Summary. The article explores the interactions between the family and the market in the context of the happiness and tensions that exist between these two social institutions. The analysis undertaken here also stresses the importance of culture, understood as the norms, values and beliefs which are important for a wide range of actions and processes within a society, and treats it as a useful perspective for the explanation of complex socio-economic phenomena. Firstly, the nature and mutual dependence of these two spheres is characterized in order to highlight that the desired social order cannot function without any of them. In this respect the article also aims to explain the role that the family plays in society and the happiness achieved by its members. At the same time, it is stressed that the proper functioning of society depends largely on the vision of a man that a given society accepts. By doing this, the limitations of the anthropological assumptions of the dominant neoclassical economics are indicated and discussed. Secondly, the article shows how the family dimension of human life – social in its nature – is intrinsically connected with the issue of happiness. It is important to stress this because to a large extent happiness in economics and different happiness indices seem to limit their analyses to subjective individual well-being. Finally, the article states that although market and family are to an extent complementary, the proper socio-cultural hierarchy and policies based on it should stress the priority of the latter. Evidence of different kinds for such a standpoint is subsequently presented. In the end, the categories of ‘social’ and ‘human’ capital and their correlation is engaged to improve understanding of the fact that a well-functioning family is a necessary condition for the development and long-term flourishing of the market.

Keywords: market, family, happiness, culture, society

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Introduction

In the following paper I will discuss the relationship between the family and the market in the context of happiness and the common good that both these institutions contribute to. In order to accomplish this task, it is necessary to describe this interaction from the perspective of social life and the context of culture. Thus, the purpose of this paper is to describe the conditions under which cooperation between the family and the market brings the best results to human societies. The expression I have just used is very important in helping to understand that the proper functioning of society depends largely on the vision of a human being that a given society accepts.

The link between a well-functioning family and a healthy market is discussed – although not too widely in my opinion – from the perspective of the contemporary crisis. The demographic situation of the Western world shows that the role that a family plays in society is not understood well enough. There are those who blame the market economy for this situation. This – in my opinion – is an explanation that does not reach the real source of the problem. That is why we agree here with Nick Schulz who writes, that “[...] purely economic explanations for the changes in marriage and birth patterns will get us only a little way in the face of the dramatic scope of changes that have occurred.”

In my opinion, the current challenges in the analyzed area are somehow connected with the accepted vision of a human being. This means that one has to consider the anthropological assumptions that shape and constitute the currently dominant culture, which paradoxically does not increase the possibility of becoming happy in the context of current civilization. I say that under the assumption that societies which are happy – satisfied with the life they live – want to share this life with others. In this case these “others” are the generations to come, which naturally continue the existence of a society. If the contemporary Western world does not reproduce in demographic terms – and this means to ‘give’ life – it means that the level of happiness must probably be low, assuming that one of the strongest instincts is the one to sustain the existence of the species. This also proves that the most comprehensive explanations of this situation need to engage the cultural perspective, which is indirectly expressed by Goldman, who writes while commenting on

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Western demographic trends, that “without the hope of immortality we cannot bear mortality. Cultures that have lost the hope of immortality also lose the will to live. Culture is the stuff out of which we weave the perception of immortality.”

In the following paper I will try to explain the background to this situation. It is in the basic assumptions and values that a given society accepts that one should look for the answer. This attempt is supported by the belief that the well-being of a society demands both the family and the market, which are based on a proper vision of the human being. If this foundation is missing, institutions no longer function for the common good of all society members.

One of the things I will discuss is the relationship between “human capital” and “social capital.” Although they are popular categories nowadays, I think it is worth examining them to find out whether they really deepen our understanding of reality. The main problem I want to concentrate on is the relationship between these two “capitals” that paradoxically may be in conflict. Introducing the category of the family may also be useful for a better exploration of these fields.

Another thing I will try to analyze is the paradigm that markets follow. Although the evidence that people living in marriages – which is the first step in the formation of a family – are happier is clear and well documented, we can still observe the promotion of the individualistic vision of the good life, which was paraphrased in the title as “happy alone.” This draws our attention to the economy and the dominating paradigm that shapes the markets we have. This consists (mainly) of utilitarian and individualistic values and forms a kind of “cultural and philosophical DNA” which is encoded e.g. in the homo oeconomicus model who is certainly far from being what we would call a “family-man.” The examined solution to the current problems of the unhappy world of the twenty-first century is to look at our nature, which we receive as gift. The family is a fundamental element of this. Without respecting the fact of our entering society through the family – this fundamental primary group, according to Cooley – it seems really hard to achieve happiness and to build a happy society. These and some other issues such as reciprocity, trust, the logic of the gift and the logic of the contract will be discussed in this paper.

**Homo Individualis or Homo Familiaris?**

To begin the reflection on the relationship between the family, the market and happiness, it is worth analyzing the nature of human beings in order to properly diagnose the problems which are present in this field of social actions that we are interested

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The concept of the human being as an individual is popular and influential in the sphere of economics, which nowadays seems to still be influenced by the Neoclassical approach. This perspective – according to the economist Julie Nelson – assumes that “the subject of the economist’s model world is an individual who is self-interested, autonomous, rational, and whose active choices are the focus of interest, as opposed to one who would be social, other-interested, dependent, emotional, and directed by an intrinsic nature.”5 This difference in understanding human nature is present in the opposition between *homo oeconomicus* and *homo sociooeconomicus*. The first is the subject a growing critique and second is presented as the rightful successor.6

One part of the problem that should also be discussed is the status of the dominating concept of the human being. *Homo oeconomicus* is presented – and also defended – as the theoretical reduction of the real man acting economically. This means that, as such, he should be treated with limited significance as a scientific explanation. The problem that should be stressed here is that those who learn and hear about *homo oeconomicus* – in my opinion – too rarely remember that it is merely a theoretical figure and not a real human being of flesh and bone. This is a serious factor that influences the practical consequences of – what can be called – the unlimited application of the limited concept.

The dominant vision of a human being in Neoclassical Economic Theory is – as was already signaled – individualistic. This aspect may seem so obvious and natural for our culture that it goes unnoticed that *homo individualis* is a figure hardly known and recognized by ancient philosophy and society.7 Interesting comments on this issue can be found in Norbert Elias’ *Society of Individuals*. He writes, that “[...] there was no equivalent to the concept “individual” in ancient languages. At the stage of the Athenian and Roman republics, the fact of belonging to a family, or a tribe or state, played an inalienable role in the image of man. [...] The negative undertones of the Greek term *idiotes* give us an idea of what the Greeks of the classical age thought of someone who played no part in the public affairs of the state. In the spectrum of

7 “Modern individualism emerged out of the struggle against monarchical and aristocratic authority that seemed arbitrary and oppressive to citizens prepared to assert the right to govern themselves. In that struggle, classical political philosophy and biblical religion were important cultural resources. Classical republicanism evoked an image of the active citizen contributing to the public good and Reformation Christianity, in both Puritan and sectarian forms, inspired a notion of government based on the voluntary participation of individuals.” R. N. Bellah, R. Madsen, W. M. Sullivan, A. Swindler, S. M. Tipton, *Habits of the Heart: Individualism and Commitment in American Life*, Berkeley 1996, p. 142.
meanings encompassed by this term, we find rough equivalents of our terms “private person” or “layman,” as well as meanings like “crank,” “ignoramus” or “fool.” The Latin word *persona* might seem like an equivalent of the modern “individual,” but the Latin concept has nothing like the same high level of generality or synthesis as the current terms “person” or “individual.” [...] The group identity of the single person, his we-, you- or they-identity, played a much too important role to give rise to a need for any universal concept for the single person as a quasi-groupless entity.8

Nowadays, we live in a culture that – in a way – naturally understands the human being as an individual9. It is evident in the sphere of economic activity which is the subject to our analysis. Even though Adam Smith stressed the role of the family in human life and its importance as the benchmark for human action, the economic man – so often associated with Smith – does not seem to be regarded as a “family man.”

It is worth reminding ourselves that the call for revision of the individualistic vision of the human being is not a new one, although it was and still is rarely heard publicly. Firstly, it has the form of a critique of the concept of *homo oeconomicus* and a proposal to replace him with *homo sociooeconomicus*.10 Recently, in the social sciences, we can observe a turn of this kind. Secondly, the proposal to abandon the individualistic paradigm in economics is formulated. This was already expressed in the middle of the twentieth century. In 1952, Gerhard Mackenroth, who was discussing the issue of social reform, demanded that the individualistic paradigm be replaced by *familial paradigm*. It was – in his opinion – an essential and necessary socio-political task of the twentieth century to counterbalance the costs paid by families11. In fact, these two intellectual initiatives are complementary because the social nature of man is tightly linked and expressed originally in the family.

9  “[...] our society is characterized as a “society of individuals.” This society of individuals bears in itself the dialectic tension between freedom and coercion to freedom. One of the consequences of pluralization of value systems or ethics is the individual being free to choose his standards of value guiding his decisions and actions. [...] Let us look now to the “placeless man” representing a specific type of “postmodern” individualism. What does it mean to speak about man as “placeless man”? The human being who has first lost his ties to traditions in religion, philosophy and science and to traditional social and political institutions is now losing his ties to places and time. Nowadays I see the image of a “placeless man” ("ortloser Mensch") who is losing his ties to places in an anthropological sense, that means places which are the quintessence of cultures localized in space and time. Travelers on the highways or per plane, millions of refugees in transit campos, the participants in virtual communities are representing “placeless men” in this sense.” M. Strasser, *The Image of Man*, in *Legal Philosophy: General Aspects*, eds M. Troper, A. Verza, Stuttgart 2002, p. 16.
10  E. J. O’Boyle, *Requiem for...*
Another reason for rejecting *homo individualis* is reciprocity, which is described as a powerful motivator of human behaviour and a means of norm enforcement. As Fehr and Gächter write, “reciprocity provides a key mechanism for the enforcement of social norms. In view of this fact, most social relations in neighborhoods, families and work places are not governed by explicit agreements but by social norms. The role of reciprocity as a norm enforcement device is perhaps its most important function.”12 According to Bruni, the ability to activate different forms of reciprocity is the condition of the development of a civilization.13

Another argument supporting our reciprocal nature can be found in the idea of the division of labour, which is impossible without mutual interaction and cooperation. It was Adam Smith who saw there the source of economic development.14

This all means that besides *homo oeconomicus* there is also *homo reciprocans*, and that supports the concept of *homo sociooeconomicus* and *homo familiaris*. It is then justified to define human beings as “family beings,” because it shows the foundation from which everything takes its beginning and on which the society is built.15

When it comes to consequences that the individual paradigm has on the condition of society – and the family as the “smallest society” within it – it has to be underlined that recently a lot of criticism has been expressed. Individualism is blamed for decreasing civic involvement. When it comes to the family, it is no longer perceived as a public institution – as the subject of rights and duties, but is regarded as merely a private matter. This is connected with the fact that the modern state relates to citi-

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14 “The greatest improvement in the productive powers of labour, and the greater part of the skill, dexterity, and judgment with which it is any where directed, or applied, seem to have been the effects of the division of labour.” A. Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, “MetaLibri Digital Library” vol. 8, 2007, pp. 133, 350.
15 “To be human, then, is to be born into a family, and it is only by living in a family that we are capable of becoming good neighbors and citizens. Men in isolation become monsters or lose all contact with reality, and children deprived of the affectionate care of parents rarely develop into responsible citizens. This seems obvious enough, and I might stop here if it were not for all the social theorists who have tried to imagine a time in history before there was a family. In fact, the evidence of anthropology reveals that there is no such animal. The human species might be called not Homo sapiens (so few of us are wise) but Homo familiaris. Every enduring society that has been studied (I am not including prisons, college campuses, or the European Parliament) has a recognizable marriage structure based on the natural differences between men and women and a family structure whose object is the care of children.” T. Fleming, *The Natural Family*, in Remarks to *The World Congress of Families*, Prague 1997.
zens not understood as members of families, but as individuals.\textsuperscript{16} It also means that the state takes over many functions once performed by the family.\textsuperscript{17}

This negative influence of individualism can be better understood when analyzed through a personalistic perspective. According to Mejos, who presents the contribution of Karol Wojtyła, “individualism is a system that puts high emphasis on the individuality of persons. Individualism arises from a lack in the person. Wojtyła says that individualism sees in the individual the supreme and fundamental good, to which all interests of the community or the society have to be subordinated. Individualism isolates the person from others as an individual who concentrates on himself and on his own goods. As priority is given to individual goods, individualism also considers community goods as a threat to the individual. Other people are sources of limitation and ultimately present conflict. In individualism, what exists are merely individuals who are acting on their own apart from others. In this setup, there is no sense of fulfillment to be found in forming a community where people can experience themselves acting together with others.”\textsuperscript{18}

To conclude this part, it is also worth engaging the cultural perspective through which one can better understand the social nature of human beings. The very notion of culture introduces a relational viewpoint because it is collective in nature. This distinction is well explained by Geert Hofstede who shows that while ‘personality’ is characteristic of an individual, ‘culture’ is something that is specific to a group and it is not possible for culture to develop and exist completely on an individual level.\textsuperscript{19}

\section*{Happiness and Family}

This part of my paper is an attempt to reflect on the link between happiness and the familial nature of man. Here, we need to mention the differences in definitions of the word “happiness.” In the field of happiness, economics “happiness” is understood as subjective well-being, which “is the scientific term used in psychology for an individual’s evaluation of the extent to which he or she experiences positive and negative affect, happiness, or satisfaction with life,”\textsuperscript{20} and “as such, it should not be confused

\textsuperscript{16} N. Elias, \textit{The Society of Individuals}, p. 181.
\textsuperscript{17} Ibidem, p. 205.
\textsuperscript{18} D.E.A. Mejos, \textit{Against Alienation: Karol Wojtyła’s Theory of Participation}, “Kritikē” vol. 1, no. 1, 2007, p. 76.
with either pleasure or normative conceptions of ‘true’ happiness.”\textsuperscript{21} This means that it is not certain if the economics of happiness addresses the question of the family properly and fully. The reason for this is that it still follows the individual paradigm of neoclassical economic theory. It is a dilemma of course, whether to help economics embrace the non-material (non-tangible) aspects of human life and do this by using its “individualistic” language,\textsuperscript{22} or to refuse to accept the individualistic paradigm which leaves behind serious aspects of human nature. The difference between the interpersonal nature of human happiness and the theoretical assumption of individual happiness for the sake of empirical research should not be omitted.

It seems that this problem is also present in case of different happiness indices such as OECD Better Life Index, Social Progress Index, Happy Planet Index, Human Development Index or Bhutan Gross National Happiness Index. It is not sure whether family as important happiness influencing factor is properly captured and considered there. It seems that most of them concentrate merely on subjective individual opinion what to some extent may be justified by methodological limitations which mean that conducting deeper analysis of the quality of interpersonal interactions within a family and its real influence on personal happiness is difficult and demanding.

This has implications when it comes to the nature of the family as an institution which is not only the matter of subjective choices and preferences, but also has its own logic and objective character. If human nature is social (which includes the family dimension), it means that human happiness is never strictly individual. That is why, in order to be happy and be a human being, that the accomplishment of individual happiness is only possible within society – therefore, one cannot be alone and be happy. This aspect of human nature is well visible in the familial nature of human kind. No human being ever – except Adam and Eve according to the Biblical story – was born only through his individual decision or effort. This simple and universal lesson that every human being experiences tells us that our humaneness can not be realized individually. We need the other human – the community – to live. While describing the human condition and the role of human action, Hannah Arendt puts it this way: “action, the only activity that goes on directly between men without the intermediary of things or matter, corresponds to the human condition of plurality, to the fact that men, not man, live on the earth and inhabit the world. [...] Thus the language of the Romans [...] used the words ‘to live’ and ‘to be among men’ (\textit{inter hominess esse}) or ‘to die’ and ‘to cease to be among men’ (\textit{inter hominess esse desinere}) as synonyms.”\textsuperscript{22}

This "plural" nature of the human being is confirmed by the limits of one's existence. This can be clearly understood when we look at what is commonly called "individual achievements." In fact, they are never possible without the support of others, which of course does not cancel out the efforts, entrepreneurship and perseverance of an individual.

From this perspective, the family can be seen as the model of the "cooperative" nature of human kind. There is no single life of a child without the lives of its parents, and this means that human existence is always co-existence. Analogically, happiness is what develops not only within a person but between persons as well.

This is well understood when we look at it through the process of participation. This is defined as "the ability of the person to exist and act together with others without losing oneself. [...] Participation allows the realization of oneself as well as the realization of the community." 23 It appears to be the way of maximizing one's potential which can be compared to achieving happiness. According to Mejos, it is evident within the family, where each of its members is irreplaceable as a unique individual who is different and thus has a different task to fulfill. What is important is that, "all of these tasks contribute to the growth and development not only of its members but also of the group (the family) as a whole." 24 In the end, participation allows the accomplishment of individual happiness without alienation, which happens to be the consequence of individualism, which fosters it.25

Interestingly, this relationship between an individual and a society is described by Norbert Elias when he discusses the process of identity creation connected with giving names to children. Through this process, which in state-societies is formally regulated, Elias shows that there is no I-identity without we-identity. He writes, that "in such societies, the most elementary answer to the question of an individual's I-identity, the question 'Who am I?', is the name-symbol in which he or she is registered at birth. [...] this kind of name, with its two components the forename and the surname, indicates a person both as a unique individual and as a member of a particular group, his or her family." 26 Such construction of the name serves – according to Elias – as a calling card, and proves "how indissoluble a person's existence as an individual being is from his or her existence as a social being." 27

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24 Ibidem, p. 81.
25 Ibidem, p. 76.
27 Ibidem.
Family and Market – Cooperation or Competition

Speaking economic language, we can say that the family and the market compete for the time, energy and attention of an individual. In fact, both these spheres of human activity are not rivals as they are mutually necessary, which does not mean that they are equal. It has to be remembered – after Cooley – that the family is defined as the primary group, which means that it is prior to the market. This is evident, even in merely biological terms, because it is in the family where new members of society – and potential market actors – are born. From this point of view, it has to be said that no happiness can be accomplished – and therefore analyzed – unless a marriage conceives a child. In consequence, the life that a man gets through the family is the *conditio sine qua non* of the well-being of an individual.

This does not mean that the market is of no value, but that the market as the sphere of social action is secondary to family. This means that the functioning of this economic field to a large extent depends on the family and its well-being. It is also necessary to remember that these days we can observe a certain imbalance between these discussed categories, which has its historical roots. This is shown in Figure 1.

![Diagram](image)

The observation of the functioning of (so called) developed countries leads to the conclusion that the influence of the market sphere has been steadily growing
over the last few centuries. At the same time, the role of the family has been dimin-
ished which has also led to decreasing awareness of the fundamental role of this
group e.g. in terms of the replacement of generations within society or socializing
influences it has on individuals. This justifies the priority of the family as a primal
institution in the context of population’s existence and it is illustrated in Figure 1 by
placing the market slightly above the basic level of society. From such a perspective
– signaled in this graphic representation – it seems that the first necessary step for
restoring the balance between the market and the family within the socio-economic
order is to revive awareness of the fact that so far we do not know of any possible
and functional foundations of society besides the family grouping. At the same time,
it is worth mentioning that it provides for the continuity and integrity of a given
culture of a given society, something which we have learned from Robert K. Merton,
who wrote that “it is the family, of course, which is a major transmission belt for the
diffusion of cultural standards to the oncoming generation.”

One of the arguments for the priority of the family is the fact that it is mainly there
where trust is developed. This process is well described by Jennifer Roback Morse,
who describes the unique role that a family plays. Too rarely in my opinion is this
link between the family and market conditions in the context of trust discussed.

When it comes to trust development within a family, Morse writes that “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.” While children grow, they learn
to trust not only their parents, but also other people with whom they enter into dif-

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30 In one of the books from this field we can easily find a negative link between trust and the
family, which is evident in so called “immoral familism.” P. Sztompka, Trust. A Sociological Theory, Cam-
bridge 1999. A positive example of this interdependence is given by Morse: “The banking system of
Europe has its foundations in the activities of trading families and religious orders during the eleventh,
twelfth, and thirteenth centuries. One of the marvelous phenomena of economic development is the
extension of those networks of trust, based on personal contact or highly developed reputations, into
networks available even to strangers.” J. Roback Morse, Love & Economics..., pp. 45-46. M. A. Michalski
Why and How Business Ethics Benefits from Family. Where Trust, Responsibility and Ethics Develop,”Prak-
seologia” no. 155, 2014, pp. 325-349; idem, Family Life – between Charism and Institution. Signalling
Multidimensionality and Complexity of Human Interactions for Business Institutions and Society,”Annales.
Etyka w życiu gospodarczym” vol. 17, no. 4, 2014, pp. 35-51.
31 J. Roback Morse, Love & Economics..., p. 38. “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 be-
come 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.” Ibidem, p. 33.
ferent kinds of – also economic – relations. This author is certainly right, when he says that “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.”

This means that the family is a school of trust. This education takes place everyday when a child communicates its needs and wants. Whenever they are satisfied, it learns that it is good to trust. Gradually, a young human being learns to take care of himself or herself more and more and it is possible because parents (who also learn to trust their child) give more freedom to their growing offspring.

This is the basic way that trust is developed within society. When parents satisfy their children’s needs, they make them happy. Happy children know the value of trust and have a bigger capacity for positive reciprocity. It can be said that they introduce a more friendship-like kind of reciprocity to society, while trust that is developed outside of a family may be described as less friendship-like.

This leads to another important issue, which is the capacity of either the family or the market to support social cohesion. One should take into consideration the different kinds of reciprocity which are characteristic of these two spheres of social life. In order to keep the balance between them, it is necessary to remember 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.”

This does not mean that there are specific kinds of reciprocity which are functional only for given spheres, but rather that different forms of reciprocity are accurate in different proportions for different spheres. When it comes to the market, although it is dominated by economic reciprocity, this does not mean that it is the only form of reciprocity which is necessary there. This question can be well sum-

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32 Ibidem.
33 E. Fehr, S. Gächter, Reciprocity and Economics..., p. 846.
34 “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.” L. Bruni, Reciprocity..., pp. 19-20.
35 Ibidem, p. X.
36 “[...] 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 fulfil its proper economic function.
marized by the words of Bruni who wrote, that “[...] a civilization can flourish when is able to activate many forms of reciprocity.”

When it comes to the influence of the family and the market on subjective well-being, it is worth discussing the findings of Bartolini and Bilancini, who analyzed the relationship between interpersonal relationships and well-being. In order to do this, one has to assume – which I believe is right – that in a natural way there is a bigger potential of sociability within the family.

Bartolini and Bilancini show that while “in the long-run income is not a good predictor of SWB,” sociability can have such an influence. According to their findings, “the evolution of consumption of relational goods plays a key role in explaining the long term dynamics of subjective well-being.” It means that “economic prosperity can favour SWB, provided it does not entail a decline in sociability.”

This may be interpreted as an argument for the greater influence of the family on happiness. This means that this group is traditionally understood as the social foundation, it also means that happiness within society cannot be achieved unless happiness in families is a fact. To help to understand this relationship it is worth introducing the notion of relational goods. They are defined by Gui as “immaterial goods, and yet not services that can be consumed individually, but connected to interpersonal relationships [...] goods that we may call ‘rational.’” This means that they are “dimensions of human relationships that cannot be produced or consumed by an individual alone, because they depend on the modalities of interactions with others and can be appreciated only when shared in reciprocity.”

And today it is this trust which has ceased to exist, and the loss of trust is a grave loss.” Benedict XVI, Caritas in veritate, 35.

37 L. Bruni, Reciprocity..., p. 47. B. Gui, L. Stanca, Happiness and Relational Goods: Well-being and Interpersonal Relations in the Economic Sphere, “International Review of Economics” vol. 57, 2010, pp. 106-107. “Finally, Bruni and Stanca (2008) have illustrated, on the ground of World Values Survey’s dataset (consisting of 264,000 observations from 80 countries, over the period 1980-2003), the strong correlation between the time a person dedicates to relational activities (time spent with friends, relatives or volunteering) and the self-evaluation of life-satisfaction (or happiness), a correlation which remains robust even when several other variables are controlled for (age, income, education, health, culture, etc.). Empirical studies, therefore, seem to suggest a general and fairly clear message: in the pursuit of happiness and human flourishing it is inevitable to continuously fall into the territory of relational genuineness, viz. of non-instrumental reciprocity.” L. Bruni, Reciprocity..., p. 4.


41 L. Bruni, Reciprocity..., p. 8.

42 Ibidem.
understanding of relational goods not within the duality of division into public and private goods, but to as a third class of economic goods.43

When we look at the nature of relational goods and the family we can see that there is a strong link between them, because the conditions of relationality of goods are fulfilled within this group. Family relations are “(i) genuine (not instrumental), (ii) personalised (identity matters), (iii) motivation-dependent (the reason behind an encounter is essential for the value and the existence of a relational good).”44 What is more, “it is agreed that relational goods spring out of interpersonal relationships, as a function of who the people involved are (personalization), and of what they do, prefer, feel (in particular, reciprocity of actions and attitudes matter, and non-contractibility prevails); and, therefore, that relational goods are simultaneously created and consumed by interacting parties.”45

When we consider the priority of sociability and satisfaction with relations as the prerequisites of achieving happiness within the market, we can confirm the irreplaceable role of the family. This means that the market seems to be more family-driven, while the family seems to be less market-driven. This is also evident in the research of Gui and Stanca, who proved that “interpersonal relationships have a large and significant effect on well being.”46 The larger market-independence of the family is justified by the results of research which show “no evidence of a negative causal link between economic conditions and quality of relational life.”47 This is described as the relational explanation of the Easterlin paradox,48 and it means that a decrease in the quantity and quality of relationships between people may limit the impact of improvement of the economic situation on well-being. As Gui and Stanca write, “as society becomes more affluent, the effect of improved economic conditions on individual happiness is counterbalanced by a lower quality of relational life.”49 This can be summarized in such a way that the possibility of enjoying the market benefits depends on the ability to sustain proper relations, which means that when it comes to happiness, family comes first, because family happiness appears to be the necessary condition of the happiness that is to be found within the market.

43 Ibidem, p. 9.
46 Ibidem, p. 113.
‘Social Capital,’ ‘Human Capital’ and Happiness between the Family and the Market

In this section an attempt is made to analyze the relationship between “human capital” and “social capital” in the context of happiness within family-market relations (I decided to put these terms in quotation marks to express my doubts about the accuracy of such a linguistic solution\textsuperscript{50}). These two expressions are popular today as they have entered not only academic but also non-academic discourse.

“Human capital” is described as the result of the “activities that influence future monetary and psychic income by increasing the resources in people. These activities are called investments in human capital.”\textsuperscript{51} Among such investments are schooling, on-the-job training, medical care, migration, and gathering information about prices and incomes. Although they differ in their character and effects, they all somehow “improve skills, knowledge, or health, and thereby raise money or psychic incomes.”\textsuperscript{52}

When it comes to “social capital,” it is defined by Robert Putnam as follows: “By analogy with notions of physical capital and human capital – tools and training that enhance individual productivity – ‘social capital’ refers to features of social organization, such as networks, norms, and trust, that facilitate coordination and cooperation for mutual benefits.”\textsuperscript{53} Personalised relationships then, are seen as the constituent element of “social capital,” although in the research they were not as emphasized as trust, social norms and associational activity.\textsuperscript{54}

Now let us analyze how the family influences the development of these “capitals.” When it comes to “human capital,” it is known that the family is the basic source. According to Becker, “no discussion of human capital can omit the influence of families on the knowledge, skills, values, and habits of their children. [...] Parents have a large influence on the education, marital stability, and many other dimensions of their children’s lives.”\textsuperscript{55} This means that everyday family life can be seen as a systematic transmission of knowledge and skills from parents to children. Although this may

\textsuperscript{50} Some of the arguments for and against such definitions are described and discussed by Gary S. Becker, who is one of the most recognized authors in the field of “human capital.” G. S. Becker, Human Capital. A Theoretical and Empirical Analysis with Special Reference to Education, Chicago 1993, pp. 12-13.

\textsuperscript{51} G. S. Becker, Human Capital..., p. 11.

\textsuperscript{52} Ibidem.


\textsuperscript{54} B. Gui, L. Stanca, Happiness and Relational Goods..., p. 110.

\textsuperscript{55} G. S. Becker, Human Capital..., p. 21.
seem to be a one-way process, in fact, parents also benefit from parenting in terms of “human capital.” The development of this “capital” within the family can also be seen as an intended purpose of certain actions, as well as a by-product of other activities.

When it comes to “social capital,” although the literature has so far mainly focused on the “instrumental value of informal connections among the members of social groups,” there are statements that put the stress on the family as an extraordinary group in this case. Putnam writes, that “[...] the most fundamental form of social capital is the family, and the massive evidence of the loosening of bonds within the family (both extended and nuclear) is well known. This trend, of course, is quite consistent with – and may help to explain – our theme of social decapitalization.”56 This problem was also analyzed by the authors of Habits of the Heart, who discuss the crisis of civic membership and write that “there are, at every level of American life and in every significant group, temptations and pressures to disengage from the larger society,”57 among which the family can be placed. One of the consequences indicated there is the decrease in social capital.

Here, we turn to the question of the interdependence between both these “capitals” and their relation to the condition of the family. I do believe that this may contribute to a better understanding of the different ways of pursuing happiness. First of all, it has to be said that the family as the sphere of procreation is the basic condition of development of what is called “human” or “social” capital.

In the case of “human capital,” the growing investment in this sphere results in a decline in births. As Becker explains, it is connected with the division of the family’s total spending on children between the number of children and the amount of money spent per child.58 He follows, that “an increased number of children raises the effective cost of adding to the spending on each child, because an additional dollar or hour of time spent on each child then means a larger total addition to spending. Similarly, an increase in the dollars or time spent on each child raises the cost of having an additional child.”59

When it comes to the influence of “social capital” on the family, it can be said – in relation to social decapitalization – that if there is a decrease in “social capital” coming from outside of the family (e.g. associations, volunteering), there will be a less coherent environment in which a family functions. This may result in the growth of the family’s effort to create and preserve the “social capital” it needs. This incoherence may also lead to some kind of isolation of the family from its surroundings,

56 R. D. Putnam, Bowling Alone...
58 G. S. Becker, Human Capital..., p. 22.
59 Ibidem.
which may result in an attitude defined as immoral familism. This is connected with
the notion of bridging “social capital” and through this perspective it can be better
understood.\textsuperscript{60}

The last thing that will be discussed in this section is the tension that exists be-
tween these two analyzed “capitals” and its consequences on the life of the family
and society as well. The starting point of this proposal is the fact of the limitedness of
the resources available to human beings and the families they form. This means that
the more people invest in “human capital” the less “social capital” they may achieve
and vice versa.

I propose to analyze the consequences of the two different possible choices that
mean engaging and investing – in the first case in “human capital,” and in the second
case in “social capital.” They will be called the “Human Capital” Track and the “Social
Capital” Track accordingly. Although it will be inevitably simplified, I believe that it
may somehow contribute to our understanding of the family-market relationship
and its influence on happiness. Both these tracks are sketched with an assumption
about the positive meaning of the functional character of the family and the limit-
edness of the possibilities to engage and invest in these “capitals.” There is one more
assumption that should be made: completely eliminating either human or social
“capital” is not an option for achieving proper balance between family life and mar-
ket activity.

The ‘Human Capital’ Track

When people engage and invest in “human capital” more, it is likely that it will influ-
ence their marital and fertility decisions in such a way that they will have less children
(\textsuperscript{61}). As a result of this, families and society decrease in numbers, which leads
to a smaller amount of interpersonal relations. This may result in a deficit of relational
goods, which may lead to a tendency to develop a more materialistic approach. The
growth in such an attitude was shown in the research into the consequences of fam-
ily disruption on compulsive buying and the materialistic approach to life (\textsuperscript{62}). According to the research by B. Gui, L. Stanca,\textsuperscript{63} the lack of rela-
tional goods limits the possibility of achieving happiness within the market sphere.

\textsuperscript{61} G. S. Becker, \textit{Human Capital}..., p. 22.
\textsuperscript{63} B. Gui, L. Stanca, \textit{Happiness and Relational Goods}..., p. 111.
What is more, a bigger emphasis on conventional (material) goods may lead to the dominance of temporary happiness (Lee64). This characteristics of the “human capital” track leads us to expect that economic growth in this case is based on the individualistic pursuit of happiness and decreases the balance between material and relational wealth, while it concentrates on the maximization of material wealth (Diwan65). The possible results of this track would be short-term material development and relational underdevelopment, which will probably lead to future material underdevelopment. One process which is already present and is connected with this track is family disruption, which – in light of the explanation above – makes the flourishing of future markets doubtful. Now the second track will be described.

The ‘Social Capital’ Track

When people engage and invest in “social capital” more, it is likely that this will influence their marital and fertility decisions in such a way that they will have more children. As a consequence, there will be more interpersonal relations, and thus more opportunities to develop relational goods (which in this case can be described as renewable and “non-rivalrous”). Their domination creates the possibility of achieving more lasting (long-term) happiness (Lee66). It also means that the materialistic approach is limited, and according to the research by B. Gui, L. Stanca,67 as a result of the presence of relational goods the possibility of achieving happiness within the market sphere is real. In the case of the “social capital” track, economic growth is focused on the community-oriented pursuit of happiness (which can be compared to the common good approach). In such circumstances there is a growing possibility of achieving a balance between material and relational wealth (Diwan68), and this means that material development is achieved in harmony with relational development. This creates favorable conditions for the interaction between the family and the market. When it comes to the question of the existence of “human capital” within this track, it can be seen as the by-product of it.

This proposal of an understanding of the relationship between “social capital” and “human capital” can be shortly concluded with the statement of Czapiński, who wrote that while “human capital” mostly influences the economic advancement of an individual, “social capital” is necessary for the economic advancement of a community.69

Conclusion

If people look only to their own interests, our world will certainly fall apart.

Benedict XVI70

If balanced, sustained economic performance is sought, it seems that to desire it primarily for its own sake is unwise, even self-defeating, not to mention ethically unsound. If we seriously want it, it appears that we should not want something else far more, namely a social change extending particularly, though not exclusively, to the economic system itself. We would accept that enterprise makes full practical and ethical sense only in and with as well as for community. We would acknowledge that economic health and a community renaissance are inseparable, and that of the two it is a community renaissance that would come first.

Jonathan Boswell71

In this paper, the question of the individual and familial paradigms in understanding human beings was discussed in the context of the pursuit of happiness and the relationship between the family and the market.

The social nature of man seems to be confirmed in both family life and market exchange. This means that the individualistic perspective of the Neoclassical approach to the economy seems to underestimate this basic fact, which means that without a community there is no exchange. That is why it is justified to ask whether human beings can be happy alone.

The family – that is prior to the market as the development of human beings shows – appears to be the primary sphere where one can experience happiness. It is there where human beings learns to be happy, and it is never – no matter whether

71 J. Boswell, Community and Economy, p. 201; cit. per: R.N. Bellah, R. Madsen, W.M. Sullivan, A. Swindler, S. M. Tipton, Habits of the Heart..., p. XXIX.
it is a fully functional or a somehow dysfunctional family – strictly individual happiness.

When it comes to the contribution of happiness to economics, it is important that it widens the economic perspective and helps to deepen our understanding of economic activity, which is always human activity at the same time. It is essential that the economics of happiness ensures that an adequate vision of the human being is promoted, which means that the person acting economically is by nature *homo familiaris*.\(^{72}\) When analyzing subjective well-being without taking into consideration the familial nature of man, there is a possibility that the economics of happiness follows the same path that the dominant Neoclassical approach chooses. Today, more and more people are well aware that this is not a direction worth following. It is also important that somehow the economics of happiness contributes to a better understanding of the fact that apart from material poverty there is a different kind of malady that contemporary man suffers from. It is “a kind of famine of warm interpersonal relations, of easy-to–reach neighbors, of encircling, inclusive memberships, and of solidary family life.”\(^{73}\) This confirms the view that the spheres of human experience such as the family, friendship, love and marriage – according to Argyle – “play the most important role in determining an individual’s happiness and life satisfaction.”\(^{74}\)

When it comes to the relationship between the market and happiness, and the question of whether economic interactions crowd out civic virtues and human capabilities, it has to be said that it is more likely to happen if *homo individualis* is the dominating vision of the human being. If the institution of the family is understood as merely the individual preference of an economic man, then it becomes nothing more than one of many allocated choices. Economics then teaches us that the limitedness of resources means that attention, time, energy spent on work, trade and consumption cannot be devoted to the family and the larger community at the same time. However, if we decide to distinguish the family as an institution of

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\(^{72}\) By doing this, the economics of happiness may again discover what ancient wisdom took for granted. This is well expressed by Adam Smith: “Wherein consisted the happiness and perfection of a man, considered not only as an individual, but as the member of a family, of a state, and of the great society of mankind, was the object which the ancient moral philosophy proposed to investigate. In that philosophy the duties of human life were treated as subservient to the happiness and perfection of human life.” A. Smith, *An Inquiry...*, p. 596.


greater importance than the market, it may serve as the natural source of limits on the spread and influence of economic interactions.

This tension can be more deeply understood through an analysis of the relationship between “social capital” and “human capital.” This was presented as two alternative tracks in order to show how different choices of human actors determine the future wealth of society – in both the material and relational senses.

If we accept the Comtean description of the family as the “prototype of all other human associations,”75 we can say that the condition of civil society depends to a large extent on the condition of the family. This harmonizes with the intuition, that “people that are involved more in civil society, as an alternative to market and democracy, might be expected to report higher levels of happiness.”76 If this is true, that society needs not only family-like or market-like reciprocity, but both of them, we should look for an adequate social philosophy which would respect the fundamental aspects of human nature. This means an understanding that human life is rooted in the family in every dimension. Therefore, this primary social group and social institution at the same time should be seen as a necessary point of reference for any kind of human action and pursuit of happiness, which should rather be the result of social cooperation than individual competition.

Literature

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