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### Review: The Logic of Gift – Rethinking Business as a Community of Persons

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## **Review: The Logic of Gift – Rethinking Business as a Community of Persons**

Elizabeth Drummond Young

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Michael Naughton, *The Logic of Gift – Rethinking Business as a Community of Persons*, The Pere Marquette Lecture in Theology for 2012, Marquette University Press, 2012, 88 pages, Hardcover \$15.00

Large parts of the world are suffering self-inflicted economic woes. Something is wrong with the way we are doing business and it is testimony to the depth of the crisis that the ensuing public discussion in the Anglophone world and parts of Europe considers the merits of Catholic social thought in this area. For example, a private seminar on this topic was held at Schroders Bank in London 2009 with many senior bankers attending, along with Archbishop Vincent Nichols and the Catholic economist, Professor Stefan Zamagni. Michael Naughton's lecture is therefore a timely contribution in this area and, whilst it covers some well-known ground, it also has a sting in the tail.

Naughton begins by drawing attention to the distance which he thinks has grown up between business and the rest of society: "Questions of the larger culture, the role of the family, religious faith, and moral character are largely discounted from the conversations and debates about illegal and reckless behavior in business" (p11). This seems too sweeping a statement; the position of women in business is something of a hot topic, often focussing on the difficulty of balancing child care and career advancement; the moral character of bankers is also a favourite subject of public discussion. Naughton surely wants to make a more precise point; that the discussion on these topics is often disjointed because debaters do not share the same roots of moral life; roots which Naughton describes as 'community, love, vocation, family, religion, God and gift' (p12). To integrate business and the rest of society in the way in which Naughton thinks desirable would require an acceptance of some kind of perfectionism – the view that there are certain goods which contribute to human flourishing and which should be pursued - rather than a free choice of goods which satisfy desires. Naughton flails about rather in this list of goods; in addition to those above, we find on the next page 'love, relationships, community, transcendence, faith' given as the 'deepest convictions of humanity'. The problem is that influential sections of society reject transcendence and faith and have very different views from Naughton and Catholic social teaching of what constitutes love, relationships and community.

Naughton's main theme in the lecture might still have appeal to a sceptical non-theistic audience, however. Business life has become increasingly 'homeless' – meaning that we have forgotten that even business people were not born in a corporation, but in a family. They grew up in a community, before launching out into the world of business. Naughton reminds the reader of Pope Benedict XVI's injunction in his encyclical letter, *Caritas in Veritate*, that we should aim for a deeper, critical evaluation of relationships by taking on board the theological notion of 'gift', which should stand at the heart of the relational structure of

business. The notion of 'gift' is the theological basis for seeing the business enterprise as a 'community of persons', rather than a 'society of individuals'.

In the first section of his lecture, Naughton sets out his understanding of the logic of gift in the context of business. He thinks the notion of gift should affect three main business objectives: first, the creation of wealth which should have a spiritual and social dimension as well as a financial aspect; second, purchasing goods and services should extend the humanity of the business as well as being mere exchange; third, people's participation in work should have a vocational and spiritual side reflected in the roles they are asked to fulfill. Citing Joseph Pieper, Naughton launches an attack on the 'Protestant work ethic', although not termed as such. We see hard work, diligence, industriousness and perseverance as virtues, but neglect in our work ethics the 'cultural acts of receptivity' which Naughton gives as contemplation, Sabbath, worship, silence and liberal education. Without these resources, we fail to see our lives and talents as gifts and 'delude ourselves that everything is acquired, earned and achieved'. (p.25) In other words, we have to learn how to receive before we can give. The 'logic of gift' can seem a rather mysterious term on first reading, but Naughton successfully rescues it and brings it back down to earth in this first section by showing how it can be instantiated in society.

How does the relationship between receiving and giving work, and how does it affect business life in particular? Naughton draws on three main points from *Caritas in Veritate*. Firstly, the person we become is influenced by the way we have built on the love we have received and given in our family life. Secondly, receiving has a primacy over giving: we are who we are because of what we accept. Thirdly, we need to stop compartmentalizing the worlds of home and business; business has become an action-filled world with an emphasis on achievement, rather than a world like that of the family where a balance of receiving and giving is necessary. Quoting from *Caritas in Veritate*, Naughton says 'what is accounted effectiveness in the roles of the home is not at all the same as what is accounted in the marketplace'.

What does this mean in practice? Naughton draws on familiar personalist philosophy to distinguish the individual from the person – 'the individual is always drawing things into himself, the person is always expanding the chain of solidarity with others'. (p.41). Businesses should strive therefore to be communities of persons, rather than societies of individuals.

Expanding this thought into practice, the 'person' attempts to see how his actions affect the whole enterprise, whereas the 'individual' thinks only of the parts in reference to himself. Anyone who has taken part in business meetings will recognise these two styles of operating. In theory, the ideal 'corporate man or woman' would have the health of the whole enterprise in view, but in practice we know that the canny operator who always watches out for his back, the 'office politician', often wins the day. And not just in business. Naughton suggests that the logic of gift ought to extend to all group institutions which might succumb to individualism. (He doesn't mention the Church, but perhaps he might.)

Not surprisingly, a society of individuals turns out to be an empty place, built on contracts and fair exchange, but with no substantive good to bind people together. By contrast, the community of persons has in view a common good, so that people are encouraged to give freely in support of this good. In doing so, they come to find themselves and their true role. Businesses which are community of persons do not have just one ‘bottom line’ but have three interwoven objectives: creating wealth which can be fairly distributed, creating goods and services which have a recognisable value and using people’s gift and talents to serve others. Holding these three objectives in the right sort of creative tension will mean more than just maximising the share price. It will mean drawing on the resources listed by Naughton at the start as part of the deep roots of community, such as the values found in family and religious life.

Some have suggested that, with the erosion of family and religious life, people are looking for meaning in their work lives and that businesses should try to provide that. In line with Church teaching, Naughton dismisses this. Business in itself cannot be the source of meaning, but it can be meaningful if it draws on the virtues of family and religious life. The example of family-run businesses is raised by Naughton who has only positive things to say, understandably as it chimes with his theme. (In fact, there is growing literature on the ethics of family-run businesses and, as one might expect, some negative aspects of family life creep into business too, including reluctance of one generation to hand over to the next and a failure to change and keep up to date.) Equally, the progression from shareholder business model to stakeholder model in some economies marks some progress by moving from a profit motive for the shareholder to balancing interests between different parties or stakeholders, but it is not sufficient to produce the social cohesion that the logic of gift demands.

Toward the end of his lecture, Naughton offers a positive example of a company trying to be a community of persons, the Tomasso corporation, whose owner is a Catholic. That’s the good news, but there’s no happy ending to this well written, succinct explanation of the logic of gift. Naughton finishes by firing caustic criticism at those numerous American Catholic Universities who run big business courses but completely ignore Catholic ethics in this area, offering instead the usual utilitarian secular fare. Perhaps it is just as hard for universities as for banks to become a community of persons.