it was at in the year prior to the economic crisis (Graph 2). Irrespective of the crisis, this strategy has registered a steady rise among households of small farmers

Graph 2. Share of strategy combining formal employment with agricultural production in households of different social strata, 2003–2018, in percent

since 2007, indicating an increasing process of diversification among agricultural households. The strategy combining agricultural production and irregular work has increased considerably: the proportion shown among households of this strata rising from 19.5 % in 2012 to 37.2 % in 2018.

Among the households of the higher strata, the second most common strategy is the one that combines formal employment with irregular non-agricultural work (25.2 %), other strategies appearing less frequently. Among small farmers this strategy is present in almost one-third of the households surveyed (30.8 %), while a strategy combining formal employment with agricultural production is found in 9.8 % of cases. Other strategies are only marginally represented.

The data indicate statistically significant differences in the economic position of households from different social strata that implement different economic strategies (Table 5). The average value of an economic position is calculated on a scale based on a composite index made from about 40 variables that measure the income, property and consumption of a household, the lowest position being valued as 1 and the highest as 5.²⁹ Looking at the values on the economic position index attained by households adopting different strategies to survive, we can see that, in the last observed period, the most successful strategies have been a combination of formal employment with irregular work or with

²⁹ Cf. the contribution by Željka Manić and Anđelka Mirkov in this issue.

Table 5. Households according to their type of economic strategy and their average values on the economic position index, 2018.

<i>Social strata</i>	<i>Type of economic strategy</i>	<i>Average value on the economic position scale (1–5)</i>	<i>N</i>
Higher strata, entrepreneurs and professionals	Passive	2.39	41
	Subsistence	2.44	36
	Formal employment	3.09	328
	Irregular work	2.85	47
	Formal employment + additional non-agricultural work	3.23	160
	Formal employment + agricultural work	3.51	45
Clerks and technicians	Passive	2.40	43
	Subsistence	1.96	53
	Formal employment	2.43	145
	Irregular work	1.94	32
	Formal employment + additional non-agricultural work	2.40	83
	Formal employment + agricultural work	2.56	32
Highly-skilled and skilled workers	Passive	1.83	54
	Subsistence	1.75	91
	Formal employment	2.06	162
	Irregular work	1.79	52
	Formal employment + additional non-agricultural work	2.04	105
	Formal employment + agricultural work	2.05	41
	Agricultural production + irregular work	1.60	30
Semi-skilled and unskilled workers	Passive	1.75	32
	Subsistence	1.49	76
	Formal employment	1.77	57
	Irregular work	1.46	41
	Formal employment + additional non-agricultural work	1.92	39
Farmers	Agricultural production	1.88	43
	Agriculture production + irregular work	1.69	61

The analyses of variance shows that differences in the average value of economic position of households, of different social strata and strategies, are statistically significant: $p = 0.000$, $F = 38.117$, Welch = 35.486, $df_1 = 26$, $df_2 = 493.218$.

agricultural production. In all social strata, these diversified strategies are connected with a higher economic position than are other strategies.

The showing that, in 2018, a 'diversified' strategy combining 'formal employment' and 'agricultural production' results in the highest average economic position indicates an important change. During the initial period of the surveys, the time of 'unblocked' transformation (2003), the most successful strategy for households (in terms of being connected to the highest economic positions) had been combining formal employment with additional *non-agricultural* work.³⁰ In all strata, the lowest economic positions have always been connected with subsistence strategies: this comes out in the most recent figures and was the tendency recorded in the previous surveys too.

Conclusion

The 2018 survey findings on socio-economic strategies show increased dynamics in the economic activities of households, following the reduction of total economic activity recorded in 2012, the period when the effects of the economic crisis were still being strongly felt. This increase in dynamics manifests itself in the greater proportion of proactive economic strategies recorded in the survey, and also in a rise in the proportion of diversified strategies that combine formal employment or irregular work with agricultural production. Conversely, the proportion of households basing their livelihoods solely on formal employment has declined in comparison to figures shown in the previous survey. This trend can be seen in households of all social strata.

When the basic elements of the 2018 households' economic strategies are compared with those of 2012, the following changes appear: an increase in the frequency of subsistence activity, a slight decline in formal employment, and resort to irregular and agricultural work as one of the basic economic activities in the overall strategy adopted. Nevertheless, these last two forms of economic activity had declined significantly in the period before the economic crisis, so that in the period between 2012 and 2018 they were continuing at a stable level.

The proportion of households that subsist only on agricultural production, at least some of their yield directed to the market, continues to decline; but there has been an increase in the proportion of households engaging their members in non-agricultural work in addition to agricultural production, whether in the form of formal employment or of irregular work. Agriculture in combination with other economic activities gives households the best economic positions in the strata of small entrepreneurs, professionals, clerks, technicians, and small

³⁰ Cf. Babović, *Post-socijalistička transformacija i socio-ekonomske strategije domaćinstava*, 147.

farmers. Among households of the higher strata, the most successful strategy is the combination of formal employment and additional agricultural work, while, in the workers' strata, formal employment in combination with agriculture and non-agricultural additional work is equally beneficial for maintaining economic position. In all strata, the lowest economic positions are linked to a subsistence strategy alone.

In comparison to 2012, an increased diversity of strategies and a higher proportion of these diversified strategies—especially those combining agricultural production with other forms of work—are today linked with greater differences in economic position between households of the same social strata, and with less prominent differences between households of different social strata. Households of the lower social strata that have opted for the more successful economic strategies—principally diversification to a mix of formal employment with agricultural production or additional non-agricultural work—have a higher economic position than households of the higher strata that exercise less successful strategies. Considering the increasing flexibilization of the labour market in the global context, Serbia's position is hardly surprising.

CORRESPONDING AUTHOR

Marija Babović University of Belgrade, Faculty of Philosophy, Institute for Sociological Research, Čika Ljubina 18–20, 11000 Belgrade, Serbia. E-mail: mbabovic@f.bg.ac.rs