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Abstract

The article elaborates and applies the concept of household economic strategies to an analysis of economic behaviour of households during the last phase of post-socialist transformation in Serbia. The approach is grounded in theoretical premises and analytical tools developed by numerous authors (Gershuny and Pahl: 1979, Mingione: 1994, Warde: 1990, Wallace: 2002, Anderson et al: 1994), adopting the perspective of interconnectedness between social structure and economic action of social actors. It is assumed that this approach provides an appropriate ground for the analysis of the interplay of macro and micro processes: namely, the patterns of a system's transformation that reshapes opportunities for individuals and households with different structures of capital on the one hand, and the households' economic action as an adjustment to system changes on the other. The analysis has been grounded in empirical data taken from two surveys on household strategies in Serbia conducted by the Institute for Sociological Research in 2003 and 2007. A comparative analysis indicates significant changes during the observed period. In 2003, after a long period of blocked transformation and economic crisis during the 1990s, and the initial transformation after 2000, households' economic strategies reflected attempts to cope with the new conditions through diversification and endeavour to combine various forms of market and non-market labour activities (Babovic, Cvejic: 2002, Babovic: 2004, 2005). Such economic strategies of households contributed to the status inconsistency, higher intra-strata differentiation and non-crystallised social stratification. Findings from the 2007 survey revealed a significant trend in rising pro-active labour market activities, particularly through formal employment, that led to the improvement of the economic position of the majority of households and to an increase in the status consistency of households at the upper levels of social ladder.

Key words: economic strategy, household, social status, economic status.

Introduction

The exploration of socio-economic household strategies results from an attempt to obtain deeper insights into the specific post-socialist transformation of Serbian society from a perspective that links structural changes with the changes in the economic action of social actors more directly. The collapse of the socialist system at the end of the 1980s, followed by a delayed and aggravated transformation, led to the transformation of the basic system of social reproduction. Within this dynamic societal framework, individuals and households have had to repeatedly adjust their economic actions in their attempts to provide for their social reproduction, survival, or improvement of their social position. Applying the approach based on household strategies provides adequate theoretical grounding and an analytical tool for a better understanding of economic action of social actors in dynamic social contexts. Simultaneously, this approach provides a mirror image of the features of both the system and the structural transformation observed at the micro level of economic action, which helps reveal insights into the changes of the structure of chances for different social groups.

The main objective of this article is to examine forms of economic action at the level of households, patterns of economic adjustments to a changing society, and the effects economic strategies have on the socio-economic position of households. The analysis presented in this article seeks to answer the following questions:

- Which types of economic strategies can be observed among households in Serbia?
- Are there significant changes in distribution of different types of economic strategies of households between 2003 and 2007, and, if there are, what are their main directions and features?
- What are the main effects of different economic strategies on household economic and stratification position? Namely, is it possible to identify “winning” economic strategies in the sense of providing a comparatively better economic status of households from different social strata?

Having the above defined objectives in mind, this article is divided into five parts. In the first section, the household strategies concept is briefly introduced, and the theoretical-analytical framework for the analysis is presented. In the second section, the specific features of Serbian post-socialist transformation are elaborated in order to provide a relevant context for the research of economic action. The third section presents the methodology of survey and analysis. The main types of strategies, their distribution across different social groups and changes during the period of 2003-2007 are examined in the fourth section. Interconnectedness between different types of strategies, economic and stratification position of households is explored in the final section.

Socio-economic strategies of households: theoretical background and analytical model

The household strategies approach developed from an endeavour to perceive and explain the ways individuals, households and social groups adjust their economic action to social conditions in the aim of providing their social reproduction. The approach is applied in numerous researches of socio-economic survival of households in underdeveloped societies (Roberts, 1989; Fortuna, Prates, 1989; De Pardo, Castano, Soto, 1989; De La Rocha: 2004), in the researches of dynamic changes of developed societies in the conditions of post-industry transformation and globalisation (Gershuny, Pahl, 1979; Roberts, 1994, Portes, Castells, 1989, Anderson et al:1994, Mingione: 1994, Nelson and Smith: 1999), as well as in the researches of post-socialista transformations (Clarke: 1999, 2002, Piirainen: 1997, Rakodi: 1999, Vecernik: 1996; Lokshin and Yemtsov: 2001).

The emergence of the household strategies approach can be seen as an attempt to explore and explain parts of reality that were left out of the dominant sociological and economic perspectives. Its development comes from an attempt to better understand interactions between economic action and social structure within the particular dynamic institutional framework, which aimed to bridge a gap between over-socialized sociological approaches that mainly focused on social position, and the over-rationalized economic approaches that mostly focused on individual action regardless of its social embeddedness. Despite a huge diversity in the application the household strategies approach, some basic theoretical assumptions and methodological principals can be identified:

1. Relationship between social structure and action is twofold and mediated by numerous factors. On the one hand, economic action of social actors is shaped by structural factors, including both macro-structure of the society and micro-structure of households' assets that define their social position. On the other hand, within structural limits, there are varieties of actions at a household's disposal, and chosen actions can alter social position of the household².
2. Economic action is understood as a strategy, thus replacing a more traditional preoccupation with 'economic behaviour'. This notion of strategy invokes bounded rationality of social actors and represents the combination of economic activities directed towards achievement of certain social goals (i.e. social reproduction, survival,

² This basic premise reflects influences of several theoretical developments in sociology of that time: Burt's structural theory of action (Burt, R: 1982), Granovetter's concept of structural embeddedness of economic action (Granovetter, M: 1985), and Coleman's rational choice theory (Coleman, J: 1988).

coping with crises, improvement of social position, etc.). However, the strategy is the outcome of social relations and negotiations and therefore includes power relations and conflicts (Crow, G: 1989). Regardless of understanding the strategy as a higher order construct that prescribes directions for action (as in the 'strong' definition of strategy), or as real combinations of economic activities (as in the 'weak' definition), the notion comprises a certain level of rationality (Ward, A: 1990, Wallace, C: 2002).

3. The household is the basic unit of the analysis, and even when strategies of individuals are the focus of the analysis, they are observed and analysed in relation to their household background.

Each of these basic assumptions has been debated³. Despite the intense and often fruitful debates, some basic dilemmas remain unresolved and some questions unanswered. Is it more appropriate to label the household strategies approach as a theoretical concept or as an analytical tool? Is it important to strengthen the stratification component and how?

In this article it is assumed that the household strategies approach offers a fruitful theoretical background and methodological tools to analyse the changes in economic action and stratification position of households during the recent period of Serbian society transformation. The notion of strategy is relevant and heuristically fruitful, particularly in the 'weak' version of the definition, as it enables a complex analysis of 'real' socio-economic actions of social actors who perceive and rationally process (at least to some extent) social changes, and attempt to adjust their economic behaviour in a manner that will

³ The relationship between social structure and action was strongly debated between Pahl on the one hand, and Goldthorpe and Marshal on the other (Pahl: 1996a, 1996b, Goldthorpe and Marshal: 1996). Critics have pointed out that social structure was often neglected on behalf of social (economic) action (Goldthorpe and Marshal: 1996), while Pahl, in his 'defence', emphasized that the traditional stratification approaches did not capture the complexities of households which could be much more heterogeneous when economic activities were taken into account. The second line of debate was centred on the notion of the strategy that was considered to be over-rationalized by critics (Crow, G, 1989; Shaw: 1990; Knights, Morgan, 1990). In reply to this line of critics, the authors noted that according to Weber's theory of social action, economic action is basically rational, assuming that actors have to make certain decisions on resource distribution before the action itself. Dynamic environments in changing societies particularly pose challenges to social actors to become more consciousness and more reflexive in their attempt to (re)organize resources (Anderson et al., 1994; Wallace, 2002). The third line of critics was directed at the household understood as the unit of the analysis, supporting the criticism with arguments that the household has often been seen as an entity with a single rationality or an entity reduced to a couple, thus neglecting its complexity. In response to these critics, authors emphasized the importance of the household as the unit of the analysis, as it possess features and resources that exceed simple aggregate of individual members (Anderson, et al., 1994). Moreover, the household is the basic unit of social reproduction within which everyday life, as well as class position of social actors are reproduced (Wallace, C: 2002).

provide grounds for their social reproduction. The household as the unit of analysis is relevant and appropriate, since individual actions are profiled in the context of household's assets, needs and relations with other members. Based on these assumptions, a theoretical-analytical model for the study of socio-economic strategies of households in Serbia was developed and applied in two surveys in 2003 and 2007.

According to this model, the term socio-economic strategies denotes *relatively stable patterns of economic action aimed at collection and (re)distribution of economic resources (including the conversion of different forms of capital) to ensure the social reproduction of households within their existing social positions, or to change their respective social statuses*. The starting premise of the theoretical-analytical model is that the *profiling of economic strategies is to a great extent determined by the relation between the resources and needs (i.e. objectives) of households (Graph 1)*. *The resource basis of a household is largely defined by the structural position of the household (i.e. its place in the system of global social reproduction), and determined by a combinations of positions held by its individual members in the system of reproduction, as well as by its overall resources which go beyond the mere sum of individual assets*.

Resources relevant to strategy profiling are: *economic capital* (including financial resources, movable and immovable property, means of production); *cultural capital* (which, in its wider sense, includes values of the household members, their norms and social consciousness in addition to their education); *social capital* (social networks household members may activate in the attainment of their objectives, as well as their social power); and, *labour force capital* (which, in this model, is understood as the number of working age members able to work). Resources of a household should enable it to meet its material, cultural and social needs.

Depending on the relationship between the resources and needs, a household may be in the state of one of the following: static balance - implying that the resources and needs are reproduced at the same level and within the same structure, and that the resources are leastwise sufficient to meet the existing needs; dynamic balance - implying that the resources and needs develop evenly, so that the increase in resources is accompanied by the development of needs and vice versa, with resources being at least sufficient to meet the needs; and, deprivation, which implies that the resources are insufficient.

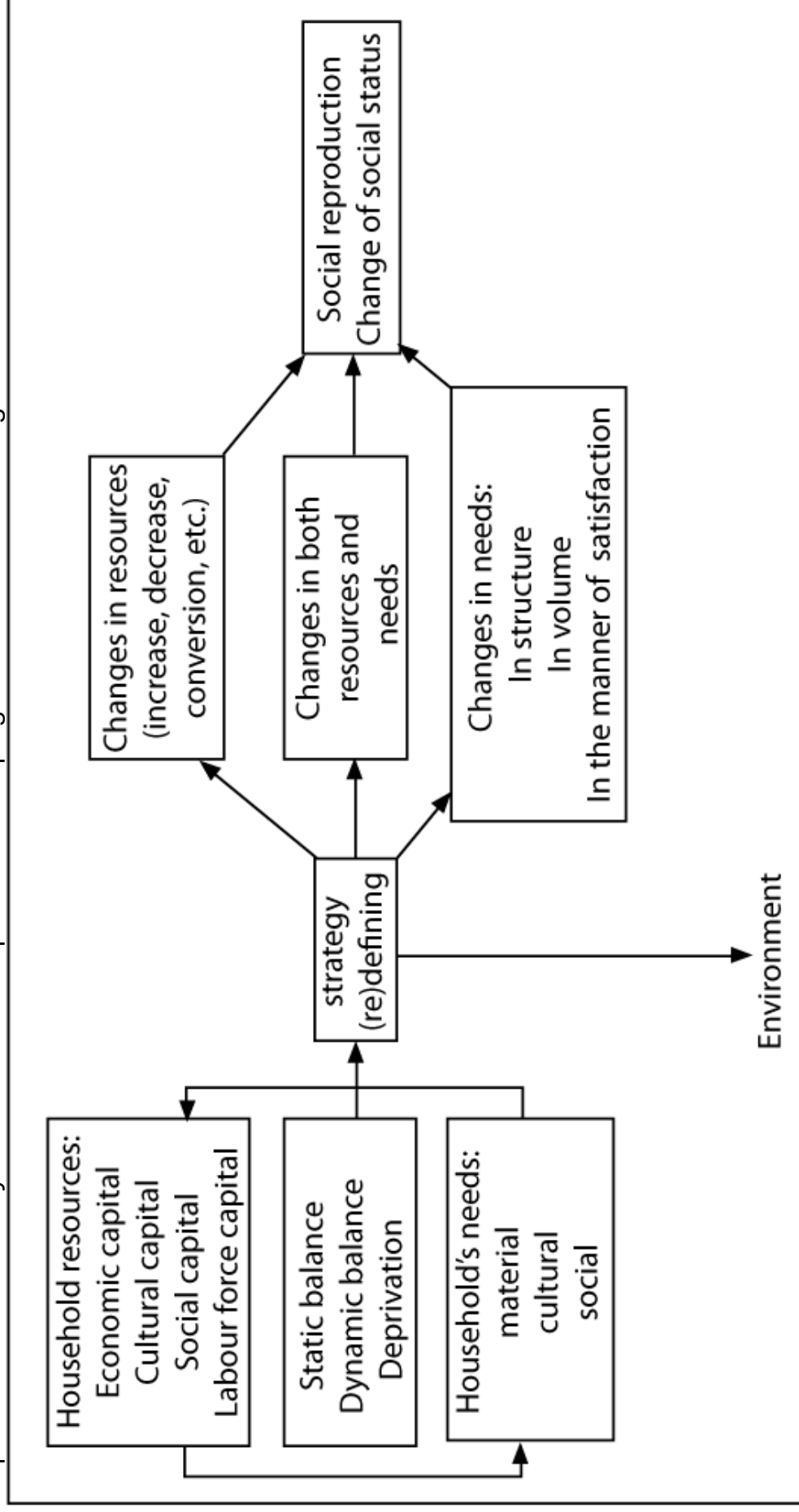
The type of the relation between resources and needs provides an impetus to (re)define economic strategies, while the structure of household resources limits the choice of available strategies, not only in terms of material - physical resources or in terms of cultural and social capital in the strict sense, but also in terms of norms and values and the prevailing culture in the household influencing the shaping of its economic strategy.

The strategies may be profiled so as to bring about a *change in household resources* (e.g. direct increase in economic capital, education of household members which augments cultural capital, fostering and development of social networks, etc.); a *change in household's needs* (e.g. reducing the needs when resources are scarce, restructuring or changing the ways of meeting them or by self-provisioning instead of going to the market), a *change in the environment*, or a simultaneous change of two or all three dimensions (resources, needs and the environment).

The household environment is complex and influences the position and actions of households at all levels - from the global society level to its microenvironment (e.g. neighbourhood). Under conditions of pronounced global social changes, changes in the environment may strongly affect the resources (for instance, an economic crisis and high inflation may reduce the value of economic capital, while changes on the labour market may depreciate the cultural capital, etc.). In addition, changes in the environment may also disrupt the balance of resources and needs and thus impose the redefining of economic strategies. On the other hand, the socio-economic strategies of households may be directly oriented towards the change in the environment - from the place of residence to political actions aimed at changing political regime or elements of the global social system.

Depending on the outcome, strategies may lead towards social reproduction of households - whether it be moving up or moving down on the ladder of economic or social stratification.

Graph 1: Theoretical-analytical model of the process of shaping socio-economic strategies of households



The shown model poses a general theoretical-analytical framework upon which researches of socio-economic strategies of households in Serbia were based. These researches aimed at perceiving comprehensive changes in economic action, social position and everyday life of the household in the condition of belted and aggravated post-socialist transformation. However, in this paper, the analysis is focuses only on a part of theoretical and analytical model – on the relations of types of strategies, stratification position and material standard of households. In other words, the analysis aims at providing answers to the following questions:

1. What types of economic strategies were profiled by households in Serbia in the two observed periods, and did changes happen in the distribution of types of strategies?
2. Can “winning” or “losing” strategies be distinguished from the point of view of their relatedness to better or worse economic positions of households, and if it is possible, what are these strategies?
3. In what way are strategies related to stratification position of households, or, putting it differently - do they contribute to or reduce the crystallisation of social positions understood as the consistency of education (cultural capital), occupation and economic well-being - Mateju, Kreidl, 1998)?

Comparative perspective is to provide insights into possible changes that took place in the above-stated aspects during the period of intensive transformation of the society of Serbia between 2003 and 2007, with the aim of determining the ways in which and the groups for which systematic changes also altered the structures of chances of profiling "successful economic strategies". In other words, shaping economic action will be analysed at the same time from the point of view of micro-structure of household resources and from the macro-structure point of view through which chances of actors' joining various segments of the system of social reproduction were defined.

Basic features of specific transformation in Serbia

The post-socialist transformation in Serbia may essentially be divided into two stages: first, the stage of “blocked transformation” during the 1990s and second, the “reactivated transformation” following the change of political regime in 2000. During the period of “blocked transformation”, a number of institutional novelties were introduced – multiparty political subsystem and the market economic subsystem – but substantial changes within the new institutional framework were blocked by the entrenched and centralized power of the ruling political (and economic) elite’s top ranks, the continuing regulatory role of the

state in the economy, and the postponement of a more extensive privatization.⁴

At the beginning of the 1990s decade, Serbia entered a phase of strong recession that was only partly due to transition processes, but primarily a result of war engagement, international community economic sanctions and inadequate economic policy that led to one of the highest hyperinflations in history (Arandarenko, 2000: 351). At the end of the 1990s, GDP per capita was half the level of GDP per capita in 1989 (Bolčić, 2002: 36). Economic restructuring appeared in the form of a sharp decline in industrial production, slow and problematic privatization and a high share of informal economy in GDP. The share of manufacturing in GDP decreased from 43% in 1988 to 39% in 1998, while the share of employment in manufacturing decreased from 40% to 32% during the same period (Statistical Yearbook of Serbia, 1990: 95-97, Statistical Yearbook of the Federal Republic of Yugoslavia, 1999: 95). In 1998 85% of the employed still were employed in public enterprises (Statistical Yearbook of FRY, 2002:101)¹. The share of informal economy in GDP was 54% in 1993, decreasing to 33% in 1998 (Krstic et al:1998).

Decelerated privatisation processes, keeping up public enterprises that were, according to market laws, to be liquidated, high “hidden unemployment”, domination of small enterprises among the newly-established private enterprises with small employment potential, fall in industrial production accompanied by not-fast-enough growth of modern service sector – all created conditions in which transformation of the labour market was dominantly marked by the growth in unemployment instead of relocation of labour force among the sectors of property an industrial branches. Therefore, *main features of Serbian labour market were the decline of formal employment, rise of unemployment rates, relatively high level of hidden unemployment, and a high share of informal employment in total employment.* Unemployment rate raised from 11% in 1988 to 23% in 1998 (Babovic, 2004: 90).

This period is also marked by the increase in economic inequalities. Private entrepreneurs appeared as a new group at the top of the social ladder, but other groups the position of which was based on private property also improved their economic status (self-employed and farmers). However, contrary to the societies of Central and Eastern Europe that were more successful in transformation, the position of professionals (common winners of transition) in Serbia was relatively aggravated during the 1990s, drawing this group closer to manual workers than to privileged groups (Lazić, 2002: 29-30). In comparison to other countries of Central and Eastern Europe, in mid 1990s, Serbia had less pronounced inequalities only in comparison to Russia,

⁴ For more on the characteristics of post-socialist transformation in Serbia, see Lazić, M., 1995, 2000; Bolčić, S., 2003.

surpassing even Great Britain with its traditionally high inequalities (Bolčić, 2002:40). This period is also marked by a sharp fall in economic standard of the majority of people and utmost increase of poverty. The number of the poor increased by more than 5-fold during the first four years of post-socialist transformation (Pošarac, 1995).

During this phase of post-socialist transformation, the vast majority of households which during socialism used to rely on long-term formal employment in public enterprises, as well as households engaged in traditional farming or marginal artisan economy had to adjust to profound socio-economic turbulences. Survey results on coping household strategies at the end of the 1990s⁵ indicate different patterns of economic behaviour aiming to adjust to the above-described social context:

- A strong reduction in consumption that included both forms: a change in the structure of consumption (expenditures for basic existential needs, such as food and housing bills, significantly increased its share in the total household expenditures) as well as a change in the quantity and quality of goods⁶.
- Self-provisioning in the form of small scale farming for household consumption and provision of services for the household (tailoring/dressmaking, repairs of durables, even car repairs)⁷.
- Non-monetary inter-households exchange was at a high level, while monetary inter-household exchange was at a low level. However, over one third of households reported a decrease in inter-household exchanges at the end of the 1990s in comparison to the early and mid 1990s.
- Additional work, mostly informal, in trade and agriculture. At the end of the decade, this element of coping strategies had been declining as reported by over a third of households. Opportunities for additional work were decreasing and revenues from additional labour activities were less sufficient to meet needs of households (Babovic, Cvejic: 2000).

Results of this survey indicated a general decline in opportunities to employ relatively successful coping strategies within the system in a deep economic crisis and destroyed institutional framework. From the perspective of household coping strategies, the change of political regime in the autumn of 2000 can be partly seen as an attempt to change social environment, since other attempts (to redefine strategies and to employ successful ones) were exhausted.

⁵ The survey was conducted during summer 2000 by the Centre for Policy Studies.

⁶ In August 2000, over 1/3 of households reported decrease in consumption of food and half of households from the sample reported consumption of lower quality food in comparison to pre-transition period. Furthermore, 64% of households reported decrease in the purchase of clothes, and 46% of households reported decrease in the consumption of toiletries (Cvejic, S, Babovic, M: 2000).

⁷ Almost 60% of households from the same survey reported some form of small scale farming for household consumption, 33% reported tailoring and dressmaking in clothes provision, etc. (Ibid).

The second stage of post-socialist transformation in Serbia, often labelled as 'unblocked', 'reactivated' transformation (Lazic, M Cvejic, S: 2005, Bolcic: 2004), started in the autumn of 2000, and was marked by efforts to build new institutions and transpose the existing ones from the informal "para-system" into the formal order. This period of intensive reforms was marked by macroeconomic stabilisation, more intensive privatisation, considerable economic restructuring, establishing favourable economic growth rates and general growth of material standard (poverty rate dropped from 14% in 2002 to 6.6% in 2007) (SORS, 2008). Economic restructuring developed simultaneously through the processes of privatisation and sector restructuring. In 2008, the sector of services generated 2/3 of the gross added value of Serbia (64.2%), which is by 9.4% more than in 2000 (Republic Development Bureau, 2008).

However, intensive restructuring of the economy brought about the increase in unemployment, structural disharmony between the labour force demand and supply. Employment dropped by around 3% in the period between 2001 and 2006, showing the first mild positive trends on the labour market as later as in 2007 (employment rate growth of 0.3%). Unemployment rate grew from 19.5% in 2004 to 21.6% in 2006, dropping again to 18.8% in 2007. Unemployment rate in Serbia remained among the highest in the region and significantly higher than in the EU 27 where it amounted to 6.8% only (EC, 2008).

The above described social conditions also created new structures of chances for profiling economic strategies of households. The survey on socio-economic household strategies conducted in autumn 2003 captured the starting effects reactivated transformation had on household economic strategies. Due to further development of analytical framework and introduction of changes in methodology, direct comparisons with findings from 2000 were not possible. Survey results in 2003 indicated the following trends in profiling socio-economic strategies of households:

- *A remarkable diversification of household economic activities* not only due to the inclusion of different household members into different positions in the system of social reproduction, but also due to simultaneous engagement of the same household member in several activities (not necessarily of the same qualification position or with appropriate service contract).
- Increasingly *frequent supplementary work* mostly on the informal labour market.
- Compensating for the shortage of resources by *resorting to self-provisioning strategies*, i.e. by subsistence production and meeting other needs by the household itself, *especially when employment was unavailable*.

- *Recourse to agricultural activities* of households who have the factors for agricultural production and face long-term unemployment;
- *Cautious entry into entrepreneurial activity* while retaining other work activities intended to cushion the risk.

The last survey conducted in summer 2007 enabled more direct and reliable comparisons with the 2003 survey, since it used the same analytical framework and methodology in order to estimate effects of transformation processes and reforms of economic strategies of households and their socio-economic position.

Methodological remarks

Surveys of socio-economic strategies of households were conducted in Serbia four times: in 2000, 2002, 2003 and 2007. The first one was conducted by the Centre for Policy Studies, while the remaining three were conducted by the Institute for Sociology Research of the Faculty of Philosophy in Belgrade. Having in mind that the theoretical-analytical framework and the methodology were being developed with every new wave of research, the data are comparable only for the latter two surveys. Both surveys were conducted on the national samples of Serbia (excluding Kosovo). The samples were defined by the multistage PPS (probability-proportional-to-size) method, comprising 1,637 households in 2003 and 1,993 households in 2007. The surveys were funded by the Ministry of Science of the Republic of Serbia.

Databases that resulted from these surveys also impose other significant limitations. Firstly, although the samples are representative for the whole population of Serbia, their size does not enable analyses in certain aspects that are sophisticated enough, since the introduction of multiple classification criteria reduces the groups to the levels at which statistical reliability is being lost. Therefore, groups comprising small number of respondents were excluded from certain aspects of the analyses – groups such as entrepreneurs, underclass, and the like. Moreover, classification of the types of strategies remains rather rough, not allowing the introduction of yet another level of differentiation within the types, such as the number of household members engaged in the given type of strategy, etc. Another limitation is the inability to explore all aspect of the comprehensive analytical model stated above. Limited means also imposed a limited size of the questionnaire. The third limitation, related to the second one, concerns the possibility of following longitudinal trends up. Namely, the surveys were not of a panel type, which eliminates the possibility of a direct follow-up of changes in the same households depending on the changes in resource base of households and systemic structures of chances.

Having in mind the above stated limitations of analyses, this paper endeavours to offer answers to several crucial questions: Did any changes happen in the distribution of strategy types in the observed

time-period, and in what direction? Primarily, did the reform processes lead to the increase in the formal employment as an element of economic strategies, and in what social groups? Can “winning” and “losing” strategies be distinguished in terms of their relatedness to a better or worse economic position of households, and what groups do they characterise? And, finally, having in mind the fact that the transition had already been happening for quite a while, did, in the observed period, the increase in crystallisation of social positions happened– in the sense that was defined by Mateju and Kreidl (1998) as a consistency between cultural capital (education), stratification position (occupation) and economic position (material wealth).

In order to answer the above questions, the following assumptions were defined:

1. The changes that happened in Serbia during the period of intensive reforms following 2000 led to the increase of the share of households with pro-active labour strategies, especially with the subtype of formal employment strategy.
2. Households of higher cultural capital have better chances of profiling pro-active economic strategies, mainly through employment on the formal labour market.
3. Households of lower cultural capital have smaller chances of providing formal employment as an element of economic strategy, and therefore are more often forced to base their economic activities on irregular forms of labour (occasional, informal employment arrangements).
4. The adopted type of strategy is significantly linked to the economic status of a household, enabling the households with formal employment either as the only form of economic activities or a form in combination with other forms, a comparatively better material position in comparison to other types of economic strategies.
5. These changes led to increased crystallisation of social positions and economic action of households in terms of better consistency of cultural capital, stratal position (defined on the basis of occupation) and economic position of a household.

Testing of the above presented assumptions demanded constructing specific variables through which key terms and aspects of the problem were operationalized.

Economic strategy is operationalized here as a mix of economic activities in a household. The combinations of economic activities are often impossible to encompass by a single classification. Therefore, a relatively general basic typology of strategies – based primarily on labour activities, was established. All other elements of socio-economic strategies, such as different forms of inter-household exchanges, selling possessions, etc. are regarded as secondary and were thus not considered as a basis for typology. An applied typology of economic strategies of households is based on three primary elements: 1) the absence/presence of labour activities; 2) non-market/market labour

activities 3) single/multiple labour activities. Based on these criteria, households are classified according to four basic types of strategies, with specific subtypes⁸:

1. Passive households;
2. Households with self-provisioning strategies;
3. Households with focused work strategies, including subtypes such as: formal employment, irregular work, farming;
4. Households with diversified work strategies, including subtypes such as: entrepreneurial diversified, formal employment with additional work, formal employment combined with farming, and farming combined with irregular non-agricultural work.

Passive households are those the members of which perform neither economic activities in the labour market, nor self-provisioning activities within the household economy (except for the basic activities of preparing food, regular maintenance of the premises, etc.).⁹

Households with a self-provisioning strategy are those performing *only* the economic activities carried out by a household to meet its own needs (whether by subsistence production or services), which are, in “modern” societies, mostly related to the markets of commodities and services. Domestic production and self-servicing primarily have the function of substituting for market mechanisms to meet the needs with household work, most often due to insufficient financial resources. These activities include food production (in one's garden or land plot, etc.), the making or alteration of clothes (often due to the inability to buy them in the market), repair of household appliances and “major”

⁸ The typology was established using the method of multidimensional classification. Each household member was given an appropriate value on special variables used as classification elements: formal employment (1 if employed or 0 if formally unemployed), supplementary work, work in agriculture, subsistence production and self-servicing. After that, the households were classified on a new variable of types of strategies, using logical conditions to group households by elementary variables. Households with 0 value on all elementary variables were classified as passive. Households with 0 value on all variables but subsistence production and self-servicing were classified as households with self-provisioning strategy. Households with value 1 on any single variable: formal employment, supplementary work or agricultural work, were classified as households with focused work strategies. Households with value 1 on more than one elementary variable were, depending on the combination, classified into appropriate categories of households with diversified work strategies. It is important to note that the criteria for classification did not include the number of household members engaged in a specific activity. Therefore, i.e. the group of households with work strategy focused on formal employment includes those with only one formally employed member as well as those with several formally employed members; while the group of households with work strategies diversified to formal employment and supplementary work includes households with a member who simultaneously holds a formal and supplementary job, as well as the households in which one member does formal and another member supplementary work.

⁹ The absence of activity raises the question of whether households of this kind could be viewed as having a strategy at all. Some authors believe that a conscious decision not to act may also be considered a strategy (Anderson, Bechofer & Kendrick, 1994: 20).

refurbishing or maintenance works (wall-painting, installations repairs, etc.). Therefore, while a passive strategy excludes all forms of work (except for household daily maintenance work), a self-provisioning strategy includes non-market forms of labour whose function is to compensate for the lack of employment or sufficient sources of revenues that would enable meeting the needs through market mechanisms.

The third type of strategy is termed *focused work strategy* because the economic activity of a household is focused on a single type of economic activity, regardless of how many household members are engaged in it¹⁰. Depending on the type of economic activity, households are classified as having: a *formal employment strategy* (including entrepreneurial households relying exclusively on entrepreneurship - remarkably few in the sample), a strategy of engaging in *irregular work*¹¹ only, and a farming *strategy focused exclusively on agricultural production*.

The fourth type of strategy is referred to as a *diversified work strategy*, because it denotes a combination of two or more forms of work of the previous type. Entrepreneurial diversified strategy assumes a combination of formal entrepreneurship of one member and formal employment of another household member, or entrepreneurship in combination with irregular work. Other subtypes represent combination of formal employment and irregular work, formal employment and farming, farming and irregular work. It is important to note here that the work in agriculture can appear in all three latter subtypes of diversified strategy. The difference is in that in the two latter subtypes of households there is at least one member that is in his basic status a farmer, meaning that his main employment is work in agriculture on his own farm, while in the strategy of combining formal employment and additional work, the work in agriculture can be found only as an additional activity (there are no farmers in the household).

Cultural capital is here defined in its narrow sense as the educational level of household and it is measured as an average number of years spent in education divided by the number of adult household members, and differentiated in the categories of low, middle, higher middle and high cultural capital. Households with low level of cultural capital are the households with members that have, on average, spent up to 8 years in education; households with middle level of cultural capital have members that have, on average, spent between 8 and 12 years in

¹⁰ As already explained above, sample size did not allow further differentiation within the same type of strategy.

¹¹ The term 'irregular work' here is used instead of flexible forms of employment because it refers to twofold 'irregularity': in the sense of continuity of work/employment (includes occasional work) and in sense of legality (includes informal work). Both forms are taken together because they represent significantly lower quality of work in terms of length, stability, position and rights of employees, and, most often, remuneration.

education, but none of them have completed higher education. Households with middle-higher level of cultural capital are comprised of members who have, on average, completed between 8 and 14 years of education, with at least one member with completed university education. Households with high level of cultural capital are those whose members have, on average, completed more than 14 years of education.

Economic position of households was measured by a composite index. This index was formed on the basis of three individual indexes: property, revenue and consumption. Individual indexes were formed on the basis of a larger or a smaller number of indicators that are used to measure material resources of households of various types. Therefore, property index embraced almost thirty variables measuring the following resources: real estate value (housing, premises, land property, farm facilities); value of household furniture that shows the level of equippedness of a flat/house; possession of a car, agricultural equipment and the like. The index of revenue was formed on the basis of overall revenue in a household, from regular employment, selling agricultural product, pension, welfare benefits, income from abroad, pecuniary gifts from the country and abroad, income resulting from additional work and other pecuniary incomes. Consumption index was based on less precise measures¹² of monthly spending on food, as well as the characteristics of spending on hygiene, clothing, vacations and the like. Consumption index was, in fact, to have a role within the composite index – the role of correcting revenue index which, due to a common tendency of hiding or decreasing income, cannot be precise enough. Basic indexes were made by attributing points to values on individual variables and then by adding the points for every individual index. Following that, indexes were expressed in five-degree scales, thus enabling one household to have different positions on all three indexes, depending on the structure of material resources and consumption (e.g. on the property index, a household could take a higher position than on the index of revenue, and vice-versa). Composite index of material position was created by adding the points for all three basic indexes, enabling a household, in total score, to achieve minimum 3 and maximum 15 points. In the end, composite index was expressed in a five-degree scale with modalities: low, middle low, middle, middle high and high economic position.

¹² It is well known that measuring economic position of a household or an individual, especially in changeable social conditions with a significant volume of informal economy, is, due to higher reliability, mainly done by consumption indicators. Hiding one's income is a common phenomenon that other researchers in other societies come across as well. However, when material position is measured by consumption indicators, and when it is more difficult to establish precise and reliable enough measures of material standard on the basis of consumption, it is necessary to measure total (e.g. monthly) consumption in great detail, which considerably increases the size of the questionnaire. Having in mind that the survey on strategies had a limited space in the questionnaire, such detailed consumption measurement was not possible.

The social strata are operationalized through the occupations of household members, using the so-called dominance principle. This means that the status of the member with the highest individual position is assigned to the household. The households were classified into the following classes: 1) managers (directors and politicians); 2) entrepreneurs¹³; 3) professionals (including the self-employed and highly educated members of free professions); 4) intermediate stratum (non-manual employees with secondary education, usually labelled as clerks and technicians, self-employed with secondary education); 5) skilled manual workers (highly-skilled and skilled manual workers, self-employed with worker qualifications); 6) unskilled manual workers (semi-skilled and unskilled workers); 7) Farmers; and, 8) marginal social stratum ('underclass'), encompassing the groups excluded from the sphere of economic reproduction of the society (where not a single household member had been, or was at that moment engaged in an occupation that would allow their classification). Households without a single active member were classified according to the previous occupation of their retired members.

Changes of socio-economic household strategies 2003-2007

A comparative analysis of the distribution of various types of economic strategies among the households in Serbia shows that significant changes in four most important forms happened in the period between 2003 and 2007. First, the *share of households with defensive strategies* (i.e. passive and self-provisioning strategies) *decreased, while respectively the share of households with pro-active labour strategies increased* (table 1). At the same time, this implies that *non-market forms of labour decreased, while market forms of labour increased*. Second, the *share of households with focused work strategies increased, mostly due to an increase in formal employment*, while the share of households with diversified work strategies remained the same. Third, the share of households that employ (solely or in combination with other forms) agricultural work decreased significantly. Finally, irregular forms of work slightly increased, particularly in the form of additional work in households that employ work diversified strategies.

Table 1: Households according to types of strategies, comparative data for 2003-2007.

Type of strategy ¹⁴	% of households	
	2003	2007
Passive	6.4	5.7
Self-provisioning	12.3	8.9

¹³ Since the sample from both surveys included only few large entrepreneurs, it should be borne in mind that the paper refers to entrepreneurial stratum which covers only medium and small entrepreneurs.

¹⁴ Main types of economic strategies are in bold, while sub-types are presented in regular font.

Work focused - total	40.7	45.2
Formal employment	20.6	29.2
Irregular work	10.0	11.4
Agricultural work	10.1	4.6
Work diversified – total	40.5	40.3
Entrepreneurial combined with other types of work	2.5	2.9
Formal employment combined with irregular work	25.6	28.3
Formal employment combined with agricultural work	8.4	5.3
Agricultural work combined with irregular work	4.0	3.8
Total	100	100

Changes in the distribution of different types of economic strategies reflect the above described systemic changes and positive trends of economic growth, pointing to the increase in chances for entering the labour market. It is noticeable not only on the basis of data on the distribution of types of strategies, but also on the basis of changes in the structure of revenue sources of households with different types of strategies (Table 2), as well as in the changes in the characteristics of categories of households from the same type of strategy.

In the category of *passive* and the category of households with the self-provisioning strategy, beside the dominant group of households with pensioner(s), there are also underclass households excluded from the labour market. Comparative data on the structure of revenue sources show that among the households employing these two types of economic strategies, there happened the increase in the participation of pensioner households and pension revenues, which indicates the trend of activating a part of marginalised class from these categories (Table 2).

The increase in the share of households with labour strategy focused on formal employment – from 20.6% in 2003 to 29.2% in 2007 – should be understood as an important indicator of improving the conditions prevailing on the labour market. In other words, in the conditions of blocked transition in Serbia during the 1990s, formally employment significantly decreased, forcing households to diversify economic activities and engage in occasional additional forms of labour, or to passivise due to exclusion from the labour market. (Cvejić, Babović, 2000, Babović, 2004). Furthermore, data indicate a decrease of the share of a single ‘breadwinner’ strategy within this category of households, and an increased share of households with two formally employed members. In 2003, households with a single formally employed member accounted for 51.1% of the total number of households with a work strategy focused on formal employment, while households with two employed members accounted for 30.9%, and households with more than 2 employed members for 9.0%. In 2007,

the share of households with a single breadwinner declined to 45.8%; the share of households with two employed members rose to 45.4%; while the share of households with more than two employed members almost remained the same (8.8%). This trend also confirms the increased share of income from formal employment in the structure of revenue sources among households with the strategy of formal employment (Table 2).

Table 2: Structure of sources of revenues for households with different types of economic strategies

Revenues	Households with different economic strategies																	
	Passive		Self-provisioning		Formal employment		Irregular work		Farming		Entrepren. diversified		Formal employ. & irregular work		Formal employment & farming		Farming & irregular work	
	2003	2007	2003	2007	2003	2007	2003	2007	2003	2007	2003	2007	2003	2007	2003	2007	2003	2007
Salary from formal employm.	-	-	-	-	62.6	66.4	-	-	-	-	50.1	48.1	43.9	42.8	37.4	37.3	-	-
Salary from irregular work	-	-	-	-	-	-	49.3	44.8	-	-	16.7	10.1	24.0	26.3	10.2	5.6	29.4	19.6
Selling agricultural products	-	-	-	-	-	-	-	-	48.8	65.8	3.2	5.3	2.7	3.7	24.0	32.8	38.3	40.7
Pension	69.7	74.4	72.0	80.4	23.1	23.4	29.1	36.3	32.0	22.4	20.2	19.0	17.4	18.7	14.9	18.3	27.3	
Welfare benefits	10.6	8.9	7.1	2.9	7.0	5.6	10.6	11.2	6.4	4.2	2.0	2.5	5.5	5.0	6.6	5.6	8.1	7.2
Incomes from abroad	3.9	1.9	2.8	3.9	1.6	0.6	0.6	2.0	3.0	0.9	2.2	1.5	0.7	0.7	0.8	2.8	-	0.8
Financial support from relatives/friends	11.6	10.0	15.2	7.6	3.2	1.5	7.1	4.6	8.4	4.1	1.3	2.2	3.6	1.6	1.5	0.5	5.2	2.9
Rent, dividend	4.2	4.1	2.9	4.1	2.3	2.5	3.0	0.7	1.4	1.7	4.3	11.3	1.4	2.2	0.2	0.5	-	1.5
Selling possessions	-	0.9	-	1.1	0.2	-	0.3	0.4	-	0.7	-	-	0.8	0.4	0.6	-	0.7	-
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

The share of households that face problem of unemployment of at least one member decreased from 30.6% in 2003 to 27.5% in 2007. These households are mostly concentrated among those that focus on irregular forms of work or diversify their work strategy by combining formal employment with additional (mostly informal) work.

The group of households that engage exclusively in irregular economic activities¹⁵ shows a slight increase between 2003 and 2007. Three changes in this group can be highlighted. The share of households that perform informal work on regular basis (every month) increased (from 53.0% in 2003 to 63.6% in 2007). The share of households whose members engage in occasional work through a formal labour contract¹⁶ dropped from 12.2% to 7.7%, while the share of households that rely solely on informal (self)employment respectively rose. Although in both periods these households face more problems of unemployment than other households, the share of households that have at least one unemployed member decreased from 2/3 to 1/2.

However, two important features of these households remained almost unchanged: the majority of households have only one member engaged in irregular work (63.6% in 2003 and 65.4% in 2007), while prevailing activities include agriculture, unskilled and skilled manual labour, followed by trade. The main purpose of employing this strategy is to tackle the problem of unemployment, or to provide additional income to the household budget relying on pensions or welfare benefits. Therefore, this economic strategy is more an outcome of necessity than the free choice of flexible forms of work.

Finally, the share of households that employ a work strategy focused on agriculture (farming) has significantly decreased. One of the important findings from the 2003 survey was that 31% of these households were not farming households before post-socialist transformation (Babovic, 2004). To those that were engaged in agriculture before the 1990s, it was usually a supplementary activity to employment in other industries. Increased unemployment forced these households to transfer to agricultural production completely. It seems that this trend reversed after 2003: the share of pure farming households decreased from 10% to less than 5%. Comparative data indicate that this decrease happened mostly as a result of the withdrawal of small land owners and small farming households from this category¹⁷. However, as it can be seen from the data on the structure of revenue sources, while there, on the one hand, happened the

¹⁵ Irregular forms of work here mostly include occasional or regular informal work (whether in the form of salaried informal work or informal self-employment) as well as some legal, but occasional forms of part-time contracted work.

¹⁶ These forms of short-term employment were mostly provided through Youth employment cooperatives.

¹⁷ While in 2003 one fifth of households possessed small portions of land (below 2 hectares), two thirds possessed land between 2 and 20 hectares, and only 12% of households possessed land above 10 hectares. In 2007 these shares were 9%, 60% and 31% respectively.

decrease of the households solely engaged in agricultural production, there, on the other hand, happened a stronger direction towards the market agricultural production, since the income from selling agricultural products increased its share in the total structure of income among these households.

The most frequent modality of the work diversified strategy in both observed time periods was the combination of formal employment and irregular work, followed by a combination of formal employment and agricultural work – typical for mixed households.

In the view of a small number of entrepreneurial households in this sample, this group cannot be analyzed in greater depth. However, the basic descriptive analysis for both observed years shows a high share of those households that combine entrepreneurship of one member with other economic activities of other household members. The most frequent combination includes formal employment of other household members who are not entrepreneurs; supplementary work, primarily in the grey economy; and even agricultural work. This picture of entrepreneurial households is partly due to the absence of large entrepreneurs in the sample. The predominantly small entrepreneurship gives a substantially different picture of economic strategies than could be expected from households of large entrepreneurs. However, even these basic insights are important indicators of an insufficient reliance of small entrepreneurs on their entrepreneurial activity alone, and their need to hedge and mitigate the risks related to entrepreneurship by diversifying economic activities of their households.

In both observed periods, the highest share among households with a diversified work strategy comprises households that combine formal employment with additional work. However, in 2003 households with this type of economic strategy were the most numerous, while in 2007 they were outnumbered by households with economic strategy focused solely on formal employment. There are not significant changes in the features of additional work within this category of households. In both observed years, over half of the households performed additional work on a regular basis (every month), and the most frequent additional labour activities were in agriculture, construction and artisan services, followed by unskilled jobs and trade. The only change that can be noticed is a slightly increased formalization of additional work: 13% of households in 2007 reported that their additional jobs were formal (through contracts), while in 2003 only 9% of households reported the same. Nevertheless, informal forms of additional work prevailed in both years.

The next group of households combine formal employment with farming, and they are usually labelled as ‘mixed households’. The difference between these households and those with the previous type of strategy is that agricultural work, just like formal employment,

represents the main, rather than the supplementary activity of certain household members. This means that there is at least one farmer and one formally employed member in the household. The group of mixed households also differs from the next group which combines work in agriculture with supplementary work, since employment in non-agricultural sectors takes only the form of irregular (occasional or informal) work in the latter group. This group of households decreased in 2007, in comparison to 2003. The internal structure of this category did not change significantly. Among employed members of households, over 60% were skilled and unskilled manual workers in both years. Along the farming dimension, small and medium landowners with diversified agricultural production prevailed in both periods. Among this category of households, a similar trend can be observed as within pure farming households – an increased share of market-oriented agricultural production as a source of income (Table 2).

The last category of households that combines farming as the main economic activity with additional forms of work outside agriculture remained almost at the same level as in 2003. Additional work in this category differs significantly from additional work in the category of households that combine formal employment with additional work. In both observed periods, legal forms of additional work are almost absent, with prevailing unskilled and skilled manual labour (two thirds), while other forms of work are marginal (trade, intellectual and artistic jobs, etc.).

The above-presented data generally indicate the changes in economic strategies towards pro-active, work strategies, especially in the form of formal employment. However, one of the main questions that the analysis in this text endeavours to answer are related to the structure of chances of households of different cultural capital and stratification position to shape more successful types of economic strategies.

Household strategies and (re)stratification

In earlier analyses that were more focused on researching the relation between the resource basis of households and profiling economic strategies, it was noticed that three forms of capital were significantly linked with the type of adopted economic strategy: labour force, economic and cultural capital (Babovic, 2009). It was noticed that labour force capital¹⁸ primarily influences the chances of households to

¹⁸ *Labour force capital* is operationalised as the number of household members of working age (15-64). Households that were classified as those with low labour force capital are households with not a single working age member, and households with one working age member. Households that were classified as those with middle labour force capital were the households with two working age members, which is a situation characteristic of modern nuclear families with working age partners. All households that have three or more working age members were categorised as the households with high labour force capital.

profile any active labour strategy at all, but also influences the possibility of developing a diversified economic strategy contrary to the focused one. Cultural capital, however, has an impact on changes of households to provide formal employment either in the form of a focused or within a diversified economic strategy (Ibid).

Comparative data indicate that the rise of formal employment strategy was remarkable among households with high cultural capital (Table 3).

Table 3: Share of households with strategies comprising formal employment within the categories of households defined according to the level of cultural capital – comparative data 2003-2007.

Economic strategies with formal employment	Households with different levels of cultural capital							
	Low cultural capital		Middle cultural capital		Higher cultural capital		High cultural capital	
	2003	2007	2003	2007	2003	2007	2003	2007
Formal employment	7.5	7.7	26.9	31.5	28.8	38.8	29.6	51.3
Formal employment & irregular work	10.0	11.3	32.5	33.3	38.3	35.1	32.2	26.5

For the same reason, the internal structure of households with the strategy focused solely on formal employment significantly shifted according to the level of cultural capital. Namely, while in 2003 among the households with the strategy focused on formal employment, households of middle capital constituted 56%, while the households of higher and high cultural capital constituted 31.8%. On the other hand, in 2007, two groups with the highest cultural capital amounted to 62% of households with strategy focused on formal employment.

The data presented here indicate that labour market trends increased opportunities for formal employment of people with higher levels of education. This enabled households with appropriate levels of cultural capital to rely more on formal employment strategy and diminish necessity to diversify economic strategies¹⁹.

These findings largely explain a significant correlation between types of economic strategies and stratification position of households (defined by occupation of the dominant member). A shift from diversified strategies that combine formal employment with irregular work towards strategies focused on formal employment were recorded for professionals and intermediate strata (clerks and technicians). Also, a somewhat higher share of passive strategy among professionals can be noticed compared to other strata (presumably partly due to their

¹⁹ The increase of real wages that was recorded during same period also contributed to this trend.

higher pensions and consequently lower pressure to find supplementary work following retirement). (Table 4).

Table 4: Households by type of strategy and class position (in %)

Type of strategy	Stratification position of households ²⁰									
	Professionals		Intermediate		Skilled workers		Unskilled workers		Farmers	
	2003	2007	2003	2007	2003	2007	2003	2007	2003	2007
Passive	6.9	6.1	4.3	4.2	4.8	3.2	14.1	12.4	0.6	2.3
Self-provisioning	7.7	7.3	6.5	7.5	8.7	5.1	27.0	19.9	8.5	8.7
Formal employment	31.6	41.7	35.0	41.1	24.8	32.0	12.7	11.7	-	-
Irregular work	7.4	6.1	3.8	5.7	12.4	7.6	20.4	31.3	6.4	12.8
Agricultural work	-	-	-	-	-	-	0.8	-	61.0	41.6
Formal employment and irregular work	39.8	36.5	40.3	36.2	33.8	40.8	15.4	17.5	-	-
Formal employment and agricultural work	6.6	2.3	10.1	5.3	15.4	11.3	8.7	7.2	-	-
Agricultural and irregular work	-	-	-	-	-	-	0.8	-	23.5	34.7
Total	100	100	100	100	100	100	100	100	100	100

Cramer's V = .523 (2003)

Cramer's V = .541 (2007)

Among households of skilled workers, a diversified strategy that combines formal employment with irregular forms of work remained dominant, even significantly increasing. It is important to note that a strategy focused on irregular work decreased among skilled workers, while the share of a diversified strategy that combines formal employment with farming decreased among intermediate strata and skilled workers.

Unskilled workers largely differ from other strata in several respects: the shares of passive strategy, self-provisioning strategy, and work strategy focused exclusively on irregular forms of work are significantly higher than in other strata. However, a significant change occurred in this stratum as well. In 2007, a work strategy focused on irregular forms of work overcame a self-provisioning strategy that prevailed in

²⁰ The multistage PPS sample used for the survey does not sufficiently cover the groups at the top and at the bottom of social hierarchy, which makes the statistical analysis of intra-group differentiation by different characteristics, even by the type of economic strategies, impossible. Due to insufficient number of managers, entrepreneurs and the underclass in the sample, the table does not present the data related to these respondents.

2003. Finally, it is important to note that farming households started diversifying their strategies more. In the observed period, the opposite trends can be noticed between farmers on the one hand, and professionals and intermediate strata on the other. While the first group shows a tendency to diversify their strategies, the others incline to develop more focused work strategies.

From the presented data, it can be noticed that labour market opportunities improved significantly for majority of households. However, on the formal labour market, opportunities improved mostly for professionals and intermediate strata, while for skilled and unskilled workers chances to work are increased mainly on informal labour market.

The next question raised in this article concerns a possibility to identify successful economic strategies and estimate chances of households from different social strata to employ them. "Successfulness" of a strategy can be understood in different ways: as a possibility to maintain social position, a possibility to enable climbing up the social ladder, etc. In this paper, successfulness is narrowly defined as providing comparably higher economic positions. In developed societies, the actors' positions in the division of labour reveal a firmer correlation with remunerations, which explains a stronger link between class and economic positions. In a situation of aggravated transition in Serbia, in the view of uncrystallized positions and diversified strategies, not only a household, but also its individual members (especially in the case of diversified strategies) may simultaneously take different positions in the social division of labour, i.e. the global system of economic and social reproduction of the society. This is the reason why class positions are not sufficiently crystallized, and it is not possible to expect an equally strong link between the class position defined on the basis of education, the position on the labour market, and the economic status of a household.

It is assumed here that the relation between class and economic positions is substantially mediated by the type of household economic strategies. Namely, households of the same stratum show differences in economic position precisely depending on the type of economic strategy. However, that does not mean that a single, "most successful" or "winning" type of strategy may be distinguished, but that different strategies in the same social stratum refer to a link with a specific (higher or lower) economic status, and that the same strategies in different strata may show a different correlation with the economic position (Table 5).

Table 5: Average economic status of households by class positions and types of economic strategy

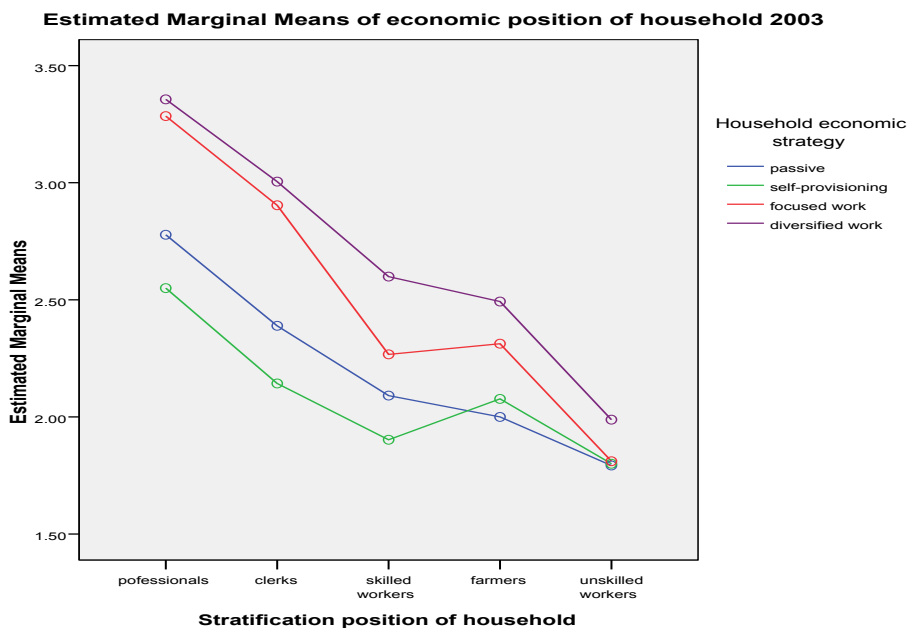
Social stratum	Type of economic strategy	Average economic position	
		2003	2007
Professionals	Passive	2.86	3.14

	Self-provisioning strategy	2.55	3.01
	Formal employment	3.31	3.78
	Irregular work	3.24	3.28
	Agricultural work	-	-
	Formal employment and supplementary work	3.39	3.86
	Formal employment and agricultural work	3.25	3.32
	Agricultural and supplementary work	-	-
Intermediate stratum	Passive	2.39	2.93
	Self-provisioning strategy	2.06	2.41
	Formal employment	2.88	3.20
	Irregular work	3.01	2.84
	Agricultural work	-	-
	Formal employment and supplementary work	3.05	3.42
	Formal employment and agricultural work	2.87	3.56
	Agricultural and supplementary work	-	-
Skilled workers	Passive	2.11	2.32
	Self-provisioning strategy	1.90	2.23
	Formal employment	2.32	2.56
	Irregular work	2.17	2.53
	Agricultural work	-	-
	Formal employment and supplementary work	2.54	2.93
	Formal employment and agricultural work	2.73	2.98
	Agricultural and supplementary work	-	-
Unskilled workers	Passive	1.80	1.89
	Self-provisioning strategy	1.83	1.85
	Formal employment	1.75	2.23
	Irregular work	1.83	2.02
	Agricultural work	-	-
	Formal employment and supplementary work	1.83	2.28
	Formal employment and agricultural work	2.41	2.74
	Agricultural and supplementary work	-	-
Farmers	Passive	-	2.25
	Self-provisioning strategy	2.09	1.95
	Formal employment	-	-
	Irregular work	1.93	2.30
	Agricultural work	2.36	2.74
	Formal employment and supplementary work	-	-
	Formal employment agricultural work	-	-
	Agricultural and supplementary	2.47	2.79

	work		
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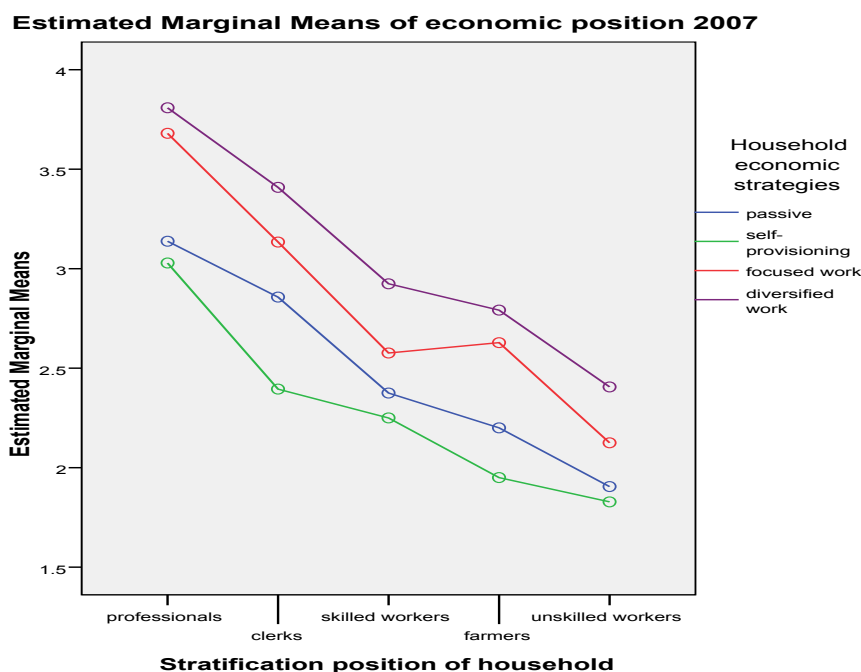
Comparative data indicate first that the economic position of all social strata improved between the two observed years²¹. Generally, for all strata, *diversified work strategies go with higher economic positions*, compared with focused work strategies. In the case of professionals, a combination of formal employment and supplementary work leads to the highest average economic positions. In the three other strata - intermediate, skilled and unskilled workers, the 'winning' economic strategy is a combination of employment and farming, which reveals improvement of opportunities for mixed households. Among intermediate strata, households with this type of economic strategy exceed households with a strategy diversified into employment and irregular work on the scale of average economic position. For farmers, a diversified strategy (combining agricultural work with supplementary work) is linked to the higher average economic position than engagement in agricultural production alone. Finally, it is important to notice that distance in economic position of households with different economic strategies increased (graph 2 and 3).

Graph 2: Economic position of the households with different economic strategies and stratification position - 2003



²¹ Data for entrepreneurs and underclass are omitted because of the small number of such households in the sample

Graph 3: Economic position of households with different economic strategies and stratification positions - 2007



The results indicate not only that intra-strata differences in economic position stem from different types of economic strategies, but also that different economic strategies decrease differences between households from different strata. In some cases, depending on the type of strategy adopted, lower strata households can exceed higher strata households in terms of economic position (Graph 3).

Concluding remarks

In the conditions of intensified transition in Serbia, there happened significant changes in chances for shaping pro-active, market labour strategies of households. The share of households with defensive economic strategies (passive and self-provisioning) decreased, while the share of households with pro-active, labour strategies increased. Comparative analysis revealed that labour market opportunities for households improved generally. Formal employment increased significantly, and households that built their existence solely on formal employment of their members outnumbered previously more numerous households that combined formal employment with additional work.

However, chances to provide formal employment within household economic strategy were increased primarily for actors with higher education, which can be concluded from a significant increase of

economic strategy focused on formal employment among the households with higher cultural capital. Actually, formal labour market opportunities improved mostly for professionals and intermediate strata, while for skilled and unskilled workers chances to work increased mainly on the informal labour market.

Unemployment still remains an important problem in the Serbian labour market. However, the number of households that face unemployment decreased. Farming shows a significant decrease through both types of economic strategy – one focused on agriculture and the other diversified between agriculture and formal employment. However, agricultural work still remains important additional economic activity.

The types of strategies show a strong correlation with the class position of households and act as the mediating variable between the class and economic positions of households. Though trends between the two observed periods indicate changes that led towards crystallization of the social position of households (particularly at the upper levels of the social ladder), the economic strategies of households still reproduced uncrystallized social positions for the majority of households. This is evident not only from the data on insufficient consistency between the class and economic statuses of households, but also from the types of economic strategy revealing the heterogeneous nature of a large number of households that combine economic activities from different spheres of the system of social reproduction. Intra-strata differences in economic statuses might be explained by different economic strategies of households, and diversified strategies seem to give better average results in terms of economic positions of all strata. The “winning” strategy for professionals is the combination of formal employment and supplementary work, while intermediate strata and manual workers find it in the combination of formal employment and agricultural work.

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