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Nothing Thicker than Blood? Commentary on “Help One Another, Use One Another: Toward an Anthropology of Family Business”*

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In this commentary, the received definitions of kin-based business are expanded in a way that allows application of the concept to a wider variety of cultures. Three types of kin-based enterprise are discussed: blood and marriage, spiritual, and community-based enterprises.

What characteristics of kinship systems do and do not lend themselves to entrepreneurial activities and the creation of wealth? This is the question posed in “Help One Another, Use One Another: Toward an Anthropology of Family Business.” To answer the question, the author creatively refers to decades of ethnographic literature on kinship to attenuate the gaps within the field of family business research. In fact, the paper shows the benefits of borrowing anthropological theoretical constructs, such as kinship, to understand the complexities of family business.

A definition of kin relations is a much-needed theoretical construct in discussing family business. The lack of consensual definition of family business has made comparative studies, especially across cultures, a methodological quagmire (Dupuis 1994).

Rules and properties of kinship in any culture define who does or does not belong to the family. Learning about kinship relations can allow a deeper, and in a sense “thicker,” understanding of the meaning of social expectations, norms, and behavioral patterns. As it stands now, the paper recognizes the profound difficulties in defining “family” across different societies, and concludes that the notion of “kinship-based business” is preferable to the notion of “family business.” This could be a promising approach in understanding what is usually called “family business.” The paper could thereby set the stage for defining different types of kinship-based enterprises. Thus, the paper provides opportunity for further refinement and comparison.

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Seen in the context of a long-term framework, the basic value of kin relations, across societies, lies in the fact that it allows access to resources and it also entails obligations. At certain points the various literatures related to enterprise development have emphasized obligations or benefits of kin relations in the enterprise. For example, the literature on international development in the fifties, employing a “modernity” approach, pointed out kin relations as obstacles to enterprise development and the market mentality (Moore, 1997). While family business as a new field has devoted significant efforts to discussing the benefits, there has been little recognition of the costs of kinship relations (Hitt, 2001).

In the kinship paper being discussed here, the author treats both rights and obligations in considerable detail. In that sense, the paper provides a framework that includes costs (helping others) and benefits (using others). This is a significant contribution to future research. In general, the literature on costs and benefits of kin-based enterprises is not well integrated; and in that respect, this author follows suit. That said, his integrated approach is an advance. In fact in the rest of this article, I will borrow the framework proposed by the author and explore kinship-based enterprises across a variety of cultures. I will focus on three types of kin-based enterprise: blood and marriage kin-based business, “spiritual” kin-based businesses, and “community-based” business. The mobilization of resources—which is an important entrepreneurial goal—operates under different norms and regulations from culture to culture, depending on specific socioeconomic and cultural environments.

Types of Kin-Based Enterprises

a. Blood and Marriage Kin-Based Business

The paper on kinship employs a loose use of the term *kinship*, including blood relations and relations resulting from marriage. Most of the paper is devoted to discussing this type of kin-based enterprise. In this category, patrilineal and matrilineal blood relations and marriages are included as modes of relevant affiliation. Entrepreneurs in this type of enterprise constantly interplay between “disembedding” from the kinship relations and “re-embedding” the business in the family relations. The benefits of this type of enterprise include sources of capital, pooled resources, lower employee turnover, cohesion, and social support.

b. Spiritual Kin-Based Business

In this category, ritual becomes a mode of affiliation. Spiritual relations are marked by social, cultural, and religious rituals of incorporation. Through this process the concept of family expands beyond the biological family. It is a way of extending the notion of family. Families recreate themselves as public representations of connections. In some contexts, such as in rural Latin America, the term “poverty” is linked to lack of social relations. In this way, wealth and vast social relations become very closely linked, a linkage expressed linguistically in the Quechua language where poverty means “lack of family.” Spiritual kin have rights and obligations in relation to each other. The costs associated with spiritual kinship include ritual expenditures and moral and long-term obligations for protection. The main benefit for the enterprise is a morally committed and flexible labor force. In one of my earlier studies on credit and social networks, I encountered a peasant family in South America who had built and significantly expanded the family business on the basis of spiritual kinship (Peredo, 1989). Over a period of three years, the family became godparents to more than 100 children from their own and neigh-

boring villages. For them, flexible kinship through spiritual means was an important strategy for expanding business and accessing resources not only locally, but also regionally. Such a case is an example of how ritual incorporation can be linked to process of capital accumulation. Moreover, in the context of postmodern capitalism, there would appear to be a revival of ritual, in the form of what can be called *ritual economics*. Thus, when this author draws our attention to the dichotomy and struggle between two different logics, market and kinship, ritual provides space for an economic hybrid.

Spiritual kinship has long been a critical strategy for the formation of small business in the informal sector of poor areas in the world. Enterprises built on this basis account for a substantial and increasing share of employment (ILO, 2001). The dynamics of kinship systems, including the spiritual forms of affiliation and business—especially in the informal sector—have been shaped by macrostructural forces, such as poverty and unemployment. Spiritual kin-based businesses provide the opportunity for both low labor costs and social protection at a family group level. Families—in this extended sense—use kinship, cultural, and religious rules in order to gain access to labor and to employment.

c. Community-Based Enterprises

Macrostructural forces influence the revival of more complex forms of kinship alliances, such as we find in the case of community-based enterprises. Large groups of families within a given community may be “glued” together by clan, ancestry, and common history, creating social capital, which allows for the pooling of resources to meet market opportunities. Diverse forms of reciprocity established through clan, lineage, and blood relations play a central role in reinforcing the operations and continuity of an enterprise. In this kind of business, the cost and benefits can be variable depending on businesses cycles. If the costs (e.g., moral obligation to hire “kin”) are high, it is probable that the kinship properties (e.g., criteria for membership) become more rigid and inflexible. To illustrate this point: I studied an initially isolated community-based enterprise (CBE) in the South American Andes whose membership rules became inflexible and exclusive, as its success and its social costs increased. As the CBE became an important source of employment, individuals became members through the legitimization of kinship relations especially through marriages, spiritual, and clan kinship. At a certain point, however, the balance shifted as unemployment grew, and with it, the moral obligation to provide jobs. The CBE resorted to more rigid and exclusive conditions for acquiring membership status (Peredo, 2001).

In conclusion, just as one can observe different properties, rules, and regulations related to kinship, so different forms of entrepreneurial activities can be distinguished (blood- and marriage-based business, spiritual kin-based enterprises, and community-based enterprises). Each operates under two economic systems with its own logic: one based on *kinship* and the other on *markets*. In all of these diverse kin-based enterprises, the sense of collectivity and social capital acts as an engine for continuous learning, innovation, and adaptation to market opportunities. Patterns of kinship practices can play a critical and positive role in the process of local development as in the case of the CBE. The benefits of social solidarity and collective learning not only facilitate the growth and resilience of groups of families, but also of local economies (D’Arcy & Guissani, 1996; Johannisson & Monsted, 1997; Granovetter, 1985; Swedberg, 1997).

The author of the paper commented upon here has created a valuable framework, one that can enlarge our understanding of kin-based businesses, and inform our comparisons among them. Future research may lead us to distinguish further among different forms

of kin-based enterprise, and to identify more precisely the variables (e.g., business cycles, women and their role in building and maintaining relationships) relevant to their patterns of operation.

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