

## FAMILY AS A VICTIM OF A DELUDED SEARCH FOR PARADISE ON EARTH: FROM THE CENTRAL PLANNING HAPPINESS TO SELF-DECEPTION OF THE MARKET SYSTEM

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*There is no more important prerequisite to clear thinking  
in regards to economics itself than is recognition  
of its limited place among human interests at large.  
(Frank H. Knight)*

### 1. INTRODUCTION

First of all I would like express my deep gratitude to the Pontifical Academy of Social Sciences for the invitation to participate in this outstanding event, to Professor Stefano Zamagni from Bologna University (Italy) for his longtime friendly scientific support, to Josef Zeman, Director of the 'National Centre for the Family' (Brno-Czech Rep.) for his helpful comments, and to my friend Luděk Rychetník of Reading University (UK) for his help with the preparation of the English version of this paper.

In its 'Green book', the European Commission (EC) (KOM, 2005, 94, Brussels March 16, 2005) has faced the population decline and the phenomenon of 'vanishing youth' and dealt with the problem of a new solidarity among generations. By 2050 the predicted deficit of 'vanishing' children (0-14), teenagers and young adults (15-24, 25-39) will exceed 50 million persons (ie. the population is expected to decrease by this number). The situation of the New Members and Candidate Countries is even worse – with one exception – Turkey, where the population is expected to increase by 19 million (ie. by 25%). The problem of 'vanishing youth' concerns both the 'Western and Eastern lung' of (post) Christian Europe.

Europeans have *de facto* less children than they want to have (when asked about their 'ideal number' of children). Why has Europe have lost its

'demographic engine'? EC faces the demographic crisis by a range of actions: by education, active employment policies, using structural funds. No doubt all the approaches are important, nevertheless the roots are deeper. I believe, that the illness has economic and cultural causes. Moreover, the specific 'agency of history' in post-socialist European countries may help us better to understand that, at the deepest level of explanation, we may find atheism. It may also provide a key to the understanding the 'paradox of youth' of today: the present 'cult of youth' coincides with young and children vanishing from our life (When I visited Ireland for the first time in early 1990s I was impressed by the numbers of omnipresent children. Now the decline is striking even there).

In post-communist countries the change came faster and more forcefully: The 'gerontocracy' of the past was replaced by wide opportunities for young generation. The old-fashioned principle of seniority and the former respect to elders was replaced by respect for the youths. Successful 'young adults' are typical figures of postcommunism. A prototype businessman and a 'rich nouveau' of our times (including a 'winner' in the shadow and black economy) is a young man. Nevertheless this 'new generation' suffers with a deep value conflict: a natural human urge to have children has to compete with money-making and it is the latter which is winning.

A few words may be useful about the circumstances under which my report was prepared. At the time of writing neither a 'Introductory lecture' to the Plenary Session nor 'Background Papers' were available. Further, my report is based predominantly on the Czechoslovak and later Czech experience, though demographic data about all post-socialist countries of Central and East Europe were available and used. Hence comments and amendments, based on other countries experience, are needed and welcomed.

An accelerated institutional change, including its cultural consequences, in Eastern Europe ask people to learn fast. Views and attitudes of peer groups are more important now than experience of parents and grandparents. Family in the traditional society had an implicit goal to raise a decent young man or woman ready to accept the obligations of adulthood. It is different now: what is required is to compete and have success. The whole system of social values is changing. A prevailing illusion, that a life is entertainment and an opportunity to become rich, is incompatible with the responsibility of parenthood. A young woman in her twenties feels unable to bear the responsibility of having a child in our complex and uncertain world. The old anchor of tradition is lost, a new model of family has not been found yet.

### 1.1. *A Non-Obligatory Personal Note*

I was born in a Moravian village in 1944 to the father 41 and the mother 38; my parents had 6 children already, the youngest Mary was 10 at that time. Two years after me (1946) another sister Radmila came. Hence, we were eight. For my parents the decision to accept a conceived child was not a result of 'rational calculation'. Thanks to the 'irrational behaviour' of my parents I had my chance. After having reached sixties I am more and more profoundly grateful to God and my parents for this chance, and I feel the obligation to preach about and insist on a limited place of economic calculation 'among human interests at large' (Knight). We children had to work in the garden and a small field; the older children quite naturally took care for us younger: but all this didn't 'justify' our existence in the eyes of our parents. We were poor – how grateful I am for this modest style of life in my childhood! My father was convinced that he was rich just by having eight children. He understood that bread is not the only life necessity: all five sons learned to play violin. Both parents had no doubts that Christian education was necessary for me (this was the time of Communist dictatorship and its anti-religion drive); they were (both!) forced every year to sign a new application to the director of the elementary school declaring 'We wish our son to attend religious education'. Before Stalin's death in 1953, the whole class at our village school, without any exception, was prepared to receive the first communion in the local church of Saint Margaret...

Only a few years later, social atmosphere changed dramatically. 'The socialist industrialization' and 'collectivisation of the countryside' led to growing economic activity of women and caused that children were becoming rare... I remember my mother unable to understand a puzzle that 'they do not want children now!'. Only later I fully realised her consternation: the discussion was about induced abortions.

## 2. A SKETCH OF THE STORY ABOUT A COEXISTENCE FAMILY-FIRM

The etymology of 'Oikos nomikos' shows that terms of 'economics of family' and even 'institutional economics' are *de facto* pleonasms. 'Oikonomikos' provides rules of sound governance of the household. In our modern 'imperial economic theory' we do not understand it this way: 'firm' and 'family' are methodologically separated from each the other, and 'rules' and 'calculations' met again only recently. For millennia, in the Old and New Testaments and Psalm's tradition sound rules of family life coincided with

rules of governance and household management. This applies also for a pre-scientific period of 'economics'. Only starting from Adam Smith's *Wealth of Nations* onwards, we can trace a split between 'family' and 'business'. Adam Smith (and William Petty before him) were seeking the source of wealth 'outside family', in the division of labour and cooperation, in the market. According to Max Weber it was 'occidental rationality' and 'protestant ethics' that provided an explanation for the fascinating social and economic dynamism of market system. But, only a few decades after Weber (1942) Joseph Schumpeter wrote about capitalism's tendency to decay. Apart from a crisis of 'corporate governance' (in today language) or perplexities in the 'operationalization of property rights' he found another, even more important 'intrinsic cause' of this decay, i.e. a desintegration of family.

The main 'desintegrating force' is this very 'occidental rationality', individualistic economic calculation of costs in private family life. The spouses cannot omit the personal burden of family's ties in general, and of parenthood in particular, from the equation. The willingness to accept it is in conflict with the omnipresent spirit of utilitarianism and the temptations of more and more diversified and attractive pleasures that the market offers. Moreover, children do not represent 'economic assets' any more. Rather they are investment whose 'repayment period' is too long. Schumpeter was aware that this 'balance sheet' of costs and profits/joys of children is surely incomplete and perhaps even principally wrong, but this awareness could not change his conclusion that 'capitalism creates a critical frame of mind which, after having destroyed the moral authority of so many other institutions, in the end turns against its own'.

Another few decades after Schumpeter, Tibor Scitovsky came with his diagnosis of 'joyless economy' and with an analysis of human desires 'on the frontiers of economics'. At the same time Gary Becker provided a perfect economic analysis of the family in his 'Treatise', explaining what Scitovsky had described. In turn, Robert Easterlin pointed to a paradox that western families were richer but not happier on average. Joseph Schumpeter's prophecy about the decay of the institution of family was presented as a 'description' of American reality by Scitovsky, and as 'positive science' by Becker, and even in the form of 'foolish rationality' (Amartya Sen) of 'economic man'. Ten years ago, professor of M.I.T. Lester C. Thurow, wrote in his *Future of Capitalism*: 'Competitive individualism is growing at the expense of "family solidarity". The "I" consumption culture drives out the "we" investment culture ... Changes within capitalism are making the family and the market less and less compatible' (Thurow, 1996, chapter 'Economic via-

bility of the family', pp. 31-34. Finally, Robert E. Lane, 2000) included family crisis into his list of 'negative components' of happiness in market democracies (sub-chapter 'The Triumph of the Market over the Family', p. 113 ff.).

The word 'Triumph' appears in sub-titles of books: a triumph of 'American materialism' (James Twitchell, 1999), a triumph of capitalism in the 'West' (de Soto, 2001). But what triumph and at what price? The title of Twitchell's book is simply a blasphemy and an idolatry of consumption: 'you are what you buy'!? The price for the slavery of consumption is 'vanishing youth', eroded family solidarity, lost happiness of natural joy of children and a 'runaway world' (Giddens). Turbulences of our age are a consequence of our obsession with money. Ulrich Beck sees our age of turbulence as the 'risk society'. Nevertheless the roots of our difficulties are not new: obsession with money is *nihil novi sub sole*: 'People who want to get rich fall into temptation and a trap, and into many foolish and harmful desires that plunge men into ruin and destruction. For the love of money is a root of all kinds of evil. Some people, eager for money, have wandered from the faith and pierced themselves with many griefs' (St. Paul, 1 Timothy 6, 9-10). What is really new is the expansion of this line of thinking into nearly all spheres of life.

### 3. 'THE NATURE OF HOUSEHOLD': COMPETITION BETWEEN FAMILY AND THE MARKET

Robert Lane's 'triumph of the market over the family' is a journalist licence, but it has close parallel in institutional economics. Ronald Coase (well known for his 'Nature of the Firm', 1937), has explained that a 'frontier' between an 'organization' and the 'market' results from a competition as well; returns to scale and transaction costs, tied with the specificity of assets, matter in the evaluation of these alternatives. Coase's ingenious idea forms the basis of the modern theory of 'vertical integration' (Williamson, 1985). The winners in this competition on global markets are transnational corporations. Asymmetry of information and the 'principal-agent' problem explain the erosion of corporate governance, which results into a tendency to mega-mergers. It is one of signs to global turbulence.

However I would like to point to a different aspect of the same logic: a competition between 'family as economic agent' (Zamagni, 2005) and the 'market'. As regards the 'family as economic agent', the same principle of Ronald Coase has opposite consequences: while corporations tend to mergers or takeovers, the competition between 'family' and 'market' makes household economy smaller. Markets have been, step by step, 'cutting slices' of

informal economic activities of the family for millenia. 'Returns to scale' in the textile and clothing industries eliminated 'home made' wear. 'Home made' bread and pastries, food, beverages of our mothers and grandmothers belong to the 'lost world' being replaced by ready made meals and semiproducts. Growing economic activities of women 'out of the family' led to a need and, later, to the necessity of buying child-caring services at the market (namely nurseries from the early age). The latest evolutionary period of eroded family has brought even a market 'production of children' (Becker): global labour markets provide the western 'economically triumphant' civilization with labor force which is lacking, via migration from other parts of the globe.

The 'vertical desintegration' of family is especially 'efficient' for people with 'highly specific human capital assets'. Considering the 'opportunity costs', children are too expensive, official 'marriage contract' too risky, hence childless and cohabitating couples are 'more efficient'. The last stage of the vertical desintegration of family is society of 'singles': family has become an 'empty set'. This is the very triumph of the market over the family...

Market has an inner tendency to impose instrumental, utilitarian attitudes to relations among people – even within the family: between wives and husbands, grandparents, children. This is not a criticism of the market in general; what I would like to stress is that it becomes a problem when market relations expand far beyond the moral limits of market. Utilitarianism has to have its unsourmountable limits, otherwise it leads to a desacralization of values: there are moral imperatives, there are Commandments – Divine rules of conduct. Without these moral limits, 'self-interest' is profoundly destructive. This too is *nihil novi sub sole*. Young Karl Marx discovered it in his very emotionally written *Economic-Philosophical Manuscripts*. It was just this 'animal' greed that led young Marx to argue against capitalism as an *advocatus diaboli* and become a false prophet of a new Paradise of Communism.

I am very well aware that there is also an opposite line of explanations 'from the left' of the family crisis, the rise of induced abortions, and of the inter-generational break and a loss intergenerational solidarity. It was revealed in cultural and spiritual shifts such as the 'cultural revolution of 1968' in Western Europe, or the 'sexual revolution' of the hippies movement in the USA, or the beginnings of radical feminism, homosexuality movements... Sure, I do not intend to raise doubts about dangers from the left – we have our own experience from the past.

The next point of my paper stems from our unfortunate historical experience with social experiments based on marxism. Nevertheless con-

temporary promises of Paradise on Earth ('Paradise now!') are based in radical liberal economic thinking, rather than in the discredited philosophy of socialism. My profession is economics, hence I feel my duty to contribute to an explanation of dangers 'from the right'. I would argue, that both radical liberalism and neo-marxism seem to have common philosophical and theological roots. These roots return us back in the history of Western thinking. Both these fronts are hostile to Christianity, they are complementary and need each other, and they are ready to 'collaborate' against the Christian concept of family. This is our Czech experience and such was the scandalous case of a coup against Professor Rocco Buttiglione in the EU Parliament. The 'new ideology of evil' is deeply rooted in the history of Western civilisation and the virulence of communism, attacking it for several decades, testifies for this proposition.

#### 4. 'ECONOMY AS ONE GIANT WORKSHOP-HOUSEHOLD' – A BLIND ALLEY OF KARL MARX

Karl Marx's idea of communism was very simple: whole economy to be organized as one workshop and one household. Because of such total vertical integration, market was supposed to disappear from the economy. This simple but excessively ambitious idea had to have rational 'scientific' reasons but it generated enormous irrationality (Mlčoch, 2005). The planners of happiness for one huge household had to accept a 'socialist market', under which a reverse control pyramid emerged and demonstrated the power of the people at the bottom of a closed planning and information hierarchy. We – company planners (I was working as one of them during my 18 years lasting unwanted 'sabbatical') – were not powerless. Moreover, central planning of 'labor force' had to face millions of families-households, who were determined to make their own life decisions. Rational behavior within an irrational system inevitably produced absurd results. Nevertheless, the old institution of family turned out to be more resistant *vis-a-vis* to communist utopian ideology than the institution of private property, the churches and civil society. An influential Czech sociologist, Professor Ivo Možný, even came up with a paradoxical theory: 'Marxist socialism intended to "occupy" the family but, in the end, families occupied the whole economic system' (A typical socialist 'proverb' or perhaps ethical maxim of that time was: 'Who does not steal, from the state – L.M., is robbing his own family').

Nevertheless 'socialist families', massaged by the ideology of 'historical materialism', though remaining sceptical, inevitably succumbed to the temptations of 'practical materialism'. That happened in spite of the fact that 'really existing socialism' (of Brezhnev, Kadar, Husak...) was a less successful version of western capitalist materialism. The 'one socialist workshop' turned out to be overwhelmingly less efficient in producing consumer goods than western capitalism. Comparative economics of 'one household', in relation to the individualistic western 'economics of family' or 'new home economics' was rare. This is perhaps a reason of the 'puzzle' that the totalitarian system had paradoxically preserved some traditional demographic conduct. 'Repressive regime would hardly tolerate ... individual autonomy and tolerance of individual behaviour /value shifts that were ... the cause of a new demographic behaviour in the western European countries' (Phillipov, D., Dorbritz, J., 2003, p. 154). 'Socialist industrialization' used to be interpreted as a communist version of modernization; but as regards the family life, the totalitarian regime kept some prudish features of traditional society.

I am not prepared to present a comprehensive comparative analysis of household and family conduct here. But I can provide several examples at least:

a) Churches were oppressed by communists (esp. in Czechoslovakia), hence weddings in the church were not desirable. The totalitarian regime tried to substitute them by 'municipality weddings'. The church ceremony was substituted by a state ceremony, early first marriages remained common and cohabiting (unmarried) couples remained rare.

b) T. Scitovsky argued that economic growth in the West after the Second World War had been based not only on the accumulation of capital, but also on the growing economic activity of women. The same was true for the East and the ideology of 'equality of women' was even more 'successful' there. Socialist Czechoslovakia proudly displayed the highest rate of women employment in the world! 'Desire for economic independence..., greater sexual freedom..., new, cheaper, safer and more convenient methods of contraception' (Scitovsky, 1984), all this we are able to match in Eastern Socialist Europe, perhaps with some time delay only.

c) Central planning of 'one household' had to react on the growing employment of women and their economic activities 'out of family'. Hence, the central, regional and even company planners tried to build and organize child care arrangement for children, nurseries, kindergartens, school arrangements, group care centers. Housing estate – and urban expansion-planning had some special features: panel houses built for one generation. The latter survived till our time nevertheless and produced inter-genera-



tional breaks. Three decades later, kindergartens had to be rebuilt to centres for retired people. The tendency of 'the family's lesser willingness to house and take care of parents and elderly relatives', observed by Tibor Scitovsky in USA, was typical for my country too. A 'black humor' definition of state houses for elderly and retired people as a 'kind of children's revenge for nurseries and kindergartens' reflected this phenomenon.

d) In the fifties, socialist population planning accepted hospitalized induced abortions as an acceptable solution to unwanted pregnancies. The abortion legislation included 'social regulation': women had to apply 'for abortion' and special 'abortion commissions' evaluated social, economic and personal conditions of families and tried to balance the expected demand of future labor market against individual family situation. The number of children in the family was noted, as 'society' had its idea about 'the optimal number of children'. As a consequence, Christian families had been pressed to undergo abortions of fourth or fifth child. On the other hand, other families were forced – by the authority of law – to keep conceived but unwanted children. An excellent research team of the Czech psychologists undertook a unique longitudinal research of the mental health of adults born of unwanted pregnancies (see Kubicka, L., Roth, Z., Dytrych, Z., Matejcek, Z., David, H.P., 2002, and David, H.P. Dytrych, Z., Matejcek, Z., 2003). The research concluded that an unwanted pregnancy increased the risk of poor mental health in adulthood (It needs to be added that the research findings were often misused to 'justify' induced abortions).

Pro-family and pro-children policies contrasted with the practice of abortions. On the one hand, the state provided social provisions for children, payed the 'maternal holiday' to mothers, subsidised clothing, shoes and food for children; on the other hand, the same state permitted, organized and payed abortions. This absurd conduct of a 'free man, who had taken his fate into his own hands' culminated during so called 'normalization' after the military suppression of the Prague's Spring, i.e. in 70s and 80s. Policies supporting material conditions of families with children were relatively successful in the sense of 'quantitative demography'. The generation of 'President Husak children' arrived into a population active age recently and generated a temporary wave of newly born babies. This first population wave of 1970s was a reflection of both the political and social oppression and the economic 'motivation schemes' of the time. The 'success' was only temporary nevertheless. It preceded a baby boom of a 40% natality rise in four years. However, the central planning system failed to respond. The capacity of kindergartens, schools etc. remained inadequate.

On the other hand, the former socialist Czechoslovakia, with its 15 millions inhabitants, had about 100.000 induced abortions a year (in the socialist Romania and the republics of the former USSR the frequency of this 'horrendous crime', Compendium, article 233, was 3-4 times greater; these countries of the 'camp of peace and socialism' suffered the highest rate of abortions in the world). The Czechoslovak ratio of 1:1 approximately between born children and children killed in the wombs of their mothers has remained a nightmare, a horrifying testimony of the time.

##### 5. POST-SOCIALIST FAMILY IN TRANSITION: CONSEQUENCES FOR THE POPULATION

Now, fifteen years after the Velvet revolution, Czechs have succumbed to self-deceptions of the market economy and the situation in other post-socialist countries is similar. We seek happiness where it is impossible to find it: in consumerism. The former illusion of 'Communist Paradise' failed, being replaced by a new one, by an idolatry of the market and by an obsession by money, as a universal mean of fulfilling our desires. A philosophy of 'catching-up' our richer neighbours in the EU dominates: we are fascinated with growth of GDP and consumption. The purchasing power of consumers in the ten new EU members differs considerably, but, on the whole, is substantially – i.e 5 times lower – than eg. Germany. The candidate countries and post USSR states, remaining beyond the frontiers of the 'Promised land' of the West, still have 4-10 – times lower standard of living (see Table 1).

Registered unemployment in Central and Eastern Europe also differs (15% on average at 2000) but, on the whole, it is a more painful social illness than in the West. Especially in some Balkan states, it reaches 20-30%, partly being a consequence of the wars. Only Czech Republic, Hungary and the Baltic states have the levels of unemployment comparable to the former fifteen EU member states. The post-USSR states show relatively low official numbers of registered unemployment, but its great part remains unregistered and hidden. Also under-employment is frequent in the region. According to some estimates, during 15 years since the fall of Communism, the rate of absolute poverty in 18 countries of the former USSR and east part of Europe radically increased (12 times!!!) and in some countries, more than 40% of population live in absolute poverty: the total number reaches 160 million inhabitants in this region!!! (see 'Economie et finance solidaires: Chimere ou nouveau défi?', Geneva, *Finance&Common Good*, 20, Autumn 2004).

In spite of a different historical development in Central and East Europe, and, consequently, differing systems of accepted values, policies and social provisions, the main 'generational issues' of Professor Donati and his conclusion that 'in many countries it becomes apparent that children and younger generations appear as *victims* of adults and older generations under many social, economic and cultural respects' (Donati, 2002), are fully valid also for the family in 'post-socialist' countries. I would add little to this deep sociological insight; I would only like to stress that we – both in the West and the East – are responsible for taking a wrong direction and searching for paradise on earth, either in Marx's Communism or in a self-deception of the capitalist market system. What we really owe to our children and grandchildren is a clear message that wealth does not lead to happiness, that wealth can even become an obstacle for our very happiness. I very well realise that this proposition can be seen as controversial (especially in the context of the idea of post-materialistic society by R. Inglehart). But I really do not believe that it is necessary to pass through a period of 'affluent society' on the way to a new orientation towards a voluntarily modest style of life. What is the truth, our declared wants and post socialist temptations to 'consumerism' are higher than in the West.

Table 2 in the Statistical Annex demonstrates that a majority of former socialist countries in the Central and East Europe shows even a worse total fertility rates than the EU 15 (1,21:1,5). Only Albania is an exception: the cultural difference from the rest appears to be strong. At a first glance there seems to be a systematic difference in total fertility rates between the 'West' and the 'East' of Europe. Philipov and Dorbritz (2003) discuss potential factors, such as a differing rate of preservation of cultural traditions, residual effects of former population policies, 'shock therapy' and the fall of incomes during the transition. The rise of unemployment and related impoverishment put many people 'in a position to think more of their own survival than of creating a family or having a baby... For some people, particularly in the better-off countries, income did not fall drastically but they feel the burden of relative deprivation, in that income is insufficient to ensure satisfying needs. In either case people will postpone or reject irreversible events such as marriage and births' (Philipov-Dorbritz, *op. cit.*, p. 158).

We may conclude that rapid social and economic change of our times has its negative impact on population conduct, different from the past, but perhaps even more intensive. When the transition eliminated some negative influences of the old regime, it brought new ones in their turn. Induced abortions are a typical example: new abortion legislation is liberal, but public awareness of the dangers is better than before. Hence, the rates of

induced abortion are falling down in the Central and East Europe. On the other hand, some new methods of contraception are mini-abortions *de facto*, though they are not recorded as such. What is sure that fertility declines.

'The fall in the birth rates has led to accelerated ageing amongst the population, although in comparison with western, northern or southern Europe the populations are still younger on average'. ... 'The (old) growth in population numbers based on high birth surpluses has reversed into negative trends ... the population number is falling in the majority of countries' (Philipov-Dorbritz, *op. cit.*, p. 187). The main demographic consequence of economic transition in the countries of Central and East Europe is the growth of the elderly population groups as compared with that of children and young people. The post-socialist restoration of capitalism has revealed an erosion of family as described in section 3 above: young Marx's criticism of capitalist alienation appears to have found a historical verification. Our experience indicates that this this way is a blind allee.

Nevertheless a question 'what to do?' remains.

#### 6. 'BOURGEOIS FAMILY' AT A CROSSROAD: NEO-CONSERVATISM VS. 'ECONOMY OF COMMUNION'

A today 'turbo-capitalism' has come to a crossroad: a new equilibrium between the excess capital on the West (North) and the excess of labor force on the East (South) has to be found. The priority of labour over capital and a relationship of complementarity between work and capital remain at the heart of the Social doctrine of the church (see Compendium articles 276-280): nevertheless – how to realise this *maxim* in this turbulent age? Capital generation of top 50 European banks at the end of 2003 showed a substantial excess capital (55-65 billions of EUR) and the excess capital expected to appear in the balance sheet of these banks at the end of 2006 is three times higher (150-210 billions of EUR). (Data from Bloomberg, Datastream, World Market Monitor). If compared to 160 million of the post-USSR and East Europe's inhabitants in the situation of absolut poverty we come to the ratio of about 1000 EUR per capita. This would be a too modest sum in the West, but it may make a sufficient eventual 'micro-credit' for a small businesses, or other investment into 'human capital' in the East. Nevertheless, how to bring about this 'complementarity'?

Professor Mary Ann Glendon ('A New Role for the Family in the State', in: *Intergenerational Solidarity*, Malinvaud, E., ed., 2002) clearly shows 'the

gravity of the situation in which we find ourselves' and points to 'certain dilemmas that arise when one tries to imagine how this vision of better arrangement might be brought to life'. In spite of many obstacles that professor Glandon analyses she believes that a 'downward cycle could be reversed'. Her optimism arises from the Tocqueville thought that – even in times of agnosticism – 'statesmen and philosophers could habituate citizens to think of the future and they would bring them little by little and without their noticing it toward religious beliefs'.

The crossroad of the bourgeois family in today's situation 'after socialism' has two ways out, both leading towards 'religious beliefs'. We must realise that the newly restored capitalism failed already once here! The first way would be an attempt to restore an old institution of family on the lines of neo-conservative thought. The 'hemisphere of liberty' (Michael Novak) urgently needs more virtues, and virtues 'are produced' within families. Nevertheless the question is: 'what virtues'. The neoconservative solution would represent an attempt clearly to separate the institution of family as a sphere of love, reciprocity and solidarity, and that of a 'corporation', as a sphere of calculation, equivalence and rationality. The demographic situation in the USA, today and the forecasted population growth in the future, are more favourable than in the EU. This does not seem to confirm our intuition that dichotomic separation or schizophrenia of we-rationality 'at home' and me-rationality in the market cannot support healthy society. (See also Zamagni's 'very difficult union of happiness and individualism', Zamagni, 2005). Still, even in the USA, there are some symptoms of inter-generational crisis. In spite of this, in some post-communist countries, there are think-tanks that base their hopes on neo-conservatism of the American variety. (There is one not only in Poland, another one, 'Civic Institute', Občanský institut, in Prague, operates even in the atheistic Czech Republic).

The other Christian way out from the family crisis is completely different. It starts from an awareness that what we really need are not only virtues necessary for the production of 'goods' and 'positional goods'. We urgently need to foster virtues producing 'relational goods' and 'relations of unity'. A vision of the family renewed in Christ is closely tied to the extension of a 'broader family' to business. This is an attempt to return to the original union of family-household and firm-enterprise. The 'Economy of Communion', born within the Focolare Movement, is a good example of this spiritual initiative, though occasionally, one finds successful 'case studies' in other cultural contexts. A family brewery 'Eger' in Bavaria (Germany) is a such an example of a prosperous firm, which is friendly to families and children. Unfortunately, I was unable to find a similar success story in my own country (Czech Republic).

One way or another, we have to accept that these Christian attempts to face the family crisis are, and perhaps will remain, outnumbered in our region. Nevertheless they offer a chance. Even in the most atheistic post-socialist country the 'Vision of the Development of the Czech Republic to 2015' (see Potucek, M., 2001) mentions that – in spite of the population decline – there is a minority of Christian families in the country, which are ready to accept more babies and offer hope. This remark (found in a scientific, 'religious values free' Vision) suggests that the phenomenon of 'vanishing youth' has more subjective than objective, economic causes. It is a conversion of hearts what we need, not another drive for growth. Since growth cannot increase subjective happiness in rich countries, we still have a chance to find happiness as an by-product of our care for our neighbours (S. Zamagni), and for our children and grandchildren. There is an urgent need for us, economists, to recast our science. The imperial economic science is unable to solve social problems we face. 'The more people accept the neo-classical paradigm as a guide for their behavior, the more their ability to sustain a market economy is undermined' (Etzioni, 1988). This final proposition of the Amitai Etzioni's book 'toward a new economics' is valid as a general proposition, nevertheless his warning is especially topical for our family life.

## 7. STATISTICAL ANNEXES: CENTRAL AND EAST EUROPE COMPARED TO THE WEST

TABLE 1. PER CAPITA PURCHASING POWER: INDEX VALUES (GERMANY 1998=100).

Index	Country	Index	Country
67	Slovenia	21	Bulgaria
51	Czech Republic	19	Macedonia
47	Hungary	19	F.R. Yugoslavia
40	Slovak Republic	18	Russian Federation
38	Poland	17	Belarus
29	Lithuania	14	Bosnia and Herzegovina
28	Estonia	12	Ukraine
28	Croatia	11	Albania
24	Romania	09	Moldova
22	Latvia	<b>22</b>	<b>Central and East Europe</b>

Source: Gfk AG, Regionalforschung (EBM 1998-Europäische Basismarktdaten and OBM 1998 – Osteuropa-Basismarktdaten), quotation from Philipov, D., Dorbritz, J., 2003, p. 59). Average my own calculation.

TABLE 2. TOTAL FERTILITY: CENTRAL AND EAST EUROPE COMPARED TO THE EU 15. CHILDREN BORN PER WOMAN AT THE START OF 3rd MILLENIUM.

<b>EU 15</b>		<b>Central and East Europe</b>	
Irland	1,9	Albania	2,27
Denemark	1,8	Croatia	1,70
Netherland	1,7	F.R. Yugoslavia	1,55
Luxemburg	1,7	Azerbaijan	1,51
Finland	1,7	Macedonia	1,48
UK	1,7	Moldova	1,40
France	1,7	Georgia	1,39
Portugal	1,5	Romania	1,32
Sweden	1,5	Bosnia-Herzeg.	1,30
Belgium	1,5	Slovak Rep.	1,28
Deutschland	1,4	Poland	1,26
Austria	1,3	Hungary	1,20
Greece	1,3	Estonia	1,20
Italy	1,2	Lithuania	1,20
Espagna	1,2	Belarus	1,20
		Czech Rep.	1,16
		Russian Fed.	1,14
		Slovenia	1,14
		Armenia	1,10
		Bulgaria	1,10
		Ukraine	1,10
		Latvia	1,10
<b>EU 15</b>	<b>1,5</b>	<b>Central and East Europe</b>	<b>1,21</b>

Sources: Raga Gil, J.T., 'A New Shape for the Welfare State', in: Malinvaud, E., ed., *op. cit.*, Table 1; Philipov, D., Dorbritz, J., 2003, p. 181, plus my own calculations.

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