BOOK REVIEW: 

Why Nations Fail: The Origins of Power, Prosperity, and Poverty 

and 

The Poverty of Nations: A Sustainable Solution

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Throughout his ministry on earth, Jesus admonished his followers to care for and bring good news to the poor (Matthew 25:40; Mark 10:21; Luke 4:18). A similar message is echoed by both Old Testament (Deuteronomy 15:11; Proverbs 19:17) and epistle writers (James 1:27; I John 3:17-18), making it explicitly obvious that concern and provision for the poor is an essential part of the Christian life. Loving God and loving others requires actions that help those lacking material possessions (James 2:15-17). Millennials, the generation born after approximately 1982, have demonstrated a passion for addressing the needs of those in poverty, both within developed countries and around the world (Telefonica, 2014). Our role as Christians, combined with the interests of college-age students, ensures that the causes and alleviation of poverty are crucial topics on the campuses of Christian colleges and universities.

Although poverty exists in developed countries, the majority of the world’s poorest citizenry are concentrated in countries within Central America, sub-Saharan Africa, and Asia. Although the number of people living in extreme poverty has declined during the last thirty years, just fewer than one billion people, or approximately 17 percent of the world population, continue to live at or below $1.25 per day. This is down from 52 percent in 1981 (World Bank, 2014). At the same time, many developed countries enjoy economic prosperity and the quality of life that generally accompanies it. Two recent books examine the question of why some countries are generally prosperous while others appear mired in a cycle of poverty. Economist Daron Acemoglu and political scientist/economist James Robinson (2012) examine the issue from a secular perspective in their book Why Nations Fail: The Origins of Power, Prosperity, and Poverty, while theologian Wayne Grudem and economist Barry Asmus (2013) “combine the findings of modern economics with the teachings of the Bible in an attempt to solve the age-old problem of world poverty” (p. 21) in writing The Poverty of Nations: A Sustainable Solution. Although the purpose of and general themes of the two books are relatively similar, key differences emerge in the presentation, depth of support, and their conclusions regarding the importance of culture. The key themes of each book are briefly discussed below, followed by an examination of the important differences.

Acemoglu and Robinson (2012) provide an extensive history of the countries they discuss in order to show how past decisions and events have impacted current prosperity. Beginning with a comparison of locations that are geographically close but economically divergent, the authors disprove widely accepted theories on poverty (geography, culture, and ignorance). Their overall premise is that a nation’s prosperity is dependent upon the nature of its economic and political institutions; inclusive economic and political institutions lead to poverty while extractive institutions lead to a nation’s failure. “Inclusive economics institutions...are those that allow and encourage participation by the great mass of people in economic activities that make best use of
economic growth is the secret to reducing or eliminating poverty and that growth is best achieved through a free market economic system. In the first portion of the book, the authors provide a description and examples of economic systems that did not work, along with a primer of the basic tenets and mechanics of a free market system. They identify private property and the rule of law as the economic and legal foundations for a free market, respectively. The latter portion of the book explains the governmental structures, freedoms, and values that are essential for promoting economic prosperity and the widespread reduction of poverty. Biblical support for each factor, as perceived by the authors, is also explained. The authors do not claim that adoption of all the factors is necessary for reducing poverty; however, these are factors that will move a country towards the goal of greater economic prosperity.

Although different terminology is used, the authors of these two books arrive at similar conclusions. Both pairs recognize the importance of economic and political institutions/systems that allow for participation by all subsets of a nation’s citizenry. Despite this similarity, there are also some key differences. The most obvious is the inclusion by Grudem and Asmus of a theological perspective.

Another difference is the emphasis Grudem and Asmus place on cultural values and norms. Although Acemoglu and Robinson recognize that cultural norms may support certain institutions, they largely dismiss the idea that cultural values impact economic inequalities (p. 57). In contrast, Grudem and Asmus believe the cultural values will determine the kinds of economic and governmental systems that are supported within a nation.

Both the writing style and research differ between the two books. While both books are written at a level that even young undergraduate students can easily read and understand, Grudem and Asmus are particularly careful to explain any terms that may be unfamiliar to a beginning economics student. Acemoglu and Robinson provide extensive historical and current analysis to support their positions, whereas Grudem and Asmus state their views with limited support or with support found in the writings of other economists. Grudem’s theology is largely Calvinistic, which may result in Christians of diverging theological positions to disagree with the scriptural support provided throughout the book. Alternative views of the selected Bible passages are generally not provided.

Given the differences described above, the potential classroom use of these texts also differs. The author of this review previously taught in a relatively secular institution that would have frowned upon the use of the Gruden and Asmus text. However, the Acemoglu and Robinson book was successfully incorporated into a Principles of Macroeconomics
course. Given the emphasis on both economic and political institutions, the Acemoglu and Robinson book would also be very useful in a course that is cross-listed with economics and political science. Both books are rather lengthy (405 and 545 pages); however, they are not difficult to read. In the principles course just discussed, groups of students were given different portions of the book to read and use as the basis for a research project on that section’s particular subject. This may be a viable option for instructors who are unable to assign the entire text as required reading.

REFERENCES


