

A HIGH PRICE FOR ABUNDANT LIVING

Henry Rempel, *A HIGH PRICE FOR ABUNDANT LIVING* (Scottsdale: Herald Press, 2003), Rempel is Professor in the Department of Economics at the University of Manitoba and has led more than twenty missions abroad to evaluate projects including Canadian International Development Agency (CIDA), Mennonite Economic Development Associates (MEDA), and Mennonite Central Committee (MCC).

1. DRIVEN BY MARKET (P. 13-29)

Market economy

2. THE CAPITALIST IDEAL (P. 31-48)

The basic economic ingredients are:

1. **Natural Resources** – land, its minerals and plants and animal life, water and all it contains and air that surrounds our earth.
2. **Human resources**-come from people: their labor, thinking ability, organizing ability, willingness to take risks, and ability to care for others.
3. **Produced resources** – are goods made in society for the purpose of producing other goods and services; buildings we use for production, the machines in our factories, and the fertilizer that helps plants grow. In economics the name for produced resources is **capital** (Rempel P. 31)

Unlimited Want

Economics exists as a subject of study because our **resources** in any year are **limited**, while our capacity to **want** is thought to be **unlimited** (Rempel P. 33)

A Means to Economize the Use of Resources

The way a society goes about economizing in the use of its scarce resources is its economic system. Three essential questions:

- What goods and services will our society produce ?
- How will we produce these goods and services?
- Who will receive the goods and services that are produced?

The method we use to answer these questions is our economic system, capitalism (Rempel P. 33).

In our economic system the people who make up our society own the three types of resources: **Land, labor and capital** (Rempel P. 34).

We attempt to **buy** goods and services to satisfy our needs and wants, and we sell or use the resources we own to obtain the income needed to make purchases (Rempel P. 34)

The Origin of Capitalism

It first spelled out in 1776 by Adam Smith (in England) in his Inquiry into the Nature and Cause of the Wealth of Nation. Smith had two major goals. First, for the “good of the nation” he wanted to reduce government interference and replace it with greater individual freedom. He reasoned, if every individual had the freedom to achieve her or his potential the result would be the greatest possible good for the whole nation. Second, he wanted to see England enjoy the great increase in output that he felt would result from a division of labor (Rempel P. 37).

He build his economy on the basis of his perception of human nature:

- People are selfish;
- people are basically lazy and will work only if forced or paid to do so;
- people love to trade, and to bargain with each other while trading; and
- people take better care of that which is their own.

The last point is basic to capitalism and forms the rationale for the private ownership of resources. According to this view, resources will be handled best if their owners are also the managers of their use. We get paid only if we contribute to production. Then our selfishness, coupled with the fact that we find trading enjoyable, will ensure that the necessary goods are produced and distributed (Rempel P. 39).

Significance of Adam Smith’s Ideas

First, they have worked, What he wanted was greater individual freedom and an expanded capacity to produce material things. North America provides adequate testimony to capitalism’s success in achieving these goals (Rempel P. 41).

Second, there is nothing just or moral about capitalism. The driving force of the system is human selfishness. The spoils go to the winner, provided that the winner has not been caught using illegal methods. **Smith’s expectations that there will be five hundred poor people for every rich person** is hardly a way to build community (Rempel P. 41).

Third, Smith assumed that the ability of one person to take advantage of another person, either as an employer or as a seller of goods and services, is limited by competition, which is controlling device within capitalism (Rempel P. 41).

The competition Smith envisioned is very different from some forms of competition we have today, like Ford’s competition with General Motors.

Fourth, although Smith wanted to see government’s role reduced so that individual freedom could be expanded, he did see several necessary functions for government. He thought it was government’s responsibility to set the rules by which the game of capitalism was to be played; property law and contract laws, etc (Rempel P. 42).

Corporations emerge as a challenge to the system (Rempel P. 46).

In a corporation two or more individuals combine to form a separate legal entity that can exist and conduct business as if it were a person. Beyond offering possible tax advantages, the corporation protects owners from being personally sued for the unpaid debts of the corporation if it fails. Corporations have multiplied rapidly since then (19th century), especially in industries where much capital is needed because of economic advantages to being large. The corporation has changed the operation of the capitalist economic system significantly. **First**, because it allows owners of capital to combine and act as if they are one, the competition essential to control the possible bad effects of individual selfishness, such as exploitation of employees and customers, has been much reduced (Rempel P. 45).

A number of corporations have grown to gigantic size and have become powerful forces in our economics. Some of them outrank many countries in terms of the value of their production. Ex. Nestle operates in 84 countries since 1985 with annual sales of 455 billion (Rempel P. 46).

The second change brought on by the emergence of the corporation is that the important link between the ownership and management of resources has been broken. In larger corporations the managers are hired professionals who actually own very little of the corporation. As an unnamed middle manager within General Motors indicated, there is little difference between a manager's corporate role and that of government bureaucrat (Rempel P. 46).

Third, the existence of corporations require growth. Success is almost always defined in terms of growth. As a result, the problems created by corporations have increased while our personal control over what we would like to see produced has decreased considerably. Advertising has become a vital tool used by corporations to make sure consumer desire grows according to what the firms would like to produce. Corporations have considerable control over what appears in each of these media (Rempel P. 47).

In conclusion, capitalism is a means to achieve both greater individual freedom and increased production of material things. It has done both. Its continued success has been thrown into question, however, by the emergence of corporations and, subsequently, of labor unions. Both of these undermine the competition and freedom that Adam Smith so treasured. In North America we have a strong desire to maintain capitalism, so we respond to the threat of corporations by asking government to do more, but this causes government to grow ever larger and thus robs us of some other freedoms. **The economic price of these lost freedoms is the high standard of living we enjoy** (Rempel P. 47).

I need to quote Korten's article after this.

3. SACRED VALUES AND THE WORSHIP OF ABUNDANCE (49-68)

Abundance as a Object of Worship (p. 51)

The economic revolution made possible a higher standard of living. But by doing so it also ensured ongoing scarcity. Because the new free enterprise system had no concept of enough; it promoted the [worship of abundance](#) (Rempel P. 51)

Impact of capitalism:

Historians are divided on the issue. A first school of thought argues that Smith cut economics off from its ethical foundation. This school give Smith credit for doing what was needed to enable economics to evolve as a science: The second school of thought denies that this occurred. They argue that Smith simply substituted one religion for another. They point to his concept of an invisible hand: rather than ensuring that all individual activity will work toward a larger social good, the invisible hand was a new kind of god. Regardless of which school is correct, the reality is that we have come to worship abundance (Rempel P. 51).

Sacred Values for Evaluating Capitalism

(Gen. 1:26-28): Human Dignity:

The first sacred value is the [dignity in every person](#). God [created us in the image of God](#) (Rempel P. 53). Ps. 8, communicates our dignity and our authority to represent God within the larger created order. [We have been given a position of honor and responsibility to help sustain the order that the Creator has initiated.](#) [An economic system that serves some people but denies the human dignity of others is not consistent with what the Creator intended](#) (Rempel P. 54). Respecting people's dignity requires holding responsible for their decisions.

Living Together With Others

[We are also created as social beings](#). We are given the ability to live in relationship with each other within communities of people. As Robert Simons has written, individuals do not exist for the purpose of creating communities; rather, the community is the necessary context from which an individual identity can emerge. One can become free only when one is in [community](#) with others (Rempel P. 55).

Most people understand [a community](#) to be a group of people in a particular area who have some degree of interest in living together in relative harmony and well-being (Rempel P. 55).

[In summary](#), [an economic system](#) should build and enhance communities in which mutual interdependence, human dignity, and the material well-being of all persons are promoted and, hopefully, realized. [Economic policy](#) should protect and strengthen such communities. The division of labor should demonstrate our mutual interdependence and underscore the importance of all human beings in a community (Rempel P. 55).

Word as a Form of Creative Participation

[Sharing Responsibility for Ongoing Creation](#)(창세기 창조 설화에 사용)

Genesis outlines several specific responsibilities within this general vocation of creator.

- * We are instructed to be faithful, to multiply, to fill the earth.
- * We are given the honor of naming the other living beings that were created.
- * We are called upon to till and to keep the garden.
- * We are instructed to subdue, to exercise dominion over, the created order (Rempel P. 59).

Our exercise dominion doesn't mean a license to destroy the created order. Rather, the term "dominion" implies the need to make decisions that affect life and death. God has given us both the ability and the responsibility to manage in a way that affirms life (Rempel P. 60).

In the economic system we created, our shared duty calls not only to transform existing structures, but also to create spiritual as well as economic, political, and social order (Rempel P. 60).

[In summary](#), humanity is an integral part of an interrelated creation. People who abuse, exploit, and deplete resources or cause the extinction of species for economic gain violate the integrity of creation. They destroy what we are called to build and preserve.

[Honoring the Sabbath](#) (Rempel P. 61).

[Building Community with Fairness](#) (Rempel P. 63).

How income and wealth are distributed is a key to maintaining a community's vitality, health, and human dignity. When wealth is distributed fairly, people are motivated to contribute to the community's well-being (Rempel P. 63).

A desire to be fair is guided by the righteousness of God. Our covenant relationship with God means we want to be righteous too. It means we deal justly with each other (Rempel P. 63).

An economic system based on fairness will aim to invest the wealth, talent, and human energy of the community to increase opportunities for the poor, the weak, and those at the margins of society. Everyone's best interest is served when those otherwise marginalized are enabled to participate creatively and productively in community life. A fair economy involves all able people in responsible, participatory, and economically rewarding activity. If some members are excluded from productive and meaningful work and from access to the means of sustenance, neither individuals nor the community can survive (Rempel P. 64).

[The concentration of capital in the hands of a few is widening the gap](#) between the rich and the poor around the world. A fair economy seeks continually to correct imbalances in wealth and power so that the poor and weak can have a hand in shaping their own future. A fair economy ensures equal opportunity. Discrimination of any sort, whether based on race, class, age, ethnic origin, sexual orientation, physical disability, religion, and gender, contradicts the God-given dignity and worth of all human beings.

When inequality and prejudice become woven into our social and institutional fabric, this constitutes a form of social sin (Rempel P. 64).

Making Peace Possible

There is no genuine peace without justice; nor can there be justice without peace. In a fair economy the intent of production would be to improve the lives of all citizens and not to produce more weapons (Rempel P. 65)

Summary

Values that are identified call into question some parts of our system, such as the worship of abundance, and help us name those structures that enslave and destroy.]

4. BORN TO SHOP (P. 69-84)

Capitalism advanced as a system when it succeeded in renaming people as consumers. Our place within society is now defined by our ability to consume. Some who loses that ability becomes a nobody, a non-person. Collectively such people become “the homeless,” “welfare recipients,” or simply “the poor” (Rempel P. 69).

Why we as consumers choose to buy?

Each person has an uncontrollable desire to own and consume material things. We are influenced by peer-group pressure; the desire to keep up with our neighbors. As consumers we have lost the freedom to choose what we want to buy because we have become helpless victims of producers and of their allies in the advertising industry (Rempel P. 70).

Consumption Gene

We always want more: Human being has an unlimited capacity to want material things and services. Our desire to consume is part of our genetic makeup; we are all born to shop (Rempel P. 71).

Why Economists Don't Rock the Boat

Choosing Between Things and Leisure (Rempel P. 74)

Europeans have opted to spend some of the benefits of productivity growth on increased leisure. North Americans are less happy now than they were thirty years ago.

Finding Happiness by Building Community

Does high consumption make it easier or harder to build relationship within a community? Many North Americans who travel to low-income countries are often surprised to see people who are as happy as we are despite a much lower material standard of living. Possibly the secret is in the relationships they enjoy within their communities. The human satisfaction and happiness that flows from such relationships doesn't depend on a material standard of living (Rempel P. 75).

Advertising: Making Us Want (Rempel P. 76).

Eroding Our Freedom of Choice (Rempel P. 77).

5. THE VISIBLE HAND AND THE BOTTOM LINE (P. 85)110)

The ideal of Adam Smith's free enterprise system has been broken with the evolution of the corporation (Rempel P. 89). As corporation grew in size, more and more began to break free of the important control mechanism of Smith's free enterprise system, competition (Rempel P. 95). Over time, the visible hand of large corporation is replacing the invisible hand of Adam Smith as the guiding light of our economic system (Rempel P. 95).

The Latin root of the verb compete is *competere*, which means "to seek together." **Competition:** Competition has become a weapon to wipe out the adversary. It has become an ideology and an imperative, and some even speak of the "gospel" of competition. Extreme competition diminishes the degree of diversity existing in a society and contributes to social exclusion: individuals, enterprises, cities and nations that are not competitive are being marginalized and eliminated from the contest. This approach is unacceptable morally and inefficient economically. The more a system loses its variety, the more it will lose its capacity to renew itself. But above all, the ideology of competition devalues cooperation and seeking together. It wipes out solidarity (Rempel P. 100).

In summary, the ability of the many small businesses and family farms to meet the needs and wants of consumers is under serious threat from the concentrated wealth and power of relatively small number of large corporations. We need to transform these large firms from institutions that dominate society into ones that serve us by building community. In the long run the benefits of a more sustainable, community-oriented life will be worth the cost (Rempel P. 108). The place to start is to resist, nay reject, the drive by business firms to re-name us as mere consumers. We need to reclaim our full humanity. We need to resist the temptation of using the possession and consumption of material things as means to staging who we are. We need to challenge the intent and the message of the advertising and marketing institutions. When we consume we need to become much more assertive in directing business firms to produce and provide what is important to build community and to sustain life (Rempel P. 109).

6. THE RIGHT TO WORK (Rempel P. 111-133)

In summary, our society needs to rediscover the people who make up our workforce. This will involve addressing both how work is organized and the purpose for which people are employed. If we want to retain the human dignity that God intends for each person, we will need much greater flexibility within our economic system. All people should have more freedom to choose their preferred material standard of living as well as the means to earn the income to support it (Rempel P. 133).

7. THE ENTIRE CREATION SIGHS AND THROBS WITH PAIN

Nature has a tremendous capacity to renew itself if given the chance to do so. But it also has limits. We can demand too much of our environment. Once a part of it dies, it cannot be revived, restored, or fully replaced. In addition to applying our vast analytical, technical, and entrepreneurial skills to pressing environmental issues, we need to consider the admonition to keep the Sabbath. We need to realize there is indeed more to life than power or money (Rempel P. 155).

8. THE ROLE OF GOVERNMENT**9. PENALIZING THE ACHIEVER, REWARDING THE PARASITE?****10. OUR PLACE IN GLOBAL MARKET****11. THE VICTIMS OF OUR GLOBAL REACH****12. WHERE DO GO FROM HERE?**