

Christian Hope and God’s Providence in the Context of Economic Change and Development

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Because Christians often share widespread fear and despair about the economy with the general public, they could benefit from reflecting on Scriptural reasons for hope while also considering scientific bases for hope. With the background provided in this essay, readers will be equipped to share important reasons for informed optimism with those most in need of it. From this vantage point, we hope that readers will be drawn into deeper reflection on Christian hope that is grounded in God’s love, creation, and promises.

Introduction

During the 2012 presidential election campaign, candidates outdid each other complaining about the economy. The United States was slowly recovering from a deep recession, with weak job growth and four consecutive years of trillion dollar budget deficits. The federal government faced the possibility of an unprecedented “fiscal cliff,” with higher marginal tax rates and lower government spending projected to slow the economy even more. Both political parties blamed each other, and there seemed to be little certainty on which policies would improve the economy. Candidates drew applause by blaming high unemployment levels on unfair competition from China and other nations. They blamed NAFTA (the free-trade treaty with Mexico and Canada) for US manufacturing jobs “going south” to Mexico.

Another popular culprit for high unemployment was *outsourcing*, which was portrayed as a take-no-prisoners effort by international corporations to make profits at the expense of US workers, not to mention the environment and Third

World workers. It was also widely believed that unregulated markets were enriching the wealthy at the expense of the poor. This became a rallying cry for the Occupy Wall Street protests and antiglobalization movements. As recovery from the recession lagged, bad news and gloomy interpretations of economic events continued.

Economic prospects were just as bleak throughout much of the rest of the world. Europe sank back into recession, and several countries teetered on the brink of bankruptcy, calling into question the continued existence of the Euro. Developing nations suffered the ripple effects of lower Western growth, as well as higher food prices and continuing poverty and inequality. Economic growth in Brazil and Argentina slowed, and the governments there instituted a number of protectionist policies.

Proposed remedies to deal with these economic problems vary from freer markets to more government control, and from more free trade to less. In many quarters, however, there exists a profound pessimism that significant progress can be made, and a belief that the usual solutions are not making much of a difference. However, not all have lost faith in the possibility for international development. For example, Abhijit Banerjee and Esther Duflo, in their book *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty*, emphasize the importance of hope as part of a solution to poverty. They suggest that “it is not easy to escape from poverty, but a sense of possibility and a little bit of well-targeted help (a piece of information, a little nudge) can sometimes have surprisingly large effects.”¹

During trying economic times like these, hope is a difficult virtue to practice, even for Christians. Nevertheless, the Bible calls hope an anchor in the Christian life. Hope is often grouped with six other virtues: faith and charity, together with prudence, justice, temperance, and fortitude.² The apostle Paul wrote to the Romans that “hope does not disappoint us, because God has poured out his love into our hearts by the Holy Spirit, whom he has given us” (Rom. 5:5 NIV). Hope is made possible by the work of the Holy Spirit in the lives of Christians. The New Testament emphasizes hope in God’s promises about salvation, Christ’s second coming, and eternal life. Indeed, as early Christians faced persecutions, Paul urged them to root their hope in God’s final and glorious victory beyond this world (see, e.g., 1 Cor. 15:19–25).

Theological discussions of hope focus almost exclusively on eschatological implications. To Christian economists, however, it seems strange that theologians have shown little interest in exploring the significance of hope before the end times. Dramatic improvements in the human condition over the last 150 years are highly relevant to practicing hope in daily life. To be sure, recent years have

been characterized by severe economic distress. Nevertheless, at the dawn of the twenty-first century, a larger percentage of the world's population than ever before earned incomes considerably above subsistence levels.³ Never had life expectancy, health, and education levels been so high. For the first time in human history, a majority of the world's people also enjoyed a significant degree of personal freedom and democratic institutions.⁴ How could such monumental changes not provoke Christians to reflect deeply about the nature of hope? The aim of this essay is to uncover reasons for hope by employing economic analysis.

We believe that such an account is desperately needed because Christians often share widespread fear and despair about the economy with the general public. Christians should reflect on scriptural reasons for hope, while also considering scientific bases for hope. With the background provided in this essay, readers will be equipped to share important reasons for informed optimism with those most in need of it. From this vantage point, we hope that readers will be drawn into deeper reflection on Christian hope, which is grounded in God's love, creation, and promises.

Distinguishing *Hope* from Positive Feelings and Personal Dispositions

Frequently, hope is used as a synonym for *wish*. One might "wish upon a star" to become a famous Hollywood actress, but no one expects anything to come of this wish. Even more telling, the word *wish* shows up frequently in counterfactual fantasies, like "I wish I were an eagle." Hope is much more robust than a wish. For example, a person must have confidence in their education, as well as good research on their career prospects in order to proclaim "I hope to be able to send my children to college."

In a similar vein, hope is sometimes equated with an *optimistic* outlook. However, a person may be optimistic about an outcome *X* without strong evidence in its favor. We might be optimistic, for example, that automobile travel will someday be replaced by teleportation without *any* evidence that scientists are developing technology leading in this direction. People who are optimistic by *disposition* (i.e., primarily involving their emotions, rather than their intellect) usually "look on the bright side," while those who are pessimistic often look at the *same* facts and events but see mostly doom and gloom. Neither type of person engages in careful reasoning and analysis to determine whether the probability of *X* happening is high or low. It is more a matter of inchoate feelings. Indeed, if optimism were primarily a matter of *evidence*, we could not group people as

optimists and pessimists because their dispositions would already color the evidence. Hope, unlike wishes or optimism, is tied to reflection on both evidence and reliable testimony.

Christian hope is practiced in decisions that a person makes regarding one's personal, professional, social, and spiritual life. It may also be practiced (or betrayed) in the development of a worldview. A Christian worldview is founded on God's character, work, and promises as they are communicated in his Word (special revelation). However hope must also be informed and shaped through keen observation and analysis of creation—including the study of human beings in their social and economic contexts. Christian scholars may thus serve the church and the world by drawing upon findings in the natural *and* social sciences (general revelation) to illustrate reasons (evidence) for hope regarding the earth and humanity.

Where does economics fit in? Can economists find ample reason for Christian hope using economic analysis and history? In what follows, we offer our professional and personal responses to these questions.

Economics: What It Does *Not* Assume about Economic Forces and Markets

Before we consider modern and historical evidence regarding the economic realm of life as it relates to hope, it is helpful to note how the discipline of economics uses models to describe economic behavior and to analyze real world situations. Many people who have not studied economics believe that economists start from an *ideology* that favors markets, profit-seeking, and individualistic cost-benefit calculations, after which they conveniently look for data to defend their own value judgments. This is, at best, a caricature of the discipline of economics.

Since Adam Smith wrote *The Wealth of Nations* in 1776, doing economics has entailed describing economic conditions and formulating theories about what affects economic choices and their consequences. In the classical period, during which the foundations of economics were laid (from the late 1700s until the late 1800s), economists sometimes advocated policies that would actually harm their own personal finances. David Ricardo, for example, is the economist who first presented a strong theoretical argument for free trade. He took this position despite the fact that, as a large landowner, he stood to lose if Britain opened its markets. Empirical evidence explored recently by economist Bryan Caplan demonstrates that modern economists likewise do not push certain policies (regarding trade, poverty, and taxes) from which they themselves stand to benefit.⁵

Economists, like all other social scientists, have worldviews that influence their work. However, we rely primarily on observation of contemporary economic decisions, forces, and institutions, and also consult records from earlier times. Observations made by pioneer economists led them to the conviction that economic activity is best explained by changing conditions of demand and supply. No economist, however, claims that *everything* people decide about employment, buying, saving, and selling is (or *should* be) overwhelmingly determined by economic incentives conveyed in prices and incomes.

In a developed country like the United States, people attach a high value to certain goods and services, such as health care. One should expect, therefore, that a significant increase in out-of-pocket costs of medical procedures would result in only small cutbacks in the use of emergency care and treatment for long-term conditions like cancer. By contrast, even those who attach great importance to protecting their family's health would consider alternatives to a doctor's visit for minor ailments, like waiting out the flu, if they had no insurance to cover the full cost of a seeing a doctor.

Predictions that economists make about the impact of rising prices of gas, food, and imported wines are, therefore, not based on their personal assessments of intrinsic values. Instead, predictions that sales of all three commodities will fall are the result of using supply-and-demand analysis in an economy where these goods are allocated primarily through competitive markets, and where finite incomes sometimes force consumers to make unpleasant choices.

There are, of course, people who believe that *markets are the problem*. They claim that markets encourage unethical behavior because they are not *directed* by overarching value judgments. As a result, markets are said to undermine the ultimate value of persons and the environment. We will not explore here the long-standing debate over central government control of an economy (through the direct allocation of goods and services and controls over prices and wage rates) versus markets.

Instead, it is helpful to review the fact that markets do their job of pricing and allocating resources, goods, and services primarily in response to people who act freely on their own values. Economic activity and exchange are rooted in God's creation order. Some Christian traditions speak of the "cultural mandate" (Gen. 1–3), namely, that God instructed men and women to create, work, produce, and exchange. Humans are also called to engage in economic activity according to the biblical principles of stewardship and justice. Although history demonstrates that economic activity does not always meet these standards, we are never relieved of responsibility for our own choices about buying and selling. Thus the point at which one may vigorously assert values is clearly at the level of individuals,

families, churches, voluntary organizations, and local communities. Christian values require cultivation within the body of Christ. They transcend markets, but also have implications for making wise decisions about careers, saving, treating fellow workers, making purchases, and giving to others—all of which ultimately impact markets.

Frequently, markets are described as *impersonal*. Although this is true in the aggregate, many decisions made by consumers, employers, and workers are highly personal. With the understanding, then, that economists affirm the role of ethical values in economic decisions, we consider revelations about market forces that may inspire hope—even Christian hope.

Long- and Short-Term Changes: How Economics Puts Things in Perspective

Since the financial crisis and great recession, many Americans have feared that life as they knew it was in imminent danger due to the rising cost of gas and food, increasing home foreclosures, and high unemployment. Economists, too, have concerns about these issues. We support some measures to mitigate the impact of market gyrations upon any single group of people. However, our discipline trains us to expect the very forces unleashed by economic stress to exhaust themselves over time and to elicit behavioral changes that help solve the initial problems.

Let us imagine a country called Alfa, in which the price is rising for a fish species upon which generations have depended. The price could be rising for any number of reasons. Perhaps the catch has been declining due to overfishing or an oil spill. Or, worldwide demand for the fish may have risen in response to publicity about the health benefits of omega-3 fatty acids. Alternatively, fish sales may be increasing simply because incomes are rising and putting upward pressure on price. Without knowing *which* of these is responsible for rising fish prices, economists calmly predict several outcomes:

1. Alfans will buy fewer fish, substituting other locally produced or imported foods.
2. Fishermen in Alfa will consider ways to increase the catch without endangering the sustainability of their fisheries. Their choices may include: building hatcheries or protecting water resources from contamination, developing techniques to more accurately locate the fish, spending less on fuel, or getting the fish to market with fewer middlemen.

3. In other parts of the world, fishermen will be inclined to increase their fish exports to Alfa.
4. Biologists at universities with fishery extension services may look for ways to genetically modify a near relative of the species in question to exhibit the qualities Alfans most appreciate.

There are other potential entries on the list. Even so, with just these four possibilities, economists have reason to counsel Alfans against despair. The market-driven responses described above would likely do one or more of the following: lower the price of this fish or its rate of price increase, or gradually shift the Alfa economy—consumers and producers—away from their famous fish. If the catch cannot be increased, fishermen will shift to other fish species or occupations. Families will gradually move from having this fish three times a week to enjoying it only on special holidays. Accordingly, some labor and capital will move into other sectors, thereby supplying the people of Alfa with alternative foods.

For the sake of those not reassured by the Alfa parable, we turn to a contemporary example. Everything that economists would predict for Alfa, and its problems with high fish prices, emerged in response to rising prices of oil during 2007–2012. The primary reason for rising oil and gas prices was increased foreign demand, especially in China and India, where rapid industrialization and higher incomes required more energy. In the past, oil prices rose when OPEC exercised its market power by limiting its exports to the world market. Although a price rise may be caused by changes in supply or demand, in either case we expect to see adjustments in behavior similar to those predicted for Alfa.

For example, when oil prices rise, many families turn to cars with greater fuel efficiency. Some consumers start using public transportation, while others reconsider their affection for gas-guzzling SUVs. Rising prices encourage oil companies to search new locations for oil deposits and to adopt new techniques for extracting oil from tar sands. All of the above are cost prohibitive at lower world oil prices. In addition, countries such as Russia and Canada will ramp up their oil production and exports in response to rising world demand and higher prices that make it profitable for them to do so.

Just as Alfans reduced their reliance on their special fish, Americans responded to much higher gas prices by considering alternative energy sources. In the medium run, some alternatives started to become economical. In the longer run, it is conceivable that scientific discoveries and new technologies will make it possible for alternative energy sources to replace oil. However, this process

loses momentum whenever oil prices fall and remain substantially below their highest levels.

The oil price illustration is an example of a general observation that markets *continually* make adjustments over time. In the short run, for buyers of a product whose price is rising, finding substitutes can be slow and painful. Big changes by product users are made over years, not weeks. In the 1980s, Americans cut back their leisure driving as gas prices rose. Only over time did they contemplate replacing their cars with smaller Japanese imports, whose average miles-per-gallon exceeded those of larger cars built in Detroit. Decisions to move closer to places of employment, for the sake of lower commuting costs, occurred over a still longer period of time.

The adjustment process of world markets also provides opportunities for people to work toward improvements in their economic wellbeing. In developing countries, the increasing openness of world markets has enabled many nations to make huge strides in alleviating poverty. Fifty years ago, China was almost entirely off the world stage, and its people were impoverished. Today, while not all deprivation has been removed, China has become an economic powerhouse with rising standards of living. China has experienced such wage growth that this has provided opportunities for countries such as Vietnam to compete with China through lower wages. As a result, the standard of living in Vietnam and other nearby nations has increased dramatically.

In the short- and medium-run, market changes can impose significant hardships on families, communities, and nations. Hope may be hard to exercise by an individual who has lost a job and sees no clear prospects for employment. Developing countries may see little cause for optimism when they are impacted by economic storms in richer nations. During such times Christians must be ready, whenever possible, to help those hurt until market forces bring some relief. However, today's market stress creates incentives and opportunities for consumers and producers to make adjustments that ultimately serve the average citizen. For example, American families have been paying down high debt that they contracted during the housing boom.⁶ Households are also saving more, which eventually will reduce their vulnerability to future market fluctuations.

Nothing we have said about the tendency of market forces to correct themselves should be taken to rule out market chaos where participants are caught up in a frenzy of unjustified optimism, imprudent choices, and sheer greed. Raghuram Rajan's recent book, *Fault Lines*, identifies the fundamental economic and financial imbalances that exposed the world economy to a financial earthquake. However, he warns against politically popular attempts to find villains in bankers and big businesses. He explains that government policies overstimulated

mortgage lending to poor families; macroeconomic policies implied government rescues from bad decisions; and household borrowing rose to finance excessive, debt-fueled consumption levels during the 1990s.⁷ All three behaviors greatly increased risk-taking, without any systemic brakes in place. The outcome was predictable, were it not for short-term financial and political advantages available to those who maintained a willing blindness to ballooning global risks.

Comparing the Natural Sciences to Economics: Regularity and Revelation

The balanced perspective that economics has to offer those who worry about ongoing market stress may reduce pessimism in some circles. It might even help families reconsider their prospects for the near term and for their children's future. In addition, a wider appreciation of the power of market adjustments can strengthen the public's ability to resist quick fixes that often backfire—like the federal government's requirement that ethanol be added to gasoline, which caused an unnecessary increase in world food prices. This resulted in serious consequences for the world's poorest people, leading to lower standards of living and even starvation. Decisions made in rich countries can often have a substantial and unanticipated ripple effect in developing countries.⁸

Lower stress, less pessimism, and even informed optimism about the economy do not automatically convert themselves into hope. In this section, we consider whether the ways markets work have anything to do with God's providence. Then, in the following section, we connect God's providence, in and through markets, with reasons for hope over the short- and long-run.

First, we consider whether the dynamics of economic systems, as they respond to good and bad human choices over time, resemble what we know about systems at work in the physical universe—such as patterns in biological life and weather. Robin Klay and John Lunn have argued that God's providence works through social systems, like markets, just as his providence is at work in the natural world and throughout history.⁹

It is dangerous to presume a direct correspondence between what we see in the natural or social-economic world and God's intentions. On the one hand, the Bible teaches that God created and delights in the universe and blesses righteous men and women in their relationship with the natural world. It also instructs us to give thanks and exercise stewardship over all the gifts we receive. This includes our enjoyment of nature and our ability to provide for material needs through work, inventiveness, and collaboration with others.

On the other hand, the same natural systems that enable us to provide food, warmth, and shelter for our families often wreak havoc. Storms and earthquakes can make even Christians doubt the goodness of God. In biblical times, such events were often identified with God's punishment for sin. However, without the benefit of postbiblical revelation, Christians do well to resist assuming that modern catastrophes are the result of God's judgment upon particular sinners. Christians are taught, instead, to trust God's word, that "in all things God works for the good of those who love him, who have been called according to his purpose" (Rom. 8:27–29 NIV), rather than condemn others, or fret about potential disaster.

This is one of the great mysteries: How can we bless and trust a God who allows for pain in the lives of good and bad people alike, believers and unbelievers, the prudent and the foolish? There has never been a completely satisfactory answer to the problem of evil in a world overseen by a loving God. Is there evidence, nevertheless, from nature and human society consistent with Paul's assertion that "in all things God works for the good of those who love him"?

Through the centuries, from the psalmists to the astronomer Johannes Kepler, and down to Francis Collins (director of the Human Genome Project), careful observers of nature testify to the reverence they feel when contemplating the intricate workings of biological and astronomical systems. Nonscientists see the sheer beauty of nature's wonders revealed in colors, sounds, and textures. Those trained in science admire, as well, the balance and symmetry of natural systems: their ability to be represented in elegant, yet simple, models; and their sustainability, for example, as species adapt to changing conditions.

Furthermore, scientific research relies on the regularity of nature. If nature were not regular in its workings, scientists would be unable to study natural systems. Early scientists understood nature's regularity to be God's work. They believed that, because God is not capricious, creation is subject to investigation and worthy of gratitude to its Maker. Indeed, Isaac Newton, following Kepler in adapting the theologians' understanding to their own field, described the work of scientists as "thinking God's thoughts after Him."¹⁰

Many people consider nature to be the marvelous creation of a wise and loving God. We admire the beauty and intricacy of nature. Sometimes we even envy what appear to be the simple lives of flowers, birds, and bees. On the other hand, we are less inclined to praise God for social systems that distinguish human from animal life. The corruptive influence of human pride and selfishness on social systems has led some observers to conclude that humans would be better off living with much less—even restrictions on their freedom. However, those who trust in God's providence to govern creation should consider the possibility

that human interactions in economic life are also shaped and governed under God's providence.

Economic success over the centuries has transformed human lives in ways that dramatically distinguish them from other species. With rising living standards have come more choices and a greater ability to exercise the God-given human responsibility to care for each other and the rest of creation. The Creator has endowed humans with unique gifts and responsibilities that make social-economic systems markedly different from the forces of "bare" nature. For example, humans do not need to procreate indiscriminately to perpetuate their race. As a result, we form and sustain families. We do not fall prey to stronger predators, or kill off excess members of our population (through "mercy killing") in order to prevent starvation. Instead, we develop ways to produce more food and other necessities to support a growing population. We no longer expect to see the young, sick, and elderly die during dry seasons and long winters. Instead, we collectively store up food surpluses in seasons of abundance, eat them in seasons of scarcity, and make tools to lighten our work.

Furthermore, with the passage of centuries, humans stopped supplying their needs through a nomadic life. They began to settle in fertile areas, specialize in certain activities, and trade with neighbors for goods their neighbors produced more cheaply. All these developments enhanced humans' ability to survive times when food supplies were affected by local drought or disease. Over the generations, the circle of *interdependence* grew as entrepreneurs and governments invested savings (made possible by greater productivity) in improved storage and transportation technologies. As a result, whole regions affected by poor weather conditions today can avoid famine by trading for food produced as far away as another hemisphere.

As incomes rose above subsistence, humans were afforded more choices about work and what goods to buy. In countries where productivity has risen dramatically (since the mid-1800s) we no longer witness infants dying at the rate of one in ten; neither do we expect our elders to work until their dying days. Instead, many more households have access to resources needed to save prematurely born children, provide for disabled family members, and prepare for retirement. Higher productivity, which raises average incomes, also enables modern people to extend compassion further than ever before, through gifts and acts of solidarity with those who need material assistance or someone to share their dreams. In our times, the hands of Good Samaritans reach around the world.

The capacities to invent, organize, and invest make humans capable of much more than other species. As a result, humans now thrive in parts of the world

where they would otherwise die without efficient sources of heat, communication, and transportation. Where before only sparse populations of nomadic people could live on local resources, our species now builds cities. Furthermore, the growing human capacity for self-governance and economic cooperation (through trade and foreign investment) makes it possible for humans living today to enjoy longer periods of peace and higher material and cultural standards of living than ever before.

Given the human capacity for memory, and the ability to transmit historical lessons, most people know they are better off working and trading than waging war. We take this for granted. But, before the modern world—in which markets and democracy increasingly prevail—elites raised their living standards by sending armies to war. The Roman Empire and the virtually universal practice of enslaving conquered people testify to radical differences between modern societies and those of our ancestors.

Advancement of the scientific enterprise has led to rapidly expanding technological developments designed to improve human lives and their communities through better, faster, and cheaper production of new and older goods, as well as through improvements in transportation and marketing. The human capacity for advancement results from the regularity of creation, together with the nature of humans and their society. Human creativity and the desire to improve their lot are keys. So are the social and economic systems that provide the incentives needed for complex interactions among billions of individuals across the globe.

God created humans in his image, endowing them with unique gifts that enable them to learn, increase output, and exchange with others for what they want. Surely it is *providential* that humans are able to carry out their special vocation, in part, through the evolution of market-based economies! The growing abundance that markets make possible has allowed societies to leave behind the nomadic life. Instead of becoming hunters and warriors, we can train to be engineers, educators, and entrepreneurs. God created humans alone with the free will to choose between good and evil. Today we can also exercise our free will by choosing from among many possible careers, and by deciding what to buy from an array of goods unimagined in earlier times. Indeed, it is *providential* that free choices made by billions of people across the globe (changing daily) are effectively coordinated by markets, thereby lifting new generations out of perpetual poverty.

Signs of Hope in the Third World

The American public is generally unaware that conditions in much of the Third World are improving rapidly. Remarkably, progress has continued even during the years of economic turmoil in advanced countries. Consider the following testimony by Obiageli Ezekwesili, Vice President of the World Bank for the Africa Region:

We know, of course that *GDP growth is not sufficient* to create jobs, reduce poverty, and bring about development, but the other thing that we know for sure is that *GDP growth is indispensable* for job creation, poverty reduction, and development. Robust average growth across Africa over the past decade has been instrumental in bringing about an average decline in poverty of 1 percentage point annually—a rate that is equal to the poverty reduction levels achieved by India.

In fact, our Africa strategy at the World Bank sets out to help African countries to reduce poverty by at least 12 percentage points over the next decade, as well as to pull at least five low-income countries into middle-income status over the next 10 years.

It has taken the past decade's embrace of market principles as well as sound macroeconomic policies for us to see Africa's economic growth trajectory turn entirely positive—so positive that at the height of the economic crisis, most of the countries on the continent sustained their economic reforms, and that enabled *Africa to be one of the fastest to rebound from the collapse of growth* from 5.7 percent to 1.7 percent back to 4.2 percent the following year. Hopefully, with less tragedy coming out of the current crisis, growth will proceed in 2012 and 2013 at rates of about 4.7 percent and 5.2 percent, respectively.¹¹

It should bolster the world's sense of hope to know that Africa—usually seen as the site of war, drought, and extreme poverty—is on the ascent.¹² Such hope is not based on benevolent wishes. Neither does it depend on massive foreign aid. Instead, it is the result of choices that Africans and their leaders have been making over the last decade.

Countries that favor free choice, economic freedom, and civil and political liberties over entitlement rights are likely to grow faster and achieve many of the associated proximate characteristics of success. Economic freedom helps countries to produce the right leadership and good governance. It helps them engage with the global economy to get higher rates of investment and savings. It helps to achieve inclusive growth and guarantee access to basic services by the underserved. It even helps in dealing with issues of gender inclusiveness and an attention to the poor and vulnerable.¹³

Remarkable achievements in much of Africa and expectations for wider and deeper spread of improved living standards do not reveal the roots and practice of hope by ordinary Africans. The same can be said of millions of poor families in much of Latin America as well as Asia. When conditions are at all favorable, families exercise their hope by starting small businesses and/or sending their children to live with family in the city to attend college, even though the parents may have had access only to elementary school. It means parents and grandparents work on small family farms and also take jobs in town to support themselves. More than ever before, they can now save enough to build a small, but safe, 500 square foot brick house to replace sagging shacks. Some will decide to plant vegetables rather than traditional crops such as peanuts, coconuts, and pineapples because improved roads have reduced travel time to regional cities from six to three hours, making it possible to sell their produce at a premium.

These may not seem like gigantic improvements to us, but incrementally they mean that families are seeing their lives improve over a decade, and from one generation to another. Is that not what we all want, a better life for our children? One of the authors of this essay, Robin Klay, has lived with families like these in Oaxaca, Mexico. She can testify to what one Mexican poet calls the “stubborn hope” of poor people, who, having very little, are nevertheless determined to use their labor, knowledge of markets and local resources, and small investments to open up a better future. Not everyone is a Christian, but those who are mean every word as they respond to daily greetings with, “Gracias a Dios.”

Concerning the Relationship of Economic Regularities to Christian Hope

Competitive markets articulate vast and complex relationships across space and time, bringing the powers of productive potential together with human needs and wants. Markets facilitate this without anyone or any group (“experts” or ethicists) establishing a unified set of social and moral values to govern outcomes. Instead, individual consumers, workers, employers, stockholders, and middlemen continuously consider markets in light of their own values and prudent expectations about the behavior of other participants.

Suppose that economic behaviors were largely irrational or based primarily on immoral motives, such that they routinely *lowered* average living standards. Suppose further that economic behaviors produced economic *instability* in the form of frequent depressions, whose depth and duration exceeded periods of job and income recovery. If this were so, a strong case for God’s providence acting through markets would be hard to make. If economic behavior were largely

irrational, following no pattern, economics would have no explanatory power. If *immoral* motives dominated economic behavior, we could blame people for bad outcomes, but not markets. Indeed, if falling incomes and depressions were the norm, markets would have been permanently abandoned a long time ago in favor of engineered economies, run by elites, with little or no room for individual choices about buying, selling, working, and saving.

Instead the opposite is true. Much economic behavior is moral, rational, and amenable to systematic analysis. Recessions do not generally last for many years. Exploding prices in the form of market bubbles eventually burst, after which markets slowly recover. Market economies are largely characterized by long-run improvements in productivity and living standards. Precisely for these reasons, humans have the unique and powerful calling to exercise hope. We are the only species able to *recognize* God's gifts and *receive* his promises to sustain and bless us, generation after generation. We are able to look ahead with calm assurance, because our hope is anchored in God. This hope extends to the process of economic development as we attempt to love our neighbors as ourselves.

Negative economic events are typically short-lived, and despite disruptions and dislocations, market-organized economies present individuals, families, and communities with better opportunities over time than those enjoyed by previous generations. Given the natural resilience of market economies over time, policy makers should hesitate a long time before undertaking measures to correct or prevent painful episodes inherent in price adjustments and business cycles.

Whenever the public reacts to economic crises by insisting that politicians do something to address the situation, they betray a lack of confidence and understanding of the economy. They ask government to disregard the economic choices made by millions of individuals, in favor of superimposing the judgment of policy makers. Unfortunately, intervention can aggravate a bad situation. For example, it is almost universally acknowledged that economic policies implemented during the 1930s (e.g., raising trade barriers, restricting monetary growth, raising taxes, and imposing price controls) both deepened and lengthened the Great Depression.¹⁴ Furthermore, the short-term election horizon of politicians often works against their paying careful attention to the long-term health of an economy.

In 2008–2009 if Congress had tried a quick resolution to the housing crisis, by earmarking hundreds of billions of tax dollars to support widespread renegotiation of mortgages, this would have encouraged banks and home buyers to become even less prudent. The lesson would have been that the government stands ready with tax dollars to rescue people and companies from their bad choices. However, markets *require* prudence, without which demand feeds unreasonable expectations, causing price bubbles, followed by market crashes. After irrational

acts of exuberant optimism cease, price decreases sow the seeds for consumers to return to the market. Indeed, a comprehensive federal rescue plan for failing banks and families facing foreclosure would have prevented house prices from falling enough to bring home buyers back into the market (which began to happen in the fall of 2011).

By contrast, Christians who are informed about the nature of markets should be able to resist politicians who try to attract votes with any of the following errors:

1. *Blaming businesses* for economic events, for example, a rise in gas prices, and Wall Street bankers for the financial crisis.
2. *Blaming foreigners* for causing high unemployment due to unfair trade deals and illegal immigration from Mexico.
3. *Expecting government to solve* all economic problems.

Well-informed Christians should also be able to fight against their own temptations:

1. To become immobilized by economic difficulties.
2. To fail to notice good news.
3. To listen, without comment or joining in, when friends complain endlessly about the economy.
4. To forget to thank God for spiritual and material blessings.
5. To lose faith in God's provision during times of need, often channeled through help from others.
6. To believe that God's hand is at work in the natural world (and in heaven) but that he is uninvolved in markets ruled by greed.

Instead, a Christian convinced that God works providentially alongside humans in their economic activity may approach each day with hope. God's word not only promises help in times of need but also illustrates his faithfulness in providing for his people. For example, Joseph (saved by God from fratricide) prevented widespread starvation among Israelites and Egyptians by instituting the first public grain storage program. Furthermore, in his letter to the Romans, Paul teaches that God imprints the knowledge of good and evil on human consciences (see Rom. 2:12–16). Even those who do not yet acknowledge him are endowed with this gift. Indeed, God rewards all people for the good they do, including those who lack the benefit of special revelation.

Made in God's image, humans possess the gift of creativity, the ability to think and work, and the desire to found families and build communities. Christians can bring additional Godly wisdom, love, and commitment to tasks that range

from raising children to ending slavery, from creating jobs to building cancer centers. As economist Adam Smith noted, acts of kindness bring their *own* inherent rewards—not just the gratitude of those touched and a sense of having done the right thing but also eternal rewards for those who do much good but have suffered more than “their share” during their lifetimes.¹⁵

Hope in God cannot be *passive*. It is not just a belief that “all will be well by and by.” Hope entails seizing the moment to do something good, and to undertake difficult tasks whose outcomes cannot be fully known at present. Thus *practicing* Christian hope during hard economic times may include taking the loss of a job as an opportunity to explore alternatives. It might entail investing time and savings in more education, relocating, or even accepting help from family. These actions require both *practiced confidence* in God's guiding their choices and awareness that markets are generally responsive to those who acquire marketable skills and make themselves available to do socially useful tasks. Practicing Christian hope in contemporary America may take the form of an entrepreneur starting a business in a distressed town where unemployed workers have skills that can be retooled. Workers willing to adapt to new realities may practice Christian hope by taking less-than-perfect jobs and working hard with fellow employees to promote the success of their company.

Practicing Christian hope in a family may take the form of saving for the college education of children; for parents' retirement; and even for a leave to help build business, health, and educational capacity in a poor community. Without confidence in God, understanding of the economy, and a realistic appraisal of family needs and strengths, it is impossible to fully exercise Christian hope. Without these, a family may be tempted to hide their light under a bushel by stocking up on food and guns in preparation for the disaster they fear, believing that today's troubles can only get worse.

Real Christian Hope versus Imposters

At the beginning of this essay, we distinguished hope from optimism. Readers may now understand how markets generate forces that mitigate many short-run economic problems. As a result, they may find it easier to be optimistic about their own future and that of modern economies. Such optimism is based on logic and evidence, not simply on the result of a positive disposition. However, *informed optimism* alone must be distinguished from hope because informed optimism could lead a person to do the very things we just mentioned as examples of practicing Christian hope.

The Christian's unique and fundamental reason for hope lies in the reliability of God. Investigating the intricacy, regularity, and beauty of nature, Christians find evidence that coheres with their belief that the world was created by an all-powerful, good, and wise God. Even when earthquakes destroy their towns, Christians are able to continue trusting in God who laid the foundations of the whole earth and sustains life.

Like nature, markets usually behave in reliable ways. As we have discussed, they do so by responding to economic choices for which individuals are morally responsible. This coheres with Christians' belief that nothing we do or experience is beyond God's care and love, including our economic lives. If, as Paul teaches, "neither death nor life . . . nor anything else in all creation, will be able to separate us from the love of God" (Rom. 8:38–39 NIV), then clearly we are covered by God's providence, and equipped by him to deal with challenges, even in the midst of the stress and pain that come with economic shocks.

God created the earth in such a way that nature reliably recovers from many "disasters," such as forest fires and floods. Is it any *less* likely that God would create human beings in such a way that they are inclined to work, to exchange through markets in mutually beneficial ways, and to bring millions of useful and beautiful things into their lives and communities? There is always reason to live in hope. The prophet Jeremiah records God's promise to his covenant people: "For I know the plans I have for you," declares the LORD, "plans to prosper you and not to harm you, plans to give you hope and a future" (Jer. 29:11 NIV).

Christian hope is not naïve. We acknowledge the presence of sin in the world and its pervasive influence. Sin is at the root of much misery. In developing countries, pervasive corruption favors the elites at the expense of widespread increases in production and income, tribalism inhibits investment and growth, and loyalty to family over country undermines the trust needed to expand the benefits of growth to remote areas. Outsiders take advantage of these internal weaknesses to extract favored contracts. Nevertheless, this remains our Father's world—a world of hope in his guiding and sustaining hand.

According to Peter Kreeft, "hope is faith directed to the future."¹⁶ Our economic lives provide us with abundant opportunity to practice Christian hope. When we marry and raise children, we exercise the hope that God will enable us to provide for them through our work. In college, we exercise hope that eventually we will find jobs that engage our vocations. Christian entrepreneurs exercise hope whenever they accept the risks of creating businesses. In so doing, they are animated by Jesus' teaching about putting talents to productive use, while also anchoring themselves in God's promises. Families exercise hope when they set aside savings for education, emergencies, and retirement. Even when we experi-

ence material poverty, there are ample occasions to live out Christian hope. No other species has the awareness, skills, and organizational capacity to practice hope—trusting in God's promises, using God's gifts to exercise stewardship, and fulfilling the unique responsibility that God gives humans to care for each other and all creation.

Economics has been called the “dismal science.” Today's economic conditions may appear dismal. Nevertheless, Christian economists have a unique calling to identify many signs of hope present in economic life and to affirm God's care over all things. We challenge fellow economists and Christian scholars to connect the findings of their disciplines with Christian hope. The Church needs to hear this encouraging message, and the world needs it even more.

Notes

1. Abhijit Banerjee and Esther Duflo, *Poor Economics: A Radical Rethinking of the Way to Fight Global Poverty* (New York: Public Affairs, 2011), x. See also <http://www.pooreconomics.com>.
2. A list of virtues goes back to ancient Greek philosophers. Thomas Aquinas was one of many Catholic theologians to distinguish the theological virtues (faith, hope, and charity) from the cardinal virtues (prudence, justice, temperance, and fortitude). See, for instance, J. D. Charles, “Vice and Virtue Lists,” in *Dictionary of New Testament Background: A Compendium of Contemporary Biblical Scholarship*, ed. Stanley E. Porter and Craig A. Evans (Downers Grove: IVP Academic, 2000), 1252–57.
3. See Surjut S. Bhalla, *Imagine There's No Country: Poverty, Inequality, and Growth in the Era of Globalization* (Washington, DC: Institute for International Economics, 2002).
4. Jean-Pierre Chauffour, “On the Relevance of Freedom and Entitlement in Development: New Empirical Evidence (1975–2007),” World Bank Policy Research Working Paper 5660 (May 2011).
5. Bryan Caplan, *The Myth of the Rational Voter: Why Democracies Choose Bad Policies* (Princeton: Princeton University Press, 2007).
6. Average household debt outstanding fell from \$13,800 in the first quarter of 2008 to \$12,800 in the fourth quarter of 2012. See “Household Sector: Liabilities: Household Credit Market Debt Outstanding,” accessed April 17, 2013, <http://research.stlouisfed.org/fred2/series/CMDEBT>.
7. Raghuram G. Rajan, *Fault Lines: How Hidden Fractures Still Threaten the World Economy* (Princeton: Princeton University Press, 2010).

8. See “Ethanol vs. the World: The corn fuel mandate is raising food prices and hurting the poor,” *The Wall Street Journal*, August 14, 2012, accessed April 17, 2013, <http://online.wsj.com/article/SB10000872396390443404004577581140907497810.html>. See also Timothy A. Wise, “The Cost to Developing Countries of U.S. Corn Ethanol Expansion,” Global Development and Environment Institute, Working Paper No. 12-02 (October 2012), accessed April 17, 2013, http://www.ase.tufts.edu/gdae/policy_research/GlobalEthanolCosts.html.
9. Robin Klay and John Lunn, “The Relationship of God’s Providence to Market Economics and Economic Theory,” *Journal of Markets & Morality* 6, no. 2 (Fall 2003): 541–64.
10. See John M. Templeton and Robert L. Herrmann, *The God Who Would Be Known: Revelations of the Divine in Contemporary Science* (Radnor, PA: Templeton Foundation Press, 1998), 113–14.
11. Obiageli Ezekwesili, “Fighting Poverty Through Economic Freedom,” essay adapted from address on October 11, 2011, appearing in the Heritage Foundation’s 2012 Index of Economic Freedom, accessed December 11, 2012, <http://www.heritage.org/index/book/chapter-5>, italics added.
12. From 2001 to 2010, sub-Saharan Africa had six of the ten fastest growing countries in the world. See “Africa’s Impressive Growth,” *Graphic Detail*, January 6, 2011, accessed April 17, 2013, http://www.economist.com/blogs/dailychart/2011/01/daily_chart.
13. Ezekwesili, “Fighting Poverty Through Economic Freedom.”
14. See N. Gregory Mankiw, *Macroeconomics*, 8th ed. (New York: Worth, 2013), 342–48, for an explanation of economic policy during the Great Depression.
15. Adam Smith, *The Theory of Moral Sentiments* (Indianapolis: Liberty Fund, 1982), pt. 3, chap. 5, par. 7–13, 166–70.
16. Peter Kreeft, *Back to Virtue: Traditional Moral Wisdom for Modern Moral Confusion* (San Francisco: Ignatius Press, 1992), 75.