

**An Introduction to Biblical Economics**

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## **Introduction**

Humanity knows frighteningly little about the science of economics. From Aristotle to today, economists cannot agree on a definition for economics. Some secular economists have even given up the hope of finding a stable definition.<sup>1</sup> Few Christian theologians have developed an extensive Biblical Economic theory, choosing to surrender the complexities of the field to the secularists (Robbins, n.d.b.). This essay is an introduction to Biblical Economics. It describes the foundation of and need for Biblical Economic theory, and argues that Biblical Economics is capitalism motivated by compassion guided by wisdom.

## **Defining The Economy and Economics**

In order to define what economics is, it is crucial to understand what an economy is. An economy is “a system for the production and distribution of the goods and services we use in everyday life” (Sowell, 2011, p. 2). In other words, the economy is a system (or machine) by which human beings’ goods and services are distributed. Essentially, an economy is two or more individuals with the ability to exchange goods and services with one another.

The study of the economy is called economics. Economics is a theoretical science, a discipline, and a tool for describing and analyzing “the production, distribution, and consumption of goods and services” (Merriam-Webster, “economics”). Many economists follow Lionel Robbins’ classic definition: “Economics is the study of the use of scarce resources which have alternative uses” (Robbins, 1935, p. 16). Other economists have a more generally understanding of economics as “a body of propositions concerning the logic of human choice” (Robbins, n.d.b.). In actuality, economics is all of these things.

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<sup>1</sup> Ludwig von Mises went so far as to argue that economics, by nature, cannot arrive at a common definition. For, he wrote, “economics is a living thing-and to live implies both imperfection and change” (1998, p. 7).

Strictly speaking, economics is a tool: it can be understood as the machinery by which economies function. Economics, without any qualifier attached to it, is purely objective by definition. It does not “tell people what ends they should aim at. It is a science of the means to be applied for the attainment of ends chosen” (Mises, 1998, p. 10). For example, capitalism and socialism are simply different machinery people use to make economies function. People define the ends economic systems aim at, and use economics to achieve those ends.

Economics, by its very nature, necessitates a standard above itself to guide how it ought to operate and what it ought to aim for. Empiricists suggest to do what is best, but this approach leaves unanswered questions. How do they determine what constitutes satisfactory economic outcomes? Additionally, how can they establish which means are morally acceptable in achieving these outcomes and which are not?

In his work *The Fable of the Bees*, Bernard Mandeville argued that economics was the science of avarice, (i.e., self-interest). He contended that greed was justified if it benefited the public (Robbins, n.d.a). By the empiricist’s standard, all goals are plausible and acceptable to work toward achieving. Furthermore, all means become permissible in achieving economic goals by this standard. This is why it is necessary to have a standard above economics, such that an endless cycle of economic systems which cause varying degrees of harm can be avoided.<sup>2</sup>

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<sup>2</sup> Milton Friedman, a prominent conservative and empiricist economist of the twentieth century, illustrated the need for a higher standard for economics. He believed that all ideas must be tested through experience. According to him, economic theory is a collection of substantive hypotheses that become valuable through their predictive abilities. Hypotheses are considered confirmed only when they are not disproved by factual evidence. However, Friedman cautioned that factual evidence can never “prove” a hypothesis; it can only fail to disprove it. This is because there can always be an infinite number of hypotheses that are consistent with the available evidence. Therefore, no one can be certain that any economic system is objectively superior to any other economic system.

In the same way, Ludwig von Mises, likely the most influential evolutionary rationalist economist, argued that there is a need for a standard beyond economics (though he could not find one). He believed that human beings do not have omniscience and that even the most comprehensive economic theory can be revised or replaced by a new one. Science cannot provide certainty within the boundaries of human intellectual abilities and the existing state of scientific knowledge. According to Mises, “A scientific system is but one station in an endlessly progressing search for knowledge” (Mises, 1998, p. 7). This implies that it is always acceptable to try new means to achieve new ends, regardless of the potential risks involved.

Every economic debate is only ever secondarily about economic practices and policies. Debate is primarily over what standard shapes economic theory, and therefore determines how economies function. Of the many different economic theories that have been developed, Biblical Economics stands apart from them all. The Word of God shapes a very peculiar understanding of economics: Biblical Economics.

### **Defining “Biblical” Economics**

“Biblical” is defined as: “being in accord with the Bible” (Merriam-Webster, “Biblical”). The Bible “is a reliable collection of historical documents written down by eye witnesses during the lifetime of other eye witnesses. They report to us supernatural events that took place in fulfillment of specific prophecy and claim that their writings are divine rather than human in origin” (Baucham, 2005). Biblical Economics is simply economics that aligns with the teaching of Scripture. For the purposes of this essay, Biblical Economics, can be defined as: capitalism motivated by compassion guided by wisdom. All three parts are essential to the whole. And all three parts burgeon out of the Biblical concept of rights.

### **Rights**

In order to truly develop an understanding of Biblical Economics, the concept of rights must be established. A right is a person’s just claim to their personal sovereignty and property. Rights act as the fundamental logic on which Biblical Economics is built. These rights set the parameters for the means used and ends pursued within economics. In Scripture, there are three fundamental rights. The first is God’s right: He has the right to everything. The second is the right to life, which God gives to human beings. The third is the right to private property. These three together secure the right to liberty.

### ***God Has the Right to Everything***

God created and sustains all things, therefore, “The earth is the LORD’s and the fullness thereof, the world and those who dwell therein” (Psa. 24:1). He claims all resources as His own (Psa. 50:10-11), including the wealth of nations (Hag. 2:8). There is nothing that He cannot justly claim as His own.

From God’s right over all things, human beings derive their rights. God gave man both life (Gen. 2:7) and property (Deut. 5:21) to use within the limits of His design (Gen. 2:15). God is just (Ex. 34:7) and He is compassionate (Ex. 34:6). He recognizes His own rights (Isa. 42:8 & 48:11) as well as the rights of others (Psa. 68:5), and He defends those rights (Nah. 1:2-3). In this way, God’s character shapes Biblical Economics. According to the Bible, God has made the economy, and He sets the standards for economics.

Creation is the economy which God has made, and has given “the possession and use of” it to mankind as his “responsibility” (Aull, 1950, p. 1). Holmes Rolston III writes that “The world is ordered to demonstrate his paternal care in all man’s needs, material and spiritual.” (Rolston, 1972, p. 35). John Calvin held to the same belief (Calvin, n.d.b, p. 54). He wrote that the world and everything in it is God’s gift to humanity, and all exists to enrich humanity. People were designed to glorify God by actively participating in and enjoying the wealth of God’s creation (Calvin, n.d.a, p. 16). Mankind is designed to live in accordance with God's character within the economy of creation, where God has abundantly given life, property, and liberty to human beings.

### ***The Right to Life***

The Declaration of Independence calls the right to life an *unalienable right*. An unalienable right is a right which cannot be given up (Merriam-Webster, “Unalienable”), and cannot be taken or “legislated away” (Hall, n.d.). According to Scripture, the only qualification for the unalienable right to life is to be human. This right does not depend on one’s age, for the commandment “You shall not murder” (Ex. 20:13), applies to all human beings regardless of age. Likewise, a person’s right to life does not depend on anyone else desiring that person to live, nor does it “depend on the person himself wanting to live” (Grudem, 2010, p. 184).

The right to life extends to a human being’s body and soul. This flows naturally in Christian theology because human beings are “embodied souls” (Strachan, 2019, p. 22-23). William Blackstone, the “great Eighteenth Century English legal scholar” (Blackstone Institute, n.d.), wrote that “A man’s limbs . . . are also the gifts of the wise creator . . . . To these therefore he has a natural inherent right; and they cannot be wantonly destroyed or disabled without a manifest breach of civil liberty” (Gibbs & Gibbs, 2006, p. 18). In Scripture, those who recklessly endanger life and limb are fined (Ex. 21:21); and the only just punishment for the dismemberment or murder of another human being is repayment in like measures (Ex. 21:12, 22-23; Gen. 9:6; Lev. 24:17, 19-20). This applies to every human being (Lev. 24:22).

### ***The Right to Property***

The right to life, therefore, naturally stands in conjunction with the right to property (Lev. 24:21). Private property is central to Biblical Economics. James Madison defines property as “that dominion which one man claims and exercises over the external things of the world, in exclusion of every other individual” (Madison, 1792). Property is the sum of those possessions for which one individual has a just claim, or attachment of value. In this way, “the eighth

commandment, ‘You shall not steal’ (Ex. 20:15), assumes that human beings will own property that belongs to them individually and not to other people” (Grudem, 2010, p. 262).

In the Christian understanding, the frontmost of one’s “dominion” (to employ Madison’s words), the guardian of all his other “claims,” is the claim to one’s own boundaries. Calvin writes that “...there is nothing certain in the possessions of men, except the boundaries of fields be fixed; for no one can otherwise keep his own.” By “land” Calvin included “the whole political order” which ensures a man of his property (Calvin, n.d.c, p. 195). In other words, without the right to one’s property, there can be no guarantee to the right of liberty.

From that land, or from within that “political order” and economy, an individual “should eat and drink and take pleasure in all his toil—this is God’s gift” (Eccles. 3:13). This is an imperative statement, implying that it is in an individual’s power to choose to work or not to work (Paul affirms this view in 2 Thess. 3:10). This command also affirms that what an individual works to obtain is their own to do with as they please. The Apostle Paul clearly affirmed private ownership of goods and services when he wrote that Christians should “do their work quietly and to earn their own living” (2 Thess. 3:12). In the Biblical Economic system, individuals possess the “free use of their faculties, and free choice of their occupations;” and all property that is acquired through the honest use of these means is their own, to be dispensed with as they see fit within the bounds of God’s Law (Madison, 1792). The Bible, then, affirms private property and the right of the individual to control his or her own labor.

## **Capitalism**

Taking into consideration the whole of what the Bible teaches on economics, Biblical Economics can be understood in no other way than a capitalistic system. Capitalism is “an

economic system characterized by private ownership in which the free market alone controls the production of goods and services” (The Investopedia Team, 2022b). The free market is an economy with little to no government control, and is instead governed by the principles of free and mutual exchange, “so long as it is not controlled by coercive central authorities” (The Investopedia Team, 2022a).

Whenever God speaks against evil done in a capitalistic system, he never condemns the economic system itself. He only ever condemns the people who perpetrate the evil (Amos 8:4-7). Amos 5:11 describes a time in Israel’s history when the rich and the corrupt judges within the government used charity as an excuse for robbery. They took from the poor what they called “burdens [תַּשְׂבֵּרָה] of wheat” (KJV). In effect, they said to the average man carrying food home for his family, “Look at that great burden you are carrying! Let us relieve you of it” (Schaeffer, n.d.; Calvin, n.d.d., p. 264). In actuality, this was nothing more than theft. And God condemned it.

The Bible does not merely support capitalism; the Bible advocates for a capitalistic system. Some theologians say that “The biblical worldview supports *the tenets* of capitalism” (Harrison & Walker, 2021, p. 57 emphasis mine). Such an argument leaves the door open to the uncertainty of secular economists, who are not governed by Revelational truth. There can be no lasting defense against the Marxist doctrine of polylogism<sup>3</sup> in the field of economics if God has not authoritatively laid down a Biblical Economics. The Bible describes a capitalistic system as the proper economic machinery in this world, *and* it describes the proper means to be employed, and the proper ends to pursue: *the ability to share with someone else one’s own possessions and rights*.

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<sup>3</sup> Polylogism, in Marxist philosophy, is the belief that knowledge and logical are social constructs, typically developed by one class within a society to oppress another class. For an explanation of polylogism, see Ludwig von Mises book Human Action, page 5.

## Motivated by Compassion

The Bible advocates for a capitalism motivated by compassion. Paul states this clearly in Ephesians 2:28: “Let the thief no longer steal, but rather let him labor, doing honest work with his own hands, *so that he may have something to share with anyone in need* [emphasis added].” The same idea can be found in Leviticus 19:9-10 and Deuteronomy 24:20-21. When Israelites gathered their harvests from their own fields, they were to leave – out of compassion – the gleanings (i.e., the leftovers) for “the poor and the sojourner ... for the orphan, and the widow.” The fields and harvests were truly theirs, yet God told them to use them in such a way as to make provision for those in need. Biblical capitalism, as Francis Schaeffer once said, is “encompassed by a tremendous compassion” (n.d.).

This kind of compassion is also applied to the practice of lending. If anyone took something as collateral which was vital to an individual's life, they were to return it before the sun went down (Ex. 22:25-27; Deut. 24:12-13). Taking something as collateral that was essential to one's livelihood was also forbidden, for that would also be taking another's life into one's own hands (Deut. 24:6). When a loan was due, force and shame were not to be used in order to exact what was due (Deut. 24:10-11). Why not? Because God Himself is compassionate (Ex. 22:27), and His people are to emulate His character.

Jesus illustrated what this compassionate capitalism is in Luke 10:25-37. In this parable, Jesus is describing what it looks like to love one's neighbor. The “politico-religious establishment” fails to act in compassion towards a man who was robbed and beaten (Robbins, 2009, p. 2). Who fulfills the role of the good neighbor? A Samaritan businessman who acted out of compassion through the use of his own resources. The Samaritan “had an animal; he was carrying oil, wine, and money; and he was making a round trip” – all pointing to his affluency

(Robbins, 2009, p. 2). The Samaritan uses his own possessions to save the man's life, and sacrifices his own time to ensure his recovery. He used his own money to pay for all the man's needs, while demanding no help from anyone else, and "...it is his example, not that of the political and religious leaders, that Christ commands us to imitate" (Robbins, 2009, p. 2).

### **Guided by Wisdom**

The goal of Christian charity is not the elimination of poverty. While this is an admirable goal, it must be tempered with reality, for it will never be reached (Deuteronomy 15:4, 11; Mark 14:7). Likewise, the goal of Christian charity is not perpetual dependency. Paul writes that the goal of work and wealth is self-sufficiency, not dependency upon someone else (1 Thess. 4:12). In the Old Testament, this is applied on an international scale (Deut. 15:6). Christians are to work to build up a surplus (1 Cor. 16:2) so that they can provide independently for their own families (2 Cor. 12:14), and secondarily share what they earn with others (1 Cor. 9:10).<sup>4</sup>

Christian charity is not indiscriminate. Indeed, it cannot be if it truly seeks the wellbeing of sinners. The Bible operates by the principle that theft, especially passive fraud, produces only greater levels of poverty through the love of money (Prov. 13:11; 6:6-11; Eccles. 5:11). "The Bible knows nothing of either legal or moral entitlements to the property of another, simply because one needs help" (Robbins, 2009, p. 7).<sup>5</sup> Organizations in the past, such as The Association for Improving the Condition of the Poor (AICP) understood and implemented this. They clearly believed and practiced that "indiscriminate charity" only leads to ever greater "pauperism" (Olasky, 1995, p. 48-49). This is why Biblical Economics is capitalism motivated by compassion and guided by wisdom. "All charity," wrote John Robbins,

<sup>4</sup> David Scott Kotter works through the tension in the Bible between greed and self-interest in his dissertation (2015, p. 5-7).

<sup>5</sup> Charles Hodge made the same statement when he wrote about 2 Thessalonians 3:10 that "No one is entitled to be supported by others, who is able to support himself" (1860, p. 139).

is to be governed by the moral lifestyle of the recipient. Paul not only imposes a means test [in 1 Timothy 5:9-11], he imposes an age test and a morals test that must govern charitable giving. Anyone who advocates legal or moral entitlements, anyone who advocates promiscuous political or private giving, anyone who asserts that some people deserve help simply because they are human beings is disobeying God. Paul says: “Do not feed....” “Do not let a widow....” “Refuse younger widows....” (Robbins, 2009, p. 8).

Charity is a poor excuse for fraud and theft. Individuals have the right to the fruits of their own labor, and can choose what work they engage in or not (Eph. 2:18). No one, regardless of their social status, has the right to take demand someone else's labor or deprive another individual of the fruits of their labor, "even if it means personal hardship" (Harrison & Walker, 2021, p. 38; 1 Thess. 2:9; 2 Cor. 11:9). This has always been the Biblically faithful Christian position (Hodge, p. 139-140). Theft of property for any cause, whether it is outright robbery (Isa. 10:1-2; Prov. 22:22-23), fraud (Deut. 19:14; Hos. 5:10; Lev. 6:2-5), or unjust measures (Deut. 25:13-16; Pro. 20:10), is always summarily condemned by God.

Generosity is encouraged throughout Scripture (Psa. 112:5). However, the concept of stealing what belongs to an another (rich or poor) in order to be generous to someone else is denounced in passages such as Leviticus 19:15: “You shall not be partial to the poor or defer to the great, but in righteousness shall you judge your neighbor.” When people were not generous because they were greedy, Jesus commanded them to be charitable: mercifully giving their own possessions to those who did not deserve it (Luke 6:32-36; Matt. 25:35-40). The good neighbor, the Samaritan that Jesus describes in Luke 10:25-37, laid no obligation on the innkeeper

to help him or the crime victim without being paid. The good Samaritan was not an altruist who believed that need creates an entitlement to the property of another. He acted out of compassion, not compulsion, and he did not try to compel anyone else to be kind (Robbins, 2009, p. 2).

Jesus was not an altruist, and He did not force others to be generous. Rather, He commanded everyone to be wisely charitable with what was theirs. The goal of Christian charity is to promote individual self-sufficiency which produces the potentiality for greater levels of wise generosity.

### **Conclusion**

Without Biblical Economics, humanity is destined to search endlessly for an adequate economic system. Only capitalism motivated by compassion guided by wisdom, founded upon unalienable rights, offers an adequate solution to the problem of economics. Without it, human action will descend ever further into chaos and increasing levels of self-destruction. Under Biblical Economics, humanity will ascend to new heights of individual self-sufficiency, where more and more people are able to achieve ever-greater levels of generosity. In the words of Aleksandr Solzhenitzyn, “No one on earth has any other way left but–upward” (2002, p. 27)! Humanity's only hope is to look to the God of the Bible – to discover Biblical Economics.

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