

***The Poverty of Nations: A Sustainable Solution* (Crossway, 2013)
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Chapter Nine “The Values of the System” (Cultural beliefs that will encourage economic growth)

1. Cultural values in a nation determine what kind of economic system it adopts, what kind of laws and policies the government will have -- whether corruption is tolerated, freedoms protected, and growth rightly incentivized
2. Acemoglu and Robinson, *Why Nations Fail*, deny that cultural values have much influence on economic development of a nation. They say values are mostly "an outcome of institutions, not an independent cause." (PON, 310)
 - a. Response: Yes, institutions modify cultural values, but cultural values also create and modify institutions.
3. Acemoglu and Robinson focus on transforming “extractive” institutions (that just “take” from the nation) into “inclusive” ones (that include everyone in governing and prospering), but fail to explain what will motivate the necessary, broad coalitions they say will effect such transformation.
 - a. Their explanation comes down to mere luck. (“contingency”) (311-315)
 - b. Two examples they cite: William of Orange (from Netherlands, ruled England w/ Mary his wife, 1688-1694), and Seretse Khama (first president of independent Botswana, 1966-1980).
 - but they completely fail to mention his Protestant biblical training from grade school
 - c. Acemoglu and Robinson fail to mention many important cultural factors in growth (315)
4. Changing deeply held cultural beliefs is the most difficult of all solutions we discuss in this book.
 - a. That does not mean that beliefs and values can never be changed.
 - b. Lawrence Harrison (Tufts Univ.), *Culture Matters*: leaders w/in nations have brought about cultural change
 - c. In this area, religious organizations, especially Christian, can have a great influence for good.
5. "If we learn anything from the history of economic development, it is that culture makes all the difference."—D. Landes
 - a. Landes says lack of economic development in Middle Eastern (Muslim) nations: the reason lies "with the culture, which: 1) does not generate an informed & capable workforce; 2) continues to mistrust or reject new techniques and ideas that come from the enemy West (Christendom); 3) does not respect such knowledge as members do manage to achieve, whether by study abroad or by good fortune at home." (317)
6. Chap. 4: importance of private property rights. (part of economic system)
This chapter: The need for a society to believe that private ownership of property is morally right.
7. Chap. 7: Need government that serves for benefit of nation as a whole.
This chapter: Need for society to believe that purpose of government is to bring benefit to the people as a whole.

A. Belief about religious matters

1. The society believes that there is a God who holds all people accountable for their actions.
 - a. Produces individuals who act with honesty, care for others, keep promises, work diligently, and care about quality.
 - b. The Bible specifies one day all people will one day be accountable to God (Acts 17:31; 1 Pet 4:4-5).
 - c. Rampant evil in society is result of lack of belief in God and accountability to him (Rom 3:10-18).
"There is no fear of God before their eyes." (Rom 3:18)
2. The society believes that God approves of several character traits related to work and productivity.
 - a. Max Weber (German sociologist, 1904-05 essay): “The Protestant Ethic and the Spirit of Capitalism”
→ character traits inculcated by Protestantism were responsible for remarkable economic development of Northern European nations and the U.S.
→ D. Landes: “Max Weber was right on.” Landes notes emphasis on literacy, value of time, “new kind of man”
 - b. We would add more factors in Protestant view (most R. Cath. would also agree w/ these today): (321)
work as calling, able to read, honest and diligent, thrifty in time & money, invent & create as good, rational
 - c. GDP per capita based on primary religious background of a nation: Protestant (\$29.7K); Jewish (\$19.3K); Roman Catholic (\$9.3K); Orthodox (\$7K); Confucian (\$6.7K); Buddhist (\$4.8K); Islamic (\$3.1K); Hindu (\$2.4K).
 - d. **This is not "health-and-wealth gospel"** (if you have enough faith, you will be rich) but: obedience to biblical teachings in the conduct of gov’t and economic systems in a nation leads to increased prosperity.
The error: faith guarantees prosperity. (So wealth can easily be seen as indicator of faith!)
Poverty can result from many different factors. (incl. injustice, oppressive government, pers. tragedies)
→ Job, Jesus, Paul. See James: “has not God chosen those who are poor in the world to be rich in faith and heirs of the kingdom, which he has promised to those who love him?” (James 2:5 ESV)

B. Beliefs about moral standards

3. The society values truthfulness. (Ex 20:16; Col 3:9)
 - a. When buyers/sellers are in the habit of telling the truth and keeping their word, transactions run smoothly.
 - b. If culture tolerates lying, breaking one’s word: everything begins to break down (322)
 - c. Truthfulness in speech commonly disregarded in many African societies (Maranz).
4. The society respects private ownership of property.
 - a. A value clearly taught in the Bible (Ex 20:15,17; 22:1,5-6; Deut 22:1-4). – should not steal from rich or poor!
 - b. Property is not respected and stealing is an acceptable form of behavior in many parts of Africa (Maranz) (323)

- i. Examples include a lack of precision in accounting and failure to repay loans (325), but Scripture: Ps 37:21.
- c. Cultural acceptance of failure to respect private ownership of property: negative econ. consequences.
 - i. Destroys incentives, discourages lending, discourages employment.
- 5. The society honors other moral values consistent with the Bible
 - a. Honoring of parents, which is stronger in many African, Asian and Latin American nations (Ex 20:12; Eph 6:1).
 - i. Econ. significant because obedient children will develop better habits and be more productive adults.
 - b. Not murdering, b/c murder takes away the productive contribution of the victim (Ex 20:13).
 - i. Including abortion (Gen 25:22-23; Ex 21:22-25; Pss 51:5; 139:13; Lk 1:41-44).
 - c. Faithfulness in marriage = stable families, stable families = more productive children (Ex 20:14).
 - i. Also protects against AIDS and other sexually transmitted diseases.
 - d. Less covetous people spend more energies seeking personal economic achievement (Ex 20:17).
 - i. People are directed toward improving their own situations rather than destroying the situations of others.
 - e. "A job well done, tidiness, courtesy, and punctuality are lubricants of both the economic and politico-social systems. These "lesser virtues" "can translate into hard economic data." – Harrison (PON, 328)
 - i. "Punctuality is practiced in all top 15 countries on the World Economic Forum's competitiveness rankings."
 - ii. Tardiness costs Ecuador over 4% of GDP per year

C. Beliefs about human nature

- 6. The society believes that there are both good and evil in every human heart.
 - a. It is the person's responsibility to *decide* to do good and *decide* not to do evil.
 - b. The Bible teaches that there is a tendency to sin or evil, but also "common grace" (Rom 2:14-15; 3:19,23).
- 7. The society believes that individuals are responsible for their own actions.
 - a. Those who may make good choices should be rewarded through the ordinary ways in which a society functions.
 - b. People who make products of poor quality and low value should bear legitimate consequences of their poor work.
 - c. A society trapped in poverty may think those who succeed are simply lucky and moral accountability is minimized.
- 8. The society highly values individual freedom. (see chap. 8) (Ex 20:2; Lev 25:10; Lk 4:18).
 - a. If human freedoms are going to be effectively protected in a society, then the culture must love individual freedom.
 - b. Gov't under Islamic law tends to control every aspect of people's lives, hindering freedom & prosperity (- China?)
- 9. The society opposes discrimination against people on the basis of race, gender, or religion.
 - a. If non-discrimination is going to work, it is important that it be upheld not only by laws, but also by cultural belief.
 - b. Every human being shares in the exalted status of being "in the image of God" (Gen 1:26-27; 5:1; 9:6; Jas 3:9).

D. Beliefs about family

- 10. The society honors marriage between one man and one woman.
 - a. Adam and Eve were commanded by God (Gen 1:28) in marriage, setting its pattern (Gen 2:24-25; Matt 19:3-6).
 - b. Sexual faithfulness is an essential component, reducing STD's (Ex 20:14; Matt 19:18; Rom 2:22; 13:9; Jas 2:11).
- 11. The society values permanency of marriage and has a low divorce rate.
 - a. Single parent families are more likely to grow up with lower educational and economic achievement (Ch. 7).
 - b. Bible teachings encourage parents to think of marriage as a lifelong relationship (Matt 19:6; see also v.9).
 - c. Society should value children who are important for continued productivity (Ps 127:3; Mal 2:15; 1 Tim 5:14).
 - i. Japan and several European nations (such as Italy) are already discovering this.

E. Beliefs about the earth

- 12. The society believes that human beings are more important than all other creatures on the earth.
 - a. Jesus was clear in his teaching about the importance of humans compared to animals (Matt 12:12; 6:26; 10:31).
 - b. But the Bible also teaches regard for animal life (Prov 12:10) – but not over human beings
 - c. We should not allow important and economically beneficial development projects to be hindered or stopped simply because they might disrupt the homes of some turtles, snails, or fish as often happens in the U.S.
 - d. The correct approach is to weigh the costs and benefits of a development project.
 - e. If culture believes that earth is more important, then econ. development will be hindered and poverty perpetuated. (see PowerPoint slides for *Politics acc. to Bible*, chap 10, on use of environment)
- 13. The society believes that the earth is here for the use and benefit of human beings.
 - a. God put humans on the earth with the intention that they would develop it and make it useful (Gen 1:28; 2:15).
 - b. God expects humans to explore/develop the earth's resources to bring benefit to themselves and others.
 - i. *Kabash* (Heb) means "to subdue, dominate or bring into servitude or bondage" and is used later in connection with subduing the land of Canaan so it would serve and provide for Israel (Num 32:22;29; Josh 18:1).
 - c. Responsibility to develop the earth and enjoy its resources continued after sin (Gen 3:18; 9:3; Ps 8:4-8).
 - i. Eating meat is morally right (Rom 14:2-3; 1 Cor 8:7-13; 1 Tim 4:4, Mk 7:19)
 - d. This does not mean we should use the earth in wasteful/destructive ways (Pro 12:10; Deut 20:19-20; Matt 22:39).
 - e. One of the keys to the Industrial Revolution was the "Judeo-Christian subordination of nature to man (Landes)."
- 14. The society believes that economic development is a good thing and shows the excellence of the earth.
 - a. Sometimes culture opposes econ. development ("materialism!" "greed!" or: animistic religions, environmentalists).

- b. A growing economy will encourage development of products from the earth. (Ps 115:6; 1 Tim 4:4-5). (338)
- 15. The society believes that the earth's resources will never be exhausted.
 - a. A society paralyzed by fear of use of resources will hinder its economic growth.
 - b. Humans keep discovering huge new reserves or resources and are inventing more creative ways to access them. see books by Bjørn Lomborg, Julian Simon, website of Cornwall Alliance
 - c. Human ingenuity gives us the ability to develop substitutes if any particular resource becomes scarce.
 - d. New resources and supplies are not surprising in light of the Bible's teachings (Gen 1:28, 31; 1 Tim 6:17).
- 16. The society believes that the earth is orderly and subject to rational investigation.
 - a. Provides incentive for some people to work at large-scale invention and others to 'tinker' with small improvements.
 - b. This is consistent with the Christian worldview (Ps 111:2).
- 17. The society believes that the earth is a place of opportunity. (hopeful, optimistic view of the earth)
 - a. A society that believes developing earth's resources is morally right and approved by God (Gen 1:28; Ps. 8:6-9; 24:1), will think of the world as a place of opportunity where hard work and inventiveness lead to benefit.

F. Beliefs about time and change

- 18. The society believes time is linear and there is hope for improvement in the lives of human beings and nations.
 - a. Linear = history moves forward in a sort of "line" so that progress can be made.
 - b. The entire structure of the Bible argues for a linear approach (Matt 13:31-32; Acts 17:31).
 - c. Landes says the linear view was one of the factors that led to a joy in discovering new/better ways of doing things.
- 19. The society believes that time is a valuable resource and should be used wisely.
 - a. This is consistent with the teachings of the NT (Eph 5:15-16).
 - b. The Protestant Northern Europe value on the use of time led countries to be more productive (Landes).
- 20. The society manifests a widespread desire to improve on life-to do better, innovate, and become more productive.
 - a. To do things better than they have been done before -- reflected to some degree in NT (2 Cor 9:6).
 - b. To 'subdue' the earth implies a desire to learn more about it, innovate, invent and improve products (Gen 1:28).
- 21. The society is open to change, and the people therefore work to solve problems and make things better.
 - a. People will be more eager to work to make things better and will risk to solve problems because they have hope that human efforts can change the history of a family, a factory, a city, or even a nation.
 - b. A society that has a fear of change or new ideas will find econ. progress hard to achieve (i.e. tribal societies).

G. Beliefs about work and economic productivity

- 22. The society honors productive work.
 - a. A productive culture honors people who work as long as they are willing and able, believing the potential for new jobs is unlimited due to human creativity and inventiveness, and will teach these values to their children.
 - b. A society that is stuck in poverty will view work as a necessary evil (Hinduism, some of Islam) (346)
 - c. The Bible places a high value on productive work (Prov 10:4; 1 Thess 4:11-12, 2 Thess 3:6, 8, 10).
- 23. The society honors economically productive people, companies, inventions, and careers.
 - a. Entrepreneurs who build companies, inventors and innovators, and careers that produce economic value.
 - b. A society in poverty will place little or no value people and careers that create and produce goods and services.
 - c. The Bible gives honor to those who are economically productive (Matt 25:20-22; Deut 28:1-14; Prov 31:18.
 - i. Contrasted with the disreputable "sluggard" (Prov 6:9; 13:4; 20:4). (Or: honoring "lucky" people – Lottery etc.)
 - d. In a productive society that honors econ. production emphasis will be on productivity, not equality. (350)
- 24. The society's business owners and workers view their companies primarily as means of providing customers with things of value, for which they will then be paid according to that value.
 - a. This is the attitude that results if people genuinely internalize the "Golden Rule" (Matt 7:12; 22:39).
 - b. Societies where owners'/workers' primary view is getting money, short sighted "selfishness" hinders productivity.
- 25. The society places a high value on saving in contrast to spending.
 - a. A belief in thrift and frugality will lead to higher rates of giving as well as to higher rates of saving.
 - b. People are to work to support themselves and not depend on others (1 Thess 4:11-12; 2 Thess 3:6-12).

H. Beliefs about buying and selling

- 26. The society believes that mutual gains come from voluntary exchanges, and therefore a business deal is "good" if it brings benefits to both buyer and seller.
 - a. Society must realize that buying/selling are normally not situations of exploitation, but rather win-win transactions.
 - b. Buyers/sellers will be happy not only in the value they *derive*, but also for the fact that they *give* some value.
 - c. The win-win perspective will apply to employer and employee relationships.
 - d. An attitude of hostility toward business tends to hinder econ. productivity and keep a nation trapped in poverty.

I. Beliefs about knowledge and education

- 27. The society values knowledge from any source and makes it widely available.
 - a. Roman Catholic countries (Inquisition) and Muslim countries would not allow new information and fell behind.
 - b. Bible places a high value on acquiring knowledge (Prov 1:7; 8:10; John 8:44).

c. Ideal society would know how "to operate, manage, and build the instruments of production," and also how "to create, adapt, and master new techniques on the technological frontier (Landes)."

28. The society values a highly trained workforce.

a. Growth of technical and scientific knowledge brought econ. development to Europe (Britain, Germany). - Landes
 b. In South America highly trained and skilled workers were not attracted or kept in the 18th-20th centuries.

29. Society assumes there must be a rational basis for knowledge and recognized channels for spreading/testing it.

a. In the Industrial Revolution an important factor was the widespread acceptance of the scientific method.
 b. A rational, verifiable process for knowing is important for poor nations if they are to overcome traditional methods.
 i. Harmful examples: Haiti (voodoo), Islamic nations (prohibitions), China (totalitarianism), India (18th century).

J. Beliefs about humility and the value of learning from others.

30. The society demonstrates a humble willingness to learn from other people, nations, and members of other religions.

a. Many nations have systematically excluded knowledge they could have learned from other nations.
 b. Modern Japan offers remarkable example of econ. development b/c of willingness to learn from others.

K. Beliefs about government

31. The society believes the purpose of government is to serve the nation and bring benefit to the people as a whole.

a. The Bible warns against the belief that gov't work/power are rightfully used to enrich oneself (see Ch. 7).
 b. Examples of rulers who served the benefit of the people: Moses (Num 16:15), Samuel (1 Sam 12:3-4).
 c. When society believes this, then serving in gov't is an honor, even if it comes with sacrifice (Rom 13:4).
 d. Where officials believe gov't jobs are to enrich themselves, the nation will tolerate high levels of corruption.

32. The society believes that government should punish evil and promote good.

a. Important so that gov't officials do not begin showing favoritism to evildoers (1 Pet 2:14).

L. Beliefs about the nation itself

33. The society values patriotism and reinforces a shared sense of national identity and purpose.

a. Examples: Great Britain (Industrial Revolution) and Japan (late 18th century).
 b. A sense of patriotism seems to be consistent with biblical values, but not a kind of "blind patriotism."
 c. The Bible supports a genuine kind of patriotism in which citizens love, support, and defend their own country.
 i. God has established the nations (Acts 17:26; Gen 12:2; 22:18; 10:32; Job 12:23).
 ii. The existence of many independent nations should be considered a blessing from God.
 iii. A benefit is that they divide and disperse government throughout the earth.
 iv. Christians are to obey and honor the leaders of the nations in which they live (1 Pet 2:13-14,17; Rom 13:1,4,7; Prov 24:21; Eccl 10:20; Jer 29:4-7)
 d. With these factors in mind we would define patriotism more fully as including:
 i. A sense of belonging to a larger community of people. ii. Gratitude for the benefits that a nation provides.
 iii. A shared sense of pride in achievements of others to whom one "belongs" as a fellow citizen.
 iv. A sense of pride for the good things that a nation has done. v. A sense of security with respect to the future
 vi. A sense of obligation to serve the nation and do good for it in various ways.
 vii. A sense of obligation to live by and to transmit to newcomers and succeeding generations a shared sense of moral values and standards that are widely valued by those within the nation.
 e. The opposite is an attitude of dislike, scorn or hatred for one's nation, accompanied by continual criticism of it.
 f. Anti-patriotic attitudes erode the ability of the nation to function and eventually undermine its very existence.
 g. Even citizens of countries with evil rulers can retain a patriotism combined with sober/truthful criticism.

M. Beliefs about economic, relational, and spiritual values

*34. The society counts family, friends, and joy in life as more important than material wealth.

a. Financial well-being is never presented as the ultimate goal in life according to the Bible.
 b. Relationships are more important (Ex 20:12; Eph 5:22-6:4; Col 3:18-21; Matt 22:39; Eccl 5:10)
 c. If material prosperity is ultimate good, then greed, selfishness, bitterness, and frustration will characterize society.
 d. The hope is that poor nations will retain this value as they also take the steps described in this book.

*35. The society counts spiritual well-being and a relationship with God as more important than material wealth.

a. To be truly wealthy a nation needs to have a widespread cultural belief that each person's spiritual health and relationship with God are far more important than economic prosperity.
 b. Pastors have a crucial role in helping to move any nation from poverty towards greater prosperity.
 i. Encouraging a balanced emphasis using the Bible as an authority that is more persuasive than economists.

N. Conclusion

Far more important than prosperity is a person's relationship with God (Luke 16:13; Ps 73:25-26).

Audio recording of classes and these handouts are available on the class website: <http://www.christianessentialsbc.com>.
 See also waynegrudem.com