

FAMILISM AS A CONTEXT FOR ENTREPRENEURSHIP IN NORTHERN ITALY

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Abstract: It would appear that the two simple dichotomies concerning the topics discussed in this article have been rejected in the last thirty years. The first is the assumption that preindustrial households were units of production, while industrial (urbanized and nuclear) households are mainly units of consumption. The second is the idea that the family enterprise, wrongly assumed to be an anachronistic form of the organization of production, should have played a marginal role in modern capitalism. The first dichotomy is briefly discussed by considering Parsonian and Weberian approaches that supported this view and its critique; the second is analyzed by looking at the shifting notion of industrial capitalism, from mass production to a less standardized and more flexible way of producing commodities in small firms. It will be argued that familism can still be regarded as a useful concept if deprived of its ideological connotation that can be traced back to Banfield's questionable definition dating from the 1950s. Familism is the "missing link" between entrepreneurship and family enterprise. A case study in support of this view is presented by drawing on fieldwork research carried out in the Italian region of Lombardy.

Keywords: familism; family business; entrepreneurship; embeddedness; capitalism.

Familism as a context for entrepreneurship in northern Italy

It would appear that the two simple dichotomies concerning the topics discussed in this article have been rejected in the last thirty years. The first is the assumption that preindustrial households¹ were units of production, while industrial (urbanized and nuclear) households are mainly units of consumption. The second is the idea that the family enterprise, wrongly assumed to be an anachronistic form of the organization of production, should have played a marginal role in modern capitalism, which is now dominated by public corporations and limited liability companies. In fact, their alleged transitional existence has progressively become an enduring presence. The link between these two assumptions is compelling. Once one belief was called into question, the other followed suit. Yet, acknowledging the

¹ The terms household and family always generate some confusion (Netting, Wilk, & Arnould, 1984, pp. 3-4). For sake of convenience, in this context the term household emphasizes the sharing of residential spaces (cohabitation), while the terms "family" and "kinship" stress the concept of relatedness.

importance of family firms is at odds with the narrative of individualistic and independent risk takers fostered by economic theory and it is at odds with the very idea of rational economic behavior. Thus, even though it cannot be ignored, family capitalism is never treated as a normative ideal of profit maximization.

The first dichotomy will be briefly discussed by considering Parsonian and Weberian approaches that supported this view and its critique, while the second will be analyzed by looking at the shifting notion of industrial capitalism, from mass production to a less standardized and more flexible way of producing commodities in small firms, such as family enterprises, especially suited to craft forms of production. I will argue that the importance of family enterprises, and the role of kinship as an economic unit, was downplayed during the hegemonic decades of modernization theory. I will contrast that standpoint with the contemporary one that nonetheless appears to be more ambivalent, and I will do so by introducing the notion of familism, and in particular that of entrepreneurial familism.

Finally I will explain that familism can still be regarded as a useful concept if deprived of its ideological connotation that can be traced back to Banfield's questionable definition dating from the 1950s. The ethnographic data that follows will relate to fieldwork in two industrial districts—woodworking and metalworking—in the Italian region of Lombardy. In such industrial areas, densely populated by family firms, familistic arrangements embrace both strong and weak points. Although my analysis refers to a specific geographic area, the Brianza, it nonetheless cannot be confined just to this region. I believe that the implications go far beyond and encompass the social landscape of capitalism, its configurations and entrepreneurial practices.

I began my fieldwork in 1996, in one town within the Brianza Monzese,² and I regularly travelled around a larger area comprising at least 10 nearby towns, because all the manufacturers I visited were interconnected since they subcontracted to many other firms, some of which are located in neighbouring towns, others even further afield. Overall I have visited around 50 factories operating mainly in the furniture and metalworking sectors and have interviewed around a hundred people. My investigation has continued intermittently until the present.

Dichotomies and ambivalences

Historical changes in capitalism certainly brought about kinship transformations in market-based societies, but the assumption that the realm of the “modern” family would become disenfranchised from economic domains was more inferential than empirically grounded. This idea originates from the dichotomies and the evolutionistic approaches that characterized analyses of the relationships between the emerging industrial capitalism and the morphological transformation of the family. In a nutshell, the main argument was that the emergence of the former implied a decrease in the importance of the latter in terms of

² The geographic region of the Brianza is located about 15 kilometres north of Milan, between two rivers, the Seveso in the west, and the Adda, a tributary of the Po river, in the east. It is bordered in the north by the mountains just south of the two branches of Lake Como. It extends over three administrative provinces: Como, Lecco, and the recently created Province of Monza e Brianza (2009).

generating innovation, labour and wealth. Consistent with this interpretation is Weber's assessment that the growth of industrial capitalism, the consequent widespread use of wage labour, and the parallel extension of formal rationality implied not the demise—as Marx had suggested—but the displacement of the family as an institution exercising a positive effect on industrial development. He categorically asserts that the extension of formal rationality necessitates “the most complete possible separation of the enterprise and its conditions of success and failure, from the household or private budgeting unit and its property interests” (Weber, 1968, p. 162). He then goes on to argue that “household and occupation become ecologically separated, and the household is no longer a unit of common production but of common consumption” (Weber, 1968, p. 375).

This line of interpretation was then picked up and further elaborated in Parsons' influential social theory (1954; 1955). He theorized that in industrial societies family and work had become distinct and separate spheres; the former, typically the nuclear family, is a social institution concerned mainly with reproduction and primary socialization, and in economic terms it is a consumption unit; the latter is a form of monetary activity that transforms people into wage-workers or owners of capital. Such a dichotomy has to a certain extent had a profound impact on the ways in which the family continues to be perceived nowadays, despite subsequent critical accounts.

When structural-functionalism came under serious scrutiny as a theoretical frame and began to disintegrate in the midst of the social turmoil in the West throughout the 1960s and 1970s, shifting approaches to households started to emerge. Studies in developing countries and eventually in the “modernized” West on the informal economy, petty commodity production, and family farms finally brought the family and the household back into the sphere of production, albeit with ambivalent attitudes across disciplinary domains as I am going to illustrate. Equally important is the vast feminist literature (Sacks, 1975; Hartmann, 1981; Walby, 1986) that has explored the issue of family social relations by showing how activities performed in the household and subsumed in the realm of reproduction were actually obscured within the general structure of the organization of capitalist production. Based on generalized reciprocity—and for this reason superficially considered as a collection of non-conflictual relationships—and in opposition to market values, this sphere often attributes roles that simulate and reproduce gendered divisions of labour within the household.

Cultural approaches in anthropology have indicated an awareness of the contradictions regarding the meaning given to ‘family’ in western societies. Collier, Rosaldo, & Yanagisako (1997, p. 77) have argued that the American construct of ‘The Family’ is imbued with attributes of opposition, which can be encapsulated in the notion that ‘The Family’ is viewed in “its symbolic opposition to work and business”. Marilyn Strathern (1992, pp. 192, 135) goes even further by arguing that anthropology itself subscribed to this notion for a long time. If until recently anthropology had shown little interest in western kinship systems, and by contrast, much more in the non-western—or “backward” areas of western Europe, I would add—it was because the latter “appeared to be dealing with primordial relations that Westerners understood as being inherently primitive or aboriginal”. The view that kinship belongs to the realm of tradition “was part of the same constellation of ideas which produced the sense that with time society became increasingly complex, and that the world was constantly filling with more individuals” (1992, *ibid.*). With notable exception (Colli, 2003),

economic theory continues to be driven precisely by such an assumption: “*Individualism* replaced *familialism* because many family functions in *traditional* societies are more *effectively* handled by *markets* and other organizations of modern societies” (emphasis added) (Becker, 1981, p. 244). Therefore, according to this view, forms of production organized under family supervision are viewed as “survivals” from an earlier period, when kinship was an organizing force and could shape the economic and political domains. In general, this assumption was shared by the old generation of economic planners trained within the imperative framework of modernization theory. For them family-run businesses were not really efficient—and therefore could not be considered viable vehicles for driving economic development—because they are characterized by pervasive nepotistic or paternalist relations. Hence, the idea that modernity is necessarily marked by the disembedding of kinship from economics (McKinnon & Cannell, 2013).

So how do we reconcile this bias with the fact that family enterprise and micro-business, with which the former shares many features, have nonetheless now been widely recognized as an important as well as cross-cultural form of capitalist organization?

Apart from Parsons’ afore-mentioned rejection of a separation of the familial and economic domains, new insights were also coming from the transformations within capitalism. The Japanese economic miracle, the success of Italian industrial districts, the second industrial divide characterized by flexible specialization and qualified personal skills versus standardized production and unskilled workforces (Piore & Sabel, 1984), helped foster an interest in family capitalism. Yet, there is a paradox which causes a great deal of misconception regarding this form of organization. We often find that family enterprise is associated with projects of sustainable development, or with initiatives for creating “alternative” forms of production organization, that is, it is considered to be small scale—as opposed to large scale—industrialization. The paradox is that while, on the one hand, family enterprise is praised and idealized for a number of reasons that are conveniently left unexplained, such as its flexibility (in what sense?), its empowerment (for whom?), and its capacity for creating and redistributing wealth (equally?); on the other hand, as mentioned above, it is represented as a lingering traditional form of production organization. The term tradition carries negative connotations because it ties economic behavior to the strings of culture instead of transcending it. This is especially evident among economic analysts who find it hard to come to grips with these peculiar forms of economic organizations in which family and kinship relationships challenge the notion that rational economic action can coexist with sentiment³ and solidaristic values. In fact, with the enduring stagnation of the Japanese economy and the crisis of Italian industrial districts, all these ambivalent issues related to family firms have resurfaced. The following quotation by Fukuyama is quite revealing in that it conveys precisely the present skepticism regarding the embeddedness of these organizations.

[...] the networks that have sprung up among small Italian family firms may not be so much the wave of the future as much as a reflection of the inability of these small firms to grow to a more efficient scale or integrate vertically in ways that would be necessary if they were to exploit new markets and technological opportunities (Fukuyama, 1995, p. 110).

³ I use this term as defined by Yanagisako, “to bridge the dichotomy between emotion and thought” (2002, p. 10).

Again, it appears that what is emerging is the superiority of organizations that have shrugged off the limiting constraints of embedded relations by evolving from an earlier stage of familistic structures.

The negative prejudice they face also explains why the weight these enterprises carry in their western national economies is widely underestimated (IFERA, 2003). There are no statistical estimates that allow for precise comparative analysis, but ethnographic research and a focus on smaller samples show that family firms comprise the majority of all business enterprises both in Europe and in North America (Astrachan & Shanker, 2003), and yet, family capitalism is never associated with western economies, with the notable exception of Italy (Yanagisako, 2002; Colli, 2006).

Familism and entrepreneurship

How does familism fit into this discourse? I believe that familism is the “missing link” between entrepreneurship and family enterprise. In order to further elaborate this point a brief critical comment on entrepreneurship is necessary. The literature on entrepreneurship in the western world has primarily and variably depicted entrepreneurs as risk-taking heroes, self-made men, rational, individualistic and opportunistic decision-makers, whose inner qualities enable them to grasp any opportunity to challenge traditional views, breaching cultural conventions and consequently creating both social and economic innovation, generating profit and growth, that is wealth. Such literature seldom questions ideal-typical images which, again, are still imbued with the ideology of modernization theory. The forms and categories set down in that period continue to shape more recent policies and academic debates (Baumol, 1993).⁴ Such a framework has also been criticized by Jack Goody who disapproves of individualistic approaches theorized by those “who have been raised on the Crusoe myth of capitalism being the preserve of the individual entrepreneur” (1996, p. 150). If we cast our gaze eastwards—the Indian joint family, the Japanese business groups, the overseas Chinese enterprises, the Taiwan and Hong Kong family enterprises to name but a few—there is enough evidence, he adds, to suggest that “we need to query the thesis of sociologists and others that the presence of wider kinship ties inhibits “modernisation” (*ibid.* p. 150).

Considering that family enterprises appear to be the overwhelming majority in market economies across cultures, and that family ties do not seem to inhibit development, it is curious that entrepreneurship is still theorized within a framework of atomistic behavior removed from its social and cultural milieu. By introducing the concept of familism in the family enterprise, I want to dispute the central tenet that entrepreneurial individualism constitutes the main characteristic of the firm’s owner or founder. I am not going to argue that there is, by contrast, unconditional family consensus within the firm, nor shall I portray families as unitary decision makers. Evidence from my field research shows that consensus is conditional and decisions are negotiated, but are inevitably enmeshed in power structures and asymmetrical gender relations that may ultimately lead, as I will show, to unintended consequences.

⁴ Even the anthropological literature on entrepreneurship has been affected by this ideology strongly imbued with economicism (see for example, Stewart. 1991).

Familism has been outlined by a great number of social scientists who, starting from Banfield's influential work, have all concurred in describing a set of family values. This term was actually introduced by Sinologists overseas (Kulp, 1925; Ch'eng-K'Un, 1944) to describe the foundations of Chinese social organization, that is familism, "in which all values are determined by reference to the maintenance, continuity and functions of family groups" (Kulp, 1925, p. 188). However, Banfield was probably the first scholar to use this concept in anthropological terms (although he himself was not an anthropologist, but a political scientist). In his ethnography *The Moral basis of a Backward Society* (1958)—which was both widely popular and highly criticized at the time (Marselli, 1963; Pizzorno, 1966)—he coined the term 'a-moral familism' to describe how households in a southern Italian peasant town were prisoners of their self-centred ethos and unable to act concertedly for the public interest. The a-moral component of familism has thus generally referred to the social atomism of the household and its lack of trust in any kind of cooperation outside the family. This adjective has negatively connoted the concept of familism ever since. Retrieving the concept of familism, purged of its controversial meanings, allows me to reverse the fate of such a term and reinstate the importance of certain expectations and moral obligations that permeate business relations. This will make my argument against the ideological assumptions of individualistic economic actions unaffected by a specific set of family values more compelling. Other anthropologists have already contributed to renewing the concept of familism without ideologically oriented attributes. Two in particular are to be mentioned here: Ahiwa Ong and Don Kalb. Ong speaks of "utilitarian familism" to describe

the everyday norms and practices whereby Hong Kong families place family interests above all other individual and social concerns. [...] Economic interdependency is the basic structuring principle— expressed as 'all in the family'—a principle that mobilizes the immediate family and relatives in common interests (1999, 118).

To explain the dynamism of the Eindhoven regional economy in the early decades of the twentieth century, Don Kalb introduces the term "flexible familism", a practice adopted by worker-peasant families in need of extra cash, which implied the availability of daughters to work alongside male family members to secure the family's survival. At the same time, for the industrialists these local girls were a flexible labor force that could be dismissed and replaced with that of their fathers' in cases of economic adversity (Kalb, 1997).

For the purpose of this discussion I propose a definition of familism that captures both the material and the symbolic aspect that I was able to observe during my fieldwork research among family firms in the Brianza. Familism is a conceptual category that refers to the forms of objectification of practices and symbolic constructions in the family that connote and fashion relations in other social spheres, and in particular, in the sphere of production, where non-commodified and commodified labor are interwoven. This particular aspect of familism, which permeates family enterprises, is termed entrepreneurial familism. This notion was originally used by Susan Greenhalgh (1994) in her analysis of Confucianism within Taiwanese firms. While accepting the idea that the familistic character of the Chinese culture in question has facilitated the multiplication of family-run businesses, she illustrates how this kind of firm is imbued with patriarchal familism and hence based on steep gendered and generational inequalities. In the Brianza, entrepreneurial familism is the basic source of

material and social capital of the entrepreneur, without which it would be extremely difficult to embark on setting up an enterprise.

Familistic arrangements in the Brianza

The proliferation of small enterprises (commercial and manufacturing firms) which are family-owned and family-managed testifies to the tremendous importance of the family in the economic development of the Brianza since the late 1960s. Statistics on how many production units are actually family-run companies are not available. What is known is the frequency distribution of the firms by statutory form,⁵ and since co-partnership companies only account for 28 percent of the total, and individually-owned firms represent more than 50 percent, one might infer that family businesses are not so widespread after all. Yet, it would be a gross oversimplification to assert that it is only in co-partnership companies that we may find family members involved in enterprise related activities. Kinship relationships are actually pervasive across enterprises of any statutory form. As I said above, the active participation of kin members may occur in individually-owned companies as well: children and wives, for example, while working in the firm may eventually be co-opted as shareholders of the company, transforming the individual enterprise into a collective capital company.

Here is an example that illustrates this point. In the early 1970s, a young worker named Aldo Galbiati (all the names are fictitious to preserve the anonymity of my informants), fulfilled his desire to become independent from his employer, bought a few second-hand trimming tools and set up his own small workshop in the basement of his house (a former farm-house converted into residential units). At that time he was dating the daughter of a migrant worker (Filippo) from southern Italy, living in the same building and helping him in the evenings and week-ends. He himself was a worker specialized in trimming tools for metallic objects. When Aldo served in the army mandatorily for one year his soon-to-be father-in-law left his job and replaced him in the workshop. The business began to grow quite rapidly and the whole family became involved in the production of steel houseware (kitchenware and tableware): Aldo and his wife, Filippo (by now Aldo's father-in-law and co-owner), his wife and their eldest son. To save on labour costs no external employees were hired for several years. The first major challenge for the firm occurred in the mid-1980s when Filippo decided to part from Aldo in order to create his own enterprise. He took advantage of the new industrial park set up by his municipality that offered better logistics for the local factories and bought a portion of the land at a subsidized price and the factory workshop was built. Filippo never felt that Aldo's firm was his own, so he grabbed the opportunity to finally crown his life ambition, as Luigi put it.

However, the early period of the new firm was the most difficult one. Just as he had to repay the loans for the construction of the factory workshop, the volume of work did not increase as expected. His elder son (Luigi), employed full-time in a tube factory, who

⁵ The source of the following data is the Chamber of Commerce of Monza and Brianza and refers to the year 2013.

was about to join his father's business, delayed his resignation and helped him only in the evenings and at week-ends. The other brother (Alberto), eleven years younger, employed as an electrician in a small company, also helped his father, but really did not like that kind of work. However, Filippo's sudden death caused by a stroke while working on a Sunday afternoon, forced the two sons to step in. Valuable help to overcome that difficult period came from their sister and her husband who, being in the same field of production, provided them with work and customers. Additional aid came from Luigi's employer as he recalls:

I also had so much help, so much moral support from my former employer, Mr. Cesana. When he heard the bad news he himself told me, 'Luigi you must continue your father's work!'. And as a matter of fact the next Monday I had already quit. After 5 days we re-opened and Mr Cesana went back and forth to help me out. He would say: 'If you need advice, if you need anything, you can count on me. I'll help you where I can help'. And in fact he was very helpful..., he would even come along and bargain the price on my behalf with some suppliers!

After a couple of years, unhappy with the proceeds of the firm, and facing the real prospect of having to replace or alter most of their trimming tools because they did not meet all the norms required by the health and safety labour legislation, they progressively moved away from kitchenware production, sold the old tools (some to their sister who had them refurbished) and bought machines to manufacture, assemble, and debur plastic and rubber products, especially for the automotive industry. This proved to be an optimal choice because they started to grow quite rapidly to the point that in a few years they were employing up to 15 workers. In the meantime they built a semi-detached house next to the firm and moved in with their respective spouses and children.

It was during this period, the early 1990s, that disagreement over the future of the firm, began to appear among the siblings. Luigi's aspiration to invest in expensive machines was continually frustrated by his brother's more cautious approach and to avoid further discussions both agreed to divide the firm in two, halving the factory workshop and reallocating the employees. In this way two individually-owned firms were created. The ownership of both enterprises was then extended to other family members: first to the spouses who occasionally worked in the firm when needed in both cases, and then, more recently, the children. The original cooperation with Aldo's factory never ceased. In my second visit to Luigi's workshop, for example, I noticed a trimming machine being operated by a worker. I soon found out the machine belonged to Aldo and his wife's kitchenware firm. Luigi explained that due to a lack of space in their factory workshop he agreed to accommodate the machine in his firm as well as the operator who was required anytime there was need for a specific kind of metal trimming operation.

This example illustrates quite well the various modalities of familism I introduced earlier. Utilitarian familism is discernible in the economic interdependency of the kinship group, the 'all in the family' principle that mobilizes the immediate family and relatives, in which trustful and self-exploitative relations abound, and from which labour power and entrepreneurial resources are provided. Flexible familism is evident when considering the flexible role played by the female component or by the younger generation of the family in the enterprise, exemplified by their in-and-out condition according to the exigencies of the firms as established by the entrepreneur. Such flexibility is also encouraged by the spatial

contiguity between the enterprise workplace and the household residence as in the case of the two siblings illustrated above. Wives and children may come and go at anytime and have access to the workplace in a fraction of a second through an internal door covered by post-its, cards and calendars. Living arrangements of this kind are not a rare occurrence in the Brianza. Most enterprises are in fact located near the household if they are not part of the dwelling itself. The latter is actually quite common. Walking around in residential areas during the day, one may be aware of “industrial” noise and smells coming from the back or the side of two-storey houses; and see loaded trucks and vans coming and going from house-backyards or from adjacent buildings. In this way many factories or warehouses are still camouflaged in residential areas, even though a growing number have been conveniently relocated to industrial parks on the outskirts of the towns where the traffic is less congested and the connections with major roads are more accessible.

Finally, the entrepreneurial component of familism which subsumes the previous two must be considered. The entrepreneurial skill of kin could hardly be put into practice without the collective effort of the family and the willingness of its members to embark upon such a risky life project. Refusal to adhere to the entrepreneurial ambition of the leader, especially in the early stages of the enterprise, may result in painful failure for the firm itself and overall may compromise the well-being of the family.

Familism also helps us understand how cultural commitment and family expectations influence people’s choices and actions. Mr. Cesana clearly identified with Luigi’s situation. Empathically he does not hesitate to encourage him, one of his best workers, to follow the path set by his late father. The moral value conferred on the family by Mr. Cesana is then evidently shared by Filippo’s sons in spite of coming from a different regional context; the two siblings are from the Mezzogiorno, while Luigi’s employer is from the Brianza.

Although entrepreneurial familism testifies to the strong attachment and loyalty individuals have in relation to their own family business, and defines the obligations and support that family members also owe to extended kin, the previous example does show that familism is no stranger to conflict and tension. In the case I have just described the disagreement among the two siblings was actually put entirely “under control” as testified by their ongoing reciprocal collaboration once they had parted. Instead of competing against one another, they have established a fruitful reciprocal interdependence that allows them different work arrangements. They can work as a small assembly line in a chain of production: Luigi’s firm may take care of one phase of production, then Alberto steps in to carry out the next one. Moreover, they can swap workloads when one is overloaded while the other may face a shortage of work, in this way both avoid keeping variably expensive machines idle for too long, and can back each other up in cases of machine failure.

In other situations conflicts among business partners do not work out so well and the inevitable separation leaves painful wounds and enduring scars that prevent familial reconciliation and cooperation (Ghezzi, 2007). On the whole, though, the frequent break-ups in family businesses have a positive side-effect for the survival of the regional economy. As a matter of fact this process of on-going partnership fusion and fission has indeed contributed to the burgeoning number of small firms in the Brianza. The ethnographic case I have presented is emblematic. Within the span of two decades, out of the first original family-run micro business, three firms have been established and over 40 jobs created.

In some start-up firms the kinship structure may not be apparent. Business partners may be unrelated or an individual owner may be adamant in claiming that the separation between firm and family is neat and unequivocal. Yet, a closer look at the firm's history or at the current working arrangements may reveal a different underlying reality, a stance exhibiting a selective memory and masculine assumptions of individual achievement that becomes apparent when alternative or dissenting voices are heard. Typical, for example, is the negation of wives' help in the firm, especially when the help provided is occasional, for it is regarded by most male entrepreneurs as a family duty rather than work. The other omission is negating or downplaying the financial aid provided by a relative. Normally this is not sufficient per se to start up a business, but, if combined with other monetary resources, it may be enough to purchase machinery and begin operating a workshop. Some of my informant-entrepreneurs were able to do this by combining their severance pay with a family loan; others were able to add their severance pay to a bank loan in order to buy new and expensive machines (Ghezzi, 2012).

Entrepreneurial familism accounts for unrelated business partnerships that in the long run tend to be replaced or altered by family-based partnerships as the firm transitions into subsequent generations. This occurs insofar as the enterprise life-cycle is intertwined with the family life-cycle. Unless both owners have expressed the intention to exclude any kin from co-partnership, ideally they hope, that at some point in time, close family members, if not all of them, will join the enterprise and will develop a personal attachment to the firm enabling its survival. Thus, what was originally a "relationship of choice" based on competence, friendship and ambition for social mobility, between unrelated partners, is subsequently transformed into a partnership where kinship relations prevail, as children and/or spouse join in. In small firms this may culminate in a break-up either because "there isn't enough room for everybody", meaning that the firm is not big and solid enough to keep many partners, or because there are "too many roosters in the chicken coop"—to borrow a colourful expression from one of my informants—meaning that there are too many bosses around. The three firms demonstrate this dynamic quite well. Between Filippo and Aldo there was certainly a relationship based on common technical competence further strengthened by the prospective affinal relationship; yet when he sees potential co-partners in his young sons, he cannot but embark on a new endeavour, given the limited managerial role he had in the other firm. The break-up of the siblings, right after their father's unexpected death seems to be consistent with the belief that family businesses run by polynuclear households, seem to remain more cohesive along the vertical lines of the relationship (father-son/daughter), and more fragile if propagated to collateral lines (between siblings/cousins). The latter situation generates major risks of expulsion and separation, but also more opportunities to create new firms. In any case there is enough evidence to suggest that the transient nature of family morphology is somehow going to affect the enterprise.

The positive effects of entrepreneurial familism should not detract our attention from its flip side. In fact it contributes as much to generating spin-offs as it does to providing the germ of enterprise extinction. When it comes to securing the continuity of business from one generation to the next, familism reveals its biases and limitations. Two of these deserve to be mentioned. The first is the bias towards gender. Being predominantly patrilineal, the ideal succession in the family enterprise is from father to son with daughters playing marginal

roles as minor shareholders, unless the absence of the brothers presses the founder or main owner into taking them back into consideration, either for their demonstrated capabilities or, ultimately, as potential recruiters of business partners through marriage. The gender-based unequal treatment in the enterprise may also pre-emptively dissuade female kin from pressing for more responsibility and ultimately alienate female kin from entrepreneurial roles—roles they could play at least as profitably as their brothers. The second limitation of entrepreneurial familism is inherent in its definition: the practices and symbolic construction of the family are objectified in the family enterprise. Apart from the gender issue, which is certainly an important component of such objectification, here I want to underscore the taken-for-granted mind-set male entrepreneurs hold in relation to the younger generation of the kin-group.

Such a mind-set is inscribed in the cultural repertoire of Italian family capitalism, which defines the range of possible strategic choices. However critical they may be of their children, nieces and nephews, they are inescapably entrapped in the familistic ideology of identifying potential entrepreneurial leadership within their kin-group, even when no one seems to emerge who could be entrusted with the leadership of the firm. Most do not contemplate viable alternatives other than the familistic choice. Thus, the source of family wealth and the products of many years of sacrifice and drudgery must primarily stay under the control of the family itself. Selling is either ruled out or becomes the last and, at times humiliating, resort. It would be as if all had been done in vain. Moreover, this would be quite difficult when the enterprise is closely identified with the owner who can hand over his shares but certainly not his reputation built up over years of professional relations: customers and suppliers would vanish with him. By expressing so much pride in their own achievements as entrepreneurs with few means, as loyalty to the ideal desire of aligning family interests with the continuity of the firm, they testify complete adherence to a familistic model of succession. By contrast, mid-sized and large firms seem to have other viable options available, such as entrusting management with production while maintaining a role on the enterprise board, but having very little involvement in day-to-day activities.

Given that it is only in recent years that a great number of firms in this industrial district have faced intergenerational change—as they were mostly established in the 1970s and 1980s—the solution to the problem that emerges in familism, i.e. how family firms ultimately manage to survive beyond the second generation, will have significant consequences on the landscape of entrepreneurialism in the Brianza, and it remains to be seen how this will play out. It is likely that the economic stagnation that has been affecting this regional economy for a while has been aggravated by the difficulties the local enterprises face in dealing with the problem of succession and, more in general, on the reproduction of familistic commitments that made entrepreneurial activities so widespread.

Conclusions

The familism that characterizes capitalism in northern Italy is a good place to start examining the workings of embeddedness in western economies. For the proliferation of small family-owned and family managed businesses confirms the remarkable importance of the family, contained within a model of economic development in which familistic relations and market

relations do not, and cannot, work separately. Hence the classical interpretation that capitalist production is carried out effectively by more advanced forms of organization as opposed to traditional family businesses is untenable.

By the same token, the diffusion of this organization should also bring into question the preconceived idea that ascetic Protestant derived individualism is as hegemonic in the West as Confucian linked familism is dominant in the East. The growing ethnographic material about family firms influenced by western capitalism tell us a different story. The story is that in the Brianza, as well as in several other regional western European economies, familism has created the conditions for a highly competitive industrial capitalism, and appears to be an enduring cultural feature, albeit with some problems nowadays. More to the point, familism appears to be highly effective during the initial stage of an enterprise, but less so when it faces intergenerational succession. The scope of the term familism is wide enough to embody various nuances: utilitarian, flexible and entrepreneurial, all of which illustrate situations that do not seek to evoke the family as a harmonious domain and a consensual decision-making unit. Quite the opposite, familism, as has been shown, carries notions of patriarchal desires, gender marginalization, and dimensions of authority relations within the firm that mirror those within the household.

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