

# Social Capital in the Okanagan Wine Industry

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## Introduction

An ever-growing body of research suggests that social capital warrants further research for its ability to influence various aspects of our modern lives. There are arguments that it can create, maintain or improve sustainable communities, successful school systems, economic growth, effective government and healthier and longer lives.<sup>1 2</sup> To achieve these outcomes requires collective and socially negotiated ties and relationships, in other words, useful social capital. The extent to which people share a sense of identity, trust each other and do things for each other is said to have an impact on the social, political and economic nature of the community in which they live. There is movement towards using social capital to support government policy decisions as a new solution to dealing with difficult issues.<sup>3</sup> Generally, the focus of social capital is around community life, however, there has been some attention given to the importance of family life.<sup>4 5 6 7</sup> Within the social capital literature, it is often assumed that the practice of family life will

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<sup>1</sup> Putnam, R. 1998. *Forward*, Housing Policy Debate, vol. 9, no. 1, p. v-viii.

<sup>2</sup> Glaeser, E. L., D. I. Laibson, et al. (2000). "Measuring Trust." The Quarterly Journal of Economics **115**(3): 811-846.

<sup>3</sup> Edwards, R., J. Franklin, et al. (2003). "Families and Social Capital: Exploring the Issues (Working Paper)." Families & Social Capital ESRC Research Group 1: 1-34.

<sup>4</sup> Edwards, R., J. Franklin, et al. (2003). "Families and Social Capital: Exploring the Issues (Working Paper)." Families & Social Capital ESRC Research Group 1: 1-34.

<sup>5</sup> Winter, I. (2000). *Towards a Theorised Understanding of Family Life and Social Capital*. Melbourne, Australian Institute of Family Studies: 1-24.

<sup>6</sup> Coleman, J. (2000). Social capital in the creation of human capital. Social Capital: A Multifaceted Perspective. P. D. I. Serageldin. Washington, The World Bank: 13-39.

<sup>7</sup> Putnam, R. D. (1995). "Tuning in, Tuning Out: The Strange Disappearance of Social Capital in America." Political Science and Politics **28**(4): 664-683.

generate norms of trust fostering social capital, however defining the circumstances under which this takes place requires more research.<sup>8</sup>

This paper aims to review the definition of social capital and examine its application to the wine industry in the Okanagan Valley in British Columbia, Canada. This paper is limited to the discussions of social capital and its definition and does not delve into the dialogue of its criticisms or weaknesses. There is some difficulty among theorists to define the intangible nature of social capital. A brief background of the Okanagan wine industry and the roles of the key players within the industry will be provided. This overview of the industry will serve to illustrate the relevance of social capital in the wine industry. After a general understanding of human capital in the wine industry, this paper will build on that knowledge and move into a discussion of social capital in the wine industry. Concrete examples will be given for a concept that is often ambiguous. The focus of these examples will be on the various layers of social capital that exist within the industry. Our evidence contrasts with a context of literature that suggests social capital is continuously diminishing.<sup>9</sup> To conclude, strong evidence of the importance of family and social capital will be demonstrated, and its impact on a flourishing community.

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<sup>8</sup> Winter, I. (2000). Towards a Theorised Understanding of Family Life and Social Capital. Melbourne, Australian Institute of Family Studies: 1-24.

<sup>9</sup> Putnam, R. D. (1995). "Tuning in, Tuning Out: The Strange Disappearance of Social Capital in America." Political Science and Politics 28(4): 664-683.

## **Social Capital**

The term “social capital” can be dated as far back as 1916, to an article from a West Virginia school reformer.<sup>10</sup> Although the concept is not new to sociologists, it became more popular in the 70s. In the mid 80s and early 90s there were two key theorists who explored social capital, James Coleman and Robert Putnam. These theorists are credited to have built a contemporary foundation for social capital.

### *Coleman*

James Coleman defines social capital as stemming from two broad intellectual streams of social action.<sup>11</sup> One stream is characteristic of socialization when action is determined by social rules, which is typically followed by sociologists. The other stream, more often supported by economists, is when action is dictated by the individual. The theoretical framework combining these two intellectual streams is what Coleman describes as social capital.

Social capital, according to Coleman, is defined by its function. It consists of two parts, an aspect of social structures and the ability to facilitate certain actions within the structure. Social capital, like other forms of capital, is productive, facilitating the attainment of goals that would not otherwise be possible.

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<sup>10</sup> Portes, A. (1998). "Social Capital: Its Origins and Applications in Modern Sociology." Annual Review of Sociology **24**: 1-24.

<sup>11</sup> Coleman, J. (2000). Social capital in the creation of human capital. Social Capital: A Multifaceted Perspective. P. D. I. Serageldin. Washington, The World Bank: 13-39.

Social capital resides in the relational structure between and among persons. In *Social Capital in the creation of Human Capital*, Coleman focuses on social capital as a resource for persons, but clearly indicates social capital can also be a resource for organizations. Physical capital is created by changes in materials towards an end, and human capital is generated by changes in persons: skills enabling them to act towards an end. Social capital is seen through changes in the relations among persons that lead to action.

The relations between actors are based on particular aspects of social structure, including obligations and expectations, information channels, norms and effective sanctions that constrain and or encourage behaviors. Obligations and expectations depend on trustworthiness and the extent of obligations. This form of social capital describes the relationship between actors when one actor does something for another. There is an expectation and trust that they will one day be repaid thus benefiting from their original gesture. The value of outstanding indebtedness is dependent upon the availability of the resource when needed. Secondly, there is the supply of information as a form of social capital. This form is valuable for information provided that leads to action. Thirdly, a powerful form of social capital is norms and effective sanctions. Albeit powerful, this form can not only facilitate action but also constrain action. A norm should be dictated by the interest of the collective rather than of the individual. Typically a norm of this nature would be strengthened by social rewards.

Coleman is concerned with the application of norms and sanctions to families towards the realization of human capital. In his study of the disparities of educational success of high school children and the role of family, Coleman is interested in how social capital in family and the community is a resource to human capital for an individual.<sup>12</sup>

### *Putnam*

In 1993, Robert Putnam published *Making Democracy Work: Civic Traditions in Modern Italy* comparing the regional government in the regions of Northern and Southern Italy. Putnam concludes that the successful performance of government is heavily influenced by citizen engagement in the community. When referring to civic engagement, Putnam is referring to more than people's connections with politics, but also to connections with their communities. Shortly thereafter Putnam, influenced by Coleman's work, started using the term *social capital* to describe civic engagement.<sup>13</sup>

Putnam derives his definition of social capital from Coleman, but applies it more broadly as a concept that can strengthen democratic and economic prosperity. According to Putnam, social capital is the features of social life, including networks, norms, and trust, facilitating activity towards a mutual benefit. Determining who benefits from these norms and trust must be resolved empirically rather than through the definition of social capital.

In *Tuning In, Tuning Out: The Strange Disappearance of Social Capital in America*, Putnam makes a correlation between social trust and civic engagement. Generally, the

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<sup>12</sup> Winter, I. (2000). Towards a Theorised Understanding of Family Life and Social Capital. Melbourne, Australian Institute of Family Studies: 1-24.

<sup>13</sup> Putnam, R. (1995). "Bowling Alone: America's Declining Social Capital." *Journal of Democracy* 6(1): 65-78.

more people interact, the more they trust each other, and vice versa. Accumulated trust and civic engagement are prerequisites for better standards of living, consisting of faster economic growth, more effective government, safer streets, better schools, and healthier lives.<sup>14</sup>

Like Coleman, Putnam also discusses human capital and finds that it is closely related with social capital. According to Putnam, education is the strongest correlate to civic engagement. When incorporating factors like income, social status and education to evaluate levels of trust and membership, education still has the strongest influence.

Putnam identifies six dimensions to social capital which will reoccur later in this paper.

These dimensions are:

- formality - both formal and informal,
- purpose – some institutions are public-regarding, some are private,
- bridging – bonds of trust and reciprocity can bring like-minded people together,
- immediacy – trust from face-to-face connections or generalized anonymous bonds,
- strandedness/intensity – bonds that are formed from overlapping networks and bonds formed by short random interactions, and
- social location – networks that are geographically based.

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<sup>14</sup> Putnam, R. 1998. *Forward*, Housing Policy Debate, vol. 9, no. 1, p. v-viii.

Expanding on the dimension of bridging, Putnam describes that some types of social capital enable people to “get by” while other types assist people to “get ahead”. The latter form is bridging social capital. In this form, members are more outward-looking and will include people across different social divides. In contrast, bonding social capital consists of connectedness based on likeness between people. Bonding is typically more inward-looking and emphasizes already established identities.<sup>15 16</sup>

### **The Okanagan wine industry**

The research on the wine industry referred to in this paper was performed under the umbrella of the Innovation System Research Network, an interdisciplinary and multi-centre research project studying industrial innovation in Canada. The work described here was funded as a three-year Major Collaborative Research Initiative by the Social Sciences and Humanities Research Council of Canada. The funding supports (at last count) studies of 26 different clusters. Two are wine-making clusters, one in the Niagara peninsula in Ontario and one in the Okanagan Valley in British Columbia.

This paper focuses on the research on the wine industry in the Okanagan Valley. Principal data consists of the records of approximately 30 structured interviews with companies, suppliers, government officials, and persons responsible for various infrastructure organizations, some of which were public agencies and some industry-

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<sup>15</sup> Putnam, R. D. (2000). Bowling alone : the collapse and revival of American community. New York, Simon & Schuster.

<sup>16</sup> [http://www.infed.org/biblio/social\\_capital.htm](http://www.infed.org/biblio/social_capital.htm)

sponsored. The interviews were conducted on site and in person by both authors of *Patterns of Innovation in the Okanagan Wine-making Cluster*<sup>17 18</sup>.

### *Background of the Okanagan wine industry*

The wine industry in Canada is nearly 200 years old, but for much of that time the industry bore little resemblance to its form today. Early settlers tried to grow European varieties, but found failure. They were more successful with native varieties that were frost-hardy yet could not match the flavour characteristics of the European wines.

In the Okanagan, the first wine making activity is attributed to a French Oblate priest. Father Charles Pandosy planted a small vineyard to make sacramental wine. Okanagan vineyards only began producing in commercial quantities in the late 1920s. Calona Vineyards, with its winery in Kelowna, has been making wine from Okanagan grapes since 1935. In British Columbia, a few large firms dominated their regional markets. The structure was supported by regulation that reflected the political and cultural norms.

In the 1970s, Harry McWatters, an influential businessman in the Okanagan, persuaded the provincial Liquor Licensing Branch to establish a new category of Estate Winery, requiring a minimum 20-acre investment in vineyards and crucially, a place on the shelves of the government-monopoly liquor stores and favorable pricing relative to imported wines. McWatters bought one vineyard and planted another, the latter with 100 per cent Vinifera grapes (the excellent “Vinifera” varieties from Europe that had taken

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root in California proved invaluable for restocking European vineyards when a nasty root disease swept through Europe's vineyards in the late 1800s and early 1900s). Shortly, there were four Estate Wineries in the Okanagan,<sup>19</sup> but relatively little further development occurred for another decade, until the North American Free Trade Agreement changed the world for the Canadian industry.

The 1988 North American Free Trade Agreement combined with a ruling under GATT (the General Agreement on Tariffs and Trade) that meant Canada had to abandon the protection it offered its wine industry. The changed trade environment put pressure on the industry to lower costs and increase quality to meet competition from American imports, which became progressively cheaper as lower tariffs were phased in. In British Columbia, with federal adjustment money to change to *Vinifera* varieties, the result was an almost 100 per cent changeover to new varieties in only a few years.

### *Human Capital in the wine industry*

In 1981, there were 14 wineries in British Columbia (most with hybrid grapes). By the end of 2002, there were about 100 producers and wineries in waiting.<sup>20</sup> Visitors now crowd the wine regions, finding vineyard tours, restaurants at wineries, and many other related amenities. This overnight success is an outstanding accomplishment, especially

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<sup>19</sup> The Canadian Vinters' Association: "In the late seventies, and early eighties, pioneer producers in Ontario such as Paul Bosc (Chateau des Charmes), and Len Pennachetti (Cave Spring Cellars), among others, went against the tide of prevailing opinion that scoffed at the planting of the more tender *Vinifera* grapes. In BC, George Heiss (Gray Monk), Robert Shaunessy (Tinhorn Creek) and Robert Combret (Domaine Combret) did the same by taking calculated risks to prove the naysayers wrong. Today these innovators have some of the oldest *Vinifera* vineyards in Canada."

<sup>20</sup> Schreiner, J., 2003. *British Columbia Wine Country*, Whitecap, North Vancouver.

for an industry that was failing to compete with imported wines and had to transition away from its reputation of “Baby Duck” wine targeted to the unsophisticated drinker.<sup>21</sup>

Through the growth and rebirth of the wine industry, the Okanagan Valley has seen an influx of human capital to the industry. Their reasons for coming to the Okanagan or getting into the wine industry are all unique. A number of people have been in the wine industry all their lives, others wanted to get away from the city life and try something different. While many people are new (within the last two decades or so) to the Okanagan, there are a select few who have been there longer and know the region intimately well.<sup>22</sup> Regardless of the varied backgrounds, there is an assortment of links between different types of people, including family, consultants, winemakers, grape growers, and winery operators.

Operating a winery, small or large, usually involves several key roles to accomplish the required duties to make the business successful including: operations, administration, wine shop, marketing, manager, growing, consulting, vineyard supervisor and winemaking. In some cases, smaller wineries have one employee who will fill several roles at once.

Operations of a winery would include managing the day-to-day functions of the winery.

Administrators for wineries can have a variety of roles including support services, such as personnel, bookkeeping, and clerical work. Marketers can also have a role that

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<sup>21</sup> [http://archives.cbc.ca/IDC-1-69-1041-5824/life\\_society/canada\\_wine/clip2](http://archives.cbc.ca/IDC-1-69-1041-5824/life_society/canada_wine/clip2)

<sup>22</sup> Hickton, Caroline & Padmore, Timothy, 2004. *Patterns of Innovation in the Okanagan Wine-making Cluster*.

encompasses a number of duties, but generally, they are responsible for external sales in a national or international market. Wine shop work can be an easily underestimated job. Working in the wine shop allows an employee to talk to customers face-to-face and engage in discussions about wines offered. This can be key market research for the winery to learn what other wineries are doing that is popular, or customers' favorite wines.

Winemakers supervise and execute all parts of the process from when grapes are harvested until the wine is in the bottle. Most winemakers are very open with their resources, equipment, and knowledge and are very happy to share with neighbouring wineries. However, a few winemakers in the Okanagan Valley are much more reserved about sharing. Grape growers are responsible for the successful growing and harvesting of grapes. As grapes mature on the vine, there are a variety of tests and procedures that can be done to help cultivate the most succulent grapes for wine making. Vineyard supervisors would collaborate with the grape grower on techniques for pruning and harvesting. Some vineyards are divided for research and development purposes in order to test different methods of pruning, watering or harvesting and those effects on the grapes.

The consultants in the Okanagan wine industry are valuable resources for the industry. Many of the consultants have been in the Okanagan for at least close to a decade, if not more. This time spent in the Okanagan provides a unique opportunity to know intimately the land, and grape types of the industry. The acquired knowledge, based on the time

spent in the Okanagan, includes what variety of grapes has been successful in particular regions, and a history of grape varieties that have been less successful in some regions. Consultants in the Okanagan offer a variety of services including winemaking, field analysis, viticulture<sup>23</sup> and enology<sup>24</sup>. Generally, consultants work for more than one winery, but all knowledge and experience gained from one winery is usually available to the others due to the openness in the industry among wineries and consultants.<sup>25</sup>

Coleman states that social capital is even less tangible than human capital. This paper, thus far, has provided an overview of human capital to use as a foundation upon which a discussion of social capital can be built.

### **Applying social capital**

The relationships in the wine industry reveal a story about the industry as an economic cluster. The definitions of social capital human capital in the wine industry expose relationships and lead this paper towards an exploration of the importance of social capital in economic clusters.

Following Coleman's functional definition of social capital, we conclude that the wine industry contains two parts: an aspect of social structures and the ability to facilitate certain actions within the structure. In the Okanagan there are a variety of social structures, both formal and informal, with different and occasionally related goals that

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<sup>23</sup> Defined by Merriam-Webster's dictionary as: the cultivation or culture of grapes especially for wine making.

<sup>24</sup> Defined by Merriam-Webster's dictionary as: a science that deals with wine and wine making.

<sup>25</sup> Hickton, Caroline & Padmore, Timothy, 2004. *Patterns of Innovation in the Okanagan Wine-making Cluster*.

facilitate actions within these structures. The British Columbia Wine Institute (BCWI), created in 1990 by an act of the provincial legislature is mandated to create an internationally competitive wine industry. Based on strategic planning by both the industry and government, the BCWI was designed in part to remove labrusca and hybrid grape varieties and replant vineyards to vinifera varieties. The Vintners Quality Alliance (VQA) program was developed in the early years of the BCWI, in cooperation with the industry in Ontario, to provide standards for wine, certification criteria, and market development support for premium wines produced by participating wineries. The Okanagan Wine Festival Society was established twenty years ago by a group of wineries and tourism operators who believed in developing awareness of the young wineries at the time. The annual event has experienced tremendous success which has paralleled the growth of the wine industry. These three formal organizations are some of the more popular groups with a large membership base.

The informal groups in the Okanagan wine industry are more difficult to define and determine due to their lack of formality. However, from the interviews conducted in the wine industry<sup>26</sup>, it is clear there are several kinds of informal linkages in the wine industry. Some groups are connected through the nature of their location in the Okanagan Valley. Wineries who are neighbors to other wineries sometimes build trusting relationships with each other demonstrating Putnam's sixth dimension of social capital, social location. Those wineries with a longer history have good relationships with many other wineries. Some wineries (large and small) share common employees, either

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<sup>26</sup> Hickton, Caroline & Padmore, Timothy, 2004. *Patterns of Innovation in the Okanagan Wine-making Cluster*.

winemakers or consultants to develop and produce wine. These relationships illustrate Putnam's social capital of strandedness/intensity because of the overlapping networks among the wineries. Coleman's focus on social capital is around the functional definition when Putnam dives into deeper definition of social capital.

To further elaborate on the social capital evident in the wine industry, we apply Putnam's definition of social capital and the six dimensions. The first is formality which encompass formal and informal types of civic engagement. As illustrated above, there are formal and informal associations in the industry each with different objectives and outcomes. The second dimension is purpose, where some associations are public-regarding and others are private-regarding. The annual wine festival in the Okanagan would be more public-regarding because it includes wineries from B.C. located outside the Okanagan and invites people from all over the world to attend the festival.

Bridging, as the third dimension, would include a wide group such as the wine industry because each of these groups include people with an assortment of backgrounds or the wine festival which includes a variety of businesses, accommodations, restaurants, wineries, etc. who are working together, in each case, towards a collective benefit.

Immediacy is the fourth dimension and includes social capital based on face-to-face interactions. The relationship between a customer and a winery would typically be higher in a situation where the customer tasted or purchased wine at the winery as opposed to buying it at a liquor store.

The fifth dimension of intensity is found through many of the same people being involved with several different associations at once. The result of this is overlapping connections with wineries thus strengthening the bond and amplifying the durability. Finally, social location is an evident dimension with winemakers in the Okanagan Valley. With some exceptions, winemakers who work close to other winemakers generally interact more frequently and build stronger trust and a stable relationship.

It is through these various forms of social capital that cooperation in the Okanagan wine cluster can work towards mutual benefit of a successful industry. Typically, one might expect so-called “competitors” to be unwilling to share any business tricks-of-the-trade, however this is far from reality in the wine industry. The high level of trust and openness in the industry allow for sharing of problems, solutions, materials, and equipment. In Naramata B.C. (part of the Okanagan Valley), La Frenz winery was based at Poplar Grove for several years until they opened their own winery in 2002.<sup>27</sup> Victor Manola established Silver Sage winery with his wife Anna. In November 2002, tragedy struck Silver Sage winery when Victor was overcome by carbon dioxide while leaning into a tank of fermenting wine. Their consulting winemaker, Frank Supernak jumped in to rescue Victor but was also overcome.<sup>28</sup> After this incident, consultants and winemakers from across the Okanagan Valley pitched in to help Anna get through the season.<sup>29</sup> We could attach a monetary value to measure the worth of social capital in these cases. All examples demonstrate important ways social capital has helped wineries make

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<sup>27</sup> Schreiner, J., 2003. *British Columbia Wine Country*, Whitecap, North Vancouver, p. 118.

<sup>28</sup> Schreiner, J., 2003. *British Columbia Wine Country*, Whitecap, North Vancouver, p. 140, 156-158.

<sup>29</sup> Hickton, Caroline & Padmore, Timothy, 2004. *Patterns of Innovation in the Okanagan Wine-making Cluster*.

advancements and illustrate how the lack of social capital could hinder the success the Okanagan has seen in the last twenty years. Some in the industry acknowledge mutual helping is not a new way of doing business, but it could be considered innovative since not all industries operate on the same basis or as intensively. Furthermore, sometimes this social capital can be a catalyst for new products or services to be introduced to market, thus further developing the wine industry.

### **Family, Social Capital and the wine industry**

Family life is alleged to be the foundation of social capital. Putnam, Bordieu, Fukuyama and Newton all assert the importance of family. However, there is a lack of detail and explanation for these assertions. Social capital literature tends to understate the role of families in constructing social capital, either within the family structure or outside in the community.<sup>30</sup> Although there is a shortage of theory examining families and social capital, it is a topic still worth applying to the wine industry in the Okanagan Valley to demonstrate concrete effects of its significance.

According to Coleman, social capital is a resource within the family that is intrinsic in the structure of intergenerational relationships, especially between parents and children. He defines social capital of the family to be the relations between children and parents. If the human capital of the parents is not complemented by social capital embodied in family relations, the human capital belonging to the parent is irrelevant to the child's educational growth. To illustrate, a father who teaches his child how to read before the child attends

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<sup>30</sup> Winter, I. (2000). Towards a Theorised Understanding of Family Life and Social Capital. Melbourne, Australian Institute of Family Studies: 1-24.



school is using the father's human capital, in addition to the frequent interaction between the father and child, through the process of learning how to read to result in greater growth of human capital for the child.<sup>31</sup>

The frequency of kin relations within the Okanagan wine industry can not go unnoticed.<sup>32</sup>

There are a total of sixty wineries in the Okanagan and forty of those are run by families. Many wineries were established in the last 15 years by husband and wives. Of those sixty wineries, twenty have children involved in the running of the business. Of the family operated wineries, children who went on to do further schooling often chose something related to winemaking. What is different about the wine industry compared to many other businesses, is that further schooling is not a high priority for many wineries. Often, winery operators are more concerned with the knowledge of the workers than years spent in a classroom. Family relationships seem to hold great value to the industry because the knowledge can be passed on through generations in a field where learned lessons of the trade can be more valuable than schooling. Despite this, Coleman's theory can still be applied in two ways. Children who did go on to do more schooling often had a foundation of knowledge from growing up on the winery or learning from their parents. Secondly, it is evident that the "hands-on" knowledge is important enough that children have gained enough human capital from their parents, further education is not always necessary and could be deemed a luxury in the wine industry. Thirdly, schooling could provide education to fill gaps in human capital.

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<sup>31</sup> Coleman, J. (2000). Social capital in the creation of human capital. Social Capital: A Multifaceted Perspective. P. D. I. Serageldin. Washington, The World Bank: 13-39.

<sup>32</sup> Schreiner, J., 2003. *British Columbia Wine Country*, Whitecap, North Vancouver.

Measuring the success of social capital within and beyond the family is no easy task. Finding research that adequately discusses theory applicable to the wine industry is challenging. The frequency of families in the wine industry warrants further discussion and examination in relation to social capital and the impact of this on the industry.

The social capital embodied in families is important for the Okanagan wine industry because it increases the capacity and efficiency as a cluster. Although it is not an original way of doing business, sometimes it acts as a catalyst for new outcomes affecting the entire industry. One example is Anthony von Mandl and his dream in 1981 of the Okanagan Valley being on the verge of an economic giant. At the time, many were skeptical of von Mandl's vision, regardless, he was devoted to realizing the potential of building a strong and prosperous family name in the New World. Mission Hill is considered one of the giant successes of the Okanagan wine industry evident from its large investment in a spectacular hilltop winery with a 12-storey bell tower, graceful arcades and vast cellar. The total investment is rumoured to be \$50 million.<sup>33</sup>

The examples above illustrate the impact of social capital and families on the wine industry. It is evident the frequency of families operating a winery is significant and can lead to significant results in the cluster. Families can pass on human capital to other generations, and social capital within the family can lead to impact the entire cluster in a short period of time leading to the collective benefit of the industry.

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<sup>33</sup> Hickton, Caroline & Padmore, Timothy, 2004. *Patterns of Innovation in the Okanagan Wine-making Cluster*.

## **Summary**

This paper provides a brief overview of social capital, relying on two key theorists, James Coleman and Robert Putnam. While limited to the discussions of the definition and application of social capital, in lieu of criticisms and weaknesses, concrete examples are provided to illustrate the value and impact of social capital as it applies to the wine industry in the Okanagan Valley. Despite a somewhat intangible concept, examples illustrate the necessity and significance of social capital thus far in the development of the Okanagan wine cluster. However, this phenomenon begs the question of what happens to the industry as it grows further and what role or contribution social capital will have to that growth. Furthermore, the high incidence of family wineries is noted and discussed for its relevance to an exploration of social capital. It appears there is room for more research, specifically around how social capital can be seen and measured within and beyond families and how that can play a role in the development of the success or failure of the wine industry.

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