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CBFA 2015 Business and Human Flourishing - A Holistic Visual Model

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Abstract
The reputation and, to a lesser degree the practice of business, perhaps more than those of any other institution, suffer from the kind of reductionism that is the stepchild of dualistic and secular thinking. Some business-bashing is deserved, since some businesses operate in a very opportunistic ways, but much of it can be traced back to a misunderstanding of what business is and does. Unfortunately, once we have been fooled into thinking that life can be compartmentalized, and that we can wall off religious beliefs from the rest of life, and that our economic lives belong on the secular side of that wall, we are left with few options for defining or carrying out business activity in a holistic way. We are backed into having to find some "secular purpose" for business, which too often, in a materialistic world, gets reduced to "making money." Thankfully, businesses can be and often are much more than this!

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CBFA 2015 Business and Human Flourishing – A Holistic Visual Model

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Introduction

The reputation and, to a lesser degree, the practice of business, perhaps more than those of any other institution, suffer from the kind of reductionism that is the stepchild of dualistic and secular thinking (Visser, 2015). Some business-bashing is deserved, since some businesses operate in a very opportunistic ways, but much of it can be traced back to a misunderstanding of what business is and does.

Unfortunately, once we have been fooled into thinking that life can be compartmentalized, and that we can wall off religious beliefs from the rest of life, and that our economic lives belong on the secular side of that wall, we are left with few options for defining or carrying out business activity in a holistic way. We are backed into having to find some "secular purpose" for business, which too often, in a materialistic world, gets reduced to "making money."

Of course CBFA professors know there is nothing wrong with making money, even a lot of it, if it is done in the process of building healthy organizations, creating jobs and providing needed goods and services at prices that improve people's lives. Profits are critically important for encouraging innovation and risk taking, and for luring resources to where they are most needed in an economy. Unfortunately, it is very hard for business people to keep these broader purposes in the forefront of their minds when they have been hoodwinked into bowing to the god of mammon and thinking that businesses are accomplishing their primary purpose in society by simply making lots of money.

Thankfully, businesses can be and often are much more than this! Properly structured and run, they are not only vehicles for stewardship and sustainability, but they are also the best hope for pulling and keeping people out of poverty. One reason for this is that to survive, businesses must create value. In other words they must produce products and/or services that a society values more than the time, money, knowledge or resources that were needed to produce these things. Granted, societies can have misguided values, and some businesses will capitalize on this, but for the most part we should not blame businesses because families, churches or schools are unconcerned about or unsuccessful in inculcating positive and/or godly values in people.

What business sorely needs is a holistic model that demonstrates how truly interdisciplinary it is. Entrepreneurs and managers need to be both scientists and artists, capable of bringing together natural, physical, financial, intellectual, emotional, aesthetic, social and even governmental resources in a harmonious way, and for a single purpose - not unlike what a maestro does when he pulls together a diverse group of musicians and instruments for the purpose of making beautiful music. In addition, to ensure a steady supply of and appropriate balance among these resources, the business person must be ever vigilant about the unique characteristics, needs, motivations and values of the diverse participants in this process, as well as the vicissitudes of the myriad variables that affect the supply and demand for these resources.

In fairness to those who hyper-focus on profits, money is central to this activity because many of the resources that businesses employ are "purchased" with money. The rights to natural and public resources, the ownership of machinery and equipment, and the right to use people's time, accumulated educational and experiential resources and creativity are all compensated with money. But creative managers reward their suppliers, employees and communities with far more than money, and give their customers far more than low prices. They both respond to their values and shape their values, all the while looking for fair and adequate ways to reward them for their willingness to continue to provide needed resources to the business.

For example, businesses need to not only reward the owners and creditors with sufficient dividends and interest to compensate them for saving and risking their money, but also give them assurances that their money is being used in a manner that is consistent within the legal and moral boundaries of their contract. Suppliers must be rewarded not only with timely payments, but with fair expectations, workable timeframes and satisfying long-term relationships; employees not only with adequate pay but with creative benefits, a healthy work environment, reasonable expectations, personal development and time for family. Government and the public must be rewarded not only with honestly-computed taxes but with regulatory compliance, community and educational partnerships, and environmental stewardship; customers not only with low prices but with accurate marketing messages, high quality, serviceability warranties, etc.

In doing these things, businesses increase the income and wealth not only of owners but of employees, customers, suppliers, taxpayers, communities and nations. Done well and sustainably, they can also increase the income and wealth of subsequent generations as they reinvest profits, and bequeath things like land improvements, buildings, technology, books, durable goods, estates and foundations to heirs. This wealth increases future productivity and incomes as it allows for investments in child-rearing and education, on-the-job training, productivity-enhancing software, machinery or tools, and time-saving products for the home. It also reduces the damage associated with life's ups and downs and the likelihood of catastrophic losses by giving people, organizations and economies financial cushions during tough times and resources to share with the needy. Asset ownership offers both access to credit (since assets make good collateral) and opportunities to develop the kind of decision-making, management and stewardship skills associated with home or business ownership. Business activity also promotes sustainable community development as job creation and profits gradually edge out government dependency or charity.

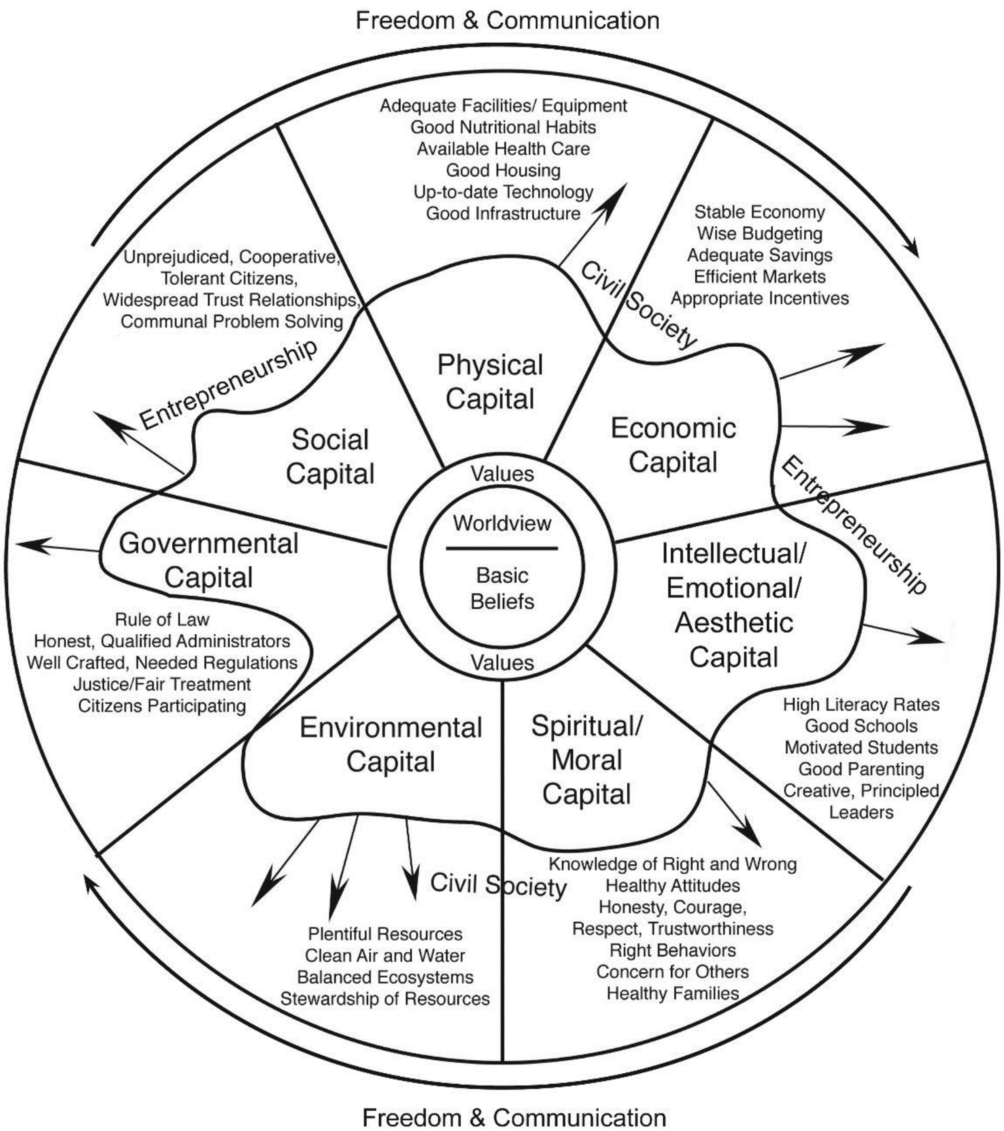
All of this, of course, requires an environment where people are free to pursue business according to the dictates of their hearts - with emotion, effort and attention to detail that borders on religious fervor. But it also means that hearts need to be oriented in the right direction. This means businesses must be interested not only in making money, but in promoting human flourishing through job and wealth creation, innovation, managerial integrity, stewardship and service. When business is done this way, economies, governments and civil society flourish, people prosper, and God is praised.

A Visual Model of Holistic Business and its Role in Society

To demonstrate how radically different businesses can be, we need to show how the answers people give to the most fundamental questions of life determine their goals, attitudes, values, priorities, and behaviors, and how these in turn coalesce into a worldview that is at the core of not only business creation and operation but the entire the wealth creation and economic development process. To this end, we introduce the model that is at the center of the book *The Crossroads of Poverty and Prosperity: The Impact of Religious Beliefs and Worldviews to Economic Outcomes* (Visser, 2013). As the diagram on the following page indicates, economic development is a productive process, and it is useful to think of this process through the analogy of a rolling wheel. Before any wheel can function properly, resources must be gathered for its construction. As the diagram illustrates, there are seven types of resources (wheel segments) that must be in place before the Development Wheel can be "rounded out" and function well. And since a round wheel will cover far more distance (more business activity, wealth creation and/or development) with less resource waste than a misshapen wheel, this model presumes that development requires incentives to build up, preserve, and replenish all seven of these forms of wealth/capital. A shortage in one or more of the needed inputs will result in something akin to the misshapen inner wheel in the diagram and will appreciably reduce people's standards of living, either in the short run, the long run, or both. A brief glance at the diagram makes it obvious that each country or business will have a uniquely *misshapen* wheel, primarily because many worldviews are ill suited for the job of building and balancing these seven different kinds of capital. The result may be a wheel that appears to be large and balanced (although appearances can be deceiving) or a wheel that appears to be small and misshapen and actually is. The U.S. is an example of the former, while many underdeveloped countries in Africa, Asia and Latin America are examples of the latter.

The word *capital* is used to describe these wheel segments because people familiar with economics are already accustomed to identifying land, machines, and financial investments as forms of capital. Here, the traditional understanding of capital is broadened to include communal and nonphysical things, such as systems, knowledge, trust relationships, ethics, and the like, that are every bit as important as physical and financial capital for productive activity to take place. The model also illustrates that capital can only be effectively built up in an atmosphere characterized by civil society and entrepreneurial activity. These in turn depend on the values of people, which are ultimately rooted in their view of the world. Both freedom and communication are critical to development, but as it turns out, they are not sufficient. They have the potential to accelerate the rotation of the wheel, but this will only be a good thing if the wheel is smooth, round, and of adequate size.

The Economic Development Wheel



A Broadened Understanding of the Term Capital

Before proceeding, each of these forms of capital needs some explanation. Moving clockwise from the top of the wheel, we provide the following descriptions:

- **Physical capital** refers to assets like land, infrastructure, buildings, machinery, and other forms of applied technology, and also to tangible and intangible things that keep humans alive, safe, and physically productive, like nutritious food, health care, and housing, as well as freedom from violence, sexual assault, or child abuse. The assumption is that people will have enough rights in their property to maintain effective control over it, be secure in it, and be able to use it for their benefit and enjoyment.

■ **Economic capital** includes the financial capital needed for companies to operate, such as traditional investments in stocks, bonds, and other financial assets, but also things that must be in place behind the scenes to encourage people and organizations to save and invest and to allow individuals to receive and retain the fruits of their labor. This includes wise macroeconomic and microeconomic decisions, such as those that keep currencies from excessive depreciation or unwarranted fluctuations, incentives for saving and investing, predictability and fairness in economic policies, and efficiency in markets, including financial markets. It also involves wise financial decisions by companies that allow them to create and preserve wealth through their business operations, as well as financial habits by individuals and families that do the same.

Underdeveloped economic capital by itself can nearly destroy the wealth in a society. Inflationary monetary policies cost millions of Russians, Argentines, and people of other countries their life savings when their currencies plunged. Price controls and other ill-advised intrusions into economies have resulted in severe product overuse (such as vodka in Russia), the misallocation of human resources (when people are prevented from taking jobs that remain vacant), waste of natural resources (such as when water rights are misallocated) and even destruction of the environment (such as when communal property rights are poorly defined).

■ **Intellectual/emotional/aesthetic capital** includes things such as literacy rates, educational levels, quality of education, and the distribution of needed skills, intelligence, and creativity.

Too often in the past the human contribution to the economic process has been reduced to something vaguely known as "labor." Economists found it far too easy to use well-worn expressions like "land, labor and capital," which not only inadvertently separated the concepts of work and human intellectual development, but also made it sound like there are two fundamentally different kinds of people involved in economic activity – thinkers and doers. In reality, humans are complex creatures whose intellectual/emotional/spiritual/moral dimensions are not clearly separated, and all of these dimensions are of critical importance to the economic development process. More recently the term "human capital" has replaced the term "labor," and this clearly does a better job of incorporating the kinds of things described in the opening sentence of this paragraph. But this too is inadequate to explain the many facets of human activity that contribute to the economic development process.

Hence our term, intellectual/emotional/aesthetic capital, also includes what is often referred to today as "non-traditional intelligences," such as linguistics, logical-mathematical abilities, spatial capacity, physical ability, or intrapersonal or interpersonal intelligence, which is particularly important to things like leadership, conflict resolution, social analysis, or the ability to nurture relationships (Gardner, 1983). This expanded definition calls attention to the fact that each book read by a child, each relationship built, each concert completed, or each paper written contributes a tiny amount to an "investment" with economic consequences. But it is not just intelligence that matters; rather it is the ability of an organization or society to get a "return" on this investment. University mathematics graduates who drive taxi cabs will not generate the same positive impact on their economies as those solving complex logistics problems. Countries with high average levels of educational achievement may nevertheless have impaired intellectual capital if their educational systems focus too much on rote memorization and not enough on critical thinking, the importance of perspective, inference, or implication, or the application of knowledge. Reading may be at the core of the educational system, but if good listening skills or precision, relevance, or logic are not well integrated into the communication skills being taught, intellectual capital will also be impaired. And even if all of this is taught, but the language itself has significant limitations either in vocabulary or breadth of use, educational achievement will be an imperfect measure of intellectual capital.

The concepts of interpersonal and intrapersonal intelligence mentioned above are also very much interdependent with people's emotions, and for this reason, a lot of attention has been given in recent years to the concept of "emotional intelligence" (Goleman, 2015). It has long been recognized that good grades don't always correlate with Nobel prizes or success on the job, and that raw IQ scores by themselves are poor predictors of success, and particularly economic success.[1] It is also becoming more apparent that other things, such as self-awareness, empathy, motivation, or self-regulation, including the ability to handle criticism or calm oneself, may actually play a more significant role in economic achievement. Emotional intelligence, then, represents a particularly important extension of the human capital concept, and one that is essential to a robust understanding of the economic development process. Emotions are wrapped up in one's ability to motivate oneself and others, persistence, the ability to delay gratification, mood regulation, empathy, reading others' emotions, hopefulness, the ability to connect with others, build relationships, etc. All of these are important to the way people function in families, organizations and society and therefore in the economic development process.

This also makes the family, which is the emotional incubator of the next generation, a particularly important cog in the economic development process. If a child watches television or is on the computer playing video games five hours per day (in relative isolation), he will likely be less capable of emotionally vibrant interaction with others than one who plays games, reads aloud, or holds conversations with his parents on a regular basis. Research by Dr. Stanley Greenspan has found that the following six experiences are provided by families to children who are emotionally and intellectually healthy (Greenspan, 1997).

- Ongoing, loving, intimate relationships that develop care for others, empathy and trust;
- Lengthy, back-and-forth emotional dialogues to foster the beginnings of a sense of self, logic, and purposefulness;
- Long problem-solving discussions with gestures to foster early types of thinking and social skills;
- Stimulation appropriate to the baby's nervous system: sights, sounds, touches and other sensations to foster learning, language, awareness, attention and self-control;
- Shared use of creative ideas through pretend play in order to foster language and creativity; and
- Logical use of ideas through eliciting opinions and debates to promote logical thinking, planning and readiness for reading and math.

Much more could be said about intellectual/emotional capital, but doing so would immediately translate us into to the next form of critically important capital, spiritual/moral capital, because there is often no clear line between them. For example, emotionally-cultivated empathy increases the likelihood of moral behavior. But, conversely, strong beliefs in the immorality of taking advantage of others, physically, sexually, or economically, cultivate empathy. Similarly, if beliefs (religious or secular) impede the desire of parents to educate their children (or, as is too often the case in some cultures, their girls), or encourage children to selfishly accumulate as much as they can for themselves, or make them fearful, or permit them to hate others, no amount of attention to the curriculum or high test scores among those who attend school will be able to counter these things. Likewise, no amount of knowledge gained in school can substitute for the positive effects of children who enter school with beliefs and nurture that enable them to be secure, disciplined, tolerant, respectful, unselfish, or loving.

■ **Spiritual/moral capital**, then, includes things like honesty and integrity, the ability to distinguish right from wrong, moral behavior, limits to selfishness, respect/genuine concern for others, courage, and a host of other "positive values" that flow from people's basic beliefs and commitments and profoundly affect the structure, direction, and effectiveness of their human activity. In the same way that technologically complex products have many subcomponents that embody engineering principles developed and perfected by previous generations, so too people's goals, attitudes, values, priorities, behaviors and ethical systems have been honed by family traditions, prayer, meditation, reflection, worship services, and/or readings of sacred texts/religious writings over long periods of time.

Spiritual capital is particularly important to organizations because a leader's effectiveness is multiplied many times over when her heart and the hearts of her followers have been set in the right direction and these "habits of the heart" have become so well established as to function reflexively. But it is important to note that spiritual/moral capital does not represent the full impact of religious beliefs in our model, since religious beliefs are inextricably wound up in people's view of the world (which is at the center of the wheel) and in this sense, are more influential than any single form of capital. Religious beliefs, through the prism of our worldviews, color our perceptions of reality and greatly influence how we answer the most fundamental questions of life. In doing so, they also influence our understanding of what the word "civil" means in the expression "civil society," our willingness to take risks (and therefore our propensity for entrepreneurship) and our ability to build up all seven forms of capital. This makes both freedom of religion and religious integrity essential parts of the development process.

The spiritual/moral *capital* slice of the wheel, on the other hand, is limited to the visible output of the kind of reflective activities that have traditionally been understood as religious. Like other forms of capital, the nature of the spiritual/moral capital built up will depend on the worldview at the center of the wheel. We should not assume that spirituality is automatically a good thing, just because the word has a nice ring to it. It can either help or hinder organizations or economic development. Some forms of spirituality can be quite counterproductive to economic activity as, for example, when they suggest that full-time meditating or begging is the moral equivalent of working. But other forms can have a very positive effect, such as when belief systems promote healthy child-rearing practices, are education focused, promote significant concern for others, or inculcate attitudes and behaviors such as honesty, courage, respect, or trustworthiness that are essential for healthy economic development.

■ **Environmental capital** (often referred to as natural capital) includes such things as raw materials, clean air, pure water, good soil, adequate sunlight, species diversity, intact ecosystems, etc. Some of this capital is renewable (e.g., forests or fisheries) and some is not (e.g., oil, minerals). Understanding the true value of environmental capital is one of the most complex tasks involved in business and economic activity, and for this reason the task is often avoided and resources are simply valued at the cost of extraction, or at the price that equates short-term supply and demand. This makes their value very dependent on, for example, the supply of spiritual/moral capital. If people are self-centered or ignorant of the connections between their actions and the well-being of generations yet to come, environmental capital is likely to be considered free or nearly free and easily depleted. In addition, it is often difficult to know the potential value of environmental capital while supplies are still plentiful. For example, after decades of deforestation, sparrows were at one point declared rural pests in China because they ate the people's grain. Communist authorities instituted a three day campaign to drive them out of cities by making noise, harassing them, and bludgeoning them to death when they fell to the ground exhausted. Eventually, however, insects (and particularly locusts) multiplied and ravaged the crops, contributing to the deaths of millions of people. At that point sparrows were removed from the list of official pests, but the damage had been done. The same is true to some degree for most other resources. Gasoline was once dumped into the ocean when it was viewed as a worthless byproduct of the production of kerosene. With the eventual invention of the automobile, of course, it became clear that this was a mistake.

■ **Governmental capital** includes what is sometimes referred to as "political capital" (the resources available to political leaders to design and carry out policy) but also includes elements such as the "rule of law," fair elections, efficient and effective regulatory agencies, a widespread concern for justice, well-established conflict resolution procedures, widespread political participation, and the capability to deliver needed "public goods."

The rule of law is defined differently by different authors but nearly always includes following careful procedures when making laws, rather than allowing them to be instituted by the whim of those in power. It also includes the effective communication of those laws to those affected by them, consistent application and enforcement of the law to *all* people in the political entity, and an independent judiciary for interpreting the laws. Russ Webster gets even more specific than this when he indicates that the rule of law implies access to government decision makers, as well as *rational* laws governing business, property rights, contracts, anti-monopoly policies, taxation, patent protection, licensing, whistleblower protection, corporate accountability to capital suppliers and government, and financial disclosure for public officials (Spector, 2005, p. 135). Fair elections presume that people will have real candidate choices, will be able to vote their conscience without undue pressure or fear, and they will have good reason to feel confident in the impartiality and integrity of those tallying the vote. Effective regulatory agencies are those that promote fair treatment, see themselves as advocates of those they regulate, and partner with them to find efficient ways to regulate that do not unduly burden law-abiding citizens and organizations. Effective conflict resolution procedures limit the number of steps and the economic burden of establishing and enforcing legal rights in areas such as contract disputes, property registration, creditor/debtor relationships, and bankruptcy proceedings. Widespread political participation reflects a sense of governmental "ownership" among the public and a recognition that government exists for the people rather than the other way around. And, finally, the willingness to deliver public goods, like clean water and sanitation, education, adequate ports, pothole free roads, or parks is important because government is often in a position to deliver these goods more efficiently than groups of private organizations or individuals. By providing these goods and doing it efficiently, it will not only make its people more productive, but will also make its organizations, and especially businesses, more efficient and competitive.

Underdeveloped government capital, on the other hand, in the form of widespread corruption or arbitrary laws and regulations, can undermine physical capital (as infrastructure is ignored), intellectual capital (by neglecting education), economic capital (through disincentives to saving or investing), spiritual/moral capital (by favoring a particular belief system such as secularism), etc. At its worst, it leads to a collapse of the public order and long-term damage to all of the other forms of wealth.

This makes government capital one of the most critical forms of capital for both business and economic development, not because it is necessarily more important than the others, but because government carries with it a kind of authority that is unavailable in the other segments of the wheel. This means that bad government decisions have the potential to do extraordinary damage because there are few paths around their authority, other than risking the penalty for breaking the law. This is one reason that widespread corruption damages all other forms of capital. This can be contrasted to problems in other wheel segments, where the needed capital may still be obtained when one path is blocked.

■ **Social capital** may be defined as a widely shared commitment to the values of trust and mutual assistance demonstrated by the habits of cooperation. Social capital is best understood by observing the myriad associations that people form in all areas of life, but especially the hundreds of thousands of advocacy groups, church committees, sports clubs, parent-teacher associations, ethnic celebrations, and community service boards, that are voluntary in nature. It also includes the kinds of attitudes that permit people to work well with those who are unlike them. Therefore, a high degree of social capital requires an appreciation for diversity and the ability to achieve unity in spite of diversity. It requires that unjustified discrimination be kept to a minimum so that the rich supply of talent in a society can be employed productively. This not only frees people up to take the jobs they are most qualified for, but also increases the likelihood they will receive equal access to the things they need to apply and develop their talents - such as education, property, raw materials, or credit, as well as the ability to use these things as they see fit. Social capital also requires that all people be given the needed decision making power, negotiating power, opportunities to speak, etc. that are needed for full economic and political participation at the individual, household, business and society levels.

The Importance of Capital

Understanding the full potential of the Development Wheel for illustrating organizational wealth creation and economic development requires a number of clarifications. It must first be noted that business activity is essentially the quest to buildup/accumulate the seven different kinds of capital. This makes the model a much more comprehensive vehicle for describing a business or economy's health than measures like net income or GDP. Income or GDP are to a business or economy as a fresh supply of water is to a barrel. The potential good that water can do depends on having the right amount available when it is needed, which in turn depends on three different things: the volume of water in the barrel, the amount of water coming into it via the faucet (income) and the amount of water leaking or evaporating out of it (depreciation or depletion). Similarly, value creation or economic development requires investment, which amounts to building up the seven forms of capital in the wheel. So, no matter how large net income or GDP are, if they are not used to build up capital or to reduce depreciation and depletion, they represent a missed opportunity to improve people's lives. Paying attention to the buildup of capital, on the other hand, incorporates not only the important role that income plays, but also other things, such as how the income is used, what is depleted/used up in the process of generating the income, and what may be borrowed in the process of generating income. Accumulated capital is also important because it insures against the vagaries of income by providing a cushion against economic uncertainty, in the same way that water in a bucket remains available for use even when the incoming water supply is shut off. Measurements of accumulated capital also have the ability to incorporate expectations about the future, including the likelihood of sustainability. For example, when a company designs a product that people find useful, its market value increases almost immediately because it is based on both its present *and* future prospects. Likewise, a home that will meet people's needs well into the future will be valued at considerably more than one that is expected to deteriorate or become obsolete. The accumulation of capital then (especially when the term capital is broadly defined to include things like education, health care, ethical systems, etc.), is simply a better measure of the economic health of an organization, community or nation than commonly cited statistics like net income or GDP. Interestingly, in a materialistic world, only the two "material" forms of capital show up on the balance sheet, while the other five are conveniently ignored.

The Importance of Intangibles

There is, of course, nothing new about ignoring important forms of capital. In ancient times, people thought of wealth in terms of natural resources and hoarded things like gold and silver. Later, and especially at the time of the industrial revolution, they began to see the value of transforming these resources into machines and other forms of physical capital. Later the value of exchanging financial, intellectual, and governmental capital moved to the forefront. The stage may finally be set for understanding the value of exchanging the least tangible forms of capital - such as beliefs, attitudes, principles or behaviors - since some world leaders are beginning to recognize the need for discussions that penetrate to the level of worldview.[2] This last step is critical because it can be plausibly argued that the story of modern wealth creation is largely the story of the discovery and accumulation of increasingly intangible forms of capital. It is also arguable that the more intangible forms of capital are the things that give companies and countries their greatest competitive advantage in the global economy - precisely because they are less visible and less transferable than more tangible/traditional forms of capital. Our model suggests that future global increases in economic development will be as dependent on the movement of these intangible forms of capital as the development of the past 50 years was dependent on the movement of physical, financial and intellectual capital.

The Development Wheel diagram also points out that the process of wealth creation goes far beyond the success of the business sector or the measurement of its output. Much of what allows a business to effectively create wealth stems from a buildup of capital that occurs outside of the business: non-profit organizations, governments, schools, even churches and stay-at-home moms or dads are integral to business efficiency and economic development, even though their impact is difficult to quantify.

Building and Retaining Healthy Amounts of Capital

We should also note that all of the elements that build up or prevent the depletion of financial or physical capital also apply to the five other kinds of capital that make up the wheel. For instance, a portion of each of these seven asset/capital categories can be traced to an endowment or "inheritance" from previous generations, each can only be built up by good stewardship, each benefits from creative methods of multiplying or replenishing it, and each has the potential to either depreciate or be depleted. Unfortunately, many people are quite arbitrary in their attention to this. For example, there is widespread concern over the depletion of natural capital, but we ought to be equally concerned about the demise of social or spiritual/moral capital. In the same way that a belief system that is overly materialistic puts the natural environment at risk, a belief system that is overly individualistic or secular can put social capital and spiritual/moral capital at risk, posing a doubly serious threat to a the idea of "sustainable" economic development. In fact, we might well argue that widespread fracturing of families and communities in economically-developed countries testifies to the depletion of various aspects of social and spiritual/moral capital almost to the point of no return - in the same way that some natural ecosystems have been disturbed to the point that it is now nearly impossible to reestablish the complex natural interactions necessary for their survival. Many now recognize that pretending natural laws do not exist can irreparably damage an ecosystem. Fewer seem to recognize that pretending that all spiritual, moral, or social principles are up for grabs can irreparably damage the social and moral fabric of a society.

The model, then, can be used to identify problems in countries, regions, subcultures and organizations, especially businesses. With respect to countries it is equally useful for developing, industrial, and post-industrial service economies. All countries face is shortages in or impairments to some forms of capital, so every society, community or organization is best represented by the model's inner distorted wheel. An excessive emphasis on material and financial capital in the U.S. has eroded spiritual/moral and environmental capital, and there is good evidence from the breakdown of the family, the declining quality of K-12 education, and the excessive prison population that intellectual/emotional capital and social capital have suffered significant erosion as well. And, although less economically or educationally developed countries may struggle with different kinds of capital impairment, their problems are certainly not less severe. Russia, for example, retains vast quantities of natural resources within its massive geographical area (covering eleven time zones) but is faced with significant shortages of spiritual/moral capital caused by seven decades of systematic attempts to wipe out religious belief, and the endemic corruption related to this. Many countries in sub-Saharan Africa, on the other hand, are rich in both natural resources and some forms of social capital. And although some are in the midst of a spiritual transformation, the impact of which is still unknown, as a group they are plagued by shortages of spiritual/moral and governmental capital, and the scourge of AIDS had decimated their intellectual/emotional and financial capital. And some Middle Eastern countries, although swimming in financial capital because of decades of healthy oil revenues, lag behind in intellectual capital, in part because they offer fewer opportunities to women and because financial surpluses make it easy for them to hire foreigners to do much of their work, which weakens the link between education and a high standard of living. The point here is not to deprecate any particular country or region, but to recognize that in an imperfect world every society, community, organization, or individual life requires a unique "development plan" to balance out its wheel, since it has greater or lesser problems in different segments of the wheel.

The Interrelationship between the Forms of Capital

Another reason all organizations and societies have development problems is because the contribution of each segment of the wheel to the creation of wealth depends on the health of the other segments. A machine will not just increase in value when moved from a dusty warehouse to a factory where it can be used more intensively. It will also increase in value when it is operated in a responsible manner, by a moral, wise, socially-connected and stable individual who is trusted and valued by a team of solid managers in a financially responsible company operating in a politically and economically stable country. Likewise, a person will command a higher wage because they too are more productive in such an environment. Similarly, the effectiveness and "value" of a government will be greater where it is not saddled with the cost of restoring a natural environment that has been abused or depleted, and where companies and individuals obey the laws and are otherwise honest, productive, and cooperative so the legal system is not forced to resolve frivolous disputes or problems that could have been avoided with a modicum of morality/ethics. In a similar manner, the returns to financial capital are multiplied in an appropriate intellectual and moral climate.

This mutual strengthening of the segments of the wheel occurs in part because each form of capital can be rightly described as both an input to and an output of human productive activity. For example, synagogues and churches are not thought to carry out economic activity, but they none-the-less have buildings, budgets and paid employees as inputs, and objectives, programs, and activities aimed at "producing" measurable spiritual/moral capital outputs, such as wisdom, good character, and healthy interpersonal relationships that are very much needed in the organizations that employ their parishioners. Other not-for-profit organizations, including educational institutions also require inputs in the form of all seven forms of capital in order to "produce" their social or intellectual capital. Further reflection reveals that machines and technology are both inputs and outputs, and that physical items like beds, food, and microwave ovens are both part of measured economic output and inputs that enable people to be well-fed and well-rested enough to be productive at their jobs.

It stands to reason, then, that careful attention to the *interdependence* of the segments is also necessary to build, preserve, or replenish all forms of wealth/capital in a society because the misuse or neglect of one sector of the wheel will eventually lead to problems in the other sectors. For example, material capital, including technological artifacts, although having the potential to build up social capital, can also erode it if people use it imprudently. Examples include using music streaming, television sets and computers to isolate oneself from friends and families, using an automobile as an excuse to live a great distance from one's workplace, or using text messages as a substitute for face-to-face time with family members. More "toys" than a family can effectively make use of unnecessarily depletes environmental capital. And in the same way that agricultural overproduction can exhaust topsoil, or mining can deplete scarce mineral resources, excessive working hours or an overemphasis on "making money" can exhaust a workforce and damage other forms of capital.[3]

Conversely, when appropriate attention is given to balancing *all* the forms of capital, the opposite can occur. Careful attention to social capital has the potential to build up economic capital as when healthy relationships reduce employee frustration and on-the-job waste, and companies have the freedom to delegate authority or relax internal controls. Technology can preserve environmental capital, such as when consumers demand, and manufacturers produce, more fuel efficient cars. Physical and financial capital in the form of adequate buildings, desks, computers and labs on college campuses spur the buildup of intellectual/emotional capital. Workers who regularly replenish their spiritual/moral capital, when given the flexibility and freedom to pray, meditate, or attend worship services, are not only able to build up social capital as they participate in church fellowship and community outreach activities, but they are also less likely to use technology to scam or defraud others and be more productive on the job or generous with their money. These kinds of things have the potential to shape the outer rim of the wheel into something much closer to smooth circle, allowing people to experience more wholeness and well-being in every aspect of life (*shalom*).

Application to Developing Countries

The interdependence between the seven forms of capital creates a particular conundrum in the developing world. Many poor countries are plagued by a shortage of scientists, doctors or business people. One reason for this is that the usefulness of intellectual capital is dependent on the presence of the other six forms of capital. Low wages, poorly equipped labs, too few colleagues, power outages, family issues, disease, lack of job security, the inability to worship freely, corruption, political upheaval, or war all have the potential to temper the optimism of "the best and brightest" for returning or staying in their home countries, and otherwise stifle their contribution to their communities, countries and professions.[4]

Similar challenges exist in Christian ministry efforts. For example, development workers have long known that providing essential personal needs such as food, water, shelter or medicine without initiating fundamental changes in what people think and believe may only alleviate an immediate problem without providing long term gain. Most missionaries know that addressing a person's spiritual needs and moral struggles without dealing with basic physical needs, unemployment, deficient infrastructure, or a dangerous environment also falls short of holistic development. When aid came *too quickly* into Malawi in the early 1990s, they were able to eliminate school fees and rapidly increase enrollment, but found themselves unable to come up with enough qualified teachers to handle all of the students who flocked to the schools. Balancing the wheel, then, involves far more than trying to fix a particular problem or promoting "economic activity." It could of course mean things like bringing food to drought-stricken areas, or books to educationally-disadvantaged children, but the wheel analogy makes it clear that the term "needed resources" also includes complex social arrangements, systems, institutions, and beliefs which are encompassed by terms such as social capital, governmental capital, and spiritual/moral capital.

Microfinance serves as a good current example of the economic development potential of fixing a flat spot on the wheel, but it also serves as a reminder that the benefits associated with the provision of one kind of capital are severely limited when other forms of capital are also in short supply. For example, microfinance lenders have focused inordinately on women in their financing activities, in part because of their inferior cultural status in many developing countries, but mostly because of how they tend to use the income generated by the activities that the micro-loans are financing. In particular, they are much more likely than men to use their financial capital to simultaneously build up other forms of capital as they spend it on health, nutrition and education for their children (Mott, 2015). But even when borrowers use their money in constructive ways, the economic development impact remains small relative to what could happen with radical changes in worldview. Seamstresses and street vendors, working individually, will be unlikely to achieve the productivity gains associated with economies of scale, world class technology, sophisticated organizational communications systems and high value added products. And even the most ambitious microfinance borrowers will be hard pressed to reach anything close to their potential if laws allow others to routinely exploit them, or they are collectively unable to gain or retain access to things like safe food and water supplies.

Developing countries may also, in light of the wheel, want to reexamine conventional wisdom in areas like development aid, population control, wage minimums, or economic stimulus programs. For example, external aid is highly sought after and widely agreed to be helpful, especially when used for things like education. But giving computers to disadvantaged students does little good if they do not also receive the knowledge they need to run them and/or fix them when they malfunction. And educating PhDs is of marginal benefit unless they receive the *right kind* of education, which includes the development of a worldview that motivates them to round out the wheels of their institutions and countries, and the *opportunity* to apply it. In other words, aid will be most productive when it addresses worldview issues, is spread out over the different wheel segments, targets those most in need of being built up, and focuses on equipping people to do this. Likewise, reducing population, or at least its rate of increase, is often cited as an essential step in economic development, but this may *or may not* be a good thing. It depends on the status of the other forms of capital. If talented, energetic, flexible young people are needed to build up and make use of the other forms of capital, policies aimed at population control may not be the best solution. Similarly, the concept of a just wage is nice, but if unemployment is a problem, policies forcing a higher-than-market wage on employers will simply cause them to hire fewer people, substitute other forms of capital for labor, or start employing labor from another location/country, exacerbating the unemployment problem. And finally, government can lower interest rates to try to stimulate development, but if economic/financial capital is already the thing in shortest supply, lower rates will make it even scarcer and will decrease the productivity of each of the other six forms of capital, harming development. Seeing the big picture, then, in particular seeing where the wheel is misshapen and/or the problems at the core, is central to successful development at both the micro and macro level.

The Core

It is for these among many other reasons that values are placed between the hub of the wheel and the capital segments, and worldview is placed at the core. Values critically affect the shape and functioning of the wheel and are themselves shaped by worldviews and foundational commitments. They need a prominent place in our diagram for at least three reasons that flow from our earlier discussions: 1) the minds and hearts of people with differing religious beliefs are wired in very different ways; 2) the power of belief is as pervasive for those who put their faith in money or technology as it is for those who put their faith in Allah or Christ; and 3) these beliefs exert powerful effects on wealth creation and economic development. It should also be noted that even if having people with good values and attitudes added only a five percent efficiency gain in a business, the businesses that employ these people will still have a continuous competitive advantage in the marketplace. One reason for this is that materials, financial capital, and even technical know-how are much easier to transfer from one organization than beliefs, values and attitudes. The upshot of this is that businesses that hope to compete globally cannot pretend that they are value-free institutions that exist only to make money, and that they have the freedom to relegate values and beliefs to less competitive places like homes and churches. The best companies intentionally choose healthy values and do their best to inculcate them in their employees and infuse them into their organizational policies, procedures, and practices.

The Key Role of Entrepreneurs in Development

The Development Wheel reveals that two key elements in the capital building process are civil society and entrepreneurship. They should both be viewed as critical tools that are needed to build all forms of capital and round out the wheel. Both of these activities amount to “bottom up” efforts to build up capital. Civil society depends a great deal on people who have come to be known as “social entrepreneurs,” while business requires the more traditional “economic entrepreneurs.” Both types of entrepreneurs can be described as people with the vision to see what society needs or wants, and the skills passion and persistence to start an organization capable of channeling the necessary resource inputs (forms of capital) for the purpose of producing and distributing products or services that fulfill these needs and wants. Unfortunately, in materialistic societies, most of the attention often goes to the venture capital firms that fund business startups and to the wealthy individuals who make national headlines for their large contributions to not-for-profit organizations. But the wheel makes it clear that for these organizations to thrive, all of the other forms of capital must be put in place as well. In any event, it makes good sense to describe both types of entrepreneurs as “capital gatherers,” in the sense that all seven forms of capital must be brought together in proper proportion for not-for-profits (or NGOs) and businesses to thrive and contribute to healthy development.

The level of entrepreneurial activity is very much affected by worldview. It is often stymied by misguided government regulations, which are in turn also rooted in elements of people's worldviews. For example, in many post-communist countries business people are still viewed, at best, with suspicion. In countries where such beliefs are widespread, little attempt is made to distinguish law-abiding, value-creating, socially responsible businesses from scam artists. Assumptions are too often made that all business people are only concerned about profits, themselves, or that they are all too willing to usher in negative cultural change, or exercise undue influence over government. In fact, since worldview is so pervasive, some languages even lack the vocabulary to effectively distinguish business people from speculators, predators, or exploiters.

These negative characterizations about businesses can be accurate about some businesses– but in many poor countries, they are far too often applied to most or all businesses. They may also be exaggerated and perpetuated by political or academic elites, the media, and even the church, mosque or temple. In such an environment, government often feels justified in restricting business startups, controlling prices, interest or exchange rates, or imposing tariffs, quotas or impediments to the free flow of goods and/or movement of capital, and, in the worst case, confiscating assets or entire companies or nationalizing entire industries. A byproduct of this anti-business sentiment is the demise of civil society, since entrepreneurs are also at the core of not-for-profit startups, and these organizations also end up being similarly restricted by cumbersome restrictions on economic activity. One reason for this is that, for the most part, businesses and not-for-profit organizations need the same things to function properly. Not-for-profits need financial capital just like businesses do, with the primary difference being that not-for-profit assets tend to be financed mostly by donations instead of by owners and creditors. Both organizations also need highly qualified workers and managers, sound buildings and equipment, ethical conduct, highly developed trust relationships, and the other things that comprise our seven forms of capital. Both groups can be prevented from accomplishing their missions by a corrupt government, by a shortage of funding, by a shortage of qualified or trustworthy employees, by improperly maintained equipment, or by the absence of any of the other things that make up the seven forms of capital. As noted earlier, serious damage done by the absence of just one capital component, because its absence will lower the productivity of all of the other forms of capital, will make both types of entrepreneurs far less effective in rounding out their organizational wheels and accomplishing their goals. Recent research by the World Bank has made this painfully obvious with respect to business startups, but it is equally true for social entrepreneurs and NGOs.

Because of the critical role that social and economic entrepreneurship play in the development process, countries with grossly underdeveloped businesses and not-for-profit organizations and few entrepreneurs will have either poorly functioning institutions or, in some cases, hardly any well-developed institutions at all. They will have economic activity, but it will often be the type that has limited potential to add value, characterized mostly by the production of subsistence items and traditional cultural artifacts, which tend to be low "value added," and relatively low-productivity trading activity. This paucity of entrepreneurs may also mean that citizens in these countries will wait for their government to do from the top down what small groups working from the bottom up could have accomplished far earlier.

The Importance of Civil Society

Civil society is not only necessary for entrepreneurs to effectively build up all seven forms of capital in their needed proportions, but it is also important in its own right. Scholars trace the concept of civil society all the way back to the Greeks, but it had a very different meaning at that time than it does today. The term was used by the Greeks to refer to the importance of the state to the development of good people and a good society. The modern use of the term has much less to do with government and much more to do with voluntary communal problem-solving efforts. The most recent spate of attention to the term can perhaps best be traced to December of 1948 when the General Assembly of the United Nations (U.N.) adopted the Universal Declaration of Human Rights with a vote of forty-eight in favor, zero opposed.[5] Human rights, as described in this document and as generally understood by their advocates today, call for the protection of individuals and groups from political oppression, underscore their right to earn a living, and promote the establishment of political and economic conditions that promote dignity for all. Most of the thirty articles in *The Declaration* focused on the least controversial rights such as the right to life; liberty; freedom of religion; freedom from arbitrary arrest, presumed guilt, slavery or torture; equal protection under the law; impartial public hearings; the right to privacy; freedom of movement, association, employment; equal pay for equal work; marriage and family; and property ownership (Brownlie, 1992).[6]

It is important to note that the *Universal Declaration* came into existence primarily to address the relationship between a state and its citizens, rather than to articulate the thousands of institutions, laws, processes and values necessary for a truly civil society. In spite of this limited purpose, the term civil society has now become a widely used term for referring to an *independent* sphere of activity or a group of mediating institutions that is not only separate from the state but which provides a buffer between the individual and the state, and guards against the tyranny of the state. We define it here (and in the *Crossroads* book) as *a set of institutions, processes and attitudes that promote cooperation among individuals, private associations and government agencies to produce practical solutions to common problems,* and further note that it commonly assumes the existence of *widespread participation, transparent decision making structures, and a commitment to peaceable change*.

More civil society means capital will be built up more efficiently and effectively, and more capital enables civil society to function better. Unfortunately, the process of building civil society doesn't simply happen because people desire it. It takes a critical mass of people who understand its value and who are also willing to make the sacrifices necessary to implement it. Both businesses and government must nurture it by removing barriers to its development or, even better, by actively promoting and developing it. Civil society also needs to infiltrate organizations in the private sector. During the past thirty years much has been written in the business management literature about the importance of promoting transparency and participation within companies. A great deal has also been written about promoting civil society outside companies in the "corporate social responsibility" literature. But governments at all levels remain especially important to the development of civil society.

The Importance of Freedom and Communication

Both civil society and entrepreneurship require that people have a certain amount of freedom to do what needs to be done, and this is why basic freedoms and human rights have been so essential to economic development. If people are not *free* to engage in entrepreneurial activity, the likelihood that adequate amounts of all of the forms of capital will be brought together will be very small, and economic development will be thwarted. Conversely, when people are freer to purchase or employ needed forms of capital from wherever it may be available around the world, we would expect development to accelerate. This is one reason that so much development has accompanied the globalization process that began after WW II and accelerated at the end of the 20th and beginning of the 21st centuries with the advent of low-cost global transportation and communication systems.[7] Globalization, at its root, can be viewed as the process of people, organizations, and countries attempting to round out their Development Wheels. Since land is immobile, and the movement of people is restricted, the early stages of globalization involved people discovering that they could put the output of their land and/or their labor into products that could be traded for either other products or money, both of which are relatively mobile. Trade, in this regard, becomes a way to gain access to needed forms of physical or environmental capital. When borders were open to immigration, companies and individuals were also quick to take advantage of the movements of people to capture or offer needed intellectual/emotional capital. Steady movement toward financial liberalization now allows gaps in financial capital to be easily filled. Diplomacy and academic exchange are slowly facilitating the exchange of governmental capital. And finally, personal interaction and cultural exposure are now chipping away at long held prejudices and other cultural blocks to development, offering great opportunities for the enhancement of social and spiritual/moral capital.[8]

The importance of freedom and advances in communication is illustrated by the arrows placed above and below the wheel. They indicate that the development process can be greatly accelerated in a world where people are free, and where they have access to information about what others believe, how they live, what products and services are available, etc. But although these things can speed the rotation of the Development Wheel, this will only be a good thing if the wheel is well-constructed and round. Many countries have learned the hard way that when their people see how much better life could be, but "capital" shortages prevent them from achieving their now higher expectations at home, they will use their newfound freedom to seek "greener pastures" elsewhere. This is not necessarily a bad thing, since, if their talents can be better utilized in conjunction with other forms of capital in other countries, they will in fact be more productive there and can send back some of the benefits of that increased productivity to their families back home. But it does not speak well for the future of those countries that allow major barriers to entrepreneurship, civil society and capital accumulation to persist. In the same way that much of Africa lost a lot of potential financial and physical investment to Asia toward the end of the 20th century because of their failure to reform their ways, so too, countries that do not recognize the basic wealth-creation principles enunciated here will continue to lose the battle for other kinds of capital to countries that are more proactive and open. To avoid this, change must first take place at the core of the wheel. The heart of reform is always rooted in the values and attitudes that flow out of the predominant worldviews in a country, which are in turn rooted in basic beliefs.

Ideally, freedom and communication will alter worldviews in ways that lead to increases in entrepreneurship and civil society rather than increases in selfishness, waste, power grabs or violence. If this is the case, people will become less preoccupied with the need to stay alive, not being defrauded, and/or fighting external threats, such as those from wild animals, diseases, or enemies. This in turn should give them the vision, time and energy to devote to the buildup of less tangible but potentially more valuable kinds of capital, such as complex organizations capable of producing higher value-added products, laws that support contracts and provide economic incentives, or the development of healthy religious, social or cultural habits.[9] At this point the predominant worldviews in the society and culture will show themselves for what they are, and will be reflected in the nature of the goods and services produced and the kind of capital accumulated, because development activity will be driven less by necessity and more by intention. It is also at this point that internal threats to development like pride, arrogance, selfishness, jealousy, greed, the desire for revenge, ignorance and other indicators of a shortage of spiritual/moral capital have the most potential to restrain development. So for freedom and communication to have the best possible influence on development, people must be given the opportunity to evaluate the alternatives and be open to changing their ideas about the fundamental questions of life. In the same way that better products, better ways of evaluating the creditworthiness of projects, or better manufacturing methods have spread wealth around the world in the past, so too, better ideas about the nature of reality, methods of distinguishing good from evil, or the purpose of economic activity must have their importance recognized and be free to "move" to wherever they are most needed.

This illustrates once again how the beliefs at the core of the wheel can influence development in unexpected ways. Good attitudes, values and habits will spread most quickly through a society when people are well connected to each other and when they are eager to share good ideas and habits with each other. In this sense, the more *evangelical* people are, that is, the more they want to share good news with others, the faster a society will be built up. The term evangelical is best known in societies influenced by Protestant Christianity and is often associated with the desire of certain Christian groups to communicate the news of salvation through Jesus Christ to others. But it can also be thought of more broadly as any strong desire to share something with others that the sharer believes has the potential to bring great advantage to the recipient. So, all belief systems have the opportunity to be evangelical. But they vary widely in what they know or believe and in their propensity to share it, and this will have an impact on business effectiveness and economic development. Great benefit can come from people who willingly share knowledge that has the potential to build others up. Of course great damage can also ensue if "evangelicals" are both misguided and successful in carrying their message to large numbers of people. Propaganda machines are perhaps the best example of this, particularly when they have been given monopoly status within the communication networks of a culture or country. Perhaps the most important lesson to take from this is that a particularly important freedom for economic development is freedom of religion – which increases the likelihood that there will be ongoing strengthening at the core of the wheel through regular study and discussion about the meaning of life, integrity, right and wrong-all of which are integral parts of the process of evaluating/adopting/rejecting alternative beliefs and belief systems.

Conclusion

In light of our discussion, we suggest a list of attitudes and understandings that are critical to healthy business and economic activity:

1. The ultimate purpose of economic activity is for people to receive the kinds of goods and services that enable them to flourish (as opposed to whatever they desire) and that these goods and services be provided in the most stewardly way possible.
2. Properly defined, wealth is a good thing; and that the accumulation and preservation of seven different forms of capital are both 1) essential for service and stewardship to take place and 2) evidence that they are taking place.
3. Voluntary, bottom-up, communal construction of institutions (such as businesses, governments and NGOs) and systems (in the form of civil society activity and entrepreneurship) is the most efficient and sustainable path to meeting people's needs, creating wealth, and achieving sustainable development.

4. The primary *economic development* role of these institutions is to choose projects and activities that promise high returns on the investments made in them.
5. People are most motivated and productive when they can apply the deepest desires of their hearts toward their personal economic activity and the activities and ends of these institutions.
6. These desires are rooted in foundational commitments, many of which can be described as religious, which when interacting with nurturing habits, educational systems, life experiences and other cultural influences coalesce into a *worldview*.
7. Businesses function best when motivated and free people choose the path of service and stewardship, which is most likely to happen when their hearts are oriented in the right direction.
8. Pretending that there are clear lines between secular and religious beliefs, or classifying people into "religious" or "secular" groups, or demanding that the state limit the public square (including the economy) to only secular beliefs profoundly short circuits conversations about the most basic questions of life, which also changes the nature of economic activity, often for the worse.
9. "Misdirected" hearts are most likely to reorient (and people make wise choices, and institutions and structures function well), when meaningful dialog must take place at the (deepest) worldview level. For this to happen, government must establish and uphold the free exercise of religion in all areas of life, including education, business and political activity.
10. Not all belief systems will lead to healthy economic activity, since not all will foster the kind of pro-development "worldview elements" (beliefs, values, character traits and behaviors) that are needed, such as:
    a. A strong sense that things are not as they should be and that it is humankind's responsibility to improve them.
    b. Respect for and high expectations of those in authority
    c. A stewardship ethic
    d. The ability to see oneself objectively and others sympathetically
    e. A deep concern for people outside one's family and friendship circles
    f. An understanding of high integrity conduct – trustworthiness, honesty, humility and diligence –as not only praiseworthy but mandatory.

These points, and especially the tenth one, bring us squarely back to the philosophical and religious origins of both healthy business activity and community development - worldviews that encourage the buildup and preservation of all seven forms of capital while also nurturing civil society and entrepreneurship. Businesses are key "wheel builders" since the core of what they do is gathering resources for the purpose of creating needed products and services, value, jobs and wealth.. They are also key players in creating the surpluses that fund government services, enlarge and strengthen the middle class, and allow people to pursue the kind of education, spiritual maturity and civil society pursuits that are so critical to development. Businesses are also culturally-influential institutions that have great potential for good or harm, depending on the assumptions made about the nature and purpose of business. In fact, it can be plausibly argued one of communism's most critical errors was its inability to imagine what capitalism could look like when business owners and employees are guided by religious motives and ethics that go well beyond the desire for power or riches.

It is not the purpose of this paper to delineate the many ways that a Christian perspective on business alters a business's goals, operations and impact. This kind of thing has been adequately illustrated at annual CBFA conferences, and in the many books that illustrate how Christians operate their businesses in God-glorifying ways. But we should end with a brief summary that connects what Christians in business are doing with the model. All over the world Christian business people are responding to the "cultural mandate" because they know they are created in the image of a working God, and were therefore created, among other things, to "be fruitful and multiply" (Genesis 1:28 New International Version) and to "rule over" and "care for" the "garden" (world) that has been entrusted to them (Genesis 2:15). They see their business activity as a calling and a stewardship, and Jesus' *Parable of the Talents* reminds them that an *increase* is expected by the one who entrusted them with both the earth and the "talents" to develop it (Matthew 25:14-30).

They also see their businesses as normed by service, often citing Jesus' example and words that he "did not come to be served, but to serve, and to give his life as a ransom for many" (Matthew 20:28 New International Version). Their businesses are strong in part because they are motivated to accept setbacks, sacrifices and challenges because of Jesus's sacrificial example, and because they believe the Apostle Paul's words that "all things work together for good for those [who are] called according to [Christ's] purpose" (Romans 8:28). Faith in Christ, then, serves as an emotional buffer to the ups and downs that accompany business risk/uncertainty in the same way that personal savings are a financial buffer to disruptions in employment, or retained earnings a buffer against uncertainties in business activity. Depending on one's theological leanings, the "good" or "gain" a business person might expect from this kind of perseverance could be in the joy that accompanies providing needed products and services, doing what is right (including generosity), business success, a measure of financial security later in life, the boundless reward that awaits in the life to come, or much more.[10]

Christians also see their business activity as serving a larger purpose - something beyond being a vehicle for the accomplishment of personal goals. Christians view business, like other areas of life, through the "eyes of faith," and because of this, their commercial activities are both motivated and constrained by the above-mentioned Biblical teachings and many others. They know that as they called to, say, integrity, unselfishness, or love of neighbor in their private lives, they are also called to these in their business lives - whether they work in explicitly Christian or secular companies. They assume quite naturally that they are bound by the Apostle Paul's instructions that followers of Christ have been given freedom not to do whatever they want, but to do *good* works.

As the Development Wheel model predicts, everything about business is colored by having Christ at the center of the wheel - the overriding purpose of business activity, the goals and priorities of specific businesses, perspectives on authority, communication strategies, management styles, organizational structure/culture, etc. They discover that there are opportunities to glorify God in whatever aspects of organizational life they are engaged in – whether it be long-range planning, building a remarkably cohesive and productive work team, or the mundane work of establishing policies, designing internal control systems, or regulatory adherence. They will of course not all do things the same way. Some will focus on cultivating a community where honesty, humility, forgiveness, trust, love and generosity are not just praiseworthy but strongly encouraged; some will give more emphasis to hard work and a willingness to sacrifice for the benefits of others; some will emphasize how education, business and family responsibilities are all sacred callings to be carried out with utmost sincerity and accountability.[11] Most will acknowledge that these things can only be done well when they spend time in Bible Study and prayer, listen to good preaching, and seek the wise counsel of mentors. And, although most have not here-to-fore had the "Development Wheel" at their disposal, it is clear that they would have little difficulty making connections between their desire to view their business obligations through the lens of Biblical authority and the nearly unlimited ways that their beliefs and actions affect the forms of capital we have identified.

This means they would have little trouble connecting with the kind of "pro-development worldview elements" that need to be at the core of the wheel (point ten above). They can do business knowing that life is deeply flawed, but confident that people have both a God-given mandate and the God-like potential to improve things. Because they believe that their authority has been delegated to them by God (who also holds them accountable for their use of that authority), they may not equate authority with, say, power or prestige. Nor can managers divorce their responsibility to owners from Biblical admonitions to respect authority, including laws aimed at protecting the rights of owners and other capital providers. Love of neighbor cannot but lead to recognizing responsibilities to a wide variety of "stakeholder" groups - including employees, customers, creditors, suppliers, local communities, and even future generations and competitors. In the context of the wheel, this means adequately compensating the providers of all seven kinds of capital for their contributions to the business, while nurturing civil society both on the job and in their communities. Some might call this "building the kingdom of God," noting that even a modicum of success brings the world closer to the *shalom* God has in mind for us. Done holistically, business not only complements the "Good News," wherever it goes, by ushering in healthy economic activity and human flourishing, but is itself an integral part of that "Good News!"

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Footnotes

[1] Goleman estimated that they explain less than 25% of these.

[2] Interestingly, it is not only economic development specialists that are discovering the importance of these things. Groups as diverse as Russian Orthodox Patriarchs (like the late Alexander Men), inner-city pastors in the U.S. (e.g., the Ten-Point Coalition), and communist bureaucrats in China have all recognized that misdirected beliefs and misguided worldviews can damage nearly all other forms of capital and, therefore, almost any meaningful progress toward economic development. At the same time, hundreds of creative ideas, ranging from church-led inner-city renewal projects to NGO sponsored micro-finance institutions to socially responsible businesses, have shown the power of enabling people to solve their own problems from the bottom up.

[3] One good example of this is the practice of using swing shifts, which require workers to continually reorient their biological clocks as they move from working days to working nights. If these workers are too exhausted to teach their children, interact with their neighbors, participate in the political process, or attend a church or synagogue, then social, governmental, or spiritual/moral capital will be eroded even as physical and financial capital may be built up.

[4] For example, The Economist reported in November 27, 2004 that of 600 doctors trained in Zambia, only 50 were still in the country, and that there were more Malawian doctors in the city of Manchester, England than in Malawi.

[5] This also shows, based on the number of countries now in the U.N., how much the world has changed since 1948.

[6] Toward the end of the Declaration some even more ambitious (but also more difficult to define) rights were touched on, like the right to a "standard of living adequate for the health and well-being of self and of family," the right "to choose the kind of education that shall be given to (one's) children," and the right to "participate in the cultural life of the community." The U.N. later tried to become more specific about many of these rights via a host of "standards," the best known of which are the *International Covenant on Civil and Political Rights* and the *International Covenant on Economic, Social and Cultural Rights*. But it is fair to say that none of these latter documents enjoys as much support, or has been as influential as the *Universal Declaration*.

[7] The significant uptick in globalization following WW II can be traced to many things, but the Bretton Woods Conference, where politicians laid down a framework for international commerce and finance and the founding of international institutions such as the World Bank, the International Monetary Fund and the General Agreement on Tariffs and Trade (GATT), is often cited as one of the keys.

[8] This is not to say that one homogeneous global culture is either desirable or a likely end result of globalization; rather that the mixing of cultures will allow distinct cultures to adopt things that the deem to be culturally appropriate improvements, and jettison cultural traditions that they no longer see as beneficial.

[9] There should be no presumption that these are necessarily the same values that are widely held in wealthy countries.

[10] In this sense Christianity encourages entrepreneurship. The center of a Christian's faith involves the creator/owner of the entire universe denying himself all of the luxuries of his lofty position, enduring pain and eventually giving up everything, including his life, for his creatures.

[11] Historically assumptions that virtues like love, temperance, justice or courage somehow conflicted with "economic prudence" - which was too often viewed as an elevation of self-interest over virtue – were also pervasive. But any careful study of successful companies over a long period of time indicates that these assumptions are misguided. The most successful businesses are those who have been able to identify and inculcate values that serve people well in all areas of life – albeit in a way that recognizes the realities of life in a complex global market economy. It is easy for families and small groups to work out their resource allocation decision without markets, prices or exchanges. But as groups become larger or the number of products and services become more complex, or as relationships between participants become more tenuous, arm's lengths transactions become the next best alternative. This is not to say that the virtues that work well in the family and church have no place in business; only that human nature and social realities do not generally allow for these virtues to work in the same way in large groups (such as corporations) as in small.

Nevertheless, businesses that have enabled thousands of employees to adopt and share important values to the point that they function as one unified whole have become particularly influential in the global economy.