

SPIRITUAL CAPITAL

How the Church Is Uniquely Equipped to Break the Poverty Cycle

EXCERPTS FROM *GOD IS AT WORK* (PRIMARYLY) AND *THE INTEGRATED LIFE*

By **KEN ELDRED**

"Please don't send us money; it only creates division. But do send us business people who can create jobs for us, that we can build ourselves up." The Eastern European Christian leaders at a 2004 conference in Bulgaria were unified in their call for the Western Church to send Christians skilled in business to bless their nations economically and spiritually.

Rajesh, an Indian leader of an organization that coordinates the efforts of 15,000 Indian missionaries, agreed. "We need to learn how to live our faith in the workplace; how to work and witness," he said. "We need models of doing business and outreach."

The question arises: Should mission efforts even concern themselves with business activities? Isn't that a secular pursuit of mammon that runs contrary to the mission of the church?

I believe this thinking is wrong on both accounts. Properly understood, the work of believers to influ-

ence the marketplace and serve others in their jobs is every bit as spiritual as the more direct ministry which churches and missions agencies conduct. I further believe Christians are uniquely positioned to address the cycle of poverty at its root cause—in a way secular efforts are unable to do. And the concept of spiritual capital explains why that's the case.

What Is Spiritual Capital?

Spiritual capital is the collective societal faith, trust and commitment to do what is right—not only what is right in our own eyes or what benefits us the most, but what is right in the eyes of God. Showing integrity, being accountable and honest, offering hope, being loyal and trustworthy, loving and encouraging others, exhibiting good stewardship, being fair, creating order and serving others—these are not, for the most part, covered by the laws of the land. We have no legal compulsion to love others, exhibit good stewardship, create order or serve each other. There is no legal compulsion to encourage one another to pursue new ventures in hope and faith, trusting that God will go before us. But where these biblical values are exhibited, spiritual capital is built.

If spiritual capital is the faith, trust and commitment that we and others will do what is right, it then follows that spiritual capital can increase or decrease based on personal experiences.

Imagine that there is a spiritual capital account that accrues to the individual and to the country. Like a bank account, it can grow or shrink due to deposits to or withdrawals from the account. The spiritual capital currency that is deposited (or withdrawn) is the exercise (or lack of exercise) of biblical principles: integrity, accountability, honesty, hope, love, trust, stewardship, fairness, order, loyalty, service, and so forth. For example, if one sells something with true



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weights and measures, then he has completed an honest transaction and has added spiritual capital to his and the nation's account. However, if one fails to fulfill his commitment to replace any defective products he sells, then he has proven untrustworthy and dishonest and has withdrawn spiritual capital from his and the nation's account.

A lack of trust can turn a simple transaction like purchasing a chicken into a horrendously costly exercise, never mind more complex transactions. By contrast, where much spiritual capital is present, others are given the benefit of the doubt, and transaction costs are lower. This has profound implications on the development, success, and culture of an economy.

Spiritual Capital: The Missing Leg in Economic Development

Spiritual capital is critical to economic success. Dr. Theodore Malloch calls it "the missing leg in the stool of economic development." He's spot on. There's a relationship between economic prosperity and the pervasiveness of biblical values in the culture. Douglass North won a Nobel Prize in economics for demonstrating which "institutions" in a society characterize successful economies. He proved that the trust factor, when pervasive in a society, is one of the "institutions" that lead to a better economy.

At the beginning of the twentieth century, one of the founders of sociology examined the origins of successful capitalism. Why, asked Max Weber, did capitalism thrive in certain parts of Europe and especially in the United States? His conclusion was simple and powerful. He noted that predominantly Protestant nations had adopted values of vocation, hard work, and personal piety that led to greater

economic success. Neighboring countries with similar resources and people groups didn't fare as well. Weber noted that in Catholic societies, the pious served in the Church; in Protestant cultures, the spirit of personal piety permeated into the marketplace and built spiritual capital. Applying internalized biblical values to business resulted in successful capitalism. Almost a century apart, Max Weber and Douglass North reached very similar conclusions—that a society's beliefs and values are strong determinants of its economic success.

Indeed, it is interesting to observe that with very few exceptions, every nation at the top of the GDP-per-capita list has a long Judeo-Christian tradition. That's no coincidence. There's a relationship between economic prosperity and the pervasiveness of biblical values in the culture. When biblical principles are practiced in business, spiritual capital grows, and economic success follows. Thus, spiritual capital provides the link between biblical principles and business success.

Depleting the Trust Fund

Most developing nations are trying to build their economies with very little spiritual capital, and they lack the business practices and institutions necessary to grow that capital. In these situations, people who draw on the nation's spiritual capital account can bankrupt it. After the fall of communism, Western corporations rushed into the former Soviet Union, attracted to cheap labor, an educated workforce, and a large market. However, many were stung by corruption and lost millions of dollars in the process. Russia is not an isolated case. Companies have encountered similar situations in China and other emerging economies.

"Most have been dismayed by

the adverse business environment fostered by corruption," observed Askold Krushelnycky, a British-born journalist to Eastern Europe. "Many western firms and investors have withdrawn or reduced their activities because they are fed up with becoming the targets of corrupt officials demanding bribes, of being cheated by corrupt businessmen, of being at the mercy of a corrupt legal system. . . . In sum, corruption corrodes a society. When nepotism replaces merit, when cunning and cheating replace trust and honesty, when force and murder triumph over the law and a sense of decency—then the threads binding together a civil society are weakened and eventually destroyed." A nation that has little or no spiritual capital reserve runs the risk of bankrupting the account and freezing the nation's economy.

Misguided Development Efforts and the Failure to Recognize Spiritual Capital

The lack of recognition of spiritual capital's importance has led to disastrous outcomes. For example, it has been thought for decades that the world's financial community holds the keys to success for developing nations. What's holding back certain regions of the world, the argument goes, is a lack of access to economic capital. Bangladesh has been the focus of the largest micro-enterprise development programs. More than 10 million people have received business loans over the past thirty years, yet poverty is still pervasive, and the economy hasn't developed much. Why? Bangladesh also suffers from the highest perceived corruption in the world. Development efforts provided economic capital but not the tools to build the nation's spiritual capital.

Likewise, billions of dollars have been invested in African economies, but it hasn't made a dent. In fact, economic data suggests these nations

are worse off today than they were before they received funding from the West. "Most African nations today are poorer than they were in 1980, sometimes by very wide margins," note Haber, North, and Weingast. "More shocking, two-thirds of the African countries have either stagnated or shrunk in real per capita terms since the onset of independence in the early 1960s." Much of the money disappeared and is suspected to reside in the Swiss bank accounts of various corrupt leaders and dictators. Where funds did reach the local economy, they failed to achieve any sustained economic growth. The large-scale attempts to reform African economies fell flat because they focused on the lack of economic capital and poverty but did nothing about the woeful lack of spiritual capital so evident in the marketplace.

Building Spiritual Capital: The Transforming Power of the Gospel

Spiritual capital is the foundation for successful commerce, and the Church is uniquely equipped to develop and produce Kingdom business professionals who will equip the nations with the life-changing means of growing their spiritual capital account. We shortchange a nation if we introduce laws that facilitate commerce and teach principles of accounting and yet fail to equip the nation with the means to establish a spiritual capital base on which to build its economy. Without the integrity, morality and love that comes from the Spirit of God transforming the hearts of men and women, nations will fall short of God's ultimate blessing.

Not all Christian-based groups involved in economic development see the connection between their work and the development of spiritual capital. But failure to bring the gospel is helpful neither to the individual nor to the nation. It may well lead the nation down the wrong path, one in which spiritual capital cannot accrue. And that will not improve or bless the nation.

Say there is a villager who buys wheat by the sack and sells it by the quart, but he cheats his customer. If there is no alternate vendor, the customer may return, and the villager does well financially. However, the result is ill will and a loss of spiritual capital, and the nation fails to learn the value of honest weights and measures. There is an immediate economic penalty as well, since transactional costs are higher where there is low spiritual capital. For example, the other villagers may need to buy their own scales and conduct their own measurements in order to counter the cheating seller. In the long run, the lack of spiritual

capital makes for an unhealthy and destructive business environment, and the nation, including the dishonest villager, will suffer. We see this today in many African states where a low level of trust has held back many economies.

Jesus' parable about the wise and foolish builders (see Matt. 7:24-27) is particularly instructive here. The wise man builds his house on the rock. The foolish man builds his house on sand. Business principles, technical training and start-up funding are just the walls, doors and roof of business. The transforming gospel of Jesus and the ultimate authority of God are the rock foundation. The businessperson must be committed to pleasing Jesus and doing what is right, or his business will be built on sand. If these rock principles are not in place, they will not support the business structure in times of trouble. When the economic storms of life come, the uncommitted businessperson will revert back to what he fundamentally believes.

The gospel is an important component of developing an economy and blessing the nation through Kingdom business. Only the Holy Spirit has the power to transform the hearts of men and women. Only the gospel can work at the core level and alter the collective DNA of a society. Only the gospel can ingrain the biblical values that lead to spiritual capital accumulation and successful business.

Transformed hearts lead to renewed minds. Fundamental beliefs, values and attitudes are radically changed. Spiritual capital is built, laying the foundation for economic development. And that's why the church is uniquely equipped to break the poverty cycle.^f



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