

# ***ECOLOGY AND THE MARKET-STATE: WHY DEMOCRACY NEEDS RELIGION***

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**C**hristian social ethics has long argued that political democracy is essential for civil society because it balances powerful private political interests with the public interests of the entire state.<sup>1</sup> This essay argues that although the market, as political power, threatens political democracy and environmental reform, the state

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<sup>1</sup>For a good summary of Christian thought on democracy, see John Witte, Jr., ed., *Christianity and Democracy in Global Context* (Boulder, CO: Westview Press, 1993). Some important twentieth century works in Protestant thought include: Walter Rauschenbusch, *Christianizing the Social Order* (Boston: Pilgrim Press, 1912); Reinhold Niebuhr, *The Children of Light and the Children of Darkness* (New York: Charles Scribner's Sons, 1944); John C. Bennett, *Christians and the State* (New York: Charles Scribner's Sons, 1958); and Stephen Charles Mott, *A Christian Perspective on Political Thought* (New York: Oxford University Press, 1993). Some important works in Roman Catholic thought on democracy include: Jacques Maritain, *Christianity and Democracy* (New York: Charles Scribner's Sons, 1994) and *Man and the State* (Chicago: University of Chicago Press, 1951); John Courtney Murray, *We Hold These Truths* (New York: Sheed & Ward, 1960); J. Bryan Hehir, "Catholicism and Democracy: conflict, Change, and Collaboration," in *Christianity and Democracy*, ed. Witte, Jr., pp. 15-30; and

empowers government, through non-governmental social institutions and associations, toward the goal of limiting the power of the market-state and securing the possibility of ecojustice.<sup>2</sup> Indeed, it further explains how religious and business institutions, in particular, challenge the hegemony of the market-state by fostering economic sustainability, corporate decentralization, a revitalized citizenry, and ecologically restorative business practices. These changes will force a decentralized market-state to initiate reformed business practices that restore rather than exploit our environment. So, this essay in 'Christian realism' has three parts: 1) that the market has become an exploitative market-state; 2) that democracy, as defensive power, challenges the market-state through non-governmental associations and institutions; and 3) that social regulation, enforced by government, is the most 'realistic' and effective way to implement ecological reform.<sup>3</sup>

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J. Leon Hooper, S.J., ed., *Religious Liberty: Catholic Struggles with Pluralism* (Louisville: Westminster/John Knox Press, 1993).

<sup>2</sup>Some important works in Christian ecological ethics include: H. Paul Santmire, *The Travail of Nature* (Philadelphia: Fortress Press, 1985); James A. Nash, *Loving Nature* (Nashville: Abingdon Press, 1991); Dieter T. Hessel, ed., *After Nature's Revolt: Eco-Justice and Theology* (Minneapolis: Augsburg/Fortress, 1992); and David G. Hallman, ed., *Ecotheology: Voices from South and North* (Geneva and Maryknoll, NY: W.C.C. Publication/Orbis Books, 1994).

<sup>3</sup>'Christian realism', is, of course, most often connected with the thought of Reinhold Niebuhr. Other important works by Niebuhr include: *Moral Man and Immoral Society* (New York: Charles Scribner's Sons, 1932); *Christianity and Power Politics* (New York: Charles Scribner's Sons, 1940); *The Nature and Destiny of Man: A Christian Interpretation* (New York: Charles Scribner's Sons, 1941-43); and *Christian Realism and Political Problems* (New York: Charles Scribner's Sons, 1953). For an excellent description of Niebuhrian Christian realism, see Robin Lovin, *Reinhold Niebuhr and Christian Realism* (Cambridge: Cambridge University Press, 1995). Suffice it to say, Christian realism, grounded in 'biblical realism', involves three parts : 1) 'moral realism', in that it affirms that moral truth is real; that it is discovered and not invented by persons or societies; 2) 'theological realism', in that comprehensive social analysis leads to

## I. THE STATE AND THE MARKET-STATE

What is the relationship of the political state to the market? The modern democratic state, like all states, not only includes the factors of power and authority, but more particularly, the element of association.<sup>4</sup> In contemporary Western democracies the state comprises several associations, including religious bodies, economic enterprises (corporations, trade associations, and labor unions), educational and professional groups, and political bodies (parties, lobbies, and other special interest groups).<sup>5</sup> So, the authority and legitimacy of the state depends on the multiple groups of society that structure the power in society. Indeed, the description and evaluation of the state depends on a similar analysis about how *power* is distributed among the various associations that comprise society.

Hence, it is the interrelationship of these social groups that determine the political structure of the state's power and authority.

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theological descriptions, evaluations, and language; and 3) 'political realism', in that the political realm consists of struggles of power between interest groups. Christian social ethics, if it is to be "realistic," must presume these three points. For a good discussion of these three points, see Lovin, *Reinhold Niebuhr and Christian Realism*, pp. 1-32.

<sup>4</sup>For good descriptions of 'associational democracy' in political theory, see R. M. MacIver, *The Web of Government* (New York: Macmillan, 1947), pp. 421-430, and Michael Oakeshott, "Talking Politics," in *Rationalism in Politics and Other Essays* (London: Methuen, 1962), pp. 438-461.

<sup>5</sup>More recent descriptions of 'associational democracy' include: James Luther Adams, "The Indispensable Discipline of social Responsibility: Voluntary Associations," in *The Prophethood of All Believers*, ed. George K. Beach (Boston: Beacon Press, 1986), pp. 257-258; Peter L. Berger and Richard John Neuhaus, *To Empower People: The Role of Mediating Structures in Public Policy* (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1980); Franklin I. Gamwell, *Beyond Preference: Liberal Theories of Independent Associations* (Chicago: University of Chicago Press, 1984); and D. B. Robertson, ed., *Voluntary Associations: A Study of Groups in Free Societies* (Richmond: John Knox Press, 1966).

Unlike an integrated (democratic) society that strives for a balance of power among these associations, some societies are either over-integrated or underintegrated.<sup>6</sup> First, a totalitarian or overintegrated society removes independent mediating structures (associations) that exist between the authoritarian government and the individual; the state *totals* the society. Perhaps the best examples are the totalitarian regimes of Germany, Japan, and Italy of the 1930's, as well as numerous other dictatorships in the past and present. Second, an underintegrated society occurs when one or more powerful groups limit the state's action for the general public good, which leads to either political oligarchy or anarchy. Since political anarchy is rare and often short-lived, the more common occurrence is political oligarchy, in which familial, religious, or economic institutions seek to control the power of the state. There have been various oligarchies throughout history, such as the power of kinship and ecclesiastical authority in pre-modern times, and more recently the power of economic authority in the guise of state-governed communism and oligarchic or autocratic capitalism. When one group's self-interest dominates the language, beliefs, and practices of society, it also has *power* over the democratic state, which removes the possibility of an integrated democracy.

Saying this, the question remains: is American society integrated, overintegrated, or underintegrated? Even though contemporary American society is not totalitarian, neither is it a good representative of an integrated democracy, since powerful economic associations have usurped power over the day-to-day social function of the state.<sup>7</sup> Although it is often argued that the twentieth century

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<sup>6</sup>Cf. Mott, *A Christian Perspective on Political Thought*, pp. 44-49.

<sup>7</sup>The argument that capitalism becomes a threat to the democratic state is classically presented in Joseph Schumpeter, *Capitalism, Socialism, and Democracy* (New York: Harper & Row, 1942) and Charles E. Lindbloom, *Politics and Markets* (New York: Basic Books, 1977). Perhaps the most recent and comprehensive explication of how the 'life-world' of democracy is threatened by the market, see Jürgen Habermas, *Theory of Communicative Action*, trans. Thomas McCarthy (Boston: Beacon Press, 1987). These

represents a burgeoning development of the size of government in social life, during the last fifty years we have progressively seen the power of government eclipsed by even more powerful economic institutions.<sup>8</sup> This shift has more to do with the pervasive influence of the marketplace in society than the weakening of liberal government institutions per se. The market not only has a narrow influence on the functioning of the political process, but a more general influence on society and culture. Put simply, the market and economic institutions are the most powerful structures of society because we cannot escape their power over our lives; we may be able to avoid the government, but not the marketplace!

The preponderance of the market thus transforms an integrated society into an oligarchic underintegrated market-state. Sociologist Alan Wolfe, for example, claims that while previous generations contrasted the moral language and obligations of the market with those present in the family and community, in contemporary culture, this bifurcation has collapsed into one culturally-dominant tradition: that of the market society or the market ethos.<sup>9</sup> The underlying question, says Wolfe, is not why market language is

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viewpoints are further developed in various 'theologies of liberation' such as: Gustavo Gutierrez, *A Theology of Liberation: History, Politics, and Salvation*, trans. Caridad Inda and John Eagleson (Maryknoll, NY: Orbis Books, 1973); Jose Miguez Bonino, *Doing Theology in a Revolutionary Situation* (Philadelphia: Fortress, 1975); Cornel West, *Prophesy Deliverance! Afro-American Revolutionary Christianity* (Philadelphia: Westminster press, 1982); and Rosemary Radford Ruether, *Liberation Theology: Human Hope Confronts Christian History and American Power* (New York: Paulist Press, 1972).

<sup>8</sup>For good descriptions of these social changes, see Robert N. Bellah, Richard Madsen, William M. Sullivan, Ann Swindler, and Steven M. Tipton, *Habits of the Heart: Individualism and Commitment in American Life* (New York: Harper & Row, 1985), and Bellah et al., *The Good Society* (New York: Random House, 1991). Such sociological and economic analysis has had, of course, a significant impact on Christian social ethics.

<sup>9</sup>Alan Wolfe, *Whose Keeper? Social Science and Moral Obligation* (Berkeley: University of California Press, 1989).

so pervasive in American society, but why did other democratic associations allow this *coup* to occur in the first place?

The small town, the voluntary association, the spirit of the people – these aspects of how Americans viewed themselves contained such an emphasis on trust, friendship, and community that people simply assumed they would always be there. To the degree that these virtues were threatened at all, they seemed to be threatened by the state; to protect civil society, therefore, Americans often erected barricades in the wrong place. Suspicious of government, they did not realize until too late that the things they took for granted could be as easily destroyed by economic calculation as by political authority. If Americans now are to protect the remaining realms of intimacy and community against the market, they will have to create, through conscious deliberation, the kind of civil society that they once assumed God or nature would automatically provide.<sup>10</sup>

When the market logic triumphs in society, it reduces the language of moral obligation to enlightened self-interest and utilitarian cost/benefit analysis.<sup>11</sup> Moral obligations, once driven by familial, religious, and communal commitments, are now driven by market assumptions of self-interest, competition, and commoditism.<sup>12</sup> This means that, at its core, the moral ethos of society and the state are shaped by market values and short-term economic considerations of

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<sup>10</sup>Wolfe, *Whose Keeper? Social Science and Moral Obligation*, p. 77.

<sup>11</sup>For a good description of the 'market logic', see Robert L. Heilbroner, *The Nature and Logic of Capitalism* (New York: W. W. Norton Co., 1985). For its impact on society, see Fred Hirsch, *The Social Limits to Growth* (Cambridge, MA: Harvard University Press, 1976).

<sup>12</sup>For a good description of how these market assumptions affect personal lives, see Paul L. Wachtel, *The Poverty of Affluence: A Psychological Portrait of the American Way of Life* (New York: The Free press, 1983) and Richard Stivers, *The Culture of Cynicism: American Morality in Decline* (Oxford and Cambridge, MA: Blackwell, 1994).

the 'bottom-line.'<sup>13</sup> So, just as it is no small leap from a market society to a market-state, it is no small leap from economic power to political power. Indeed, it is this economically-grounded 'dominant social matrix' that comprises much of our current 'anti-ecological' social policy. The political power of the market, then, affects all areas of social and political life, including public policy.<sup>14</sup>

Powerful economic associations undermine political democracy because they use their economic power to restructure the political process; not only through special interest groups, but, more importantly, by limiting other voices from political discussion. When income, wealth, and economic status are prerequisites for both economic *and* political exchanges, then only those who can wield economic power can also wield political power. All Americans are not political equals because they lack the kind of power necessary to engage in political exchanges and contracts.<sup>15</sup> Furthermore, unlike

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<sup>13</sup>Max Oelschlager details how the market-driven assumptions of the 'dominant social matrix' embody current social policy. The assumptions of the 'dominant social matrix' include the following: 1) nature has instrumental value only; 2) short-term economic interests override long-term issues like intergenerational equity; 3) current environmental risks or costs are often construed as 'non-market' concerns; thus, not applicable to economic analysis; 4) economic growth poses no danger to the environment; 5) the management of the earth is feasible through technological solutions; and 6) interest group politics is the best way to confront current and future environmental concern. These short-sighted perspectives avoid long-term procedures for building a democratic society with a sustainable future that will support human civilization. See Max Oelschlager, *Caring for Creation: An Ecumenical Approach to the Environmental Crises* (New Haven and London: Yale University Press, 1994), pp. 54-55.

<sup>14</sup>Cf. Lindbloom, *Politics and Market*, p. 171. Although dated, Lindbloom's book is perhaps more valid today than twenty years ago because of the emerging global economy and large multinational and mega-corporations.

<sup>15</sup>See Robert Dahl, *Democracy and Its Critics* (New Haven and London: Yale University Press, 1989), pp. 324-332. See also Robert Dahl and Charles Lindbloom, *Politics, Economics, and Welfare* (New York: Harper & Brothers, 1953).

powerful economic organizations, non-market institutions like the family, religion, community groups, non-profit organizations, and education lack the 'monetary power' necessary to influence public policy. In short, the crucial issue here is not profit but *power*. It is not that corporations, unlike other publicly chartered associations, are driven only by the 'bottom line,' but that these privately owned organizations use their concentration of power to limit both smaller businesses from making a profit and the public influence of non-market associations. When non-economic institutions and associations are pushed to the margins of public life, their voices become increasingly quieter, while the market languages of production, consumption, enlightened self-interest, and utilitarian cost-benefit analysis become increasingly louder.<sup>16</sup> In brief, large corporations become associations of power that weaken the balance of power in an integrated democracy.<sup>17</sup> Without democracy, society has little hope of attaining social and ecological justice.

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<sup>16</sup>For theological criticism of the impact of economic thought on social ethics, see Roger G. Betsworth, *Social Ethics: An Examination of American Moral Traditions* (Louisville: Westminster/John Knox Press, 1990); M. Douglas Meeks, *God the Economist: The Doctrine of God and Political Economy* (Minneapolis: Augsburg/Fortress Press, 1989); John Milbank, *Theology and Social Theory: Beyond Secular Reason* (Oxford: Basil Blackwell, 1990); and Larry Rasmussen, *Moral Fragments and Moral Community: A Proposal for Church and Society* (Minneapolis: Augsburg/Fortress Press, 1993).

<sup>17</sup>Jerry Mander, for example, goes so far as to say that corporations should be classified simply as an instrumental form of technology. Unlike churches, local town meetings, or the PTA, the primary purpose of corporations is to make a profit and have economic power. It is a type of monetary machine, governed by an internal logic, which can be bought and sold, dismembered, and reassembled. Like other technologies such as automobiles, power plants, or electric stoves, a corporation, although created by people, does not depend on them for their existence. Corporate founders, workers, managers, CEO's, and corporate boards are replaced with new individuals as if they are simply interchangeable components of a large monetary-generating machine. As a form of technology, corporations should

## II. RELIGION, BUSINESS, AND MARKET-STATE

This section addresses how political democracy as subversive power undermines the exploitative power of the market-state. I first examine the interconnection between democracy and justice and then address how religious and business associations strengthen the democratic state. In Christian social thought, an integrated democratic society encourages its associations, independent of the state, to voice their political concerns of justice to their government.<sup>18</sup> It is these associations that use their 'power of being' to give legitimate authority to the government, which enacts this power through the procedural task of balancing diverse interests for the good of whole community.<sup>19</sup>

Democracy is preferable to other political visions because it directly challenges oppressive groups by decentralizing power in society. This vision, says Reinhold Niebuhr, is 'realistic' because it addresses "all factors in a social and political situation, which offers resistance to established norms, particularly the factors of self-interest and power."<sup>20</sup> Since Niebuhr's view of 'Christian realism' presumes there is a 'perpetual state of war' that exists between those associations fostering communal justice and group-centered self-interest, the burden falls on weaker non-market associations – those promoting justice – to strengthen the power of the state. The purpose of the democratic state in the view of Christian realism, then, is

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be continually re-designed (or re-engineered) for qualitative purposes that address the needs of the community. See Jerry Mander, *In the Absence of the Sacred* (San Francisco: Sierra Club Books, 1992). For a good analysis of the power of multinational corporations, see David C. Korten, *When Corporations Rule the World* (West Hartford, CT and San Francisco: Kumarian Press, Inc. and Berret-Koehler Publishers, Inc., 1995).

<sup>18</sup>In addition to the aforementioned works, see J. Philip Wogaman, *Christian Perspectives on Politics* (Philadelphia: Fortress Press, 1988).

<sup>19</sup>See Paul Tillich, *Love, Power and Justice: Ontological Analyses and Ethical Applications* (New York: Oxford University Press, 1960), pp. 97-99.

<sup>20</sup>Niebuhr, *Christian Realism and Political Problems*, p. 119.

twofold: 1) it nurtures the level of justice in the present society by balancing powerful special interests, and 2) it continually uses its power to achieve greater justice by empowering those institutions that are weakened by those same powerful special interests. Without justice, the power in society becomes exploitative and destructive, but with justice as its *telos*, this 'oppressive power' becomes limited by the 'defensive power' of other social groups that comprise an integrated democracy.<sup>21</sup> Thus the task includes first *limiting* the market's power as collectively embodied in powerful structures, organizations, or associations, and second *empowering* other social institutions such as the family, religion, education, small businesses, and government to ensure the *telos* of justice.

Since government is the most powerful non-economic institution in society, we must presume that, in the end, the state cannot challenge the hegemony of the market-state and ensure justice without using the power of government. Unlike classical liberal theory, which prefers a weak government because society is strong, in our contemporary underintegrated society, government should be strong because society is weak – we should listen seriously to the voices of 'democratic socialism.'<sup>22</sup> However, government, by itself, is unable to reform society without remaining interdependent with other social institutions. Indeed, government, by itself, lacks internal self-criticism because it relies too heavily on the internal goods and practices of partisanship and special interests driven by economic or

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<sup>21</sup>For an excellent discussion of the various kinds of power, including 'defensive' and 'exploitative', see Mott, *A Christian Perspective on Political Thought*, pp. 13-25.

<sup>22</sup>This view is often reflected in the tradition of 'democratic socialism'. See David Miller, *Market, State and Community: theoretical Foundations of Market Socialism* (Oxford: Clarendon Press, 1990) and Sevryn T. Bruyn, *A Future for the American Economy: The Social Market* (Stanford: Stanford University Press, 1991). For related works in Christian social thought, see Gary Dorrien, *Soul in Society: The Making and Renewal of Social Christianity* (Minneapolis: Fortress, 1995) and Douglas Sturm, *Community and Alienation: Essays on Process Thought and Public Life* (Notre Dame: University of Notre Dame Press, 1988).

partisan policy. In short, it is driven by the *power* of its own narrow self-interest. Thus, agreeing with 'democratic capitalists', we must also affirm that government itself can become hegemonic and destroy the power of other social institutions, limiting their voice in public life.<sup>23</sup> Government is one among many institutions and associations that comprise an integrated social democracy.

So, if the government is to challenge the market-state, it must depend on other social institutions like the family, religion, education, and business. This essay addresses, in particular, the role of religion and business. Religious traditions, at their best, incorporate distinctive languages, beliefs, and virtues into social practices that conflict with the market ethos. Although no political panacea, churches, for example, provide the forum for citizens to participate and debate about issues of political, environmental, and business reform. Indeed, religious language provides a way not only to talk about sexual and medical issues, but issues in social and ecological justice as well. For example, in a very practical way, religious language is essential for an alternative vision of work and leisure. Unlike an instrumental vision of work nurtured by the marketplace, religious language provides ways to speak about the cooperative sharing of knowledge and democratic decision-making, self-development, and the reaffirmation of the intrinsic value of both work and leisure. At their best, churches can foster ethical debate, deliberation, and education about how this religious vision bears on social and business patterns of work and leisure; they can demonstrate how all persons of the community, with their individual gifts, abilities, and callings contribute to the good of the local church and its surrounding

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<sup>23</sup>Regarding 'democratic capitalism', see Robert Benne, *The Ethic of Democratic Capitalism: A Moral Reassessment* (Philadelphia: Fortress Press, 1981); Michael Novak, *The Spirit of Democratic Capitalism* (New York: American Enterprise Institute/Simon & Schuster, 1982); Peter L. Berger, *The Capitalist Revolution: Fifty Propositions About prosperity, Equality, and Liberty* (New York: Basic Books, 1986); and Richard J. Nehaus, *Doing Well and Doing Good: The Challenge to the Christian Capitalist* (New York: Doubleday, 1992).

community.<sup>24</sup> Indeed, they can reveal to the greater society how its alternative economy allows for diverse persons to participate in enriching and humane work. This task involves not only informing and transforming personal attitudes about work and the common good, but also creating humane structures that will foster community instead of egoism.

Even though the power of religious institutions is limited by the power of the market, its moral language is not completely removed from public life. If utilitarian individualism is the first language of public life, then the biblical narrative embodies a more private second language.<sup>25</sup> Echoing this theme, philosopher Max Oelschlaeger effectively argues that public religious language is crucial for developing the kind of ecological sensitivity needed to achieve actual ecological political reform. "There are no solutions for the systematic causes of ecocrisis," he argues, "at least in democratic societies, apart from religious narrative."<sup>26</sup> Indeed, he continues, "religious discourse, expressing itself in the democratic forum, offers the possibility of overcoming special interest politics – especially those which are narrowly economic – on environmental issues."<sup>27</sup> The biblical language of "caring for creation" shared by religious conservatives, moderates, and liberals may provide the broad-based political coalition that challenges the exploitative prac-

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<sup>24</sup>For a comparison of a market and theological notion of work and leisure, see: David W. Haddorff, "Theology and the Market Ethos: Toward An Ecclesial Understanding of Work and Leisure," in *Union Seminary Quarterly Review* 50 (1996): 83-102. For a good description of work and leisure in contemporary society, see Juliet B. Schor, *The Overworked American: The Unexpected Decline of Leisure* (New York: Harper Collins, 1991).

<sup>25</sup>C.f. Bellah et al., *Habits of the Heart and The Good Society*. Likewise, see Robert Wuthnow, *God and Mammon in America* (New York: The Free Press, 1994) and idem, *Poor Richard's Principle: Recovering the American Dream through the Moral Dimension of Work, Business, and Money* (Princeton: Princeton University Press, 1996).

<sup>26</sup>Oelschlaeger, *Caring for Creation*, p. 5.

<sup>27</sup>*Ibid.*, p. 57.

tices of socially irresponsible businesses. This religious vision is not solely an agenda of the political left or right, but incorporates its centrist concerns through existing cultural resources and institutions.

Like religion, proactive business associations need to challenge the practices of the market ethos. The linkage of corporate business with the cozy localized capitalism of Adam Smith by free market economists fails to observe the fact 'democratic capitalism' is threatened by forms of oligarchic and autocratic capitalism, which, if left unchallenged, will dominate the language of public life.<sup>28</sup> This rules out the possibility of ecological reform. Indeed, business theorist Paul Hawken rightly admits that until businesses replace the current market practices with sustainable ones, not only is the future of the environment in danger but so is the future of business. In contrast to the current business ethos, Hawken advocates 'sustainable businesses.'

['Sustainable businesses':] 1) replace nationally and internally produced items with products created locally and regionally; 2) take responsibility for the effects that have on the natural world [and] do not require exotic sources of capital in order to develop and grow; 3) engage in production process that are human, worthy, dignified, and intrinsically satisfying; 4) create objects of durability and long-term utility whose ultimate use or disposition will not be harmful to future generations; [and] 5) change consumers to customers through education.<sup>29</sup>

Since business practice exists for the good of its customers, workers, communities, and the environment, the most "efficient" way to save the community and the environment is to save business from

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<sup>28</sup>For a good description of 'oligarchic capitalism', see William Greider, *One World, Ready or Not: The Manic Logic of Global Capitalism* (New York: Simon and Schuster, 1997).

<sup>29</sup>Paul Hawken, *The Ecology of Commerce: A Declaration of Sustainability* (New York: Harper Collins, 1994), p. 144.

its own self-destructive practices.<sup>30</sup> The 'greening of business' occurs by transforming its own culture through a communal moral vision and fully integrating non-market concerns into their business codes or company beliefs and practices. Although such companies often emerge from the moral vision of the entrepreneur, they can also emerge from non-market moral languages and visions that comprise the communal values of society.<sup>31</sup>

The problem still remains: how does society, through its non-governmental associations, undermine the power of the corporation? The most common strategy is to demand that corporations must be held accountable and responsible to their constituencies. Practically speaking, this strategy focuses on applying 'non-market language' such as covenant, interdependence, community, and social solidarity to the market practices of corporate behavior.<sup>32</sup> In their book, *Beyond Success*, James Kuhn and Donald Shriver demonstrate how the corporate ethos, through its dialogue with its constituencies, is slowly incorporating such an inclusive democratic vision. Indeed, today's

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<sup>30</sup>See Laura L. Nash, *Good Intentions Aside: A Manager's Guide to Resolving Ethical Problems* (Boston: Harvard Business School Press, 1990).

<sup>31</sup>Cf. James Liebig, *Business Ethics: Profiles in Civic Virtue* (Golden, CO: Fulcrum Publishing, 1990); Oliver F. Williams and John Houck, eds., *A Virtuous Life in Business* (Lanham, MD: Rowman and Littlefield Publishers, 1992); and C. Edward Weber, *Stories of Virtue in Business* (Lanham, MD: University Press of America, 1995).

<sup>32</sup>See James W. Kuhn and Donald W. Shriver, Jr., *Beyond Success: Corporations and Their Critics in the 1990's* (New York and Oxford: Oxford University Press, 1991). For a more theological argument, see the important article by Stewart W. Herman, "The Potential for Building Covenants in Business Corporations," *Annual of the Society of Christian Ethics* (Washington, D.C.: Georgetown University Press, 1992), pp. 201-222. Also, more generally, see Max L. Stackhouse, Peter Berger, Dennis McCann, and M. Douglas Meeks, *Christian Social Ethics in a Global Era* (Nashville: Abingdon Press, 1995); Ronald Preston, *Religion and the Ambiguities of Capitalism* (Cleveland: Pilgrim Press, 1991); and John Atherton, *Christianity and the Market: Christian Thought for Our Times* (London: SPCK, 1992).

corporations, pressured by constituencies, are persuaded to incorporate democratic decision-making, employee ownership, consumer education, long-term analysis, and environmental preservation into their current practices.<sup>33</sup> Though an optimistic view of a transformed business culture is a likely possibility in the long term, it is also likely that a “perpetual state of war” will continue to exist in the short term. Simply put, Christian realism presumes that social groups are *capable* of justice, but are more *likely* to practice corporate sin. Hence, it is naive to assume that the beliefs and practices of corporate business and society will cease to be governed by the languages of utilitarian and commoditious individualism. The exploitative power of the corporation must be matched by the intervening power of the state, embodied in the government, by enacting social regulation.

### III. DEMOCRACY AND SOCIAL REGULATION

This third section deals with how the state embodies democratic justice through social regulation. To reiterate, Christian realism proposes a twofold purpose of the state: 1) to nurture the level of justice in the present society by balancing powerful special interests and 2) to use this integrated power to achieve greater justice. In a democratic society, power must be matched by power; that is, the associations of the state empower the government to challenge powerful monetary lobbies and special corporate interests, thus realigning its interests with those of the state. Indeed, the purpose of government is to regulate society according to the state’s common vision of justice. For its understanding of social regulation, then, government must draw its language, values, and beliefs from non-economic (market) associations in society.

Since market language dominates the market-state, social regulation must be grounded in a non-market language that fosters society’s vision of justice. The difficulty associated with forging

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<sup>33</sup>Kuhn and Shriver, *Beyond Success*, pp. 308-316.

social regulation has less to do with battles between business and environmental activists than with society itself developing a common moral vision of the good life that simply goes beyond the goals of the marketplace. Regarding ecological reform, for instance, Mark Sagoff reminds us that when environmentalist policy-makers apply the same market language of cost-benefit analysis to the ecocrises, they ironically assume a quantitative legitimacy that undermines qualitative non-market descriptions that emerge from the community. Says Sagoff,

Our environmental goals – cleaner air and water, the preservation of wilderness and wildlife and the like – are not to be construed, then, simply as personal wants or preferences; they are not interests to be ‘priced’ by market or by cost-benefit analysis, but are views or beliefs that may find their way, as public values, into legislation.<sup>34</sup>

For Sagoff, then, the language for effective democratic social regulation emerges primarily from ethical and religious – not economic or political – moral languages. Therefore, social regulation “expresses what we believe, what we are, what we stand for as a nation, not simply what we wish to buy as individuals. Social regulation reflects public values we choose collectively, and these may conflict with wants and interests we pursue individually.”<sup>35</sup>

A Christian realist viewpoint, however, does not simply settle for the argument that social policy needs religious and ethical language for it to truly reflect the needs of society. Power must be matched by power. So, the most effective way to challenge hegemonic economic and market language is to undermine its privileged position in public discourse. Unlike the current *quantitative* language of the GNP index, for example, economist Herman Daley and theologian John Cobb argue for a language that

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<sup>34</sup>Mark Sagoff, *The Economy of the Earth: Philosophy, Law, and the Environment* (New York: Cambridge University Press, 1988), p. 28.

<sup>35</sup>*Ibid.*, pp.16-17.

includes the non-market, non-monetary values and variables that more adequately measure cultural and ecological welfare.<sup>36</sup> These authors insist that the economy ought to be measured less by 'growth', which concentrates on quantitative production, size, and productive efficiency, than it is by 'development', which concentrates on the *qualitative* improvement of products and their impact on persons, communities, and the environment. Daley's 'steady state model' proposes an economics of "sustainable development" that emphasizes the development of human well-being, persons-in-community, progressive and pro-business taxation, a narrow gap between the rich and the poor, soft or renewable energy paths, population control, decentralizing political and economic power, and relative self-sufficiency of nations and regions without discouraging international cooperation.<sup>37</sup> This model insists that business enterprises are to be held accountable to the public through internalizing these costs into the way they practice business; the state has a duty to intervene with correlative measures that internalize the external 'non-market' social costs into the practice of doing business.

With the integration of human and environmental costs into the practice of the market, social policy encourages social, ecological, and energy sustainability at the local, national, and international levels. Indeed, it prioritizes a society's sustenance needs, organizes the means required to meet these needs, and redistributes its power through legal reform to enforce such practical changes. Such a policy, say Christian economists Bob Godzwaard and Harry de Lange, should include at least the following six measures: 1) mandate a prevention principle that punishes the polluter while rewarding pollution prevention; 2) enforce government established health standards for its citizens; 3) enforce taxes on petrochemically-

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<sup>36</sup>Herman E. Daly and John B. Cobb, Jr., *For the Common Good: Redirecting the Economy toward Community, the Environment, and a Sustainable Future* (Boston: Beacon Press, 1989).

<sup>37</sup>Herman Daly develops the 'steady state' model in earlier works such as *Toward a Steady State Economy* (San Francisco: W. H. Freeman, 1973) and *Steady State Economics* (San Francisco: W. H. Freeman, 1977).

based, large-scale agricultural production while rewarding organic, small-scale farming; 4) mandate recycling and more ecological technologies; 5) use public monies to build urban housing, public transportation, and community restoration; and 6) mandate environmental education at all levels.<sup>38</sup> Unlike the current 'postcare' economy, they say that a "precare economy includes rather than excludes people; it internalizes and takes responsibility for its effects rather than expels them to other sectors of society; and it practices restraint and replenishes rather than extracts."<sup>39</sup> These measures can radically challenge the power of exploitative economic structures while empowering sustainable business and ecological development.

This argument assumes that business will not reform its practices until it realizes that such changes are necessary for its own self-interest.<sup>40</sup> This kind of social regulation can take various prohibitory forms, including consumption and production limits, graduated tax penalties, emission fees, licenses, and incentives. Such regulation does not, as 'free-market' supporters claim, interfere with the *telos* of business. Rather, business has social responsibilities because they depend on society for their existence; the 'free market' is protected, not threatened, by political democracy. Nonetheless, for business to engage in ecologically restorative practices, it must also be profitable to do so. "Businesses should literally compete to be more ecological," says Paul Hawken, "not only on moral or ethical grounds or because it is the 'right thing to do,' but because such

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<sup>38</sup>Bob Goudzwaard and Harry de Lange, *Beyond Poverty and Affluence: Toward an Economy of Care* (Grand Rapids: Eerdmans Publishing Co., 1995), p. 149.

<sup>39</sup>*Ibid.*, p. 137.

<sup>40</sup>Cf. Thomas N. Gladwin, *Building the Sustainable Corporation* (Washington, D.C.: National Wildlife Federation Corporate Conservation Council, 1992) and Stephen Schmidheiny and Lloyd Timberlake, *Changing Course: A Global Business Perspective on Development and the Environment* (Cambridge: M.I.T. Press, 1992).

behavior squarely aligns with the bottom line.”<sup>41</sup> The way to accomplish this is through “payment of all non-market costs.”<sup>42</sup>

Clearly, this involves changing the laws of current business practice. Such legal changes should include the following, according to Oelschlaeger: 1) mandate environmental audits of corporate activities, 2) place public directors on corporate boards, 3) establish industry-wide standards for pollution control, 4) make corporate managers criminally and financially liable for corporate malfeasance that adversely affects the environment, 5) preclude tax write-offs for the costs of environmental clean-up and fines, and 6) protect whistle blowers.<sup>43</sup> These changes will force businesses to not only be less destructive against individuals and society, but to also *protect* human life, the goods of community, and the environment.

More particularly, it means reconstructing the tax system so that it directly undermines business’ commitment to the ‘bottom line.’ Cobb and Daily, for example, call for a lowering of federal and state income tax, while increasing severance and excise taxes on non-renewable energy sources, pollution, and waste production.<sup>44</sup> Likewise, Paul Hawken claims that the current system wrongly levies taxes from incomes, profits, sales, payrolls, and savings, which encourages the immoral practices of cheating, fraud, and deception. Instead of punishing “good” behavior and rewarding “bad” behavior, the tax system should internalize ecological destruction into the cost of doing business. As he puts it: “In short, we must design a marketplace that obviates acts of environmental destruction by

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<sup>41</sup>Hawken, *The Ecology of Commerce*, p. 167.

<sup>42</sup>*Ibid.*, p. 118. Hawken argues one important way to incorporate these costs is to require companies, in particular corporations, to the same criminal standards as the rest of society. It has been estimated, for instance, that corporations kill 28,000 people and seriously injure 130,000 every year by selling defective products, and that over 100,00 employees die annually because of exposure to toxins and other hazards of the workplace. Corporations must be held liable for such crimes. See *ibid.*, pp.118-119.

<sup>43</sup>See Oelschlaeger, *Caring for Creation*, pp. 197-198.

<sup>44</sup>Daly and Cobb, *For the Common Good*, pp. 315-331.

making them extremely expensive, and rewards restorative acts by bringing them within our means. If we do this, environmental restoration, economic prosperity, job creation, and social stability will become equivalent."<sup>45</sup> Clearly, taxes could be applied to a wide variety of resources, products, and processes that endanger persons and their environment. For example, 'green fees' could be applied to biotic destructive industrial practices of corporate farming or agribusiness. This would encourage the production and consumption of healthy organic produce, and increase the demand for agricultural jobs. Put simply, implementing a system of 'green fees' not only reinforces ecological sustainability but contributes to economic development.

Still, these changes in social regulation must emerge from neither the political language of right nor left-wing politics. When environmental politics is seen by the public as an extension of liberal interest-groups, it becomes self-defeating. Robert Paehlke argues that environmentalism, historically-understood, belongs to both conservatism *and* liberalism, to democratic socialism *and* capitalism, and if it is to have widespread influence it must refuse to be channeled into such partisan differences.<sup>46</sup> Against conservatives, for example, environmental politics believes in increasing ecological regulation and enforcement, decreasing military spending, increasing long-term economic development instead of short-term growth; increasing expenditures in education, social welfare, and the arts; and providing more social criticism of the cultural abuses of free-market capitalism. However, against liberals, environmental politics also believes in enhancing a technological transformation away from unionized smoke-stack industries, decreasing government deficits, increasing political decentralization, promoting small and medium-sized entrepreneurship, and embodying religious and cultural values and language into the language of law and government.<sup>47</sup> Like

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<sup>45</sup>Hawken, *The Ecology of Commerce*, p. 167.

<sup>46</sup>Robert C. Paehlke, *Environmentalism and the Future of Progressive Politics* (New haven and London: Yale University Press, 1988).

<sup>47</sup>*Ibid.*, pp. 276-277.

Oelschlaeger, Paehlke argues that what is needed for a broad-based political coalition is a broad-based *communal* vision and *active* citizen participation. Religious language and vision is perhaps the most essential component for such a broad-based coalition.

## **CONCLUSION**

In conclusion, political democracy effectively exists when the mass of society is effectively organized into groups that can resist the dominance of one or more powerful associations. In such a society the power and authority of the society is grounded in associations but is then transferred to the state, and its institutional embodiment in the government. A strong government, then, is the best way to ensure social and ecological justice because it prevents the domination of one group interest over another; by doing this, it uses the power and authority of the state to enforce a democratic justice. This proposal becomes difficult to practice when special-interest politics, combined with American suspicions of government, combine to form a passive citizenry that refuses to question the presumptions of the market ethos.

Nonetheless, challenging the market-state begins with associations that address the task of democratic reform. Not to underestimate the practical import of educational, familial, non-profit organizations, and other cultural associations, this essay primarily addressed the role of religious and business institutions. Religious and ethical discourse are crucial for expanding our cultural conversation to include non-market values that enhance humane work, economic sustainability, corporate decentralization, and a revitalized citizenry. Moreover, business enterprises are crucial for embodying such restorative vision into the actual social practices of our culture. Both religion and business embody regenerative and destructive elements; both market and religious beliefs and values influence both, to a greater or lesser extent. That is, although most businesses are driven by market principles and religious groups by sacred ones, in some ironic cases, some religious groups seem more preoccupied

with the market concerns, while some business address social and ecological justice. Perhaps it is this irony that gives us the hope that an integrated democracy that encourages restorative business practices and economic sustainability is indeed a real possibility for our common future.



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