

Chapter 1

FAMILY AND ECONOMY

Social theorists recognize the central role of the family in organizing the social structure, not because the family is the prototype for all other social institutions as has often been assumed, but because it is so effective an institution in mobilizing two key resources: strategic alliances and the basis for longer-term political and economic continuity. It is in the process of establishing both alliances and continuity that the core of a political economy is formed. The family, in its most fundamental social interactions, is organized around the central macro-sociological tasks of securing political power and long-term social and economic placement.

Claude Lévi-Strauss was one of the theorists who noted that the key universal feature of the family was not its structure or internal organization, on which there is great cultural variation, but its rule prohibiting incest. Two socially significant consequences follow directly from the incest taboo: the restriction of sexual relations within the family of origin and the push to establish marital alliances outside the boundaries of the original family unit, through the formation of new families of procreation. The key universal feature of the family, then, is

its capacity to build strategic alliances through the process of intermarriage, an act that in undifferentiated societies created a dense social web based on reciprocal obligation, personalistic loyalty, and political bonds of solidarity.¹

Besides forming an intricate network of political rights and obligations through family alliances, there were also other macrostructural consequences of marriage. The marital bond defined an elementary family unit and thus created the basis for family continuity by defining sexual and material property rights of the marital pair, by establishing the basis for the socially recognized legitimacy of children, and by charting the lines of inheritance. Wealth and position could flow through family lines that were drawn by birth and marriage. Particularly in societies without other forms of social organization, the family was an effective institutional means of structuring and regulating the social order.

Developing and expanding this insight about the centrality of the family into a broader comparative-historical theoretical framework, Max Weber has been the primary theorist of the stages of societal development that link the family, economy, and state. While pre-state tribal societies relied on the kind of formal and complex marital exchanges described by Lévi-Strauss to create political and economic alliances, a new kind of family-based political economy emerged in feudal and agrarian societies. Under conditions of greater social stratification, the patrimonial household of the aristocracy brought both military power and property-holding under the control of the extended family.² Building political alliances and securing a basis for political authority and economic continuity were central goals of patrimonial households. To this end, the rules of intermarriage were less formalized than in tribal, more kin-based societies, but were just as important a means of political strategy. While marital alliances provided aristocratic families with a means of accruing political power, the emphasis on producing heirs to ensure succession and property transmission was also a central economic concern.

For Weber, the development of modern capitalism and the rise of the modern bureaucratic state involved the most radical rupture of the family as a central institution of the political economy. This undermining of the family's macrostructural role occurred early in Western Europe, as the Church began to compete for an expanded share of inherited wealth and political power.³ The rise of a state bureaucracy—based on more formalized rules than the personal loyalties embedded in the patrimonial household—and the development of a paid professional army as an extrafamilial military force effectively stripped the

family of its political centrality.⁴ Where once the family had regulated the flow of political power, the bureaucratized state now rapidly developed the means to usurp this role.

In economic terms as well, Weber's theoretical model accounts for the decline of the centrality of the family in the modern era. The rise of modern capitalism required many preconditions: a stable money economy, an accessible market, a dependable and motivated labor force. But, above all, it required predictability in work behavior and economic exchange. The household economy of the precapitalist era had drawn a sharp distinction between "brother" and "other"—those trusted insiders bound by personalistic ties of family and community as distinguished from outsiders who were not to be trusted and who were therefore prey for exploitation and piracy. Modern capitalism dissolved that distinction, turning all—even brothers—into others. It did so by introducing a more rationalized and predictable standard of behavior, which served to regulate economic life and thereby ensure repeated economic exchange. The personalistic ties of family were no longer privileged in such transactions, and the result was the increasing privatization of family life as the realm of personal relationships in contrast to the spread of a more rationalized, bureaucratized political economy.⁵

Such a theoretical model of the role of the family in the process of societal development and historical change offers a sweeping picture of the family's centrality and subsequent decline in the development of modern society. While this picture is convincing in its broadest strokes, the finer details of historical change and the more intricate dynamics of the family's relationship to the political economy have hardly begun to be filled in. Nevertheless, historians and sociologists have often accepted the outlines of the theoretical model as concrete historical fact, rather than as a question for further investigation.

In American sociology, in particular, the study of the dynamics of interpersonal relationships within contemporary families—issues relating to the private nature of modern family life—have preempted more macrostructural and historically-based concerns.⁶ Few questions have been posed about the extent to which traditional economic and political functions of families might have been carried into the modern era. Instead, it has largely been assumed, based on theoretical premises but little concrete historical data, that the family's economic functions, while appropriate to a domestic economy, were subsumed by larger, more corporate enterprises as the demand for greater rationalization became the imperative of an industrial society.

Outside the subfield of family sociology, such assumptions have had striking consequences for scholarly inquiry within the discipline. When it comes to understanding the processes of institutional development and social change, or the dynamics of social class and power, implicit assumptions about the family and its macrostructural demise have provided the starting point for explanations about the nature of power and social organization in American society. While in other societies studies of family dynasties, business patterns, and economic change are well documented, even after the development of industrial capitalism,⁷ in the United States the idea of the family's economic decline has been taken for granted as a social fact.

Because several kinds of literature help contribute to this perspective, it is important to look at the way separate disciplinary premises have overlapped to produce a set of shared assumptions guiding interdisciplinary investigation. Premises about the nature and importance of the family in economic history, political sociology, family history, and gender studies are addressed here through three interrelated topics: the family and economic change; the family, power, and social class; and the privatization of the family and the separation of spheres. All these are central to the ways family and economy have been juxtaposed and understood. By making explicit the assumptions about the relationship between family and economy in each of these areas of historical and sociological research, I mean to suggest new ways in which the family's macrostructural concerns with building alliances and maintaining economic continuity might be reinterpreted in the context of a modern society.

THE FAMILY AND ECONOMIC CHANGE

A particular chronology of economic development in the United States dominates much of the work of economists, economic historians, and political sociologists. According to this standard chronology, the American economy has passed through a series of developmental stages corresponding to the degree of complexity of the business firm and, most importantly, to the separation of ownership from management control within the modern corporation.

Between the 1790s and the 1840s, entrepreneurial or family capitalism predominated, with firms traditionally organized as single-unit enterprises, owned and controlled by individuals, family members, and

their close associates. Virtually no multiunit business enterprises existed in this period, nor was there a managerial class differentiated from the entrepreneurial owners. The period of transition in which an agrarian and rural economy became industrial and urban occurred between 1840 and 1920, a transition that also spelled the demise of a family-based system of capitalism.⁸

Expanded economic activity over the second half of the nineteenth century is widely assumed to have undermined the effectiveness of the single-unit family firm in a number of significant ways. Larger and more complex organizations with distinct operating units evolved to meet higher production standards and more dispersed distribution needs. Entrepreneurial founders and their families were no longer capable of staffing such multiunit business enterprises. In their place, a trained, salaried, career staff of middle managers could work more effectively to monitor and coordinate economic activities. A rational economic strategy of long-term growth and stability over short-term profit guided management decisions in this modern business enterprise.⁹

In short, the personalistic ties of family were replaced by the impersonal hierarchy of a management bureaucracy in American business by the early twentieth century. The dominance of this new organizational form was so complete and sweeping as to constitute an economic revolution. In the words of one of the leading American economic historians, "rarely in the history of the world has an institution grown to be so important and so pervasive in so short a period of time."¹⁰

While business historians have charted the decline of the family firm and the rise of the large corporation in the United States, sociologists have used the same model of economic growth to argue for the transformation of power in American society. Along with the change in the social organization of the firm, there appeared an even more significant shift in power relations that signaled the further erosion of the family from its traditional economic base: that of the separation of ownership from managerial control within the large corporation, with the consequence of a redistribution of power in American society.

In an important review of the literature on corporate ownership and the question of economic control, published in 1974, sociologist Maurice Zeitlin argued that the widespread and uncritical acceptance of the separation of ownership and control constituted a pseudofact with an "astonishing consensus" among social scientists.¹¹ The source of this

consensus was Berle and Means's classic study, *The Modern Corporation and Private Property*, originally published in 1932, in which the authors argued that the spread of ownership among widely dispersed stockholders within the large corporation effectively undermined the foundation of private property on which a system of family capitalism had been based.

Despite challenges to the Berle and Means analysis by various critics, on the grounds both of a reassessment of the original data and subsequent study of the persistence of family control within the corporation,¹² the theory of managerial capitalism has carried great weight in the debate about the distribution of power in American sociology. In general, even critics of the managerial revolution hypothesis have tended to accept the premise of the family's decline as an economic institution, while focusing their attention on interlocking directorates or other structural means through which power has been coalesced.¹³ In adopting the premises about family and business organization contained in this chronology of economic change, sociologists have reduced the family's role and meaning to an exclusively personalistic set of relations under the system of industrial capitalism.

What is missing from this account is a more critical interpretation of the way the family's economic functions have bridged preindustrial and industrializing societies. Historical studies of working-class families, for example, have uncovered a variety of ways in which families tried to resist the incursion of industrial capitalism,¹⁴ but also the ways in which they eased the family's transition to a new kind of economic order, serving as recruitment, training, and welfare agencies in an era that provided few formal support services.¹⁵ If working-class families acted as a resource for its members during the period of industrialization, in what ways did elite families bridge this transition as well? One answer is in the network of kinship relations that bridged and interlaced the discrete economic organizations of an industrializing society.

The kinship network, rather than the family firm, is a key unit of analysis for understanding the role of the family under the impact of economic and social change. Rather than focusing on the discrete business organization as the locus of family control, tracing the web of extended kinship relations and overlapping business ties among the economic elite offers a new perspective on the structure of power. While individuals could wield considerable influence through their interlocking directorship positions, the kinship network offered even more potential for the extensive and cohesive coordination of economic con-

trol. As we seek to understand the full range of ways families felt the impact of and reacted to major social structural change, placing the family as a network of interacting kin at the center of this analysis, rather than accepting the premise of the family's inevitable eclipse, offers new interpretive possibilities.

THE FAMILY, POWER, AND SOCIAL CLASS

If the kinship network is a useful concept for tracing webs of interconnection and lines of power and economic influence in any one period, it also holds great potential for tracking the economic continuity of families over time. Such economic persistence, built on the inheritance of property or position across generations of a family, constitutes the foundation for an economic upper class in a system of industrial capitalism. Recognizing that "the family, not the physical person, is the true unit of class and class theory," Joseph Schumpeter noted forty years ago that genealogical research was necessary for "providing a reliable knowledge of the structure and life processes of capitalist society."¹⁶ Yet relatively little such research has been systematically conducted, and the family unit has rarely been used in sociological analyses of social class. The grounds on which the concept of social class has often been equated with social strata, a model of more gradual and permeable layers of economic hierarchy, need investigation. An understanding of power, on which social class is ultimately based, is the starting point for this inquiry.

Interpretations of the nature of power in the United States have generally fallen into the competing camps of pluralism and power-elite studies. The two perspectives differ in terms of accepting the individual or the group as the basis of class analysis, in terms of their respective emphases on achievement and social mobility or ascription and inheritance as the primary mode of gaining access to power, and in terms of the replaceability or the intractability of the power-holding group.¹⁷

Central to the pluralist view of the wide dispersal of power in the United States is a belief in the decline of the family as the key property-holding institution of advanced capitalism. Accepting the chronology and logic of the managerial revolution in the American economy, a number of sociologists have equated the decline of family power with the "breakup of family capitalism."¹⁸ Following from this premise, it has been argued that "families [who] once controlled through owner-

ship most of the big businesses . . . failed to consolidate their position as the dominant class in the society" from the period of the mid-nineteenth century.¹⁹ With this shift, skill and credentials superseded inheritance as the basis for placement and advancement in society. Power was thus no longer monopolized by the few because "veto groups" were able to act as a countervailing force, providing an equal chance for power among competing segments of the society.²⁰ In the pluralist view, the decline of the family as the source of inherited privilege and institutionalized power was the key to a more democratic social and political order.

The power-elite argument, as posed by C. Wright Mills, offered a different model of the arrangement of power: as consolidated and coordinated rather than dispersed. While also accepting the Berle and Means hypothesis of the decline of family control with the rise of the corporation, Mills reinterpreted the outcome of this transformation by arguing that a group of top corporate, political, and military leaders had come to dominate the institutional command posts of the American power structure by the second half of the twentieth century.²¹ Subsequent power structure research in sociology has focused on the formal and informal networks of interaction that help coordinate this power elite.²² While concurring that the family has lost its formal economic functions, power-elite theorists nevertheless recognize the centrality of the family in coordinating the social and cultural institutions through which power is mobilized.

Although power-elite theorists reach different conclusions about the outcome of power in the twentieth century than do pluralists, they have made little attempt to construct a detailed historical account of the process through which this consolidated group emerged. Focusing on the mid-twentieth century with the power elite already firmly entrenched, they have not attempted to explain the transition between the alleged decline of family-based power in the nineteenth century and the rise of institutionally-based power a century later. A key criticism of the power-structure research has been its tendency to assume that personal interconnections linking members of a social elite are both necessary and sufficient as conditions of power. How webs of personal relationships become structures of power requires a fuller explanation.

Lacking a detailed historical perspective, the model of power that has predominated in much of political sociology remains static, an analytic concept only. If power is to be seen as a characteristic of groups that emerge in a specific historical context, we need historical studies of

how the structure of power has come to be shaped through group strategies to perpetuate their economic, social, and political position over time. We need, in short, to investigate how an elite perpetuates its power and privilege by becoming a more stable and entrenched social class with intergenerational continuity.

The pervasive belief in the decline of the family as an institution with macrostructural political and economic consequences correlates closely with the individualistic orientation to social class that pervades much of American sociology. If the family is no longer the key property-holding institution of an advanced industrial society and if power has been effectively redistributed, then occupational status and income are accurate measures of an individual's achieved position in the stratification order. But if families are seen as extended kinship networks with an interest in building alliances and maintaining economic continuity, then a broader measure of social class as rooted in a set of intermarrying families with similar economic location and shared social-cultural characteristics is needed to understand the ways in which power can be consolidated and intergenerational placement assured.

Tracing more intricate kinship and economic connections than father-to-son occupational patterns is one means of retrieving the family's alliance-building and continuity functions in a modern context. Such a study would bring the family back to a position of centrality in the study of power and class.

PRIVATIZATION OF THE FAMILY: THE SEPARATION OF SPHERES

If the family has not been a central research focus for economists, economic historians, or political sociologists, it has certainly been so for social historians. Their areas of inquiry have directly addressed the family as a social institution that varies by class, race, ethnicity, and gender. Yet there have been two main tendencies in the family history and women's history literature that have limited the macrosociological implications of this research. One is the predominant emphasis on working-class or middle-class family experience, but the exclusion of the upper class—potentially the most powerful family group in mediating the processes of industrialization or in effecting social change. The second has been the tendency to start from, rather than to question and study, the premise of the privatization of family life.

The accumulated literature of the past two decades on family and gender relations in nineteenth-century America has documented one trend in particular: a separation of spheres between public and private, the division of the political economy and the domestic sphere, a split between the worlds of men and women. According to the accepted model of social change in much of this literature, the links between the family and larger community, which closely overlapped in the seventeenth and eighteenth centuries, were progressively pulled apart by the rise of industrial capitalism in the nineteenth. It is in nineteenth-century America that the trajectories of economic history and family history are first seen as diverging. As of this period, economic historians focused exclusively on the rise of a differentiated set of economic institutions dominated by men and a shift in the locus of work, as paid work, outside the home. Family historians turned their attention in this period to the entrenchment of the middle-class domestic sphere as a haven from the world of industrial capitalism and as the primary arena of women and children.

Much of the social historical literature of the past two decades from the fields of family history and women's history has been devoted to identifying and charting the consequences of this separation of spheres.²³ Although there has been a critical response to this literature, focusing on the ways that working-class, poor, and otherwise marginalized families were unable to achieve such a neat division of social spheres, the middle-class bias of this literature is more than an oversight. The notion of distinct public and private spaces was specifically a bourgeois invention and social construction, an ideology molded to the needs of the new economic order and its rising middle and upper classes.

As the architects of industrial capitalism, the middle class had an influence that reached far beyond its own ranks. Part of the social construction of the political economy of early industrial capitalism involved new conceptions of nonmarket relations as well. The bourgeois home was envisioned as a direct counterpart to the competitive individualism of the market, and its primary caretakers, women, were depicted as guardians of sentiment and social responsibility, purveyors of the ties that would bind intensely individualized men to the larger collectivities of family, community, and society.²⁴ The ideology of separate spheres, then, defined a new set of social relations in nineteenth-century America. The complement to the independent competitive entrepreneur, the male prototype of an industrializing society, was the virtuous, domestic woman, an efficient engineer of the home and, most importantly, a moral mother.²⁵

Although the question about what would hold a society dominated by competitive individualism together continued to worry social critics throughout the nineteenth century, one early answer seemed to be provided by the kind of personal ties associated with family and home. Marriage was idealized as the social glue that would bind together the complementary personalities of men and women and their mutually reinforcing social roles. The key social function women were to fulfil was to soothe the excesses of a competitive economic system and to reinforce that same system. As a dependent wife, a woman kept her husband committed to his market role as the primary breadwinner for the family, while her own role was defined in terms of maintaining the family as a refuge from the excesses of competitive capitalism. As a mother, she nurtured and socialized her children, the next generation of industrial workers. Far from being superfluous to this market economy, then, women fulfilled an important, if relatively unrecognized, role in the forging of industrial capitalism.

As an ideology, the middle-class conception of domestic privacy and gender relations was central to the complex system of emerging industrial capitalism. That most poor and working-class women could not live up to the ideal of domesticity does not refute its claim to being part of the dominant value system of the era; it simply makes the discrepancy between accepted ideology and real behavior more pointed. The functions of this social role, for those women of the middle and upper classes who did live out this ideology as part of their everyday life experience, particularly in an era in which the family's general economic functions were being redefined and reshaped, is an important subject for study.

The ideology of separate spheres had significant ramifications for many nineteenth-century women and men. For economically privileged women, whose husbands gained social status as sole breadwinners for a family of dependents, the domestic sphere was an all-encompassing world, shaping values as well as activities. The idea that shared experience produced a new basis for gender identity among women has been important in offering historians a way to think about the strengths, as well as the limitations, of lives lived within the domestic circle. A shared identity rooted in gender provided women with a new sense of sisterhood, of cultural as well as political efficacy.²⁶ As women's lives were defined by the ideals of domesticity, men were defined by their exclusion from this gendered space.

But for all of its influence in the literature, the doctrine of separate

spheres has been overstated and its impact has been misleading. Gender may be one significant differentiator of life experiences and values, but the cleavages produced by race, ethnicity, religion and social class are significant others.²⁷ Critics of the ideology of separate spheres argue that it has been used too inclusively, defining both the oppression of and the solidarity among women, and conflating too many aspects of the social world and social experience.²⁸ Accepted as a starting premise in historical study rather than the proper subject of investigation, this concept has become reified as “fact” in women’s history, and crucial questions about when, where, under what social conditions, and with what consequences the social spheres of men and women create separate or overlapping public and private domains are rarely asked.

The study of separate spheres in the lives of upper-class Bostonians promises to contribute in a number of important ways to a revision of these assumptions. Undeniably, women of Boston’s upper class in the nineteenth century did live in the privileged, private domestic sphere afforded by their husbands’ class position. Their experiences, then, were relatively unusual in that they fit the contours of the ideology of domesticity. But it is particularly important to understand upper-class women’s domesticity and kin-keeping roles in the larger context of the economic meaning that kinship networks held for their fathers, husbands, brothers, and sons. An ideology of separate spheres may have masked the extent to which the family continued to fulfil important economic functions for the upper class in this era of change. What role did women play in fostering an ideology that served these economic interests?²⁹ To what extent were the spheres of work and family therefore really separate for the upper class in nineteenth-century America? These are questions that need more detailed study in a broadened inquiry about the interrelationship between the variables of family, economy, and social change.

There are numerous outcomes of accepting the premise that the privatization of the family and separation of spheres were the irrevocable consequences of industrialization. One has been to obscure the ways that women participated in the public world of the political economy through informal channels and associational networks.³⁰ Another has been to obscure the extent of men’s involvement in their family networks as economic actors. In the nineteenth century, the family did become an important sphere of private life and personalistic ties in a world increasingly dominated by a rationalized market and bureaucratic state. But kinship ties may also have provided a bridge between

those two spheres, placing the bonds of family loyalty and kin solidarity at the service of collective economic interests.

Expanding the study of the family to include analysis of both men and women in their interconnected public and private lives is another important step in reviving a more macrosociological approach to family studies. At the same time, it may provide a glimpse of the way the family as an institution resides at the intersection of individual experiences and structural consequences. While one goal of my historical sociological inquiry is to revive interest in the family's continued role in the political economy, another is to keep sight of the way in which families were the setting of lived experience, where perceived choices, competing motivations, past successes and failures—rather than purely structural imperatives—helped shape behavior.

The tendency to assume a sharp divergence between the institutions of family and economy under the impact of industrialization has been widespread among economists, historians, and sociologists. The consequences of this assumption have had far-reaching effects in several disciplines. Sociological theory-building and historical study, which, when combined, can be complementary and mutually enriching, have curtailed their common dialogue on questions about family and economy. Economists and business historians have ignored families as viable economic units. A more nuanced understanding of class, power, and the dynamics of social change in American society has been foreclosed by the dominance of one interpretation about the direction of change. In the interest of grounding the broader sociological questions in more concrete historical study, then, it seems appropriate to turn to a specific setting for the investigation of kinship, class, and economic change.

The particular subjects of this study were members of a new economic elite emerging in Boston in the post-Revolutionary era. The setting for this group is more than a backdrop, for Boston was poised on the brink of major social, political, and economic changes by the beginning of the nineteenth century. In this urban setting, a highly defined upper class took shape. It is in the construction of new physical space and through the development of new institutions and networks of social relations that this social class history can be read.