

Working Paper #300

Biblical Principles for Economic Life:
An Address Prepared for the Chapel Assembly
at Covenant College

By

Brian Fikkert, Ph.D.

September 2003

Abstract

What does the Bible teach us about economic life? Is mainstream economic analysis an acceptable framework for Christians to use? How should we begin to think about economics from a Christian perspective? Originally prepared as part of the “Shedding Light on Our Disciplines” series held in the Covenant College chapel assemblies during the 1999-2000 academic year, this paper provides some introductory answers to these questions in an attempt to frame our approach to thinking with the “mind of Christ” about economic life.

I. Introduction

I have been asked to “shed light on economics” from a biblical perspective. I have rarely been as concerned over a chapel speech—or any speech for that matter—as I am about this one. My concerns stem from several sources. First, the matters about which I am speaking are very complex. I do not understand these issues fully and have changed my opinions on many of them over the course of my studies and research. I anticipate changing my opinions further in the future. Second, the matters on which I am speaking are extremely divisive within the Reformed and broader evangelical community. For example, it would be easy for me to name Christians who hold to the inerrancy and authority of scripture and agree with the system of doctrine taught in the Westminster Confession of Faith who would argue that free-market capitalism is God’s ordained economic system. At the same time, I could also name Christians who hold to the inerrancy and authority of scripture and agree with the system of doctrine taught in the Westminster Confession of Faith who would argue that Marx was essentially correct and that the government ought to intervene heavily in the economy.¹

Given how divisive these issues are, I have several additional concerns. First, I fear that some of you may be quick to write me off as a heretic if I say something that sounds wrong to you. Second, I am concerned about my own behavior. I care passionately about my discipline and about what I am doing. And quite frankly, I am angry with many of the statements and positions that others in the Christian community have espoused as being “the word of the Lord.” I apologize in advance if anything that I

¹ For a helpful review of the wide range of perspectives on Christianity and economics, see Gay (1991).

say or do is not characteristic of the love that should characterize a member of the body of Christ. I feel I must speak the truth as best as I can, but I will try to do so in love.

II. Two False Voices

Economists study how individuals, groups, and nations answer three questions: 1) What is to be produced? 2) How is it to be produced? and 3) For whom is it to be produced?

Ever since I began studying economics, I have been fully committed to the notion that I must seek to answer these questions from the perspective of a biblical worldview. As a Christian economist, I want to know how God would want us to answer these three questions. Unfortunately, I now realize how little of my thinking has flowed properly from a coherent biblical worldview for much of the time that I have been studying and working in this field. And I realize that I have not yet arrived.

As I have struggled and continue to struggle to discern what is a biblical response to the three basic questions that economics addresses, I have come to realize that there are two voices out there that have had a major influence on my thinking. Unfortunately, neither of these voices—in my opinion—emanates from sound biblical teaching. The first voice—the voice from the formal discipline of economics as it is presented in college textbooks—is based on a dangerous set of presuppositions that are never clearly articulated. Rather, the entire discipline works hard to deny that it has any presuppositions at all, claiming that it is value free, when it is not.

The second voice that has misinformed me—I am sorry to say--emanates from the evangelical Christian community itself. This voice comes from people who hold the

Scriptures in very high regard and who are truly seeking to discern what the Scriptures teach us about the economic dimension of God's creation. However, this voice makes claims that do not stand up to sound hermeneutical principles.

As I said, I have been profoundly influenced by both of these voices, and I am now re-examining virtually all of the things that I have believed. Let me illustrate with a story.

Back in the fall of 1984, in a political science class at a small, Reformed Christian College in Northwest Iowa, a guest lecturer was speaking about the crisis in American farming. Prices for milk and crops had plummeted while the prices for the farmers' inputs had skyrocketed. Thousands of farmers were being forced to sell their farms and to embark on another way of life. The professor mentioned in passing that "clearly the government was going to have to step in and do something about this situation."

A hand immediately shot up from the back of the room, and a rather incredulous—and slightly obnoxious—student blurted out: "How do you know that the government is supposed to do something? Don't you realize that markets work best at allocating society's resources? What possible biblical justification could you give for your assertion that the government ought to intervene in the economy in this fashion?" That hand was mine, and in my questions you can hear both of the voices that I mentioned coming through.

III. The First Voice: The Teachings of the Discipline of Economics

Let us consider the first voice, the voice of the formal discipline of economics.² Consider my question: Don't you realize that markets work best at allocating society's resources?

What would make me assert this? I had started studying the formal teachings of my discipline. I loved its mathematical rigor and precision. In fact, I spent so much time mastering its tools and techniques that I unconsciously adopted the ethical standards of my field without even knowing it. Now, I don't want to be too hard on myself. My discipline denies that it has any ethical standard and claims to be value-free. My teachers had told me to read the standard textbooks, and I had diligently complied with their wishes. I assumed that my teachers, who were all Christians, agreed with the teaching of these books. After all, they had assigned them to me.

Standard textbooks claim that economics is about the positive not the normative. Positive statements are statements that describe the way things really are. They are statements of fact that are incontrovertibly true; there is no discrepancy about positive statements, says the economist. There are simply facts that anybody can observe in the same way whether that person is a Muslim, a Hindu, a Christian, a Jew, an Arab, white, black, male, or female. One's worldview does not matter for observing these facts, says the economist.³

² I am focusing my attention on the "Neoclassical" school of thought, which dominates academia and policymaking in the west. There are other schools of thought as well, with their own pros and cons, for example the Austrian, Institutionalist, and Marxist traditions.

³ In this sense, neoclassical economics remains a "modern" as opposed to a "post-modern" discipline, creating considerable tensions for the discipline with respect to current intellectual trends. For a fuller discussion of this from a Christian perspective, see Lunn and Klay (1994) and Halteman (1994).

The second kind of statement, says the economist, is a normative statement, a statement about the way things should be or ought to be. And, says the economist, economics as a discipline does not meddle in those affairs. We economists simply engage in describing the way the world really is, and hence we do not make normative statements.

Let me give you some examples to illustrate. A positive statement is a statement of fact: this podium is made out of wood; the floor is made out of parquet; and the sky is blue. These are things that all people can agree on as being true, says the economist. Normative statements are statements such as the following: all students should study hard; all children should be seen and not heard; etc. Obviously, people can hold different opinions about the veracity of such statements.

The modern discipline of economics claims that it does not engage in the normative, that it does not prescribe the way things should be, but simply describes the way things really are. There is a bit of a problem with this approach, one of which is that it simply does not work!⁴ For example, I started to notice that we economists were constantly asking--and answering--normative questions: “What should the United States do with regards to Japanese trade policies? What should the Federal Reserve Board do with regard to interest rates? What should the government do about unemployment?” Indeed, the word “should” popped up all the time, and I noticed that economists had an answer for what we should do even though we claimed that we never addressed the question of what we should do. I started to ask, “What is the ethical standard that is being applied here? They are answering 'should' questions; how are they doing it?”

⁴ For a sophisticated treatment of the importance of presuppositions in interpreting the cosmos, see Van Til (1954).

I soon began to realize that my discipline had implicitly adopted an ethical standard called "pareto optimality," which states that economic system A is better than economic system B if system A allows for more "mutually beneficial transactions" to take place than system B. Note that these "mutually beneficial transactions" are determined to be mutually beneficial by the people engaged in the transactions themselves. Who could be opposed to this? Shouldn't people be allowed to decide for themselves what makes them happy? And shouldn't the system that allows people the maximum amount of freedom to pursue such happiness be preferred over all other systems?

What my discipline is essentially doing is allowing the personal preferences of fallen human beings to determine the allocation of society's resources. But clearly there are all kinds of transactions that people engage in that are not mutually beneficial from God's perspective. What about a drug deal, for instance? If the drug dealer likes it and the buyer does as well, then the transaction is mutually beneficial from the economist's perspective. There is nothing in my discipline that can be used to argue that the transaction should not take place. The preferences of fallen human beings act as the economists' ultimate standard.⁵

Now, it is quite easy to show mathematically that under certain assumptions the free market will ensure that the greatest number of mutually beneficial transactions take place.⁶ Stated differently, if the government intervenes, it will reduce the number of mutually beneficial transactions in an economy. Hence, in spite of economists' assertions

⁵Numerous Christian economists have made similar criticisms of the "positive/normative" distinction and of pareto optimality. For example, see Cramp (1975), Hay (1989), Monsma (1986b), Stapleford (2002), and Vickers (1982).

⁶ This result is commonly referred to as the "First Welfare Theorem." See Varian (1984).

that their discipline is not concerned with the normative, they are generally in favor of laissez-faire capitalism because it is the system which best serves the god of pareto optimality.

My entire discipline—and the vast amount of policy advice that economists give to governments around the world--stems from this ethical standard. Do your actions inhibit or encourage mutually beneficial transactions to take place? If your actions encourage such transactions, they are good. If your actions discourage such transactions, they are bad. I think it is quite clear that as Christians we cannot adopt such an ethical standard. "The earth is the Lord's and the fullness thereof" (Psalm 24:1). It's not about us; it's about Him.

IV. The Second Voice: The Christian Right's Commitment to Laissez-Faire Capitalism.

Let us now consider the second voice--the voice of much of the evangelical Christian community. The influence of this voice is prominent in the second question that I blurted out from the back of the political science classroom: "What possible biblical justification could you give for your assertion that the government ought to intervene in the economy in this fashion?"

As I have mentioned, evangelical Christians span a wide spectrum in their views concerning economics. However, I have decided to focus my attention today on the Christian Right, because it has had far more influence on most of us here than the Christian Left.

Let me give you an example of what I experience on a regular basis as I visit churches in our own denomination. As soon as the service is over, I always make it my goal to find where the coffee and donuts are located. Usually, somebody will come up to speak with me and—after we have gotten through the inevitable tall jokes that I have heard a thousand times—they will inquire about my profession. When I tell them that I am an economics professor, they will almost invariably launch into a speech about how glad they are that there are Christian professors like me who teach our children about God’s economic system: free market capitalism. They tell me that they are so glad that I am at Covenant to counter the pagan, "socialist" teachings of other colleges. It is at this point that I usually try to return the conversation to the tall jokes, for I realize that these folks are using the term “socialist” in such a sweeping manner that it applies to me, a person who voted for Ronald Reagan, for George Bush twice, and for Bob Dole. I did vote for a Democrat once in a senate race, but that was only because he was more conservative on most issues than the Republican he was running against. Indeed, I generally think that capitalism works pretty well. Yet, I bristle at the widespread notion in our denomination—and in other evangelical circles—that free market capitalism is written in large letters across the pages of Scripture.

How do people arrive at this conclusion concerning the Bible and capitalism? In my own limited experience, people’s arguments seem to fall into three basic categories.

Category I

There are a large group of folks out there who simply equate America, apple pie, Chevrolet, and the free market with Christianity. I believe that this type of uncritical

thinking has heavily influenced most of us, including myself. We tend to accept our own upbringing—which had large doses of apple pie, Chevrolet, capitalism, and Christianity—as being normative, even though we haven’t spent a whole lot of time justifying this upbringing with biblical exegesis.

Category II.

A second category of folks is quite a bit more dangerous, for they manage to read into biblical texts what they want those texts to say. These folks then claim that they have the authority of the Word of God behind their assertions that free market capitalism is God’s way.

People are often swayed by such an approach; because—in an era when so many are disregarding the authority of scripture—these folks appear to be basing their arguments on the Word of God. However, it is just as wrong to add to Scripture things that it is not saying, as it is to ignore Scripture altogether. To say, “Thus saith the Lord,” when the Lord has not said “thus” is wrong.

Let me give you an example. There are a number of Christians who are committed to the notion that it is evil for the government to force us to use its fiat-based currency. Some of these folks believe that citizens should be able to choose their own currency, and some believe that this currency should always be backed up with something of intrinsic value such as silver or gold.⁷ Now these folks are welcome to their opinions, but I do not believe they are correct when they claim biblical authority for their views on the basis of Isaiah 1:22.

The first chapter of Isaiah is a passage in which God uses imagery to rebuke Israel for her sins against Him. For example, he calls Israel "Sodom and Gomorrah" in order to

emphasize how detestable their actions have been. He also compares Israel to a harlot in order to emphasize her unfaithfulness.

It is in that context that we read the following in verse 22, “Your silver has become dross, your choice wine is diluted with water.” What is this verse about? Commentators will tell you that Isaiah is using imagery to try to convey the notion of hypocrisy.⁸ Israel looked good on the outside, but on the inside she was corrupt. Indeed, we read in other parts of Isaiah that Israel was engaged in all the outward expressions of worship, but inside they were not really concerned with the things of the Lord (Isaiah 58). So what Isaiah is doing is presenting imagery in which Israel is compared to things that look good on the outside but are corrupt on the inside. The point in Isaiah 1:22 is that Israel is full of hypocrisy. Isaiah is not speaking about the Federal Reserve System of the United States government. In fact, the passage has nothing to do with whether or not we should have fiat money. It has nothing to do with whether or not we should have a gold standard, a silver standard, or any standard. The passage is not talking about monetary systems at all!

Category III

These folks are my favorite ones, because at times I am one of them. These folks are not as egregious as the previous category because at least they try not to read into the text things that the text is simply not even talking about. However, these folks fail to take into account that when God spoke to Old Testament Israel he was not giving commands that apply directly to every nation in every place and time. Many of the texts these folks use to inform U.S. economic policy were given to a unique people at a particular point in

⁷See, for example, Beisner (1988) and North (1973).

⁸See Keil and Delitzsch (1969) and Young (1965).

redemptive history who were operating in a different cultural setting and had a special purpose as part of God's plan.

When God gave commands to Israel, he was not speaking to "everynation." Rather, God was speaking to a unique people whose ecclesiastical, geographical, economic, and political dimensions played a unique role in redemptive history. The United States is not Israel; hence, the commands given to Israel's various institutions do not apply in a one-to-one matching to our own institutions.⁹

Let me give you an example of how this comes up. In Leviticus 19:9-10, property owners were commanded to leave the edges of their fields for the poor to come and glean. I read the other day an entire debate between two sincere, Bible-believing Christians, both of whom are in the Reformed camp.¹⁰ The essence of their debate was the following: Both authors were trying to discern whether or not there were civil penalties in Israel for those who did not allow the poor to come and glean from the edges of their fields. The entire debate hinged on whether there was evidence that the Israelite state would punish landowners who did not allow the poor to glean.

The premise that both participants in the debate had was this: If there is a clear command that the Israelite state was to punish those who did not obey the gleaning law, then there is a clear command that the government in the United States today must have a welfare system in place to help the poor today. If, on the other hand, there was no civil penalty in place for those who failed to allow the poor to glean, then it is clear that the U.S. government has no role in helping the poor. Both sides of the debate were in

⁹ For an elaboration of these points, see Kline (1978) and Gordon (1994).

¹⁰ See Mason's interaction with Beisner in Mason (1996).

essence in agreement that what you're looking for is what happened in Old Testament Israel's state to determine what should be done by the U.S. state today. The only difference in this debate was concerning what the Israelite state had actually been commanded to do. Both sides believed that the function of the state in Old Testament Israel should be the same as that of today. There was a time, not that long ago, that I would have found that debate fascinating. I would have wanted to know if God had told the Israelite state to punish the landowners or not.

I fear I have too often fallen into the trap of thinking that the commands of God to the institutions of Old Testament Israel apply in a one-to-one mapping to U.S. institutions today. But there are all kinds of instances where most of us do not want to apply such a one-to-one mapping. For example, in Leviticus 20 the death penalty is prescribed for cursing parents, adultery, and homosexuality. Do we want our state today to do exactly those things? More importantly, do the Scriptures indicate that the state ought to do those things in all times and places? I do not think so. The apostle Paul would have had to turn over large segments of the church in Corinth to the civil magistrate because that is what some of them were: homosexuals and adulterers (I Cor. 6:9-11). Paul does not do so, and I believe this stems from Paul's understanding that OT Israel is a foreshadowing of the NT church, not of the U.S. government (Galatians 3:28-29).

As I said before, these three categories of people within the evangelical church have heavily influenced me, and I am still trying to undo that influence.

V. Towards a Biblical Approach

How then, shall we use the Bible to inform economic life? This is not an easy

question to answer, and I do not claim to have all of the hermeneutical issues resolved in my own mind. However, I will attempt to point us in the right direction.

Recently in chapel, Professor MacDougall encouraged us to apply a number of principles as we approach Scripture.^{11,12} I am in complete agreement with everything he said, so I would like to review—hopefully accurately—some of the points that he touched upon.

First, Professor MacDougall said we must always keep the big picture before us, the story of Creation, Fall, Redemption, and Consummation. God created the earth and made it good. Through Adam and Eve’s sin, the entire cosmos was distorted. Christ's redemption has been announced and accomplished, and it applies to every facet of the cosmos. We will see the full manifestation of that redemption when Christ comes again.

Professor McDougall encouraged us to always remember that Jesus Christ is the centerpiece of this big story. The entire Old Testament points forward to Him and His coming. The entire New Testament is about how Jesus continues His mission until His second coming. Jesus is the centerpiece of the big story, and we must interpret everything in light of Him.

Note that the big story is not primarily about economics. Although the Scriptures do inform economic life, they were not primarily designed to lay out in exhaustive detail what an economic system should be for the 21st Century. We should not expect to be reading a textbook on economics when we open the Bible. It was not designed to be this for us.

¹¹ MacDougall (1999).

¹² Similar hermeneutical principles can be found in McCartney and Clayton (1994).

Finally, Professor MacDougall encouraged us to always ask: What was the author trying to communicate in a particular text, and how does this text fit into the big story?

There are several additional things we need to consider that I think are corollaries to the principles Professor MacDougall mentioned. First, when we approach a text we must ask: To whom is God speaking in this particular text, and what was the role of this audience in God's overall plan of Creation-Fall-Redemption-Consummation? For example, God told Joshua to march around Jericho until the walls came down. That was a particular command given to a person who had a particular function (he himself was a type of Christ) at a particular point in God's redemptive plan. That was not a command to all Joshuas. Contrary to the belief of my 3-year old, who also bears the name Joshua, it was not a general command to all Joshuas everywhere to try to knock things down.

Secondly, we must consider the genre of literature that God chose to use to communicate the message in the text. Poetry is not to be interpreted in the same fashion as the law. Parables are not the same as the historical books.

I recognize that nothing I am saying here is new, nor is it rocket science. However, quite a few errors have been made as a result of ignoring these basic principles.

When we come to the question of economics, I would like to start with that basic Creation-Fall-Redemption-Consummation motif and ask: What was God's original intent for economics?¹³ How did he set things up at the point of creation? There are some things one gets very quickly out of Genesis chapters 1 and 2. The first thing one sees is that God created the earth, and it is His. That is not a particularly insightful point, but it

¹³ For discussions similar to the one in this section, see Hay (1989) and Vickers (1982).

has profound implications. The earth is His, and it is not ours. He made it, and it belongs to Him. You and I do not have an absolute right to any portion of the universe. These elementary points already gives us a very different orientation from pure, laissez-faire economics as espoused by many folks who believe there is an absolute right to private property. It is not yours, folks, it is God's. He made it, He sustains it, and He is redeeming it.

Furthermore, God who is the creator and owner of the entire universe, spoke to Adam and Eve and gave them some commands. Who are Adam and Eve? They are the human race! They are not a particular people in the way that Israel was. Rather, they are "everyman." He is speaking to the representatives of humanity. And what did God tell "everyman"? He tells everyman "Be fruitful and multiply, fill the earth and rule over the earth." In essence: "Be stewards over my creation. It's not yours, it's mine, but I'm putting you as a steward, or a manager, over it."

In addition, as a result of Adam and Eve's stewardship, they would be able to eat and to support themselves! God designed His world in such a way that we would be able to sustain ourselves through our work of stewarding His creation.

Note also that Adam and Eve had different callings and roles. Because God has given to various people different callings as part of that overall task of subduing the earth and being stewards of His creation, there will necessarily be a need for economic exchange. We are doing different things. I might be a farmer, and you might be a musician. We are going to have to trade with each other so that together we can fulfill humanity's mission to subdue the earth and sustain ourselves in the process. Hence, economic exchange is embedded in the creation design, and God called this design "good."

Then the Fall happens. The harmony is disrupted. The callings or tasks of both men and women are affected: the soil is cursed and childbearing becomes painful. The whole thing is broken: sickness, poverty, and death enter into the system. It is no longer the case that if people work hard to fulfill their callings—which many will no longer want to do because of their sinful natures—they will be able to engage in economic exchanges that will enable them to do what God had initially intended.

No economic system can restore this harmony. Only Christ can. Don't expect utopia. It is silly to think that either communism or laissez-faire capitalism is going to give you this utopia, in contrast to the claims of some of their leading proponents. The fall happened, and its effects are cosmic in scope.

Then we get to the notion of Redemption and Consummation. God promises a savior who will come to restore humanity to its rightful state in relationship to God, to each other, and to the rest of creation. He promises a savior who will reverse the effects of sin far as the curse is found. In particular, Jesus promises to restore proper economic relationships. When He announces his Kingship, He does so—in part—by saying that he will remove the effects of the curse on the economic dimension of creation. In Luke 4, at the start of His earthly ministry, Jesus says he has come to preach good news to the poor and to declare the year of Jubilee, the year in which debts were to be cancelled and land was to return to its original owners so that the poor could continue to live in the land. Of course, although Christ announces His kingdom, it has not yet been consummated, but we know he is in the process of applying His healing redemption to the entire cosmos.

Now let us take this basic motif and examine some of the specific commands given to Old Testament Israel regarding her economic behavior. Again, the first thing we

must do is ask: To whom is God speaking, and what role did this audience play in His overall plan of Creation-Fall-Redemption-Consummation? Unlike His commands to Adam and Eve, He is not speaking to “everyman” or to “everynation” but rather to His specific, chosen people, His royal priesthood, who had a particular function as part of God’s redemptive plan. Furthermore, these people lived at a particular point in cultural development in a particular part of the world. They were an agrarian society living in the Middle East, not an industrial or post-industrial nation living in the 21st Century. The commands given to Israel were right and good for her, given who she was meant to be. But, these specific commands might not be appropriate for other societies who have a different role in God’s overall plan and who live at different points in time.

None of these considerations is meant to suggest that we learn nothing from reading God’s commands to Old Testament Israel. Rather, I believe we learn much about the character of God and about His priorities by looking at how He dealt with a particular people at a particular time.¹⁴

Let me give you an illustration. Let’s imagine that you are hired to work as an assistant to the head Chef in a fancy restaurant. On your first day at work, the head Chef calls you into the kitchen and informs you that a very distinguished guest—in fact a King—is coming for supper. The Chef invites you to watch as He prepares the dessert—German chocolate cake—for this King. You copiously take notes: two cups of dark

¹⁴ I am in essential agreement with Donald Hay (1989, p. 12) who states, "Our method of grappling with these difficult issues (i.e. hermeneutical issues) is to rely on a systematic theology. This theology seeks to relate the elements of the biblical revelation in such a way that the significance and weight attached to each element can be more readily understood in the context of the whole. The possibility of constructing such a theology relies on a presumption that the biblical witness is itself consistent, a faithful record of the revelation of a consistent God. Our belief is that God does not act capriciously or arbitrarily, so that by reading of his dealings with man, we can discern consistent patterns in the relationships of God, man, and the created order." For a similar approach in the context of economic ethics, see Vickers (1982) and Zylstra (1982).

chocolate; 1.5 cups of sugar; an egg substitute because the Chef mentions that the King has a cholesterol problem; low-fat margarine instead of butter for the same reason; the Chef is constantly washing his hands and wears an apron...cleanliness seems to be important; oven temperature at 400 degrees; the Chef seems concerned about safety...always using a potholder; cook for 60 minutes; add strawberry on top for decoration and place on fine china...apparently presentation is important.

Now the Chef says, "I'm sorry, I have to leave because my wife is sick. You'll have to cook the main course—beef stroganoff." You say to yourself, "Okay, beef stroganoff: two cups of dark chocolate, 1.5 cups of sugar, an egg substitute, oven at 400 degrees, a strawberry on the top when done, and place it all on fine china." How ridiculous that would be! You're not making German chocolate cake; you're making beef stroganoff. It's a different thing. The detailed commands for making German chocolate cake do not apply to making beef stroganoff.

But did you learn anything from watching the Chef prepare for the King? I think so. You learned something about the preferences of both the Chef and the coming King. These all help you to do what the Chef would do if he were preparing the stroganoff Himself. You know that the Chef prefers cleanliness, safety, and a nice presentation. You learned something about the coming King as well. In this case, you learned that the King has a cholesterol problem. In summary, there is information you learned from watching the Chef make the cake that you can use when preparing the beef stroganoff, but the exact recipe for the cake does not apply.¹⁵

¹⁵ I believe that the approach I am taking is consistent with the Westminster Confession of Faith's usage of Old Testament moral and civil law. See "Chapter 19: Of the Law of God."

What can we learn from watching the Chef make Old Testament Israel, His German chocolate cake so to speak? Well, there is lot there to inform us. For example, “Leave the edges of your field for the poor to glean” (Leviticus 19:9-10). From this we see that if folks are willing to work, they will have something to eat. We’ve heard that before in Genesis. There seems to be a pattern here. “Don’t charge interest to the poor, and don’t sell them food for a profit” (Leviticus 25:36-37). From this we see that God does not seem especially concerned with free market economics or "mutually beneficial" transactions. He seems more concerned that poor folks are able to survive.

Furthermore, as the Lord gives these commands to Israel, He tells them why He is doing so. He says that they are designed to ensure that there would be no poor in the land but rather that everyone would be able to live beside each other in the land (Deuteronomy 15:4; Leviticus 25:35). The poor will be able to work on the land and support themselves, and as a result, they will be restored to that proper position they were to have had at creation.

The instance of Israel fleshes out for us the basic norms we saw in Genesis chapter 1, namely that God's creatures would work to subdue the earth and that a byproduct of this work would be that they would be able to support themselves and their families.

What sort of economic system would God want us to have today? We are not making German chocolate cake now. We are making beef stroganoff. It is a different thing. But do I know something about what God cares about from His Word? I think I do. I think he cares that people work, that they work hard, and that as a result of their

work they will be able to support themselves and their families so that they will be able to continue in their callings.

So how do we apply this to specific policy questions? Let me give you an example. One of the primary concerns in our society is whether the government should have a minimum wage law or not. You see, it might be the case that you would be willing to cut my lawn for \$2 an hour. It might be the case that I would be willing to pay you \$5 an hour. We agree that you'll cut my lawn for \$2 an hour. A "mutually beneficial" transaction has just taken place according to economic theory. Now suppose the government comes in and passes a minimum wage law requiring that people must earn \$5.50 an hour. Suddenly, I can't pay you \$2 an hour; I have to pay you \$5.50 an hour. But it's not worth that much to me, so I don't hire you anymore.

How are we to view this legislation? How are we to know if it is good or bad? The economics discipline says that the minimum wage law is evil--even though the discipline claims that it makes no normative statements-- because the law prevents a mutually beneficial transaction from taking place. We agreed that it was good to exchange your labor for my pay, but the government prevented that from taking place.

Some in the Reformed or larger evangelical community would say minimum wage laws are evil because we do not see Old Testament Israel having minimum wage laws. I have argued that this point is irrelevant. God did not intend for a one-to-one mapping between Old Testament Israel's institutions and those of the United States.

Rather, we must ask the question: What is the basic command that God has decreed for His creation? Again, I would argue it is that those who work would be able to support themselves through that work. Our society ought to reflect that desire of

God's. In this light, I would argue that the minimum wage is probably not a good idea, because somebody who was willing to work is now unable to do so.

However, this does not imply that the government should do nothing in this situation. If the market price of \$2 per hour does not enable people to support themselves, this is unjust, and it would be appropriate for the state to intervene to correct this injustice.^{16,17} For example, the government might use a wage subsidy such as the Earned Income Tax Credit to raise people's effective wages so that they can support themselves through their own work. This policy will not cause the additional unemployment we saw resulting from the minimum wage law. You see, I am not opposed to government intervention in principle. But the manner in which the government intervenes should uphold the basic creational norms that people are to work and that they should be able to support themselves through that work.¹⁸ I believe that this approach to answering this question is quite distinct from that used by either the standard discipline of economics or by much of the evangelical community.

¹⁶I basically accept Brunner's (1945, p. 89) description of justice, "The Christian conception of justice is...determined by the conception of God's order of creation. What corresponds to the Creator's ordinance is just--to that ordinance which bestows on every creature, with its being, the law of its being and its relationships to other creatures. The 'primal order' to which every one refers in using the words 'just' or 'unjust,' the 'due' which is rendered to each man, is the order of creation, which is the will of the Creator made manifest." However, unlike some factions of the Reformed community, I am consciously and explicitly looking to Scripture for guidance in determining ethical standards as opposed to trying to discern them directly from general revelation. See II Timothy 3:16-17 and "Chapter 1: Of the Holy Scriptures," in the Westminster Confession of Faith.

¹⁷It is one thing to say that the state may intervene in principle, but it is quite another thing to say that any particular policy will accomplish what was intended. I am not naïve to the difficulty of actually implementing successfully any government policy.

¹⁸This discussion of the role of the state in economic life is very similar to the thought of Abraham Kuyper. See Monsma (1986a) for a summary.

VI. Concluding Comments

I recognize that there is so much left unanswered by these chapel talks. The issues are complex, and I have only a very partial understanding of them. At the very least, I hope you can see that studying economics at Covenant College is a different endeavor from studying it at a secular institution. A biblical worldview matters considerably, even if we do not yet have a complete understanding of what that is.

References

- Beisner, E. Calvin (1988). Prosperity and Poverty: The Compassionate Use of Resources in a World of Scarcity. Crossway Books, Westchester, Illinois.
- Brunner, Emil (1945). Justice and the Social Order. Translated by Mary Hottinger. Harper and Brothers, New York.
- Cramp, A.B. (1975). Notes Towards a Christian Critique of Secular Economic Theory. Institute for Christian Studies, Toronto.
- Gay, Craig M. (1991). With Liberty and Justice for Whom? The Recent Evangelical Evangelical Debate Over Capitalism. Eerdmans Publishing Company, Grand Rapids, MI.
- Gordon, David T. (1994). "Critique of Theonomy: A Taxonomy," in Westminster Theological Journal, 56, pp. 23-43.
- Halteman, Jim (1994). "The Role of Values in Post-Modern Economics," paper presented at the Association of Christian Economists Meetings, Boston, MA, January 3, 1994.
- Hay, Donald A. (1989). Economics Today: A Christian Critique. Eerdmans Publishing Company, Grand Rapids, MI.
- Keil, C.F. and Delitzsch, F. (1969). Commentary on the Old Testament in Ten Volumes: Isaiah. Eerdmans Publishing Company, Grand Rapids, Michigan.
- Klein, Meredith G. (1978). "Comments on an Old-New Error," in Westminster Theological Journal. Vol. XLI, No. 1, Fall, pp. 172-189.
- Lunn, John, and Klay, Robin (1994). "The Neoclassical Model in a Post-Positivist World," paper presented at the Association of Christian Economists Meetings, Boston, MA, January 3, 1994.
- MacDougall, Dan (1999). "Biblical Principles of Interpretation in the Context of Academic Life," Chapel Message at Covenant College, September 14, 1999.
- Mason, John (1996). "Biblical Teaching and the Objectives of Welfare Policy in the United States," by John Mason in Welfare in America: Christian Perspectives on a Policy in Crisis ed. by Stanley Carlson-Thies and James Skillen, Eerdmans, 1996, pp. 145-185.
- McCartney, Dan, and Clayton, Charles (1994). Let the Reader Understand: A Guide to Interpreting and Applying the Bible. Victor Books, Wheaton, IL.

- Monsma, George N. Jr. (1986a). "Abraham Kuyper's Principle of Sphere Sovereignty and Government Economic Policy," in Through the Eye of the Needle: Readings on Stewardship and Justice. Third Edition, Calvin College Department of Economics and Business, Grand Rapids, MI, pp. 263-277.
- Monsma, George N. Jr. (1986b). "Normative Economics," in Through the Eye of the Needle: Readings on Stewardship and Justice. Third Edition, Calvin College Department of Economics and Business, Grand Rapids, MI, pp. 169-181.
- North, Gary (1973). An Introduction to Christian Economics. Craig Press, Nutley, NJ.
- Stapleford, John E. (2002). Bulls, Bears, and Golden Calves: Applying Christian Ethics in Economics. Intervarsity Press, Downers Grove, Illinois.
- Van Til, Cornelius (1954). Common Grace. Presbyterian and Reformed Publishing Company.
- Varian, Hal R. (1984). Microeconomic Analysis. W.W. Norton and Company, New York, Second Edition.
- Vickers, Douglas (1982). A Christian Approach to Economics and the Cultural Condition. Exposition Press, Smithtown, New York.
- Young, Edward J. (1965). The New International Commentary on the Old Testament: The Book of Isaiah, Volume I, Chapters I-XVIII. Eerdmans Publishing Company, Grand Rapids, MI.
- Zylstra, Bernard (1982). "The Bible, Justice, and the State," in Confessing Christ and Doing Politics, edited by James W. Skillen, Association for Public Justice Educational Fund, Washington, D.C., pp. 39-53.