

Economic Thought: A Biblical Perspective

Williams K. Peprah,* Lucile Sabas, Carmelita Troy, Quentin Sahly, and Delynne Shepard
Andrews University, Michigan, USA

Abstract

This study joins the debate about whether capitalism or socialism best shows how the Bible sees economic interactions between people and, by extension, provides insights into how a Christian should live. Capitalism is based on the private ownership and control of resources and profit, which spread with the migration process of the Protestants. Socialism is based on the idea that the group or community should own the means of production and distribution to benefit everyone equally. This paper argues that biblical principles point neither to socialism nor capitalism as the appropriate economic framework for economic interactions and the organization of economic life in society. This assertion is based on how Jesus lived His life and various statements He made while here on earth, as presented in the Bible. The study demonstrates that Jesus is variously portrayed as a revolutionary socialist and a compassionate capitalist, and that Christians are called to responsibly manage the resources entrusted to them by God, for there is accountability for every economic choice and preference.

Keywords: Economic System, Capitalism, Socialism, Christian Economic Life

Introduction

Christian business scholars have debated the best way to “control” the world and make the most of the world’s limited resources for hundreds of years (Nelson, 2021; Marinovic, 2016; Percy, 2015). As a result, the idea of the development of an economic system that would better shape lives and the societies we live in has become a major concern. Especially amidst the political turmoil and its uncertain economic outcomes, Christians are still trying to understand which type of economic system would make the model of human interactions more appropriate for an authentic faith. This research joins the debate by adopting an approach according to a biblical perspective.

Based on the Bible, it is important for Christians to find and understand the best way to interact with others in line with God’s will and how to manage and use the resources God has provided. Genesis 1 shows how God created the heavens and the earth and everything in six days, including humans in His image (verse 27), and asked humans to subdue the earth (verse 28). God gave humans the power to rule over all of God’s creatures. They were to make choices to put God’s creatures and resources into effective

use as stewards, “for the earth is the Lord’s, and the fullness thereof; the world, and they that dwell therein” (Psalm 24:1 KJV; cf. 1 Corinthians 10:26). The human quest to choose how to use these resources efficiently and optimally has resulted in various economic systems, among which capitalism and socialism are the most discussed in academia. According to Johnson (2016), capitalism and socialism cannot be the best choices because Christianity sees them as accepting oppression and greed. To examine more closely whether the biblical narrative best supports the tenets of capitalism or socialism, the researchers have adopted a qualitative conceptual methodology whereby they analyze the content of various documents, including the Bible. The answer to this question is complex, although the analysis presented below provides some answers as a contribution to the existing literature. The study contrasts both economic systems, capitalism and socialism, then subsequently analyzes the relevance of each within the context of certain biblical Scriptures.

Capitalism is an economic system in which production and distribution methods are owned privately (Nester, 2018). Capitalism, commonly called market economy or liberalism, relies on

*Contact author: peprah@andrews.edu

market forces to set pricing and output. Businesses compete for market share and earnings, and customers make self-interested choices. It can be argued that capitalism focuses on the individual looking out for their own best interests. According to McLean and McMillan (2014), socialism is an economic system where the public owns and controls the organization of production and distribution. As such, socialism, under ideal circumstances, focuses on social equality and fairness.

Historically, beginning in Reformation period with the ninety-five theses of Martin Luther challenging the theology of the Roman Catholic Church in 1517 (Arnold, 1999), some major ideas based on capitalism and socialism were promulgated. Fanfani (1984) asserted that the Catholic understanding of human nature and creation is inherently pro-state intervention and cannot, for example, be in favor of the state granting complete and unrestricted freedom of labor without regard to the impact on the individual and society. Intervention of the state is one of the central themes of socialism, as stated by Karl Marx and Friedrich Engels (Marx et al., 1972), with the state having control over economic activities, including production, distribution, exchange, consumption, investment, and foreign trade (Grimsely, 2016). According to Chaigne and Corbin (1965), the Roman Catholic Church supports some ideologies of socialism. The Pope uses command-control mechanisms to be involved in the state's activities to regulate and control members' activities, even to the point of forgiving sin (Griffiths, 1984). This is despite the Bible stating that the power to forgive sin belongs only to God (Mark 2:10; Acts 2:38).

The birth of Christian socialism in the middle of the nineteenth century was a reaction to the selfishness and indignity of the laissez-faire system that had grown throughout the industrial revolution (Griffiths, 1984). According to Guzman and Hill (2017), capitalism spread with the migration process of the Protestants. The Protestants' economic spirit, untiring industry, and speedy accumulation of capital all encouraged the expansion of their economic way of life

everywhere they went (Fanfani, 1984). The Protestants operated on the principles of profit maximization and the free market. According to these principles, the market alone should direct and regulate the economy, including the production and distribution of goods. This self-regulating mechanism keeps the market in equilibrium and helps it achieve its best outcomes (Fanfani, 1984).

The Biblical Principles of Capitalism

Capitalism has been blamed for promoting self-interest over the biblical mandate of loving one's neighbor as oneself (Mark 12:31). Adam Smith postulated that individuals act according to their own self-interest as if being directed by some invisible hand (Daniari, 2018). The pursuit of each own self-interest would result in the betterment of society. This approach stands in direct contradiction to Christ's example of not considering first the interests of others. As Paul recommends in his letters to his fellow followers of Christ, "Let no one seek his own, but each one the other's interest" (1Corinthians 10:24) and "Let each of you look out not only for his own interests but also for the interests of others." (Philippians 2:4). Griffiths (1984) contends that capitalism is the market economy that depends on the establishment of private property and a system of competitive markets, which allows profits to be the criterion for survival and promotes individual freedom of choice, producing a competitive, unequal, and materialistic society that is completely at odds with what Jesus taught on these topics. He asserts that the Christian who aspires to be true to his faith must thus reject capitalism in its entirety because materialism, exploitation, and injustice are ingrained in the very structure of the system.

Acts of the Apostles chapter 4 shows that the first followers of the Christian faith functioned under a more socialist approach. The concern was for the well-being of all, even those widows who could not provide for themselves. Many were selling their property and sharing the proceeds with the community. Jesus not only preached the golden rule in Matthew 7:12, which says that

“do to others what you would want them to do to you,” but also lived it. Further, Jesus told the rich man in Mark 10:21 to sell what he had and come and follow Him. The life of Jesus testifies to a deep interest in, and compassion for His fellow man and, as such, was a complete abnegation of the self-focused behavior of the secular world surrounding Him. He lived only for others and His Father. The Bible makes no reference to any episode in which Jesus sought His own interests.

Whether capitalism is Biblical or not would lead us to distinguish between two biblical periods. The Judaic period and the Christian or Judeo-Christian period - which refers to the birth of Christianity. In the first period, we see a God who promises His people to be the head and not the tail (Deuteronomy 28:13), as well as to be the richest nation and never want. The lives of many men of God, such as Job, Abraham, Lot, Joseph, David, Solomon, and many others, demonstrate the material blessings the children of God could be granted at that time. Solomon was a successful entrepreneur who had developed an import-export business.

Also, Solomon had horses imported from Egypt and Keveh; the king's merchants bought them in Keveh at the current price. “Now a chariot that was imported from Egypt cost six hundred shekels of silver and a horse one hundred and fifty, and thus, through their agents, they exported them to all the kings of the Hittites and the kings of Syria (1 Kings 10:28, 29).

The Bible says Solomon made money as common as stone in the city (2 Chronicles 1:15), even though we can perceive some hyperinflationary pressures in this biblical context because too much money chased few goods (Smith, 2019). After being organized as a nation with a leader, the people of Israel experienced great prosperity linked to their obedience to God, followed by periods of decline resulting from disobedience. During these times of prosperity, the Bible does not mention the absence of private property or any limit on accumulation. However, the Bible condemns injustice and unfairness, the lending of funds at interest, and the indifference towards

the poor (Leviticus 25:35-37).

The second period, which is the antipode of the former, is characterized by selflessness and the promotion of an austere life devoid of material possessions and accumulation. Thus, the first Christians' lives were devoid of any individualism and pursuit of profit (Nelson, 2019). However, assuming that capitalism is not biblical would be too inclusive and too strong of a statement. The mode of organization within the group of first believers characterized the model of interaction among a small clerical community and was not supposed to define the relationship in the society. Saying that the first Christians were selling their properties applies a transaction between the sellers and buyers. Furthermore, the Old Testament does not make it clear that a form of capitalism is not present in God's society. The mode of economic organization would be rather associated with a form of regulated capitalism, with rules on how to deal with the poor, one's employees, and those to whom you grant loans.

The Biblical Principles of Socialism

If the previous arguments lead us to reject capitalism in the nascent Judeo-Christian period as pictured in the New Testament, we now ask the grounds for Christians to support socialism. Can we say that the New Testament's promotion of socialism is a Christian economic principle? For the purposes of this study, we describe socialism as an economic system having features centered on both the collective, cooperative, or communal ownership of the means of production, as well as the distribution of output so as to create mutual or equal benefit to all.

In the process of creation, the cooperative actions of the three persons of the Godhead—God the Father, God the Son, and God the Holy Spirit is clearly presented. Genesis 1:26 makes notable use of the words “our” and “us.” In oneness, the Trinity created heaven and earth and all things (Genesis 1:1). According to Bediako et al. (2014), the titles Father, Son, and Holy Spirit can best be understood in terms of roles rather

than relationships. In this regard, the Father sends the Son (John 3:16–17), the Son accomplishes His task (John 19:30), and the Holy Spirit continues the work (John 14:26).

Collaboration or cooperation does not mean equality, as supported by socialism, or having a classless society. From Paul's illustration of the body in 1 Corinthians 12:1–21, we can speak of the diversity of the spiritual gifts and the distinct functions of the parts of the body that all result in the Christian church being a transnational, transcultural, and transracial institution. In addition, the idea of rank is not fully prohibited in the Bible, when Paul mentions in 1 Corinthians 1:22, 23, "And as all die in Adam, so also all shall live again in Christ, but each in his rank. Christ as the first fruits, then those who belong to Christ, at his coming."

In the earthly life of God's Son, Jesus Christ, it is thought that Jesus' teachings and lifestyle expressed some kind of socialism in His early life (see John 1:1, 14; Colossians 2:9; Hebrew 1:8). It is suggested that Jesus was therefore viewed as a victim of the proletariat, who gladly identified Him with other members of His class because of His suffering due to unfair economic conditions. Jesus was known to associate more with the poor, sick, and needy than with the rich or those of high society.

Paramount to the teachings of socialism is ownership. Socialists advocate for communal ownership of the resources and property. It is clearly stated in the Bible that God is the owner of all things, including humans (Psalm 24:1). Human beings are only stewards of God's property, and "God allots and distributes a certain amount of material resources to everyone. (Bediako et al. 2014, p. 16). As Genesis 1:28 says, for humans to oversee everything, private property ownership is more important than the state. In fact, Genesis 1:28 lays the groundwork for individual responsibility in the stewardship of resources.

In the biblical perspective, it is stated that "thou shalt not steal" (Exodus 20:15, KJV) and "thou shalt not covet thy neighbor's house,

thou shalt not covet thy neighbor's wife, nor his manservant, nor his maidservant, nor his ox, nor his ass, nor any thing that is thy neighbor's" (Exodus 20:17, KJV). These two verses show clearly that individual ownership of property is supported. Further, Jesus said in John 14:1–4 that He goes to prepare a place for His children, and there are many places or houses in His Father's kingdom.

The Biblical Perspective

The Christian principle supports private ownership of property or means of production. In Christian economic life, both the owner or employer and employee should remember that they all have a duty to each other. Christian employers are to pay fair wages to their employees, as stated in Leviticus 19:13, and employees are to work sincerely. Paul in Colossians 3:22 (KJV) states, "Servants, obey in all things your masters according to the flesh; not with eyeservice, as men pleasers; but in singleness of heart, fearing God." Further, James, addressing entrepreneurs, sends a strong warning against injustice, and unfair wages. James (5:1–6) tells those who accumulate at the expense of the labor who sell their time, knowledge, strength, energy, and skills for an unfair reward,

Come now, you rich, weep and howl for your miseries that are coming upon you! Your riches are corrupted, and your garments are moth-eaten. Your gold and silver are corroded, and their corrosion will be a witness against you and will eat your flesh like fire. You have heaped up treasure in the last days. Indeed, the wages of the laborers who mowed your fields, which you kept back by fraud, cry out; and the cries of the reapers have reached the ears of the Lord of Sabaoth. You have lived on the earth in pleasure and luxury; you have fattened your hearts as in a day of slaughter. You have condemned, you have murdered the just; he does not resist you.

Clearly, according to the Bible, those who are placed in a position of power over the livelihood of others are held to a high standard of conduct. Could this warning also apply to mergers and acquisitions, where a growing portion of some markets are increasingly concentrated in a few

hands who are eager to push out employees and pay-lower wages as long as possible?

Duah (2021) warns Christians against the excessive accumulation of property, capital, or wealth in the name of the prosperity gospel. Owensby wrote in 1988 that having the right to own property means having the freedom to use it, save it, invest it to make money, and give it to other people. In our current economic system, the right to own something is a key idea and practice for building up and using capital. The story in Exodus 16 concerning the collection of manna makes it evident that human beings should be temperate in their accumulation of wealth, as, if they are not, their behavior will lead to disequilibrium in all types of markets. Israel, after the wandering years, was warned against engaging in too much accumulation of goods and wealth (Deuteronomy 17:16–17). King Solomon's quest to amass wealth led to the downfall of his kingdom (1 Kings 10:22–27). However, from 1 Kings 12:4, we must mention the unfair accumulation of wealth by Solomon, which might be part of his kingdom's decline, along with turning back against God and worshiping idols. He "had made the people's yoke heavy, such that, after his reign, the people are requesting his son to lighten the burdensome service of his father, and his heavy yoke which he had put on them" (1 Kings 12:4). Isaiah 3:14, 18–23, and Zechariah 9:3–4 show how much amassing of wealth can make one envious of his or her neighbor and how the Lord will strip him or her of their possessions.

In Matthew 19:24, Jesus Christ warned, "And again I say unto you, it is easier for a camel to go through the eye of a needle than for a rich man to enter the kingdom of God." This statement means riches do not necessarily imply everlasting death; rather, circumspection and prudence may make men rich in God's eye (Fanfani, 1984). The key for a Christian is to lay up treasures in heaven so that our hearts will be with God (Matthew 6:19). Both the rich and the poor must trust in the Lord (Proverbs 3:5–7).

The early church shared its resources for the good of all believers. In Acts 4:32, we read

that "the multitude of them that believed were of one heart and of one soul: neither said any of them that ought of the things which he possessed was his own, but they had all things common." Also, Acts 5:1–11 tells how Christians sold their properties to help support the work of God. According to Owensby (1988),

Wealth should not exist only that it should not be accumulated to guarantee the power, privilege, and pleasure of the holder. Distribution of wealth to end misery, not endless accumulation, is the biblical idea. It was the commitment to these principles that caused the Christian community in Jerusalem to enter a radical common life where goods were shared, and money was derived from the sale of assets divided (p. 36).

This is why Paul says, "For we are his workmanship, having been created in Christ Jesus for good works, which God prepared beforehand, so that we may do them." (Ephesians 2:10). These good works include, not insignificantly, taking care of the poor. This is why Jesus, referring to Deuteronomy 15:11—"There will always be needy people in the country; therefore, I give you this commandment: You shall open your hand to your brother, to the poor and needy in your land.), he reiterated that, "you always have the poor with you, but you don't always have me" (Matthew 26:11). Further, Abraham's life demonstrated that he was a source of not only spiritual blessings but also material blessings to others.

Christian societies need to make provisions both personally and collectively for the poor. The poor represent those who are unable to take care of their basic needs (Reiman and Leighton, 2015). In Matthew 25:31–46, Jesus taught His followers to serve the needy as they would serve the Lord. In Acts 6:1–4 and 1 Corinthians 16:1–4, the leaders of the early church chose deacons and took up special offerings to help the poor within their ranks. In the Old Testament, the poor and needy are depicted as those who do not have lands or resources to make ends meet, and the Israelites were enjoined to care for their poor (Deuteronomy 10:18; 15:7, 11; 24:14). One Biblical mandate that cared for the poor and

needy stated that property owners were to allow the poor to glean after the harvest and freely eat the sabbatical aftergrowth in the fields (Exodus 23:11; Lev 19:10; 23:22).

In the matter relating to profit and interest, in the parable of the talents in Matthew 25:14–30, Jesus Christ discussed the issue of interest or profit and admonished that the foolish servant should have invested the talent to earn interest for his possessions. This case supports Christians in making profit in their businesses. However, there is also a warning regarding ~~on~~ whom to charge interest as stated in Exodus 22:25: “If thou lend money to any of my people that are poor by thee, thou shalt not be to him as a usurer, neither shalt thou lay upon him usury” (KJV). But, in Deuteronomy 23:20, we read, “Unto a stranger thou mayest lend upon usury; but unto thy brother thou shalt not lend upon usury, so that the Lord, thy God may bless thee in all that thou settest thine hand to in the land whither thou goest to possess it” (KJV).

Christians are admonished to live in cooperation and harmony— “As much as lieth in you, live peaceably with all men” (Romans 12:18, KJV). Competition comes with a lot of challenges that may lead to selfishness. From a Christian point of view, freedom is a characteristic of man, created in the image of God, possessed of a will and a mind, able to make decisions, and accountable for them. This freedom entrusted by God to human beings includes the right to privately own materials and resources and make them prosper. Property ownership is not a consequence of the fall. Selfishness is the consequence of the fall— a distortion of the freedom received from God. This distortion is most evident when, at the end of our days, we find that lives have not been lived in service to God but in the fulfillment of our ego.

Socialism believes that taxation is a means to allocate wealth. Karl Marx and Friedrich Engels mentioned in the Communist Manifesto (1848) that a heavy progressive or graduated income tax should be in place (Landreth & Colander, 2002; Marx et al., 1972). It is necessary that

Christians pay their taxes to the government. It is best explained when Jesus was asked this question, and He answered that we should give back to Caesar what belongs to Caesar (Luke 20:19–26; Mark 12:14–17). Jesus Christ was a friend of tax collectors, as in Matthew 11:18-20 and Luke 19:5-8. Finally, Jesus paid the temple tax, as shown in Matthew 17:24-27.

Conclusion

In conclusion, the biblical principles point neither to socialism nor capitalism as the Christian way of economic life. Also, from the accounts and teachings of Jesus Christ as discussed in this paper, He is variously portrayed as a social reformer, a revolutionary socialist, and a compassionate capitalist. Jesus cared about the poor and promoted fairness and lived in harmony with all men, and paid his tax. As a compassionate capitalist, Jesus Christ supported profit-making, and private ownership, in a self-regulated market where there was freedom of choice. Jesus Christ did not support injustice, materialism, and selfishness. Therefore, Christians must have the same attitude as Jesus Christ, including economic interactions with others and accountability for every economic choice and preference (Romans 14:12).

References

- Arnold, J. L. (1999). The cause and results of the reformation men and theology. Retrieved from <http://www.thirdmill.org/files/english/html/ch/CH.Arnold.RMT.2.HTML>
- Bediako, D., Berchie, D. & Zanthia, E.L. (2014). Questions Adventists Ask. The Adventist Press
- Chaigne, H., & Corbin, M. J. (1965). The Catholic church and socialism. *Cross Currents*, 15(2), 151-169.
- Clair, V. C. and Klay, R. J. (2007). Economics in Christian perspective: Theory, policy, and life choices. InterVarsity Press.

- Daniari, N. (2018). Adam Smith vis-à-vis neoclassical economics: A retrospective glance. *Artha Vijnana*, 60(3).
- Duah, M. (2021). Theology of prosperity gospel. Book chapter in *Prosperity Gospel: A biblical-theological evaluation*, Advent Press.
- Fanfani, A. (1984). *Catholicism, Protestantism and Capitalism*. University of Notre Dame Press.
- Griffiths, B. (1984). The Creation of Wealth a Christian's case for Capitalism. InterVarsity Press.
- Grimsley, S. (2016). Understanding Socialism, Communism, and Mixed Economies: Comparison and Analysis. Retrieved from <http://study.com/academy/lesson/understanding-socialism-communism-and-mixed-economies.html>
- Guzman, S., & Hill, J. (2017). *The Protestant Ethic and the Spirit of Capitalism*. CRC Press.
- Johnson, M. R. (2016). The Social Philosophy of N.N. Nepluyev (1851-1908): Fragmentation, Redemption and Christian Socialism. <https://www.rusjournal.org/wp-content/uploads/2016/02/Nepluyev.pdf>
- Landreth, H., & Colander, D. C. (2002). *History of Economic Thought* (4th ed.). Houghton Mifflin Company.
- Marinovic, A. (2016). Book Review: The Oxford Handbook of Christianity and Economics. *Claritas: Journal of Dialogue and Culture*, 5(1), 10.
- Marx, K., Engels, F., & Moore, S. (1972). *Manifesto of the communist party*. Foreign Languages Press.
- McLean, I., & McMillan, A. (2014). *Oxford Dictionary of Politics*. Oxford University Press.
- Nelson, R. H. (2019). Economic religion and the worship of progress. *American Journal of Economics and Sociology*, 78(2), 319-362.
- Nester, R. (2018). Capitalism. *Stanford Encyclopedia of Philosophy*. Retrieved from <https://plato.stanford.edu/entries/capitalism/>.
- North, G. (1987). *Inherit the Earth: Biblical Blueprints for Economics*. Dominion Press.
- Owensby, W. L. (1988). *Economic for Prophets*. William B. Eerdmans Publishing Company.
- Percy, M. (2015). Christianity and Social Flourishing: Theology, Politics, and Economics. In *Theology and Economics* (pp. 219-237). Palgrave Macmillan.
- Reiman, J., & Leighton, P. (2015). *Rich get richer and the poor get prison, the (subscription): Ideology, class, and criminal justice*. Routledge.