

## Schumpeter on the Disintegration of the Bourgeois Family

*In an earlier age, interpretation of the causes and consequences of population change was not the privileged domain of specialists but fair game for social scientists of all stripes. Malthus, for example, was first and foremost an economist, rather than a student of population. With the growth of disciplinary specialization, forays into population studies by practitioners of neighboring disciplines became increasingly rare. Among major twentieth century social scientists willing to ignore the artificial disciplinary boundaries by which demography, both to its advantage and to its detriment, became gradually surrounded, the economist Joseph A. Schumpeter (1883-1950) was perhaps the most illustrious. The Austrian-born Schumpeter, after a varied career in Europe in academia, politics, and business, settled in the early 1930s in the United States, teaching at Harvard University. One of his enduring contributions to the overlapping fields of economics, sociology, political science, and history was *Capitalism, Socialism, and Democracy* (first edition published in 1942), a seminal study of the social, economic, and political forces shaping the evolution of advanced industrial societies. Schumpeter, like Marx before him, argued that capitalism is a passing phase in human history; unlike Marx, he traced capitalism's coming demise not to the system's assorted defects but to its very success as an engine of economic growth. Economic success, Schumpeter held, is bound eventually to erode and destroy institutions, values, and attitudes indispensable to the maintenance of the capitalist order.*

*Chapter 14 of *Capitalism, Socialism, and Democracy*, entitled "Decomposition," drafted in 1935, offers an incisive and insightful, if controversial and one-sided, discussion of what Schumpeter identified as one of the "internal causes" undermining "bourgeois motivation" (a crucial underpinning of the working of the capitalist system): the "disintegration of the bourgeois family." Much of this chapter is reproduced below.*

*Although Schumpeter's exposition of the factors leading to the decline of the family as a social, economic, and reproductive institution focuses on the pattern-setting upper bourgeoisie, the extension of his analysis to the interpretation of demographic trends in capitalist society at large is straightforward. The main force affecting those trends is the spread of rationalization-an inevitable outcome of*

*capitalist evolution-to the sphere of private life. The “inarticulate system of cost accounting” that individual couples come to accept as relevant to decisions concerning marriage, lifestyles, and, in particular, having children, leads to a declining birth rate and, often, to childlessness.*

*Much as Schumpeter’s pessimism about the future of capitalism has been seemingly contradicted by the demonstrated vitality of that system in the post-World War II era, the spectacular resurgence of Western fertility soon after the book’s publication seemed to question the pertinence of his vision concerning demographic changes. But Schumpeter was careful to allow for temporary deviations from underlying main tendencies. His analysis is a long-term one: indeed, in regard to fertility, the trend he discerned to be at work slowly “deep down below” appears to have reasserted itself, conferring on the Schumpeterian analysis renewed interest and respectability.*

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Faced by the increasing hostility of the environment and by the legislative, administrative and judicial practice born of that hostility, entrepreneurs and capitalists -- in fact the whole stratum that accepts the bourgeois scheme of life -- will eventually cease to function. Their standard aims are rapidly becoming unattainable, their efforts futile. The most glamorous of these bourgeois aims, the foundation of an industrial dynasty, has in most countries become unattainable already, and even more modest ones are so difficult to attain that they may cease to be thought worth the struggle as the permanence of these conditions is being increasingly realized.

Considering the role of bourgeois motivation in the explanation of the economic history of the last two or three centuries, its smothering by the unfavorable reactions of society or its weakening by disuse no doubt constitutes a factor adequate to explain a flop in the capitalist process -- should we ever observe it as a permanent phenomenon -- and one that is much more important than any of those that are presented by the Theory of Vanishing Investment Opportunity. It is hence interesting to observe that that motivation not only is threatened by forces external to the bourgeois mind but that it also tends to die out from internal causes. There is of course close interdependence between the two. But we cannot get at the true diagnosis unless we try to disentangle them.

One of those “internal causes” we have already met with. I have dubbed it Evaporation of the Substance of Property. We have seen that, normally, the modern businessman, whether entrepreneur or mere managing administrator, is of the executive type. From the logic of his position he acquires

something of the psychology of the salaried employee working in a bureaucratic organization. Whether a stockholder or not, his will to fight and to hold on is not and cannot be what it was with the man who knew ownership and its responsibilities in the full blooded sense of those words. His system of values and his conception of duty undergo a profound change. Mere stockholders of course have ceased to count at all -- quite independently of the clipping of their share by a regulating and taxing state. Thus the modern corporation, although the product of the capitalist process, socializes the bourgeois mind; it relentlessly narrows the scope of capitalist motivation; not only that, it will eventually kill its roots. ❖

Still more important however is another "internal cause," viz., the disintegration of the bourgeois family. The facts to which I am referring are too well known to need explicit statement. To men and women in modern capitalist societies, family life and parenthood mean less than they meant before and hence are less powerful molders of behavior; the rebellious son or daughter who professes contempt for "Victorian" standards is, however incorrectly, expressing an undeniable truth. The weight of these facts is not impaired by our inability to measure them statistically. The marriage rate proves nothing because the term Marriage covers as many sociological meanings as does the term Property, and the kind of alliance that used to be formed by the marriage contract may completely die out without any change in the legal construction or in the frequency of the contract. Nor is the divorce rate more significant. It does not matter how many marriages are dissolved by judicial decree-what matters is how many lack the content essential to the old pattern. If in our statistical age readers insist on a statistical measure, the proportion of marriages that produce no children or only one child, though still inadequate to quantify the phenomenon I mean, might come as near as we can hope to come to indicating its numerical importance. The phenomenon by now extends, more or less, to all classes. But it first appeared in the bourgeois (and intellectual) stratum and its symptomatic as well as causal value for our purposes lies entirely there. It is wholly attributable to the rationalization of everything in life, which we have seen is one of the effects of capitalist evolution. In fact, it is but one of the results of the spread of that rationalization to the sphere of private life. All the other factors which are usually adduced in explanation can be readily reduced to that one.

As soon as men and women learn the utilitarian lesson and refuse to take for granted the traditional arrangements that their social environment

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❖Many people will deny this. This is due to the fact that they derive their impression from past history and from the slogans generated by past history during which the institutional change brought about by the big corporation had not yet asserted itself. Also they may think of the scope which corporate business used to give for illegal satisfactions of the capitalist motivation. But that would cut my way: the fact that personal gain beyond salary and bonus cannot, in corporate business, be reaped by executives except by illegal or semi-illegal practices shows precisely that the structural idea of the corporation is averse to it.

makes for them, as soon as they acquire the habit of weighing the individual advantages and disadvantages of any prospective course of action -- or, as we might also put it, as soon as they introduce into their private life a sort of inarticulate system of cost accounting -- they cannot fail to become aware of the heavy personal sacrifices that family ties and especially parenthood entail under modern conditions and of the fact that at the same time, excepting the cases of farmers and peasants, children cease to be economic assets. These sacrifices do not consist only of the items that come within the reach of the measuring rod of money but comprise in addition an indefinite amount of loss of comfort, of freedom from care, and opportunity to enjoy alternatives of increasing attractiveness and variety-alternatives to be compared with joys of parenthood that are being subjected to a critical analysis of increasing severity. The implication of this is not weakened but strengthened by the fact that the balance sheet is likely to be incomplete, perhaps even fundamentally wrong. For the greatest of the assets, the contribution made by parenthood to physical and moral health -- to "normality" as we might express it -- particularly in the case of women, almost invariably escapes the rational searchlight of modern individuals who, in private as in public life, tend to focus attention on ascertainable details of immediate utilitarian relevance and to sneer at the idea of hidden necessities of human nature or of the social organism. The point I wish to convey is, I think, clear without further elaboration. It may be summed up in the question that is so clearly in many potential parents' minds: "Why should we stunt our ambitions and impoverish our lives in order to be insulted and looked down upon in our old age?"

While the capitalist process, by virtue of the psychic attitudes it creates, progressively dims the values of family life and removes the conscientious inhibitions that an old moral tradition would have put in the way toward a different scheme of life, it at the same time implements the new tastes. As regards childlessness, capitalist inventiveness produces contraceptive devices of ever-increasing efficiency that overcome the resistance which the strongest impulse of man would otherwise have put up. As regards the style of life, capitalist evolution decreases the desirability of, and provides alternatives to, the bourgeois family home. I have previously adverted to the Evaporation of Industrial Property; I have now to advert to the Evaporation of Consumers' Property.

Until the later decades of the nineteenth century, the town house and the country place were everywhere not only pleasant and convenient shells of private life on the higher levels of income, but they were indispensable. Not only hospitality on any scale and in any style, but even the comfort, dignity, repose and refinement of the family depended upon its having an adequate *foyer* of its own that was adequately staffed. The arrangements summarized by the term Home were accordingly accepted as a matter of

course by the average man and woman of bourgeois standing, exactly as they looked upon marriage and children -- the "founding of a family" -- as a matter of course.

Now, on the one hand, the amenities of the bourgeois home are becoming less obvious than are its burdens. To the critical eye of a critical age it is likely to appear primarily as a source of trouble and expense which frequently fail to justify themselves. This would be so even independently of modern taxation and wages and of the attitude of modern household personnel, all of which are typical results of the capitalist process and of course greatly strengthen the case against what in the near future will be almost universally recognized as an outmoded and uneconomical way of life. In this respect as in others we are living in a transitional stage. The average family of bourgeois standing tends to reduce the difficulties of running the big house and the big country place by substituting for it small and mechanized establishments plus a maximum of outside service and outside life -- hospitality in particular being increasingly shifted to the restaurant or club.

On the other hand, the home of the old type is no longer an indispensable requirement of comfortable and refined living in the bourgeois sphere. The apartment house and the apartment hotel represent a rationalized type of abode and another style of life which when fully developed will no doubt meet the new situation and provide all the essentials of comfort and refinement. To be sure, neither that style nor its shell are fully developed anywhere as yet and they proffer cost advantage only if we count in the trouble and annoyance incident to running a modern home. But other advantages they proffer already -- the facility of using to the full the variety of modern enjoyments, of travel, of ready mobility, of shifting the load of the current little things of existence to the powerful shoulders of highly specialized organizations.

It is easy to see how this in turn bears, in the upper strata of capitalist society, upon the problems of the child. Again there is interaction: the passing of the spacious home -- in which alone the rich life of a numerous family can unfold<sup>❖</sup> -- and the increasing friction with which it functions supply another motive for avoiding the cares of parenthood: but the decline of philoprogenitivity in turn renders the spacious home less worth while.

I have said that the new style of bourgeois life does not as yet offer any decisive cost advantage. But this refers only to the current or prime costs of servicing the wants of private life. As to overhead, even the purely pecuniary advantage is obvious already. And inasmuch as the outlay on the most durable elements of home life -- especially the house, the pictures, the

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❖Modern relations between parents and children are of course partly conditioned by the crumbling of that steady frame of family life.

furniture -- used to be financed mainly from previous earnings we may say that the need for accumulation of "consumers' capital" is drastically reduced by that process. This does not mean of course that demand for "consumers' capital" is at present, even relatively, smaller than it was; the increasing demand for durable consumers' goods from small and medium incomes more than counter-balances this effect. But it does mean that, so far as the hedonistic component in the pattern of acquisitive motives is concerned, the desirability of incomes beyond a certain level is reduced. In order to satisfy himself of this, the reader need only visualize the situation in a thoroughly practical spirit: the successful man or couple or the "society" man or couple who can pay for the best available accommodation in hotel, ship and train, and for the best available qualities of the objects of personal consumption and use -- which qualities are increasingly being turned out by the conveyor of mass production\* -- will, things being what they are, as a rule have all they want with any intensity *for themselves*. And it is easy to see that a budget framed on those lines will be far below the requirements of a "seigniorial" style of life.

In order to realize what all this means for the efficiency of the capitalist engine of production we need only recall that the family and the family home used to be the mainspring of the typically bourgeois kind of profit motive. Economists have not always given due weight to this fact. When we look more closely at their idea of the self-interest of entrepreneurs and capitalists we cannot fail to discover that the results it was supposed to produce are really not at all what one would expect from the rational self-interest of the detached individual or the childless couple who no longer look at the world through the windows of a family home. Consciously or unconsciously they analyzed the behavior of the man whose views and motives are shaped by such a home and who means to work and to save primarily for wife *and children*. As soon as these fade out from the moral vision of the businessman, we have a different kind of *homo oeconomicus* before us who cares for different things and acts in different ways. For him and from the standpoint of his individualistic utilitarianism, the behavior of that old type would in fact be completely irrational. He loses the only sort of romance and heroism that is left in the unromantic and unheroic civilization of capitalism -- the heroism of *navigare necesse est, vivere non necesse est*.<sup>❖</sup> And he loses the capitalist ethics that enjoins working for the future irrespective of whether or not one is going to harvest the crop oneself.

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❖Effects on consumers' budgets of the increasing eligibility of mass-produced articles are enhanced by the price difference between them and the corresponding custom-made articles which increases owing to the increase in wages *pari passu* with the decrease in the relative desirability of the latter; the capitalist process democratizes consumption.

❖"Seafaring is necessary, living is not necessary." Inscription on an old house in Bremen.

The last point may be put more tellingly. In the preceding chapter it was observed that the capitalist order entrusts the long-run interests of society to the upper strata of the bourgeoisie. They are really entrusted to the family motive operative in those strata. The bourgeoisie worked primarily in order to invest, and it was not so much a standard of consumption as a standard of accumulation that the bourgeoisie struggled for and tried to defend against governments that took the short-run view.\* With the decline of the driving power supplied by the family motive, the businessman's time-horizon shrinks, roughly, to his life expectation. And he might now be less willing than he was to fulfill that function of earning, saving and investing even if he saw no reason to fear that the results would but swell his tax bills. He drifts into an anti-saving frame of mind and accepts with an increasing readiness anti-saving *theories* that are indicative of a short-run *philosophy*.



Thus the same economic process that undermines the position of the bourgeoisie by decreasing the importance of the functions of entrepreneurs and capitalists, by breaking up protective strata and institutions, by creating an atmosphere of hostility, also decomposes the motor forces of capitalism from within. Nothing else shows so well that the capitalist order not only rests on props made of extra-capitalist material but also derives its energy from extra-capitalist patterns of behavior which at the same time it is bound to destroy.

We have rediscovered what from different standpoints and, so I believe, on inadequate grounds has often been discovered before: there is inherent in the capitalist system a tendency toward self-destruction which, in its earlier stages, may well assert itself in the form of a tendency toward retardation of progress.



[T]he various components of the tendency we have been trying to describe, while everywhere discernible, have as yet nowhere fully revealed themselves. Things have gone to different lengths in different countries but in no country far enough to allow us to say with any confidence precisely how far they will go, or to assert that their "underlying trend" has grown too strong to be subject to anything more serious than temporary reverses. Industrial integration is far from being complete. Competition, actual and potential, is still a major factor in any business situation. Enterprise is still

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\*It has been said that in economic matters "the state can take the longer view." But excepting certain matters outside of party politics such as conservation of natural resources, it hardly ever does.

active, the leadership of the bourgeois group still the prime mover of the economic process. The middle class is still a political power. Bourgeois standards and bourgeois motivations though being increasingly impaired are still alive. Survival of traditions -- and family ownership of controlling parcels of stock -- still make many an executive behave as the owner-manager did of old. The bourgeois family has not yet died; in fact, it clings to life so tenaciously that no responsible politician has as yet dared to touch it by any method other than taxation. From the standpoint of immediate practice as well as for the purposes of short-run forecasting -- and in these things, a century is a "short run"❖ -- all this surface may be more important than the tendency toward another civilization that slowly works deep down below.

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❖ This is why the facts and arguments presented in this and the two preceding chapters do not invalidate my reasoning about the possible economic results of another fifty years of capitalist evolution. The thirties may well turn out to have been the last gasp of capitalism -- the likelihood of this is of course greatly increased by the current war. But again they may not. In any case there are no *purely economic* reasons why capitalism should not have another successful run which is all I wished to establish.