

Beyond Poverty and Affluence: Toward an Economy of Care

by Bob Goudzwaard and Harry de Lange

Grand Rapids: Wm. B. Eerdmans, 1995. ISBN: 0-8028-0827-1, \$14.99.

How is it that in a society as wealthy as ours we experience rising poverty, rising disease, and less and less time for community and cultural activities? How can we experience rising unemployment when so much necessary work isn't getting done? By describing six current paradoxes, the authors of this book suggest that something is fundamentally wrong with the economies of modern, industrialized nations.

This book restates a number of themes that have appeared in other writings by Bob Goudzwaard, such as concerns about widespread idolatry toward progress, materialism, and the growing gap between rich and poor. The perceptive critique of western culture evident in this book, as in Goudzwaard's other works, is worth careful reading and reflection.

The unique contribution of this book is that it attempts to provide a comprehensive critique of modern society combined with some specific recommendations for reform. In making specific recommendations for changes in attitudes, relationships, business practices, and government policy, the authors open themselves up to criticism of their specific recommendations. In comparison with Goudzwaard's other writings, I find this book to be more helpful because of the specific examples and recommendations provided. At the same time, some of the specific examples and recommendations reveal weaknesses in Goudzwaard and de Langes' understanding or articulation of the problems of modern society.

The book begins with a discussion of poverty, noting that more than 40 years of efforts at economic development have failed to prevent growth in the number of people who cannot afford adequate diets (p. 8). Next, the seriousness of environmental problems is emphasized with information on the problem of ozone depletion, global warming, acid rain, declining biodiversity and toxic waste, among other things. These and other contemporary economic problems are the result of "critical structural flaws eroding the foundation of our societal order" which "present-day economic theory and practice are incapable of addressing" (p. 38).

REVIEWER

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This book provides an excellent discussion of the philosophical foundations of the economic crisis facing western culture. The authors devote most of the second chapter to a discussion of how ideas from the enlightenment, including utilitarianism, have influenced both economic theory and practice. Both our culture and economic theory have accepted the assumption that the goal of a good society is to get as much output of goods and services for as little work as possible. In accord with the modern scientific Worldview, the economy is viewed as a mechanism with a positive return on capital as the proof of the social desirability of a particular project. Labor is viewed as the means toward achieving the goal of a rising material standard of living, rather than work being seen as valuable in itself.

In contrast to the prevailing view, the authors suggest that caring for human needs and the environment should be a priority over growth. Changing priorities from growth toward caring for human needs and the environment requires more than just changes in attitude; it requires fundamental changes in our economic system. The market economy as it is presently structured rewards growth in production through adoption of labor saving technology, while penalizing firms that seek to maximize employment opportunities or care for the environment.

We need to renew our economic order, beginning with reordering economic ends so that subsistence needs take priority over luxuries. Things that are viewed as means in our economic system, such as employment, should instead be viewed as ends. This may require that we accept a lower standard of living in order to better care for the environment, provide employment for everyone and meet the needs of the poor—the “economics of enough” (p. 90).

Some fairly specific recommendations for change are spelled out in the last chapter as part of a twelve-step program for economic recovery. The twelve steps can be summarized as follows:

1. Renew the world monetary system;
2. Curtail increases in wages and profits;
3. Develop a legally sanctioned title, such as “Responsible Company” to be awarded based on recommendations of consumers, environmental organizations and labor organizations for firms that behave in a socially responsible manner;
4. Use taxes and subsidies plus stricter regulation to encourage better care for the environment and workers;
5. Finance social security premiums with a tax on net value added instead of just labor so that capital intensive companies pay as much social security as labor intensive companies;
6. Adopt an innovative environmental policy which includes requiring the polluter to pay for pollution, reforming agricultural policy to encourage better stewardship, and greater emphasis on environmental responsibility in education and training programs;
7. Change the way economic growth is measured to account for the social costs of production and the well-being of the poorest groups;
8. Society should “discuss the possibility and desirability of accepting public standards for the maximum level of earnings possible for a given job or occupation;”
9. Seek alternative technology paths that facilitate better quality of work and put less pressure on the environment;
10. Organizations devoted to care for the future should “consult with one another about possible directions to follow, even if that means subjecting our own patterns of life to the scrutiny of others;”
11. International political and economic agreements should be environmentally and socially sustainable and be open to the participation of “weaker states;”
12. Through education and other means, “we must promote the notion that human well-being, both of ourselves and of others, requires first and foremost a lifestyle of restraint, not luxury.”

Some of their recommendations, such as the use of market incentives for pollution control, are consistent with traditional notions of economic efficiency. Others reflect a desire to change underlying attitudes and values that are predominant in the world. Some, particularly steps 1, 8 and 12, seem to be influenced by the notion that there is a fixed pool of resources from which high income countries extract more than their fair share, thereby contributing to the poverty of the poor and reduced opportunities for future generations.

One of the things that makes this book worth reading is the many perceptive critical observations about the nature of our modern economic system and practices. Our society operates on the premise that "happiness is not something we receive, but only something we can achieve" (p. 43).

Quoting from *The Human Condition* by Hannah Arendt, the authors note that three essential conditions for humans to live as real people are social life, relationship with the earth, and a relationship with time (p. 103). Unfortunately, these three basic conditions are increasingly viewed as restrictions that interfere with our desire for a rising material standard of living. Thus, the critical problems of today form mirror images, poverty is rooted in our "inability to deal with wealth," and environmental problems mirror the "deeper problem that we do not wish to accept ourselves in our earthly and creaturely condition" (p. 104).

To further clarify the kind of reform they envision, the authors discuss examples of how communities, firms, and other organizations are seeking to implement an economy of care. The Kibbutz in Israel as well as some cooperative businesses in the Netherlands provide examples where care for each other and the environment, rather than obtaining a rising standard of living, has become the priority. They also discuss examples of labor unions that have expressed a willingness to accept wage freezes in order to promote better environmental stewardship and more jobs, as well as communities that

have purchased local manufacturing facilities in order to preserve jobs (pp. 108-9). These and other illustrations challenge us to consider specific ways that we could be involved in reforming our economy.

This book suffers from several weaknesses. These include the tendency of the authors to accept the most alarming scenarios concerning global environmental problems, to blame most of the problems of less-developed countries on exploitation by the developed countries and in general to accept the prevailing views of media and government elites. In their attempts to criticize our growth oriented society, they present an oversimplified and misleading view of the relation between technology, unemployment, and the environment. Some of the resulting recommendations for reform, particularly their view that production needs to be more labor intensive, are liable to do far more harm than good if they become the basis for economic policy.

Although much of the criticism of utilitarianism and neoclassical economics is valid, the authors seem to miss or downplay some important insights from neoclassical economics and economic history that would qualify some of their recommendations. One thing that is emphasized repeatedly is the need for more labor intensive production. The implication seems to be that investment in labor saving technology causes unemployment, environmental degradation, and reduced quality of work.

But technology doesn't cause unemployment in the long run. Logic suggests that if employment declines in the manufacturing sector of the economy because of rising worker productivity, employment would increase in another sector as the reduced cost of manufactured goods enables consumers to spend more on something else. This is evident in historical trends of rising employment in services as manufacturing employment declines.

The criticism of the market is also misdirected. The authors claim that from the point of view of the market, culture, nature, and human health have no value

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(p. 83). They also suggest that markets have too short a time horizon and do not adequately account for the value of future consumption. This is not true, though it may be correct to say that these things are undervalued in western societies. Markets merely reflect the underlying values of market participants. If market participants place a high value on culture, then they will not sacrifice their culture for something else that they value less. The same is true of nature, human health, and the needs of future generations. If current generations place a high value on the well-being of future generations, they will reduce their consumption and save more money, lowering interest rates and increasing the market value of investments, including investments in environmental conservation that are expected to yield high future benefits.

Rather than dismiss the authors' concerns about technology and markets, it is important to recognize that technology often does dehumanize the work environment and the communities in which we

live. As an example, the dominance of the automobile can make communities less human and our lives more hurried and less connected to our neighbors. Markets, consumer goods, and the pursuit of profits can come to so dominate a society that we neglect our relationships with the Lord, others or the environment. As an example, witness the growing number of retail outlets open on Sundays even in Bible belt communities.

Most of the weaknesses of this book reflect either exaggeration of a problem about which there is legitimate cause for concern, misdiagnosis of the relation between current problems and economic policy, or the way in which the authors use terms like market economy. The essential point of the book—that our economic system needs to be reoriented—still rings true, though I might disagree with some of the details of their specific proposals. One doesn't have to accept all the authors' recommendations to find this book a challenging and thought-provoking call for reform of modern society. ■

Eco-Sanity: A Common-Sense Guide to Environmentalism

by Joseph L. Bast, Peter J. Hill, and Richard C. Rue

Lanham, MD: Madison Books, 1994. ISBN: 1-56833-028-6, \$22.95.

REVIEWER

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Nobody wants to be an extremist when it comes to the issue of the environment. That is what makes the title of this book so appealing. It promises a middle-of-the-road, pragmatic approach to preserving the environment, written for a popular audience. The biographies of the authors stress their commitment to environmental preservation, as well as their academic credentials. P. J. Hill is well known in our