



## THE MARKET PROCESS AND THE PATH TO FLOURISHING

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### A CULTURE OF NEGATIVITY

Although Christians are called to voice redemption and hope in a fallen world, it is easy to be discouraged by what we see around us today. Employment is lower than we would like; pollution is higher than would like. We want less crime and better education; lower debt and higher wages. All of these issues are legitimate concerns for Christians today.

The meta-narrative of Scripture weaves our individual journeys together, explaining our mission as God's redeemed people to bring about flourishing. We are called to be part of God's redemptive process as salt and light and should always strive for a better world. However, we are often caught up in the negativity of the world in which we live. The five o'clock news is full of bad news about bad people doing bad things.

Don Henley penned a cynical song about this in the 1980s called "Dirty Laundry." It starts off with this verse, "I make my living off the Evening News/ Just give me something-something I can use/ People love it when you lose/ They love dirty laundry." For Henley, the situation just gets worse as the song progresses.

This overwhelming glorification of negativity has created a culture of fear. Columnist Lenore Skenazy calls it "worst-first thinking—dreaming up the very worst case scenario and acting as if it's about to happen."<sup>1</sup> We close our doors to our neighbors in an effort to protect ourselves from the terror lurking around the corner. That terror takes many forms: fear of cancer, earthquakes, debt, divorce, crime, drugs, germs,

accidents, and much more. While these fears may be legitimate at certain times, they should never consume us. Focusing too much on fear causes us to miss the beauty of the world in which we live.

As Christians, we must live by a different narrative. Life is difficult, even for those of us who live in the affluence of the twenty-first century Western world. Millions of people, however, face the daily struggle of mere survival—finding food, seeking shelter, and escaping oppression—and don't have access to the vast abundance that modern markets bring. Markets play a powerful role in the Christian command to bring about flourishing.

Each and every one of us can help bring that flourishing to others. We can be a glimpse of hope for those living in darkness. We know that this fallen world is not the end because God's kingdom is coming. With this in mind, we can work

toward restoring the world and be a positive force for flourishing through market trade as we help bring light out of darkness.

## **A CULTURE OF HOPE**

*“Now faith is the assurance of things hoped for, the conviction of things not seen.”<sup>2</sup>*

It is important for us as Christians to remember why we have hope, as well as the impact that hope has on the culture around us. Faith, hope, and assurance are interrelated. Faith exists in the present and is rooted in the assurance of Jesus' provision in the past while our hope focuses on the future. These concepts are all tied directly to our journey on this earth, in which we can—and will—make eternal contributions.

As Christians called to be salt and light to the rest of the world, we have a unique opportunity to not only encourage flourishing through our faith and our work, but also to share our hope with others. We can be the light, and we can provide glimpses of flourishing. Those glimpses can transform lives, both materially and spiritually.

Scripture is clear that God's good intentions for us are relevant here and now. Jeremiah 29:11 declares, “For I know the plans I have for you, declares the LORD, plans for welfare and not for evil, to give you a future and a hope.”

We should not place our ultimate confidence in material things of this world. However, material amenities afforded by long-term wealth creation provide hope for a dark world. The recent drop in poverty rates in the developing world should give rise to a new rhetoric of hope. Worldwide, we see glimpses of flourishing that were unthinkable even three short decades ago. Yet we are so focused on negativity that we ignore positive news and changes in our midst. In 2011 YaleGlobal reported:

*It is customary to bemoan the intractability of global poverty and the lack of progress against the Millennium Development Goals. But the stunning fact is that, gone unnoticed, the goal to halve global poverty was probably reached three years ago. We are in the midst of the fastest period of poverty reduction the world has ever seen.*

*The global poverty rate, which stood at 25 percent in 2005, is ticking downwards at one to two percentage points a year, lifting around 70 million people—the population of Turkey or Thailand—out of destitution annually. Advances in human progress on such a scale are unprecedented, yet remain almost universally unacknowledged.<sup>3</sup>*

There is a reason for hope and Christians should be part of the reason. We have the power and responsibility to show how the kingdom is coming in this world, to show people how things could be, and to bring about flourishing.

Did you know that if you are reading this on a computer, you are one of the richest people ever to have lived in the history of the human race? Kings and queens of the past could not have even dreamed of the things that you and I take for granted each and every day. This is the power of our God-given creativity harnessed through markets. Instead of living consumed by worry and fear about the possibility of what might happen to us, what if we instead focused on what we have?

It is astounding, and even miraculous, that humans—Christian and non-Christian alike—have come together to give us computers on which to read and produce. Are we not in total and complete awe that we can jump into a seat on an airplane and hurl through the sky and land safely somewhere that would take us days or weeks to get to on our own? We even get WiFi on some of these flights.

It is simply amazing that when I am cold or hot, I walk over to a small computer attached to my wall, the thermostat, which changes the temperature of my house to my liking. Though those are considered luxury perks, we have made the same remarkable advances in reducing disease and increasing life-expectancy. For example, we no longer have to worry about polio. Most humans before us have feared paralysis or death from polio epidemics, which were particularly common among children. Humans had not even identified the condition until 1840. We developed a vaccine to guard against it years later in 1952.<sup>4</sup> The Center for Disease Control reports that since 1988, polio incidence has dropped more than ninety-nine percent.<sup>5</sup>

Two-hundred years ago in the Western world, women had few opportunities outside the home, and children began working at very young ages. Today, we have virtually eliminated child labor in the developed world and women have opportunities to run companies and even countries. Our children are educated and often attend college before they do a day of work. This luxury was unheard of throughout most of human history.

## **THE ROLE OF MARKETS IN GENERATING FLOURISHING**

In his Nobel Prizewinning essay “The Use of Knowledge in Society” F.A. Hayek quotes Alfred Whitehead when he says:

*It is a profoundly erroneous truism, repeated by all copy-books and by eminent people when they are making speeches, that we should cultivate the habit of thinking what we are doing. The precise opposite is the case. Civilization advances by extending the number of important operations which we can perform without thinking about them.<sup>6</sup>*

Hayek uses this quote to demonstrate the astounding power of the market process. Hayek continues by saying that “we make constant use of formulas, symbols, and rules whose meaning we do not understand and through the use of which we avail ourselves of the assistance of knowledge which individually we do not possess.”<sup>7</sup> In this essay, Hayek helps us to understand the awe with which we should embrace the modern market as participants. Though we consume products, gadgets, technology, food, and medicine, we are free to be ignorant beneficiaries of all these things.

For example, most of us have no idea how a thermostat works, nor do we need to possess that information. We simply need to know how to adjust the device so that the temperature changes. When it breaks, we call a specialist who has invested much time and many resources to be on call to respond to our heating and cooling needs.

Here is a small thought experiment that may help us to understand the blissful ignorance that modern markets afford us each and every day: try to make a list of the things you do before you leave your house each morning. A sample list might include turning off alarm, getting out of bed, walking to the bathroom, showering, brushing teeth, taking vitamins and prescriptions, getting dressed, feeding and clothing children, brushing hair, feeding and walking the dog, making coffee, doing devotions, eating breakfast, checking email and Facebook, and getting in car.

We do all of these things daily without ever thinking about them. Market trade affords us that luxury. C.S. Lewis put it this way:

*Few of us have followed the reasoning on which even ten percent of the truths we believe are based. We accept them on authority from the experts and are wise to do so, for though we are thereby sometimes deceived yet we should have to live like savages if we did not.<sup>8</sup>*

This is a drastically oversimplified list which glosses over millions of details required to bring every item into our homes that we need to carry out such simple functions. Let’s start with the seemingly “simple” items. We brush our teeth with a brush and “paste,” simple tools that we have no concept of how to make on our own.

We wash our hair with shampoo made by people across the country or the world. We brew coffee imported from across the globe without the need to ever grow or cultivate a coffee bean. We live in such wealth that we keep pets in our home as companions and feed them special food that we took no part in creating.

Thinking about the “complicated” items is even more mind-boggling. You voluntarily get in a car with your spouse or children or loved ones and travel at fifty miles per hour down the highway, most of the time feeling perfectly safe. You have no idea who built your car nor are you aware of their race, gender or religious faith. Yet you trust that your car will do its job of keeping you safe most of the time. What about that tiny belt across your lap and chest? That was engineered by people who you do not know and most likely will never meet. The computer-sensor-driven bag of air behind your steering wheel and in your door panels further protects you and those in your car.

These modern marvels are brought to us by anonymous participants in the market who are pursuing their jobs and skills as they see fit. We all wake up every day wearing proverbial blinders, caring for our families and working in specific industries. We are largely unaware of the broader context of what is happening around us.

Caring for local needs first is biblical.<sup>9</sup> According to theologian John Schneider, the biblical concept that we care for our family before extending our charity to others is known as “moral proximity.”<sup>10</sup>

When the extent of the market is limited, this compromises our ability to care for and serve others. Modern, global markets open up a world of opportunity for us to care for and serve people whom we will never meet. Markets, then, are one way to live out the great commandment: to love God and our neighbor.<sup>11</sup> How do we love them? One way is by serving them and meeting their needs. Each day when you get up to do your job, whether you work as a software engineer or a sous-chef, you are serving others.

Modern global markets provide countless ways for us to bring our varied and unique skills to serve others. They provide a setting for us to live out our talents and create real value. Considering how new global free markets are in human history, this is a wonderful thing.

Markets astoundingly facilitate cooperation apart from human design. Hayek astutely pointed out that the economic problem that we are trying to solve is not a matter of plugging known variables into a computer which will tell us what to do. Rather, he says:

*The economic problem of society is thus not merely a problem of how to allocate ‘given’ resources—if ‘given’ is taken to mean given to a single mind which deliberately solves the problem set by these ‘data.’ It is rather a problem of how to secure the best use of resources known to any of the members of society, for ends whose relative importance only these individuals know. Or, to put it briefly, it is a problem of the utilization of knowledge which is not given to anyone in its totality.<sup>12</sup>*

## USING OUR GIFTS TO BRING HOPE

It is astonishing that we enjoy any of the luxuries we take for granted every day. God, in his perfect plan, created us each with unique gifts to contribute to the world. To make those contributions, we need others. Since our knowledge is limited, we must focus on our gifts and trade with others. Markets harness this limited and dispersed knowledge for the betterment of all mankind. The Western world has accumulated wealth because it has embraced institutions that foster market cooperation and harness human ingenuity. Conversely, the developed world suffers when people cannot use their gifts to serve others.

We bring our inherent dignity to our work in the world. We are called to embrace different vocations. The beauty of our interdependency is that the neurosurgeon needs the hospital janitor just as much as the hospital janitor needs the neurosurgeon. Neither could flourish without the other, nor without countless other jobs that make both of their professions possible. Using this knowledge about the power of markets which harness our God-given creativity, we can turn from pessimism and fear to hope.

The Enron scandal aroused our culture of fear when it broke at the end of 2001. Journalists, pundits, and academics decried the greed of corporate America and effectively used it to engage in knee-jerk policies intended to shield us from future corporate villains. Millions were asking how Enron happened and how the disaster could have been prevented. Let's turn this question on its head, ask instead: Why doesn't Enron happen all the time and everywhere? What is it about our institutional setting that makes Enron the exception and not the rule?

Hayek understood this best when he said, "Before we can even ask how things might go wrong, we must first explain how they could ever go right."<sup>13</sup>

If no single person controls society or possesses the required knowledge to facilitate economic activity, how do we produce anything valuable? How is it possible that I not only have a sophisticated computer-powered car to get me safely to and from work, but that I had dozens of choices in my price range? Shouldn't we just be struggling to survive in an anarchistic jungle?

Markets have brought about a level of flourishing unknown throughout most of human history. Our participation in the market process allows for further flourishing. Christians must understand our gifts and comparative advantages—those things we can produce at lower cost relative to others—and pursue them in the marketplace with integrity.

Life in our fallen world is difficult. Even amidst affluence, it is far from ideal. Many live under daily oppression and struggle to find the basic food, shelter and water they need to survive. Many live under constant political oppression and corruption. However, the Christian message offers hope as we continue to work towards global flourishing. We must be positive in our minds and spirits as we share our hope through our work and our service to others. Markets provide the setting in which we can use our work and skills to serve others and bring about higher levels of flourishing. In stark contrast to most of human history, our society is thriving and that is no accident. We live in an era that promises greater levels of flourishing for all income levels. Christians who use their skills through their work and through trading with others can serve the common good and offer the world hope. Markets facilitate our ability to counter today's culture of fear and pessimism, allowing us to bring the promise of flourishing to a dark world.

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<sup>1</sup> Lenore Skenazy, "Smothered by Safety," *Cato Unbound: Children's Safety and Liberty*, February 4, 2013, <http://www.cato-unbound.org/2013/02/04/lenore-skenazy/smothered-safety>.

<sup>2</sup> Hebrews 11:1, ESV.

<sup>3</sup> Laurence Chandy and Geoffrey Gertz, "With Little Notice, Globalization Reduced Poverty: UN millennium goal to reduce poverty may have been achieved," *YaleGlobal Online: A Publication of Yale Center for the Study of Globalization*, July 5, 2011, <http://yaleglobal.yale.edu/content/little-notice-globalization-reduced-poverty>.

<sup>4</sup> John Rodman Paul, *A History of Poliomyelitis*, Yale studies in the history of science and medicine, (New Haven: Yale University Press, 1971), 16–18.

<sup>5</sup> Centers for Disease Control and Prevention, "Updates on CDC's Polio Eradication Efforts" April 19, 2013, <http://www.cdc.gov/polio/updates/>.

<sup>6</sup> Alfred North Whitehead, *An Introduction to Mathematics*, Cambridge: H. Holt and Company, 1911.

<sup>7</sup> F. A. Hayek, "The Use of Knowledge in Society," *The American Economic Review* 35, no. 4 (1945).

<sup>8</sup> C.S. Lewis, "Why I am not a Pacifist," *The Weight of Glory: And other Addresses* (New York: HarperCollins Publishers, 1980), 67.

<sup>9</sup> Proverbs 13:22; I Timothy 5:4.

<sup>10</sup> John R. Schneider, *The Good of Affluence: Seeking God in a Culture of Wealth*, (Wm. B. Eerdmans Publishing Company, 2002).

<sup>11</sup> Matthew 22:36-40, New International Version.

<sup>12</sup> F.A. Hayek, "The Use of Knowledge in Society," *The American Economic Review* 35, (1945).

<sup>13</sup> Friedrich Hayek, "Economics and Knowledge" (Presidential address delivered before the London Economic Club, November 10, 1936), <http://mises.org/page/1411>.