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As a young economist I found a pair of surprising articles, written many years earlier, by four world-renowned economists in my field of international trade and economic development. “Directly Unproductive Prophet-Seeking Activities” (Dixit & Grossman, 1984), published in the *American Economic Review*, and “Religion as DUP Activity” (Bhagwati & Srinivasan, 1986), published in *Public Choice*, both analyzed organized religion. Since none of the authors was a professing Christian, I was intrigued. Dixit and Grossman assumed that an unknown force has appointed religious institutions as an intermediary to hand out tickets to heaven. The religious sector, therefore, had the incentive to extract rents from people who were willing to pay for the chance to be in heaven. Such directly unproductive profit-seeking (DUP) activity reduced society’s welfare. Bhagwati and Srinivasan also assumed that organized religion acted as an intermediary between man and God, thus generating

an incentive for rent-seeking activity. However, organized religion could also potentially make individuals' prayers more effective—a productive activity for which people were willing to pay. Thus, the welfare of society might still be improved by the existence of organized religion.

These two papers were intended to be humorous. But they showed me how economic tools, accurately used in the hands of renowned experts in my field, could lead to false conclusions. In both papers, a scathing critique of the church arose because a reductionist view of religion was adopted, and false premises were assumed. The analysis was elegant, logical, and accurate, but the conclusions were simply wrong. I also saw that we Christians—even Christian economists—are just as prone to these dangers. Some Christians, for example, fault the economic system for not addressing all moral problems in society. Yet this neglects the crucial role of legal systems, the church, the family, and other societal organizations in shaping moral behavior. Others characterize economic systems (market, socialist, mixed) in an inaccurate or incomplete way. Given the premises, the analyses logically show that a system is or is not consistent with Christian principles. But the premises are false. How important it is for us to use our tools with integrity, not falling into the traps of reductionism or distorted premises.

What books or articles would I recommend to a young economist? There is much to be learned from reading a volatile debate. Working in the fields of empirical international trade and development, I have often started my development class with op-ed articles by William Easterly and Jeffrey Sachs, debating how to solve global poverty. These are eminent economists in the field, and both are passionate about solving this problem, yet they take diametrically opposite views on the issue. Sachs' book, *The End of Poverty* (2005), argued for a “top-down” approach to reducing extreme poverty. Governments needed to work together on multiple economic, social, and institutional dimensions simultaneously, designing policies to boost agriculture, improve basic health, invest in education, improve supply of electricity or other sources of power, provide clean water and sanitation, and more. Easterly's book, *White Man's Burden* (2006), argued that such top-down approaches were difficult, ineffective, and often damaging historically. He argued that a “bottom up” approach was more effective. Easterly emphasized that large-scale government programs often have many unintended consequences, some of which are likely to worsen global poverty. This occurs in large part

because such policies are designed at the top by those who are unfamiliar with the complex multiplicity of intertwined causes of poverty at the bottom.

These books (and other writings by these authors) have taught me much about the need for clear economic reasoning grounded in evidence and for finding root causes of serious economic problems. Reading Sachs' book, I wondered why the more than 50 years of evidence on the failure of large-scale development programs was not addressed. What about the entire literature on why foreign aid has not worked well? What was new here that would make this top-down approach work better now? Easterly's critique provided much of this evidence, and mounted the case against top-down. But what was needed, beyond this, was much more in-depth analysis of the root causes of global poverty. Analysis of those local multiple causes that combine to lead to extreme poverty would help design bottom-up solutions that could actually alleviate it. It might also reveal areas where both approaches could be useful. Reading this debate has helped discipline my own work. As an empirical economist trying to understand the efficacy of different policy choices, I see once again the importance of learning from the past, of addressing the evidence head-on, of paying attention to unintended consequences, and of designing solutions that address problems at their root. All of these help me work with integrity.

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