A Plague Upon their Houses: Revelations of the Foot and Mouth Disease Epidemic for Business Households

Katy Bennett and Jeremy Phillipson

Centre for Rural Economy, School of Agriculture, Food and Rural Development, University of Newcastle, Newcastle upon Tyne, NE1 7RU, United Kingdom. Tel: 44(0)191 222 6615; Fax: 44(0)191 222 6720; E.mail: katy.bennett@ncl.ac.uk

Abstract

Research on the coping behaviour of micro-businesses during the Foot and Mouth Disease (FMD) outbreak of 2001 in the UK revealed the importance of households to micro-businesses. However it was not just family members who helped businesses to cope with the crisis. Non-family members of households also took part in activities to help businesses survive declines in turnover. Whilst business families have received considerable attention in research that examines how small firms are socially embedded and the consequences of this for business growth and decision making, this paper explores business households and how these enabled small firms to cope with the FMD outbreak. The paper develops the concept of the business household, explaining it from three (connected) perspectives: work, consumption and people. It is influenced by an institutional approach to the household, which relates the organisation of tasks inside the household to political and economic processes outside it, and is based on qualitative and quantitative data collected from both farming and non-farming businesses in the north of England in 2001/2.

Introduction

This paper moves beyond a focus on the business family to develop the concept of the business household to explain small firm resilience during the 2001 Foot and Mouth Disease (FMD) outbreak in the UK. The coping behaviour of micro-businesses in the north of England during the FMD crisis provided insight into business households and their internal dynamics. Although small firms are familiar with fluctuations in their annual turnover and coping with unexpected problems, the FMD outbreak caused widespread difficulties for many micro-businesses because large swaths of the countryside closed for several months as measures were taken to prevent the spread of the disease. Whilst firms in the agricultural sector faced reduced sales due to livestock movement restrictions, firms in other business sectors experienced disruptions to their operations and reductions in trade as demand for their goods and services dropped with fewer tourists and visitors to the countryside. The fact that

---

1 The research was funded by One North East Regional Development Agency, North West Development Agency, Voluntary Action Cumbria, the Countryside Agency, University of Newcastle and the Economic and Social Research Council (Award: R000223758).

2 Throughout the paper we use micro-business, business, small firm and enterprise interchangeably. When we do so, we refer to an independently-owned firm employing fewer than 10 full-time equivalent staff.
FMD caused such extensive loss of revenue to so many micro-businesses in the north of England and yet few failed as a consequence, meant that patterns emerged regarding their coping behaviour and conclusions could be drawn regarding the business household.

The FMD outbreak was confirmed in February 2001 and resulted in the cull of 4.2 million head of livestock on over 13,000 farm holdings across the UK. The impact of FMD on the north of England was particularly acute. The county of Cumbria was at the hub of the crisis with the highest number of infected premises (893 in all). Other counties in the north of England were also badly effected by the disease, with Northumberland the county longest hit with both the first and last reported cases of FMD. It was not until January 2002 that Northumberland was declared disease free.

Whilst FMD took its toll on farm businesses it was much more than just an agricultural crisis. Indeed, the losses to non-farm businesses far outstripped those to farming. At a national level the cost of the UK’s 2001 Foot and Mouth Disease (FMD) outbreak to the non-farming private sector has been estimated at £5 billion, exceeding the economic loss to farming (Report by the Comptroller and Auditor General 2002). In the county of Cumbria it has been estimated that whereas FMD resulted in direct income losses of £136 million for agriculture, the losses to the tourism sector alone were £260 million (Cumbria County Council, 2002).

Given these losses to a range of business sectors, it is remarkable that national statistics record only 141 small firms failing in England in 2001 as a consequence of FMD (SBS, 2002). On the one hand, then, businesses suffered declines in turnover because of FMD, but on the other statistics suggest that relatively few firms folded as a consequence. This is potentially hard to explain. Certainly in the agricultural sector those farm holdings identified as infected premises were compensated for the cull of their stock and paid for the clean up and disinfection process. Other farm businesses, though, especially those that stayed ‘clean’, had less help and faced reduced sales with livestock movement restrictions and rising costs. In non-agricultural sectors businesses suffering declines in turnover as a consequence of FMD received no compensation payments and only relatively little help through, for example, rate rebates or competitively awarded business recovery grants.

Given they had less help, possible explanations for the endurance of small firms in business sectors other than agriculture might lie with their broad economic context. A likely explanation resides in the economic consequences not being fully realised given the ‘lag effect’ shown to accompany recession cycles (Smallbone et al., 1999). Another potential explanation for apparent business survival could be the series of profitable years prior to the FMD outbreak which might have provided some small firms with the opportunity to accrue cash reserves. Such reserves possibly created a buffer for firms faced with a decline in business turnover brought about by the FMD crisis (Barclays, 2001).

Most small firms, however, do not accrue these sorts of cash reserves. For this reason, micro-business income is often just one of a package of income strands that sustain the households of business owners (Oughton and Wheelock, 2003; Countryside Agency, 2003). This paper argues that it was alternative sources of income and assets available to business owners through their household that enabled small firms to survive the FMD outbreak. The ability of business households temporarily to reduce consumption and dependence on income from small firms provided further help to business owners. The business household was also a means of spreading some of the financial and other difficulties incurred amongst household members.
Important to this paper is an approach that views rural economies as a series of interconnected firms cutting across sectoral distinctions. The FMD outbreak demonstrated such interconnections as the consequences of the crisis reverberated through economies so that a decline in one small firm’s business turnover had repercussions for other business households. The agricultural sector is just one amongst other sectors considered in this paper as the dynamics of business households - as revealed by FMD - are discussed. The paper is based on qualitative and quantitative data collected from micro-businesses across the north of England during 2001/2002.

The concept of the business household

Significant to the survival of micro-businesses in the face of adversity is their flexibility. This flexibility has been explained in part by other researchers through their focus on the business family, members of which have been shown to be integral to the survival of small firms (Baines and Wheelock, 1997, 1998a, 1998b; Ram and Holliday, 1993; Ram, 2001; Cordon and Eardley, 1999). Spouse, children and other relatives provide not only managers and workers that a business feels able to trust, but a flexible workforce that can be called upon to work during busy periods and relinquished when demand for the business slackens (Ram and Holliday, 1993; Ram, 2001). Such work of family members is often unpaid, thus helping to carry the small business through any financial restrictions that it might be facing (Cordon and Eardley, 1999). Small firms rely on family members to subsidise their business, especially during its start-up (Scase and Goffee, 1987; Brüderl and Preisendörfer, 1998). The flexibility of the small firm, however, depends upon more than just the family of the business owner(s). A micro-business draws upon the assets and capabilities of its household, which is the locus where people deal with social and material needs for well-being through their work and consumption activities (Oughton and Wheelock, 2003). Moving beyond the family to develop the concept of the business household, we would argue, is crucial to a complete understanding of the behaviour of small firms in normal times and particularly during critical incidents or development stages.

Whilst there has been plenty of research on business families, much less attention has been given to business households. There has, however, been significant work on households per se and this paper draws upon aspects of this work to develop the concept of the business household. The first key element of research on households that informs our conceptualisation is that a household needs to be understood as a dynamic entity that changes and shifts according to both exogenous and endogenous processes. This is because households are key mediating entities between the lives of individuals and the operations of the economy and the state. For this reason, an institutional approach to the household (adopted by Mariussen and Wheelock, 1997 and Wheelock and Oughton, 1996) informs our analysis. This approach recognises interconnections between households and broader economic and governmental processes (and the formation of values that underpin these).

Secondly, defining and delimiting a household is problematic and harder still when conceptualising a business household. A business household comprises at least one person who is self-employed. Given that a business household is usually dependent upon more than the returns provided by the business owner, other individuals are typically positioned inside

3 This is an unusual approach given that the UK farm sector tends to be either overlooked by small business analysts (Carter and Rosa, 1998) or considered in isolation from, or as overshadowing, the wider rural economy.
its boundaries and contribute to household income through, for example, their wages and financial transfers (Countryside Agency, 2003). Business resilience often depends upon the income and work of household members (Phillipson et al, 2002, Bennett et al, 2002). However, because households are defined by those involved in ‘long-term income-pooling arrangements’, Smith and Wallerstein (1992) ask ‘How much pooling constitutes pooling?’ This is a pertinent question, especially when conceptualising the business household and considering whether or not, say, long-standing employees or family members living apart from the small firm owner are positioned inside business household boundaries.

Households then do not comprise people who are necessarily connected through conjugal relations or kinship, although this is often the case. Nor do household members necessarily reside together. Wheelock et al. (2003), for example, demonstrated the porosity and permeability of household boundaries in research that showed grandparents – as opposed to co-residents - doing the unpaid work of informal childcare, in the process establishing their inclusion in a household through their work activities. Influencing the flexibility of household boundaries are labour market opportunities and state machinery. Labour market restructuring that adversely affects income and job security puts pressure on households (especially those dependent upon waged income) to widen boundaries and spread the burden of coping with financial exigencies (Smith and Wallerstein, 1992). The fact that household members who work and consume for a common unit do not necessarily live together means that an individual could effectively be embroiled in more than one household. Adding to problems of delineating households is the fact that nothing is fixed or certain about a household as individuals leave or join, through, for example, marriage or divorce.

Thirdly, important to the well-being of households is its asset base which comprises forms of natural (land, water, trees), physical (tools, machines, land improvements, buildings), human (skills, qualifications, health status), social (membership of networks, clubs, societies) and financial (wealth, income, access to credit) capital (Ellis, 2000; Oughton and Wheelock, 2003). Assets affect the capabilities of households, particularly their work opportunities and livelihood strategies. Skilled individuals might, for example, have better opportunities for paid work in relatively secure employment at a decent wage rate. Similarly individuals - whose trustworthiness is endorsed by those who know them through their inclusion in local networks - are sought out for work or business opportunities. The asset base of business households is particularly important (Phillipson et al., forthcoming). Business households endowed with skilled, well networked individuals, amongst other assets, have more opportunity for alternative income streams, such as waged employment elsewhere, pensions, returns from investments (Oughton and Wheelock, 2003; Countryside Agency, 2003) or non-monetary gains from, for example, inter-household exchange (Nelson and Smith, 1999). These assist the capabilities of business households providing them with different strands of income and sources of support, which potentially facilitate business resilience.

The fourth aspect important to our conceptualisation of the business household is that power relations which imbue this and other institutions have consequences for capabilities (Wheelock and Oughton, 1996). Formal economic and governmental institutions set a broad context of rights, responsibilities and opportunities that both reflect and reproduce power relations. Laws that, for example, define tax liabilities and contracts of employment affect decision-making and power relations inside households. Households can reproduce values and power relations that permeate other institutions. The labour market and women’s lower wage rates, for example, impact upon household decision making regarding who does what in the way of work, and who does it full-time or part-time (Walby, 1997; McDowell, 2002).
This means that although individuals comprise households through their work and consumption activities, they do not necessarily share a common standard of living or sense of well-being (Jackson and Moores, 1995; Delphy, 1984; Delphy and Leonard, 1992). These values and power relations influence the sort of businesses that individuals establish and the extent to which they can draw on household assets. Male owned businesses are, for example, much more likely to draw upon the unpaid labour of household members (typically their spouse) than those that are female owned (Cordon and Eardley, 1999). Alternatively, however, households can creatively subvert wider power relations with women overcoming labour market marginality and structures of constraint by opting for self-employment or running a business (Little and Morris, 2002).

Finally, households are not marginal to economies, but fundamental, interacting with broader economic and governmental processes and providing arenas for re/production and consumption that drive economies (Oughton et al., 1997). There are flows of resources between a household and other households, between households and the state and between households and the labour market (Oughton and Wheelock, 2003). For business households, behaviour and decision making are not only influenced by broader processes, but also have repercussions for communities and economies. Thus the coping behaviour of micro-businesses during the 2001 FMD outbreak was not without consequences. Whilst small firms apparently survived the crisis, their reliance upon their business household to buffer the effects of FMD had ramifications for their relationships with other households and firms. Although there is little research that considers the repercussions of small firm ‘coping’ behaviour, this paper draws upon work that explores the implications of job insecurity for households and their relations with formal and informal economies (Nelson and Smith, 1999). Findings suggest that households with individuals in insecure employment are less likely to participate in informal economies through such unpaid work activities as inter-household exchange, making them, in many ways, more vulnerable (Nelson, 1999; Nelson and Smith, 1999). The FMD crisis certainly made business owners and household members affected by it feel very insecure, compounding for some a more general sense of insecurity from operating within peripheral and fragile local economies.

This paper develops the concept of business household and considers its significance to the apparent resilience of micro-businesses, with a focus on the coping behaviour of small firms during the 2001 FMD outbreak. The substantive section of this paper is broken down into three (connected) parts, examining the business household from the perspective of work, consumption and people. First, though, the paper introduces the methods adopted during the research and provides a brief overview of the pattern and extent of FMD’s impact on small firms in the north of England.

**Methodology**

The paper draws upon research which examined the impact of the FMD crisis on different business sectors in Cumbria and the north east of England and explored their coping behaviour during the outbreak (Phillipson et al., 2002; Bennett et al., 2002). It is based on the findings of surveys, in-depth interviews, focus group work and participant observation. To gauge the impacts of FMD on farming households a face to face survey of 145 farm businesses in the north of England was conducted (see Figure 1)\(^5\). This was supported by in-depth interviews with 24 farming households. To consider the longitudinal consequences of

\(^5\) The farm survey was carried out in the counties of Northumberland, Durham and Cumbria. We refer to the combination of these as the north of England.
FMD for other business sectors two telephone surveys of a sample of 180 micro-firms were conducted in the north east of England\(^6\), the first in April 2001 (a month and a half into the crisis), followed by a second in November 2001 (towards the end of the crisis). The telephone surveys were supplemented by in-depth interviews with a sample of non-farming businesses identified as highly impacted by the crisis, conducted over the summer of 2001, including 13 businesses in the north east and 18 in Cumbria.

To examine not only business coping behaviour, but also its repercussions for a locality and for inter-household and business relations, the Northern Fells of Cumbria, an area that experienced the full brunt of FMD, was used as a locality case study (Figure 1). In the seven parishes that comprise the Northern Fells in-depth interviews were conducted with members of business households, together with focus groups with elderly and young people and participant observation work. A member of the research team was based in the Northern Fells, living in bed and breakfast accommodation for eight separate weeks from the beginning of July to the end of October 2001, returning a year later to do follow up research over a three month period. Individuals and businesses were accessed with the help of the Northern Fells Rural Project, a community initiative set up to support the social and health needs of local people. The research findings were reported to and discussed with local people from across the parishes through the organisation of two ‘feedback’ events in a local parish hall. The researchers also attended local club meetings and social events as they began to resume following the outbreak with a view to further understanding the implications of FMD for recovery in the immediate aftermath of the outbreak.

A unique aspect of this case study research was instigated and steered by local people themselves who organised an open day at a guesthouse in the Northern Fells. The open day involved what might best be described as ‘surgery’ sessions, with each of us allocated a separate room to ‘receive’ individuals, who talked about their experiences of the FMD crisis. Whilst in the in-depth interviews and focus groups the researchers usually steered discussions, with interview guides detailing themes and questions, in the ‘surgery’ sessions, local people brought with them their own prompts and reminders of issues that they wanted to raise.

The majority of interviews, surgery sessions and focus groups were tape recorded and transcribed. There were occasional moments when the tape recorder was switched off, but for the most part, we were surprised by the number of people who, despite their anger and tears, wanted to be taped and to have their experiences recorded. Research diaries were kept containing notes from participant observation, interviews and focus groups together with initial attempts at analysis as the research unfolded.

---

\(^6\) The micro-business survey was carried out in Northumberland, Durham and Tees Valley. We refer to the grouping of these as the north east of England.
The impact of FMD on rural economies in the north of England

Regarding the extent of FMD’s impact on non-farming micro-businesses in the north of England, patterns emerged across business sectors. In hospitality, land-based, recreation and culture sectors, most businesses were hit (see Figure 2). In other sectors, such as retail, transport and manufacturing approximately half of firms were affected. Finally, even in the least affected sectors – such as construction, personal services and education and training – there were individual firms that experienced a sharp decline in turnover. Overall, 56% of the surveyed micro-businesses were negatively affected\(^7\). They were projected to experience a mean revenue reduction of £16,000 or 17% for the year 2001.

---

\(^7\) This includes firms that experienced high, medium and low impacts to their business as a result of FMD. High impact firms expected annual revenue in 2001 to decrease by more than 20%; medium impact firms expected a decline of 1-19% in annual revenue; low impact firms expected little or no change in final annual revenue but their business or operations had been disrupted (see Phillipson et al., 2002). Half of the negatively impacted firms were in the high or medium negative impact categories.
Within the agricultural sector, farm businesses in the north of England also experienced an overall loss in revenue (see Table 1). Farm business households were further hit by reduced off-farm income as household members restricted their movements in an attempt to prevent the spread of the disease or as other businesses in the rural economy shed their labour. Diversified activities of farm business households were especially vulnerable to the disruptions with income from such sources expected to fall in 2001-2 by an average of 22%. Overall, farm business households across the surveyed sample in the north of England faced a mean shortfall of £31,610 for 2001/2. This figure takes into account FMD related income (such as disinfection payments and FMD related contract work) and savings in terms of reduced labour and non-labour costs. Across this sector, however, farm business households suffered financially in different ways. Those households that remained “clean” throughout the crisis, with no animals culled, were worst hit with reduced sales, continuing farm costs and often no FMD related income. Farm business households designated as infected premises had their stock compulsorily slaughtered: but they were compensated for their culled stock, did not have to face the costs of feeding and keeping stock through the length of the crisis and received payment from DEFRA for clean-up and disinfection work. Farm business households were variously effected depending on whether or not household
members also had off-farm income or a separate business and the extent to which these activities were impacted during the crisis.

### Table 1 Changes in farm business household income in the north of England between 2000-1 and 2001-2
(per surveyed farm)

<table>
<thead>
<tr>
<th></th>
<th>Change between 2000-1 and 2001-2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
</tr>
<tr>
<td>Revenue from traditional farming enterprises</td>
<td>-50,453</td>
</tr>
<tr>
<td>Income from diversification</td>
<td>-1,335</td>
</tr>
<tr>
<td>Foot and mouth related income</td>
<td>7,322</td>
</tr>
<tr>
<td>Off-farm income of household members</td>
<td>-556</td>
</tr>
<tr>
<td><strong>Total household income and revenues</strong></td>
<td><strong>-45,022</strong></td>
</tr>
<tr>
<td>Farm labour costs</td>
<td>-2,427</td>
</tr>
<tr>
<td>Recorded non-labour costs</td>
<td>-10,985</td>
</tr>
<tr>
<td><strong>Total recorded costs</strong></td>
<td><strong>-13,412</strong></td>
</tr>
<tr>
<td>Shortfall</td>
<td>-31,610</td>
</tr>
</tbody>
</table>

N=145, North of England Farm Business Survey

### The coping behaviour of businesses

The coping behaviour of small firms affected by the crisis was dependent upon their business households (see Figures 3 and 4). Whilst the involvement of households in some of these responses was clear - such as their members working longer hours for the business or cut backs on their spending - their involvement in other responses was less obvious. When, for example, business owners reported paying themselves a smaller wage this inevitably had repercussions for their household as others had to compensate for the reduction in household resources.

This section of the paper examines how business households helped small firms to cope with the repercussions of FMD. It takes the business household and explores it from three different (but connected) angles – first from the viewpoint of work; secondly from that of consumption; and finally in terms of the people who comprise the household.

---

8 In practice it is difficult and perhaps premature to begin to draw direct sectoral comparisons between the coping responses presented in Figures 3 and 4 given that the research designs adopted for the farm and non-farm business surveys were quite separate and distinctive. Nevertheless, with this qualification in mind, the figures would seem to suggest in broad terms that the farm businesses were able to cope in a much more routine manner than the non-farming firms, many of which had to take crisis actions. One interpretation would be that farm families have well developed asset accumulation strategies and have more experience of coping with crisis and can be assured of government assistance in doing so. However, the fact that fewer farms deployed adaptive responses does not necessarily mean they were more resilient. Indeed, coping responses are not the same as coping outcomes. It may also be that farms simply had less room for manoeuvre or strategies available to them. Their coping responses may reflect their position prior to FMD i.e. household members already working long hours for the business; few staff in normal circumstances to lay off when FMD struck; few investment plans given the overall state of the industry. It is also possible that farms may not have been hit as hard financially - especially as many had been compensated. Finally, to suggest farms have more developed asset accumulation strategies is perhaps over general. The reality is likely to be 'asset specific'. Farm families are renowned for seeking to conserve land and capital assets within their business and household strategies. In contrast it has been shown that farmers place less priority upon the development of generic business skills than small businesses generally.
Figure 3: Coping responses of negatively impacted non-farming firms in the north east (%)

Figure 4: Coping responses of farm businesses in the north of England (%)

N=72, North east of England micro-business survey, negatively impacted firms

Although the total number of negatively impacted firms was 85, 72 provided information on coping responses.
To ease their problems, small firms were able to draw on the work efforts of business households and this took several forms. Household members, including those not formally involved in the business, contributed time and labour to help sustain firms, usually on an unpaid basis. The time input was not always formal work but included: substituting for those drawn more into the crisis to keep the household going; providing emotional support for business owners; and keeping in touch with other affected businesses and households. Finally, small firms drew upon the end results of work – the wages from paid employment, pensions and state benefits of household members to maintain their cash flow.

The most common response of negatively impacted firms (indeed, for 40% of non-farming firms) was household members working longer hours (see Figures 3 and 4). Working longer hours was often a response that counteracted other decisions that the firm had made, such as reducing the hours worked by employed staff, asking staff to take holidays or not engaging seasonal or casual workers. The joint owners of a pub cum bed and breakfast in Cumbria, for example, had to work double shifts having laid off casual staff, working early in the morning serving the occasional breakfast and preparing ingredients for lunch, through to closing and cleaning the bar late at night.

Sometimes working longer hours included the time-consuming efforts of dealing with support agencies proffering help, or fending off banks or creditors or negotiating with suppliers or customers. As one business owner explained:

“It was very, very, very stressful. We started getting offers of help and advice and it was telephone lines, phone this, phone that. And at first, right at the beginning, these phone lines, the people who were manning them, didn’t really know much about it at all themselves and that created even more stress, anger, whatever”

(Firm in Hospitality Sector, Cumbria).
It was not just business owners, though, who were drawn into working longer hours. Other household members were also called upon to help out. It is not unusual for other household members to be integral to the operation of small businesses under normal circumstances. Many micro-businesses and their households share the same residence and phone line. Typically household members not formally involved in the small firm contribute in some way or other to the usual running of the business: say, helping out at busy periods or on weekends; or taking messages; or welcoming guests; or simply being in the background and contributing to the feeling of homeliness of a business providing hospitality. During FMD, however, household members were asked to play a more concerted role in the business, such as deliberately listening out for the telephone in case it was a new booking or order or contributing their labour to the business. This was possible as they were already familiar with and partially engaged in the business. One riding school business owner who had reduced the hours that employees worked, for example, depended instead upon the additional help from her daughter:

“I think we’ve worked harder … you just have to. I could have done with someone else to help me in weeks we’ve been busy. My daughter’s helped. … Whereas I might have had someone else on, I thought ‘Oh well, can you afford to take that extra person on?’, and you just get the daughter and she would do the extra bits”

(Firm in Land-Based sector, Northumberland)

Whilst the additional work efforts of business household members were often directly relevant to the small firm, labour was also often needed to sustain the household. Whilst this work was less directly key to business resilience, it was indirectly vital for the small firm. In a farm business household, the older daughter (who lived elsewhere) shopped for household members, leaving the provisions at the farm gate for her mother to collect. Her mother said:

“(My daughter) went and did our shopping for us and brought it to the yard gate and I went up with the barrow and collected it after she had gone”

(Firm in Agricultural Sector, Cumbria).

Household members were often incorporated into contingency plans as business owners tried to figure out how they would survive. This was the case for the owner of a milk delivery business who also had a small holding. Concerned that the small holding could become infected, he organised a cottage to rent in the village from which the milk round could be run by his wife and daughter, if he had to be confined to the farm. Such an arrangement was possible because the milk storage facility was separate from the farm and because his daughter was prepared to take holiday leave from her job to take over her father’s part of the milk round:

Mr. C “So we’d to get a cottage arranged in the village. We actually did, because actually we did think we were going to get it, at some stage like, it was a must eh”
Mrs C “Yeah”
Mr C “So we got a cottage arranged ...You (Mrs C) were going to go down in the village and my daughter was going to go down, she was going to take three or four mornings off work, because I wouldn’t leave premises after Foot and Mouth ... Hopefully you were going to do your round and Susan was going to do mine”
Mrs C “You had in your mind what you had to pack here for Susan through the day if it happened while she was at work. You know you’d to keep in mind exactly what you wanted to take with you and things like that”
(Firm in Services Sector, Cumbria)

Given that the second most common coping response of small firms (pursued by 39% of non-farming firms) was for business owners to draw a smaller (or no) wage from the firm (see Figure 3), they were also reliant upon the remunerated work of household members to survive the negative impacts of the crisis. One woman and her mother who co-own a bed and breakfast business in Cumbria stopped drawing an income from the enterprise altogether, and each relied upon the income from the waged work of their husband to support their household. Likewise, a household with a farm business that remained ‘clean’ throughout the FMD outbreak relied upon the waged work of a nursery teacher to sustain it as animal sales stopped and the business faced rising costs. Some 14% of impacted non-farm business owners and 8% of farm business owners reported that a household member was looking for a paid job in order to help the business survive (see Figures 3 and 4). Similarly, other sources of income (from previous employment) helped sustain business households. The army pension of a husband, for example, helped a woman who runs a bed and breakfast business in Northumberland, in addition to her own uptake of some part-time teaching work.

The emotional labour of household members was another sort of work upon which business owners were invariably dependent. Even in normal times, given the permeable boundary between (and often co-location of) home and work, most small business owners find it difficult to escape the demands of work, and household members inevitably share the pressures. At a time when business owners faced acute problems and most desperately needed relief from the stress they faced at work, it was particularly difficult to escape. The FMD outbreak resulted in the cancellation of local club meetings and events and people made only those journeys they considered essential, in an attempt to curb the spread of the disease. In the Northern Fells, for example, the local football and cricket club cancelled matches, people stopped going to local pubs, club meetings were postponed and even one of the churches closed. Consequently, people stopped seeing friends and family, rarely went out and the usual sources of support and comfort beyond the home temporarily disappeared. The following was said of farmers who were struggling to cope with crisis and the cull of their stock:

“I mean if you lose a dog, if your dog is ill and it dies, you grieve for that dog, but (my husband) was grieving 100 times over, he just shut off. I just had to keep supporting him”
(Firm in Agricultural Sector, Durham).

“He’d sit there and his mouth would be moving, he’d be talking to himself. And I’d be saying “Are you listening to what I’m saying” and he’d say “Oh, I’m just thinking about MAFF”. And my eldest child would say “All Daddy talks about is MAFF, MAFF, MAFF, MAFF”…It’s put quite a strain on our marriage actually, I’ll be honest about it”
(Firm in Agricultural Sector, Durham).

Business owners in other sectors also relied upon the emotional labour of their households:

---

10 Ministry of Agriculture, Fisheries and Food.
“It’s been a difficult time ...The pressures, the things going around in your head. It’s bound to take a toll on relationships. I mean don’t get us wrong, me wife’s been very good. But she looks at me and says ‘Frank, you’re in a dream world again’. I say ‘aye, I’m just thinking like’. That’s the sort of pressure that you can do without. You go to bed thinking about it man. You shouldn’t have to do that like. I mean I’m not only trying to survive myself. I’ve got 10 drivers there all with mortgages (pause) … They’re not particularly wanting me to drill into them every week ‘it’s bad again this week lads, we’ve had a bad week’. Morale would be that low… I keep it to myself. Betty will tell you that, too much possibly in some ways.”

(Firm in Transport Sector, Northumberland).

All this meant that households inevitably had to absorb the stress overload that FMD heaped on business owners, comforting and listening as problems and issues were recounted. As a woman from a farm business household described:

“When the last [slaughter] wagon went father-in-law just went straight into his house over there and [my husband walked across the yard to our house] put his arms and head up against our porch window and just cried. He howled. And then we came into the house and talked a little bit about it and cuddled each other and then I had to go over and see my mother and father-in-law and they were both crying and that was really hard, that was really hard”

(Firm in Agricultural Sector, Cumbria)

As some of the interview extracts have already begun to reveal, power relations that imbue business households affected not only who offered what in the way of help but also the sort of support available to particular business owners. Regarding work efforts, firms owned by men were helped by their households through the FMD crisis in different ways in comparison to those owned by women. Reasons for this can partly be explained through the sorts of businesses that men and women have which, again, are connected to not only power relations inside households, but wider power relations, and the expectations these effect for men and women. For a start, men typically work more hours each week for their businesses than women do for the small firms that they own. 88% of men reported that they routinely worked more than 45 hours per week for the business that they alone owned, compared with 48% of women who owned a small firm (see Table 2). Indeed, 17% of men (compared to no women) said that they dedicated more than 80 hours each week to their firm. This difference between male and female business owners regarding the weekly hours that they invest in their business operation can partly be explained by who takes responsibility for childcare and domestic work. Women tend to develop their enterprises around other demands upon their time, such as childcare work, in households where their spouse tends to have paid employment elsewhere. As a woman who owned a catering business in Cumbria said:

“The thing was that we had, I had the two boys, so I wanted something that I could actually be at home and look after the boys, collect them from school, take them to school. All that sort of thing that my mother used to do with us. (Talking to teenaged son) I was always at home for you wasn’t I darling (laughs). But, you know, that to me was very important, the way they were brought up. You know, something that I could fit into my life, but also create some sort of income too”

11 The figures concerning working hours were collected as part of a major survey of 2000 rural micro-businesses carried out in 1999-2000, from which the FMD survey sample was drawn (Raley and Moxey, 2000).
(Firm in Hospitality Sector, Cumbria).

This is in contrast to households where a male business owner has a spouse, who is not in waged employment elsewhere and considers domestic work her responsibility (Cordon and Eardley, 1999). Businesses owned by men were much more likely than those owned by women to ask household members, especially their spouse, to work longer hours for enterprises negatively affected by the FMD outbreak. Thus 26% of female owned impacted businesses relied upon household members working longer hours compared to 42% of male owned businesses (see Table 3).

Table 2 Mean weekly hours worked according to male, female or joint ownership (%)

<table>
<thead>
<tr>
<th>Mean weekly hours</th>
<th>Male (n=24)</th>
<th>Female (n=19)</th>
<th>Partnership with spouse (n=28)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;15</td>
<td>0</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>15-30</td>
<td>8</td>
<td>11</td>
<td>7</td>
<td>8</td>
</tr>
<tr>
<td>31-45</td>
<td>4</td>
<td>37</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td>46-60</td>
<td>46</td>
<td>32</td>
<td>25</td>
<td>34</td>
</tr>
<tr>
<td>61-80</td>
<td>25</td>
<td>16</td>
<td>32</td>
<td>25</td>
</tr>
<tr>
<td>&gt;80</td>
<td>17</td>
<td>0</td>
<td>21</td>
<td>14</td>
</tr>
</tbody>
</table>

North east of England micro-business survey, negatively impacted firms.

Table 3 Firms with household members working longer hours during FMD according to ownership (%)

<table>
<thead>
<tr>
<th></th>
<th>Male (n=24)</th>
<th>Female (n=19)</th>
<th>Partnership with spouse (n=28)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tried</td>
<td>42</td>
<td>26</td>
<td>50</td>
<td>41</td>
</tr>
<tr>
<td>Soon</td>
<td>8</td>
<td>0</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>No</td>
<td>50</td>
<td>74</td>
<td>46</td>
<td>55</td>
</tr>
</tbody>
</table>

North east of England micro-business survey, negatively impacted firms.

Before drawing this section to a close, it is important to highlight that the use by small firms of the work efforts of business households to keep them afloat during the FMD outbreak had consequences. For a start, individuals felt emotionally and physically drained by their extra workloads and decision-making which happened at a time when they also felt isolated as they restricted their movements in an attempt to curb the spread of the disease. This emotional turmoil that the crisis caused sometimes upset intra-household relations. Teenaged children living in farm business households in the Northern Fells, for example, talked about how "Dad didn't want to speak to anyone because he was feeling too miserable" and "Dad was upset, but didn't say anything". The FMD outbreak also caused intra-household disagreements over coping strategies, with one farmer's wife saying that she and her husband were "driving each other bats" as they argued over whether or not to enter animals into the welfare disposal scheme. In some cases the emotionally and physically draining work that business households additionally undertook served to deplete household assets, especially social capital.

Emotional turmoil and eroded assets inevitably affected business households' external relations with much evidence of weakening inter-household and intra-community relations. When the crisis ended, for example, some people found it difficult to reengage with their usual activities. As a farmer’s wife in the Northern Fells explained:
“I’ve been talking to one or two and I’ve said if there’s anybody else on the committee who’d like to do it, who isn’t maybe as directly related to all this Foot and Mouth as we have been who can do it. Because I can’t cope with anything, particularly hassle. I just want everything to be plain and straightforward. I can’t cope with a lot of…I mean I’ve been to Carlisle today and that’s been more than enough for me because I wasn’t used to, it’s taken me a long time to get used to shopping and doing, you know (breaks off into silence)”.

But relations also deteriorated between business households because of particular coping decisions they made, which upset and angered others. Although fractured relations were apparent between business households across sectors, they were most obvious between business households in the agricultural sector. As a farmer’s daughter in Northumberland explained:

“There is no marts on so none of the farmers saw each other. Then the bitching started. Well, this one’s done that and that one’s done this. They shouldn’t be moving that and they should have stayed in without going to the pub. And it was just all sheer frustration ... My Dad and his next door neighbour fell out. They’d worked with each other for years. And it was just because one was doing things by the book and one wasn’t...It has wrecked not just the farming lifestyle, but the farming communities, the farming relationships. Silage time. Next door neighbour has the round bailer, my Dad has the square bailer, and the next door neighbour up that side has the wrapper. So they work together. That won’t happen anymore. None of that working together, sharing gear because you can’t afford to buy anything else. That won’t happen anymore”.

As the above interview extract highlights, fall out between business households negatively impacted upon networks of co-operation. Although business households helped small firms to cope with the FMD outbreak, the erosion of household assets and soured inter-household relations also made them vulnerable. According to the findings of Nelson and Smith (1999) this does not bode well for such business households with their vulnerability increasing the likelihood of their withdrawal from activities such as inter-household exchange that underpin informal (and formal) economies.

**Business household and consumption**

Consumption is critical to conceptualising the business household and to the apparent resilience of small firms during the FMD outbreak. It facilitates the delineation of business households, with those affecting a household’s consumption practices demonstrating their inclusion. The actions that small firms took to survive the FMD outbreak involved varying practices of consumption, most of which could significantly impinge on the living conditions and financial prospects of their households. This was sometimes because a business and household shared the same premises meaning that household assets, particularly the family home, could be used as collateral in securing or extending loans to ease business cash flows. Other sorts of household resources used by businesses to survive the FMD crisis took many forms, including pensions, savings, credit facilities with banks and other potential lenders, and the ability of households to cut-back on household spending to reduce its dependency on business earnings. Even when small firms consumed business resources, such as business reserves or cut-back on business spending, this affected the (future) consumption practices of households. Because there are rarely boundaries that separate a small firm from its
household, cutting down investment and spending reserves for one similarly eroded the capabilities of the other.

Individuals comprise households which, in many ways, are identified through their consumption habits and the lifestyle choices that they are able or unable to make (Miller, 1995). Inside their boundaries, however, some of this sense of commonality can dissolve as consumption practices expose power relations, in all their complexity. For example, particular household members, typically women, often control household budgets, but might simultaneously self-sacrifice as they prioritise the needs of others (Murcott, 1983; Jackson and Moores, 1995). As the previous section began to detail, power relations within business households are important in terms of the options and sort of help available to business owners when their small firm faces problems. Key to the coping behaviour of small firms during the FMD outbreak was the ability to draw upon and consume household resources, but access to such assets was embedded in gendered power relations.

This section begins with a focus on the consumption of (apparently) business oriented resources, before moving on to consider how the consumption practices of business households were harnessed to ease business cash flows. This reflects the temporal pattern of small firm behaviour during the FMD outbreak as typically the first action of businesses was to cut-back on their spending and to use financial reserves. As business income declined, the owners of small firms attempted to reduce business spending. The extent to which enterprises were able to do this depended upon their cost structures so that firms with staff, for example, had business spending they could cut by making staff redundant, reducing staff hours or not employing casual labour. 21% of negatively impacted non-farming firms reported laying off staff (see Figure 3). The owner of a firm that produced animal feed, for example, laid off one third of his staff. He explained:

“Out of the 18 we’ve done 6 out, 12 left ...The ones we paid up hadn’t been what you call long standing people. We have expanded business in the last 2 or 3 years, mainly taking on people so, all those we’ve paid off. The longest one was 6, I think 7 years, one of the office girls, and that was sad. But the others they’ve been more recent, 2, 3, maybe 4 year type of thing”
(Firm in Manufacturing Sector, Cumbria)

Other firms had fewer options available to them and high fixed costs. This meant that they had to cut capital expenditure and investment which often had implications for business households. 36% of negatively impacted non-farming firms reported that they had cancelled or postponed investment. The owner of a pub explained how postponing investment in his business also meant:

“There has been no capital expenditure this year. We haven’t done a thing ...We haven’t been able to do certain jobs that we wanted done. Refurbishments and things like that. We just haven’t spent any money. We need some new windows replaced ... All the seating down here we were going to do. Next year I was going to replace the bay window... Now that will be the year after”
(Firm in Hospitality Sector, Northumberland)

It was, however, consumption practices concerning the business household that enriched many small firms with the flexibility needed to cope with reduced business turnover. Business owners were dependent upon other income streams available to their household for
both their own well-being and that of their small firm where cash flow was tight. Most self-employed live in households dependent upon a number of income streams. For example, 12% of rural self-employed households in the UK have a pensioner as a member, meaning that the significance of income from pensions for business households should not be underplayed (Countryside Agency, 2003). The waged income provided by other household members was also crucial in reducing the dependency of households on business earnings and, in some cases, was ploughed into small firms to meet fixed costs and pay wages. Occasionally business owners themselves took on part-time work during the outbreak to not only contribute to the waged income of their households, but to also provide a source of income that their business could draw upon. The owner of a manufacturing business in Northumberland, for example, had temporarily taken up a night shift job for another company.

In addition to providing alternative income strands, business households also supplied financial reserves that were drawn upon and spent by small firms as they faced adversity. A quarter of negatively impacted non-farming firms said that they had spent personal savings to ease the problems that their business faced (see Figure 3). The owner of a holiday accommodation letting business ploughed money that he had recently inherited into his small firm:

“Another thing happened in the middle of February which had a major bearing on our ability to cope with this. My mother died. It’s not the sort of use that we intended to put the money that I was going to get from her, but, as a last ditch we were going to survive”
(Firm in Hospitality Sector, Cumbria)

Some farm business households similarly used personal savings to relieve financial pressures that FMD had caused. A farmer’s wife said:

“Well really the bills were still to be paid and the food but we didn’t go anywhere, so you weren’t sort of using money that way. But still you needed to pay for the bills, for the electric, the telephone, the telephone bill doubled ...I had a little bit of savings in the building society so we used bits of that”
(Firm in Agricultural Sector, Cumbria)

Many businesses used their household assets to ease the pressures caused by declines in business turnover by taking, for example, a temporary break from mortgage repayments. A married couple who live above the pub they run said:

“Our bank manager David suggested we had a moratorium on our mortgage which we’ve taken. We could not have coped without that – we had three months moratorium on that and he suggested for us to seriously think about another three months. …. Our idea always was to try and pay everything off a lot quicker”
(Firm in Hospitality Sector, Cumbria)

Where cash reserves did not exist and when business households needed to pay bills and staff, they consumed credit, which, in the short-term, helped, but made their households vulnerable to future exigencies with added pressures of making repayments. 27% of negatively impacted non-farming firms had renegotiated existing loans and 21% had taken out a new loan (see Figure 3). The owner of a firm said:
“Basically we did everything that it was possible to do. Deferred this, claimed that. Bank overdraft increased to £25,000, which was how the bank wanted to play it ... The bank were really good, but the bank is still going to charge us interest on all of that”  
(Firm in Hospitality Sector, Cumbria).

In addition to cutting business spending and using savings and alternative income strands to ease the pressures that their businesses faced, 30% of non-farming and 24% of farm business owners reported that they had cut back on household spending (see Figures 3 and 4). This served to ease pressures on the small firm and to compensate for reduced contributions of businesses to household income. Things like holidays and ‘extras’ for children are examples of household spending that were commonly cut.

“Although we didn’t have the bills coming in for the sheep that we would have had, we had the invoices coming in for the cattle, for extra feed and keeping them going, so it was a hard balancing act. We cut down on the way we ate, we ate more cheaply, we were sort of making things last a bit longer, making soup and buying cheaper cuts of meat and things like that really ...We just ate a lot more cheaply”  
(Firm in Agricultural Sector, Cumbria).

“The wife gets £X and she’s watched what she’s done with it to be honest. We haven’t had any expensive holidays. We had a week away in Scotland ...very nice, had to get the break more than anything ... I’ve just been very careful. But unfortunately the drain on the business, the lorries that’s standing, the wages I’ve had to pay, it’s slowly just mounting up ... and there’s not much I can do about it”  
(Firm in Transport Sector, Northumberland)

“We’d get things through the door that we were thinking of doing, and we wouldn’t do them, we would just put them straight in the bin, various events for both ourselves and the children that we would have otherwise considered. We didn’t even give them a second thought, just no we can’t do that, can’t do that. We cut out all extra spending”  
(Firm in Hospitality Sector, Cumbria)

Given that the consumption practices of households have implications for their identification, juxtaposing them with other households and positioning them in social networks, changes to consumption behaviour had more than economic but also socio-cultural implications for households.

Finally, similar to the previous section, there were differences between businesses owned by men and those run by women regarding the use of household resources and the kind of changes made to consumption practices. Female owned businesses were much less likely to use household savings to ease cash flow than those male owned or owned by someone in a business partnership with their spouse (see Table 4). This can partly be explained by a self-employed woman being more likely to have access to the waged income of others in her household to compensate for her lack of earnings during the FMD outbreak (see Cordon and Eardley, 1999). Furthermore, female owned businesses tend to have a smaller annual turnover (see Table 5), implying that they have lower cash flows that need to be supported during a crisis. That female owned businesses (are allowed to) take fewer risks regarding
their business household was further suggested by figures showing that male or partnership owned businesses negatively effected by FMD were more likely to renegotiate existing loans or take out new ones (see Tables 6 and 7).

Table 4 Firms spending household savings according to male, female or joint ownership (%)

<table>
<thead>
<tr>
<th></th>
<th>Male n=24</th>
<th>Female n=20</th>
<th>Partnership with spouse n=28</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tried</td>
<td>13</td>
<td>5</td>
<td>57</td>
<td>28</td>
</tr>
<tr>
<td>Soon</td>
<td>4</td>
<td>0</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>No</td>
<td>83</td>
<td>95</td>
<td>39</td>
<td>69</td>
</tr>
</tbody>
</table>

North east of England micro-business survey, negatively impacted firms.

Table 5 Turnover according to male, female or joint ownership (%)

<table>
<thead>
<tr>
<th>£</th>
<th>Male n=23</th>
<th>Female n=19</th>
<th>Partnership with spouse n=28</th>
</tr>
</thead>
<tbody>
<tr>
<td>2500</td>
<td>4</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>7500</td>
<td>0</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>15000</td>
<td>0</td>
<td>26</td>
<td>18</td>
</tr>
<tr>
<td>35500</td>
<td>22</td>
<td>32</td>
<td>14</td>
</tr>
<tr>
<td>75000</td>
<td>26</td>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td>175000</td>
<td>35</td>
<td>16</td>
<td>36</td>
</tr>
<tr>
<td>350000</td>
<td>13</td>
<td>0</td>
<td>7</td>
</tr>
</tbody>
</table>

North east of England micro-business survey, negatively impacted firms.

Table 6 Firms taking out a new loan according to male, female or joint ownership (%)

<table>
<thead>
<tr>
<th></th>
<th>Male n=22</th>
<th>Female n=19</th>
<th>Partnership with spouse n=28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tried</td>
<td>23</td>
<td>16</td>
<td>25</td>
</tr>
<tr>
<td>Soon</td>
<td>0</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>No</td>
<td>77</td>
<td>79</td>
<td>68</td>
</tr>
</tbody>
</table>

North east of England micro-business survey, negatively impacted firms.

Table 7 Firms renegotiating existing loans according to male, female or joint ownership (%)

<table>
<thead>
<tr>
<th></th>
<th>Male n=23</th>
<th>Female n=18</th>
<th>Partnership with spouse n=28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tried</td>
<td>30</td>
<td>17</td>
<td>32</td>
</tr>
<tr>
<td>Soon</td>
<td>4</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>No</td>
<td>65</td>
<td>78</td>
<td>61</td>
</tr>
</tbody>
</table>

North east of England micro-business survey, negatively impacted firms.

Business household and people
The paper has demonstrated how business households comprise not only the business owner(s) but also configurations of spouse/partner, siblings, children and parents (-in-law). This means that individuals do not necessarily reside together under the same roof but demonstrate their inclusion in business households through their (often unpaid) work and contribution to the income streams and savings of households as well as their inclusion in the (savings to) consumption of household resources. This is familiar territory for multigenerational farm business households which sometimes comprise three generations, who often live apart with their respective families (spouse (and children)) but who all comprise the same household through their work and consumption practices (Bouquet, 1985; Bennett, 1998). Regarding consumption, for example, the senior woman (wife of farm manager) in the farm business household is usually responsible for the management of farm accounts. In this role she orchestrates the allocation of wages (or pocket money in lieu of inheritance) and controls household consumption, scrutinising bills paid through farm accounts and reprimanding any individuals for excessive consumption in the process (Bennett, 2001; Christensen et al, 1997). Non-farming businesses often similarly rely upon their extended family or multiple family household. Kin might reside elsewhere but demonstrate their inclusion in the business household through their contribution to its work and consumption practices. Furthermore, as this section of the paper will show, the FMD outbreak revealed that business households can also include long-standing, non-family employees.

Given that the people who comprise business households are embroiled in its work and consumption efforts, they are also key to the coping behaviour of small firms during times of crisis. During the FMD outbreak, the boundaries of some business households came into sharp relief as individuals demonstrated their inclusion and helped small firms to cope with declines in business turnover. The number of people in a household, their stage in the lifecycle, health status, skills and qualifications, income earning potential and ability to contribute to household savings all had repercussions for the coping options of negatively impacted businesses.

Through their daily work and consumption efforts, their wages, unpaid labour and savings, the co-residents of business owners demonstrate their obvious inclusion in the business household, as the following farmer’s wife in Cumbria explained:

“I worked at a bank in Carlisle, and then I had Hannah, so I stopped the work then and decided I wanted to be at home for her. So once she was getting a little bit bigger I started to do some part-time work. As well as helping on the farm, I’d do little bits of jobs to help the income. And then I had Christopher but I carried on doing bits of jobs. And then my father in law was getting older so I was sort of needed a bit more outside doing more things, especially at busy times, lambing time and silage time, and look after the inside. So, in the last say 3 years I’ve taken on more work”

(Firm in Agricultural Sector, Cumbria)

Business households, however, often comprise more than the co-residents of business owners. Relatives of business owners, for example, often verified how they affected and contributed to the consumption and work activities of business households. The owners of a pub in Cumbria, for example, had two daughters employed and living elsewhere, but who also frequently worked for the business:
“We have a daughter who is involved who is a chef as well (works elsewhere). Sarah comes over with her husband for two nights a week to look after here, for us to have a break, so she is quite involved ... We have another daughter as well who isn’t involved in the business as such but comes in and gives us a hand with some of the books sometimes and so on”

(Firm in Hospitality Sector, Cumbria)

The two daughters extended their work efforts for the business during the FMD outbreak to relieve their parents who had reduced staff hours and were themselves working longer hours. Similarly, a family farm business household adopted a summer work rota, which enabled individuals to have a break from the farm on alternative week-ends. As the farmer’s wife explained:

“In the summer when the cows are out in the field we have a rota for what we call alternative weekends off ... So John (Farm Manager) and I would do the work on our own for one weekend and Mike (Son) would do the other weekend. Grandad would be with Mike ... just to turn the cows. Mike could manage to do all the jobs himself, because it would be summer, so you just need somebody to be there to turn the cows in a certain field or whatever”

(Firm in Agricultural Sector, Cumbria)

During the FMD outbreak the same family members who were familiar with handling the stock helped monitor the health of the animals, and then, when the holding became an infected premises, with the cull and clean up process.

Others, who are neither co-residents of, nor related to, business owners also demonstrated their inclusion in business households during the FMD outbreak. In many cases, it was clear that long-standing employees had learnt to fit in more than just the business but also its household and comprising power relations. This integration was especially pronounced where the business and household premises were the same. In a particular Cumbrian farmhouse kitchen, for example, a farm employee joins the farm business household for lunch. He sits with the farmer and adult sons working on the farm at the kitchen table, whilst the farmer’s wife brings the food to the table and clears away the empty plates. He is familiar with (and part of) this household routine and knows that when the farmer’s wife begins to make coffee, he and the farmer’s sons will remain at the table, whilst the farmer shifts to an armchair in front of the aga. In many ways this long-standing employee is part of this farm business household, affecting its power relations. Were he to be made redundant, the internal dynamics and organisation of household life would change. Relations between individuals in business households can be notably strong because of the isolated circumstances of hill farming. Significantly, only 7% of farmers permanently laid off any staff as a result of the FMD outbreak (see Figure 4).

Employees in other sorts of firms often similarly learn that business owners may have specific roles in the enterprise and that they must be in tune with these. This is particularly the case where business and home life run in conjunction with one another so that, as one business owner explained “home life and work life just blends”. As the joint owner of a pub in Cumbria said:

“We run it as a home as much as we possibly can. The staff are part of that as well really, we eat together, we all have a meal at the end of a shift together if we can.
There has always got to be somebody looking after the bar or just finishing off so we take it in turns and it makes it more relaxed for us and it makes you feel as if there is still quality of life there as well as the work inside”
(Firm in Hospitality Sector, Cumbria)

In these situations long standing employees have learnt to not only negotiate power relations of business households but also, themselves, affect them. During the FMD outbreak, the often deeply embedded position of employees within the social organisation and routines of the business household had repercussions for work and consumption decisions within business owners’ households. Some business owners took time off themselves to justify maintaining staff. Whilst casual or part-time staff were (temporarily) laid off, it was common for long standing employees to be carried by the businesses despite there being markedly less work to do:

“The lads that we kept employed, we sort of sub-contracted one to go and work for another company, for 2 or 3 months, he’s just come back recently actually. …. As well as that we also got a contract transporting some sand and gravel and stones for the building industry so we do a bit of that now. It isn’t enough money, it doesn’t make a fortune but it tides us over.”
(Firm in Manufacturing Sector, Cumbria)

Though the reluctance of business owners to lay off staff was often interwoven with financial motives - the perceived expense of hiring and training new employees - other reasons were based on expressions of benevolence. Business owners said that they “shouldn’t pass the buck”, that employees were friends, that they worked beside them day in, day out and knew that they also had mortgages and bills to pay. The joint owners of a pub explained:

Woman: “The staff need the money just as much as we do, and if we lay members of staff off we could lose them. They’ll just go elsewhere, so we didn’t actually lay anybody off at all”
Man: “We wouldn’t”
Woman: “No”
Man: “They’re friends”
(Firm in Hospitality Sector, Northumberland)

In several cases long standing employees offered to take unpaid holiday or to work unpaid or for reduced wages. Although further research is needed from the perspective of employees regarding the extent and form of their participation in business households, the FMD outbreak provided evidence from the viewpoint of employers that the actions and concerns of longstanding employees affect the work and consumption activities of their business households:

“All the lads that were on the livestock side were told if things didn’t pick up shortly they would be out of a job. And it would be last in, first out ... Decision was taken literally after we were taken out by Foot and Mouth and things were going down hill rapidly fast … Some said get rid of me first, let the lads with kids, wives stay. Another offered to take a holiday. We did, we paid them later ... Everyone understands what the issues are”
(Firm in Transport Sector, Northumberland)
Reduced the wages, they’ve accepted that, they’re just getting peppercorn wages, just more or less keep them going. The decision had to be made. It wasn’t made straight away. They were on basic wages for two months…They’ve been very good. They’re sensible lads, they’ve appreciated that it’s completely out of my hands. Any sort of wage at all they know it’s a cost to me, so they’ve been tremendous, they’ve helped me as much as possible. Alright they might say well ‘we won’t take any wages’ but unfortunately life isn’t that easy, they’ve got things to pay for as well as me”

(Firm in Transport Sector, Northumberland)

Concluding discussion

The aim of this paper has been to develop the concept of the business household using an analysis of the impacts of the 2001 FMD outbreak to illuminate its dynamics and boundaries. Through the freakish hold that FMD had on the countryside with the cull of stock, the burning pyres and the damaging impact on visitor and tourist numbers, the often hidden functioning of business households was revealed as many small firms attempted to cope with declines in turnover. Whilst small firms have to be adept at dealing with problems, such as the illness of a business owner, the widespread effect of FMD on micro-businesses in the north of England meant that patterns emerged and conclusions could be drawn regarding the business household.

Firstly, the FMD outbreak shed light onto the boundaries of business households. It is in households that individuals attend to their material and social well-being through the organisation of their consumption and work efforts. Whilst business households contain at least someone who is self-employed, they usually include others too. In fact, the owners of small firms sometimes depend upon these others for their work efforts and consumption practices to secure the resilience of their business, especially at critical times such as during the FMD outbreak. Obviously, those who reside with a small firm owner demonstrate their inclusion in a business household as they affect its capabilities and the sorts of resources and opportunities available to support the small firm. FMD, however, also exposed the unexpected inclusion of individuals in business households. These people did not reside with the owner of a small firm and included members of a business owner’s extended family who, for example, worked unpaid for the business, in the process demonstrating their familiarity with its organisation. Furthermore, some owners of small firms exposed how long-standing, non-family employees were also part of their business household. This micro-business owners did when they revealed how they had kept long-standing employees on despite diminished business earnings, the employees themselves had offered to take unpaid leave as small firms struggled or where employees were deeply embroiled in the work and consumption dynamic of the business household.

Secondly, the FMD crisis exposed the internal dynamics, especially power relations, of business households. The capabilities of business households depended in particular upon who owned the small firm with access to resources and assets mediated by power relations. These power relations affected not only the sort of business that an individual owned but the type of help that their household provided when their business was in trouble. In comparison to female business owners, men tended to work longer weekly hours for their business and to run small firms with higher annual turnovers. Part of this can be explained by women doing more childcare and unpaid domestic work for business households. When it came to the sort of support that business households provided small firms, female business owners were less
likely to make their household vulnerable, rarely choosing to extend or take out new loans and seldom using household savings. Businesses owned by men were more likely to do all of this to ease cash flows and to use the unpaid labour of household members as casual and part-time staff were (temporarily) laid off.

Thirdly, the FMD outbreak highlighted how business households are not marginal but fundamental to economies, which they fuel through their work and consumption practices. The actions that some small firms needed to take to survive the crisis made (the future of) their business households insecure as savings were eroded and indebtedness increased. This sense of vulnerability, enhanced by the stress that the crisis caused many individuals, meant that some business households felt unable to re-engage with usual social and business activities after movement restrictions were lifted and the UK was declared FMD free. This, combined with the fact that some business households fell out with each other because of disagreements regarding coping strategies, weakened inter-household relations upon which communities and economies depend. Reluctance and inability to engage in, for example, inter-household transfer and networks of business support could only serve to have compounded the insecurity felt by business households and to have affected a more general sense of insecurity in the local economy.

Whilst the 2001 FMD outbreak shed some light on the business household, including its boundaries, internal dynamics and contribution to economies, it also substantially effected some of the business households that comprised this research. FMD was both constructive and destructive for micro-businesses. On the one hand, the FMD crisis meant that small firms were able to draw upon the work efforts and consumption practices of their household members, in the process securing business household boundaries and those who help to make them resilient and improving their future flexibility. On the other, to survive the crisis, business household assets were eroded with savings used, overdrafts extended and relations with other households weakened. Weary from 'coping', some business households have withdrawn from usual social and business activities and are even less likely to take risks to be entrepreneurial or to expand their activities and workforce in the future. In this respect, FMD was destructive for such small firms and their future agendas, as it eroded the assets and therefore the capabilities of their business households.

In sum, developing the concept of the business household is important regarding explanations for business resilience, why some small firms might fail and the destructive or constructive effects that surviving difficult times can cause micro-businesses. Small firm survival, especially at critical times, cannot be fully explained through the business owner or their family, but through the business household and its work efforts and consumption practices. A conceptualisation of the business household also recognises its interconnections with other institutions and the ways in which the values and power relations that imbue these affect business household capabilities and coping responses. Furthermore, the dynamism of the business household means that surviving any crisis or difficulty, whether it is externally or internally caused, can have both creative and destructive repercussions for small firms. In short, small firms can only be understood through business households, their internal dynamics and their relations with the wider context in which they operate.

Acknowledgements

We would like to thank all those who took part in the surveys and were interviewed for this research. We are particularly grateful to members of the Northern Fells Rural Project for
easing our way into the work. Thanks also to: the Farm Business Survey Unit and the CRE research team at Newcastle University who surveyed farm and non-farming businesses; Marian Raley, Jeremy Franks and Charles Scott for their help with the tables; the anonymous referees for their comments on an earlier draft of this paper; and Philip Lowe for his editing, critiquing and rock solid support.

References


Cumbria County Council (2002) *Cumbria Foot and Mouth Disease Inquiry Report* (Carlisle: Cumbria County Council)


Little, J. and C. Morris (2003) *The role and contribution of women to rural economies* (Countryside Agency Publications)


SBS (Small Business Service) (2002) Foot and Mouth Disease 2001-2002. Total number of cases by type where Foot and Mouth Disease has been attributed as a cause of failure: For the period 12/04/01-31/03/02 (Sheffield: Small Business Service)


