Purpose and Limits of Business

The Second and Third EWP Themes
Pathway for my talk

PURPOSE AND LIMITS OF BUSINESS

EWPs

OBSTACLES FOR BUSINESSES
Pathway for my talk

- Purpose and Limits of Business
- EWP’s
- Obstacles for Businesses
• What is the purpose of business from God’s perspective?
My approach

• The “Grand Narrative”
My approach

• The “Grand Narrative”
We were made – in part – for work
Let us make man in our image, in our likeness
Let us make man in our image, in our likeness

It is not good for the man to be alone.
Observations from Genesis

- We were made – in part – for work
- Our work is to grow out of and return to relationship
Business exists to provide opportunities for individuals to express aspects of their God-given identities in creative and meaningful work.
Observations from Genesis

- We were made – in part – for work
- Our work is to grow out of and return to relationship
- The material world matters to God
When the LORD God made the earth and the heavens-- **and no shrub of the field had yet appeared on the earth and no plant of the field had yet sprung up**, for the LORD God had not sent rain on the earth **and there was no man to work the ground**

*Genesis 2:5*
Observations from Genesis

- We were made – in part – for work
- Our work is to grow out of and return to relationship
- The material world matters to God
- God’s purposes on earth are to be advanced through our work
Purposes of business

• Business exists to provide goods and services that will enable the community to flourish

• Business exists to provide opportunities for individuals to express aspects of their God-given identities in creative and meaningful work.
But what about profit?
Distinguish from shareholder model

Profit maximizing

Good jobs

ucts
How?

• How should business be practiced?
Limit at the center of identity
My approach

• The “Grand Narrative”
Broken in all dimensions

<table>
<thead>
<tr>
<th>Human - God</th>
<th>Human – human</th>
<th>Human – creation</th>
<th>Human - work</th>
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Everything is broken
How do we get back to a correct sense of limits?
Clues from Genesis...

- I give you every seed-bearing plant on the face of the whole earth and every tree that has fruit with seed in it. They will be yours for food.

- The LORD God took the man and put him in the Garden of Eden to work it and take care of it.
A need for limits

Business should pursue God’s purposes but subject to the limits of sustainability
A need for limits

Business should pursue God’s purposes but subject to the limits of sustainability

• Not just an environmental issue

• Assuming no changes in the surrounding setting, could the business be sustained this way indefinitely?
Sustainable

• Shareholders/Owners
• Employees
• Customers
• Suppliers/Vendors
• Community
• Environment
Conventional understanding of limits
Pathway for my talk

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Why we can’t have it all

• For now we operate in the “messy middle” – the “already/not yet”
Obstacles to being all that business should be

- Laws and regulations
- Market limitations
Why laws can be good

- Enable market to function (e.g. property rights, enforcement of contracts)
- Capture externalities so that markets will function more accurately
- Address values that markets don’t capture
The problem with regulations

• Not always oriented towards the “common good” or “human flourishing” – a question of motivation

• Difficulty in figuring out what is best for the “common good” – an issue of limited knowledge

• Problem of over and under-inclusiveness

• Cost of monitoring and enforcement
Government regulations

• What can we conclude?
  • Must not assume that regulations are always the answer
  • Must not assume that regulations are never the answer

• Need a more nuanced understanding
  • Self regulation by a virtuous person is best
What about the “market”?

- A remarkably effective tool
- But probably not God’s perfect plan
The problems with the “market”

• A remarkably effective tool
• But probably not God’s perfect plan
• Built on a number of assumptions
  • Scarcity
  • Self-interested behavior
  • Choices are neutral
  • Participation in the market is earned
Adam Smith’s invisible hand is NOT the hand of God
• What can we conclude?
  • Must not idolize the market
  • Must not condemn the market

• Need a more nuanced understanding:

  *The role of the church is not to be “anti-market” or “pro-market” but to be life-affirming.*

  Dr. Rebecca Blank
Pathway for my talk

PURPOSE AND LIMITS OF BUSINESS

EWP’S

OBSTACLES FOR BUSINESSES
1. We were given stewardship over the world so our work would make it flourish for his glory.

2. Through economic exchange, we work together and create value for one another.

3. Economic systems should be grounded in human dignity and moral character.

4. Economic systems should practice and encourage a hopeful realism.
Business & the Economic Wisdom Principles

General purpose

STEWARDSHIP AND FLOURISHING
Business & the Economic Wisdom Principles

Required if business is to contribute to human flourishing
Business & the Economic Wisdom Principles

Required if business is to engage in value creation
Business & the Economic Wisdom Principles

Responsible action as limiting factor in each case
A few closing thoughts

Economic value creation:
A unique attribute of business
Economic value creation:  
A unique attribute of business

Productivity:  
A growing pie, not win-lose
We recognize that poverty results from and is sustained by both constraints on the production of wealth and on the inequitable distribution of wealth and income. ... We affirm the need to analyze and explain the conditions that promote the creation of wealth, as well as those that determine the distribution of wealth.
A few closing thoughts

Economic value creation:
   A unique attribute of business

Productivity:
   A growing pie, not win-lose

Opportunity:
   Redressing poverty and enhancing human flourishing
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Thank-you

• Questions?
Why has the church gone missing?

- Lack of knowledge
- Zero-sum orientation
- Focus on reconciliation to the detriment of creation
- Gap between proclamation and praxis