

Harnessing the Power of God’s Truth to Transform Nations

Dr. Barry Asmus and Dr. Wayne Grudem

December, 2008 [rev. 12-9-08]

50 factors within nations that lead to sustained economic growth or continual poverty

Introduction: Until 1500 A.D., almost zero economic growth for centuries.

1500-1750: slow development began to spread; by **1750**: Ratio of income in rich vs. poor nations was **5:1**

1770-1870: Industrial Revolution, then incredible growth in some nations, not others.

Today, per capita income ratio comparing rich to poor nations is **400:1**. → **Why? What happened in history?**

I.	<u>Cultural values that lead to sustained economic growth in a nation</u>	<u>Cultural values that lead to sustained poverty</u>	<u>Biblical, historical, and economic support</u> (support from history and economics will be provided in the oral presentations)
A.	<u>Religious belief and moral standards</u> 1. Belief that there is a God	1. Belief that there is no God	Genesis 1:1 Industrial Revolution 1770-1870
	2. Belief that there is moral accountability before God for one’s actions – leading to honesty, care for others, reliability, diligence, care for quality in one’s work, etc.	2. Belief that there is no ultimate moral accountability – leading to dishonesty, people putting selfishness above the good of others and above the good of the nation, being untrustworthy, unreliable, lazy and careless in their work; robbery and bribery abound -- much corruption in government, business, law, the universities, the press, even the churches	Acts 17:30-31; Romans 3:18; 1 Peter 4:4-5
	3. The society honors and expects truthfulness and keeping one’s word .	3. The society is filled with lying, deceit, and slander , and little shame attaches to lying and getting away with it.	Exodus 20:16
B.	<u>Human nature</u> 4. Belief that there is good and evil in every human heart ; therefore the ultimate reason why people do good or evil things is that they have chosen to do good or evil. Therefore it is morally right that people should be rewarded for doing good and punished for doing evil.	4. Human beings are basically good ; therefore, when they do evil things, it is the fault of evil influences from society, not primarily the individual person’s fault	Romans 3:23; James 1:14-15
	5. Significant individual responsibility : Belief that it is morally right for honor and reward, or blame and punishment, to be given to individuals for their good or bad choices and actions	5. Minimal individual responsibility : Most people view themselves as victims. Those who succeed are thought to be “ lucky .” Those who fail are seen as victims of bad luck or fate. Those who do evil things are seen as victims of wrongdoing by others or society.	Ezekiel 18:20; Romans 14:12 God holds individual people accountable throughout the Bible.

	<p>6. High value placed on individual freedom. Individuals can generally be trusted to make better decisions than anyone else about what is best for them. The whole population should be allowed to be free even if a few people make some stupid mistakes.</p>	<p>6. Government regulation of all of life is highly valued, to prevent people (who are generally thought to be foolish or ignorant) from making wrong choices or hurting themselves. The whole population should be minutely regulated so that a few people will not make stupid mistakes.</p>	<p>Evils of slavery in Bible: Exodus 20:12. Value of liberty and personal choice: Leviticus 25:10; Deuteronomy 30:19; Matthew 11:28</p>
	<p>7. No discrimination against others on the basis of race, gender, religion. Full educational and economic and political freedom for women as well as men, and for people of all races, religions, and ethnic origins.</p>	<p>7. Discrimination against others based on race, gender, religion. Women or racial minorities or religious minorities excluded from some educational, economic, or political opportunities.</p>	<p>Genesis 1:27 all people in image of God. Also Proverbs 31:14, 16, 18, 24, 26; James 3:9; Galatians 3:28; Revelation 7:9-10</p>
C.	<p><u>The earth</u> 8. Belief that human beings are more important than any other living creature. Belief that man is meant to be master over the earth, using it wisely for the good of this generation and future generations of mankind. Belief that economic development generally demonstrates the excellence of the earth. Belief that, because of human creativity and ingenuity in developing substitutes, the earth's resources will never be exhausted.</p>	<p>8. Belief that the earth is more important than human beings, or belief that all living things are equally as important as man. Belief that human beings should act as servants of the earth. Belief that nearly all human economic development brings wrongful harm to the earth. Belief that, in general, man is an enemy of the earth and because of human activity many resources will soon be exhausted.</p>	<p>Genesis 1:28-29; Psalm 8:6-8; Matthew 10:31; 12:12</p>
	<p>9. Honor given to developing the earth's resources wisely, for the benefit of mankind.</p>	<p>9. Honor given to preservation of the earth's resources in their natural, untouched state. Or the opposite: indifference to destructive exploitation of the earth's resources for immediate gain, with no thought for future generations.</p>	<p>Genesis 1:28-29; 2:15 (also vv. 11-12); 1 Timothy 4:4-5; 6:17. But note Genesis 3:17: the curse hinders this work.</p>
	<p>10. Belief that the earth is orderly and therefore subject to rational investigation</p>	<p>10. Belief that the earth is subject to unpredictable fate or invisible spirits and therefore unknowable</p>	<p>Psalm 111:2</p>
	<p>11. The world is primarily viewed as a place of opportunity. Economic development is primarily viewed with joy and moral approval.</p>	<p>11. The world is primarily viewed as a place of danger. Economic development is primarily viewed with fear and moral condemnation.</p>	<p>Genesis 1:28; Psalm 8:6-9; Psalm 24:1</p>
D.	<p><u>Time and change</u> 12. Time is viewed as linear (history is moving from a beginning to a future culmination), and therefore there is hope that individual lives, and entire nations, can be made better</p>	<p>12. Time is circular and repetitive, and there is no hope that life in general can become better</p>	<p>The whole Bible story: Genesis to Revelation. Also Matthew 13:31-33; Acts 17:30-31; Galatians 4:4.</p>

	13. Time is viewed as a valuable resource to be used wisely	13. Time is not valued but is something to be endured or used for seeking immediate pleasure	Ephesians 5:15-16.
	14. Change : People are open to change , because of the hope that changes can make life better. People are eager to work to make things better and to take risks to solve problems because of hope that human effort can change the history of a family, a city, a state, even a nation.	14. Fear of change or new ideas ; clinging to old traditions and cultural habits even if harmful. People complain about circumstances but will not work to make things better, or take risks , because they have no hope of good results; frequent despair about life	On tradition: Matthew 15:3, 6; also Matthew 9:17. On hope for change: 1 Corinthians 15:58; Galatians 6:9..
E.	<u>Work</u> 15. Honor given to productive work . The “ideal” life is thought to be a life of joyful productivity that benefits both oneself and others. Workers in the whole society are encouraged to work as long as they are willing and able, because they bring more productivity, which benefits society. The potential for creating new jobs is unlimited, due to human creativity.	15. Work viewed as a necessary evil (much Western society), or the result of fate (some Muslim societies), or the “just punishment” that is due for deeds in a previous life (much Hinduism). The “ideal” life is thought to be a life of ease, simply enjoying oneself and one’s friends, never having to work again at a productive job. Workers in a whole society are encouraged to retire early so that others can have their jobs, which are limited in number.	Colossians 3:23-24; 1 Thessalonians 4:11-12; 2 Thessalonians 3:6, 10-12.
	16. Honor given to good work habits such as diligence, thrift, honesty, keeping one’s word, punctuality, respect for authority, faithfulness, courtesy, cheerfulness, pride in quality of work	16. Honor given to people who can “ game the system ” and be paid while being lazy, wasteful, dishonest, unfaithful to commitments, late, disrespectful, arrogant, discontented, and careless in their work	Ephesians 6:5-8; Colossians 3:23-24.
F.	<u>Economic productivity</u> 17. The society gives honor to careers that produce goods and services that have economic value. The society gives honor to economically productive people who create economic development. Hope for economic progress is mostly focused on increasing the economic productivity of a person or a nation. The society honors inventors and innovators.	17. The society places little or no value on careers that create and produce goods and services. The society gives honor to those who get something for nothing (through luck, getting paid without working, or making a lot of money while producing little of value, government handouts), or even those who live by theft and extortion . The society views economically productive people with dishonor , guilt, shame, or envy. Hope for economic progress is mostly focused on getting grants from the government or from other nations.	Matthew 25:20-21 (talents); Genesis 1:28; Deuteronomy 28:1-14 (blessings); Proverbs 31:18. Contrast Proverbs 1:19. + verses on the “sluggard” vs. good worker in Proverbs. Proverbs 17:26.
	18. Business owners and employees view their business primarily as means of providing people with something of value , for which they will be paid according to that value	18. Business owners and employees view their business primarily as a means of getting money from people , by whatever means possible	Matthew 7:12; 22:39.

	<p>19. The society believes that mutual gains come from voluntary exchange. Therefore a business deal is viewed as good if it brings benefit to both sides – that is, buyer and seller both “win” and think themselves better off, and employer and employee both “win” and think themselves better off. Businesses value long-term business relationships and long-term employee relationships.</p>	<p>19. The society believes that businesses generally “win” and customers and employees generally “lose” in voluntary exchanges. People assume that business deals generally bring benefit to one side (the “winner”) and loss to the other side (the “loser”). Business place low value on developing long-term business relationships or long-term employee relationships.</p>	<p>Matthew 7:12; 22:39.</p>
G.	<p><u>Knowledge</u> 20. Knowledge from any source is valued and widely and freely disseminated</p>	<p>20. Knowledge is controlled by a small group and used to retain power</p>	<p>Proverbs 1:7; 8:10-11; John 8:32, contrast John 8:44; Colossians 2:3; James 3:17</p>
H.	<p><u>Views of government</u> 21. People think that the purpose of government is to benefit the people as a whole by restraining evil and promoting good</p>	<p>21. People think that the purpose of government is to benefit those in power. Or: the purpose of government is to conquer other nations in order to impose a religion on them, plunder their wealth, or get revenge.</p>	<p>Romans 13:4; 1 Peter 2:13-14</p>
	<p>22. The society believes that government work and government power are a means to serve the country and the society .</p>	<p>22. The society believes that government work and government power are a means to enrich oneself and one's family and friends</p>	<p>Numbers 16:15; Deuteronomy 17:17; 1 Samuel 8:11-17 with 12:3-4.</p>

II.	<u>Governmental policies that lead to sustained economic growth in a nation</u> (many of these flow from the cultural values)	<u>Governmental policies that lead to sustained poverty in a nation</u>	<u>Biblical & historical support:</u>
A.	<u>Government power</u> 23. Government power is limited and significant individual freedom is protected	23. Government controls most or all aspects of life	Matthew 22:21.
	24. Government power is divided among many parts that check and balance one another	24. All government power is concentrated in the hands of one ruler or one small group	Old Testament offices of prophet, priest, king. New Testament apostles, elders (always plural). Deuteronomy 17:17; 1 Samuel 8:11-18; 2 Samuel 11.
	25. Government officials are reasonably compensated but laws prevent them from becoming wealthy while in office. Corruption is rare and, when discovered, is quickly punished and publicly exposed. Government officials are fair and impartial , and do not take bribes. (This encourages investment of money and time.)	25. Government officials and their relatives and their friends all become wealthy because of their government office. Corruption is widespread, and, when discovered, is punished lightly and covered up. Government officials show favoritism to some people; nepotism and bribery are common (discourages investment).	1 Samuel 8:11-18; 1 Kings 10:14-29 and 11:1-10. Exodus 23:8, etc. (many verses on bribes); 2 Samuel 23:3-4 + vss on bribes 1 Tim. 5:19-21
B.	<u>The rule of law</u> 26. Equality before the law: All people in the nation are equally accountable before the law. (This encourages investment of money and time.)	26. A few people are above the law and can violate it without being punished. (This makes investment risky and discourages it.)	Deuteronomy 16:19-20; 2 Samuel 12:7-12 (Nathan & David); Psalm 26:10; Prov. 15:27; 17:23; Isa. 33:15; Ezek. 22:12; Amos 5:12; Hab. 1:2-4
	27. The courts enforce justice impartially , showing no favoritism toward or bias against anyone (encourages investment)	27. The courts use their power to favor certain people or groups , and to protect government officials or the wealthy and powerful. (discourages investment)	Exodus 23:3, 6; Deuteronomy 16:18-20; Proverbs 24:23; Psalm 82:2
C.	<u>Knowledge and creativity</u> 28. Universal education: Education is required and made available for everyone (education sufficient to earn a living and contribute positively to society)	28. Education limited to certain favored groups in the society, very difficult to obtain for others (such as racial or ethnic minorities, religious minorities, or women)	Deuteronomy 6:6-7
	29. Universal literacy within the nation	29. Widespread illiteracy , especially among less-favored groups (such as women, or certain ethnic or religious groups, or certain castes)	Deuteronomy 6:6-7; Psalm 1:1-2

	30. Patents and copyrights are protected and patent rights are enforced	30. Patents are not protected and new inventions are copied without fines or punishment, or companies are forced to sell new inventions at production costs only, with no reward for invention. Copyrights are not protected and works of literature, music, art, and drama are freely copied and distributed by anyone.	Exodus 20:15
D.	<u>Domestic safety</u> 31. The government effectively defends its people against foreign invasion and conquest	31. The nation is defeated by a superior foreign power , or even gives in to foreign domination or invasion	1 Samuel 17 (David & Goliath); 1 Kings 4:25 (Judah and Israel lived in safety); Psalm 18:34; Nehemiah 4:14; 1 Timothy 2:1-2
	32. Most crime is discovered and punished	32. Much crime is intentionally left unpunished	Psalm 82:3-4; Proverbs 17:15; Ecclesiastes 8:11; Isaiah 5:23
	33. The government does not launch destructive wars of conquest or revenge	33. The government devotes extensive resources to preparing for and fighting wars of conquest or revenge . Or: the government invents false rumors of enemies to maintain a continual “emergency” situation, in order to retain power.	Deuteronomy 2:9, 19; Matthew 5:9; Romans 12:18
E.	<u>The earth’s resources</u> 34. Environmental policies encourage wise use of natural resources	34 Environmental policies allow the destruction of natural resources . Or: environmental policies prevent the use of many natural resources	Genesis 1:28; Psalm 8:6-9

III.	<u>Economic policies that lead to sustained economic growth in a nation</u>	<u>Economic policies that lead to sustained poverty in a nation</u>	<u>Biblical & historical support:</u>
A.	<u>Property</u> 35. Ownership of private property is widely dispersed throughout the society	35. Ownership of private property is either prohibited (Communism) or limited to a very small group (feudalism), or property is owned by the tribe instead of by individual persons	Exodus 20:15, 19; Acts 5:34
	36. Ownership of private property is easily documented in public records	36. Documented ownership of private property is made nearly impossible by excessive government procedures and bureaucracy	

B.	<u>Economic system</u> 37. Free market: The dominant economic pattern in the society is private ownership of property and private ownership of the means of production	37. Socialism (the government owns most of the means of production), or communism (the government also owns or effectively controls all property), or tribal system (the tribe, not the individual, owns the property).	Ownership of a nation's property is not the role of government in Scripture: Romans 13:4; 1 Peter 2:13-14; compare Joshua 13-21 (allocation of the land); note examples of evil rulers in : 1 Samuel 8:11-18; 1 Kings 21:1-19 (Ahab taking Naboth's vineyard)
	38. The government maintains a stable currency . (Inflation is limited to about 2%.)	38. The government allows rampant inflation.	
	39. Total tax burden is relatively small (for example, 15%)	39. Total tax burden is relatively large. Sometimes it falls primarily on the poor and middle class while a few wealthy go free. At other times it falls primarily on the most economically productive members of society (the wealthy who are investing and creating businesses and jobs).	1 Samuel 8:11-18; Proverbs 29:4
	40. Merit rewards: Employment and promotion are based on merit. Business agreements are based on the merits and costs of the product.	40. Employment, promotion, and business agreements based on favoritism and bribes so that jobs and contracts go to less qualified family and friends.	
C.	<u>Freedoms</u> 41. Few regulations: The burden of governmental regulations on business is relatively small	41. Many governmental regulations place significant hindrances on businesses. Or: The prevalence of bribery places unfair disadvantages on honest businesses and unproductive costs on businesses that do pay bribes.	
	42. Ease of starting a business: government policies encourage anyone in the society to start and grow a legally documented businesses. Few or no monopolies are allowed.	42. Government policies place high barriers to entry for new businesses in many industries. Monopolies are protected by government licenses or even theft and violence against any competition.	
	43. Domestic freedom of commerce: no tariffs or extortion or unproductive fees allowed to hinder trade within the nation	43. Domestic barriers to trade: tariffs, extortion, and economically unproductive fees hinder trade within the nation	
	44. Free foreign trade: Low tariffs or none, and low quotas or none, on trade with other countries	44. High tariffs and numerous quotas on foreign trade	
	45. Freedom to work: no barriers to practicing any craft or occupation except those necessary to protect the quality of the work	45. Highly restrictive guilds that limit entrance to certain crafts or occupations for the purpose of preserving high income for those already in the guild	

	46. Freedom to accumulate wealth: Anyone in society is free to accumulate and retain large amounts of wealth by lawful means	46. Wealth is concentrated in the hands of a few powerful people or families while the vast majority are trapped in poverty. Or: Wealth is confiscated through punitive tax levels, an unjust court system, an inheritance tax, police threats, or social ostracism.	Isaiah 5:8; Daniel 4:27; Amos 8:4-6
D.	<u>Source of national wealth</u> 47. Wealth from producing value: Most wealth in the nation is obtained by producing something of value. (either goods or services) Wealth from natural resources is used wisely to foster new economic development that comes from work that produces value.	47. Wealth from using up resources: Most wealth in the nation is obtained by extracting and selling natural resources (gold, silver, oil). Or: wealth comes mostly from grants from other nations .	
E.	<u>Economic values and higher values</u> 48. The society counts spiritual well-being far more important than material wealth	48. The society counts material wealth as the highest goal .	Ecclesiastes 5:10; Luke 9:25; 12:15-21
	49. The society counts family and friends and joy in one's life more important than material wealth	49. The society counts material prosperity more important than family, friends, and joy in one's life	
	50. The society worships and serves God , not money	50. The society worships and serves money , and is destroyed by it.	Luke 6:13; 1 Timothy 6:17

IV.	<u>Other factors that can affect national wealth or poverty in the short term</u> What about other factors that a nation cannot change, or that are difficult to change?		
	1. Natural resources: not a determining factor in the long run. People in every country can produce things of value.		
	2. Climate (and natural disasters): not a determining factor in the long run. The main question is how to best adapt		
	3. Public health: disease, sanitation, clean water supplies: These are contributing factors but not the primary factors. Economic growth will lead to improvement in these areas. In addition, when the other factors mentioned above are present, improvement in these areas will contribute to economic growth.		
	4. Oppression by a more powerful nation: This can trap a nation in poverty until the oppression is removed, and the effects can linger.		

This material **Copyright © 2008** by Dr. Wayne Grudem. Permission is hereby given to reproduce this chart for non-commercial teaching and personal use.