

Why and How Business Ethics Benefits from Family. Where Trust, Responsibility and Ethics Develop

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Summary

This article analyzes the role a family plays in the context of business and society. Although it may seem obvious enough that this primary group is fundamental for social organization, certain aspects of this impact, which in the end influences ethical development of social actors are described. The article concentrates on such issues as gift, trust and responsibility as the elements that are naturally present in family life. The problem is presented in an interdisciplinary way because the nature of the issue demands and requires it.

Engaging the category of family is important mainly because it has been underemphasized, and this lack of focus has inadvertently supported the domination of the individualistic perspective in economics and business. Such a paradigm is not only the symptom of short-term thinking but also the proof of narrow and reduced anthropology of the economic actor.

Families are where people learn the logic of "gift," which is as necessary in business as in other social spheres. George Gilder wrote that "capitalism begins with giving. Not

from greed, avarice, or even self-love can one expect the rewards of commerce, but from a spirit closely akin to altruism, a regard for the needs of others, a benevolent, outgoing, and courageous temper of mind" (Gilder 1993, p. 21). As such, we should thoroughly examine the role that gift giving plays in the functioning of economy. Secondly, the unique role that a family plays in trust development is presented. According to analysis of Jennifer Roback Morse, families are where people learn to trust. Thirdly, the ability to trust is analyzed as the background for the development of responsibility, a key to developing an ethical attitude.

The findings of the paper should help to diagnose the causes of the responsibility crisis and enrich reflection on business ethics by presenting family life as fundamental element in understanding the nature of economic actor and offering family as a useful perspective to understand the process of ethical evaluation of business activity.

Key words: family, business ethics, gift, trust, responsibility

Introduction

We have assumed all too easily in economics that because something paid off it was therefore automatically legitimate. Unfortunately, the dynamics of legitimacy are more complex than this. Frequently it is negative payoffs, that is, sacrifices, rather than positive payoffs, which establish legitimacy. It has been the precise weakness of the institutions that we think primarily of as economic, that is, associated with exchange, such as the stock market, the banking system, organized commodity markets and so on, as Schumpeter pointed out, that they easily lose their legitimacy if they are not supported by other elements and institutions in the society which can sustain them as integral parts of a larger community. (...)

My personal view is that, especially at his present stage or development, man requires both heroic and economic elements in his institutions, in his learning processes and in his decision-making and the problem of maintaining them in proper balance and tension is one of the major problems of maturation, both of the individual person and of societies (Boulding 1969, p. 10).

It is promising to analyze the role of family in business and economy from the perspective of trust and responsibility. In order to make such analysis more comprehensive and meaningful we are convinced that one has to start by paying attention to the category of gift as the foundation of various actions and relations, including entrepreneurial activity and exchange within business domain¹. While this may sound surprising in the context of business it is a reasonable requirement for the family as the basic community and 'molecule' of social structure. One can then ask why gift should not be considered as proper inspiration for culture, politics and economy, which are all but different spheres of the same society.

Before I explore the role of the logic of gift, we would like to present the graphic explanation of interdependence of the issues central to this paper (Figure 1).

¹ This assertion was lately presented and discussed in Benedict XVI encyclical letter *Caritas in veritate* (*Charity in truth*), that describes the philosophy according to which all that contributes to the well-being of society should function.

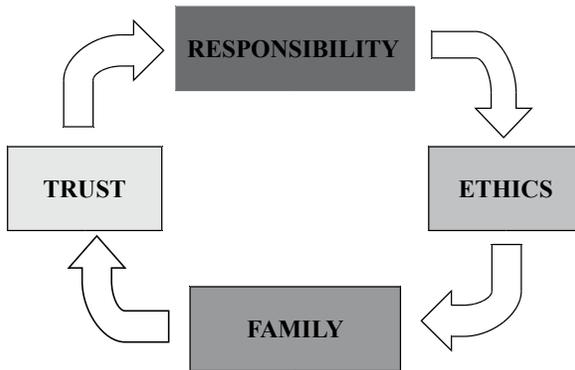
Figure 1. Ongoing Circle of Family-Ethics Development within the Society

Figure 1 depicts the relation between family (as the sphere dominated by logic of love and gift), trust, responsibility and ethics as the ongoing process of ethics development in society that starts within the family. It can be explained as follows:

Learning to trust requires to be given what was promised first and to be trusted while being given. When one looks at every day of family life one recognizes this ongoing process. To be trusted is the first step to practice responsibility, because it demands that the one who trusts someone believes that he or she can responsibly administer and manage what he or she has. It also means that without ability to act responsibly one cannot put in practice the ethical system he or she believes in. Unless the trust is established no marriage and family formation is possible, because creating a stable community of parents and children requires the ability to recognize, choose and implement values with readiness to suffer the consequences. It also relates to formation of social institutions and organizations. No business enterprise can last unless its members are able to discern between different priorities and means, decide and accomplish what has been planned and bear responsibility for their actions.

Assuming, that when born we unable to keep the promises, then we have to develop this ability, because without it – no matter what walk of life one chooses – one cannot contribute anything of value, only the erosion of social fabric. It is also evident that this fundamental process cannot be realized individually and postponed until the school or college education begins. It starts from the first moments in life within the family relation between parents and children.

In economic terms we can say that to a large extent it is the family which creates supply for the ‘primary market’ of trust, responsibility and ethics while other social institutions and organizations - including business ones – create ‘secondary market’ where the value of the ‘offer’ can be increased but cannot be created from scratch.

To Understand Gift...

(...) if a business society is to survive it must develop an integrative system and integrative institutions, but the peculiar institutions of a business society (such as markets, corporations, banks, and so on), because they are essentially instrumental in character, are not capable of developing a powerful integrative system in themselves. If market institutions are to survive, therefore, they must be supplemented by a matrix of integrative institutions, such as the family, the church, the school, and the nation, which develop individual value systems based on love, self-sacrifice, identification with goals outside the person, and altruism (Boulding 1968, p. 236).

Very often we are told and taught – especially in economics – that there is no such thing as a proverbial free lunch. In spite of this, I posit that this statement has to be challenged and tested. Although exchange is important, I do believe that it is difficult to understand anything without a proper understanding of the category of gift.

The natural situation of human existence points at our primordial insufficiency, which demands something to be given in order

to make life possible. Our state of nature shows rather convincingly that we are not self-sufficient, what is more – we are in the state of need that we can not satisfy on our own. We enter this world not through our own efforts or intention – rather we are ‘invited’. We read in *Caritas in veritate*, that “sometimes modern man is wrongly convinced that he is the sole author of himself, his life and society. This is a presumption that follows from being selfishly closed in upon oneself, and it is a consequence – to express it in faith terms – of *original sin* (Benedict XVI 2009, § 34).

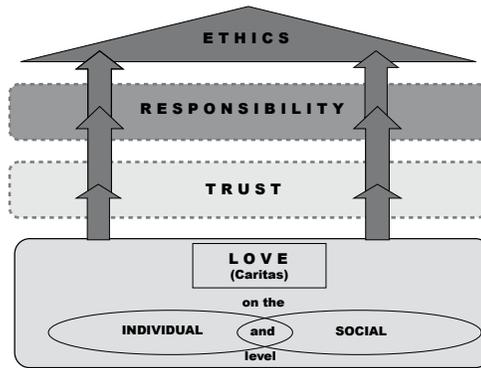
Gift can be defined as the natural foundation of human life and first step in developing human relations. The family appears to be the first environment where every human being experiences gift – learns to receive and to give. This may entitle us to say that the logic of gift is the logic of family life, because it demands certain atmosphere to become real and that atmosphere is love as the natural catalyst and necessary condition of this process. One of the good descriptions of the role of love in society is Michael Novak’s article *The Love That Moves the Sun* where we read:

One thing should perhaps be stressed about *caritas*. It is realistic. To love is to will the good of the other as other. To will, not what you wish for the other, nor what the other wishes, but the *real* good – which neither of you may yet recognize. Love is not sentimental, nor restful in illusions, but watchful, alert, and ready to follow evidence. It seeks the real as lungs crave air (Novak 2000, p. 100).

This role of love understood as unselfish gift in the development of human abilities that are the focus of this paper is shown in the following figure (Figure 2).

Even though the perspective described above may be convincing, still the understanding of gift may seem difficult. One of the reasons of this difficulty is the existence and observable extension of market logic in the society. Interesting insights into the problem of gift perception can be found in Luigino Bruni’s works. He writes, that:

Figure 2. Love as the Primary Inspiration in Ethics Development



gifts break the balance between social relationships, as they create an asymmetry that the human being, and absolutely the modern one, is not capable of handling for a long period of time. The unreciprocated gift is means for unbalance, disorder. Rather, human societies – even archaic ones and even though differently from modern ones – love symmetry: and so the explanation of the market’s great power, based on symmetrical exchange of equivalent values (or perceived as such) [Bruni 2009; see also Bruni 2008].

As we read here – a gift is a kind of challenge that demands answer. The analogy to Bruni’s position can be found in writings of the philosophers of dialogue at the end of nineteenth and throughout the twentieth century discussing this fundamental – somehow original – situation of man who enters the world and is ‘asked’ to give response to reality he encounters. This ‘question’ is an invitation to start a dialogue – a dialogue with ‘the other’ and ‘the world’ – and this is a man’s way of being in the world. This invitation – a call to give response – is the impulse for responsibility, and it leads us to development of the philosophy of responsibility².

² See for example works of Martin Buber, Eberhard Grisebach, Wilhelm Weischedel, Die-

This context of being called to reply, to respond draws our attention to gift again. It may seem that a man is forced to give response, to become responsible – to accept a gift. This – somehow dramatic – situation may become the impulse to react in a different way as we see it in Nietzsche’s writings. His ‘death of God’ creates the context, in which all the responsibility in the world is the man’s responsibility and he is left alone with this task. This seems an impossible burden to carry by a man and may be seen as the impulse to propose the figure of *Übermensch*, who decides to ‘wrestle’ with life and the world by himself. In the context of a gift we may say that *Übermensch* refuses to accept any gift and any giver.

There is of course the other way, which Western civilization, significantly inspired by Christianity, follows and proposes. It is the situation of a gift that is supported by grace, which allows a man to receive what s/he is given and implement it in her/his life. *Caritas in veritate* reminds us about this fundamental fact. We read there that “it is the primordial truth of God’s love, grace bestowed upon us, that opens our lives to gift and makes it possible to hope for a ‘development of the whole man and of all men’, to hope for progress ‘from less human conditions to those which are more human’, obtained by overcoming the difficulties that are inevitably encountered along the way” (Benedict XVI 2009, § 8).

With accepting a gift there comes acceptance of the logic it brings. It may be seen as the way of setting free an autonomous individual such as *Übermensch* – and somehow similar to him, from the point of view of reduced anthropology, *homo economicus* – from the burden of responsibility without mercy in the first case, and despair of scarcity in the latter. Borrowing terms from Bruni’s statement, we can say that the logic of gift is the key to unlock the symmetry of society, which – at least in some aspects – can be hopeless and helpless when facing different social challenges. As we read in *Caritas in veritate*, “(...) the logic of gift does not exclude justice, nor

does it merely sit alongside it as a second element added from without; on the other hand, economic, social and political development, if it is to be authentically human, needs to make room for the *principle of gratuitousness* as an expression of fraternity” (Benedict XVI 2009, § 34).

After explaining the nature of gift, I move next to discuss how experiencing and learning the logic of gift takes place in the family, which can be defined as the first and basic environment where human persons shape their awareness and skills in this sphere.

Family – from Trust to Responsibility

Before discussing how the concepts of trust and responsibility are shaped in the context of family, it is necessary to clarify the category of family, which is understood not uniformly in social sciences.

It can be said that during recent years we have witnessed a conflict over the understanding of human nature and human life. One of the front lines in this conflict is the ongoing battle over marriage and family. It is necessary to mention this as the stake in this struggle is the truth about the very basics of how we as people start our life and enter society. One may observe a paradoxical situation: some statements coming from social sciences tend to present a skeptical view of the idea that different forms of family life are not equally good. At the same time those who accept this approach would most likely maintain that their scientific inquiry is oriented towards discovering the truth.

The most complete vision of the family, in our view, is expressed in so called ‘traditional’ model of the family. It means that the foundation of a family is a stable marriage between a man and a woman. Family grows as children are born and spouses become parents. Through accomplishing various tasks family contributes to multidimensional development of society. That is why supporting family and presenting it as a model to follow can be defined as a first-rate social interest (see Buttiglione 2005, p. 228). It should be also re-

membered that all the proposals to build a society without stable family founded on the enduring marriage between a man and a woman are based on the vision that already has been exposed as false³. It should be stressed, that there is no equivalent alternative for the family (see Buttiglione 2005, p. 231). We believe that understanding of this can also be increased by explaining how family contributes to functioning of business and economy.

The unique role of family in preparing and forming persons for full participation in social life can be well observed in the process of trust development in the family. This 'mechanism' is discussed below according to Jennifer Roback Morse, who described this crucial phase of child rearing in her book *Love & Economics* (Roback Morse 2001).

As the role of trust in the business field is widely acknowledged, I find the contribution of Morse crucial in deepening our understanding of where does trust come from. Such deeper and more nuanced understanding of the roots of trust enables in turn fuller understanding of the meaning of family in market economy. Moreover, the contemporary crisis that has resulted in the lack of trust in economic and financial markets and institutions can be linked to crisis of family life, as it was observed by Ettore Gotti Tedeschi (see Zenit 2010). It means that the sphere of material reproduction of society depends on the family, which can be defined as the unique supplier of trust and other virtues necessary for the society and all its spheres including business. It seems especially important that economic instruments and relations can not serve and function properly without mutual confidence and trust, which are not goods or services that can be ordered and purchased in the market place. They can only be developed within human relations and such personal climate is necessary if they are expected to facilitate exchange in the long run. This is well described in *Caritas in veritate*, where one reads that

³ One of the examples is the case of decline of the Roman Empire when atomized family no longer performed its functions effectively which resulted in poor socialization of the citizens. See Zimmerman, C.C.: 2008, *Family and Civilization*, (ISI Books, Wilmington).

if the relations within the market domain are no longer founded on personal dimension, then market exchange does not result in social development. It means that “(...) if the market is governed solely by the principle of the equivalence in value of exchanged goods, it cannot produce the social cohesion that it requires in order to function well. *Without internal forms of solidarity and mutual trust, the market cannot completely fulfill its proper economic function.* And today it is this trust which has ceased to exist, and the loss of trust is a grave loss” (Benedict XVI 2009, § 35).

Now, we will concentrate on the family’s contribution to trust development. As Jennifer Roback Morse writes, “the infant’s life in the family lays the foundation for larger social institutions based on trust. Most children learn as infants to trust their parents” (Roback Morse 2001, p. 38). The author describes it in the following words:

The infant’s dependence on adults is more profound than his need to resolve his discomfort, for only adult can teach the child to trust. A child cannot become trusting all by himself, any more than he can hop out of the crib, open the refrigerator, and heat up a bottle of milk for himself. The baby cannot navigate through the cycle of trust without an adult partner (Roback Morse 2001, p. 33).

Later, children gradually learn to trust other people and gradually become mature members of society, which demands that the parents allow them to live more and more by themselves. It is obvious that the parents also need to learn to trust their children that they will get by on their own when they grow older. It is also evident, as Morse writes:

The ability and willingness to trust is intrinsic to our human nature – and to our survival. Indeed, trust is as deep a part of our human condition as is the self-centered impulse that economists spend so much time talking about. The satisfaction of the infant’s needs in a personal way leads to the development of trust and then to the capacity for reciprocity (Roback Morse 2001, p. 38).

Every day of the family life is the day of trust education. Morse gives the example of the smiling baby which is satisfied. This smile is a baby's gift for being safe, warm and fed. Through "this exchange of smiles for satisfactions, the child begins to learn the value of reciprocity, of give and take, in human relationships" (Roback Morse 2001, p. 38). In this context, the fact of a new child coming to this world can be presented as the fundamental experience of asymmetry – for the baby and for the people that surround him. We pointed at this question of symmetry as the kind of longing of human nature and asymmetry that the logic of gift introduces (using intuitions given by Bruni). Here we go back to this approach because it shows well the context that the trust develops in.

This picture of a new-born baby presents universal human experience, which points at the fundamental fact of helplessness, and Roback Morse writes, that it "may be the only truly universal human experience, since no one can avoid passing through infancy" (Roback Morse 2001, p. 25). What is important, the fact of helplessness – although characteristic to infancy and childhood – is not reserved to these stages of human life and is experienced at different age and in various situations. It means that asymmetry is a part of our life as well as symmetry is. Helplessness – accompanied by neediness – shows that we never have full control over our own and other people's lives. This dependence can be seen as natural context of trust necessity.

Coming back to this trust development process we can say that it is based on keeping promises and gifts. The picture of child crying for help confirms two fundamental aspects we have just discussed: helplessness and neediness. There are two results if child's needs are met – it is the satisfaction and the capacity to trust. If the child had experienced that there was reaction to his call for help, he has learned that this is the effective way of getting satisfaction. Such continuing process of expressing needs and satisfying them by parents leads to trust development. The important aspect of this process is attachment, which means that the child expects that the help will

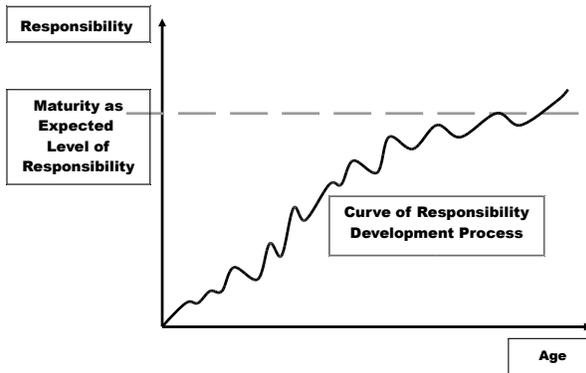
come not from any adult, but from the special one. It means that the foundation for trust is the attachment, which comes from love as the will to be with the child, to share own time and life with him. This process has its logic and stages. With care that parents manifest for the baby, they teach him that his needs will be satisfied. The response that adults give is the signal that tells a baby that it is good to trust. As time goes by the child develops less anxious attitude because he knows that parents will answer to his call. A baby also learns that interaction can be satisfying not only in terms of bodily appetites. The experience tells him that the atmosphere of knowing that mom and dad are there to answer can be the source of joy and comfort. The relations become the source of pleasure for the child and create environment for development of more mature attitude towards parents and others. This includes love, as a deeper kind of attachment (see Roback Morse 2001, p. 37).

In this, way we see that there is a fundamental relation between family life and trust development. It can be said that the society benefits from everyday care that parents take of their children. It is essential that we see this link, for no society can function properly without trust. It can be observed historically, and as Roback Morse writes, at the roots of European banking system we find activities of trading families and religious orders, which developed this part of economy between the eleventh and thirteenth century. In such and similar ways these networks of trust extended throughout Europe and other parts of the world, contributing to economic development that we now benefit from (see Roback Morse 2001, pp. 45–6).

After the description of trust development, it is worth to turn to responsibility. Although already discussed, we analyze here why it is the family where responsibility is most likely to develop starting from the starting years of human life.

To facilitate the analysis we propose the ‘Responsibility Development Process’ represented graphically in Figure 3, as an attempt to visualize the repetitive nature of how we learn this crucial skill.

Figure 3. Responsibility Development Process



Although the curve which presents the ‘Responsibility Development Process’ (RDP) is a stylized depiction of functional relationship,, it expresses the essence of how a person learns and adopts responsible attitude. The true shape of the curve for every human is somewhat unique and to some extent unpredictable.

As shown in Figure 3, this process has its ‘ups’ and ‘downs’: some achievements are lost and some lessons need to be repeated in order to make progress. When it comes to the dips of the curve, which represent the failures of responsibility development, they indicate immaturity of the person. In such circumstances his or hers weakness demands the responsible reaction of the other person. In family this happens continuously and somehow naturally in the long run, also because family relations are the *longue duree* in character. The everyday interaction between parents and child (or children) is an ongoing cycle of actions undertaken individually or collectively. The important aspect of these operations and co-operations is the asymmetry between those engaged. In such situation the necessity of responsibility of those more mature for the weaker is obvious.

The curve reaches certain level which is described as ‘Maturity as Expected Level of Responsibility’ and it happens (or is expected to happen) for most of the people at some age or moment in life, which society defines as such. Then a person’s performance and behavior stabilize although there also happen ‘downs’ which means that we are never ‘irresponsibility-proof’. Although this fact may not be eagerly accepted, paradoxically it may be helpful in understanding those who are at an earlier stage of RDP. In the context of the family it may help a parent understand the lack of responsibility in a child and better understand the continuous nature of RDP.

In Scarcity or Abundance... We Trust?

Last years – including times of financial and economic crisis – were witness to events that may strengthen pessimistic vision of reality. Using economic language – it is not easy not to believe in scarcity. As the authors of *Habits of the Heart* write:

More and more of us doubt whether we can trust our institutions, our elected officials, our neighbors, or even our ability to live up to our own expectations for our lives. And anxiety is always close to the surface, a haunting fear that things have somehow gone wrong. For many Americans, these fears come to a head in worries about crime, moral decline, and the deepening divides of income and opportunity. There is a gnawing uncertainty about the future of our jobs, of adequate income, and of our family life, especially our children’s welfare (Bellah et al 1996, p. VII).

In consequence, the possible good that may be accomplished is endangered, because behind these fears people discover that global economic growth does not automatically lead to increase in opportunities but may result in ‘downsizing’, ‘re-engineering’ and unemployment as well (see Bellah et al 1996, p. VII).

In this context, reinvention of the logic of gift and *caritas* as the foundation of social order may be crucial as the alternative remedy

for the crisis. Moreover, this approach introduces abundance instead of scarcity as the horizon of human actions (see Alford et al 2006).

The scarcity paradigm is important in our discussion as it dominates contemporary economics. Although it is useful to some extent, it should be limited to thinking of material elements and aspects of economic activity. It is known that economic activity, as one of many social activities, involves all of human person, which is far more than physical being. Unfortunately, this way of thinking nowadays does not seem to determine the economic thinking and can be associated with Social Darwinism. One of the authors who discussed this issue is Stephen Young who wrote, that:

(...) much of the harshness of some capitalist orders and some of capitalists flows directly from their values of elevating self over others, a form of Social Darwinism. I argue in my book that any such system of brute capitalism is wrong, does not create maximum wealth for society, and should be shunned by well-meaning and right-thinking people. It is only version of capitalism. Our challenge is to build a better version of capitalism, one that spreads its advantages throughout society (Young 2006, p. 2).

In the context of economy, Social Darwinism takes us back to the situation of a 'zero-sum game' that humanity managed to overcome and it means that people have learned to cope with scarcity. If the story of Adam and Eve can teach us something then we should remember that the exile from Eden was not equal to the destruction of the garden of abundance. In this context, the situation before the original sin can be defined as the life according to the logic of gift. In *Caritas in veritate* we read that "gift by its nature goes beyond merit, its rule is that of superabundance. It takes first place in our souls as a sign of God's presence in us, a sign of what he expects from us" (Benedict XVI 2009, § 34).

There is of course tension between the perspective of scarcity and the perspective of abundance. The dilemma that comes from it

can be described as follows: is it better to agree to scarcity and keep control over it, or is it better to agree to abundance, but accept that we are not in full control of it.

As it was shown already – using Morse’s contribution – the universal experience of neediness, helplessness and immaturity that is not only limited to infancy, is the argument against the first alternative and it means that the real solution comes with the second vision. It can be summarized by saying that the complete picture consists of ‘human scarcity’ and ‘supernatural abundance’. In this perspective the gift appears to be the link between these two spheres. What’s more, it is the link that is necessary for ‘human scarcity’ to be crossed, and for human person and society to flourish.

Logic of Gift and Logic of Contract

A society which devotes a disproportionate amount of its life and energy to the exchange system may find this system eventually undermined. (...) The problem of society, like so many other problems, is a problem of finding the right proportions. Disproportionate emphasis on either the coercive systems, the market system, or the integrative system is likely to result in a corruption of the moral life and the eventual disintegration of the society (Boulding 1968, 236–7).

Arguably, the view that the logic of gift is less effective than the logic of contract is dominant in public sphere. What seems to be included in this view is the assumption that these two logics are in opposition and somehow should compete. Yet, a different interpretation can be offered. These two logics are in fact not opposite but may be seen as complementary just as the family and economy should not be seen as rivals or enemies. This is well understood by Bruni, who writes that “(...) contracts (self-interested exchange) and mutual gift are surely two different forms of reciprocity, but these are both forms of reciprocity that are essential in a good society” (Bruni 2008, p. X).

Some may argue that a gift may be nothing more than the end of social symmetry and a complication of exchange. However, it is truth that at the same time the facts of helplessness and immaturity, which are characteristic to certain stages of human life or situations, are impossible to ignore. It means that expecting that the society will function only in symmetric way is utopian. Another proposal – to use logic of contract in both cases of symmetric and asymmetric situations – has to be scrutinized. The use of logic as an arbitration mechanism seems to be tempting because the relative simplicity of the market mechanism of contract may be seen as the easiest way to resolve problems. In this case, however, we should remember – as Buttiglione writes – that “the contract is possible only in the situation of relative balance” (Buttiglione 2005, p. 349). We know that this is not always the case and it means that the logic of contract has its limits and may become disruptive if implemented uncritically. What is interesting, is the question of the possibility of implementing the logic of gift in the market sphere. The answer to this question may be based on the rationale that if we reserve or limit the logic of contracts to market activity, then we should not try to use the logic of gift in market transactions. Such separation of the logic of contract from the logic of gifts seems to predominate in contemporary thinking on the subject. The argument against it is the fact that the logic of gift precedes the logic of contract. What is more, the gift can be defined as *conditio sine qua non* of any economic exchange. Also market – as the field where the members of society satisfy part of their human needs – does not cancel the social and immaterial aspects of their actions. We can find support for this approach in *Caritas in veritate*, where we read that “the great challenge before us (...) is to demonstrate, in thinking and behaviour, not only that traditional principles of social ethics like transparency, honesty and responsibility cannot be ignored or attenuated, but also that in *commercial relationships* the *principle of gratuitousness* and the logic of gift as an expression of fraternity can and must *find their place within normal economic activity*. This is a human demand

at the present time, but it is also demanded by economic logic” (Benedict XVI 2009, § 36).

This approach is supported by Bruni who presents opinions of Genovesi, who in turn spoke of fraternity and friendship within the market:

Genovesi places friendship within the dynamics of civil society, comprising the market. On the contrary, it has been noticed earlier that Smith and the economic tradition inaugurated by him do not regard friendship as an economic category. From the Smithian perspective, friendship is a chosen private relation amongst specific individuals that are tied by affective bonds, while trust (in the form the market requires) is impersonal and grounded in interests rather than affections or sentiments. Such a distinction is rejected by Genovesi. His anthropological conception gives rise to a theory in which the person is conceived as a creature naturally tuned to interpersonal relationships and carrying an intrinsic desire that underlies any form of human cooperation (Bruni 2008, pp. 19–20).

The logic of gift – as we have already shown – demands trust, and where there is no trust there are less comfortable conditions for development. The authors of *Habits of the Heart* ask and suggest a possible answer corresponding with the question we discuss: “why are we paying a higher cost, as a society, for economic change? Is this high cost related to the decline of trust and confidence?” (Bellah et al 1996, p. VIII).

The question asked above draws our attention to the problem of balance between the two logics we discuss. If the family declines, the supply of trust and logic of gift shrinks and the logic of contract starts to dominate. Taking into consideration what we have already discussed – showing the family as a kind of catalyst for the market process – it is justified to say that poor family life results in poor performance of the market system.

In the contemporary theory of economy we find as one of the basic assumptions that there are no ‘free meals’. This may lead to conclusion that there is no place for gift in economic activity. But if

we look at the very beginning of any trade or production we must be surprised by the fundamental riddle: ‘where do we get first goods from?’ Obviously we were given, and this gift was the beginning of everything. This ‘mystery’ is profoundly expressed in the beginning of the Gospel of Saint John, where we read:

In the beginning was the Word: the Word was with God and the Word was God. He was with God in the beginning. Through him all the things came into being, not one thing came into being except through him. (...) Indeed, from his fullness we have, all of us, received – one gift replacing another, for the Law was given through Moses, grace and truth have come through Jesus Christ (J 1, 1–3; 16–17)⁴.

Even though someone may not accept the Christian explanation of the creation, it is difficult to deny something that can be called ‘natural order’, which means that gift comes first – before transaction. This fact shows that there is no equality or full interchangeability between the logic of transaction and logic of gift and that there must be some good given in the beginning, if we want to think about exchanging goods at all. In this perspective a gift can be seen as the indispensable impulse to a transaction. Following this path of thinking we can understand why a family must come first before market – and historically it is visible. We can generalize it also in a different way: a family without a market will manage (although a market is a very helpful institution), but a market without a family has no chance. It does not mean that we should abandon market at all. As Buttiglione writes – the existence of a society without market is impossible because this situation would lead to absorption of a person by a collective. Also the existence of a society consisting only of the market is not possible because this would result in lack of gift and logic that it brings. In the society dominated by market – although there is a place for individual good – the space for common good is missing, and it means that the society faces disintegration.

⁴ Cited from *The New Jerusalem Bible*, 1990.

Family and 'Soft Skills'

In this section we propose to analyze one more aspect of the role that the family plays in the context of economic activity. It is connected with the fundamental function of socialization that a family performs. It means that the new members of society 'arrive' through family, which prepares them to fulfill different roles. As it was already stressed, the family appears to be the first form of social life that a baby encounters, and it is there where he experiences love, learns the meaning of relation, trust, cooperation, responsibility and other values necessary in life. It is also important to understand that every member of the family – parents as well as children – is involved in this process and can benefit from it.

Although it may be obvious, it seems necessary to briefly discuss some basic facts related to family and 'soft skills' in the field of business. They are defined as 'interpersonal skills', or 'people skills' and include communication skills, conflict resolution and negotiation, personal effectiveness, creative problem solving, strategic thinking and team building. More and more often economic organizations understand that their competitive advantage depends greatly on the ability to adjust their activity to changing conditions in the marketplace. The most important factor making this adjustment possible is the potential of the employees to initiate actions (which demands e.g. trust and responsibility) and cooperate within their team. The result of this awareness is growing popularity of 'soft skills' trainings.

In this context it is important to remember that a well-functioning family is the best school of 'soft skills'. It has to be said that no growth in these skills is possible unless a family develops and it means that it is open to change. The fundamental aspect of this attitude is the openness to the gift of life, which is stressed in *Caritas in veritate* and understood there as the factor seriously influencing current economic situation. We read there:

The decline in births, falling at times beneath the so-called “replacement level”, also puts a strain on social welfare systems, increases their cost, eats into savings and hence the financial resources needed for investment, reduces the availability of qualified labourers, and narrows the “brain pool” upon which nations can draw for their needs. Furthermore, smaller and at times miniscule families run the risk of impoverishing social relations, and failing to ensure effective forms of solidarity (Benedict XVI 2009, § 44).

It means that a corporation, which is interested in developing its employees’ ‘soft skills’ should respect and protect their family life in the first place. This approach should also lead to significant financial results. A company instead of spending money on hiring ‘soft skills’ trainers and paying for external services oriented towards ‘soft skills’ development should let the employees participate in their everyday family life. Moreover, trainings organized on workdays may cause the breaks in the company’s work, and trainings carried out on Saturdays and Sundays automatically prevent employees from developing their ‘soft skills’ within the family, which is the most natural environment for this purpose.

In this context it is worth to mention that this area of research is still waiting for exploration. In the article written by Domenec Mele we read that “until now, very little attention has been given to the study of the relationship between the organization of work in the company and the family rights and duties of the employee” although – this author states – that “businessmen are well aware of the marked relationship between family affairs of employees and their behavior in the company” (Mele 2002, 489). This second opinion raises question if this awareness is transformed into real decisions and actions.

The remarks made in the same article by Domenec Mele about the influence of working environment on the unity of marriage and stability of family life are important not only from the perspective of performing marital and parental duties by the members of organization but also from the point of view of the involvement – not

only of its employees – but also customers, investors, distributors and contractors. If business leaders do not pay attention to the question of harmony between the work environment and family life they risk contributing the development of the image of business as ‘anti-marriage’ and ‘anti-family’. This will certainly result in decreasing trust towards economic institutions and will influence the behavior of employees, customers and other parties involved. In such context the reaction of those who work for or purchase from the organization which treats family life irresponsibly may be the lack of responsibility in their attitude.

Conclusion

(...) if the market is to be stable and fruitful institution in society it must be hedged around with other institutions of a non-market character – the home and the school and the church. For here and only here can the *motive* of responsibility develop (Boulding 1968, 218).

Here we come to the end of our reflection on the role that a family plays in society and its economy in the context of gift, trust and responsibility. The fundamental importance of family life should be then confirmed by business ethics. The ‘family lesson’ – as it can be called – should be seen as the fundamental chapter of our economic knowledge. First of all, because it shows the nature of human person as someone whose life starts from the gift. It is in the family where we learn that in order to give something we have to be given something first. The same is with trust: we need someone who was given the lesson of trust and has already learned it, so we can learn it from him or her. In this context we think that it is justified to call a family the elementary school of gift, trust and responsibility.

It is important to remember, that this necessity of gift is not limited only to babies. The experience of neediness and helplessness – although so characteristic of infancy – is in fact common to all stages of human life, although not in the same way. It means that

when we become mature members of society and economic actors we are not radically different then when we were in childhood. This has to be embraced by our economic theories if we expect them to serve us well. It means that they should start their analysis from a solid foundation about human person. It is well expressed by Jennifer Roback Morse, who writes, that:

Societies do much better if they face facts rather than ignore them. In particular, political philosophies and their accompanying social philosophies need to address the limits of human power. We are all completely incapacitated in infancy, and even adults at the height of their capacities are far from omnipotent. If philosophies and the societies built around them ignore either of these truths of human helplessness, negative consequences will follow (Roback Morse 2001, p. 27; see also p. 28).

We do think that it is important that those engaged in business ethics seriously examine the place of family in their discipline and make sure that all that we know about family's contribution to business and market mechanism is clearly expressed. Business ethics should remind those engaged in business activity – or preparing to enter this field of activity – of the fact that a family is a real foundation of every society.

This truth about human embeddedness in a family gives business ethics valuable criteria for evaluation of business dilemmas. In discovering the needs of the customer business should accept true assumptions about human nature and human life. Fundamental part of them is the truth about family and its role in personal and social development. Therefore, merchandise and services – offered and sold – which are not servile to human well-being and development should not be called goods (see Davidson and Larrivee 2006). This also means that family values – somehow universal as universal the experience of family is – may serve not only as helpful but also necessary criteria for creating morally adequate and economically sound identity of business enterprise.

If family – as it has been argued here – mediates between a person and society, it can be defined as necessary ‘interface’ for the development of all the social spheres and the ‘missing link’ in contemporary efforts to harmonize business and other parts of society for the common good. In this context it is justified, in our opinion, to define family as an elementary business school where present and future entrepreneurs, innovators, leaders, employees, customers and investors grow and learn priceless lessons of gift, trust, responsibility and ethics.

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