The Christian Economist

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Thank you for allowing me to speak to you today at such a wonderful conference.

I want to reflect on how my recent work, including the impact study on child sponsorship, has affected my view of what it means to be a Christian development economist. I was looking for a passage that would illustrate this and came across this well-known verse in Romans 12 that I would like for us to consider:

We have different gifts, according to the grace given to each of us. If your gift is prophesying, then prophesy in accordance with your faith; if it is serving, then serve; if it is teaching, then teach; if it is to encourage, then give encouragement; if it is giving, then give generously; if it is to lead, do it diligently; if it is to show mercy, do it cheerfully. (Romans 12: 6–8, NIV)

So my question to you and to myself is: how does a development economist prophesy, serve, teach, encourage, give, lead and show mercy? What does that mean for us as development economists?

I’m going to start with leading. Traditional development economics has missed quite a bit. And it has missed some things that many Christian and other faith-based development practitioners have understood for some time. For example, many development economists are just catching onto the idea that hope is important to the poor. Frankly, as Christian leaders, we should be on the cutting edge of movements like this. We should be embracing—not just embracing, but leading—new behavioral development work in hope, aspiration, self-control, forgiveness, honesty. Why is it, for example, that secular research economists are teaching the...
profession about the importance of self-control? Christians knew that a long time ago, but we haven’t been faithful to investigate what we have known, or at least suspected, to be true. We should be bold in our faith as researchers, investigating phenomena that have been missed by mainstream secular research.

What I have come to believe recently is that development is about more than relieving external constraints. But over the last decades development economists have given themselves to the idea that if we just relieve these external economic constraints then people will thrive. What our study on child sponsorship and other recent work has told me is that it’s not all about external constraints. It is at least as much about relieving internal constraints.

Moreover, development is also about more than increasing income and wealth. Let me give an example. Poverty has gone down drastically in China. Wealth has gone up. I read just a few months ago about an addiction among youth in China. It’s an epidemic. It’s astounding. Chinese boys commonly spend eight, twelve, sixteen hours a day on video games. The country even has internment camps for kids hooked on video games. Children are sent to them, not for a weekend, but for as much as six months, because parents realize that their children are truly addicted to video games. Is this what development is all about? As Christian development economists shouldn’t we be leading and shaping society’s ideas about what human development really is, and not taking our cues from mainstream economists that development is ultimately all about greater possession of material things?

But working on soft topics like this doesn’t mean using soft methodology. It means using more rigorous methodology than we would normally use. So one of the best things we have to offer the public, the community, the Church, is our use of scientific rigor. To be most persuasive, it is what we can demonstrate to be true that matters. That’s our comparative advantage. It is about being able to *demonstrate* that certain things are true and not just arguing that certain things are true.

The second idea I want to consider is serving. What I would envision for Christian development economists is a servant partnership with faith-based organizations. One of the best conferences I ever went to was the Association of Christian Economists meeting ten years ago that Judy Dean and Julie Schaffner organized in Washington, D.C., where it was researchers and practitioners together, pursuing and deepening these
relationships. This was a conference about ensuring that God’s work is done not just with a good heart but with a good head, so that it’s really effective work. We should be both giving and receiving opportunities to work alongside these NGOs—receiving in that we can collect data on their projects and programs, but also giving in terms of consulting, advice, and so forth. We just don’t do enough pro bono work with our brothers and sisters who run NGOs. That needs to change.

Many people here are professors at Christian universities, and I want to suggest a class or a sequence of classes for your students. In the fall: development economics. In the spring: some kind of class on impact evaluation. It doesn’t have to impart high-brow econometrics, just basic statistics would be wonderful: sampling theory, t-tests on differences in means. One could use the modules at the World Bank that our own Paul Glewwe has come up with to measure simple project impacts. Then the next summer, after the second class, take your students to a developing country to work with Bread for the World, World Vision, Food for the Hungry. Pick your NGO, and go into the field with your students and do an impact evaluation that means something, and maybe publish together, maybe in *Faith & Economics*. It’s one of those win-win-win-win things: it’s great for us as researchers, it’s great for our students, and it’s excellent for the NGOs. It would be wonderful to see this happening at the Christian universities.

So the third thing is prophesying. Normally when economists speak of “prophets/profits” they’re talking about an altogether different kind of thing. But I think as economists we need to be truth tellers, we need to take tools of unbiased scientific research into the field, and then ascertain what works, and then proclaim it on the mountaintop in some way. Use these results to guide NGOs and government, also to guide donors where they should direct their funding. Sometimes this is popular and sometimes it’s not. Whenever I go to Compassion International I feel like I’m some sort of rock star, but then I go to Fair Trade USA and I’m a villain. It is what it is, because in speaking truth we have to establish a reputation for being even-handed, humble, honest, and open to change.

Fourth is teaching. We should be disseminating the findings in our field. Not everything we speak of publically has to be our own research. Too much asymmetric information exists between researchers and NGOs, NGOs and donors, and between researchers, NGOs, and the Church. A lot of NGOS have asymmetric research within themselves,
if that were possible. They don’t really even know the impact that they themselves are having, and much less do their donors. We need to serve and learn from practitioners. We can learn a lot from them. This is also a ministry to the church. We need to teach people in our church by offering classes on poverty alleviation, what it means to be a Christian in an age of globalization. What interventions are effective? We need to get people away from simplistic narratives, which drive far too much behavior: this idea that if I just drink my fair-trade coffee, some coffee grower down there is going to be much better off. Or if I just buy this fuzzy animal for somebody in this country, then this person’s life will improve, and I’ll feel better, and I don’t really want to look into the impact, but this makes me feel good, so I’m going to do it. Paul Niehaus, professor at UC San Diego and co-founder of Give Directly, has this great new paper that shows that only three percent of donors ever claim to look into the impact of the things they have given to. Three percent. So most are just satisfied with these stories that they tell themselves about having an impact on the world. We need to move people in our churches, our students, Christian groups, away from these simple narratives and start thinking seriously about these issues.

What does it mean to be an encourager? We need to encourage on multiple fronts. We need to encourage deeper and more effective involvement with the poor. We need to give credit where credit is due in the work of NGOs and work of individuals. We need to encourage our students to pursue fields that aren’t just about them amassing wealth for themselves, but about helping others to amass just a little more wealth. We need to publically affirm good and effective poverty work.

And what about the spiritual gift of giving? Christian development economists need to be donors too. So we need to model effective giving and not just talk about it. The excuses for not giving are just becoming lamer and lamer as time goes on. You can give directly, you just go on the web and zap however many dollars you want to the cell phone of a Kenyan. What keeps us from doing that? Most of us have read the new Haushofer study, and we know it’s effective, so why don’t we do it? So what does it mean to love our neighbor as ourselves? Doesn’t it mean something like we drive our marginal utility of income up high enough so that it becomes equal to the people we’re giving to? Do we even come close to doing that? To love our neighbor as ourselves ... isn’t that what that means? That we care about their well-being as much as ours? Af-
ter doing this study on child sponsorship—at what number of children should I stop sponsoring kids? I’m sure it’s a higher number than three, the number I do now. It’s dangerous to know.

Let me conclude with the gift of showing mercy. Christian development economists need to be practitioners. We need to be donors. We need to spend time with the poor and learn from them. We need to take the lead in our church communities, in our school communities, showing mercy to those around us in a thoughtful way. We need to get out from behind Stata sometimes and get out into the streets and into the campo. And I’m preaching to myself here—I love Stata, it’s a precious thing and I just want to be alone in my room and work on Stata and do estimations and have everyone else leave me alone. But we will not grow spiritually as mature believers until we identify with the poor.

None of us are likely to be strong in all seven of these gifts. It says in the passage that we all have different gifts. We teach our students about comparative advantage. I think the gifts work like that—you’re good for at least one, and then you learn to grow in the others.

Let me close in a word of prayer: Lord, thank you for this conference. Help us to love you and to love the poor. Help us to be leaders and servants and truth tellers, teachers, encouragers, givers, and lovers of mercy. In the name of your Son, Amen.

Endnotes

