Is the Joint Family an Obstacle to Industrialization?

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THAT the joint family is a deterrent to industrialization is a charge which I frequently heard during my stay in India in 1958-59. This is a serious accusation, especially in light of the fact that the government of India has made industrialization one of its principal goals, as the five year plans attest. I propose in this paper to examine the charge more fully and to consider whether or not it is supported by the evidence.

The joint family, it is alleged, militates against efficient industrial development in a number of ways. First it is said to lower the level of competence by encouraging the employment of persons in industry on the basis of family connection rather than merit. This is the charge of nepotism which runs directly counter to the increasing rationalization of industry in the West which Max Weber so well described, a process which is thought to be governed by the universalistic concept of competence rather than the individualistic concept of loyalty to members of one's own group (family).

The term nepotism is said to have originated five hundred years ago after Pope Calixtus III awarded cardinal's hats to two of his young nepotes (nephews). The phenomenon is, however, clearly older than the term, probably as old as family life itself, or at least family life which is lived under conditions where economic or political offices exist under the control of a family head. Even among primitive hunters where the position of headman is hereditary, one often finds a rule to the effect that the chief's son may succeed him only if he is competent. This example is interesting in showing how the group acts to protect itself against an appointment to office solely on the basis of family membership.

If nepotism is as old as the human family, it is manifestly not solely a function of the joint family. The joint family is a variety of the extended family, and the extended family is relatively rare among primitive hunting societies.¹

In the highly industrialized societies of the West, the dominant family type is the relatively small nuclear or conjugal variety. And nepotism is not absent from these industrialized societies. In 1959 a tempest blew up over nepotism in the U.S. Congress, but it quickly subsided because employment of kin by members of congress is a deeply-rooted practice. In 1933 an unofficial check made for the United Press showed 37 senators (out of a total of 96) employing relatives, some of whom, it was alleged, performed no service whatever. There are anti-nepotism laws in a number of the separate states affecting state payrolls, and the Federal Civil Service Act states that not more than two members of the same family shall be employed in the classified Civil Service but such restrictions do not apply to the federal legislature.

Since our concern in this paper is primarily with anti-rationalistic influences in industry, stemming from family sentiment, it is pertinent to note that a survey of the top executives of 175 of America’s largest corporations in 1957 revealed no less than 55 per cent of the companies had relatives in positions of management in the same company. DuPonts and their relatives held 12 of the 86 management jobs in the company. A survey of 25,000 companies in 1955 showed only 28 with stated policies against the employment of relatives. In still another study of 8,000 executives it was found that two of every five men whose fathers were key executives and three of every five whose father owned large businesses held jobs in their fathers’ companies.

Nepotism is an ethical problem where the business is a public corporation, not a family business but it is uneconomic in all instances where appointment is not based on competence. There is a tendency however to designate appointments as nepotistic when members of the same family are involved without regard as to the merit of the appointees. The study by Fortune magazine, referred to above, found four types or degrees of nepotism: “out-and-out nepotism,” as in the appointment to a top job of a relative with little or no experience and no evident qualifications; “nepotism plus training” where a relative is put in a beginner’s job with the idea of training him for a number of years before advancing him to a position of executive responsibility. A variety of this type is an appointment of a relative subject to company veto if the candidate is found unsatisfactory. Finally, there are cases where a relative is given only an ordinary job where competence is not of great moment.

Since nepotism is seen to exist in the highly industrialized United States with its independent type of family, the question regarding India is not whether nepotism exists in industry but rather, whether there is relatively more nepotism associated with the joint family than with the independent family. On theoreti-

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