

Hope in the Unseen: On Being a Christian and an Economist

by Glenn C. Loury, University Professor and Professor of Economics, Boston University
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“Now, faith is the substance of things hoped for, the evidence of things not seen.” (Hebrews 11:1)

I.

I am a Christian and an economist. How, one might ask, do those distinct aspects of a scholar's identity relate to one another? In my own case, I became an economist many years before I became a Christian, so my methodological commitments -- my “school of thought” commitments, so to speak -- were forged long before I began to raise questions about how my work might be connected to my faith. Yet, since becoming a Christian my doing of economics has changed, and the work I will discuss here gives evidence of these changes. I have found it instructive to reflect upon this transformation, and I wish to begin this discussion by sharing a bit of that reflection with you.

We economists study markets, the behavior of consumers and firms, the art and science of buying and selling, the theory of rational choice, etc. This is important work, to be sure. It is, for example, prudent to think carefully about incentives when creating social programs. We should try to conceptualize and to measure the costs and benefits of alternative public policies. Doing so is a technical enterprise with respect to which economics has considerable power. Even so, as a Christian I do not find this analytical perspective, by itself, to be adequate to the task of social prescription. Indeed, the single-minded focus on benefits and costs that one associates with economic science can be a profoundly impoverished way of thinking about how we should live together in society.

Let me give an example, drawn from recent discussions about the problem of racial profiling. There is an obvious cost-benefit take on that problem: When screening resources are limited, there is a statistical argument that an agent seeking to detect an unobserved hazard can do so more efficiently by making use of any readily observable information that correlates with the presence of the hazard. If one happens to know that dangerous people are drawn disproportionately from a group whose members look a certain way, then using that knowledge in the design of a screening process will, as a statistical matter, ease the monitoring problem. Economists will see immediately just how such an analysis would go. On the other hand, when we undertake to classify people categorically, and to treat them differently based on this categorization, we do more than simply solve a resource allocation problem. We also make a statement about how we are to look upon and relate to one another. Often, it seems to me, this expressive aspect of policy (i.e., whether or not one wants to make such a statement) is nearly the whole ballgame.

Put differently, the determination of how we ought to relate to one another can be a more fundamental judgment than is an efficiency calculation of the costs and benefits associated with alternative courses of action. And yet, whereas the principles entailed by a cost-benefit calculation are easy to discern (“more is better than less,” etc.), to what

principles can we look for guidance on the question of how we ought to look upon people different from ourselves? Does it make any sense to talk of the “benefits” and the “costs” of relating to one another in *this* way rather than *that*? I think not. Because our value commitments (“What manner of people are we, and how then must we comport ourselves?”) can transcend our economic concerns (“How much do we have, and how might we get even more?”), we are (Thank God!) often moved to eschew what would otherwise appear to be the most efficient course of action. As a result, the cost-benefit calculus is, in general, insufficient to prescribe a course of action.

Now a critic will come along and say, “Ah, but you have simply failed fully to account for all of the cost and benefits. Doing so would permit one to include value commitments within a cost-benefit framework.” I understand this argument, but think that occasions will arise where, in the nature of the case, it is *impossible in principle* to do such a modified accounting. For, we are talking here about the beliefs we hold and the ideals we are prepared to affirm. It seems to me that matters such as these supercede, cannot be traded-off against, and are incommensurate with the kinds of costs and benefits that are an economist’s concern. To illustrate, consider the person who is tempted to steal some item but, in the end, decides not to. Contrast two distinct modes of reasoning that can support this decision not to steal: The person might calculate that to risk detection and punishment entails costs that exceed the benefits of acquiring the item. Alternatively, the person might say to himself or herself, with conviction, “I am not a thief, and I must comport myself accordingly.” My point here is that an analyst ought not try to assimilate the second mode of reasoning to the first by introducing the fictitious notion of a “cost to thinking of oneself as a thief.” To do so is to compare apples to oranges by asking, in effect, “What is this person willing to pay for an unsullied self-concept?”

More generally, I am of the view that social science can capture only a part of the human subject. Of necessity, our methods project the full person onto those material and deterministic dimensions that we think we understand. As an object of scientific inquiry, the human subject must ultimately be reduced to a mechanism. Yet, in so doing the social scientists leave out that which most makes a person human. We leave out the soul. As a believer, my fundamental conviction is that human beings are not defined by our desires at a point and time. Indeed, I would even deny that we are defined by our biological inheritance. “God is not finished with us when he deals us our genetic hand,” I would say. As spiritual beings, what we are in the fullness of our humanity transcends that which can be grasped with the particular vision that an economist, a sociologist or psychologist might bring.

Consider some examples: What incentive scheme devised by an economist could ever be as effective in promoting the dedicated, disciplined, systematic involvement of parents in their children’s lives, as would be the promptings of conscience that come to parents when they think of themselves as God’s stewards in the lives of their children? To distinguish between these two methods of motivating parents is not simply to identify distinct points on a spectrum of instrumentality – one modality of intervention being more efficient than the other. Rather, these are qualitatively different ways of approaching the problem – one involving self-serving motivation rooted in maximizing behavior by parents, the other entailing the parents’ self-understandings, which understandings devolve from their more fundamental convictions as who they are, who

made them, and what obligations follow in light of their certain knowledge of who and whose they are.

Questions of incentives and efficiency are of a fundamentally different order than are these questions of spiritual identity -- concerning who and whose we are. The latter questions I take to stand on higher ground than the former -- which is not to say that the former are unimportant. I wish to stress that, in this assertion of the limits of a cost-benefit calculus, I do not repudiate the life of the mind. I simply claim that to grasp fully the nature of human subjects, social scientists must reckon with this transcendent dimension. I am arguing against arrogance, not against the use of our intellects. What I reject is the presumption that intellect on its own can do for us what it plainly cannot -- tell us the meaning of our lives. Economics cannot finally resolve the most profound questions at the center of our struggles as individuals, as families and as a nation: Who are we? What must we do? How shall we live? What is right? When all the statistical analyses have been rendered, we still have to step back and ask questions such as these. And, absent the spiritual grounding that permits us meaningfully to pose such questions, the rest of our intellectual efforts amount to so much puzzle solving, an activity that in the end has no life.

Here is another example. Social scientists have argued that a disadvantageous background can irreversibly impair a child's development. Much evidence confirms that early life social disadvantage of one kind or another correlates with the extent of later life problems. But, whatever the nature of such environmental influences, there are people in poor communities working with children who have been scarred by all manner of disadvantage. These people often succeed in their attempts to reach into the lives of these kids, to form relationships with them, to create institutions devoted to serving them, and thereby to mitigate the harm associated with social deprivation. Religious congregations in inner-city communities, for instance, are working with troubled youngsters and, with God's help, are changing lives. Their efforts fly in the face of a deterministic developmental psychology that tells us if the youngster is exposed to certain influences then the adult will be inclined to behave in a certain way. Now, of course, one can study these faith-based interventions as a technical problem -- asking under what conditions the religion-inspired programs work well, and so forth. One would certainly want to do so before making any broad claims about their effectiveness. But what interests me most about this example is its anti-deterministic character. Social science tends to offer deterministic accounts of human action, with randomness introduced mainly to account for the errors in our observations. Our theories say, in effect, that material conditions mediated by social institutions *cause* people to behave in a certain way. Yet, it may be more plausible to think of material and institutional givens as establishing only a fairly wide range within which behavior must lie, with the specific behavior within this range for any particular person being dependent upon factors of motivation, will and spirit -- factors having to do with what that person takes to be the source of meaning in his or her life, with what animates him or her at the deepest level.

If this is right, then it is crucial to grasp the implication that the behavior of freely choosing, socially situated, spiritually endowed human beings will in some essential way be indeterminate, unpredictable, and even mysterious. For, when the exercise of human agency is driven by what people understand to be meaningful -- by what they believe in -- then the inter-subjective processes of social interaction and mutual stimulation that

generate and sustain patterns of belief in human communities become centrally important. But these processes of persuasion, conformity, conversion, myth construction and the like are open-ended. They are at best only weakly constrained by material conditions. That is, while what we believe about the transcendent powerfully shapes how we act in a given situation, these beliefs cannot themselves be deduced as a necessary consequence of our situation. We can always agree to believe differently or more fervently, particularly if those with whom we are closely connected are undergoing a similar transformation. Religious revivals and reformations can sweep through our ranks and change our collective view of the world virtually overnight. We can be moved to make enormous sacrifices on behalf of abstract goals. We are ever capable -- as the Czech playwright-turned-politician, Vaclav Havel, has said so well -- of "transcending the world of existences." In other words, there is always "hope in the unseen!"

Now I admit to being deeply moved by this fact about human experience -- that we are spiritual creatures, generators of meaning, beings that must not and cannot live by bread alone. I have seen the power for good and for ill of communal organization acting through the constitution of collectivities that are like-minded in their understandings about the meaning of life, about as the believers say, 'what God has put us here for.' My conviction, as a Christian who happens also to be an economist, is that until economic science takes this aspect of the human drama with the utmost seriousness it will do justice neither to the subject of its study, nor to the national communities that look to it for useful advice about a host of social ills.

II

To take an important example, let us consider the problem of inner city social and economic development. Nearly four decades ago the National Advisory Commission on Civil Disorders, popularly known as the Kerner Commission, issued its report on the urban riots of the 1960's. This report declared that the rage, alienation and hopelessness of the ghetto were the inevitable consequence of racial isolation, inferior education, limited economic opportunity and an attitude of indifference, if not hostility, toward blacks from the white majority. While much has changed since the appearance of this landmark document in American social history, our nation continues to confront the profound problem of integrating the inner-city minority poor more fully into the economic and social mainstream.

To a significant extent the Kerner Commission's recommendations were heeded. Federal programs of employment training, educational subsidy, housing assistance and welfare reform were enacted. The courts and the Congress expanded civil rights protections. Employment opportunities for blacks as a whole have improved markedly in the intervening period, as have incomes and educational attainment. There is not one significant institution in American political or economic life which has been unaffected by the push for "diversity" and the emphasis on "multiculturalism" which now dominate contemporary discussions of race relations. Blacks wield vastly more political clout at all levels of government today than was the case in four decades ago.

Yet, it is arguable that conditions in some big city neighborhoods are worse now than in the late 1960s. The human tragedies of drugs, gangs, violence, unemployment, failed schools, broken families, teen pregnancy, disease, despair, and alienation can still be observed in the ghettos of the 1990s. The prisons of the nation overflow with young

black men. AIDS and crack are reeking havoc amongst the minority poor. Two-thirds of black babies are born to unwed mothers nationwide.

Two conflicting trends define social development for black Americans in this period--a growing middle class of persons enjoying greater access to the society's mainstream, and a growing class of impoverished, marginalized and isolated blacks whose prospects for inclusion seem increasingly dim. The nation's success in meeting the challenges posed by the Kerner Commission's report has been ambiguous, and this ambiguity has bred confusion.

We cannot make progress here unless we face the reality of the situation. That reality, stated directly and without benefit of euphemism, is this: The conditions of black ghettos today reveal as much about the disintegration of urban black society as they do about the indifference, hostility or racism of white society. Institutional barriers to black participation in American life still exist, but they have come down considerably and everybody knows it. Everybody also knows that other barriers have grown-up within the urban black milieu (and not only there) in these last decades which are profoundly debilitating. These effects are most clearly manifest in patterns of behavior among young men and women in these communities--involving criminal offending, early unwed childbearing, low academic achievement, drug use, gratuitous violence, and guns--that destroy a person's ability to seize existing opportunity. These behaviors have to be changed if broadly gauged progress is to come.

Here our social analysts, liberals and conservatives, have in my view failed to provide us with an adequate analysis of the situation. Liberals, like sociologist William J. Wilson of Harvard, have now acknowledged that behavioral problems are fundamental, but insist that these problems derive ultimately from the lack of economic opportunities, and will abate once "good jobs at good wages" are at hand. Conservatives, like Charles Murray of the American Enterprise Institute, have argued that these tragic developments in the inner cities are the unintended legacy of a misconceived welfare state. If the government would stop underwriting irresponsible behavior with its various transfer programs, they argue, poor people would be forced to discover the virtues of self-restraint.

Interestingly, these polar positions have something very important in common. They both implicitly assume that economic factors lie behind the behavioral problems, even behaviors involving sexuality, marriage, childbearing and parenting which reflect people's basic understandings of what gives their lives meaning. Both points of view suggest that behavioral problems in the ghetto, or anywhere else for that matter, can be cured from without, by changing government policy, by getting the incentives right. Both smack of a mechanistic determinism, wherein the mysteries of human motivation are susceptible to calculated intervention. Both have difficulty explaining why some poor minority communities show a much lower incidence of these behavioral problems than others, and are apparently less influenced by the same objective economic forces.

Economic forces are no doubt important, but there is something sterile and superficial about a discussion of ghetto poverty which never looks beyond them. Ultimately, such a discussion fails to engage questions of personal morality, character and values. Raising the issues of morality and values is vitally important, and yet very difficult to do in a pluralistic democracy without offending the sensibilities of some citizens, since we do not agree among ourselves about such matters.

Fortunately, government is not the only source of moral authority. In every community there are agencies of moral and cultural development which seek to shape the ways in which individuals conceive of their duties to themselves, their obligations to each other, and their responsibilities before God. The family and the church are primary among these. These institutions have too often broken down in the inner city; they have been overwhelmed by an array of forces from within and without. Yet, these are the natural sources of legitimate moral teaching--indeed, the only sources. If these institutions are not restored, the behavioral problems of the ghetto will not be overcome. Such a restoration obviously cannot be the object of programmatic intervention by public agencies. Rather, it must be led from within the communities in question, by the moral and political leaders of those communities.

The mention of God may seem quaint, or vaguely inappropriate, but it is clear that the behavioral problems of the ghetto (and, I stress, not only there) involve spiritual issues. A man's spiritual commitments influence his understanding of his parental responsibilities. No economist can devise an incentive scheme for eliciting parental involvement in a child's development which is as effective as the motivations of conscience deriving from the parents' understanding that they are God's stewards in the lives of their children. One cannot imagine effectively teaching sexual abstinence, or the eschewal of violence, without an appeal to spiritual concepts. The most effective substance abuse recovery programs are built around spiritual principles. The reports of successful efforts at reconstruction in ghetto communities invariably reveal a religious institution, or set of devout believers, at the center of the effort.

To evoke the issue of spirituality is not to deny the relevance of economic science or of public action. There are great needs among the inner city poor, of the sort identified in the Kerner Commission's report, toward which public efforts should continue to be directed. But if we do not want to be marking the one hundredth anniversary of that report's release with a reflection on the wretched condition of America's ghettos, then we must be willing to cautiously and sensitively expand our discourse about this problem beyond a recitation of the crimes of racism and public neglect. Some of the work which needs doing, and which is being undertaken by courageous and dedicated souls even now, involves giving support to the decent and virtuous people in these communities whose lives are a testimony to the power of faith.

III

I would like to conclude this address by discussing how a concern over moral values, the importance of which I have been stressing, can be related to the realm of law and public policy. A bumper-sticker version of my argument to come might read: "Conversion, not coercion." Modernity is upon us, and it will not be rolled back by public policy. If the country faces cultural problems, we stand a much better chance of fixing them not through government, but through spiritual revival and the building of new, energetic, and vital religious communities distinct from the state. This is a lesson we have learned sometimes painfully in the last half-century. And it's a lesson of particular relevance today.

To be sure, we can send signals about moral commitments through public policy. We can legislate against drugs, divorce, pornography, or premarital sex. We can funnel resources into mediating private institutions-- by making charitable organizations tax

deductible, for example. And we can intervene in citizens' lives--through welfare-eligibility rules, or the criminal justice system--to encourage responsible behavior.

But when all is said and done, these instruments are insufficient to the moral task at hand. Public policy has only limited reach, and, inevitably, even modest undertakings have negative repercussions. The signaling of values through law, in the face of widespread behavior contradicting the values in question, breeds cynicism of legal institutions and, in turn, undermines the law's very authority. The fiasco of Prohibition taught us that.

Expanding the charitable activities of private institutions through the infusion of tax-deductible funds risks changing the very essence of those institutions, distorting their missions. State-sanctioned coercion, meanwhile, is an extremely crude tool. One has only to consider the largest such undertaking, the prison system--populated by one and a half million souls on any given day--to see the point: Incarceration on such a scale may be required, but nobody seriously maintains that it does anything to promote morality.

Yes, divorce can be a terrible, tragic thing, particularly for the children; the growing interest in making divorce more difficult seems appealing. Yet even among intact families parents are devoting less time to children often because both parents must work in order to make ends meet. Many of today's adults may be more reluctant to sacrifice their own personal fulfillment in order to promote their children's development. If so, I would suggest that this is the real disease, with divorce being but a symptom. And it's something that will not be solved by putting more hurdles between divorcing parents and the courthouse.

Many Americans lament the extent of abortion in the land. Although I am not a constitutional lawyer, I would agree with its critics that *Roe v. Wade* is bad law. Yet, what do we really think would happen if abortion were left to the state legislatures? Do we really think many would make it illegal? When Mother Teresa, speaking about abortion, lamented that we now have a world in which a baby is not safe from its own mother, she was addressing the heart of the matter and the need for a solution that can't be found in a statute book.

Indeed, the desire to use laws as an instrument for fending off the corrosive effects of modernity is extremely problematic. Not least are the dangers of hypocrisy and self-righteousness. Moralizing through politics and the law can be a seductive way of deflecting attention from the mote in one's own eye.

When there is breakdown in the moral fabric, it is necessary to ask who has the authority to reconstruct it. And, more importantly, what is the source of that authority? There is something about human relationships that is essential to the establishment of this authority. Consequently, the building of authoritative and respectful relationships where they do not now exist becomes a basic requirement if we are to be serious about forestalling the corrosive effects of modernity. That is not an activity amenable to being advanced through cultural politics and the law.

This point is of special importance when thinking about moral decay in the inner city. We are all in this together. Those people are our people, whether they're black or white, crack-addicted, juvenile felons, or worse. And speaking as a Christian, the imperative is love. We should be embracing these people, not demonizing them. I deeply regret that the public posture of Christian political activists does not reflect that compassionate stand more convincingly.

I am sympathetic to the efforts to strengthen civil society about which we hear so much these days, including the devolution of responsibilities for social reconstruction from government into the voluntary sector. But my conservative disposition makes me cautious about taking a set of simple ideas and using them to restructure a vast social undertaking. Millions of Americans now depend on a welfare-state apparatus which, however flawed, also has some great achievements to its credit. I would not quickly change the institutions on which so many people rely without having a pretty clear idea about what I expected to happen as a result of doing so. So far, welfare reform has produced encouraging results, but much can still go wrong.

I am also ambivalent about a vision that sees churches as the primary instruments of social service. Of course, the charitable work of religious institutions must go forward, but I am troubled at the thought of churches becoming vehicles for funneling billions of dollars into the hands of needy people. Churches should, first and foremost, be about spirituality. If they were, the parishioners would go out into the world and do what needed to be done on their own.

There is a place in the scriptures where the Apostle Paul writes: "For though we live in the world, we do not wage war as the world does. The weapons we fight with are not the weapons of the world. On the contrary, they have divine power to demolish strongholds." Politics and policy are worldly weapons. Those of us concerned about moral decay should never lose sight of their limits. Thank you.