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# Conceptions of Capitalism in Biblical Theology

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PROMINENT EVANGELICAL scholar, Craig Blomberg has asserted that both capitalism and socialism are incompatible with biblical theology,<sup>1</sup> and that a biblical theology of economics favours neither system. Making a judgment on these matters depends on what is meant by capitalism and socialism, and comparing the findings with biblical understanding. This paper seeks to make this evaluation by reviewing the definitions of both systems, although only the capitalist side of the equation is scrutinized because, despite name claiming of socialism by some countries, it is doubtful whether it exists anywhere today.

The contention here is that variations within a capitalist structure are able to encompass most of the reforms Blomberg advocates. Further, the revisions to capitalism could also encompass most of what is termed socialism today, although not applying to wide-

spread state ownership of the means of production (the classical model of socialism). Finally, the paper argues that if both capitalism and socialism are rejected, it is unclear what is to replace them.

## I Definitions of Capitalism and Socialism

Capitalism is defined from the *Oxford Dictionary of Economics* as 'the economic system based on private property and private enterprise... all, or a major proportion, of economic activity is undertaken by private profit-seeking individuals or organizations, and land and other material means of production are largely privately owned.'<sup>2</sup> This definition can be supplemented. Paul Williams in *The Dictionary of Scripture and Ethics* defines capitalism as entailing 'the private ownership of the means of producing wealth and the

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<sup>1</sup> Craig Blomberg, 'Neither Capitalism nor Socialism: A Biblical Theology of Economics', *Journal of Markets and Morality* 15 (2012), 207-225.

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<sup>2</sup> John Black, Nigar Hashimzade, and Gareth Myles (eds.), *A Dictionary of Economics* 3rd ed. (Oxford: Oxford University Press, 2009), 52.

exchange of goods and services, land, labor, and capital via markets.<sup>3</sup> The market-based nature of capitalism is highlighted in this definition, an element missing from the *Oxford* definition.

Robert Benne in *A New Dictionary of Christian Ethics* emphasizes the role of the price mechanism in competitive markets, a feature omitted from the *Oxford's* specification. For Benne, the price mechanism 'provides the dominant mode of making economic decisions' with 'nongovernmental ownership of the means of production; economic freedom to enter and exit the market.'

A further feature that could be incorporated in definitions of capitalism is the role of state regulation and welfare availability. Bottomore<sup>4</sup> describes these features as welfare capitalism. The *Penguin Dictionary of Sociology* defines capitalism similarly to the *Oxford* above, but includes the feature that economic activity is intended to make profit.<sup>5</sup> No definition of profit is offered, and it is possible to think of some economic activity within capitalism not profit-making, however defined, such as not-for-profit companies, like trusts, charities, foundations, and coopera-

tives.

These definitions of capitalism can be summarized as follows:

- Private ownership of the means of production.
- Market exchange is the means to access goods and services.
- Prices are the arbiters in market exchange.
- Participants in the market can freely enter and exit it.
- The state oversees all these processes.

Some of these features have to be qualified because exceptions exist to their operation. For example, all means of production are not privately owned, some are state-owned. Access to some goods and services can be via direct distribution from the state, and from not-for-profit companies.

Abercrombie *et al* define socialism<sup>6</sup> as involving common ownership of the means of production, with economic activities planned by the state and a minimal role for the market in the allocation of resources. The importance of private property was expected to decline under socialism. The *Oxford Dictionary of Economics* saw socialism with society's resources employed 'in the interest of all its citizens, rather than allowing private owners of land and capital to use them as they see fit'.<sup>7</sup>

Gauging the 'interest of all its citizens' has long generated contentious debate about socialism. That socialism is marked by 'common control or ownership of the means of production, dis-

3 Paul Williams, 'Capitalism', in *Dictionary of Scripture and Ethics* (eds. Joel Green, Jacqueline Lapsley, Rebekah Miles, and Allen Verhey; Grand Rapids, MI: Baker Academic, 2011), 115.

4 Tom Bottomore, 'Capitalism', in *The Blackwell Dictionary of Twentieth-Century Social Thought* (eds. William Outhwaite and Tom Bottomore; Oxford: Blackwell, 1993), 61-62.

5 Nicholas Abercrombie, Stephen Hill, Bryan Turner, 'Capitalism', in *The Penguin Dictionary of Sociology* 5th ed. (London: Penguin, 2006), 41.

6 *The Penguin Dictionary*, 362.

7 *A Dictionary*, 418.

tribution, and exchange'<sup>8</sup> is a common theme in definitions of socialism. The collapse of communism has presented even more disagreement about how socialism might be instituted.<sup>9</sup> Given that operational examples of socialism are few and far between, the *Dictionary of Scripture and Ethics* contains no definition of socialism, but does of capitalism.

In summary, no unanimity exists in definitions of capitalism and socialism. So open-ended are some of the definitions above that the notion of capitalism could accommodate to a definition of socialism. That 'economic activity is undertaken by private profit-seeking individuals' (capitalism) is consistent with the economy's resources being used 'in the interest of all its citizens' (socialism).

## II Why Biblical Theology Contradicts Capitalism and Socialism

### 1. Capitalism and socialism

One reason is that capitalism and socialism 'were not the economic systems of the biblical worlds'.<sup>10</sup> However, given the definitions of capitalism above, the economic system of Jesus' world can be construed as conforming to at least some features of capitalism. It was based on private property and

private enterprise. Market exchange was the means to access goods and service, free (non-slave) participants in the market could freely enter and leave it, prices were the arbiters in market exchange, and the state oversaw some of these processes.

As the *Oxford Dictionary* put it above, a major proportion of economic activity was 'undertaken by private profit-seeking individuals or organizations, and land and other material means of production [was] largely privately owned'. Economic structures in Jesus' Palestine approached those of the definition of capitalism above,<sup>11</sup> even though the term had not been invented. This is not a popularly held view that usually believes Jesus' Palestine to have been pre-capitalist.

One objection to the affinity of economic characteristics in Jesus' Palestine to capitalism is the notion that economic activity at that time was of a zero-sum nature characterized by limited goods. The idea that economic activity in pre-industrial Jesus' time was of this nature does not take away from its capitalistic characteristics.

As Malina has employed the notion of limited good and zero-sum game,<sup>12</sup> it means that as the rich became richer, it was assumed that less wealth would be available for everybody else because wealth increments were not generated or distributed uniformly; they accrued

<sup>8</sup> Duncan Forrester, 'Socialism', in *A New Dictionary of Christian Ethics*, ed. John Macquarrie and James Childress (London: SCM, 1986), 595.

<sup>9</sup> Tom Bottomore, 'Socialism', in *The Blackwell Dictionary*, 619.

<sup>10</sup> Blomberg, 'Neither Capitalism', 208.

<sup>11</sup> K. Hanson and Douglas Oakman, *Palestine in the Time of Jesus* 2nd ed. (Minneapolis, MN: Fortress Press, 2008), 95-100, 104-105, 111-116.

<sup>12</sup> Bruce Malina, *The New Testament World: Insights from Cultural Anthropology* 3rd ed. (Louisville, KY: John Knox Press, 2001), 89-90, 97-100, 231-234.

disproportionately to the rich. However, Malina does not have a great deal of evidence for this occurring in Jesus' Palestine. He cites a number of unexplained biblical references, and a series of rhetorical questions about them. The conjecture remains hypothetical.

An alternative reading is by Longenecker<sup>13</sup> who marshalled data showing that wealth-generation, thereby enlarging the pool of goods, was occurring in Paul's 'time. Even if Malina's assertion were true, its occurrence still accords with the definition of capitalism above. What it does not accord with is an additional feature that might be listed for capitalism, its ability to generate wealth.

But even if this is true of capitalism, the rich can still get richer and the poor lag further behind. They all enjoy some increase in wealth, the pool of goods increases, everybody's living standards rise, although in different degrees, but the rich gain greater wealth increments than the poor.

All this may not be vastly dissimilar from how the process of capitalism operates in the less developed world today. Blomberg accepts the limited goods view, suggesting that most people in Jesus' time 'were convinced that there was a finite and fairly fixed amount of wealth in the world to which they would ever have access in their part of the world so that if a member of their society became noticeably richer, they would naturally assume that it was at someone else's expense.'<sup>14</sup> This is how the process of exploitation has

always been defined.

In all likelihood, most poor tenant peasant farmers in less developed countries today think like this. Their landlords gain a disproportionate share of any wealth increment created, unavoidably at the peasants' expense. Since the peasants represent the majority of world population, one could say this is the prevailing mindset of most people in the world, not unlike the situation prevailing in Jesus' time. Just as in today's less developed countries,

the tiny number of extremely wealthy persons in each of the various biblical societies from the united monarchy onward derived much of their wealth through purchasing or foreclosing on the property and possessions of the poor, especially when the indebted could not repay their loans.<sup>15</sup>

This situation may resemble how the rich accumulate part of their wealth in much of the contemporary less developed world where rich landlords own most farming land.

It is possible also that the limited goods notion typifies the mindsets of poor people in advanced capitalist countries today. They cannot afford everything they need, or perceive they need, to function adequately in the society in which they live. To them, goods are in limited supply. The poor look at the lifestyles of the rich and see them engaging in consumption totally beyond their comprehension. If the poor compare their own condition with the rich, they may well think that the rich have obtained their riches by exploit-

13 Bruce Longenecker, *Remember the Poor: Paul, Poverty and the Greco-Roman World* (Grand Rapids, MI: Eerdmans, 2010).

14 'Neither Capitalism', 208.

15 'Neither Capitalism', 209.

ing the rest of society.

Exploitation is not a term commonly applied to capitalism outside Marxist analysis, but non-Marxist definitions suggest its contemporary relevance. Wertheimer explains that exploitation occurs when one person/group takes unfair advantage over another.<sup>16</sup> For *The Blackwell Dictionary of Modern Social Thought*, exploitation occurs when 'one group or individual is structurally in a position enabling them to take advantage of others'.<sup>17</sup> Finally, *The New Palgrave Dictionary of Economics* construes exploitation as to take advantage of other people.<sup>18</sup> Obviously, subjective judgment is needed to establish when 'to take advantage of' occurs, and when it is unfair. To what extent exploitation, so typical of economic relations in Jesus' time, occurs in contemporary capitalist society is a matter for debate.

Another argument Blomberg proposes against the existence of capitalist features in Jesus' Palestine concerns taxes. Taxes paid to the Temple treasury and to Rome have been estimated at 30-50 percent of people's incomes. Blomberg interprets this as reflecting 'the beginnings of socialism'.<sup>19</sup> But he had not posed taxation rates as a cri-

terion bearing on socialism. In Blomberg's definition of socialism, there is no mention of taxation. It can just as well be said that 30-50 percent income tax rates characterize many capitalist economies today. In this case, the tax rate factor does not tell against capitalist features either now or in the past.

Inferences that might be drawn from Blomberg's assertion that 'capitalism and socialism were not the economic systems of the biblical worlds' depend on what the Bible is regarded to be. If the implications from biblical exposition relate only to the historical periods during which the Bible was constructed—not involving capitalism or socialism — its message is time and culture bound.

Many Christians would not regard this to be the case. To them, normative teaching from the Bible is intended to apply trans-temporally and transculturally, despite the difficulties of doing this. Numerous Protestant (and Catholic) theologians have pointed out that the Bible reveals normative guidelines or principles applicable to all societies.<sup>20</sup> The question confronting Christians is to what extent these norms are achieved and achievable in present societies.

Thus, when Jesus advocates assisting the poor, this is meant to be the practice in all times and places. The normative principle that should characterize all economies is that the poor

16 Alan Wertheimer, *Exploitation* (Princeton, NJ: Princeton University Press, 1996), 10.

17 Susan Himmelweit, 'Exploitation', in *The Blackwell Dictionary of Modern Social Thought* 2nd ed., ed. William Outhwaite (Oxford: Blackwell Publishers, 2003), 227.

18 A. Shaikh, 'Exploitation', in *The New Palgrave Dictionary of Economics* vol. 2, 2nd ed., eds. Steven Durlauf and Lawrence Blume (New York: Palgrave Macmillan, 2008), 249-251.

19 'Neither Capitalism', 209.

20 John Goldingay, *Models for Interpretation of Scripture* (Grand Rapids, MI: Eerdmans, 1995); Marcelo Sorondo, 'For a Catholic Vision of the Economy', *Journal of Markets and Morality* 6 (2003): 7-31; Glen Stassen and David Gushee, *Kingdom Ethics* (Downers Grove, IL: InterVarsity Press, 2003).

are to be helped to a lifestyle not vastly inferior to some norm prevailing in the society in question. The biblical ethical principle intended to apply universally is rectification of the lot of the poor. A complementary biblically derived norm might be that all able-bodied people who so wish should be provided with paid work sufficient to support themselves and their families. Christians can discuss among themselves how these objectives might be pursued in contemporary society.

## 2. Equal treatment

A second reason why biblical theology might contradict capitalism and socialism is that scriptural texts 'supporting one or the other system, are relatively evenly distributed between the two'.<sup>21</sup>

### a) Capitalism

Biblical texts supporting capitalism can be found, such as 'private property is enshrined as a fundamental good', specifically applying to Israel as it enters the Promised Land. Concomitantly, theft of possessions was prohibited, thereby implying their private ownership.<sup>22</sup> Just as rich people exist in capitalism, so they did in the Bible. God-fearing rich people are acceptable to God, such as Abraham, Isaac, Job, David, Solomon, and Esther.

At the same time, all these examples were from pre- or post-Mosaic Law times, rather than during the Mosaic Law period, brief as that was. Examples post Israel's entry into the Promised Land are few, such as David

and Solomon, or Zacchaeus and Joseph of Arimathea in Jesus' time. Except for the last, these were called by God to manage their wealth differently. Paul in 1 Timothy 6:17 explains how the rich are to behave, not praising their existence.

The righteous rich were few in number after Mosaic Law times. They were required to 'give a substantial portion of their assets away, especially to help the poor'. This is because 'God is very concerned that everyone has the opportunity to acquire some property'.<sup>23</sup> More than just 'some' property is in question. Families needed enough to be able to function adequately in the society in which they lived.

In the Mosaic Law, property was to be redistributed regularly to its original configuration (the Jubilee). Every forty-nine years, land holdings were to be reassigned to those families which were allocated on Israel's entry into the Promised Land. This was necessary to maintain the private property basis of the economy. This property was the capital with which each family worked to maintain economic independence and sustained their function as a coherent unit.

The economy would work well only if each family had sufficient capital to enable them to maintain its economic independence. In the Mosaic Law, more than 'some' property was restored to each family — all of it was. Each family was intended to maintain the assets it originally had, designed to maintain its economic independence.

The conservative evangelical economist, Brian Griffiths draws the fol-

21 'Neither Capitalism', 209.

22 'Neither Capitalism', 209.

23 'Neither Capitalism', 209.



lowing inference from these requirements to present-day capitalism (that he supports vigorously). Contrary to Marx's analysis, if the Mosaic Law 'had been applied it would have been impossible for "labour" to be in conflict with "capital"'. But the laws were not practised throughout history so that capital became owned 'by a few, but the majority were without access to that capital, other than being hired on the labour market. This was precisely the situation which the property laws of the Pentateuch were designed to prevent.'<sup>24</sup>

Subject to the constraint that all families have sufficient access to capital to ensure their economic independence, as Griffiths suggests, the Mosaic Law requirements could operate consistently with capitalism. This does not occur under present day capitalism. For instance, a measure of asset poverty for the US in 2001 shows that 27% of people did not have assets that could tide them over three months.<sup>25</sup>

The matter, therefore, is whether a capitalism could be envisaged consistent with the reasonably even distribution of means of production envisaged by the Mosaic Law. Means relating to the sphere of production by which greater evenness in the distribution of capital could be pursued are canvassed later.

Another feature of contemporary capitalism Bloomberg suggests is contrary to biblical views is payment of interest on borrowed money. The Mosaic

Law specified that interest was 'never to be charged on a loan extended to a fellow Israelite'.<sup>26</sup> Who are the modern day equivalents to 'fellow Israelites' is mooted below. But, first it is worth noting that interest was not listed by Bloomberg as a feature of capitalism or socialism. Therefore, deciding whether interest should be payable today does not require resolution to favour either system. But should interest be charged, and would capitalism be able to function without it?

In pre-monarchical Israel, Bloomberg points out that loans were 'used to help the poor gain at least basic sustenance levels of existence'. However, maintaining the reasonably equal distribution of land (capital) would probably be a more effective way of supporting the poor. In a capitalist economy aspiring to the Law's orientation, interest could be avoided, despite its usually being viewed as necessary to encourage economic development. Bloomberg believes that 'capitalism would have barely moved beyond its most rudimentary stages without the liberal extension of loans repayable with interest'.<sup>27</sup>

To what extent is this valid? Consider how a process of economic development might have worked if the Mosaic Law principles had been followed. Surpluses beyond need could be paid into a common fund (a bank). Those wanting to engage in innovative practices (consistent with God's direction) would use this fund to facilitate their new enterprise. If they wanted additional funds for their enterprise, they would go back to the bank that would lend it to

<sup>24</sup> Brian Griffiths, *The Creation of Wealth* (London: Hodder and Stoughton, 1984), 57.

<sup>25</sup> Edward Wolff, *Poverty and Income Distribution* 2d. ed. (Chichester, UK: Wiley-Blackwell, 2009), 120.

<sup>26</sup> 'Neither Capitalism', 210.

<sup>27</sup> 'Neither Capitalism', 210.



them (all things being equal). No interest would be charged on this loan.

The bank would become part owner of, and investor in, the enterprise. As and if the enterprise flourished, the entrepreneurial family would pay back their loan to the bank. At the same time as this process occurred, the other principles of the Law would ensure that the entrepreneurial family did not become excessively rich compared to the norm of the society.

This practice is not vastly dissimilar from ways in which a number of modern organizations inside capitalism provide capital to fund entrepreneurial activity. These include JAK Banks, some micro-finance agencies, like Kiva, and some Islamic banks, that do not charge interest on their loans.

The JAK Cooperative Bank (Sweden) does not aim to make a profit, but balances its deposits and loans without the payment of interest, meeting its costs through members' fees and a loan repayment fee. On this basis, loans are cheaper than through conventional banks. Local Enterprise Banks, part of JAK, are in process of being established for specific loan purposes, such as an ecologically friendly slaughterhouse. JAK has grown rapidly since its establishment in Sweden in 1965, currently having 38,000 members, with regular JAK schools, and 350 volunteers spreading the word.<sup>28</sup>

<sup>28</sup> Margrit Kennedy with Declan Kennedy, *Interest and Inflation-Free Money* Rev. ed. (Philadelphia, PA: New Society Publishers, 1995). Other models for contemporary interest-free lending are in Paul Mills, 'Finance', in *Jubilee Manifesto*, eds. Michael Schluter and John Ashcroft (Leicester: Inter-Varsity Press, 2005), 204-206.

Israelites could charge loans to foreigners (Dt 23:20). Blomberg accepts this provision as applying today, especially on commercial loans, both in general, and to foreigners.<sup>29</sup> But in the New Covenant, as foreigners became part of the body of Christ, we might infer from the Mosaic Law that Christians are the new fellow Israelites. If this is the case, interest would not be charged on loans between Christians.

However, Jesus goes further in Luke 6:35 in condemning interest outright. Perhaps an objective for Christians, therefore, would be to persuade people in general to omit interest on loans, or to make interest rates very low. In this situation, Blomberg's complaint concerning international loans would not have less weight. He laments 'the enormous stranglehold that massive indebtedness on loans *with interest* has on the poorest countries of the world'.<sup>30</sup>

The criterion of interest on loans from the developed to the less developed world is probably not the major motivation in international lending. International governmental and non-governmental agencies could make loans on the basis of participating in the profits and losses of the projects to which their loans were directed.

### b) Socialism

What now of socialism? Blomberg interprets some of the Mosaic Law provisions discussed above as supporting socialism. These include the allotment

<sup>29</sup> 'Neither Capitalism', 210. This position is challenged by Bruce Ballard, 'On the Sin of Usury: A Biblical Economic Ethic', *Christian Scholar's Review* 24 (1994), 210-228.

<sup>30</sup> 'Neither Capitalism', 210; original emphasis.

of land texts, and restriction of production texts (Sabbath, sabbatical year, Jubilee). However, these texts are consistent with a capitalist system based on 'private property and private enterprise' with 'a major proportion of economic activity undertaken by private profit-seeking individuals or organizations, and land and other material means of production largely privately owned'. This structure was what the Mosaic Law aimed at, subject to the qualifications of land allotment and restriction of production.

The relevant Mosaic Law texts do not necessarily contradict capitalism. Blomberg observes that in the Mosaic Law, 'the laws of the market were not to be the be-all and end-all of human existence'.<sup>31</sup> Again, this does not have to suggest socialist tendencies, for there are many capitalist economies where 'the laws of the market' are restricted. These include the United States where controls exist on wages, working conditions, prices, standards for goods, land development, and environmental effects of business. Christians do not universally agree on the nature of these controls, but their existence does not constitute socialism as defined here.

Likewise, 'give me neither poverty nor riches, but give me only my daily bread' (Prov 30:8) can be compatible with capitalism, as can 'giving to a common treasury or fund to be redistributed to the poorest and neediest in their midst'.<sup>32</sup> However, it is arguable that this latter provision derived neither from the Mosaic Law nor from

Jesus' or Paul's teachings, but from its one occurrence in Acts. Certainly, Mosaic Law capitalism was intended to ensure family economic independence, but not mainly through mere philanthropy, charity, benevolence, and generosity, insufficient in themselves. Economic independence was to be earned through remunerated employment.

The Mosaic Law instructed well-off people to apply their surpluses to assist the poor. Blomberg puts it that 'as long there are some who have too little to live even a minimally decent life, the surplus of the rich shows that they have too much and that they should redistribute it by giving it away to those who most need it'.<sup>33</sup> This statement does not go far enough in showing what the Mosaic Law taught. As it stands, the statement implies only a redistribution of assets.

The Mosaic Law required work effort by the poor in return for the asset redistribution. The poor needed to work to achieve their self-sufficiency. It is not stretching its inference too far today to suggest that jobs should be provided for the poor, organized by the rich, something that could be practised in a capitalist economy.

For the rich to use their surpluses in this manner would be a non-coercive exercise. No compulsory government action is involved. Although this might not depict how the rich do employ their surpluses in capitalism, it does seem possible for the Christian rich to do so. They are people who have business acumen, given that over 74% of very rich people in the US own businesses.<sup>34</sup>

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31 'Neither Capitalism', 210.

32 'Neither Capitalism', 211.

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33 'Neither Capitalism', 211.

34 Edward Wolff, 'Recent Trends in House-

Blomberg does not go down this track, instead observing that the lot of the poor improved in advanced 'democracies with mixed economies', excluding the US.<sup>35</sup>

Probably, a mix of factors was instrumental here, such as the process of economic development and redistributive government taxation. However, these were features achieved in developed capitalist economies, not socialist ones. It is stretching the case too far to attribute improvement in the plight of the poor in these countries to 'Christian and democratic socialism'.<sup>36</sup> Welfare capitalism was responsible for it, in which Christian influence has been instrumental.<sup>37</sup>

### 3. Helping the poor

A third suggested reason why neither capitalism nor socialism accords with biblical theology is that 'neither system necessarily helps the plight of the involuntarily poor, disabled, widow or orphan, or numerous other vulnerable and marginalized people.'<sup>38</sup> This objection does not have great sway. Blomberg had contended that 'the plight of the poor was alleviated even more... in democracies with mixed economies', compared with former Soviet bloc

countries.<sup>39</sup> That is, these economies had taken action to alleviate the lot of the poor.

These mixed economies include Europe, Canada, Australia and New Zealand who are said to have 'implemented more socialist mechanisms than in the United States'.<sup>40</sup> Yet Europe and the others are capitalist countries by our definition. Recall this is a system

based on private property and private enterprise... all, or a major proportion, of economic activity is undertaken by private profit-seeking individuals or organizations, and land and other material means of production are largely privately owned.

None of the four regions cited as 'mixed economies' falls outside this definition.

'Socialist mechanisms' is not a term contained in Blomberg's definition of capitalism or socialism, or in any of the other definitions cited above. Recall that Blomberg had defined socialism from the *Oxford Dictionary of Economics* as 'the idea that the economy's resources should be used in the interest of all its citizens, rather than allowing private owners of land and capital to use them as they see fit'.<sup>41</sup> He acknowledges that taxonomies of socialism exist, such as market socialism, planned socialism, and participatory socialism, but the mechanisms by which these variations might be attained are not discussed, nor do examples exist of economies run on this basis today.

Some commentators think that

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hold Wealth in the United States: Rising Debt and the Middle-Class Squeeze', *Working Paper No. 589, The Levy Economics Institute* (Annandale-on-Hudson, NY, 2010), 18.

35 'Neither Capitalism', 211.

36 'Neither Capitalism', 211.

37 Rodney Stark, *The Victory of Reason: How Christianity Led to Freedom, Capitalism, and Western Success* (New York: Random House, 2005).

38 'Neither Capitalism', 212.

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39 'Neither Capitalism', 211.

40 'Neither Capitalism', 211.

41 'Neither Capitalism', 207-208.

where the term, 'market socialism' was used in the past to describe the experience of Eastern European countries immediately before the collapse of communism, it was a misnomer. In Brus' view, the experiences implied 'the abandonment of the concept of socialism as a grand design'.<sup>42</sup> Similarly, Blomberg admits diversity in capitalist systems.

But the blanket claim of 'more socialist mechanisms' in the favoured capitalist countries,<sup>43</sup> needs explication. For instance, how these mechanisms relate to the idea of using the economy's resources 'in the interest of all its citizens, rather than allowing private owners of land and capital to use them as they see fit' needs further explanation. Welfare and state-regulated capitalism may be the order of the day in advanced capitalist countries today, but it is debatable whether they have adopted 'more socialist mechanisms'.

#### 4. Track record

A fourth reason for rejecting capitalism and socialism is that 'the actual track record of modern economies' does not support socialism or capitalism, 'apart from the mitigating effects of Christian values'.<sup>44</sup> 'The mitigating effects of Christian values' is not something explored by Blomberg. He observes a litany of 'government-run ameliorations' to 'a pure market economy', but does not show that they stem from 'the mitigating effects of Christian values'. Perhaps Medicare and Medicaid were

developed under the influence of Christian values, but Blomberg does not demonstrate the connection.

This same hiatus applies to the numerous state-mediated measures he lists. Perhaps all the 'government-run ameliorations' could occur only in a capitalist society that had become sufficiently wealthy to be able to sustain them. That the 'stunning economic growth' achieved in 'East Asian countries' depended on 'even more regulations and interventionist measures from the state than their western counterparts' does not take away from the fact that these were and are capitalist economies, even though Christian influence might not be great.

Capitalist economies in the West and elsewhere seem capable of spawning all manner of readjustments affecting the economy, including those aiming to help the poor. Whether they do pursue the latter effectively is something to which Christian values can be directed.

The issue of the 'mitigating effects of Christian values' on capitalist economic development is still a matter of contention. Perhaps Blomberg is right, that in the West, Christian values did alleviate the worst excesses of capitalism. But they did not overthrow the capitalist system, nor did they seek to. On the other hand, Christian values might have pushed in the direction of encouraging beneficial change for the poor beyond that to which the capitalist system could accommodate voluntarily.

Understanding these issues underlies how Christians today could respond to the capitalist system. If 'capitalism simply promotes self-absorption and the illusory quest for self-

<sup>42</sup> Włodzimierz Brus, 'Market Socialism', in *The Blackwell Dictionary*, 363.

<sup>43</sup> 'Neither Capitalism', 211.

<sup>44</sup> 'Neither Capitalism', 213.

sufficiency',<sup>45</sup> the quest for Christians is to avoid such practices, and to promote an economy that devalues them.

### 5. Human depravity

A fifth reason for eschewing capitalism and socialism is that neither 'adequately acknowledges the depth of human depravity and sin that the Scriptures teach us remains in all human beings, even redeemed ones'.<sup>46</sup> While this reason is valid, it does not tell against capitalism or socialism. Even with depravity, capitalism (and socialism when it existed) still manages to function. Capitalism as it is practised, and socialism as it was practised, do not depend for their functioning on the non-existence of human depravity. Both systems function with it, as does any human action. Yet, it is probably impossible to assess which system 'takes more account of sin'.<sup>47</sup>

A comparison on this score between capitalism and socialism has little meaning today, given that socialism as defined both by Blomberg and other sources does not exist. This is despite the label being attached to some economic arrangements that do exist within capitalism, such as 'market socialism' in China, but this designation does not accord with the definitions of socialism canvassed above.

Any human system does not 'adequately acknowledge(s) the depth of human depravity and sin'. The more the system is influenced by secular influences seeking to operate apart from God, the more it will be subject to sin

and evil. However, it is up to Christians living and working within the system to assess how sinfulness might be mitigated, and to try and pursue this.

That total depravity prevails is no warrant for Christians to remain unconcerned about the costs (and benefits) of any economic system, or to acquiesce to their sinful condition. Capitalism is a humanly constructed system, held together by God's common grace enabling it to function as well as it does. Human depravity and sin infect all human action, but there is no biblical precedent for Christians to give in to it, sit back, and do nothing to try to improve the human condition.

Also, it seems a reasonable scriptural deduction that actions by redeemed people have the potential to conform more to God's preferences than those by the unredeemed. Nevertheless, redeemed people have to keep in touch with God as much as they can. This involves regular prayer, Bible study, and church participation that help counter the depravity to which humans are subject.

Blomberg raises all manner of hypothetical matters that could affect capitalism and socialism on the matter of good and evil. For example, one advantage capitalism might have is that it may provide checks and balances against anybody becoming too powerful. Blomberg thinks this applies decreasingly in a multinational and globalized world, so that 'the top politicians of a country can now become subservient to the business and media moguls'.<sup>48</sup> The responsibility falls on Christians to ascertain if this is true,

45 'Neither Capitalism', 214.

46 'Neither Capitalism', 214.

47 'Neither Capitalism', 214.

48 'Neither Capitalism', 215.

and also to determine how and whether biblical principles can be discerned to help counter the process.

According to Reformed theologian, Spykman, 'total depravity means total misdirection, complete disorientation'. Yet, even in the midst of the total depravity of humankind, 'God maintains the structures of his creation', by the process of God's common grace. But 'only God's grace can restrain total depravity' for 'in a fallen world God maintains the structures of his creation by his preserving grace'.<sup>49</sup> However, as Grudem points out, the term, 'total depravity' can be misleading; 'it can give the impression that no good *in any sense* can be done by unbelievers',<sup>50</sup> to which could be added 'and believers'.

## 6. No clear winner

In summary, Blomberg claims that the 'five key themes' canvassed above from the entire sweep of the biblical material' do 'not lead to a clear winner'.<sup>51</sup> However, the notion of a clear winner has little validity because socialism does not exist today. Instead, each of Blomberg's themes contains a reasonable affinity with capitalism that is still beset with sinfulness.

Consider, now, an earlier exposition by Blomberg of how biblical themes relate to capitalism.<sup>52</sup> The first aligns

with capitalism, that 'material possessions are inherently good'. However, not all possessions are good, for sinful people produce goods that are evil. This leads into Blomberg's second theme, that possessions can 'lead to temptations to pursue great evils'. This can involve sinful possessions, but also an excess beyond need of possessions that intrinsically might not appear sinful.

Where and how this arises is a matter of judgment, connecting to Blomberg's third theme, that the process of being redeemed involves a transformation in the area of stewardship. Most of Blomberg's examples for this stewardship theme concern the need to help the poor, but stewardship transformation applies to diverse areas, such as how to live without an excess of riches, how to care for the environment, how to organize business firms and other such matters.

Blomberg's fourth theme is that 'there are certain extremes of wealth and poverty which are in and of themselves intolerable'.<sup>53</sup> This is called the principle of moderation, involving 'reduction of disparity between "haves" and "have-nots"'. 'These extremes cannot be quantified,' but contemporary capitalism does not measure up well on this theme. In many countries, disparity is wide and increasing. For the US, Wolff reported that the richest 20% of households owned 93% of non-home wealth in 2007, up from 91.3% in 1983.<sup>54</sup>

Modification to this degree of inequality would seem to be called for on

<sup>49</sup> Gordon Spykman, *Reformational Theology* (Grand Rapids, MI: Eerdmans, 1992), 322, 320, 321.

<sup>50</sup> Wayne Grudem, *Systematic Theology* (Grand Rapids, MI: Zondervan, 1994), 497; original emphasis.

<sup>51</sup> 'Neither Capitalism,' 215.

<sup>52</sup> Craig Blomberg, *Neither Poverty Nor Riches* (Leicester, UK: Apollos, 1999).

<sup>53</sup> *Neither Poverty*, 245.

<sup>54</sup> Wolff, 'Recent Trends', 44.



the basis of Blomberg's fourth theme. Blomberg's fifth theme is that 'the Bible's teaching about material possessions is inextricably intertwined with more "spiritual" matters.'<sup>55</sup> Since people in capitalist societies probably fail to appreciate their relationship with God, capitalism underestimates this requirement.

Contemporary capitalist systems only partially conform to a number of the biblical themes raised by Blomberg in his earlier investigation. None of the themes unambiguously supports capitalism, but they suggest that Christians could modify capitalism toward biblically-based principles. Material possessions can be valued, but only while they do not have evil elements within them or are used for evil purposes. Present capitalism does not seem to encourage stewardship transformation.

Extremes of wealth and poverty within countries seem to be a common feature of capitalism that does not acknowledge the inherent connection between material and spiritual matters. These may not seem sufficient reasons for abandoning capitalism, but for restructuring it. Redeemed individuals, not governments, are the solution to this renovation of capitalism.

Blomberg's final reason for rejecting capitalism and socialism is that 'Biblical ethics... is first and foremost centered on God's people in community, known in this age as the church'.<sup>56</sup> Presumably, this means that biblical ethics are only secondarily aimed at the world. This proposition, that biblical

ethics is directed 'first and foremost' to the church, would seem to be overly restrictive as to whom Jesus directed his teachings.

Jesus aimed his teachings at the world, the crowd and multitude, as well as at his followers and disciples. Wherever Jesus performed healings, they were usually associated with teachings, and were directed to whoever was ill. There is no precedent in Jesus' teachings that they were intended only for the church. 'The second- and third-century-ancient Mediterranean church' recognized this intention in endeavouring to help the poor in general.<sup>57</sup>

Various contemporary theologians hold this view, even including the Catholic. For instance, the President of the Pontifical Academy of the Social Sciences, Marcelo Sorondo sought to 'demonstrate that the Gospel and the social doctrine of the Roman Catholic Church... contains those essential principles... which no economy, if it wants to be a good economy, can forget'.<sup>58</sup> This is a statement directed to the world, for no economy is excluded from it if it aspires to be a good economy. Fortunately, Christian programs today to help the ill and poor, and engage in other social action, work on the basis of helping whoever they can.

This is the operational criterion on which Christian welfare and aid agencies work. Christian-run hospitals, and programs to help the poor both in developed and less-developed countries function on this basis. Blomberg is 'sympathetic to the argument that the church should care for the poor

55 *Neither Poverty*, 246.

56 'Neither Capitalism', 216.

57 'Neither Capitalism', 216.

58 Sorondo, 'For a Catholic Vision', 7.



and needy of the entire land in which it finds itself,'<sup>59</sup> but does not extend this argument to other aspects of the economy for which normative biblical principles might be discerned.

Blomberg approvingly points to contemporary reforms in capitalism encouraged by 'proponents of socialism',<sup>60</sup> citing worker-owned cooperatives as examples. 'Proponents of socialism' might well approve of these developments, but so do proponents of capitalism, such as the present Tory Prime Minister of Great Britain, David Cameron. Nor were worker cooperatives all instigated by 'socialists'. Indeed, sometimes socialist-minded unions in the past have argued against worker cooperatives, seeing them as making workers 'little capitalists'.

Consider the highly-efficient Spanish Mondragon Cooperative Corporation (MCC), started in 1956, made up of 132 worker-owned cooperatives, straddling a range of industries from hi-tech to banking and retailing. This was started by a Catholic priest wanting to reform capitalism, not promote socialism as defined above and by Blomberg. As with the definition of capitalism Blomberg employs, the cooperatives operate on the basis of 'private property and private enterprise'.

Their members are private profit-seeking individuals, their organizations privately owned. It is incorrect to label these business forms as non-profit enterprises. They make profits to continue their operation. The difference from conventional joint stock company business is that the workers

own the firm.<sup>61</sup>

There is no flavour here of Blomberg's definition of socialism, of the economy's resources being used 'in the interest of all its citizens, rather than allowing private owners of land and capital to use them as they see fit'.<sup>62</sup> While the Mondragon cooperative owners of the firms do work together under the umbrella of the MCC, there are still 'private owners of land and capital' using them 'as they see fit', subject to the qualification of the MCC's guidance.

Blomberg recognizes that diversity in capitalist systems exists, but, once again, the source cited for this occurrence (Lane and Wood) gives little empirical detail as to how this diversity manifests itself among capitalist countries. The only real-world reference is to the emphasis on regionalization in Italy, although not to the firm types that occur within regions (such as a stress on cooperatives).<sup>63</sup>

If biblical theology does not favour socialism, Christians can envisage and operationalize reforms to capitalism that do accord with this theology. Return to Blomberg's example of worker cooperatives. The Catholic Church has long supported this form of firm organization, and its effects are most noticeable in Spain and Italy, two strongly Catholic-influenced countries.<sup>64</sup> Of

<sup>61</sup> Gregory Dow, *Governing the Firm: Workers' Control in Theory and Practice* (Cambridge: Cambridge University Press, 2003), 57-66.

<sup>62</sup> 'Neither Capitalism', 207-8.

<sup>63</sup> 'Neither Capitalism', 208; Christel Lane and Geoffrey Wood, 'Capitalist Diversity and Diversity within Capitalism', *Economy and Society* 28 (2009), 531-51.

<sup>64</sup> Clive Beed and Cara Beed, 'Work Ownership Implications of Recent Papal Social

<sup>59</sup> 'Neither Capitalism', 216.

<sup>60</sup> 'Neither Capitalism', 216.

course, secular socialists have also worked for the development of worker cooperatives in these and other countries.

Consider the biblical justification for this. Assume that Jesus upheld the principles of the Mosaic Law as distinct from its details. Each family was provided with sufficient land (capital) in the Law to enable it to remain self-sufficient, as Griffiths above noted. From this conclusion the step can be taken to advocate workers having self-ownership and self-management over the capital they work with. Private ownership of property is retained, but those who make the capital available (shareholders), and those who do the work (workers) are one and the same.

Further, cooperatives have more even wage configurations than do conventional companies, helping to mitigate extremes of income and wealth in the society at large. Since the Mosaic Law and Jesus advocated decreasing intra-family material inequality, this is another way in which worker cooperatives meet biblical theology.

### III Conclusion

Tweaking the capitalist system rather than overhauling it is Blomberg's preference. Presumably, this means encouraging reform within capitalism. However, to do this in terms of 'a biblical theology of economics' requires guidelines from the Bible to chart the way forward.

One guideline for this path is to provide 'access to the means of produc-

tion for all who can work'.<sup>65</sup> Churches and Christian organizations have a vital role to play in this objective, including making micro-finance available for business purposes to the poor. Blomberg advocates this procedure, to encourage micro-finance for entrepreneurial effort within neighborhoods that can help mutually reinforce each other.<sup>66</sup>

Calling this 'a socialist' concept is somewhat exaggerated, for the idea has long been standard practice inside capitalist economies, especially in the less developed world. Even so, microfinance use currently does have problems. As Jo et al.<sup>67</sup> point out, microfinance interest rates are often excessive, and need biblical safeguards to avoid this.

Blomberg favors a system that 'lies somewhere between pure capitalism and pure socialism'. If advanced economies are the models, it is doubtful that 'pure capitalism' has ever existed in the last eighty years. All manner of government regulation puts the bridle on 'pure capitalism', which is not to say that existing regulation is the best way of heading toward a more 'balanced, responsible and compassionate system'.<sup>68</sup>

Reforms that can be instituted inside present capitalism, such as heightened private and government action to encourage self-employment, partnerships and worker cooperatives

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Thought', *Review of Social Economy* 60 (2002), 47-69.

65 'Neither Capitalism', 217.

66 'Neither Capitalism', 217.

67 Haesue Jo, Hoje Jo, and Manish Pathak, 'Microfinancing, Interest Rate, and Biblical Safeguards', *Review of Business Research* 11 (2011), 59-67.

68 'Neither Capitalism', 217.

for the poor, are more useful in improving their lot than are welfare handouts.

These forms of business enterprise have greater evenness in remuneration levels than exist within joint stock companies. There are extremely unequal distributions of income and wealth in most capitalist countries today. Policies to encourage self-employment etc. run closer to the biblical mandate of reducing inequality—which does not mean pursuing equality. Fostering a

‘theology of enough’<sup>69</sup> is more likely to be attained where enormous differences in levels of wealth and income do not exist within the population.

Aspiration to possessions would be more comparable between different sections of the population, and, overall, dampened as purchase of luxury items slackened. If everybody had enough, there would be less ambition to strive for more and more.

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69 ‘Neither Capitalism’, 217.

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