

Hope and Poverty in Development Economics: Emerging Insights & Frontiers

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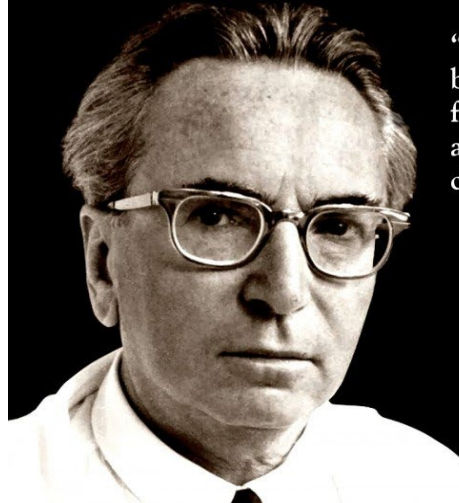
Bruce Wydick, USF

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Suffering & Hope in the Human Experience

- Ravages of WWII spark interest in positive psychology amidst intense suffering
- Billions have been lifted out of poverty since 1970s but abject poverty and deprivation persist in places
- In 2010s development economists engage hope and related concepts with similar motivation
 - Role of hope among the destitute and despairing?

Our Objective: Provide a perspective on the emerging work on hope and poverty – and discuss research prospects and frontiers

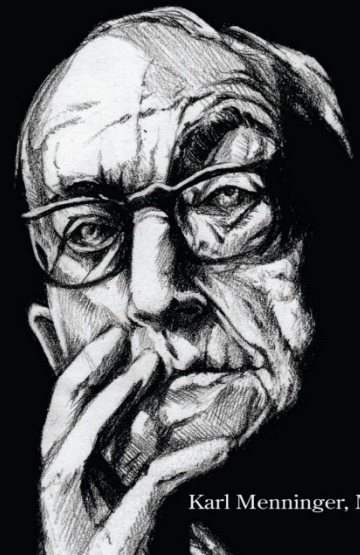


“Everything can be taken from a man but one thing: the last of the human freedoms—to choose one’s attitude in any given set of circumstances, to choose one’s own way.”

Viktor E. Frankl

*“... are we not now duty bound to speak up as scientists...about this ancient but rediscovered truth, the validity of Hope in human development?”
(1959)*

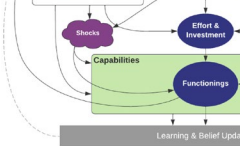
The Crime of Punishment

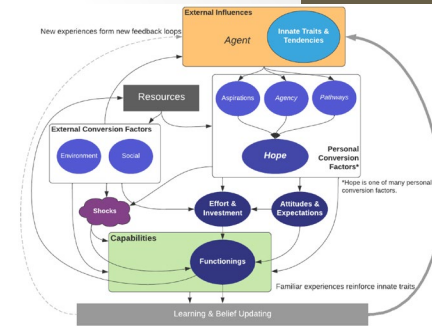


Karl Menninger, M.D.

Sen-Snyder Conceptual Framework

How does hope shape material prosperity?

- Constraints, complementarities and feedback loops
 - Sen's **Capability Approach**: Inherent value of freedom
 - Resources → *Conversion factors* → Capabilities → Functionings
 - External constraints can become internalized with persistent effects
 - Snyder's **Hope Theory**: Convenient point of departure
 - Hope as a way of thinking
 - {Aspirations, pathways, agency} analogs in economic models
 - Complementarities among hope components are key
 - Are capability sets and constraints binding or slack?
 - Feedback loops, openness to new experiences and path dependence
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- The diagram illustrates Sen's Capability Approach. It shows a flow from 'Resources' (purple oval) to 'Capabilities' (green rectangle) to 'Functionings' (blue oval). 'Resources' also leads to 'Effort & Investment' (blue oval), which then leads to 'Functionings'. 'Functionings' leads to 'Learning & Belief Update' (grey rectangle). 'Learning & Belief Update' feeds back into 'Resources' and 'Capabilities'. 'Effort & Investment' also feeds back into 'Resources'.



Overview of Recent Research

- **Aspirations** (Fruttero et al. 2021)
 - *Subjective expectations and reference-dependent utility functions*
 - Education: Many studies document how aspirations emerge among parents/children and how they shape outcomes
 - Employment: A few studies test impact of aspirations on occupational choice and earnings, often differentiated by gender
 - Enterprise: A few studies assess aspirations among entrepreneurs and impact on enterprise performance
- **Agency**
 - *Implied by optimization models of behavior*
 - Recent work on self-efficacy and locus of control and a variety of outcomes: education, employment, agricultural technology adoption, entrepreneurship
- **Pathways**
 - *Implicit (inverse) feature of most economic models (constraint)*
 - Explicit empirical feature in mentoring (peer-effect) interventions

Overview of Recent Research

	Education		Employment		Enterprise	
Aspirations	Gagete-Miranda 2021, Fabregas 2017, Maertens 2013, Serneels and Dercon 2021, Pasquier-Doumer and Brandon 2015, Bernard et al. 2019, Bernard and Seyoum Taffesse 2014, Garlick et al. 2021, Riley 2017, Chiapa et al. 2012, Janzen et al. 2017, Ross 2019	Bhan 2020, Wydick et al. 2013, Ross et al. 2021, Glewwe et al. 2018	Guyon and Huillery 2021, Beaman et al. 2012		Dalton et al. 2018, Cecchi et al. 2021	Rojas Valdes et al. 2022
Agency	Roy et al. 2018		Roy et al. 2018, McKelway 2021		Abay et al. 2017, Taffesse and Tadesse 2017, Weupper and Sauer 2016, Malacarne 2019	
Pathways	Eble and Hu 2020				Lafortune et al. 2018, Brooks et al. 2018	

Emerging Patterns & Insights

Hope-related interventions tend to produce

- consistent and strong effects on short- and even medium-term outcomes in **education**
- far more modest, mixed and context-specific effects in **employment** and **enterprise**

Possible explanations

1. Target beneficiaries
Impressionable children and malleable beliefs
2. Conventional input constraints
Marginal productivity of hope-induced increase in time and effort
3. Feedback loops and discovery
{rapid and direct} vs {slow and stochastic} feedback

Frontiers & Future Prospects

- **Complementarities among Hope Theory components?**

Aspirations change quickly then fade

Pathways and agency change slowly but stick

But need evidence on component complementarities

- **Is *induced* hope different than *innate* hope?**

Probably – with implications for research questions and methodologies

- **How WEIRD is Hope Theory?**

Communal, emotional and spiritual dimensions of hope

Vicarious hope can fill life with meaning and purpose

WDR 2015: “Development professionals may assume the poor are...less hopeful...than they in fact are.”

- **Second-order volition (Frankfurt) and proleptic reasoning (Callard)?**

Transformative aspirations vs routine goals

Aspiring to acquire desires and values

Weight of poverty may make escaping from it more transformational than routine