

Thoughts on a biblical economic worldview or Godonomics

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In this ninth extract we summarise the Christian case for capitalism.

The Christian case for capitalism is the case for capitalism

Christian capitalism and its understanding of the nature of the free market, differs from secular capitalism in the values and motivations which underpin it. The institutional framework is the same, but the values holding the system together are very different.

For example:

- The biblical motivation is surely to serve God and all His children. In so doing we are to be very mindful of the biblical golden rule to do to others whatever you would like them to do to you. The Bible says that this is the essence of all that was taught in the law and by the prophets (Matthew 7:12-14).
- Caution regarding the correct biblical attitude towards wealth (1 Timothy 6:10, Matthew 6:24, Matthew 11:20, Mark 8:36, Matthew 19:24). How one uses that wealth is foundational to Christian capitalism. The creation of wealth is a calling and to be used to expand His Kingdom. Seek ye first His kingdom (Matthew 6:33). Christians are called to create wealth and then use it to fulfil their prayerfully led giving. John Wesley put it best: 'Earn all you can. Save all you can. Give all you can.'
- Profit is commended. It is not the secular sin described in a Marxian worldview. An ideal wife is described as one who is good at making a profit (Proverbs 31). The Parable of the Talents (Matthew 25: 14-30 and Luke 19:12-27) clearly supports the concept of business value added and risk taking. The master instructs his servants to: 'Do business until I come.' (Luke 19:13). In all toil there is profit (Proverbs 14:23). But we are told to watch out and not be greedy, because life does not comprise the abundance of our possessions (Luke 12:15). From an economic perspective perhaps the most obvious lesson to fall out of biblical warnings on wealth and materialism is surely that profit is a by-product of capitalism, not the primary objective, which is to serve God and God's

children. But this is very different to a Marxian worldview which sees profit as the consequence of exploitation, as opposed to a return to entrepreneurial risk taking as endorsed in the 'Parable of the Talents' (Matthew 25:14-30).

- Christian capitalism is counter intuitive e.g. it is more blessed to give than to receive (1 Timothy 6:17-19). God's selfless hand can also be seen in the case of supporting free trade and not protectionism - and in so doing rejecting the lie that tariff barriers protect. The greatest beneficiaries of the abolition of the Corn Laws in the 19th century were the poor who could buy cheaper food. The post-Brexit economics debate in the UK also highlights how selfless economic policies can work best. The 'Holy Grail' of Brexit is often thought to be zero tariffs on UK exports to the EU. However, from a classical economics perspective, the aim is zero tariffs on UK imports from the whole world. This benefits the economy in 2 ways. First, zero tariffs on imports means that consumers gain from purchasing at lower world prices. Second, trading at world prices provides a competitive spur to domestic producers - which increases productivity and incomes in the long term. Paradoxically, and counter intuitively from a worldly perspective, opening up your markets to foreign competition, makes everybody better-off. Selfless economic actions are rewarded with greater prosperity.

Wealth is a snare

Some of God's strongest economic statements in the Bible are directed at opposite ends of the income distribution - rich and poor. The Bible does not condemn wealth¹. Indeed, it is highlighted as a blessing from God (e.g. to Abraham, King David, King Solomon and Job once he was restored). But wealth is also portrayed as a snare or a noose.

A selection of the biblical warnings about the dangers of materialism include:

- Seek ye first His kingdom (Matthew 6:33).
- The love of money is the root of all evil (1 Timothy 6:10).
- You cannot serve 2 masters, God and mammon (Matthew 6:24).
- Store up treasures in Heaven, not on earth (Matthew 6:20).

¹ The Bible also does not endorse a prosperity, health and wealth gospel. In this world you will have troubles (John 16:33).

- For what does it profit a man to inherit the whole world and lose his own soul? (Mark 8:36).
- It is easier for a camel to pass through the eye of a needle than for a rich person to enter the Kingdom of Heaven (Matthew 19:24).

The Bible warns that the more rampant we are in consumption the poorer we will be in spirit. As Christians, our motivation for what we do with our wealth will ultimately determine whether or not it is a blessing or a snare, but the fact that it can be a blessing is an endorsement of the free market.

Alongside God's warnings about the dangers of materialism are His concerns for the poor and needy. Time after time God declares His desire for justice for the poor. Scripture tells us that the poor will always be with us, but it also states (Deuteronomy 15:4-5) that if the Israelites obeyed all God's rules, there would be no poor - before immediately afterwards restating the injunction to give to the poor, because they will always be with us (Deuteronomy 15:11). In other words, God's economic rules have never and will never be fully implemented in this fallen world² and that is why the poor will always be with us.

Unless the Lord builds the house

Psalm 127:1 states; 'Unless the Lord builds the house its builders labour in vain'. The Christian case for capitalism is the case for capitalism. Griffiths (1982)³ argues that: 'Humanism cannot necessarily generate those values which are crucial if the market economy is to survive. Since the beginnings of industrialisation these values have been provided by Christianity'.

Griffiths makes the strong point that secular humanism in and of itself cannot guarantee the values necessary for capitalism to survive and thrive. The most obvious example being the growth of socialism and Marxism over the past 150 years. Secular humanism is happy to bite the hand that feeds it.

² Fallen human nature means that God's economic rules have never been fully implemented, and even if they were, would almost certainly run into problems due to a subsequent growth in materialism and atheism. Wealth and pride would turn people away from God, and that in turn would undermine economic performance.

³ P.37, *Morality and the Market-place*, Brian Griffiths, Hodder & Stoughton, 1982.

The fact that capitalism works is clear, but the slide towards atheism means that fallen people (the sinners) begin to behave in ways which undermines capitalism (the system). Kristol (1979)⁴ has written that ‘Capitalism survives because it still satisfies the basic simple impulses of ordinary men and women. It will not continue to provide them, however, without the bedrock provided by the Judeo-Christian tradition that ordinary men and women need – that we all need. To the degree that organised religion has decayed and the attachment to the Judeo-Christian tradition has become weaker, to that degree capitalism has become uglier and less justifiable.’

Stapleford (2002)⁵ wrote: ‘The real threat is the movement of nations into the post Judeo-Christian era of relativism. Can these affluent societies, can any society, thrive and survive in defiance of the absolute transcendent authority of God? Without a moral foundation can democratic institutions function? Without democratic institutions there is not freedom of religion. And without religion there is no institution to challenge the power of government’. Herein lies the enormous threat that in both the battle of ideas and subsequently the size of the state, the interventionist worldview is likely to balloon.

In contrast, Griffiths argues that a free market will function most effectively when there is: (1) Individual responsibility in terms of economic interaction, and with regard to pursuing God given talents. (2) A recognition that all people are made in God’s image and are therefore of infinite value beyond any crass measure of their income or wealth.

The debate about capitalism and values raises interesting questions of causality. The political left argues that the 1980s Reagan-Thatcher shift towards the market was the primary cause of a ‘claimed’ increase in greed and the uglier aspects of capitalism – our friend Gordon Gekko. Such a line of thinking is completely wrong-headed. It was surely the decline in the Judeo-Christian ethic and the rise in atheism during the post-war period which was responsible for any moral failings. In other words, if the Reagan-Thatcher shift had been undertaken during a period when the Judeo-Christian ethic was much stronger, any ‘ugliness’ would have been much less.

⁴ Irving Kristol in *The Disaffection from Capitalism and Socialism*, Michael Novak ed. AEI, 1979.

⁵ P.89, *Bulls, Bears & Golden Calves, Applying Christian Ethics in Economics*, John E. Stapleford, Inter-Varsity Press, 2002)