

'Doing the Books'

Social Capital Between Spouses in Business-Owning Families

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1 Introduction

Starting a business and becoming self-employed, even if the venture is only a small undertaking, can be a complex, demanding and multifaceted process. Financial backing may be required, a number of personal characteristics such as creativity, drive and risk-taking might be useful and, depending on the business, formal qualifications and/or particular experience could be necessary. More than likely, a whole range of networks may also need to be established and drawn on. In many cases, the entrepreneur's family might become involved in various ways and they can be highly influential in the starting and running of a business, be that as a hindrance or obstacle to this process or through their contributing varying degrees of emotional and practical assistance. Indeed, Dyer and Handler (1994:79) speculate that the role of the family in an entrepreneurial venture might prove to be a "much more important determinant in business success than many of the other more traditional factors".

Despite this, most studies of family businesses fail to consider such factors, preferring instead to focus on aspects such as the characteristics of the founder, the enterprise's managerial practices, or the process of succession (Rowe and Hong, 2000). Consequently, as part of their exploration of the connections between entrepreneurship and family business, Dyer and Handler (1994) make an explicit call for greater attention to the specific issues that arise from the intersection family life and this form of work. A small but growing body of literature with just such a focus is emerging, part of which is more narrowly concerned with the nature and make up of the involvement of husbands and wives in a business, rather than on the family more generally. Examples of this include Smith (2000), Rowe and Hong (2000), Baines and Wheelock (1998) and Marshack (1994). These authors explore in different ways and in some detail the respective roles and relative contributions of spouses in business owning families. Copreneurship – where the husband and wife "work in, share ownership of, commitment to, and responsibility for their businesses" (Smith, 2000:283) – is a key concept to emerge from these new directions. Though it also keeps within the slightly narrower focus of the literature just cited – that is, limited to considering the roles of spouses and partners – this paper still seeks to illuminate the kinds of issues that Dyer and Handler are interested in.

While the involvement of a spouse or partner in a family business could be partially explored within the contexts of unpaid work or the informal economy, the purpose of this working paper is to offer an alternative and more encompassing approach which emerges from Bourdieu's (1986) work on the forms of capital. In particular, it is the concept of social capital that will be central to the discussion. Though many of the ideas contained by a notion such as social capital have featured in sociological thinking since the classical theorists, and despite others having employed the term before him, according to Portes (2000a; 2000b; 1998), it is Bourdieu (1986) who offers the earliest and most systematic treatment of the concept of social capital¹. Thus, the section following this introduction begins with a short overview of Bourdieu's treatise on capital which, he proposes, takes three inter-related forms – economic, cultural and social. The idea of convertibility in relation to the forms of capital is also considered. The major focus of this second section then turns from these

¹ For more detail on the 'history' of this concept, see Portes (1998), Cooke and Wills (1999), or Lin (2001).

broad foundations to a more detailed examination of the concept of social capital firstly, as Bourdieu develops it, and then through the work of Coleman (1988), Portes (2000a,b; 1998; 1995; and with Sensenbrenner, 1993), Lin (2001), and Burt (1992; 1997). Finally, some consideration is then given to the sources of, and motivations for, social capital within networks and relationships.

Having explored the concept of social capital in some detail, its use in the contexts of entrepreneurial activity and the family is then considered in section three. Though the bulk of the literature in each area fails to use social capital as a conceptual tool for looking at the contribution of a spouse to self-employment or a family business, Sanders and Nee (1996) make just such a connection. Their work is clearly an example of the type of research that Dyer and Handler (1994) called for. More importantly, by employing social capital as a conceptual mechanism they provide a basis for the substantive task of the paper which, rather than proposing a new definition of social capital, offers instead a more focused and systematic development of the concept in relation to a particular context. In short, social capital is offered as a means to conceptualise the roles, responsibilities, activities and other contributions of one spouse or partner to a family business, or to the self-employment of the other person in a marriage or like-relationship².

The detailed process of conceptualisation is undertaken in the final section of the paper by drawing together the earlier theoretical discussion and interview data from a study conducted as part of the Labour Market Dynamics Research Programme (LMDRP). The data from these interviews, which is summarised in more detail at the beginning of the section, allow various aspects of the proposition presented here to be empirically illustrated and supported. As a starting point, some broad comparison is made between these data and other related research. The interview data is then employed to consider who provides and who possesses, or is a beneficiary of, this type of social capital, and likely sources and motives for it. A breakdown of the types of resources that can emerge from social capital in a relationship is subsequently developed. Finally, issues related to the convertibility of social capital in these circumstances are addressed, as are questions regarding possible benefits and costs to both possessors and providers.

2 The Concept of Social Capital

2.1 The Forms of Capital

Seeing capital solely in terms of its monetary form is insufficient, according to Bourdieu (1986), when accounting for the structure and functioning of the social world. Rather, to better understand this requires a broader view of the resources and assets that people possess. For Bourdieu these amount to power, and he conceptualises them as not only economic, but also as cultural and social forms of capital. Importantly, he also demonstrates the relationships and transformations that can occur between these different forms. While its economic form likely represents what would usually be understood as capital, the other forms require more explanation. Given the

² For ease of reading, from henceforth and where appropriate, I will use the term 'partner' to refer to a spouse or partner, and the term 'relationship' to encompass marriages and like-relationships.

focus of this paper, attention to the notion of cultural capital is necessarily brief. It is followed by some introductory remarks about the convertibility of capital.

Cultural capital has, for Bourdieu, three states. In its institutional state, it encompasses educational attainment and qualifications. As well, it has an embodied state – “long lasting dispositions of the mind and body” (Bourdieu, 1986:243). These are, for example, shared knowledge and values, tacit understandings, common language usage, collective styles and so on, that contribute to our presentation of self in particular ways (Harker, 1990; DiMaggio, 1994). Lastly, there is the objectified state of cultural capital – “cultural goods (pictures, books, dictionaries, instruments, machines etc)” (Bourdieu, 1986:243) which have a symbolic value. These last two states are influenced by the groups to which people belong, particularly the family. This is especially true of the embodiment of cultural capital, a process which occurs across time and forms part of our ongoing socialisation (Bourdieu, 1986:244).

A key characteristic of Bourdieu’s approach to capital is the convertibility of the different forms – how each can be transformed from and into other types of capital and how they can also be held and used in concert. Importantly, however, as Portes summarises it, “though Bourdieu insists that the outcomes of possession of social and cultural capital are reducible to economic capital, the processes that bring about these alternative forms are not” (1998:4). As well, the conversion process may not always be explicit and can be concealed to varying degrees. Thus, any conversion that takes place is likely to be the outcome of a complex, multifarious and contingent process, something that is particularly clear when cultural and human capital are compared. Whereas the latter portrays the outcomes of education – status and income, for instance – as simply the returns on an economic investment, the former takes a much more complex view that includes, as pivotal, how the family – through their class, standing, attitudes, knowledge, resources, networks and so on – influences the process and outcomes. This will be illustrated in relation to social capital in the next section.

2.2 Social Capital

Portes (2000a; 2000b; 1998), Fernandez et al. (2000), and Lin (2001) all note that social capital has taken on two distinct streams of meaning – one with a collective orientation and the other more individually orientated. Because such a divergence is not always recognised, a degree of confusion can arise over what is meant by use of the concept of social capital. Consequently, some have claimed that its value and utility have been diminished (Schuller, 2000). It is likely, however, that the most intractable problems are generated when, as Lin puts it, “social capital becomes merely another trendy term to employ or deploy in the broad context of improving or building social integration” (Lin, 2001: 26). This usage has taken hold in a number of disciplines and has gained some popularity in the political domain. Yet, Lin (2001:26) argues, it should not be assumed that collective goods and assets, such as culture, norms and trust, are necessarily alternative forms of social capital, nor that they can be defined or derived from one another. While more precision seems necessary to reduce this indiscriminate use, clearly identifying how the concept is employed in any particular context is one way to resolve confusion emerging from the dual interpretations.

Consequently, the use of the concept of social capital in this paper clearly sits within the individual orientation and is based on the work of Bourdieu (1986). Though, as Lin (2001:24) points out, Bourdieu's (1986) emphasis on the class-based nature of social capital means that his approach has a collective orientation, he still asserts a process by which individuals acquire, maintain and utilise social capital for their own purposes and benefit. This is qualitatively different, Lin continues, from a collective orientation that situates social capital as a public good. He cites Coleman (1988) and Putnam (1993) as examples of this (Lin, 2001:24)³.

Social capital is defined by Bourdieu (1986:248) as “the aggregate of the actual or potential resources which are linked to the possession of a durable network of more or less institutionalised relationships of mutual acquaintance or recognition – in other words, to membership of a group”. How much social capital a person has depends, according to Bourdieu, on the extent of their networks and the volume of capital (in all three forms) that members of that network can draw on. Social capital is produced through one's ongoing efforts at establishing and sustaining relationships with others in families, neighbourhoods, workplaces, sporting and social clubs, and so on, though these may not be conscious efforts at generating social capital per se.

As was discussed above, convertibility is an important component of Bourdieu's position regarding the forms of capital. It thus applies to social capital, though the provisos already outlined regarding this potential and process remain. Therefore, being able to afford membership of an exclusive club does not guarantee a person's acceptance within the group and network which, if it occurs at all, is likely to be a more complex and lengthy process that involves the development of trust, obligation, and a sense of reciprocity. The benefits if achieved, however, can often be transformed into economic value – a business person may be able to utilise such networks, for instance, to obtain more favourable prices or more stable supplies. Though Lin (2001) interprets convertibility as making social capital merely a disguise for economic capital, it is viewed and employed in this paper as a complex and valuable mechanism for understanding the interrelationships between different forms of capital.

A number of other theorists have offered various interpretations of social capital. One prominent definition comes from Coleman who describes it as:

Not a single entity but a variety of different entities, with two elements in common: they all consist of some aspect of social structures, and they facilitate certain actions of actors ... within the structure. Like other forms of capital, social capital is productive, making possible the achievement of certain ends that in its absence would not be possible (Coleman, 1988:S98).

Portes (2000a; 1998) is rather critical of this definition, however, seeing it firstly, as rather vague. As well, whereas, Bourdieu was careful to make clear distinctions between the *possessors* of social capital – those who make demands; *providers* of social capital – those who accede to those demands; and *resources* – the products of social capital, Portes (1998) sees a tendency to conflate these three features in Coleman's work⁴. There are also less clear distinctions between resources and the

³ As Lin (2001) notes, this signals a further subtle definitional split, this time within the collective orientation.

⁴ Instead of providers, the term 'sources' is used in some places (e.g. Portes, 1998:6). However, as will be shortly seen, Portes (1995) also uses sources to describe the characteristics of a relationship (values,

ability to obtain them, another key quality of Bourdieu's approach. Finally, while Coleman's celebration of the possibilities that social capital offered to a community was still structured around the benefits to individuals, his interests in communal gains prompted others to make the conceptual shift into a more collective orientation thus prompting the 'split' in meaning (Portes, 2000a).

More focused on its role in relation to business activity is the work of Burt who has defined social capital as: "friends, colleagues, and more general contacts through whom you receive opportunities to use your financial and human capital" (Burt, 1992:9). Elsewhere, he considers how utilising social capital might affect business outcomes (Burt, 1997). Though Burt's earlier list omits the family, his work remains useful in this context since, as will be shown, social capital between partners offers those running businesses valuable opportunities that are beneficial to the enterprise. It is the idea of benefits that is central to Portes' definition which, he feels, represents a consensus that is emerging in the literature – "social capital stands for the ability of actors to secure benefits by virtue of membership in social networks or other social structures" (Portes, 1998a:6). Also offering what he calls a consensual position is Lin (2001), whose definition echoes Bourdieu's emphasis on resources. These resources are made accessible through people's social ties, though the nature of these ties can vary, and are mobilised in purposive actions. Lin (2001) also outlines a range of factors that determine the value of social capital for an individual. This depends, firstly, on the circumstances of its usage, and then on the make up of the social structures and networks the person is part of, their location relative to other members, and the nature of the relationships they share with them.

Various theorists have also offered ideas regarding the motivation for, or source of, social capital that allows actors this ability. Bourdieu (1986:249) suggests that it may arise from relationships based on "material and/or symbolic exchanges which help maintain them" or that are "socially instituted". The former requires ongoing efforts at sociability as we go about making and maintaining bonds with others. Importantly for this discussion, Bourdieu includes the family in the latter category as a source of benefits enjoyed by relatives by virtue of their being part of that familial group. For Coleman (1988), though social capital sometimes arises inadvertently out of people's associations, most often it is the outcome of obligations and expectations between people that exist in a climate of trustworthiness. The multifarious nature of social networks allow social capital to be gained from and spread amongst a number of relationships. In broad terms, Lin (2001) sees social exchanges occurring out of the need to protect or gain resources and because of payoffs to individuals in terms of recognition (social credit and social debt) and reputation (social standing). These exchanges are explained by what they offer a group and its members. That is, having a rich array of resources embedded in social networks built on strong ties generates a collective benefit which is then available to individuals.

Though developed utilising literature on immigration (e.g. Portes and Sensenbrenner, 1993) and research focusing on business activity in Latin America (e.g. Portes, 2000b), Portes' work on the motivations for social capital offers a particularly useful and detailed approach in the context of this paper. He identifies two distinct

bounded solidarity, reciprocity and enforceable trust) that promote the availability of social capital. To avoid confusion I use the term providers to indicate the people who provide social capital.

motivations for the presence of social capital. Each of these motivations underpin two sources of capital in this form. The first pair of sources have an altruistic motivation for the donor or provider. Values, as one of these, prompt the transfer of resources to others because of general moral imperatives and Portes (1995:15) gives the example of gifts between parents and children. Bounded solidarity, the second of this pair of sources, promotes the transfer of resources because of an identification with the needs and goals of a group that the person is part of. Thus, when faced with exclusion from mainstream opportunities, particular communities – ethnic groups for example – might develop their own resources, access to which is based on membership of that group. Portes and Sensenbrenner (1993) provide numerous examples of this in relation to immigrant populations in the United States. Reciprocity and enforceable trust make up the second pair of sources and these have instrumental motivations. The former promotes the mutual exchange of resources based on the expectation of benefits to both parties. Thus, information, tips, favours and the like are exchanged between business associates because each expects the same in return. Enforceable trust incorporates reciprocity but any agreements or arrangements are also subject to collective sanctions and expectations. As well, a provider is likely to be motivated, in part, by the higher community status that follows their actions.

This typology of motives and sources for the exchange of resources as a result of social capital will be employed later in the paper. So, too, will the tripartite distinctions of possessor, provider and resources that were identified earlier.

3 Social Capital in Entrepreneurship and Family Literature

From the preceding discussion it can be seen that the concept of social capital has been developed by various theorists in a range of related yet differently nuanced fashions. It has also been employed in a number of areas. Two of these, the family and entrepreneurship, are very relevant to this discussion. While debate exists over whether self-employment or small family businesses should automatically qualify as entrepreneurial activity (Sexton & Smilor, 1997; Upton & Heck, 1997), the position adopted here follows Aldrich and Waldinger (1990) who argue for entrepreneurship to include both these categories.

One important aspect of entrepreneurial activity is the formation and maintenance of networks (Thornton, 1999; Brüderl and Preisendörfer, 1998; Birley, 1985). These are often utilised in relation to suppliers, customers, information and finance. Benefits can include settled and dependable relationships, favourable terms, access to information, and preferential treatment. Brüderl and Preisendörfer (1998) employ the idea of a social capital metaphor to capture the range of approaches to considering networks in business. Some of these use various related concepts (such as ties or embeddedness, for instance) whilst others work within the more specific framework of social capital as outlined here. Despite the “most common function attributed to social capital”, being these “network-mediated benefits *beyond the immediate family*” (Portes, 1998:12, emphasis added) family businesses, by their very nature, often involve and rely on intimate networks composed of family members. One important relationship in this regard is that between partners or spouses.

The possibility that families might be a source of social capital was made explicit by Bourdieu (1986). Indeed, it was a primary concern of his, though in relation to educational attainment. Coleman (1988) also acknowledged the importance of the family though he was principally interested in how social capital contributed to the creation of human capital in the next generations. Portes (1998:11-12) surveys a number of other explorations of social capital in a familial context. These are concerned with issues such as educational achievement, labour force participation, and coping with change. The common threads that can be drawn from these various considerations of social capital within the family are that it is virtually always looked at in terms of the parent-child relationship, and is usually in some way connected with education. Seldom is any such discussion focused on self-employment or entrepreneurial activity, and it is rare to see an emphasis on spousal relations.

One significant piece of work that makes both these connections by identifying and examining social capital within the immediate family and in relation to self-employment, comes from Sanders and Nee (1996). Their emphasis is on the importance of close and extended family relationships to entrepreneurial activity in immigrant populations. They also consider the inter-related role and value of human capital. Though it is not dealt with here, their incorporation of a number of relationships (e.g. children and extended family) illustrates that social capital in the family also exists outside of partners. Of major importance for this discussion is their use of social capital as the key conceptual mechanism.

We emphasise that the family is an institution that embodies an important form of social capital ... the family's chief advantages are not simply tangible products, such as unpaid labour, but also involve the mutual obligation and trust characteristic of solidaristic small groups. It is the latter aspect of the family that we identify as social capital. ...Members of a family engage in social exchanges that give rise to mutual dependence and expectations ...Cooperation within the family stems not simply from self-interest, but from a moral order in which the accumulation of obligations among members builds a degree of solidarity (Sanders & Nee, 1996:233).

These features are mirrored in aspects of the LMDRP interview data. However, building on Sanders' and Nee's work and moving outside of their concentration on immigration, this data allows a more comprehensive and systematic conceptualisation of the social capital arising between partners in business owning families.

4 Social Capital Between Spouses or Partners

4.1 The Interview Data

As part of the LMDRP, a retrospective longitudinal study was conducted in the Hawkes Bay region which involved 164 people in 96 households being interviewed in some depth regarding their work histories between 1985 and 1995⁵. These interviews provided rich accounts of people's various labour market experiences and transitions. Both unpaid and paid work were considered. As well as domestic roles and

⁵ Shirley et al (2001a, b & c) report on the findings of this larger qualitative inquiry. A related report on a survey of over 800 households in this area is also available (Shirley et al, 1998).

responsibilities, unpaid work also included voluntary work, education and training, and people's experiences of welfare. Paid work encompassed full time, part time, casual and seasonal employment. A considerable amount of information was also gathered on people who had been self-employed for some or all of the study period. As the research project was concerned with collecting data at the individual and household level, where possible, both partners in a relationship were interviewed. Given that this paper is concerned with the interactions of partners in relation to a business venture, such an approach markedly increased the value of these interviews.

From these interviews a group of 25 people were identified as having been self-employed at some point during the decade under study. Of these, 21 were married or in a like-relationship though only 20 couples are considered since in one case the husband and wife each had their own business. These couples were involved in 23 enterprises as in two instances, subsequent ventures were commenced after a first was closed down. Table 1 outlines the range of business activity undertaken by this group.

| <i>Table 1: Previous employment and types of enterprises run by entrepreneurs.</i> | | |
|--|--|--|
| Prior Occupation of Principal | Type of business (1) | Type of business (2) |
| Mason | Masonry | |
| Plumber | Plumbing | |
| Plumber | Plumbing | |
| Accountant | Accounting | |
| Office work/secretarial (f) | <i>Secretarial services</i> | |
| Solicitor | <i>Law Practice</i> | |
| Livestock Buyer | Livestock Trading | <i>Goat & Lamb Meat Specialist Products</i> |
| Painter | Painting | |
| Veterinarian | Veterinarian Practice | |
| Electronic technician | Educational Computer Software | <i>Computer Hardware Support Service</i> |
| Steel Reinforcing Worker | Steel Reinforcing | |
| Engineer | Light Engineering | |
| Farm Manager | Fencing | |
| Scrap Metal dealer | Scrap metal dealing | |
| Farmer** | Farmer | <i>Wool Insulation (Sales & Franchising)</i> |
| Farmer | Orchard | |
| Engineering Sales | <i>Brake Cylinder Re-sleeving</i> | |
| Carpentry | <i>Concrete Work</i> | |
| Farm worker & Meat worker** | Possum Trapping | Possum Trapping |
| Hotel Manager (f) | Takeaway Bar | |
| Office work (f) | Writing | |
| Meat Inspector** | Painting | |
| Draughtsman | Courier Driver | |
| Mother (f)** | Wood turning | |
| School Principal | Horticultural enterprise (flowers, vegetables & fruit) | |
| Notes: | Bold business predated start of survey period | |
| | <i>Italics</i> business was ongoing at time of interview | |
| | Both business predated AND ongoing | |
| | ** Not married or in a like-relationship | |
| | (f) female principal | |

Given that none of the enterprises employed more than twelve people, they would all fit into the category of small businesses (Cameron et al, 1997). In fact, since most had fewer than five employees, the majority tended towards the lower end of this category. This reflects the prominence of small and medium-sized enterprises in the New

Zealand economy (ibid). Many people described their ventures as small, family-style businesses. Around 40% of the 29 enterprises were managed by sole operators, and approximately 60% were based in, or in some way managed from, the person's home.

Because the original interview guides did not require the collection of precise details, it was not always clear what the exact ownership structure was for each business. Some were obviously owned by one person; others appear to be co-owned by husband and wife. Each of the three women who were self-employed clearly owned and operated their businesses without direct input from their husbands. Greater uncertainty comes in relation to the remaining cases. While in about a quarter of these the men also ran the business without direct involvement of their wife or partner, the balance revealed varying degrees of participation. The propensity toward small operations and the high proportion of enterprises run from people's homes increased the likelihood of partners being involved in some way. Indeed, sole operators were often very reliant on such help.

Despite the lack of precision regarding ownership, two points can be made which are crucial to establishing the value of using this interview data in the following discussion. Firstly, each enterprise was owned by one or both partners, or they shared ownership of it with others (outside the family). Those family members who were owners also had an active management role in the business. Though Rowe and Hong use the more precise phrase "business-owning families" (2000:2) to capture these different ownership permutations and the various roles of spouses and partners in such enterprises, in the remainder of this paper they are more simply termed 'family businesses'. Secondly, regardless of the ownership structure, every enterprise clearly had a principal – someone who appeared to have the major role in, and primary responsibility for, the company. Aside from the three female owners/operators, in all the other cases the principal was the male partner in the relationship.

4.2 The Roles and Contributions of Partners or Spouses

As Baines and Wheelock observe, there is a "wide variety of formal and informal relationships between families and the businesses from which they gain their livelihoods" (1998:17). In some cases there is no direct participation by partners. For instance, none of the male partners of women principals were involved in their ventures. Similarly, just over a third of the others required no input from their female partners. The solicitor and accountant, for example, ran practices outside the home and with no involvement from their wives. However, even in such cases, partners can still make other contributions. Marshack (1994), Baines and Wheelock (1998), and Smith (2000), for instance, all found that women routinely assume the predominant role in managing the household and caring for children when they and/or their partners are in business. They can also be involved in other paid employment (Rowe and Hong, 2000). Both these roles can be critical to the operation and success of the venture, and their partner or husband's participation in it. Similar patterns were evident from the LMDRP interviews where the male was the principal in, or sole owner of, the business. Though there is only a small group for comparison, in all but one instance the male partners of female principals did not increase their involvement in the care of children or the home, but their other employment did allow the women to pursue some form of self-employment.

When there is some direct involvement of partners in family businesses, this too can take a range of forms. In their British study, Baines and Wheelock (1988) found that 40% of the businesses they examined had a high involvement by both partners. A little under half of this group (48%) had a single owner and the balance were co-owned. In just over two-thirds of the former category, the partner's involvement amounted to them being employed by the company, and in the remaining cases it meant they provided substantial unpaid input. Of those businesses that were co-owned, less than a third fulfilled the complete equity requirements of true copreneurship – that is, enterprises where couples *shared* the ownership of, contributions and commitment to, and responsibility for any business (Smith, 2000:283). Rather, the majority comprised cases where the female partner took an ancillary role, usually working in a clerical or support capacity.

This was confirmed by Marshack (1994) in her study of 83 copreneurial and 71 dual career couples. Instead of copreneurs forging a new form of egalitarian relationship, they tended to have very traditional demarcations. Thus, the men were the leader and decision-maker at home and work, with the wife consistently filling the role of support person. Given that the men she studied worked long hours in the business, management of the household was left predominantly to the women. Smith (2000) reports remarkably similar findings in her research with 20 Australian copreneur couples. These trends and the forms of engagement with the business by partners are reflected in the data drawn from the LMDRP interviews.

4.3 Providers and Possessors of Social Capital

Social capital between partners or spouses can likely produce a range of benefits for both parties, regardless of the type of employment either person undertakes. However, as will be highlighted in the following sections, the particular demands of self-employment and family businesses mean that one party can come to rely quite heavily on the contributions of the other. Consequently, it is reasonable to conclude that in these circumstances the social capital between partners is extremely important. Though both parties can be possessors and providers of social capital, in the cases drawn from the LMDRP study, the balance tended to be skewed towards the principals being the main beneficiaries. That is, the flow of benefits and resources that social capital produced appear to move predominantly in one direction: from the partner, as provider, to the principal, as possessor.

Interestingly, networks in business usually represent a more balanced flow of resources and benefits: a strong relationship between a supplier and customer, for example, might mean favourable prices for the latter and a dependable outlet for the former. Indeed, reciprocity in some form seems to be an important feature of social capital in these circumstances (Uzzi, 1997) where motives appear more instrumental. The uneven flow noted above may be partly explained by a strong altruistic motivation for social capital between partners. This is explored in more detail in the next section. Of course, when benefits of some sort from a successful business accrue to the partner – say through the income derived from the enterprise – then the flow of effects can be more balanced.

When the skewed flow of resources apparent from the interviews is combined with the fact that only three of the 23 businesses had women as owners or principals, the

emphasis in this data set is on men being the possessors of social capital and women being the providers. While in these three exceptional cases social capital still produced resources and benefits for the women principals, it would be interesting to conduct research that looked at whether there are any differences depending on the gender of the beneficiaries and providers of social capital. Baines and Wheelock's (1998) work suggests that this is the case. They found that men were never classified as employees of a family business, but it was not uncommon for women to be identified as such. As well, whereas women usually provided clerical or administrative support, the type of input men gave to their wife's ventures was more often technically orientated. Unfortunately, the tiny number of self-employed women in this study makes only very limited comparison possible.

4.4 Motives and Sources of Social Capital

Given that the interviews were not specifically targeted at identifying the sources of social capital, and what motivates people to provide this within a relationship, it is not possible to conclude with precision what underpins social capital in these circumstances. That said, when drawn together with some of the existing theory presented earlier, the interviews provide sufficient data to allow some tentative propositions to be put forward.

In pointing out that "social capital inheres in the structure of [people's] relationships", Portes (1998a:7) provides an obvious starting point for identifying likely sources. Marriage and like-relationships see spouses or partners providing significant and diverse forms of support to one another. These can be drawn on in different ways and for a range of reasons by both parties. This was directly mentioned or implied in the interviews. At one level it was apparent in comments that actually referred to support or encouragement. It was also evident in the organisation of relationships, particularly when there were children. Overall, these were very 'traditional' in structure and function with strong gender-based demarcations: the woman was the primary caregiver and the man was the primary earner. Thus, while men were engaged in paid work, women were focused on caring for children and their partners, and they adjusted their roles and activities accordingly. An account of just such an adaptation is given by the wife of a plumber who had been self-employed for many years.

I think a few people think I am lazy because I don't go out to work nine to five, five days a week. ...They think [my husband] goes out to work and I don't do anything. It's a lot of support for him too, that is another reason I stayed home, because he works very hard. ...He doesn't have to do – we are a bit old fashioned – he doesn't have to do a lot ... he doesn't have to do shared responsibilities in the housework line.

Lest this be considered a generational effect, a woman with young children demonstrated how various factors conditioned her role within and outside the family. Her husband was also a self-employed plumber. She recalled resigning from her job at one point.

The business had got a bit bigger and I wasn't spending enough time helping [my husband] with his business.

She also wanted to spend more time with her daughter who was approaching school age. Both could be achieved by her giving up paid work. It appeared from the

interviews that men came to expect such support and women, in turn, appeared committed to providing it, usually without question. The three women who were self-employed also drew on support from their partners, but mostly in terms of encouragement. However, two of them recognised that they had been able to embark on their enterprises because their husband's income allowed this.

The expectations of having access to, and the commitment to providing, such various forms of support can be seen as underpinned by certain values and norms associated with marriages and like-relationships. Values was one of Portes' (1995) sources of social capital that was outlined earlier. It provides an altruistic motivation in his schema. Bourdieu's (1986) thinking regarding social capital within the family is also implicit here. For Coleman, internalised norms generate the behaviours and attitudes in people that are then available to others – “when a norm exists and is effective, it constitutes a powerful, though sometimes fragile, form of social capital” (Coleman, 1988:S104). Against part of Coleman's assertion, however, the interviews seemed to indicate that this form was rather robust. In relation to families, Coleman goes on to suggest that prescriptive norms mean people forgo self interest and act selflessly in the family's interest.

A related proposition regarding the source and motives of this form of social capital is the sense that the strength and fulfilment of these commitments and expectations is due, in part, to the intimate nature of marriage or like-relationships. In his discussion of how people form a relationship, Giddens talks of the inevitability of “clos[ing] off of others, who become part of a generalised ‘outside’” (1992:138). Such closeness and exclusiveness could be a further source of social capital since it has some fit with the idea of bounded solidarity which, Portes (1995) argues, has an altruistic motivation. This would likely contribute to the particular durability of social capital between partners, as noted previously.

Drawing once more on Portes' (1995) schema, an alternative or complementary source, though more instrumental in orientation, may lie with the idea of reciprocity. This can be investigated, in part, by looking at the motives people expressed for becoming self-employed and the reasons given by their partners for supporting them in various ways. Though prompted by a range of factors, a very common drive towards self-employment was the hope that in the long term it would lead to greater well being and tangible rewards. Marriage is, of course, much more than the instrumental idea of accumulating and redeeming social chits. However, reciprocity is likely in the sense that one partner provides support based, partially, on the expectation that some benefits will accrue to them and the family as a whole. While the interviews did not directly assess the expectation of partners regarding future income, this sense of reciprocity seemed implicit in some interviews. Positive effects could accrue in other ways, with some people prompted to support a partner in the hope that if they were more contented or interested in their work, benefits might accrue to the family. One woman described her husband as being “in a rut” and unhappy with his current work situation. She was keen for him to “sort it out” which involved giving serious consideration to becoming self-employed, something he had thought about periodically.

Though developed independently, support can be found for all three of these propositions in the work of Sanders and Nee (1996). This is clear from their earlier

quote which characterised the family in terms of obligations, expectations and dependence, and which also acknowledged the small-group-like or bounded nature of the family and the solidarity that results. Reciprocity, in terms of self interest, is considered by them as well but, as is noted above, it seemed likely to be less important and was certainly not the only motivation. In short, Sanders and Nee (1996) see “collective interests and strong personal ties” as the keys to social capital within the family and their comments seem a reasonable summary of what was revealed by the interview data.

In closing this section it is worth noting an interesting trend regarding the ways in which social capital between partners in business situations was drawn on. Couples most often engaged in varying degrees of planning and preparation for a new business. Though the involvement of partners fluctuated, nearly all of them seemed to participate to some degree which appears to suggest that the expectation and utilisation of social capital inherent in a relationship was in some way negotiated rather than just appropriated. This seemed to hold true in every case but one, where a man unexpectedly left his job one day to become self-employed. Only then did he tell his wife, though he still expected her support and help. She was naturally upset at the turn of events and apprehensive at the uncertainty, but was still willing to provide what was expected. In fact, she was the woman who earlier described the roles she and her husband had as ‘a bit old fashioned’. As is apparent in that quote, over time she made extensive adaptations to her life to accommodate his self-employment.

Such was the strength of the social capital between partners that anxiety at the prospect of starting a small business did not translate into them being obstructive or withholding any support or assistance, even in the extraordinary case just cited. Another woman doubted her husband would cope working for himself.

I knew he would be no good on his own ... it was too complicated, the bookwork, the taxes, all that GST ... he is better working for other people.

Despite these concerns she still supported him in his brief period of self-employment. The availability of this form of social capital despite such reservations seems to be additional support for the first two propositions regarding its sources and motives. The fact that it was most often negotiated rather than simply appropriated perhaps reflects the growing democratisation of marriage that Giddens (1992) talks about, though further investigation is obviously needed to establish whether this is indeed so.

4.5 Resources That Emerge From Social Capital Between Partners or Spouses

Having considered the flows of social capital between partners and spouses in family businesses, and discussed the sources and motives for this, it is now possible to consider the resources that people were consequently able to access. These were direct and indirect in nature. Direct resources can be further broken down into formal and informal types. Regardless of the type, these resources could be drawn on in a predictable fashion or required unexpectedly. The make up and amount of resources varied between cases, and for each case across time. Other factors were also influential. These included the contexts in which the business was operating; the nature of the business and its changing circumstances; and the characteristics of the individuals involved.

While support and encouragement appeared to underpin all that was made available by one partner to another who was engaging in self-employment or running a family business, they are resources in themselves. Whether of a practical or emotional nature, they were the most common resources made available and utilised as a result of social capital between partners. Sometimes the make up of the business meant that support and encouragement were all that a partner could provide. It is difficult to imagine, for instance, how the husband of the writer could offer any direct input into her enterprise. Thus, as happened in her case, the encouragement and support that was offered were more emotionally orientated. However, often they were translated into a whole array of more tangible direct and indirect resources.

The most obvious way that resources were utilised was when they were directly applied to the enterprise. That is, the partner took some active role. Interestingly, however, when both partners were involved in the business each person carried out very different functions. Though there may have been some occasional or minor overlap of tasks and while there was variation in the types and number of activities they performed, in general the partner of the self-employed person – who in all these cases was female – usually performed ancillary roles: doing accounts, administration, answering phones, and so on. Despite the tasks appearing mundane, these were vital functions in relation to the business. This is obvious in the case of a contractor who was heavily dependent on his wife to manage the company's accounts.

I just wouldn't know where to start, that is why I was never confident at [doing the books]. ...It's one of those cases, if [my wife] wasn't there the business would go downhill.

It is also apparent in the comments of a man regarding the specialty meats distribution company that he and his wife ran.

There's a tremendous amount of bookwork and faxing and writing up books and doing all those sort of things. And if I didn't get out there and move and look at stock and do all these sorts of things, well we wouldn't have any income coming in.

These points replicate the findings of Marshack (1994), Baines and Wheelock (1998), and Smith (2000) noted earlier.

Any functions that a partner performed could be undertaken formally by them being employees of the business or, occasionally, business partners, as in the masonry company run by one couple.

Because we were both directors in the firm, I suppose to justify a salary one has to say you have done something and I was not able to lay bricks.

Alternatively, they could be done in an informal fashion where the role had no legal or formal standing. While formal roles were remunerated, informal ones could be paid or unpaid. An example of an informal position was the contractor's wife who 'did the books' without pay. Even if partners did not receive individual remuneration they could still share in the income generated by the company. Sometimes partners were engaged with the business both informally and formally depending on circumstances. In the case of the specialty meats company, the man's wife initially helped on an informal basis with many of the tasks he cited, though this became quite demanding for her.

I had another job during the daytime, and I used to come home and do the [other] at night, and it was getting a bit much.

However, it was not the pressure on her that forced a change but rather that her involvement in these ways was not enough. So they eventually took a gamble.

It just got to the stage where I just couldn't handle everything. ... So [my wife] left her job and with the bit of savings we had left it kept us going for a while.

The reverse also occurred when the formal role was no longer needed or could not be sustained. Often the partner formally undertook a core function, such as the books, and then helped out in other ways on an informal basis.

In contrast with these forms of direct involvement, indirect resources in some way allowed the self-employed person to commit time, energy and presence to the enterprise. Though still provided by the partner, these were not related to what they actually did in the business. Two of the women acknowledged their husband's income as financial security while they were self-employed. As one commented,

I have never pushed it, there are all sorts of other things I could do which would bring up the income, but we have had [my husband's] income so I have never needed to do that. I could work a lot harder at supporting myself if I had to but I don't have to.

Such financial support, since it did not go directly into the business but allowed the women to pursue their self-employment, could be considered an indirect resource. When money was saved to be put into the enterprise, it had a more direct impact. Some of the men who were interviewed also needed the indirect financial support that their wives or partners provided through paid employment, especially during the initial stages of a business or when the venture was experiencing difficulties.

Unlike the three women principals who each treated their businesses as 'sidelines', all the men conceived of their enterprises as providing the main income in the household. This confirms findings by Gilbertson et al. (1994) that female entrepreneurs tended to see their business as a secondary income source which they start out of personal interest rather than economic necessity. As Buttner (1993:60) puts it, "Whereas men generally see entrepreneurship as a business decision, many women view it as a life choice – a way of integrating family and career needs". This comes across very clearly in the various motivations one of the female entrepreneurs gave for starting her home secretarial business. One reason was her desire to be around home more in order to be available for her teenage daughter.

Given the different imperatives facing men, they usually sought to devote considerable amounts of time and energy to the business in order to ensure its viability and success. To allow this, they frequently made extensive use of another form of indirect resource. Consider the reflections of these two self-employed men.

It would be fair to say that the extra hours that I have worked have taken me away from the family and the household.

It affected my family greatly because I became obsessed with my work having to keep up with my commitments.

With them devoting so much time to their businesses, little if any, it seems, was left for their families. Thus, the partner had to make up for the inability of the self-employed person to be so involved. Besides emotional support these compensatory activities seem to have been the most significant indirect resources required of partners in the more than 60% of cases where children under 16 years were part of the household. Providing these placed considerable stress and demands on them especially when they were also engaged in paid work and/or were involved in the business themselves. As the above comments suggest, many years later some of the men recognised the negative impact of this aspect of their self-employment.

Not all indirect resources had such strong negative connotations, however. One of the women, who ran a small secretarial business from her home, reported that her husband had gradually taken on cooking the evening meal and then doing the grocery shopping in order to free her for more work.

It just evolved I think because I'm so busy here. I just say I haven't got time you will have to do it. And now he has become a very good cook. The first few months were a bit grim and it is not even questioned now.

None of the other men who were partners of women principals reported any input of this nature. Instead, the women continued with all their unpaid responsibilities on top of running the businesses.

Whether direct or indirect, the resources produced through social capital between partners could be drawn on in a predictable way, or unexpectedly. In the first sense, and as has already been noted, couples often undertook a great deal of planning and preparation before starting a small business, part of which involved some consideration of the resources that a partner could contribute. Of course it was never spoken about in terms of social capital. Rather, people discussed what they could do, the various roles they might fulfil, and generally how they might support the self-employed person and, through them, the business. Thus, a couple might agree that the partner would 'do the books', answer the phones, or devote more time to the family. In this way social capital was a source of anticipated resources for a venture.

Even with planning and preparation, resources sometimes had to be drawn on unexpectedly in terms of the type of resource required or in regard to the amount that was needed. Not only does this signal the often difficult and unpredictable nature of embarking on self-employment, it also highlights the very special nature of the bond between partners, and the benefits that can accrue from their relationship. This is well illustrated in a case where the husband began a computing company which, after showing rapid growth, collapsed completely. He immediately set about starting a new enterprise more focused on hardware. His wife had helped in various ways with the first business and continued doing so with the second. She had also been more heavily involved in caring for the children as her husband devoted every moment to the businesses.

I was doing a lot of evening hours to keep on track ... I tended to work on weekends as well and so we didn't go out and do things.

When their first company collapsed they were forced onto the unemployment benefit. It was a time of immense struggle and uncertainty.

Some weeks we didn't know where we were going to get food from.

Consequently, the wife went out and got a part time evening job in a rest home and did paid childcare at home during the day. It was not her preferred option but there seemed few choices.

Our business was in crisis. I had to get employment.

While she had anticipated having to compensate to a degree for her husband's involvement in the business by devoting more time and energy to the care of the children, the expectations on her in this regard, especially when the first venture collapsed, far exceeded what she had imagined. Having to get two forms of paid employment just to make ends meet was something she was entirely unprepared for, but clearly it was necessary to ensure the wellbeing of the family and to enable her husband to devote himself fully to establishing the second business.

4.6 Convertibility

The idea of convertibility has already been briefly outlined and illustrated in relation to education and business networks. It is appropriate, now, to consider its place in relation to the particular form of social capital being discussed here since it could be argued that some of the roles or activities that partners engage in might actually represent economic rather than social capital. However, what is instead being contended is that the existence, nature and strength of the relationship between partners provides the basis for a whole range of resources, some of which can be converted to an economic value.

It might be considered, for instance, that a partner's outside paid work, surely represented an economic contribution. However, as was apparent in the case of the couple who were involved in the computing companies (see Section 4.5, pages 19-20), the woman was willing to get a job not only to contribute to the wellbeing of the family but also to allow her husband to devote himself to starting another business. Thus, the nature of their relationship produced social capital which could then be converted into economic capital through her outside employment. He would not have been able to be entirely focused on the new enterprise without her willingness and ability to generate an income. What this case demonstrates is that conversion can occur so easily as to mask the other forms of capital at play. In focusing on the financial aspects of her working, what can be missed is that *one* of her motives for getting a job and not insisting that her husband get employment, seems to be her ongoing support of his efforts at establishing the venture despite the difficult times.

Convertibility can also be seen in relation to employing staff in a family business. This can easily be viewed as an economic decision based on benefits outweighing any costs – say more personal contact for customers, better financial management and so on. However, if the employee is a spouse or partner then it is in the nature of their relationship to the self-employed person and, therefore, the business, that additional benefits can accrue. For instance, the interviews revealed that partners usually had a special commitment to the enterprise's success and were willing to perform a range of tasks outside of, or in addition to, what a paid employee might do. 'Recruiting' was easier, as was 'termination' if the extra expense could not be sustained. Even then, it was more than likely that the work would continue to be done but on an informal basis. As well, the employment of a partner didn't need to be for set times, hours and so on, since they often worked as and when needed.

An important feature of conversion is that it can be heavily concealed. As has been argued, indirect resources were often crucial to a self-employed person being able to devote themselves totally to the enterprise. However, because they were indirect it is easy not to connect the value of social capital between partners with the economic gains made as a result. It is all too simple, for example, to see aspects of this as ‘what women do in families’. Much later, in realising the negative effects of their obsession with making their businesses a success, many men recognised the value and size of the contribution that women had indirectly made. Though obscurely stated, this is implicit in the following remarks made by the husband of the woman who earlier described her role in supporting her husband as traditional or ‘old fashioned’. He considers what would have happened had he not taken the road of self-employment.

In actual fact we could have earned a lot less being employed by someone else [and] I probably would have spent more time with the family, which is something I regret in these latter years.

Finally, before leaving the matter of convertibility, it is important to note that this depended, to a degree, on the human capital of a partner – that is, the education, training, skills, experience, qualities and attributes they possessed or that they acquired. Thus, for example, employing a partner only became useful if they could do the job that was needed. Conversion in these circumstances was also dependent on the nature of the business, which could play a part in determining what, and how, a partner might contribute to it. As well, partners did not always have the skills and experience required of them – whether that related to special expertise needed in a particular business or to more general skills, such as bookkeeping. In those circumstances they had to be motivated and able to acquire them. Similarly, the availability of indirect financial support relied on the partner being free to work (considering their other responsibilities) *and* their ability to get a job.

4.7 Costs and Benefits

Whilst benefits and costs can accrue to both parties, the largely one-way flows associated with this form of social capital in the cases under study meant that they were somewhat unevenly shared. By virtue of their being in a relationship, the preceding discussion has shown how principals benefited in a wide range of ways through the various forms of emotional and tangible support and assistance provided by their partner. Benefits to the partners were harder to isolate, though these could be longer term and financial; immediate gains were more often altruistic and arose from seeing a partner happy, enthusiastic and, possibly, successful.

As Portes points out in numerous places, however, it is all too easy to be seduced by benefits (Portes, 1995; 1998; 2000a, 2000b; and with Sensenbrenner, 1993). Many of the men who were interviewed recognised some years later that their excessive commitment and involvement with their business – which the extra efforts and contribution of their partner had allowed – had had negative implications for them and their family. On reflection they now regretted this. Providers also sometimes experienced detrimental impacts. They may have found the other person’s lack of involvement in family life saddening or disappointing, and the various demands they consequently experienced were often quite taxing. These frequently came in addition

to any direct involvement they had in the business and the activities that they had undertaken as a result. Whilst no partner catalogued so explicitly these negative experiences, it was not unusual for them to acknowledge the pressure, stresses and demands created by looking after a home and children, perhaps working in paid employment, and possibly helping out with the business. Similar negative outcomes are identified in a study of a small group of New Zealand entrepreneurs, where it was found that “personal relationships, for example between the entrepreneur and his or her spouse and/or children, suffered as a result of being in business” (Gilbertson et al., 1994).

One case well illustrates the negative effects of social capital in these circumstances. It involved a couple who had an horticultural enterprise that the husband was principally involved in. Initially, he was teaching part-time and working in the business at other times. However, due to the difficult economic times, they had to radically re-organise their lives.

When we shifted [to our new property] ... the sharemarket had crashed and interest rates had increased tremendously so suddenly there was quite a pressure on us in terms of mortgage repayments that we hadn't expected ... Our budgets were blown a bit and it meant we needed to earn a lot more money than we had thought. We developed the flower growing side ... quickly. Money started coming in but not enough to pay all the bills. I stopped work first of all to actually devote more time to establishing the business and [my wife] started work. ...[She] was teaching at a primary school. ...I looked after the baby and worked during the day. ...I was also driving the school bus, it was quite a busy time.

The husband's programme was undoubtedly “busy” – driving the school bus in the mornings and afternoons, working long hours in the gardens, and caring for their baby during the day. However, the survival of their venture was also heavily dependent on his wife's willingness to return to full time work. Not only did this support the family financially, but it was critical in allowing her husband to devote himself to the business. But it was a re-organisation she loathed, especially having to be apart from their child, something her husband clearly recognised.

[My wife] hated going off to work and leaving the baby at home and the baby hated [her] going off to work and I hated seeing it all.

Both put up with it for a time in the hope that they could survive the difficult period but eventually they decided the price was too high. For many others, these costs took considerably longer to become apparent.

While not explicitly mentioned in the interviews, a further, potentially negative outcome could occur when the resources that emerge from social capital between partners are used to sustain a financially untenable business that otherwise would not have survived. As was seen in the case of the two computing companies, such resources can be vital in helping a business overcome a difficult time. However, they alone could not solve all the problems the business had. The crucial difference in this case is that the couple also put in place a series of improvements to their financial management practises. Had they not done so, then the second business may have eventually experienced a similar fate. Though, to a degree, this negative aspect was also implicit in the case of the horticultural enterprise, the critical distinction here is that it was the personal costs that forced this couple to opt out of their business.

Otherwise, it is highly probable that the various interventions they had put in place would have enabled the business to survive the difficult period. As well as identifying other negative effects, further research could be usefully targeted at exploring the dynamics of this detrimental aspect of social capital between partners.

5 Conclusion

Of course, not every small business uses or has access to social capital within the family. Four of the self-employed people who were interviewed had no partners to call on. Whilst the close emotional support and encouragement typical of a partner or spouse cannot be bought, if these people required other types of help or assistance they had to purchase it in some way. In emphasising Burt's (1997) approach, what this article has demonstrated is that for the remaining couples, social capital between spouses or partners provided a diverse and rich array of opportunities, which have been characterised here as resources, that were drawn on to varying degrees and in different combinations in each case.

These resources, in the various forms outlined here, represent valuable commodities for both the self-employed person and the enterprise. It has also been shown that although they might emerge in an economic guise, these are often converted from a social capital base, even if this is heavily concealed. Unlike other associations where social capital is evident – say between two business owners – the flow of resources seems more one-sided in these intimate relationships. By way of explanation, some propositions have been presented regarding likely sources and motives for this form of social capital. Whilst obviously generating benefits for a self-employed person, there are also negative implications. Though these tend to impact more heavily on the partners, effects on principals and the business have also been acknowledged.

As has been signalled at various points, the interviews which provided the data used here did not always allow detailed and specific attention to certain aspects of the conceptualisation. Consequently, in some respects this paper represents a preliminary engagement with the concept and further, more targeted research would be useful. Occasionally, some directions for future inquiry have been indicated in the text. These include questions over gender mediated differences in the nature and flow of resources from social capital between partners, and the need for further investigation concerning the negative aspects of this form of social capital. Other potential avenues of inquiry can now be added. For instance, in relation to sources and motives, it would be worth investigating the relative weight of altruistic versus instrumental motives. The roles of values and norms, exclusivity, and reciprocity also need further examination. These may interact in various ways, and other sources might be identified. Differences – in nature and degree – may even exist between the motives and sources operating in marriages, and those at play in like-relationships.

Despite the work that remains, this paper represents a sound basis for the theoretical exploration and extension of social capital as a viable means for conceptualising the various roles, responsibilities, activities and contributions of partners or spouses to a business started and principally run by the other person in their marriage or like-relationship. Not only did the analysis of interview data from the Labour Market

Dynamics Research Programme serve as the impetus for this work but it has also provided an invaluable source of material for illustrating the nature and operation of this enhanced concept of social capital.

6 References

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