

# RELIGION & LIBERTY

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## Virtuous Business and Educational Practice



**J. C. Huizenga** currently owns and is chairman of several manufacturing companies, including American Litho, Inc., JR Automation Technologies, Inc., Dane Systems, Inc., and Datum Industries. Mr. Huizenga is also chairman of National Heritage Academies, a public school management company founded in 1995 by Mr. Huizenga and ranked one of the top five hundred fastest growing companies in the nation by Inc. magazine. Mr. Huizenga lives in East Grand Rapids, Michigan, and serves as a board member for several West Michigan community organizations.

**R & L:** You have holdings in both large and small business enterprises. Does the executive of a large, multi-million dollar enterprise face any particular challenges to ethical business practice that an executive in a smaller business enterprise does not?

**Huizenga:** Not really. It is just as tough in a small company as it is in a large company. Sometimes it is even tougher. The executive of a small company must often face moral challenges more directly, because he or she has more direct contact with customers, suppliers, and employees than an executive in a large corporation who may have a management team to deliberate with. The consequences of his or her choices often affect the business more significantly because of the size of the issue relative to the size of the company.

**R & L:** Have there ever been times when your faith has caused you to make a decision that cost your company

either short-term or long-term profits that might have otherwise been realized?

**Huizenga:** At one of my businesses years ago, we received a truckload of raw materials that was invoiced improperly as \$4.26 when the actual cost was \$42,600. I advised my controller to issue a payment correction and submit the full payment. At that time the company was experiencing severe financial dis-

tress, prompting the controller to delay the execution of my directive. Being such a large discrepancy, he expected that we would receive a corrected invoice in two or three weeks at the latest, an interval that would temporarily enhance our cash flow during a particularly tight time. I consented to the plan on the condition that we book the entire payable, which was done. Strangely, the mill never discovered their mistake. After some time I dismissed the controller for unrelated reasons and promptly remedied the earlier error. The mill was astonished when our check for over \$40,000 arrived accompanied by a year-old invoice marked up with our corrections.

**R & L:** What gains or losses ensued for the company as a result of this decision?

**Huizenga:** At the time, making a payment we could have otherwise avoided took us from a difficult cash position to an impossible one. Now, however, the company's recovery

**INSIDE THIS ISSUE** ☉ **Articles:** "Hope VI: HUD's Program of False Hope" by Paul A. Cleveland and R. Chris Frohock, and "The Triple Bottom Line: Authentic New Model or Tripartite Nonsense?" by Steven F. Hayward ☉ **Book Review:** "Marriage Woes" by Brian C. Anderson ☉ **In the Liberal Tradition:** Francisco Marroquín ☉ **Column:** "The Phenomenon of Globalization" by Rev. Robert A. Sirico. ☉ **Plus Book News.**

has been so successful that it has helped to finance the acquisition of a number of other companies. The story of the honest invoice still remains a part of our corporate folklore and serves as a reminder to all employees of the standard of conduct we expect from ourselves.

**R & L:** *What are the responsibilities of the Christian businessman in a free market society?*

**Huizenga:** Our responsibility is akin to the stewardship that was entrusted to Adam by the Creator. Every individual has been given similar responsibility no matter who he or she is. All human beings are called to be moral in society, and in looking at the writings of great thinkers like C.S. Lewis, it becomes apparent that we have been created with an innate understanding of what morality is. We are born with an internal compass to determine right from wrong. A Christian, though, is called to an even higher standard than a non-Christian because we have the benefit of the knowledge found in God's special revelation commonly known as the Bible. Christ himself, by his teachings and through example, has offered a plethora of precepts that have direct transferability to today's business environment. Christians are called to not just be moral, but to respond in a way that puts others first.

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In order to have a free market that functions properly, honesty must be present. A free market depends on trust and transparency.

**R & L:** *How do your moral commitments inform or conflict with your management style in terms of maximizing the profitability of your businesses?*

**Huizenga:** In terms of my management style, I believe in letting your "walk" carry the message. If you have to trumpet your faith, it may be an indication that your actions lack conviction. I believe we are called to exemplify Christ's lifestyle. He came not just to die for us. He could have lived a lot shorter life had his purpose in coming to earth been just to atone for our sins. He came also to exemplify how we are to live in society. The Bible contains plenty of examples and parables about wealth, gain and loss, and how we are to interact regardless of our position in society. Profitability itself is not called into question, but we must be careful not to place our value solely in earthly profitability. If we place our value only in things of this world, regardless of whether we are wealthy or not, we will suffer the consequences. On the other hand, if our focus is on eternal things (non-material aspects), we are actually encouraged to pursue heavenly gain as a lifelong goal. So it should not be surprising then that a Christian businessperson's faith can coincide comfortably with the concept of profitability.

**R & L:** *How do your moral commitments affect your corporate management policies with respect to employees?*

**Huizenga:** Every person, I believe, has a role in this world to exercise judgment. All of us have to rely on the wisdom God gives us in order to exercise our judgment properly. At Huizenga Manufacturing Group and National Heritage Academies we treat others with respect, and we encourage all of our employees at all levels and positions within the company to respond with that same standard of respect. We also emphasize fairness, honesty, and transparency in our business, no matter how difficult practicing these virtues can be. Sometimes it may seem easier to bend the truth to avoid conflict, but it only cultivates a problem in that relationship. If a person is not performing his or her job, intervention is often the best way to deal with an issue. That intervention might include helping a person understand that he or she has let down fellow employees or the entire company and that the situation must be remedied. If the employee is incapable of the required performance after a genuine effort is made to help that person achieve success, it is usually better to take action to let that person go sooner rather than later. As cruel

as it may sound to terminate an employee, many times it is a relief for that employee to be able to go on with the rest of his or her life and find the vocation in society that best fits his or her abilities.

**R & L:** *The mission statement of National Heritage Academies is “challenging children to achieve their greatest potential.” How does operating charter schools based on free*

*market principles, as opposed to the traditional model, help National Heritage Academies accomplish that mission statement?*

**Huizenga:** I am a student of Milton Friedman’s view that free markets are needed if society is to prosper. When we began National Heritage, we were acutely aware of the lack of a free market within our system of public education here

## Francisco Marroquín (1499–1563)

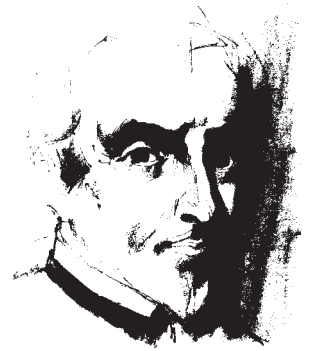
*“Because they are persons, it is fair that they live freely together and in company, which will greatly benefit their souls and bodies.”*

Francisco Marroquín was born in the province of Santander, in northern Spain, of noble and landed family. After completing ecclesiastical studies and taking priestly vows, Marroquín studied theology and philosophy at the University of Heusca. While at the University, Marroquín belonged to a renewal movement that affirmed all people as equal before God and under law and no society as just unless it was based on the free exercise of human will. This renewal movement was comparable to the humanist movements of Salamanca, Valladolid, and Alcalá de Henares. Rather than theorize about these ideals, Marroquín embarked to the New World in 1527 and put these ideals into practice.

Marroquín first landed in Mexico, where he became the ecclesiastical judge for the *Audiencia* under the orders of Juan de Zumárraga, who later founded a university and became bishop of Mexico. While in Mexico, Marroquín met Pedro de Alvarado, a cruel, ambitious, and arrogant soldier who managed to persuade Marroquín to leave his position of importance to become a simple priest in the city of Santiago in Guatemala (today Ciudad Vieja). Marroquín quickly discovered that Guatemala was organized almost as a military camp where one could still smell the odor of gunpowder and blood. Alvarado governed as an arbitrary captain, using oppression and tyranny to maintain political unity. Servitude and slavery of Native Americans dominated the life of the territory. Having passed much of his life in abstract intellectual debate, Marroquín almost certainly experienced shock at witnessing such a reality.

Refusing to despair, Marroquín concentrated more on what he could do than on what should be done in general. For Marroquín, the moral sermon was not enough. He acted at once to gain wider areas of liberty and justice for the Native Americans. Infused with missionary zeal, Marroquín visited the villages of his provinces to record the number of enslaved Native Americans. Eventually Alvarado’s control waned. Marroquín was appointed bishop of Santiago and, with the help of Alonso de Maldonado, the new provisional governor of Guatemala, he used his survey of Native American conditions to effect the liberation of Native Americans from oppression, servitude, and plunder. As a gesture of appreciation, the people eventually elected Marroquín governor.

Beyond the greed of those colonists who saw in Guatemala a place to plunder and seek fortune, Marroquín saw and established a new society of liberty.



*Source: Francisco Pérez de Antón, In Praise of Francisco Marroquín. Guatemala: Universidad Francisco Marroquín, 1999. The image of Francisco Marroquín is reproduced with the permission of and thanks to its painter Ramón Ávila, Francisco Pérez de Antón, and Universidad Francisco Marroquín.*

in the United States. We wanted to bring the benefits of competition to public education. Competition focuses any organization on its mission. If an organization does not have a viable mission, competition exposes it as defective rather quickly. Our mission statement of “challenging children to achieve their greatest potential” resulted from an understanding that parents ultimately make the decisions about their children’s education and that parents want their children to maximize the potential that God gave to them. So we set out to accomplish that mission, recognizing that it is competition that will keep us focused and help us succeed.

**R & L:** *You are enthusiastic about competition as a positive element of progress. Do you ever experience competition as harmful to the common good?*


**Huizenga:** Competition, generally, has a protocol. You treat competitors with the same respect that you would expect to receive when dealing in a competitive environment. In the arena in which we operate, we are finding that we often have enemies rather than competitors. Those enemies tend to operate without protocol. Their philosophy is to “take no prisoners.” So it tends to be a more difficult operating environment than a standard competitive manufacturing environment. I believe business competitors can and should have a relationship similar to the relationship between athletes. In sports, the athletes typically enjoy each other’s comradery. But they also compete tenaciously and after the starting pistol sounds, it is every person for himself or herself. In the process, each contestant seeks his or her personal best. Rather than cause harm to each other, they respect each other. That is the best form of competition, when we are really competing with ourselves and spurred on by others to achieve our own personal best.

**R & L:** *What advantages or disadvantages does the for-profit structure of a charter school offer that a traditional, non-market sensitive public school does not?*

**Huizenga:** Under the traditional model of public education, each principal and superintendent at the end of a school year tends to be focused on spending any budget surplus. This behavior results from an understanding that if a surplus appears at the end of the year, future funding may be diminished. The budgeting system of the traditional district schools actually creates an incentive to spend rather than conserve. In our charter schools, we incentivize based on the value an employee creates by cost reduction or quality enhancement. An example of how profit focuses value creation is manifested in our facilities. They are attractive, clean, and func-

tional. They have everything needed to accomplish effective education in a child’s life. But they are not elaborate, because we acknowledge that only so many dollars are available for use in a child’s education regardless of whether that money is spent for capital or operating expenses. We consider capital and operating expenditures to be two halves of the same sphere, whereas, traditionally, a public school district looks at these expenditures as two separate spheres. For public school districts, one sphere is the capital millage needed to build the school building. The other is the state aid or the operating millage used to operate the school. There is an implied assumption that these two spheres are entirely separate. This conception is flawed. Even though a district may think they can count on always being able to pass two separate millages, both of these millages come out of the same taxpayers’ pocket. A district can only go to that well so many times, because taxpayers are only willing to afford a finite amount of money for the education of their children. No millage has been needed to finance our buildings, desks, and equipment. We have financed these expenditures entirely with our operating budget. This economy obviously benefits the taxpayer. We are proud of the fact that we have simultaneously raised the students’ academic standard and saved the taxpayers almost \$150 million in privately financed facilities that, had they been district schools, would have cost that much in millage bonds.

**R & L:** *Some propose that public funding inevitably causes a decline in emphasis on moral values in education. Do you concur?*

**Huizenga:** I do not disagree that there has been a decline in the emphasis that public schools tend to place on virtue. I suspect that there is no easy answer to the question of *why* however. I doubt whether one can lay the blame purely on the issue of the funding source. Many of our nation’s elite private preparatory schools are actually just as void of virtue emphasis as public schools. Similarly many of the Ivy League schools, which are privately funded, began as religious schools. Unfortunately today any hint of virtue emphasis at these schools is avoided just as intensely as at public universities. Relativism seems to have labeled the celebration of virtue as some sort of cultural bias that needs to be eliminated if balance and objectivity are to guide the pursuit of knowledge. 



# Hope VI: HUD's Program of False Hope

*Paul A. Cleveland and R. Chris Frohock*

*I demand nothing better, you may be sure, than that you should really have discovered outside of us a benevolent and inexhaustible being, calling itself the state, which has bread for all mouths, work for all hands, capital for all enterprises, credit for all projects, ointment for all wounds, balm for all suffering, advice for all perplexities, solutions for all problems, truth for all minds, distractions for all varieties of boredom, milk for children and wine for old age, which provides for all our needs, foresees all our desires, satisfies all our curiosity, corrects all our errors, amends all our faults, and exempts us all henceforth from the need for foresight, prudence, judgment, sagacity, experience, order, economy, temperance, and industry.<sup>1</sup>*

## Background of HOPE VI

In the paragraph above, Bastiat satirically attacked the socialist writers of his day for offering up statist solutions for human problems. Likewise, our continuing duty is to expose the fallacies of such statist solutions wherever they may be found. One such example is in the activity of the U.S. Department of Housing and Urban Development (HUD). This government agency has done much over the years to undermine the economic development of cities. In HOPE VI, HUD has reached a new level of vain conceit in its assertion that it knows best how to promote inner city development.

HUD was begun in 1965. Since then, it has steadily deteriorated into a mechanism that allows rent seeking and pork barrel spending to increase at a rampant pace. Though HUD has promoted one doomed project after another, some politicians continue to claim that its activities are necessary to accommodate the housing needs of low-income families or individuals. Such a claim is in reality an ugly ruse, because HUD's policies and projects actually undercut the kind of development that would indeed help low-income families and individuals meet their housing needs. HOPE VI is HUD's latest initiative. The project is also called Housing Opportunities for People Everywhere, the Urban Revitalization Demonstration, or the Urban Revitalization Program. Whatever it is called, HOPE VI will have deleterious effects on those residents of the cities receiving funds under its guidelines.

There have been other HOPE initiatives. Earlier programs resulted in the development of numerous housing projects that are now considered failures. For instance, the crime-ridden public housing projects that exist in many large cities had their inception in HUD activity. Yet, the failures of these former HOPE programs have provided the impetus to establish additional HOPE initiatives. HOPE VI became law in 1992 as an effort to remedy the failures of previous HOPE programs and was prompted by the recommendation of the National Committee of Severely Distressed Public Housing (NCSDPH). The NCSDPH suggested by report that the physical deterioration of, lack of community services for, and poor management of government housing warranted some kind of action. Thus, HOPE VI is the progeny of a new vision to "eradicate severely distressed public housing by the year 2000."<sup>2</sup> Since 1992, HUD has rationed out an average of \$500 to \$600 million every year to public housing authorities around the country.

Has HUD's financial assistance actually improved the lives of the people who had been living in the government's housing projects? Like most government programs, HUD aims to achieve its goals by doing little more than throwing money at the problem. While some of these funds have gone to grants to renovate existing complexes, a large amount of this money has been spent to demolish older public housing. Plenty of cities are always willing to accept these funds from HUD. From 1996 to 2001, HUD awarded 177 demolition grants to cities in 31 states worth \$293.3 million. In Chicago alone, HUD awarded approximately \$69 million in order to destroy 10,654 housing units.<sup>3</sup> HOPE VI also provides funding for the construction of new projects to replace the demolished housing. In 2001, HUD spent \$492 million on revitalization grants that ultimately pay for the construction of new public housing communities.

In total, the agency has spent \$4.55 billion dollars on its various projects since the HOPE VI initiative was adopted.<sup>4</sup> In effect, the purpose of the program is to destroy older housing in order to build new townhouse communities. According to HUD, the design of the new public housing projects is the key to preventing the failures of the previous initiatives.

However, tearing down existing public housing projects and replacing them with new townhouses will do little to cure the ills that warranted their demolition.

## **False Hope**

Two main flaws inhere in the reasoning of HUD officials and others who support HOPE VI. First, HOPE VI immediately displaces the residents of existing housing units wherever such projects are undertaken. The initial phase of the initiative is to destroy a significant number of existing housing projects. The evicted residents receive no meaningful compensation for this displacement and are relocated to other public housing units or left to their own devices to scrounge for any available private housing. Either way, HOPE VI imposes substantial costs on those families and individuals who are presumably supposed to be helped by HUD's programs.

The larger problem with HOPE VI issues from a *false* premise. Andrew Cuomo announced in one of HUD's press releases that HOPE VI's aim is to change "the physical shape of public housing by demolishing severely distressed projects—high rises and barracks-style apartments—and replacing them with garden-style apartments or townhouses that become part of their surrounding communities."<sup>5</sup> Therefore, according to Cuomo, earlier public housing projects became "severely distressed" as a result of their architecture being "high rises" or "barrack-style apartments." Crime, drug abuse, and the lack of economic means confronting public housing residents will not be remedied by the construction of prettier housing projects. Cuomo and other proponents of HOPE VI seem to believe that the social problems attendant to public housing communities can be overcome by building houses that look like those that exist in nicer communities. Such is the naiveté of those who promote statist programs like HOPE VI.

In effect, HOPE VI proponents seem to indicate that the crime, drug abuse, and growing shortage of economic means in public housing would not have occurred if the government had simply adopted the correct architecture for the earlier projects and that correcting this mistake should alleviate those social ills. However, Larry Keating, professor at the Georgia Institute of Technology, has aptly pointed out that "social pathologies do not inure in buildings. Destruction of the physical container does nothing to cure the social ills that may afflict the residents within...."<sup>6</sup> It does not follow that simply altering the shape of public housing will stimulate the alteration of the behaviors and lifestyles of people living inside them. The fundamental social problems in government public housing communities have resulted from human action, changing the floor plan and aesthetics of that housing will do little, if anything, to address those social problems.

To bolster their argument, proponents of HOPE VI also focus on the mixed-income nature of the replacement public housing projects, contending that the social ills that pervade existing projects will be cured by mixing people together from a wide variety of economic classes. Cuomo sums up this argument with eloquent, but empty, rhetoric, stating "We are transforming public housing projects with problems into new mixed-income communities with promise. We are making public housing a launching pad to opportunity, jobs, and self-sufficiency—instead of a warehouse trapping people in poverty and long-term dependence."<sup>7</sup> The implication of Cuomo's statement is clear: Living next door to someone of better economic means will provide all that is necessary for someone else to realize his or her own economic advancement.

Said another way, HOPE VI proponents assume that the establishment of mixed-income communities will provide the motivation and training for residents of public housing to eventually move up the socio-economic ladder and out of public housing. However, simply integrating people who have few economic opportunities together with those of greater economic means does next to nothing to enhance the options for low-income families and individuals. Most people naturally recognize that the surest means to improve socio-economic standing is the adoption of a lifestyle that stresses the virtues of hard work, prudence, temperance, and saving. The grants of HOPE VI actually undercut a person's incentive to adopt such a lifestyle, because it will provide current residents (who weather the displacement) with improved housing regardless of their personal efforts. Such a program neither discourages vice nor rewards virtue. The current social ills that plague government housing will not be meaningfully addressed by having nicer, more affluent neighbors next door or down the street.

Not only does HOPE VI fail to adequately address the social problems of current government housing residents, it also dismisses the hard work of those who have struggled to survive without government assistance. As James Bovard put the matter, "HOPE is a slap in the face to the working poor and lower middle class who stayed out of public housing. The notion that HUD can give away housing to some people without having any adverse effects on their fellow citizens and neighbors is the ultimate left-liberal pipe dream...In effect, the goal of fixing up the projects works at cross purposes with the goal of encouraging residents to find private housing alternatives."<sup>8</sup>

Simply put, HOPE VI aspires to improve the living conditions for only a small number of low-income families and individuals while ignoring the rest. It sends the message "that need, rather than achievement, is the way to move up the socio-economic ladder in America."<sup>9</sup>

In addition to belittling the importance of achievement, HOPE VI's distribution of resources on the basis of need before merit also neglects biblical admonitions against misguided endowment of funds. In I Timothy 5:9 (NRSV), Paul warns Timothy that only a widow who meets certain qualifications, including "devot[ing] herself to doing good in every way," should be included on the list of those whom the church should support financially. Paul indicates here that the church, to which people provide funds freely, should be conscientious about dispersing those funds lightly. The grants in HOPE VI, all of which are generated from taxes that citizens must pay to avoid imprisonment, fund public local housing authorities regardless of the current status of the housing projects these authorities manage. Paul clearly believed that the system in the church would be offended by a handout program based on need alone. HOPE VI implements just such a handout program in American society. Paul's admonition, which should analogously be applied to HOPE VI or any other similar statist program, has been either willfully or carelessly disregarded.

### Out in the Cold

Beyond the ostensible message of HOPE VI lurks the harsh reality that the program will displace a large number of current public housing residents. For almost every resident in a new HOPE VI low-income housing unit, a past public housing resident has been evicted. This reality has occurred because the grants received by housing authorities have not been spent to replace public housing at a one-to-one rate. Even when a new replacement unit was substituted for one that has been destroyed, some former residents have been precluded from living in the replacement units, because a large number of these units are intended for wealthier tenants. In a 2001 article on the subject, Wilgoren observed that over the life of the HOPE VI program 97,000 public housing units had been demolished, while only 61,000 units had been built at a total cost of over \$4 billion.<sup>10</sup> Therefore, the program has clearly failed to benefit the large number of low-income families and individuals who have been permanently ousted. The immediate option left for these families and individuals seems to be to pack up and move into another slum. It is hard to see how the HOPE VI program benefited these permanently displaced residents at all.

A result of HOPE VI then is to increase the strife among residents of public housing projects. In addition, this program leads to the more rapid deterioration of other public housing communities, forcing their populations to swell. Local housing authorities appear to have turned their backs on finding a solution for problems that exist in these neighborhoods, because the grants awarded by HUD under HOPE

VI often go to demolish the most dilapidated complexes. In essence, HUD's new program rewards the unsuccessful management of existing public housing complexes with funds to build new public housing projects.

The true winners of HOPE VI are construction developers. HOPE VI has allowed these developers an opportunity to make millions of dollars destroying the older housing and building new construction. Once construction is completed, these developers have historically divested themselves of their ownership interest quickly because of the high likelihood that, based on the performance of the previous public housing projects, the new communities will deteriorate rapidly. In the process, these firms are able to make millions with little to no risk of loss. HOPE VI has dissolved into another rent seeking program that allows the politically well-connected developer to prosper economically at taxpayers' expense.

In the nineteenth century, waves of immigrants came to America in the hope of building better lives for themselves. Many began their lives in this country living in inner-city slum communities. Most of these people eventually moved out of these slums because the fruits of their labor allowed them to afford better housing. The primary effect of programs like HOPE VI is to ignore Paul's admonition by teaching residents of public housing not to implement this American heritage, but to endorse a statist dream that will never come true. Nevertheless, hopelessness springs eternal in public housing.

### Notes

<sup>1</sup> Frederic Bastiat, *Selected Essays on Political Economy* (Irvington, N.Y.: Foundation for Economic Education, 1995) 142.

<sup>2</sup> *HOPE VI* (Washington, D.C.: Housing and Urban Development, November 2001).

<sup>3</sup> *HOPE VI: Demolition Grants: 1996-2001* (Washington, D.C.: Housing and Urban Development, November 2001).

<sup>4</sup> *HOPE VI: Revitalization National Fact Sheet* (Washington, D.C.: Housing and Urban Development, November 2001).

<sup>5</sup> "Cuomo Announces \$35 Million HOPE VI Grant to Nashville to Transform Public Housing and Help Residents" (Washington, D.C.: Housing and Urban Development, No.99-169, August 30, 1999).

<sup>6</sup> Larry Keating, "Redeveloping Public Housing: Relearning Urban Renewal's Immutable Lessons," *Journal of the American Planning Association*, 66 no. 4, (2000): 384.

<sup>7</sup> "Cuomo Announces \$35 Million HOPE VI Grant to Nashville to Transform Public Housing and Help Residents" (Washington, D.C.: Housing and Urban Development, No.99-169, August 30, 1999).

<sup>8</sup> James Bovard, "HUD's Biggest Farce?" *The Free Market*, 18 no. 11 (2000).

<sup>9</sup> Howard Husock, "Do We Still Need HUD?" *Dailey Commentary* (January 29, 1998).

<sup>10</sup> Debbi Wilgoren, "SE Riverfront Vision Aims for HUD Funds," *The Washington Post*, July 9, 2001, sec. B1.

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# The Triple Bottom Line: Authentic New Model or Tripartite Nonsense?

*Steven F. Hayward*

“It won’t be an oil company that will change the world,” declares TV producer Philomena Ryan in splashy full-page newspaper ads sponsored by BP corporation. “BP” used to stand for “British Petroleum,” but on the ad we are given to understand that “BP” now stands for “Beyond Petroleum.” BP shareholders beware: This ad campaign seems to suggest that BP is flirting with going out of business.

The claim “[i]t won’t be an oil company that will change the world” is narrowly true. Oil companies already did change the world a century ago, so now it is probably someone else’s turn. That is not what BP has in mind. Instead, BP informs us that “[i]n 1997 [they]

were the first in [their] industry to recognize the risks of global climate change and set a target to reduce [their] own greenhouse gas emissions” at their refineries. BP proudly achieved this target ahead of schedule to the plaudits of environmentalists, who (for now) politely overlook the fact that motorists keep using more and more of BP’s CO<sub>2</sub>-producing products—the equivalent of the anti-smoking movement praising tobacco companies for using recycled paper in their cigarette rolling plants.

What is going on here?

Environmentalists have, of a sudden, begun to embrace the virtues of market capitalism—sort of. Corporations, meanwhile, have begun to discover that environmentalism can be profitable—up to a point. Is the lion really snuggling up next to the lamb after all? And if so, in this age of genetic modification, what is the progeny likely to be?

The progeny of this odd convergence is something called the “triple bottom line.” To the standard bottom line of profit-and-loss are added two more categories with balance sheets of their own: environmental quality and social justice. Forget “win-win” situations. Now we are told we can have “win-win-win” situations.

At first glance this new enthusiasm may appear to be environmentalists trying to make lemonade from the lemons

history has dealt them. The “limits to growth” argument that characterized the modern environmental movement has been widely and thoroughly discredited, because the Ameri-



*To the standard bottom line of profit-and-loss are added two more categories with balance sheets of their own: environmental quality and social justice.*

— *Steven F. Hayward*

can economy has proven that vigorous economic growth can occur along side of falling pollution and more efficient resource use. The limitation of bureaucratic regulation and the ascendance of market-oriented solutions to environmental problems (mostly developed by non-environmentalists) threatened to leave environmentalists at the back of their own parade. The Worldwatch Institute, for example, published a book entitled *The Natural Wealth of Nations: Harnessing the Market for the Environment*, in which the author (David Roodman) conceded that government regulation fails “for precisely the reason that central planning has run aground almost everywhere it has been tried.” Another recent entry is *Natural Capitalism: Creating the Next Industrial Revolution* by Paul Hawken, Amory Lovins and L. Hunter Lovins. The Lovinses are famous for advocating “soft” energy technologies (that is, energy sources that do not work for modern economies), while Paul Hawken, co-proprietor of the garden supply chain Smith & Hawken, has proven himself a capitalist genius for his ability to take a \$3 trowel, paint the blade green, stain the handle, and sell it for \$30. (Did I mention that Smith & Hawken is based in Marin County, which long ago gave up any Smith & Wesson attitudes ....) Hawken, *et al.*, praise markets for “their ingenuity, their rapid feedback, and their diverse, dispersed, resourceful, highly moti-

vated agents [which] give markets unrivaled effectiveness.”

With all this market-affirming language, the long-suffering advocates of free markets and individual liberty may be tempted to declare “We have won!” and do a sack dance in the lobby of the Sierra Club. But a closer look at the details shows that the newfound green embrace of market capitalism is highly superficial and represents a protean adaptation of their essentially unchanged socialist impulse for control over people and things. Much of this new green capitalism has the quality that Winston Churchill once observed of Stanley Baldwin: “Occasionally he stumbled over the truth, but hastily picked himself up and hurried on as if nothing had happened.”

Consider the three parts of the “triple bottom line” in reverse order of mischief. “Social justice” immediately raises a red flag (in every sense of the term) because it is a euphemism for egalitarianism. Adding the adjective “social” to the idea of justice does not meaningfully inform the principles of justice, all of which have stood on their own for millennia. In fact, “social” justice, if it has any distinct meaning at all, is a disingenuous attempt to turn justice on its head by claiming legitimacy for a redistributive agenda. The people who use the undefined vocabulary of “social justice” are usually the same people who speak of “unbridled” capitalism without defining in any serious way what exactly is meant by “unbridled,” let alone acknowledging that “bridled” capitalism is better known as either fascism, statism, or corporatism.

Environmental quality, the second component of triple bottom line, can be more straightforward so long as sensible standards are applied. Most businesses, especially manufacturing firms, have emissions and resource-use profiles that can be measured and improved upon through various means. In addition, most large corporations now produce annual environmental reports to go alongside their annual financial reports, detailing company progress on various environmental benchmarks. Most of these gains are mere efficiency gains, which can

even be profitable in many cases. In one widely heralded case, the Natural Resources Defense Council (NRDC) teamed up with Dow Chemical in Michigan on a “source reduction initiative” that set as its goal a 35 percent reduction in the amount of pollution discharged at Dow manufacturing plants. At the end of a three-year process Dow had not only exceeded the target, achieving a 43 percent reduction in discharges, but saved a net \$5 million a year in production costs

that now flows to the financial bottom line as additional profit. (The production changes required to achieve this savings cost \$3 million.) Here, we are told, is a classic “win-win” for both the financial and environmental bottom lines.

That an evil chemical company can make money while reducing pollution is almost no fun at all to hard shell environmentalists (The NRDC’s Linda Greer, who spearheaded the NRDC-Dow project, told an interviewer: “If you told me five years ago that I was going to help Dow increase its profitability by \$5 million a year, I would have stood and waited for the punch line!”), though it has provided the greens with the idea that huge profitable efficiency gains are just waiting to be captured if only lunk-headed corporate executives will wake up and look for them. Environmentalists are only too happy to lend their “expertise” on plant efficiency. Although many efficiency gains can be profitably attained, a one-dimensional focus on efficiency gains leaves out of account both the opportunity cost of dedicating working capital and trained personnel to achieving such efficiency gains as opposed to other tasks and any consideration of the internal rate of return (IRR) on the company’s capital. In other words, efficiency gains may have a much lower rate of return on capital than other potential investments a company could make. In the fullness of time, a corporation needs to devote its capital to investments with the highest rate of return.

The effect of efficiency gains on IRR is neither a hair-splitting nor trivial consideration. U.S. oil refineries, for example, spent nearly 50 percent of their capital expenditures between 1991 and 1995 on pollution abatement equipment, according to the World Resources Institute, little or none of which added to the bottom line. (Most of this expense was required to comply with the Clean Air Act.) The energy industry spent \$8.5 billion in environmental compliance costs in 1998, more than twice the net income of the

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*... a generalized initiative has surfaced to elevate triple bottom line sustainable development to a “board level issue.”*

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top 200 oil and gas companies. After such mandated expenditures, naturally companies would wish to devote their remaining working capital to developing assets that add to the bottom line in a more meaningful way than an incremental efficiency gain. (Also, given the long-term trend toward greater energy efficiency and raw material use, in many cases these efforts amount to merely speeding up efficiency gains that would be achieved in any case.)

While some environmentalists, such as the NRDC's Greer, recognize these finance considerations ("they have in mind other investments for that \$3 million that they think will be more profitable," says Greer), the more creative environmentalists suggest that we need new "metrics" to calculate the financial bottom line that reflect the "value" of "social capital" and "intellectual capital." Neither of these categories is self-evidently silly. To the contrary, the idea of "social capital" has been developed by scholars on both the left and right, such as Robert Putnam and the late Edward Banfield, and

which has steadfastly refused to enter a guilty plea as a destroyer of planet Earth. Campaign ExxonMobil, a self-appointed pressure group dedicated to making ExxonMobil annual shareholder meetings as unpleasant as possible, recently sponsored an ostensible shareholder valuation analysis by some outfit known as "Claros Consulting" that argued that ExxonMobil's market capitalization could fall by as much as 10 percent (or about \$20 billion) because of its refusal to take global warming seriously or invest in renewable energy technologies. Then the World Resources Institute entered the act with a study of "Emerging Environmental Risks and Shareholder Value in the Oil and Gas Industry" that argued more cautiously (but still spuriously) that ExxonMobil and other energy com-

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### *Enron's bankruptcy neatly parallels both the moral and financial bankruptcy of green accounting....*

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the significance of intellectual capital is central to the rise of the information economy. But the marketplace tends to assign value to the intellectual capital of firms, such as Microsoft or Intel, where the higher multiples of earnings reflected in the stock market price express the fact that the accumulated human knowledge of the company's employees greatly exceeds the standard book value of raw materials and physical assets. These valuations may or may not be "correct," but millions of investors perform these recalculations daily in the auction of the stock market without the imposition by subjective fiat of a special interest group.

These types of investor recalculations are not what environmentalists mean by assigning value to these intangibles. They are looking for ways to shoehorn the idea of "sustainable development" into accounting standards that assign a proper negative asset and cash flow value to environmental externalities. While no one has yet come up with proposed Financial Accounting Standards Board (FASB)-style rules for doing this, a generalized initiative has surfaced to elevate triple bottom line sustainable development to "a board level issue." This initiative is making some headway in boardrooms. Monsanto's CEO Robert Shapiro wrote in a 1995 corporate environmental report: "We have to broaden our definition of environmental and ecological responsibility to include working toward 'sustainable development.'"

Meanwhile, some environmentalists are not waiting for serious conceptual work on how objective accounting standards might incorporate environmental concerns. They have started trying to manipulate the stock market by "warning" investors that companies that do not heed the call of the triple bottom line will see their market value decline. This technique is a sophisticated way of mau-mauing corporations that do not toe the green line.

A special target of this green intimidation is ExxonMobil,

panies face an average loss in market value of about 6 percent.

There is something more than a little ironic—even comical—about environmentalists pretending to be stock market analysts at the very moment that stock market analysts have fallen into disrepute with the public, and when market volatility has greatly exceeded the possible range of valuation changes under either of these studies. (Next they will be telling us that internet companies are a good investment.) This suggests that the probity value of these studies is about zero. Naturally the greens' favorite companies are those companies that make vocal pledges to fight global warming and invest in renewable energy such as BP and Royal Dutch Shell. If these green stock market valuation studies are correct, we could expect that investors would already be giving the greener companies higher valuations in the stock market. Yet even after the horrendous market shakeout of July, ExxonMobil's price-earnings ratio was a third higher than either BP or Royal Dutch Shell, suggesting that investors believe the earning prospects for ExxonMobil are much better than for their greener competitors. ExxonMobil also enjoys a higher profit margin and higher return on shareholders' equity than BP or Royal Dutch Shell, reflecting perhaps that ExxonMobil is not wasting capital on unproductive renewable energy technologies. (In fact, ExxonMobil has the highest return on equity in the entire energy industry according to the *Value Line Investment Survey*.)

The green solicitude for shareholder value becomes even more absurd when we keep in mind the environmentalists' all time favorite energy company: Enron. Enron endorsed the Kyoto protocol and was positioning itself to be a key broker of any tradable emissions permit scheme that might be used to help meet Kyoto CO<sub>2</sub> reduction targets, though cynics may wonder whether Enron saw this as another mar-

ket it could manipulate or employ creative accounting to puff up phony profits. Indeed, the former CEO of Enron, Jeffrey Skilling, is reported to have said: "We are a green company. The green we like is money."

Paul Georgia of the Competitive Enterprise Institute compiled a sampler of environmentalist endorsements of Enron. An internal Enron memo in 1997 noted: "Enron now has excellent credentials with many 'green' interests including Greenpeace, World Wildlife Fund, Natural Resources Defense Council, German Watch, the U.S. Climate Action Network, the European Climate Action Network, Ozone Action, World Resources Institute, and Worldwatch." Ralph Cavanaugh of the NRDC wrote: "On environmental stewardship, our experience is that you can trust Enron." In April 2000, NRDC listed Enron as one of several "progressive companies" that "support responsible global warming policy." Jim Marston with Environmental Defense also praised Enron, saying, "They are smart. They think that being pro-environment is a good business and political strategy." In his 2001 book *Eco-Economy*, Lester Brown praised Enron for being "keenly aware of the part it can play in the transition to the new energy economy."

Ralph Cavanaugh's comment on the credibility of Enron's environmental stewardship raises an important issue that the greens do not seem to factor into their analysis at all. The Psalmist reminds us that the earth is the Lord's and all that is in it (Ps. 24:1a NRSV). God has charged humans to fill the earth and subdue it and has given them dominion over its living creatures (Gen. 1:28 NRSV). Thus, God has established human beings to be the stewards over His earth, and humans must respect this responsibility by using the resources of this earth in accordance with principles of biblical stewardship. Environmental stewardship qualifies as a subset under God's general mandate. Avoiding the waste of environmental resources and beauty becomes the responsibility of all humans. By pushing concepts like the triple-bottom line, the greens go a step past waste to outright business reduction and conservationism. The environmentalists are attempting to impose a form of stewardship based on their own sensibilities and with apparent disregard for any biblical principles of stewardship.

Enron's bankruptcy neatly parallels both the moral and financial bankruptcy of green accounting, as neither of the collateral bottom lines of the triple bottom line (environmental quality and social justice) could help keep Enron, nor will help keep any other company, from collapse. The thousands of people who lost their jobs and their retirement savings in the Enron debacle remind us that a corporation's first duty to its shareholders and employees is to make a profit. The old-fashioned, one-dimensional financial bottom line

takes precedence. The failure to do so, as Enron and other fraudulent corporations that have collapsed in recent months show, has its own serious social consequences. The example of Enron shows that environmentalists are trying to turn corporations into social service adjuncts of a statist agenda—something that market-oriented corporations and proper biblical stewards are not supposed to be.

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## *Introduction to the Editor*

**Stephen J. Wolma, J.D.**, has become the new editor for *Religion & Liberty*. Mr. Wolma obtained a



*Stephen J. Wolma*

bachelor of arts, *summa cum laude* with honors in English, from Pepperdine University in 1995 and a juris doctorate, *magna cum laude*, from Valparaiso University Law School in 1999. While at Valparaiso University Law School, Mr. Wolma was the Editor in

Chief of the *Valparaiso Law Review*. Mr. Wolma was admitted to the Michigan State Bar in 1999 and practiced law until August, 2002. In addition to his responsibilities as the editor of *Religion & Liberty*, Mr. Wolma is pursuing a master of divinity from Calvin Theological Seminary and ultimately seeks ordination as a Minister of the Word and Sacraments in the Christian Reformed Church. Mr. Wolma lives in Grand Rapids, Michigan, with his wife and daughter.



# Marriage Woes

*Brian C. Anderson*

Marriage is in deep trouble in America, and indeed throughout most of the Western world. The numbers tell the story. By the mid-nineties, nearly one-fifth of all white children in the U.S. lived in single-parent families, almost always headed by mothers. Well over half of all black children now live in such mother-only families. These percentages represent a spectacular increase from just a few decades ago. A similar trend is at work in Australia, Canada, Denmark, France, New Zealand, Sweden, and the United Kingdom, and throughout the Caribbean (though not in other parts of the world, including the Far East). Add in the number of kids living with a divorced parent—more than 1 million in the U.S. by 1995, compared with 500,000 in 1960—and you have a crisis in the traditional family.

As James Q. Wilson, *doyen* of American social theorists and author of numerous important books on crime, bureaucracy, human nature, and other topics, argues in his new book *The Marriage Problem: How Our Culture Has Weakened Families*, it is a crisis that threatens to undermine the free society. Children in one-parent families, he observes, simply have a much harder time in life. They are twice as likely as kids in two-parent families to drop out of school or become drug addicts or juvenile delinquents. Boys in single-parent families wind up in jail for bad crimes a lot more than do their counterparts in mother-father families. Girls in single-parent families become unwed teenage mothers, stuck on the public dole, at a much higher rate. Nor is it children alone who suffer from marriage's decline. Married folks are happier than the unmarried, have more money, and are significantly healthier. Ultimately, stresses Wilson, marriage is crucial to the formation of responsible citizens. "It is not money but the family that is the foundation of public life," he says. As that foundation weakens, everything that rests upon it weakens too.

Wilson warns that the social failure of children in single-

parent families is inexorably leading to an America of "two nations." In the first, middle-class nation, kids still have a mom and a dad, get educated, land jobs, get married themselves, and live in homes "kept separate from crime by distance, fences, or guards." In the second nation—crime-ridden, poor, dependent on government handouts, and disproportionately black—"a child is raised by an unwed girl, lives in a neighborhood filled with many sexual predators but few committed fathers, and finds gang life to be necessary for self-protection and valuable for self-advancement." Even in the first nation, though, troubles brew. Alcohol and drug abuse, promiscuity, anomie—today's middle-class teenager is often a distressed soul, her work-obsessed, frequently divorced parents too busy to notice or too feckless to help.

Why is marriage collapsing in the West? And why is it in truly grave condition among African-Americans? For answers, Wilson looks at the institution of the family in its relationship to human nature and culture and charts its trajectory across history. The family, he stresses at the outset, is a human universal, existing in every community known to hu-

mankind. In every place and every time, the family has the awesome responsibility of raising kids. Family is a remarkable creation, woven out of biological imperatives and cultural pressures. At its core, Wilson explains, is "the central element in human relations": the union of mother and child, so rooted in "powerful natural forces" that only extreme circumstances can sunder it.

But if the mother-child bond is natural, causing men to become family-oriented is primarily a cultural achievement. Just as in his earlier book *The Moral Sense*, Wilson draws on evolutionary biology to show that evolution on its own simply rewards men who inseminate many women, guaranteeing the maximum dissemination of their genes. Left to their biological impulses, Wilson holds, men would offer little protection to the mother-infant bond. After all, if life is just

***The Marriage Problem:  
How Our Culture Has  
Weakened Families***  
by James Q. Wilson

HarperCollins  
274 pp. Hardcover: \$25.95

about sowing your seeds, why invest so much time and energy in one field? What curbs the biological male's sexual interests and ties him to family, Wilson believes, is culture.

That family life has such a powerful cultural component, however, means that cultural *change* can have a considerable impact on its health. Many social thinkers see the upheavals of the 1960s as the primary cause of our contemporary family problems. "Just-do-it," "follow your bliss," "let it all hang out"—such sixties libertarian ideals are impossible to square with the kind of sacrifice and concern for others that family life requires. As Wilson acknowledges, it is true that an unprecedented erosion of marriage began in the sixties.

But in Wilson's view, blaming our marriage woes solely on the sixties is too simple and neglects the big picture, which, he claims, goes back hundreds of years to the onset of the Western Enlightenment. For a long time in the West, he observes, culture—largely through the efforts of the Catholic Church, the then-chief culture-forming agency—made marriage a sacrament, giving the institution of marriage more moral weight than the interests and desires of the individuals who married. With the Enlightenment, however, a new social logic of individual liberty was unleashed that inexorably weakened the family. The ideals promoted by men like John Locke and Adam Smith elevated the principle of personal choice over the obligations of church and family, eventually transforming marriage from a sacrament into a contract—one that the marriage partners could dissolve with more or less ease if they no longer found it satisfying.

Without its sacramental underpinnings, based now solely on preference and freedom, the institution of marriage became much flimsier. Wilson thinks that marriage would have unraveled much earlier than the 1960s—the Roaring Twenties showed what was on the way, he maintains—if not for the Great Depression and World War II, which required sacrifices that put off the era of personal liberation. The sixties, says Wilson, were the culmination of a long history.

Even if it is true that the Enlightenment is the original source of the marriage problem, why have American blacks suffered such catastrophic family breakdown since the sixties far worse than among whites? Wilson goes part of the way with social theorists like Charles Murray, who blame welfare dependency for encouraging rising illegitimacy among blacks. But welfare was around for three decades before African-American illegitimacy rates began to spike up in the sixties.

What really led to the dramatic increase in black families headed by unmarried mothers, Wilson thinks, is a complex mixture of historical and cultural causes. Wilson updates an old argument, shared by W. E. B. Dubois and, later, Daniel Patrick Moynihan in his famous 1965 report on rising black

illegitimacy, that slavery bore some of the blame. Slavery, on this account—a "vast, cruel system of organized repression" that denied to slaves the right to marry, sold off their kids on the auction block, and separated slave parents at whim—left the black family a weak reed, with much higher out-of-wedlock birth rates historically than has been commonly acknowledged.

The same forces that have shaken marriage across the West and that intensified in the sixties thus hit American blacks particularly hard. Add the perverse incentives of welfare (if you desired a child but not a husband, the nanny state would step in and supply the money and benefits), the sixties' corrosion of stigma surrounding both illegitimacy and government dependency, and too few marriageable black men, Wilson argues, and you have at least a partial explanation for black family breakdown.

Other pressures have hit the modern family, black and white, Wilson explains. No-fault divorce laws, introduced for the first time in the late 1960s, have made it a cinch to dissolve marriages, making it much more likely that troubled couples will break up rather than work through the bumpy patches that most marriages hit from time to time. The flood of women into the workforce has put strains on family life too, Wilson admits. But both of these developments, like the rest of our marital difficulties, he feels, are outgrowths of our modern regimes of freedom and Enlightenment. Freedom, for all its benefits in personal happiness, has a downside in Wilson's tragic outlook.

The link between freedom and the marriage problem makes Wilson pessimistic about halting the ongoing breakdown of the traditional family. Many Americans wish to return to an era of stronger marriages, Wilson writes, but "history is marching in a different direction." Cultural change *is* possible: the Victorians launched a host of efforts—revivals, YMCAs, temperance societies, orphanages, Sunday schools, and other initiatives—that successfully slashed crime rates, illegitimacy, and drunkenness among newly urbanized populations during the nineteenth century. But Wilson does not see the leadership today that could convincingly restore the value of marriage throughout our culture. Our society, moreover, "has managed to stigmatize stigma so much so that we are reluctant to blame people for any act that does not appear to inflict immediate and palpable harm on someone else."

The best we can hope for, Wilson seems to believe, is to temper some of the worst consequences of illegitimacy through, say, supervised homes for unwed mothers, and perhaps make some marriages harder to dissolve through "covenant" marriages, where couples enter into a legal agreement that makes it harder for them to divorce. Otherwise, we seem

destined to become two nations.

Yet Wilson may be too gloomy about cultural change. Is it really true that sky-high divorce rates and ever-rising illegitimacy numbers are inevitable byproducts of a free society? Even in terms of secular happiness, divorce and illegitimacy spread more woe than joy. It is not impossible to imagine people changing their behavior somewhat to address this empirical truth. If we also consider the prospect of another religious awakening, restoring a deeper sense of duty and human purpose to our culture, even greater changes might be in store.

Wilson also places too much faith in sociobiological theories, which, as his own argument shows, offer woefully inadequate accounts of human motivations. When we sacrifice for our children, evolutionary biology claims, we are really just perpetuating our genes; and when we help others, we are just looking for help from them in the future. Wilson grants that these theories—inclusive fitness and reciprocal altruism—do not clarify everything, since they cannot ex-

plain why people make sacrifices for their pets or adopted children or why people make anonymous financial contributions. But given such glaring exceptions, do today's reductive evolutionary theories of man's nature explain anything? Wilson's lengthy chapter on the effects of "sex ratios"—the number of marriageable men compared with the number of marriageable women—comes with so many exceptions that one is tempted to question whether they have any true influence on behavior at all.

But *The Marriage Problem* is nevertheless an essential work for anyone seeking to know our cultural predicament. In its reasonableness, its patient sorting of evidence, its humanity, it presents the many virtues of its author, our Weber, as Moynihan once called him.

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## *Book News*

### **The Good of Affluence: Seeking God in a Culture of Wealth**

*John R. Schneider*

*William B. Eerdmans Publishing Company*

*233 pp. Hardcover: \$24.00*

*Comments by the Rev. Jerry Zandstra*

In a revision and expansion of his 1995 book *Godly Materialism*, Calvin College professor of religion John Schneider challenges conventional wisdom as he considers the relationship between the Christian faith and material wealth. Schneider's theme is that "capitalism (for all its problems) is not just the greatest liberating power in human history, but also that its cultural workings provide an unusually good opportunity for the expression of true Christian faith and virtue." To make his case, Schneider works his way through Genesis and Exodus, the prophets, the Incarnation, life and parables of Jesus, and finally through the fathers of the early church. Schneider falls neither into the camp of proponents of the 'health and wealth gospel' nor does he commit the mistake of landing on the side of redistributionists, so common among professors of theology and religion. Instead, the book manages a fine balance between the blessings of material possessions and the moral obligations borne by those who hold them.

### **God and the World: A Conversation with Peter Seewald**

*Joseph Cardinal Ratzinger*

*Ignatius Press*

*460 pp. Paperback: \$18.95*

*Comments by Dr. Samuel Gregg*

As Prefect of the Vatican's Congregation for the Doctrine of the Faith, Cardinal Joseph Ratzinger has demonstrated again and again that he is one of the world's leading theologians. In this extended interview with the renowned German journalist, Peter Seewald, we are given an insight into Ratzinger's thought on a range of topics fundamental to Christian belief. This includes profound meditation on the theological virtues (faith, hope, and love), Creation, Revelation, the Personhood of Christ, the Cross, the Sacraments, and the Church itself. This book is especially interesting insofar as the interviewer has only recently returned to the Catholic Faith, and is thus far from obsequious in his questions. The ensuing discussion between the once-secularist journalist and a Prince of the Church thus deeply penetrates into some of the very essences of Christian belief, and confirms Ratzinger's reputation as a Christian critically engaged with modernity and not afraid to state where it sheds both light and darkness upon the truth revealed to man by faith and reason.

# The Phenomenon of Globalization



Globalization has emerged as a new paradigm for describing the way in which the human family can relate to each other. Globalization is the increased interconnectedness of all peoples on the face of the earth. We can now more easily, rapidly, and cheaply move, and thus share, ourselves, our consumer goods, our material and human capital, and the values that comprise our respective cultures. Our ever-increasing ability to share our God-given and complementary gifts with one another holds with it the possibilities of enlarging the scope of our communion and solidarity.

The technological revolution and social dimensions of modernity have made this increased interconnectedness possible. Advancements in technology have made quick and radical improvements in communication and transportation capabilities. The social dimension of modernity contributes the assertion that because all men and women are equally valuable, they should be free from unfulfilling constraints imposed by other persons or the state. These technological capacities and the freedom to develop and use them promise to enhance the potential for integral human development by promoting authentic development in at least the areas of economics, politics, and culture. In economics, globalization broadens the free market to include many nations to which it had not previously reached. Improvement in the political arena is recognized in a newfound permeability of borders that allows for an exchange of information that can undermine the power of abusive regimes. The effects of globalization on culture—society's shared idea of human good and morality—can also be positive in that never in history have these societal ideas and cultural characteristics been so easy to share.

Resulting from human sinfulness, however, our increasing interconnectedness also holds great potential for offenses against human dignity. Greater economic development means a greater need for additional capital. Businesses or states can raise capital through borrowing or "foreign direct investment." Corruption, incompetence, or circumstance may cause business or state revenues to be lower than expected and result in a debt repayment crisis that may lead to austerity measures that disproportionately benefit creditors and hurt the poor. "Foreign direct investment" may promote conditions that allow for dispersed, non-localized ownership and management of the market franchise. Globalization also poses immense long-

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*Globalization has emerged as a paradigm for describing the way in which the human family can relate to each other.*

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term challenges for culture. Because widespread skepticism now exists about whether universal and timeless truths exist, cultural freedom can be abused. The weak who seem to have little to offer culture—the poor, the unborn, the elderly, and the disabled—become a burden to be marginalized, limited, and even destroyed instead of being recognized as persons worthy of respect and solidarity.

So what can believers offer to the globalization process? One of the great resources Christianity brings to the mission of ensuring that globalization serves the human person is its universality. We can be more fully extended throughout the entire world, allowing its truth to be brought more completely to the human family. That truth and the community around it embolden us to proclaim unequivocally the absolute dignity of all human persons. The challenge before us now is to use our information and network effectively to develop apologetics that will positively influence the carriers of today's culture.

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*The Rev. Robert A. Sirico is a Roman Catholic priest and the president of the Acton Institute.*

**“The strongest principle of growth lies in  
human choice.”**

**—George Eliot—**