

The Role of Private Finance in the Allocation of Economic Relations in the Household

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Abstract: The distribution of roles between spouses in interpersonal economic family relationships is largely dependent on the social and political conditions and forms of government, the development and status of marital relations. In forming the status of the main breadwinner (earner) of the family, regardless of the gender differences the determining factor is the prevalence of his private finance over the finance of the other household members and their dependence on his income, which is dominant in the family budget.

Key words: Private finance • Family • Household • State • Economic relationships

INTRODUCTION

The thesis on the extension of liberty in the economic relationships for men and women is at the heart of the social and political changes occurred not only in the global financial architecture, but also in households at the end of the XX century, this contemplates the alignment of their interests and involves the empowerment of the interest self-realization upon the management of the disposable financial resources.

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Not so long ago, in the Soviet times, it was hard to imagine a family in which a woman played the role of a housewife and at the same time she was not a wage earner. The philosophy and politics of that time were aimed to develop a socialist attitude to the labour and total employment of the population, which was mostly employed in the system of the social production, regardless of the gender differences.

Man status was stipulated by the place in the professional hierarchy and determined his position in the family, which was consistent with the status of the main breadwinner, earner and was preserved as his average earnings exceeded the woman's ones. The concept "breadwinner" was understood to be a family member with the highest income, at the same time the woman

played the role of a working mother, who was to work hard and manage the household.

As a result, the family relationships between a man and a woman were reduced to a classical model - the man was destined for the role of a breadwinner, earner, who as far as possible helped in the household management, at the same time, although the woman worked she was given the role of a housewife, a "domestic goddess". In addition, child-rearing and the care of other relatives primarily came upon her in her off-duty time.

The researches focused on a study of the evolving relationships and the distribution of economic roles within a family, for a long period was considered from the perspectives of a socialist state only.

At the same time, the advanced countries developed the another trend devoted to the study of the housekeeping subject-the new household economics, whose representatives considered a household as a complex structure, taking into account the gender aspects, interests, benefits and usefulness of all members included.

First of all, the scientists' researches should be noted in this aspect who discovered a "new page" in the study of the household, from the perspectives of macro-and microeconomics, as a «small factory» and as a separate, structural unit of the society, the main purpose of which is to form the human capital.

An important role was played by the researches focused on the study of the relations system arising in the households, which vary in its sizes, structure and composition, upon the dominance of the interests of some

family members over the others during the organization of their income, resources and other assets management system, the distribution of the household load, free time, etc. [1-5].

Recently, the researchers in different countries increasingly notice the need for study of the relationships that develop in the family between both the spouses and its other members, from the perspectives of the economics, psychology, sociology, politics, culture, etc., taking into account the gender and other aspects and it could be traced in various information sources [6, 7].

The distribution of economic roles between the members of the family in the contemporary Russian society has undergone the significant changes over the time that passed since the collapse of the Soviet Union. There appeared a new family type in which one spouse is the main breadwinner, earner and the other manages the household, brings up children and creates comfortable, emotional conditions.

In this case, the relationship of all family members is pragmatic in nature: one of the spouses (he is usually the main breadwinner, earner) depends on other emotionally, indirectly paying his personal finances to those who involves in household management and depends on him financially for the comfortable living conditions being created.

It is widely accepted that the man is responsible for the material well-being and making of the crucial decisions in the family and the woman implements it, whereas that is not true at all. In the contemporary society there is a change of the economic roles in the family and in the traditional sense, the woman or both spouses simultaneously could act as a breadwinner.

At the same time, the tacitly accepted gender disaggregation of the spouses in the labour distribution within the household, in order of the participation in the domestic and external employment, does not mean the real equality between the genders and contemplates a pre-determined division of functions, the hierarchy of social statuses and hence the ability on the part of one of the spouses to create comfortable living conditions for the main breadwinner in the family.

Up to the middle of the XX century in the United States and Western Europe the contract of the "housewife" for women and the "breadwinner" for men prevailed, in Russia the gender relations were influenced by the features of the political life of the society and the "double employment" was typical for women when she simultaneously was a "housewife" and a "breadwinner".

The changes in gender relations in the 60-ies of the XX century in the United States and Western Europe are described by the researchers as a transformation of the base contract to the contract of the "equal status". Thus, the contract of the "housewife" and the "breadwinner" is forced out by the contract of the roles' equality (of two "breadwinners") and the contract of the "dual-career family."

In Russia such changes began to occur only at the end of the XX century under the influence of the experience of the foreign countries and as a result of the transformation of the economic and social relations in our country. Today, the household and everyday life do not require the family division of labour, the rules of life and the law allow a woman to reconcile the professional and household duties [8, p. 165].

Now, under the sharp differentiation of the population in the privileged families the women's employment outside the home is considered to be undesirable, because the family does not need her auxiliary income. But at the same time it is not well-defined to call such women housewives, as the other, specially hired people who are often not the family members could be engaged in the household management and the child care.

The time expenditures of the family members for the family labour, the ratio of time spent for the family labour by husbands and wives in particular could exemplify one of the indicators describing the conditions of the family life.

The scope and range of the family labour, its distribution and efficiency depend on the size and composition of the family, the age of its members, as well as the nature and the degree of the involvement of the family labour in the economy [9, p. 85].

Janeen Baxter conducted the study, which confirmed that women spend significantly more time than men to maintain the order in the household, take it more responsibly and perform by average up to 70% of the household load [10].

Although now, under the conditions of the market economy, both spouses do not need to work simultaneously, because of the set patterns the model of the family financial management organization with two breadwinners is typically preserved in the household.

At the same time, the social status and the economic status of the spouses in the family are determined by the correlation of their roles in the household and those duties they perform in it, which is not always correlated with the respective role and status.

In forming the status of the main breadwinner, earner of the family, regardless of the gender differences the determining factor is undoubtedly the prevalence of his private finance over the finance of the other household members and their dependence on his income, which is dominant in the family budget.

In the advanced countries, one of the main social and economic characteristics of the household is a formal or informal status of its leader, whose opinion is decisive upon the allocation of resources.

At the head of the household is a person who is recognized in such a status by the other family members, the one who ensures the receipt of the main part of the resources to the household, or who is responsible for the management of its budget and this gives him the right to be called the head of the family.

During the provision of the family with resources or services, the principle "to each his own" takes the form of the equivalent exchange, which manifests itself in its market value and the major criterion is the private finance, expressing the power of those who have it over those who do not regardless of the gender differences.

According to Blau P.M. the woman labour activity in the household, in one form or another, is "exchanged" for the part of the man's benefits, wealth, wages, etc. [11].

Because of the biological causes, women are more involved in caring for children and other relatives and perform the associated household duties. At the same time women have more incentives to make investments not in the market human capital, but in those of its types, which increase the efficiency of its work in the household.

Therefore the men invest more efficiently in the market human capital and receive higher remuneration in the market to maximize the total "family" utility.

When a man is the main breadwinner, allocating the housework to the woman is considered to be "efficient". As a result, the relatively low average wages of women contributes to tightening their position as the household employees [12, p. 67].

The economic interdependence of spouses justifies the traditional gender division of labour, minimizing the role of women in decision-making on the distribution of both personal and family finances within the household. The private finance of the individual is directly dependent on his demand and employment in the external labour market and characterizes the degree of economic dependence in the family, from the private finance of its other members and is directly related to the intensity of their load in the household.

In accordance with the perception of the modern Russian middle class family in which the husband is the main breadwinner (earner) and his wife is a housewife, not because of she does not want or is not able to work, but because of the fact that, in accordance with the man status, the woman's employment outside the home is considered to be undesirable, as the husband's income is adequate and stable.

Under the set patterns of the traditional division of the housekeeping load, one of the spouses, who, as a rule, is a man, offers the rest of the family the material security, in the form of his private finance, while the household management, the responsibility for child-rearing and the care of other relatives fall to the woman's lot.

The extent and the form of the one of the spouses' involvement in the issues of the household sustenance depend on the level of his education: the higher it is, the higher probability of the active household assistance is, up to the equal allocation of duties.

Martsinkevich V. states that the labour supply dynamics of men and women varies significantly. Men usually quickly come to a phase of the dominance of the income effect. The substitution effect prevails for women, in which upon the growth of wages the leisure-related implicit costs increase. In this case, the auxiliary income allows them to hire household workers and to use the released time for the wage employment [13].

Upon changing the social status of the family and its corresponding finance structure, the model of the economic relations set in the household could be the cause of conflicts between its members, which in turn could result in the transformation of the existing monetary relations.

Under the conducted researches Lister R. and Hobson B. concluded that the lower the level of the woman wage, compared with the male spouse, the more digressive the degree of impact on the distribution of the economic resources within the family is and the higher her dependence on the husband's private finance is [14, 15].

Under the conducted researches Balabanova E. draws the following conclusion of the transformation of the economic relations between the spouses:

- *The relationship between the married partners are arranged according to the "cooperation model", i.e. the traditional gender division of labour suits both partners, their contribution to the economic well-being of the family is recognized to be functionally equivalent.*

"The cooperation model" is characterized by a high level of trust between the partners and their commitment to the same values in the family field.

- *The woman's economic role in the context of the insufficient family income is significant.* If in the wealthy households either the egalitarian or patriarchal model of the resources and power distribution prevails, in the majority of the poor and low-income families wives have more economic power, who control the family budget and provide the possibility for the family survival in the context of the insufficient income.

The research results suggest that the interrelation of the women financial dependence in the family and their patriarchal suppression is non-linear in nature and is determined by the influence of other factors - first of all, the nature of the relationship between the couple and the family material situation [16, p. 55].

At the same time, it is logical to agree with J. Gershuny, who noted that the use of these methods leads to the social disparity. Thus, the effect of the *implicit costs* method is to distribute the "total income" of the families more equal compared with the market income.

The *opportunity costs* method results in the wealth disparity, as the members of the families with higher incomes have higher cost of the domestic labour [17].

Radaev V. notes the following models of the labour division in the household:

- *The traditional model of the labour dependence* when the woman market employment is secondary to the man's one and does not concern the woman's household duties;
- *The egalitarian model of the adaptive partnership*, when upon the increase of the woman's employment in the labour market, the man takes the part of her household duties;
- The transition model of the gradual adaptation, when the redistribution of the household duties is carried out, but with a sufficiently large time lag [12].

The economic situation of the household is characterized by the size of the expenditure budget of the family, the ratio of savings to the total costs and coordinates the forms and size of the individuals' consumption. Change in the income level influences the consumption patterns of the various product groups.

Upon the income increase the funds ratio sent for acquisition of the essential commodities decreases, the costs for the mass cultural events, recreation, treatment, etc. increase.

Therefore, regardless of the prevailing structure of the family social and economic interpersonal relationships, the main breadwinner (earner) will be recognized the one whose private finances is the determining factor in the family budget and his role in making the decisions that influence the change in the household status and the distribution of the economic roles between the family members will be dominant.

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