CHRISTIAN COMPARATIVE ECONOMICS

Capitalism V. Socialism & Alternatives

by David Lee Burris





characterized by private or corporate ownership of capital goods, by investments made by private decision, & by prices, production, & distribution of goods determined by the free market





government is small





SOCIALISM the COMMUNITY is most important

characterized by collective ownership of capital goods, by investments made by collective decision, & by prices, production, & by distribution of goods determined by the collective

individual is small







goods belong to the government

COMMUNISM

the GOVERNMENT is most important

characterized by collective ownership of capital goods, by investments made by government decision, & by prices, production, & by distribution of goods determined by the government

community supported













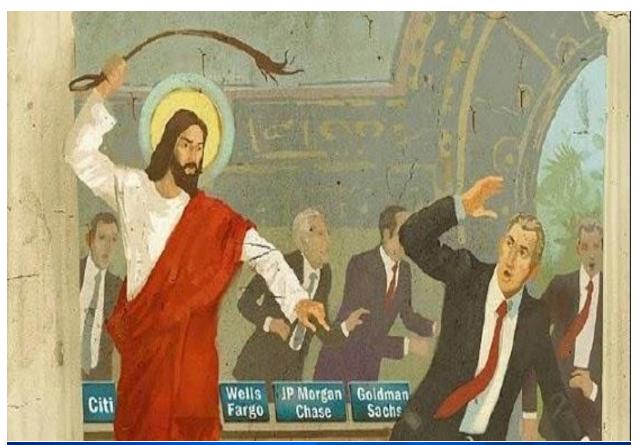


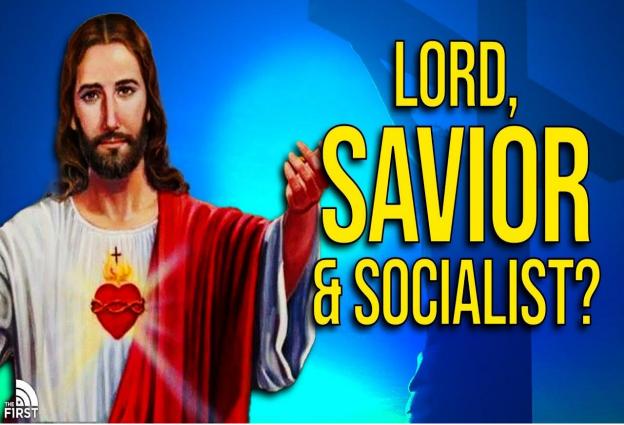
"The Jews are our brothers, who, like "The Jewish people are dearly loved us, are oppressed by capital; they are by God for the sake of their our comrades in the struggle for forefathers." - Romans 11:28 socialism." - Vladimir Lenin "There is neither Jew nor Greek. "The working class has for you are all one in Christ no country." - Karl Marx Jesus." - Galatians 3:28 "I have come to set a man against his father, a "The herd and the family are not daughter against her mother. Whoever loves their complementary to one another, but father or mother more than me is not worthy of me, and whoever loves their son or daughter more than antagonistic." - Frederick Engels me is not worthy of me." - Jesus, Matthew 10 "Nor is there male and female. "Differences of age and sex have no for you are all one in Christ longer any distinctive social validity for the working class." - Karl Marx Jesus." - Galatians 3:28 "The one who is unwilling to "He who does not work, neither work shall not eat." shall he eat." - Vladimir Lenin - 2 Thessalonians 3:10 "One-tenth of the produce of the land, "Ground rent must be paid whether grain from the fields or fruit from the trees, belongs to the Lord." to the state." - Karl Marx - Leviticus 27:30 "There was not a needy person among them, for all who "In a higher phase of communist society, after all the springs of were owners of land or houses would sell them and co-operative wealth flow more abundantly-only then can the narrow horizon of bourgeois right be crossed in its entirety and bring the proceeds of the sales and lay them at the apostles' feet, and they would be distributed to each as society inscribe on its banners: From each according to his ability, to each according to his needs!" - Karl Marx any had need." - Acts 4 "The uncritical way in which he has treated his "Look! The wages you failed to pay the workmen subject will become evident from one single who mowed your fields are crying out against you. The cries of the harvesters have reached the ears remark: He pleads against a rise of wages or Communism is Christianity against high wages." - Karl Marx of the Lord Almighty." - James 5:4 "The alien living with you must be "Hostility towards non-native sections of the *for Atheists* population can only be eliminated when the nontreated as one of your native-born. native sections of the population cease to be alien Love him as yourself, for you were

and blend with the general mass of the population."

Vladimir Lenin

aliens in Egypt." - Leviticus 19:34

















ROLAND D. SAWYER SPECIAL

The Christian Socialist

The Golden Rule Against the Rule of Gold

The Name of the CHRISTIAN SOCIALIST is Registered in the Patent Office at Washington as a TRADE MARK of the Co-Operative Printing Company CHICAGO, ILLINOIS, SEPTEMBER 1, 1912 3c Per Copy, \$1.00 Per Year Ninth Year, No. 36

CONTENTS

CONTENTS
Remarkable Values in This Great Sixteen Page
Sawyer Special
Candid judgment of the contents of this
number will convince any comrade that it is
worth ten times the price. Active workers for
Socialism will realize that they can do nothing
better for the cause than to circulate these
papers by the thousands among the people of



SESSENTIAL SOCIALISM S

By REV. CHARLES G. GIRELIUS

Many excellent people sincerely hold that better for the cause than to circulate these papers by the thousands among the people of that it is therefore impossible for us to know what essential Socialism really is. We are told that the Socialists themselves cannot inform us, for they hold varied and contradictory views, so that it is in wain that a poor body undertakes to discover what they are trying to teach.

In trath we must adont that some confusion prevails. Socialism sells that do not belong to Socialism sells that do not belong to Socialism sells. But that its to the expected. Every movement is of necessity hampered by adversements who are ill-informed, narrow extensities, or sincerely over-enthusiastic.

On the other hand, much of this confusion in regard to Socialism has been courtibuted by non-Socialism who have been "seeing things in the dark." They have been bearing the creaking of a hinge, the slight cracking of a wall, or the weird whealthing of the wind; and there have caused them to imagine all sorts of ghosts and goblins and strange, grewsome borns. Occasionally a maginary, but exceedingly herrible—size.

Rev. Roland D. Sawyer.

Rev. Roland D. Sawyer.

Rev. Roland D. Sawyer.

Rev. Roland D. Sawyer.

Their own visinity. Get your coursades to help you place one of these papers in every home. Its chief features are these.

Rev. Roland D. Sawyer.

What we need is a comprehensive view of the sacropart extential features of the landscape which dominate the whole. In order than the same of the sandscape which dominate the whole. In order than the same of the sandscape which dominate the whole. In order than the same of the s

The Bible and Economics

How are we to develop a Christian view of economics? The Bible provides a firm moral foundation for economics, but that is not how economics is taught today. A few centuries ago, there was much greater emphasis given to the moral aspect of economics.

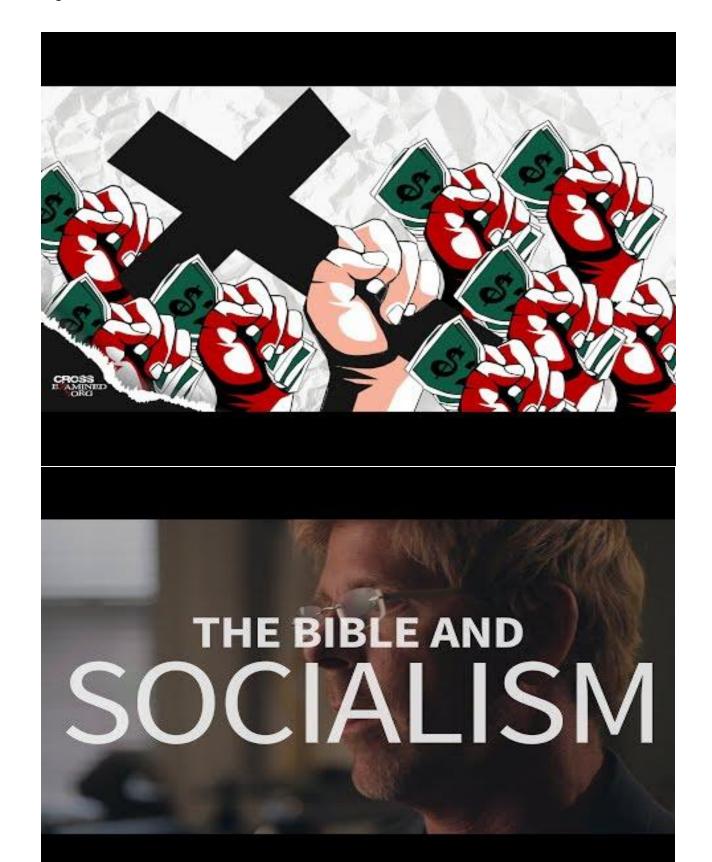
For examples, if you look at the *Summa Theologica* written by Thomas Aquinas, you find whole sections of his theological work devoted to economic issues. He asked such questions as, "What is a just price?" or "How should we deal with poverty?"

Today, these questions, if they are even discussed at all, would be discussed in a class on economic theory. But in his time, these were theological questions that were a critical and integral part of the educational curricula.

In the Protestant Reformation, we find the same thing. In John Calvin's *Institutes of the Christian Religion*, whole sections are devoted to government and economics. Therefore, Christians should not feel that economics is outside the domain of Christian thinking. If anything, we need to recapture this arena and bring a strong biblical message to it.

The Bible speaks to economic issues more than any other issue. Whole sections of the book of Proverbs and many of the parables of Jesus deal with economic matters. They tell us what our attitude should be toward wealth and how a Christian should handle his or her finances. The Bible also provides a description of human nature, which helps us evaluate the possible success of an economic system in society.¹

¹ Anderson, K. (2016). <u>Christians and economics: a biblical point of view</u>. Cambridge, OH: Christian Publishing House.



Adam Smith, who wrote famously in his *Wealth of Nations* about "the invisible hand" of the market, wrote earlier in his book *The Theory of Moral Sentiments* concerning what happens when economics forgets ethics. Smith said that capitalism cannot function properly without moral framework. Another proponent of capitalism, Austrian economist Joseph Schumpeter, agreed and said that without ethics, the market ends up devouring everything else and, finally, even itself. While the market may be amoral in itself, it takes place within a moral structure, either good or bad.

The Un-Economy

At the deepest level, our economy is not fulfilling the role that economics is meant to fulfill. It has instead become the "un-economy." It's *unfair*, *unsustainable*, *unstable*, and is making people *unhappy*.

The Bible treats extreme inequality in a very negative way, and the extent of our inequality today has reached biblical proportions. At the end of the nineteenth century, the ratio of the richest 20 percent in the world versus the poorest 20 percent was 7 to 1; at the end of the twentieth century, it was 75 to 1.

From a religious point of view, there is a great moral difference between those two different eras of prosperity. Inequality is an inevitable part of the human condition. But when it becomes too extreme, it is a moral and even a religious issue.²

² Wallis, J. (2013). *God's economics (ebook shorts): principles for fixing our financial crisis*. Grand Rapids, MI: Brazos Press.

Capitalism isn't economic anarchy. It recognizes several necessary conditions for the kinds of voluntary relationships it recommends. One of these presuppositions is the existence of inherent human rights, such as right to make decisions, the right to be free, the right to hold property, and the right to exchange what one owns for something else. Capitalism also presupposes a system of morality. Capitalism should be thought of as systemic voluntary relationship within a framework of laws which protect peoples' rights against force, fraud, theft, and violations of contracts. "Thou shalt not steal" and "Thou shalt not lie" are part of the underlying moral constraints of the system. Economic exchanges can hardly be voluntary if one participant is coerced, deceived, or robbed.

Imprimus

Economic Criticisms

People often reject the idea of capitalism because they believe one of the *economic* criticisms of capitalism. Here are two of these criticisms.

The first economic criticism is that capitalism leads to monopolies. These develop for two reasons: too little government and too much government. Monopolies have occurred in the past because government has not been willing to exercise its God-given authority. Government finally stepped in and broke up the big trusts that were not allowing the free enterprise system to function correctly.

But in recent decades, the reason for monopolies has often been too *much* government. Many of the largest monopolies today are government-sanctioned or -sponsored monopolies that prevent true competition from taking place. The solution is for government to allow a freer market where competition can take place.

Let me add that many people often call markets with limited competition "monopolies" when the term is not appropriate. For example, the major car companies may seem like a monopolies or oligopolies until you realize that in the market of consumer durables the true market is the entire western world.

The second criticism of capitalism is that it leads to pollution. In a capitalistic system, pollutants are considered externalities. The producer will incur costs that are external to the firm so often there is no incentive to clean up the pollution. Instead, it is dumped into areas held in common such as the air or water.

The solution, in this case, is governmental regulation. However, this need not be a justification for building a massive bureaucracy. We need to find creative ways to direct self-interest so that people work towards the common good. Sometimes when speaking on the topic of government and the environment, I use a thought experiment. Most communities use the water supply from a river and dump treated waste back into the water to flow downstream.

Often there is a tendency to cut corners and leave the waste treatment problem for those downstream. But imagine if you required that the water intake pipe is downstream, and the waste pipe is upstream. If you did require this (and this is only a thought experiment), you would instantly guarantee that you would have less of a problem with water pollution. Why? It is now in the self-interest of the community to clean the wastewater being pumped back into the river.

We can acknowledge that although there are some valid economic criticisms of capitalism, these can be controlled by limited governmental control. And when capitalism is wisely controlled, it generates significant economic prosperity and economic freedom for its citizens.

Moral Criticism

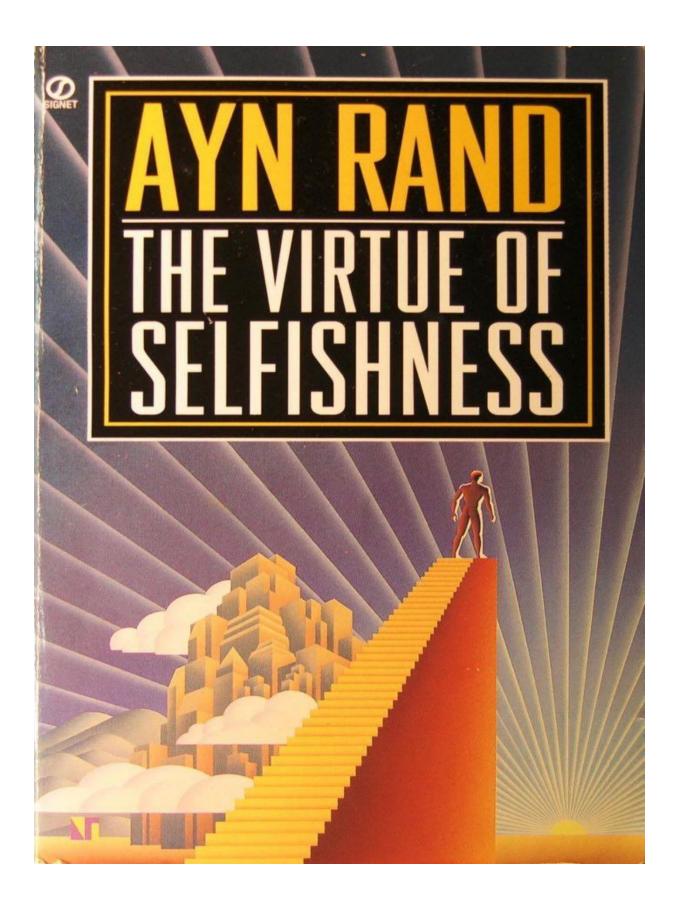
Another reason people often reject the idea of capitalism is because they believe it is *immoral*. One of the moral arguments against capitalism involves the issue of greed. And this is why many Christians feel ambivalent towards the free enterprise system. After all, some critics of capitalism contend that this economic system makes people greedy.

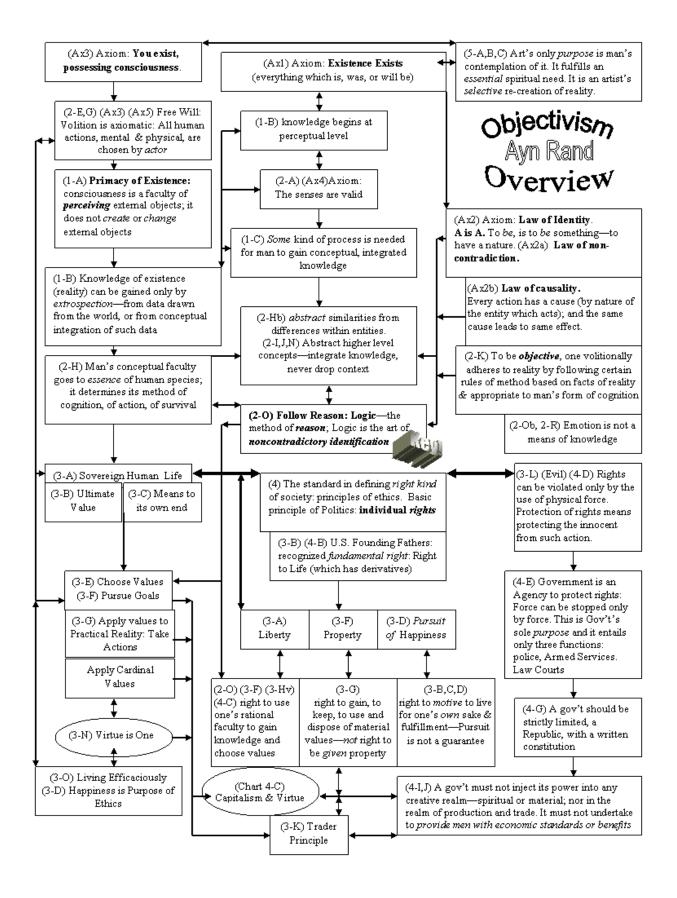
To answer this question we need to resolve the following question: Does capitalism make people greedy or do we already have greedy people who use the economic freedom of the capitalistic system to achieve their ends? In light of the biblical description of human nature, the latter seems more likely.

Because people are sinful and selfish, some are going to use the capitalist system to feed their greed. But that is not so much a criticism of capitalism as it is a realization of the human condition. The goal of capitalism is not to change people but to protect us from human sinfulness.

Capitalism is a system in which bad people can do the least harm, and good people have the freedom to do good works. Capitalism works well if you have completely moral individuals. But it also functions adequately when you have selfish and greedy people.







Important to this discussion is the realization that there is a difference between self-interest and selfishness. All people have self-interests that can operate in ways that are not selfish. For example, it is in my self-interest to get a job and earn an income so that I can support my family. I can do that in ways that are not selfish.

Capitalism was founded on the observation that all of us have self-interest. Rather than trying to change that, economists saw that self-interest could be the motor of the capitalist system.

By contrast, other economic systems like socialism ignore the biblical definitions of human nature. Thus, they allow economic power to be centralized and concentrate power in the hands of a few greedy people. Those who complain of the influence major corporations have on our lives should consider the socialist alternative of how a few governmental bureaucrats control every aspect of their lives.

Greed certainly occurs in the capitalist system. But it does not surface just in this economic system. It is part of our sinfulness. Capitalism may have its flaws as an economic system, but it can be controlled to give us a great deal of economic prosperity and economic freedom.

The Zero-Sum Myth

There is a myth that is often at the very foundation of many of the criticisms of capitalism. We can call it the zero-sum myth. By zero-sum, I mean that one person wins, and another person loses. Most competitive games are zero-sum games. One team or person wins; the other loses.

In most cases, the free market can be a win-win scenario rather than a win-lose scenario. In his book, *Money, Greed, and God*, Jay Richards uses a fun example from his childhood to illustrate this point.⁸

In the sixth grade, his teacher had them play the "trading game." She passed out little gifts to all of the students: a ten-pack of Doublemint gum, a paddleboard with a rubber ball, a Bugs Bunny picture frame, an egg of Silly Putty, a set of Barbie trading cards, etc.

She then asked the students to rate how much they liked their gift on a scale from one to ten. Then she compiled the score and put it on the board. Then she divided the class into five groups of five students and told them they could trade their gift with anyone in the group. Jay traded the Barbie trading cards he had with a girl in his group who had the paddleboard.

Then the teacher asked them to rate how much they liked their gifts. And she put that number on the board. The total score went up.

Then she told the students they could trade with anyone in the room. Now they had twenty-four possible trading partners rather than just the four in their group. The trading really began to take off. Once again, the teacher asked them to rate their gifts. When she put the number on the board, the total score went up again.

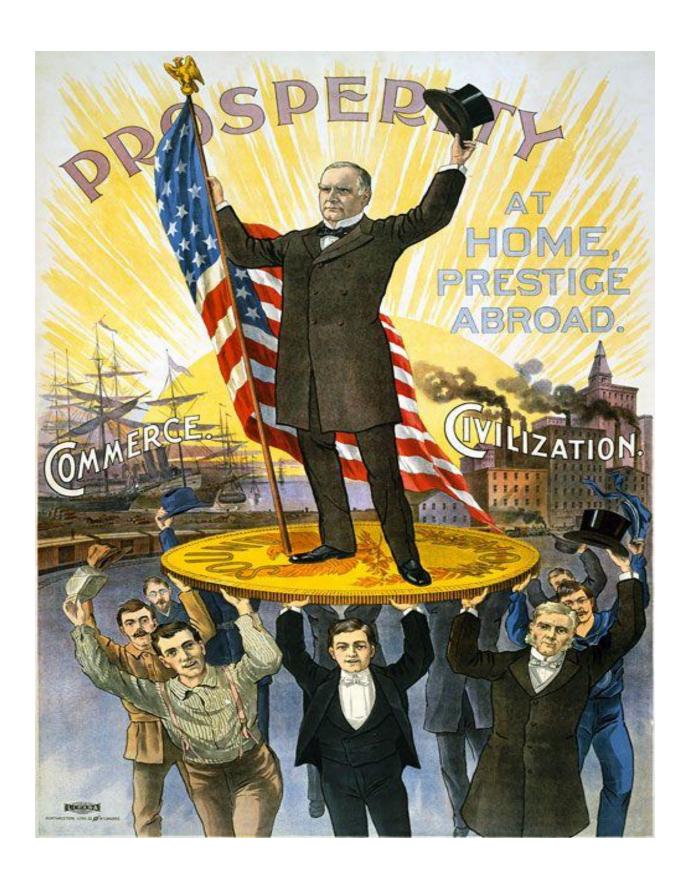
Almost everyone ended up with a toy he or she liked more than when the trading began. In fact, the only individual scores that did not go up were from students who really liked the gift they received initially from the teacher.

The students that day learned some valuable lessons about a free economy. When people are free to trade, they can add value to the traded item even though it remained physically unchanged. And they saw the value of having more trading partners (in this case twenty-four rather than four). Most of all, they learned that the free exchange could be a win-win proposition.

We can certainly admit that sometimes capitalism is not a win-win proposition. When there are limited resources and an individual or corporation is able to manipulate the political system in their favor, it is a win for the manipulator but a loss for Americans who did not have such political access. However, that is not a flaw in capitalism, but what results when government is corrupt or is corrupted by those who manipulate the system.³

-

³ Anderson, K. (2016). *Christians and economics: a biblical point of view*. Cambridge, OH: Christian Publishing House.



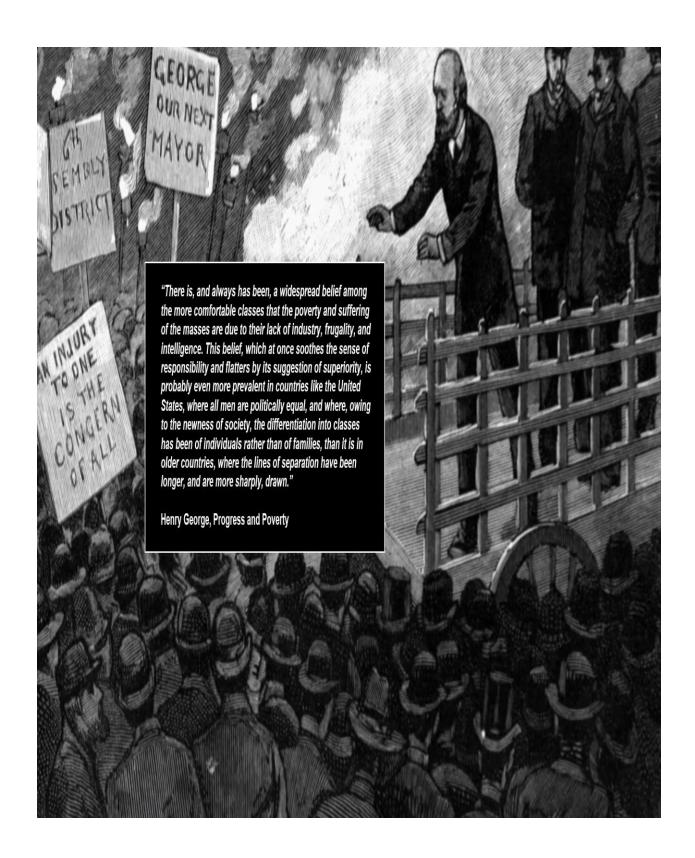
Capitalism benefits the few at the expense of the many

The fundamental principles of capitalism systematically undermine social cohesion, dividing us from each other, impoverishing us, and eventually sacrificing our collective well-being for the benefit of the few.

Do I need to list the innumerable times the Bible condemns Israel for allowing the rich to become richer while the poor remain destitute? Or do I need to quote Christ telling us the Kingdom of God belongs to the poor, or his condemnation of those who do not care "for the least of these sisters and brothers of mine"?

In the Christian tradition, inequity and poverty have always been seen as evidence of a corrupt and sinful society, and God's people have always been called to practice the alternatives of generosity, hospitality and justice.

In capitalism, commodification is the transformation of goods, services, ideas and people into commodities or objects of trade. At its most basic, a commodity anything intended for exchange, or any object of economic value. We are okay about products and consumables being exchanged as commodities, but the commodification of human life, when selling their labor on the market to an employer, is deeply concerning because it turns people into objects. And when people are seen, and counted, as objects they are easier to exploit or dispense with. — Internet



Research consistently shows that the poorest enjoy the highest material well-being in countries whose governments and people most respect private property and the market and engage in the fewest acts of aggression against those things.

Unlike any alternative, the market order does not require the use of coercion—the initiation of physical force—but amounts instead to a system of peaceful social cooperation.

In a true market system, no one may employ state coercion to gain an advantage at his neighbor's expense. No transaction can take place without the willing consent of both parties. The market economy therefore treats human beings as ends in themselves. It also gives the greatest possible scope to human creativity, which other systems stifle to one degree or another.

The market economy is the remarkable engine civilization that people are all too often taught to hate. The less heed we pay to slogans and propaganda, and the more we study the question on its merits, the more attractive does the market become. All other economic systems make fantastic promises that turn out in practice to be cruel and empty delusions. Theory and experience alike testify that the market alone can deliver an economy that is just, humane, and prosperous.4

⁴ Woods, T. E., Jr. (2008). *Beyond Distributism*. (K. Schmiesing, Ed.) (Vol. 13, pp. 69–71). Grand Rapids, MI: Acton Institute.

Laissez-Faire Economy

Command Economy

What To Produce

Determined by consumers' preferences What To Produce

How To Produce

How To Produce

Determined by producers seeking profits

> For Whom To Produce

For Whom To Produce

Determined by purchasing power **Government**

PEACEFUL OR VIOLENT EXCHANGE. The peaceful means of exchange may be summed up in the phrase, "If you do something good for me, then I'll do something good for you." Capitalism, when understood correctly, epitomizes peaceful exchange. The reason people exchange in real markets is because they believe the exchange is good for them. They take advantage of an opportunity to obtain something they want more in an exchange for something desired less. Capitalism is correctly defined as a system of voluntary relationship using peaceful means of exchange.

But exchange can also take place by means of force and violence. In this violent means of exchange, the basic rule of thumb is: "Unless you do something good for me, I'll do something bad to you." This turns out to be the controlling principle of socialism. Socialism means far more than centralized control of the economic process. It entails the introduction of coercion into economic exchange in order to facilitate the attainment of the goals of the elite who function as the central planners. One of the great ironies of Christian socialism is that its proponents in effect demand that the State get out its weapons and force people to fulfill the demands of Christian love. Even if we fail to notice any other contrast between capitalism and socialism, we already have a major difference to relate to the biblical ethic. One system stresses voluntary and peaceful exchange while the other depends on coercion and violence. - IMPRIMUS

CAPITALISM VS. SOCIALISM

...THE REAL-WORLD DIFFERENCES

CAPITALISM	VS.	SOCIALISM
EXPLANATION	_	EXPLANATION
Capitalism is a free market of buyers and	1	Socialism is about government dictating &
sellers that transact through	_	Mandating economic transactions through
MUTUAL VOLUNTARY EXCHANGE.		COERCION, CONTROL & CONFISCATION.
GREED		GREED
Human greed is channeled through production by	2	Human greed is about consumption.
profit. If people want to gain, they need to serve		Everything that you ask for, the government
others first to earn the reward of profit.		takes by force what is produced by others.
THE RECORD		THE RECORD
by rewarding production (profit),	3	Because Socialism rewards
which in turn benefits consumption,		consumption and punishes production,
Free-market Capitalism tends to create		it tends to create failing economies
Relatively successful economies.		marked by oppression and poverty.
CAPITALIST EXAMPLES	_	SOCIALIST EXAMPLES
United States, Japan,	4	North Korea, Venezuela, Zimbabwe,
Germany, Norway, Hong Kong,	_	Sudan, Ethiopia, Soviet Union,
South Korea, Taiwan, Canada.		Somalia, Yugoslavia, Mexico.
IMMIGRATION	_	IMMIGRATION
Capitalist countries have a problem	5	Socialist countries have a problem
with managing their borders.		because people suffer economically.
PEOPLE WANT TO GET IN.		PEOPLE WANT TO GET OUT.
PRODUCTION		PRODUCTION
Because of profit, capitalism	6	Because of higher taxes and other disincentives,
incentivizes society to produce		production suffers. With lower production and
so there is usually ABUNDANCE.		continued consumption, there is SCARCITY.
CONSUMPTION		CONSUMPTION
In capitalism, supply & demand	7	Because Socialism promises
are allowed to work so there is	-	free goods/services but punishes
sufficient consumer goods and		production, this harms supply and demand
services for society.		resulting in product shortages/ service delays.
GOVERNMENT IS REFEREE.		GOVERNMENT IS PARTICIPANT.
The role of government is to counter theft,	8	The government intercedes in most aspects
fraud and other involuntary acts		of the economy and thus becomes so
so people can interact peacefully.		powerful that people have no recourse.
POVERTY		POVERTY
Free-Market capitalism reduces poverty.	9	Socialism increases poverty.
(see capitalist examples in #4)		(see socialist examples in #4)
SOCIAL JUSTICE GAINS.	40	SOCIAL JUSTICE LOSES.
When people are productive and self-reliant, they	10	Tyrants and dictators are socialists (Hitler too).
have more control over their lives. Free societies		Socialism makes it very easy for people to become
tend to preserve independence and civil rights.		dependent and relinquish control to government.

by Paul Mladjenovic, CFP. www.RavingCapitalist.com Copyright 2019 Paul Mladjenovic. All rights reserved. This infographic (version 3) may be freely shared with others but the content may not be altered in any way.

"Neither capitalism nor socialism can be derived from Scripture," Blomberg insists, because "the texts that impinge on economic issues in the Bible that might be viewed as supporting one or the other system are relatively evenly distributed."

In other words, one could make the case for either system because there are elements of both throughout the Bible. For instance, private property, the hallmark of capitalism, was enshrined as a fundamental good and right for Israelites. It was also possible to be both wealthy and godly, as evidenced by Abraham, Job, David, Solomon, and Esther. And God Himself "richly provides" those who are generous and eager to share with others (1st Timothy 6:17)

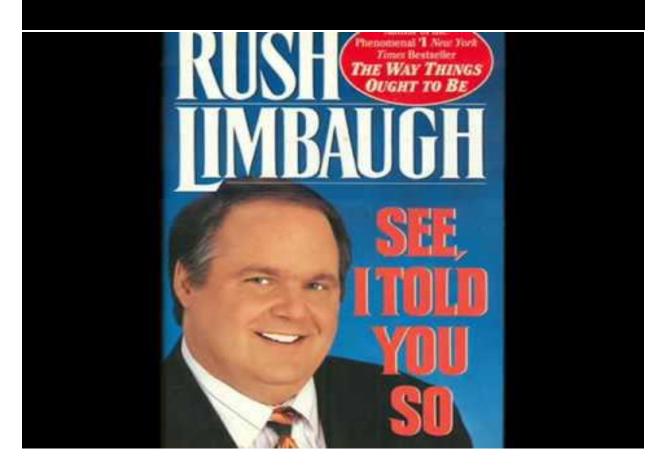
While there are capitalistic elements in Scripture, there are socialistic ones, as well. Though it's possible for the rich to be godly, Jesus suggested such "righteous rich" were few. Even then, in the New Testament such examples were those who gave away a substantial portion of their assets, especially to the poor. Also, God is deeply concerned that everyone has opportunity to acquire some property and be relieved of economic burden—going so far as to institute a year (Year of Jubilee) to help people regain lost property.

But while at first glance Scripture seems to support socialism, Blomberg makes it clear that Christian giving was always voluntary, never required by any government authority, and always described in the context of Christian discipleship. Furthermore, no New Testament text mandates state welfare systems. Yet it's also clear that the wealthy are chastised for hoarding wealth without using their surplus to pay fair wages or alleviate suffering (James 5:4-6)

Blomberg reveals that one could make arguments for either economic system from biblical material on economic matters, which means God seems to care about principles from both.

- Jeremy Bouma





AIER | AMERICAN INSTITUTE for ECONOMIC RESEARCH

The Pilgrims Tried Socialism and It Failed



How many of us know or appreciate that Thanksgiving really celebrates the failure of socialism and the birth of private enterprise and personal initiative in America?

With the calls for "democratic" socialism to be established in the United States, it is worth remembering the very first attempt to put in place a form of economic collectivism in American history. It brought disastrous consequences for the Pilgrims after they settled in Plymouth, Massachusetts.

The English Pilgrims, who left Great Britain and sailed across the Atlantic on the Mayflower in 1620, were not only escaping religious persecution in their homeland. They also wanted to turn their back on what they viewed as the materialistic and the greedy corruption of the Old World.

Plymouth Colony Planned as Collectivist Utopia

They wanted to erect a New Jerusalem in the new world, a new Jerusalem that would not only be religiously devout, but would be built on a new foundation of communal sharing and social altruism. Their ideal was communism as found in Plato's *Republic*. All would work and share in common, knowing neither private property nor self-interested acquisitiveness.

What resulted is detailed in the diary of Governor William Bradford, the head of the colony. The colonists collectively cleared and together worked the land, but they brought forth neither the bountiful harvest they hoped for, nor a spirit of shared and cheerful brotherhood.

The less industrious members of the colony came late to their work in the fields and were slow and easy in their labors. Knowing that they and their families were to receive an equal share of whatever the group produced, they saw little reason to be more diligent in their efforts. The harder working colonists became resentful that their efforts would be redistributed to their more malingering neighbors. Soon they, too, were coming late to work and were less energetic in the fields.

Collective Work Created Individual Resentment

As Governor Bradford explained in his old English (though with the spelling modernized):

For the young men that were able and fit for labor and service did repine that they should spend their time and strength to work for other men's wives and children, without recompense. The strong, or men of parts, had no more division of food, clothes, etc. then he that was weak and not able to do a quarter the other could; this was thought injustice. The aged and graver men to be ranked and equalized in labor, and food, clothes, etc. with the meaner and younger sort, thought it some indignant and disrespect unto them. And for men's wives to be commanded to do service for other men, as dressing their meat, washing their clothes, etc. they deemed it a kind of slavery, neither could husbands brook it.

Because of the disincentives and resentments that spread among the population, crops were sparse and the rationed equal shares from the collective harvest were not enough to ward off starvation and death. Two years of socialism in practice had left alive only a fraction of the original number of the Plymouth colonists.

Private Property as Incentive to Industry

Realizing that another season like those that had just passed would mean extinction of the entire community, the elders of the colony decided to try something radically different: the introduction of private property and right of individual families to keep the fruits of their own labor.

As Governor Bradford put it:

And so, assigned to every family a parcel of land, according to the proportion of their number for that end. This had a very good success; for it made all hands very industrious, so as much more corn was planted then otherwise would have been by any means the Governor or any other could use, and saved him a great deal of trouble, and gave far better content. The women now went willingly into the field and took their little ones with them to set corn, which before would allege weakness, and inability; whom to have compelled would have been thought great tyranny and oppression.

The Plymouth Colony experienced a great bounty of food. Private ownership meant that there was now a close link between work and reward. Industry became the order of the day as the men and women in each family went to the fields on their separate private farms.

When the harvest time came, not only did families produce enough for their own needs, but they had surpluses that they could freely exchange with their neighbors for mutual benefit and improvement.

In Governor Bradford's words:

By this time harvest was come, and instead of famine, now God gave them plenty, and the face of things was changed, to the rejoicing of the hearts of many, for which they blessed God. And the effect of their planting was well seen, for all had, one way or other, pretty well to bring the year about, and some of the abler sort and more industrious had to spare, and sell to others, so as any general want or famine hath not been amongst them since to this day.

Rejecting Collectivism for Individualism

Hard experience had taught the Plymouth colonists the fallacy and the error in the ideas that since the time of the ancient Greeks had promised paradise through collectivism rather than individualism. As Governor Bradford expressed it:

The experience that was had in this common course and condition, tried sundry years, and that amongst the Godly and sober men, may well convince of the vanity and conceit of Plato's and other ancients; — that the taking away of property, and bringing into a common wealth, would make them happy and flourishing; as if they were wiser than God. For this community (so far as it was) was found to breed confusion and discontent and retard much employment that would have been to their benefit and comfort.

Was the realization that socialism was incompatible with human nature and the prosperity of humanity a reason to despair or a cause for guilt? Not in Governor Bradford's eyes. It was simply a matter of accepting that compulsory altruism and collectivism were inconsistent with natural man, and that human institutions should reflect the reality of man's nature if he is to prosper.

Said Governor Bradford:

Let none object this is man's corruption, and nothing to the curse itself. I answer, seeing all men have this corruption in them, God in his wisdom saw another course fitter for them.

The desire of "spreading the wealth" and for government to plan and regulate people's lives is as old as the utopian fantasy in Plato's *Republic*. The Pilgrim Fathers tried and soon realized its bankruptcy and failure as a way for men to live together in society.

Instead, they accepted man as he really is: productive and innovative when allowed the liberty to follow his personal interests in improving his own circumstances and that of his family. And even more, out of his industry result the quantities of useful goods that enable men to trade to their mutual benefit.

Giving Thanks for the Triumph of Freedom

The First Thanksgiving is one of those lessons!

Bible View of Human Nature

The Bible teaches that there are two aspects to human nature. First, we are created in the image of God and thus able to control the economic system. But second, human beings are sinful and thus tend towards greed and exploitation. This points to the need to protect individuals from human sinfulness in the economic system. Therefore, Christians have a much more balanced view of economics and can, therefore, construct economic theories and analyze existing economic systems.

Christians should see the fallacy of such utopian economic theories because they fail to take seriously human sinfulness. Instead of changing people from the inside out as the gospel does, Marxists believe that people will be changed from the outside in. Change the economic base, they say, and you will change human beings. This is one of the reasons that Marxism was doomed to failure because it did not take into account human sinfulness and our need for spiritual redemption.

When we are looking at either theories of government or theories of economics, an important starting point is our view of human nature. This helps us analyze these theories and predict their possible success in society. Therefore, we must go to the Scriptures to evaluate the very foundation of each economic theory.

First, the Bible says that human beings are created in the image of God. This implies that we have rationality and responsibility. Because we have rationality and volition, we can choose between various competing products and services. Furthermore, we can function within a market system in which people can exercise their power of choice. We are not like the animals that are governed by instinct. We are governed by rationality and can make meaningful choices.

We can also assume that private property can exist within this system because of the biblical idea of dominion. In Genesis 1:28, God says we are to subdue the earth and have dominion over the creation. Certainly, one aspect of this is that humans can own property in which they can exercise their dominion.

Since we have both volition and private property rights, we can then assume that we should have the freedom to exchange these private property rights in a free market where goods and services can be exchanged.

The second part of human nature is also important. The Bible describes the fall of the world and the fall of mankind. We are fallen sinful creatures. This sinfulness manifests itself in selfishness, greed, and exploitation. Thus, we need some protection in an economic system from the sinful effects of human interaction.

Since the Bible teaches about the effects of sinful behavior on the world, we should be concerned about any system that would concentrate economic power and thereby unleash the ravages of sinful behavior on the society. Christians, therefore, should reject state-controlled or centrally controlled economies, which would concentrate power in the hands of a few sinful individuals. Instead, we should support an economic system that would disperse that power and protect us from greed and exploitation.

Finally, we should also recognize that not only is human nature fallen, but the world is fallen. The world has become a place of decay and scarcity. In a fallen world, we have to be good managers of the limited resources made available in a market economy. God has given us dominion over His creation, and we must be good stewards of the resources at our disposal.

Role of Government

The Bible gives some clear principles concerning government. First, Christians are commanded to obey government (Romans 13:11) and submit to civil authority (1 Peter 2:13—17). We are called to render service and obedience to the government (Matthew 22:21).

Government also should not be used in a coercive way to attempt to change individuals. We should not accept the idea that the state can transform people from the outside. Only the gospel can change people from the inside and so that they become new creatures (2nd Corinthians 5:17).

Consider these four functions of government in the economic realm. Government must ensure justice by:

- "Weights and scales are to be honest, a full measure (shaken down) is to be given (Leviticus 19:35-36; Deuteronomy 25:15; Prov. 20:23; Luke 6:38), and currency is not be debased by inflationary monetary policy or other means (e.g., mixing lead with silver)."
- Procedural justice requires that contracts and commitments be honored (Leviticus 19:13).
- Government must also ensure justice when people are cheated or swindled. In these cases, the cost of restoration should be borne by the guilty or negligent party (Exodus 21:33-36; 22:5-8, 10-15). Government should also deal with those who give a false accusation (Deuteronomy 19:16-19).

_

⁵ Anderson, K. (2016). *Christians and economics: a biblical point of view*. Cambridge, OH: Christian Publishing House.

EXCHANGE, RELATIONSHIPS, AND RECIPROCITY: LIVING AS A CHRISTIAN IN A CAPITALIST WORLD

fwith the collapse of Marxism as a world power ... the ideology of the free market now has nothing to limit its claims. There is no visible countervailing power. There seems no sign of a check to its relentless advance. And its destructive potential, both for the coherence of human society and for the safeguarding of the environment, are formidable. The ideology of the free market has proved itself more powerful than Marxism. It is, of course, not just a way of arranging economic affairs. It has deep roots in the human soul. It can be met and mastered only at the level of religious faith, for it is a form of idolatry. The churches have hardly begun to recognize that this is probably their most urgent missionary task during the coming century.

Lesslie Newbigin (1995, 94–95)

The syncretization of the gospel with culture can take many forms, but perhaps the most insidious is when it affects Christian praxis. Typically, this is unconsciously done. The baseline assumptions of the larger sociopolitical and economic world formulate Christian discourse so thoroughly as to make Christian living seem impractical or unrealistic within the particular context. In the case of capitalism, an Enlightenmentbased theory of human nature legitimizes the notions that actors must involve themselves in self-interested exchange and that "the market" (personified) must be allowed to operate according to its own principles. Yet there is a significant literature in the social sciences to demonstrate that there is nothing inevitable about market exchange or capitalism. The original form of human exchange, reciprocity, weaves together economic with social concerns in ways that mirror injunctions in the Bible to consider one another.

In practice, even people in capitalist systems moderate their economic relationships to avoid the harsh social realities that fully marketized exchange would create. Thus, rather than exhibiting a natural element in human behavior, the self-interested and calculating "economic man" proves to be a product, rather than a precondition, of capitalism.

In the current circumstance of American-dominated globalization, there is a danger that Christians in ministry may unconsciously find themselves promoting a gospel of capitalism together with, or even above, the gospel of Jesus Christ, his church, and his kingdom.

An open consideration of the fundamental propositions of economic systems is critical to maintaining an independent stance as Christians and to involving ourselves in practices that are truly reflective of the kingdom of God.

MARKET EXCHANGE

At its most basic level, market exchange consists of the transfer of money, goods, or services between two parties according to a negotiated agreement. In the negotiation, both parties are expected to know and represent their own interests, and neither is expected to consider the other's interest where it might interfere with his or her own. The result is an open contest for the price, or the terms of the exchange, between the buyer and the seller. In large markets with standardized goods, this contest is at the aggregate level over time, as consumers choose to buy or not to buy and producers adjust their prices accordingly. But the result is the same—the exchange is determined by a direct haggle for the rates.

This model for exchange is not a simple, practical reality emerging from a natural self-interest. It is an ideal form of the exchange that is commonly transgressed and that must be reinforced lest the transgressions hinder the functioning of the larger system of which it is a part.

In the simplest example, merchants trying to create long-term relationships with customers will add a small amount to the agreed-upon sale, a "gift" intended to produce further sales by socially obligating the customer to return. In a more significant example, merchants will give their long-term clients a standard cut on the price and clients will forgo shopping elsewhere as signs of their mutual commitment. The purpose here is still economic for both parties, but a social cement is used to seal the deal, including chitchat about families, expressions of concern for one another, and politeness in the bargaining itself.

Even high-level business negotiations are promoted with social interaction. Few people sell at full rates to their families. Minimally, they will drop the price for a family member; maximally, they will give away the product or service for free. The moral obligation to avoid a self-interested struggle is so strong with kin that merchants commonly move away from family, in order to avoid going broke.

Yet market-style exchange is necessary to an economic system built on the ownership of private property, the specialization of skills, and the need to exchange for purposes of utility. Thus, the rules of the game (some informal and some codified in law) protect the system by *insisting* that the parties to the exchange behave in self-interested ways. Lawyers and real estate agents are required for large purchases, lest buyers and sellers either be misinformed or inadequately represent their own interests. Contracts function to solidify agreements partly by *preventing* the eye-to-eye contact that might soften the arrangements.

There is a positive side to the ideal for market exchange: it is that people may represent their own interests, and even defend them vigorously, without fear of social shame or punishment. In traditional societies this is not possible due to strong taboos on the appearance of selfishness.

Yet, in the main, most people in traditional societies—and many in modern ones—view the naked struggle for personal advantage inherent in market exchange with alarm. This is not because of any perceived natural human goodness that is being destroyed by an evil system. In fact, most traditional societies believe people to be naturally selfish. Rather it is a fear that the social fabric that restrains people's selfishness is being corroded, even destroyed, by a system in which pure economic self-interest outranks moral obligations.

Certainly no one can dispute the many material advantages that have been gained, in the aggregate, from the advent of market capitalism. The simplicity, flexibility, and directness of market exchange makes it possible for societies to develop more complex and coordinated forms of specialization. One could say that the loss of social obligation is the gain of economic efficiency and coordination. The result has been an explosive rise in material goods, new technologies, food production, population growth, and the average standard of living. New technologies can lighten the load of field and house work, and contact with outsiders made possible by infrastructure can even facilitate the bringing of the gospel to remote regions.

At the same time, the fact that people can directly defend and promote their own self-interest opens up potential assaults and damages to the social fabric that can be very serious for any human community. For example, the warmth and support of an extended family, not to mention that of a whole village, is a high price to pay for the material advantages of modern urban life.

Moreover, there is evidence yielding the terrible irony that capitalism seems to produce both fabulous wealth and horrendous poverty at the same time. It is here that the missing social fabric is most painfully needed. Without moral obligations to hold some accountable and to provide for others in need, society simply cannot care for its people. Both the ideology and the practice of market exchange under capitalism preclude the enforcement of the moral obligations that would temper the worst effects of the system.

All this might be faced directly if it were not for the fact that there are strongly held pragmatic, if not religious, beliefs that underpin the system itself. In the case of capitalism, the beliefs are that people are naturally rational calculators of their own interests, "economic men," and that the pursuit of these interests through direct negotiated exchange will result in the larger good being served, the "invisible hand" of the market. Behind these beliefs lies a grand narrative of human "progress" that assumes the inevitability of the market and the importance of permitting it to function unhindered by government or societal restrictions. Out of this narrative, dire predictions are made of the ill effects of limiting economic growth or regulating people's behavior.

Certainly, there is regulation that is unnecessary and detrimental to the public good (generally because it serves powerful interests at the expense of less powerful ones). Purpose here is simply to point out the passion with which Western, especially American, people are inclined to resist any regulation at all—a passion that points to a religious rather than a rational commitment to the ideals of the system.

Finally, the emphasis on a utilitarian exchange produces values such as individualism, consumerism, materialism, and competitiveness that predominate in the culture. These values too have potential benefits, when not held disproportionately with values on community, cooperation, and religious life.

Modern capitalist societies, however richly endowed, dedicate themselves to the proposition of scarcity. Inadequacy of economic means is the first principle of the world's wealthiest peoples.... Consumption is a double tragedy: what begins in inadequacy will end in deprivation. Bringing together an international division of labor, the market makes available a dazzling array of products: all these Good Things within a man's reach—but never all within his grasp.

Capitalism's very strength is its weakness. It produces fabulous amounts of wealth and leaves people wanting more. All this should caution any Christian from an overly optimistic view of the system, remembering especially the tendency of wealth to turn people's hearts from God. Watching his own flock of Methodists flourishing under capitalism, John Wesley worried:

I fear, wherever riches have increased, the essence of religion has decreased in the same proportion. Therefore, I do not see how it is possible, in the nature of things, for any revival of true religion to continue for long. For religion must necessarily produce both industry and frugality, and these cannot but produce riches. But as riches increase, so will pride, anger, and love of the world in all its branches.... So, although the form of religion remains, the spirit is swiftly vanishing away.

Even for beneficiaries of the system, material gains are at the expense of a healthy dependence on the community and God.

RECIPROCAL EXCHANGE

Finally, in societies that are governed by the principles of reciprocity, the rules for borrowing and lending money can be quite different than in the modern capitalized West. Many Westerners, especially Americans, are uncomfortable with this mix of money and relationships.

Modern societies with complex economies sort out relationships into types, such as family, business, work, market, etc., assigning different rules to the different types by their different purposes. But in traditional societies, relationships are multifaceted, with a holistic character. There is embarrassment about asking for monetary help from friends or coworkers, for instance, and there is a deep expectation that others will want to help with generosity. Thus, Americans and other Westerners who befriend people abroad commonly find themselves barraged with requests for money. The requests signal not only real needs but also a desire to deepen friendships. If friendship has been offered, people naturally expect that material assistance will follow. If it does not, the significance of the friendship has been effectively denied. In any case, the greater ability of Westerners to provide help legitimizes the requests and necessarily elevates Westerners' prestige in the socially complex network of the traditional community.

BIBLICAL PRINCIPLES OF THE ECONOMY

In Western debates over the value of modern capitalism, Christians have taken both sides of the issue and attempted to proof-text their positions with verses from the Bible. Procapitalist Christians have pointed to the Bible's affirmation of private property and hard work. Anti-capitalist Christians have reminded the church of the Bible's warnings about wealth and injunctions to care for the poor. But to conduct the debate in this manner is to lose the battle against syncretism at the outset. All cultural systems, including economic ones, have their virtues and their vices. What is needed is a truly independent Christian stance, one that is neither afraid to criticize the system nor simply interested in destroying it.

To begin, the Bible assumes both the reality and the value of the material world. The Bible affirms the value of our material existence, from the account of God's creation of us from the dust of the earth to the declaration of Christ's bodily resurrection and hence our own. It was our attempt to escape our creaturely status, to become like God who is Spirit alone, which was the essence of our first disobedience. When human beings are living as they should, they acknowledge their physical as well as their spiritual dependence on God, who provides for them richly. Furthermore, while there are austerities such as fasting mentioned in the Bible, by far the emphasis is on the enjoyment of creaturely life, so long as it is rooted in a relational network with God and one another. It is this acknowledgment of the value of material life that has caused Christians to care for their own and other people's physical needs down through the centuries. No other world religion has come close to Christianity in charitable giving. Missionaries have built hospitals and schools, provided work and food, and assisted in relief and development done today.

Yet the materialistic philosophy and cultural practice of the West goes well beyond the Christian affirmation of creation. Most detrimentally, it measures the prestige of the person by accumulation of wealth—a practice that is clearly denounced in the Bible (see the book of Amos). Furthermore, the wasteful consumption of material goods in the West, which is at the expense of the poor, is a kind of careless living that is also condemned. Our creaturely status is supposed to cause us to look to him for every need. Instead, the comforts we have produced with our economic system have caused us to imagine ourselves to be completely independent. The Bible reminds us repeatedly to value our connection to God and community. Rarely does the Bible admonish us to "stand on your own two feet" or "take care of your own business." Independence is generally viewed as a threat. Christian Mission & Economic Systems

Debt and Credit

We have been looking at biblical principles concerning economics and finances, but we also need to put the problem of debt in perspective. You cannot overemphasize the impact of debt on our society. It is the leading cause of divorce and also the reason for many more troubled marriages. It is also one of the causes of depression as well as suicide. People in debt didn't start out to ruin their lives and the lives of their families, but the consequences are often devastating.

The Bible has quite a bit to say about money and a significant part of these financial warnings concern debt. Proverbs 22:7 says, "The rich rule over the poor, and the borrower is a servant to the lender." When you borrow money and put yourself in debt, you put yourself in a situation where the lender has significant influence over you.

Many other verses in Proverbs also warn about the potential danger of debt (Proverbs 1:13-15; 17:18; 22:26-27; 27:13). While this does not mean that we can never be in debt, it does warn us about its dangers.

Romans 13:8 is an often misunderstood verse because it says, "Owe nothing to anyone." Although some theologians have argued that this verse prohibits debt, the passage needs to be seen in context. This passage is not a specific teaching about debt, but rather a summary of our duty as Christians to governmental authority. We should not owe anything to anyone (honor, taxes, etc.).

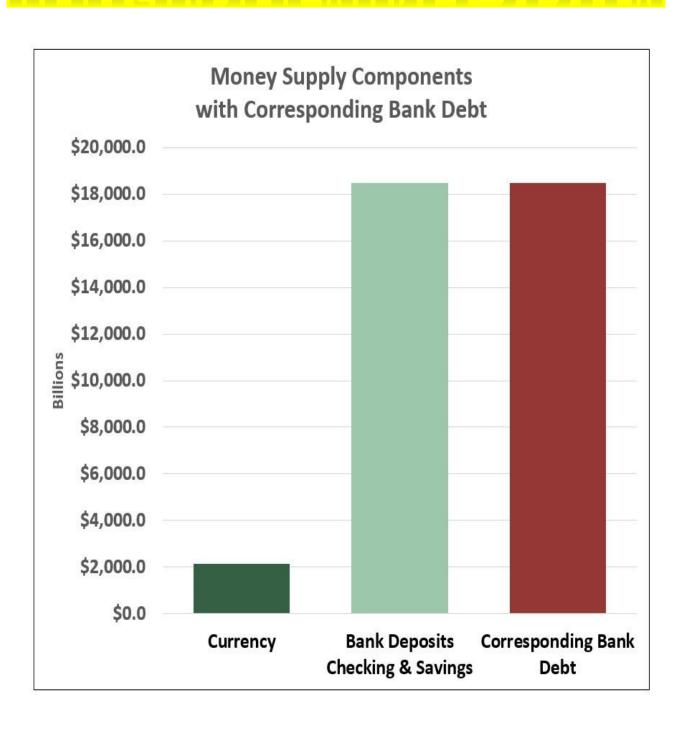
The Bible is filled with passages that provide guidelines to lending and borrowing. If debt was always wrong, then these passages would not exist, and there would be a clear prohibition against debt. But the implication of Romans 13:8 seems to be that we should pay our debts off a quickly as possible.

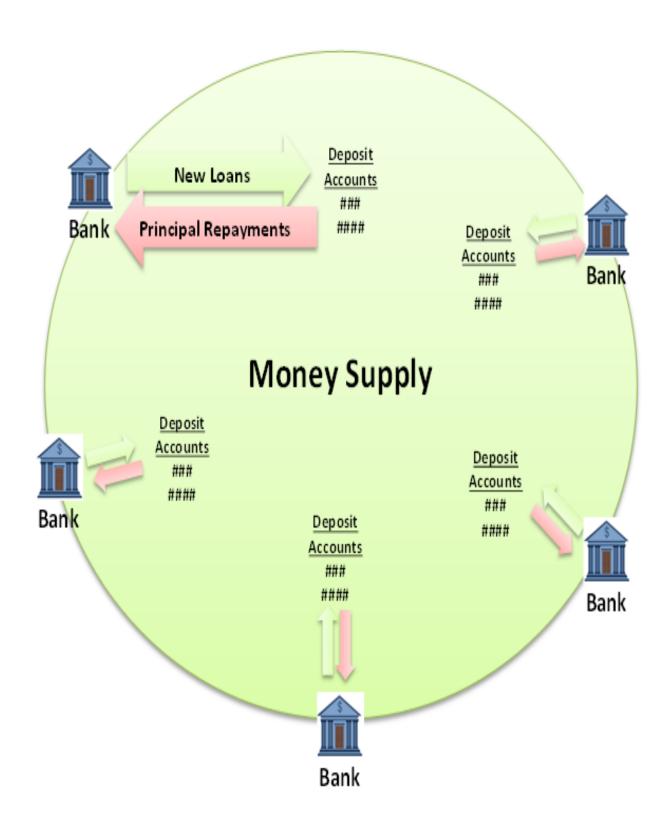
At this point, it would be good to make a distinction between debt and credit. Often in our society, the two words are used interchangeably. To put it simply, debt is something that is owed. The Bible does not prohibit borrowing, but it certainly does not recommend it. Credit is the establishment of mutual trust between a lender and borrower.

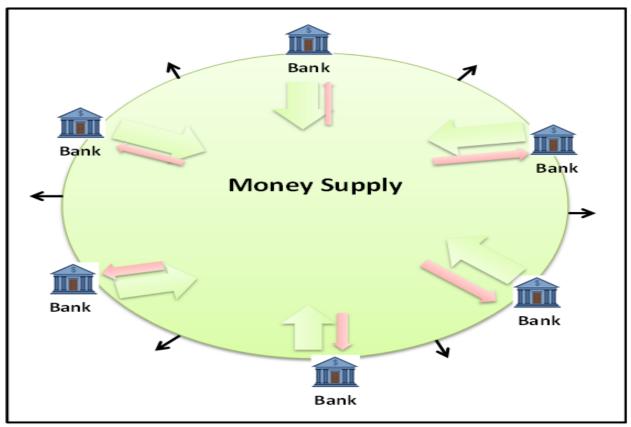
At the outset, let me acknowledge that some people end up in debt due to no fault of their own. They may have been swindled in a business. They may have made a good faith attempt to start a business but were unsuccessful because their competitions or suppliers cheated them. They may have been unfairly sued in court. The reasons are many.⁶

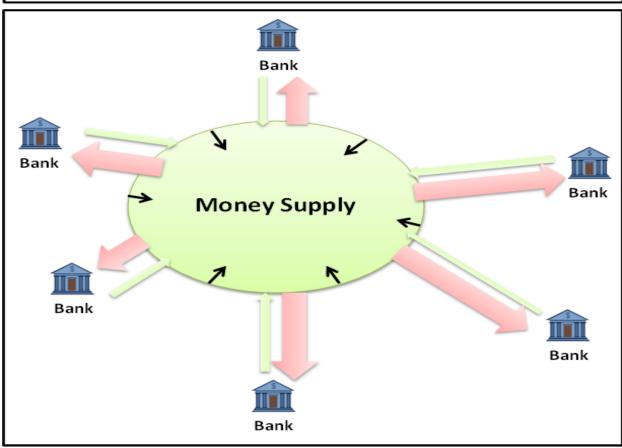
⁶ Anderson, K. (2016). *Christians and economics: a biblical point of view*. Cambridge, OH: Christian Publishing House.

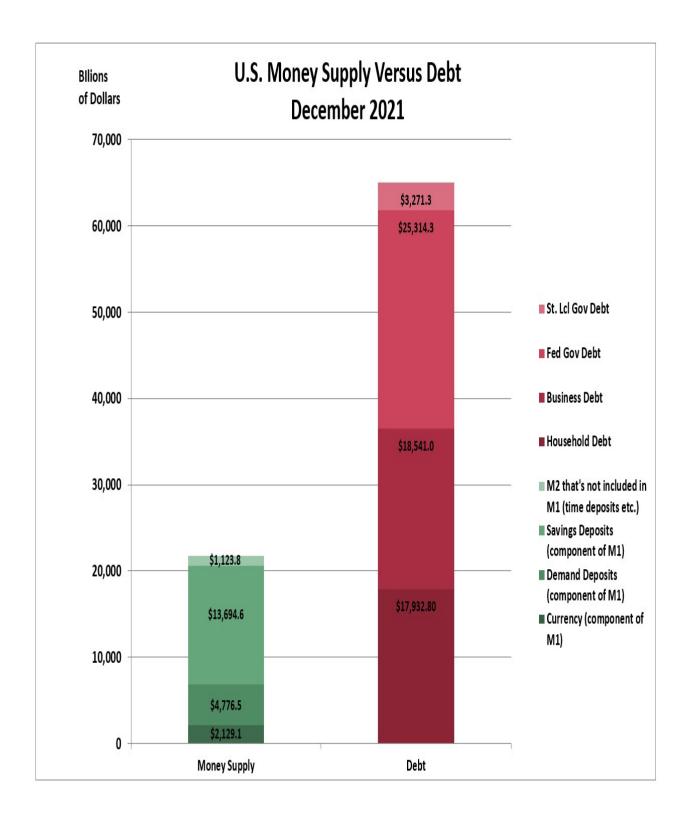
CAPITALISM COMBINED WITH DEBT-BASED MONEY SYSTEM











Dependence on God and interdependence with others are commended. Responsibility is placed on the wealthier and more powerful members of society to care for the poor, with little blame attached to the latter for their circumstances.

This understanding of the relationship between individuals and groups is far clearer in reciprocal societies than it is in capitalist ones. The value on community life found in the Bible mirrors the principles of reciprocity much more closely than those of market-based exchange. Individualism in the West tears friends and family asunder in the pursuit of personal success. The simple willingness of most Americans to move away from family to take a better job makes the point. Social ties have been subordinated to the economy; personal identity, which used to rest in community membership, now rests in jobs. Because of its need for labor mobility, capitalism relies heavily on this form of isolating individualism. People entrenched in communities may be unwilling to work long hours or to move to where they are needed, so high pay and the promise of wealth-based prestige are necessary to convince them to give up the support and security of the social fabric. The new form of security is entirely economic and rests in houses, cars, and bank accounts. Not a few anthropologists have demonstrated that such a trade-off is not actually advantageous and that people at the margins of the system know it.

Through the church, the material, social, and spiritual well-being of humanity is promoted as creation is restored to its right and harmonious relationship with its Creator. This is to say that the separate pursuit of these goods, either material wealth or social prestige, results in distortion, even idolatry.⁷

⁷ Cheong, J., & Meneses, E. (2015). <u>Christian Mission and Economic Systems: A Critical Survey of the Cultural and Religious Dimensions of Economies</u> (pp. 1–16). Pasadena, CA: William Carey Library.

Paved With Good Intentions

Friedrich Hayek wrote *The Road to Serfdom* to warn us that sometimes the road can be paved with good intentions. Most government officials and bureaucrats write laws, rules, and regulations with every good intention. They desire to make the world a better place by preventing catastrophe and by encouraging positive actions from their citizens. But in their desire to control and direct every aspect of life, they take us down the road to serfdom.

Socialist government seeks to be a benevolent god but usually, morphs into a malevolent tyrant. Micromanaging the details of life leads to what Hayek calls "imprudence." Most of us would call such rules intrusive, inefficient, and often downright idiotic. But the governmental bureaucrat may believe he is right in making such rules, believing that the local people are too stupid to know what is best for them.

Biblical Perspective

Perhaps the most significant connection between Hayek and Christianity can be found in their common understanding of human nature. Hayek started with a simple premise: human beings are limited in their understanding.

Starting with this assumption that human beings are not God, he constructed a case for liberty and limited government. This was in contrast to the prevailing socialist view that human beings possessed superior knowledge and could wisely order the affairs of its citizens through central planning. Hayek rejected the idea that central planners would have enough knowledge to organize the economy and instead showed that the spontaneous ordering of economic systems would be the mechanism that would push forward progress in society.

Hayek essentially held to a high view and a low view of human nature. Or we could call it a balanced view of human nature. He recognized that human beings did have a noble side influenced by rationality, compassion, and even altruism. But he also understood that human beings also are limited in their perception of the world and subject to character flaws.

Such a view comports with a biblical perspective of human nature. First, there is a noble aspect to human beings. We are created in the image of God (Gen. 1:27-28) and are made a little lower than the angels (Psalm 8:5). Second, there is a flaw in human beings. The Bible teaches that all are sinful (Rom. 3:23) and that the heart of man is deceitful above all things (Jer. 17:9).

Hayek believed that "man learns by the disappointment of expectations." In other words, we learn that we are limited in our capacities. We do not have God's understanding of the world and thus cannot effectively control the world like socialists confidently believe that we can. We are not the center of the universe. We are not gods. As Christians, we can agree with the concept of the "disappointment of expectations" because we are fallen and live in a world that groans in travail (Romans 8:22).

A Biblical View of Wealth

believers are bombarded with unbiblical views of wealth. At one extreme are those who preach a prosperity gospel of "health and wealth" for all believers. At the other extreme are radical Christians who condemn all wealth and imply that rich Christian is a contradiction in terms.

What, then, is the truly biblical view of wealth? At first glance, the Bible seems to teach that wealth is wrong for Christians. It appears even to condemn the wealthy. Both Jesus and Old Testament prophets preached against materialism and seemed to say at times that true believers can't possess wealth.

Scripture teaches three basic principles about wealth:

First, wealth itself is not condemned. For example, we read in Genesis 17:2 that Abraham had great wealth. In Job 42:10, we see that God once again blessed Job with material possessions.

However, even though wealth might be an evidence of God's blessing, believers are not to trust in it. Proverbs, Jeremiah, 1 Timothy, and James all teach that the believer shouldn't trust in wealth but in God (Jeremiah 9:23; 1 Timothy 6:17; James 1:11; 5:2).

Second, when wealthy people in the Bible were condemned, they were condemned for the means by which their riches were obtained, not for the riches themselves. The Old Testament prophet Amos railed against the injustice of obtaining wealth through oppression or fraud (4:11; 5:11). Micah spoke out against the unjust scales and light weights with which Israel defrauded the poor (6:1). Neither Amos nor Micah condemned wealth per se; they only denounced the unjust means by which it is sometimes achieved.

Third, Christians should be concerned about the effect wealth can have on our lives. We read in Proverbs 30:8-9 and Hosea 13:6 that wealth often tempts us to forget about God. Wealthy believers may no longer look to God for their provision because they can meet their basic needs. We read in Ecclesiastes 2 and 5 that people who are wealthy cannot really enjoy their wealth. Moreover, Proverbs 28:11 and Jeremiah 9:23 warn that wealth often leads to pride and arrogance.

Therefore, the Bible does not condemn those who are wealthy. However, it does warn us that if God blesses us with wealth, we must keep our priorities straight and guard against the seductive effects of wealth.

A Biblical View of Poverty

The Bible classifies the causes of poverty into four different categories. The first cause of poverty is oppression and fraud. In the Old Testament (e.g., Prov. 14:31; 22:7; 28:15) we find that many people were poor because they were oppressed by individuals or governments. Many times, governments established unjust laws or **debased the currency**, measures that resulted in the exploitation of individuals.

The second cause of poverty is misfortune, persecution, or judgment. In the book of Job, we learn that God allowed Satan to test Job by bringing misfortune upon him (1:12-19). Elsewhere in the Old Testament (e.g., Ps. 109:16; Isa. 47:9; Lam. 5:3), we read of misfortune or of God's judgment on a disobedient people. When Israel turned from God's laws, God allowed foreign nations to take them into captivity as a judgment for their disobedience.

The third cause of poverty is laziness, neglect, or gluttony. Proverbs teaches that some people are poor because of improper habits and apathy (10:4; 13:4; 19:15; 20:13; 23:21).

The final cause of poverty is the culture of poverty. Proverbs 10:15 says, "The ruin of the poor is their poverty." Poverty breeds poverty, and the cycle is not easily broken. People who grow up in an impoverished culture usually lack the nutrition and the education that would enable them to be successful in the future.

Poverty and Government

While government should not have to shoulder the entire responsibility for caring for the poor, it must take the statements seriously in Leviticus and Proverbs about defending the poor and fighting oppression. Government must not shirk its God-given responsibility to defend the poor from injustice. If government will not do this, or if the oppression is coming from the government itself, then Christians must speak out against governmental abuse and misuse of power.

Government must first establish laws and statutes that prohibit and punish injustice. These laws should have significant penalties and be rigorously enforced so that the poor are not exploited and defrauded. Second, government must provide a legal system that allows for the redress of grievances where plaintiffs can bring their case to court.

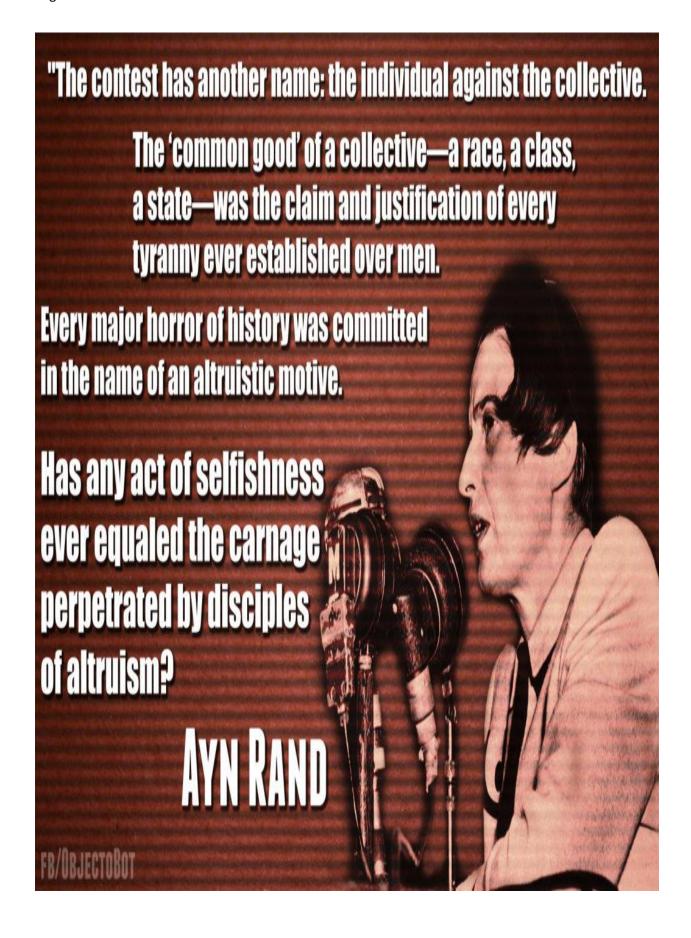
A second sphere for governmental action is in the area of misfortune. Many people slip into poverty through no fault of their own. In these cases, government must help.

We need a welfare system that emphasizes work and initiative and does not foster dependency and laziness. One of the things integral to the Old Testament system and missing in our modern system of welfare is a means test. If people have true needs, we should help them. But when they are lazy and have poor work habits, we should admonish them to improve. Our current welfare system perpetuates poverty by failing to distinguish between those who have legitimate needs and those who need to be admonished in their sin.8

⁸ Anderson, K. (2016). <u>Christians and economics: a biblical point of view</u>. Cambridge, OH: Christian Publishing House.

Shortsighted is the philosophy which counts on selfishness as the master motive of human action. It is blind to facts of which the world is full. It sees not the present, and reads not the past aright. If you would move men to action, to what shall you appeal? Not to their pockets, but to their patriotism; not to selfishness, but to sympathy. Self-interest is, as it were, a mechanical force—potent, it is true; capable of large and wide results. But there is in human nature what may be likened to a chemical force; which melts and fuses and overwhelms; to which nothing seems impossible. "All that a man hath will he give for his life"—that is self-interest. But in loyalty to higher impulses men will give even their life. It isn't selfishness that enriches the annals of every people with heroes and saints. It's not selfishness that on every page of the world's history bursts out in the sudden splendor of noble deeds or sheds the soft radiance of benignant lives.

George, Henry. Progress and Poverty [Annotated] (p. 456). Standard Ebooks Publishing. Kindle Edition.





OBJECTIVISM OBJECTIFIES!



Who is John Galt?

io is Who is John Galt?

Rise of the Double Standard

"When you see that trading is done, not by consent, but by compulsion—when you see that in order to produce, you need to obtain permission from men who produce nothing—when you see that money is flowing to those who deal, not in goods, but in favors—when you see that men get richer by graft and by pull than by work, and your laws don't protect you against them, but protect them against you—when you see corruption being rewarded and honesty becoming a self-sacrifice—you may know that your society is doomed."

~Ayn Rand
"Atlas Shrugged"

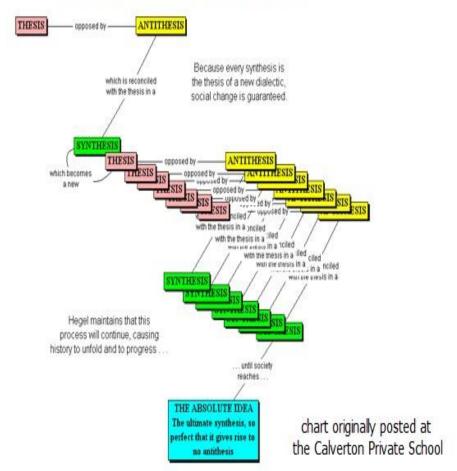
ho is John Galt? Who is John Gal

www.AnnesPerspective.com

TWO THIRD-WAY ECONOMIES

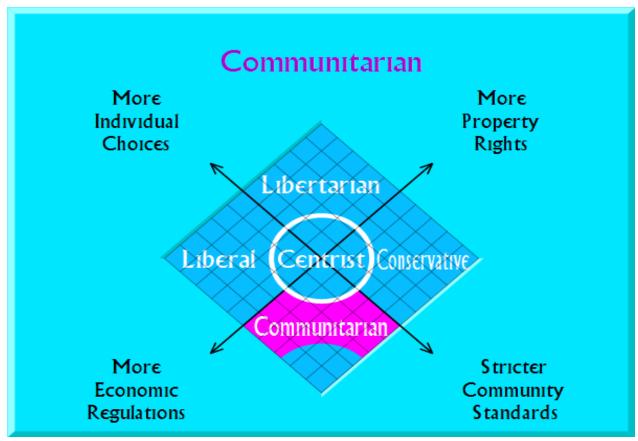
How the Hegelian dialectical formula leads to the Ultimate Third Way Communitarian synthesis

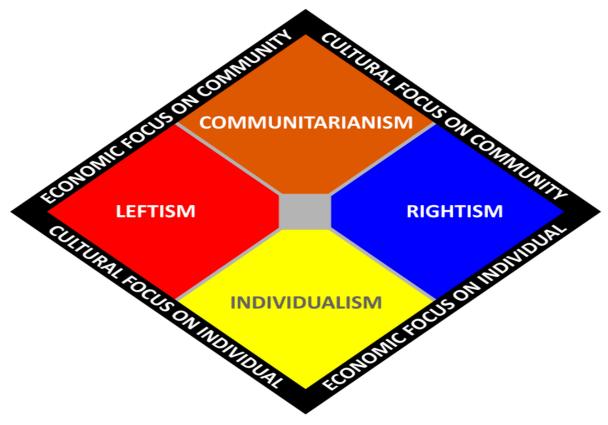
https://www.facebook.com/aclbooks



Communitarianism is the un-named Absolute Idea, and it's so perfect, there arises no antithesis (except ours!)

The Anti Communitarian Manifesto by Nordica Friedrich and Niki Raapana







Communitarianism vs. Individualism

 Ideological communitarianism is characterized as a radical centrist ideology that is sometimes marked by leftism on economic issues and conservatism on social issues. Note that communitarianism is not to be confused with communism, a political philosophy based on the use of force to confiscate and redistribute resources.

Individualism:

A term used to describe a moral, political, or social outlook that stresses human independence and the importance of individual self-reliance and liberty. Individualists promote the exercise of individual goals and desires. They oppose most external interference with an individual's choices - whether by society, the state, or any other group or institution. This concept is the direct result of the impact of "Liberalism" as a political ideology.



Communitarian argument

- The liberal concept of the social contract ignores the social realities
 of human life. We are not 'isolated individuals.' We live as already
 committed selves, part of human communities. → Concepts of
 "Situated Self" and "Living social institutions"
- 2. These institutions include marriage, family, and religion. We human beings find our good/fulfillment in them, and live diminished lives without them. But they exist to further human procreation, interpersonal love, and human spiritual fulfillment. It is right and proper for human government to protect and nurture them, as good in themselves and as vehicles of good for human persons. > "Communitarian concept of justice = based on human good"
- 3. Thus 'natural law' says justice implies not only political rights, but also Marriage, the Family and Religion, as essential components of a good society. Nature → these institutions for a good life.

The moral conflicts emanating from the social fabric of liberal-democratic states in the post-globalization era have made the political and social theorists and cultural critics ponder over the inconsistencies and shortcomings inherent in such a model of governance. The main concern has been to deal with the social differences in order to harmonize society towards a peaceful direction. However, failure to channelize such crises has landed humankind in a situation where the unmitigated worsening of such crises with respect to the deteriorating of minority rights have become a new normal. Under such a situation, there is a need to check the intolerance and step towards a harmonious conformance.

The communitarian philosophy emphasizes "importance of community in the functioning of political life, in the analysis and evaluation of political institutions, and in understanding human identity and well-being." [// Communitarian theorists emphasize the communal construction of social individuals and social formations, and of values and practices.

The term 'Communitarianism' was coined in the midnineteenth century in the backdrop of the rise of mass societies, declining communal bonds, and traditional values. The early attempts made by sociologists such as Ferdinand Tonnies and Emile Durkheim problematized the liberal construction of an atomized society and dangers of 'anomie'.

- Inverse Journal

Economists argue that economic theory "needs" stable preferences not merely in order to assume that changes in behavior can be explained to a satisfactory level by economic variables, but also to assess the contribution of the economy to general welfare.

The economy is assumed to be functioning well when it provides the goods preferred by people at prices such that supply equals demand. However, if preferences can be manipulated by culture or corporations, by social pressures or advertising, then an economy that satisfies those preferences would appear not to serve the people but, rather, the manipulators who influence the choice in public preferences. Such a revelation would require economists to study the relative power of persuasion and political power exercised by the various elites, a far cry from economics. Moreover, it calls into question the very fundamental precept that people are free agents, and undermines the value of liberty.

However, it is possible to acknowledge both the reality of manipulation and the (re)formation of preferences by a variety of social forces while noting there exists limits to the extent to which people can be manipulated.

The cultural theory of preference formation does posit something similar: that these individual preferences come about when a person determines his or her group identities, and then observes the norms associated with those groups.

Certain options are socially validated by those with whom an individual identifies, which leads him or her to adopt preferences for those options using heuristics and schemas (Wildavsky 1987, pp. 9–10).

The responsive communitarian framework, to which this author subscribes, suggests that human beings are "multiple" beings, capable of acting in line with their internalized social norms (superego) and their pursuit of pure pleasure (id) (Etzioni 1988, pp. 11—12). The grand challenge facing the non-economic social sciences is that of determining how and to what degree each of these multiple selves, social norms, and processes of social validation contributes to specific preferences.

The lesson taken from these observations is simple: human preference formation cannot be reduced to a defined set of economic factors. Instead, it must be acknowledged that an indefinite number of biological, neurological, environmental, and sociological variables, through processes that are not yet precisely described, account for vastly more variance in preferences than do economic factors. By taking a step back and considering the big picture, it becomes possible to sketch a rough framework for how preferences might be formed and change, and the non-economic factors affecting choice.

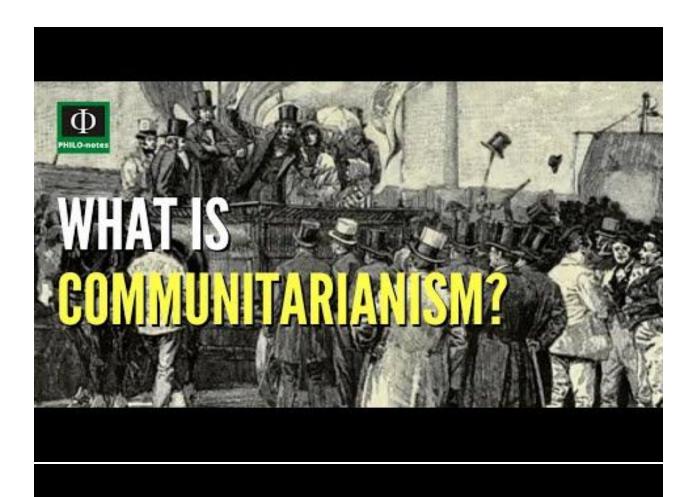
Etzioni, Amitai. Happiness is the Wrong Metric: 11 (Library of Public Policy and Public Administration) (pp. 60-62). Springer International Publishing. Kindle Edition.

A QUICK COMPARISON OF CAPITALISM, SOCIALISM AND THE "JUST THIRD WAY"

Center for Economic and Social Justice

Page 1

Center for Economic and Social Justice		
Capitalism	Socialism	"Just Third Way"
/ Political power accessible to all; economic power concentrated in a wealthy elite	/ Economic and political power concentrated in a governing elite	/ Both economic and political power are accessible to all
/ Capital ownership concentrated in a wealthy elite	/ Capital ownership concentrated in a collective controlled by a bureaucratic elite	/ Capital ownership is systematically deconcentrated and made directly accessible to every person
/ Capital incomes beyond consumption capacity for a wealthy elite	/ Adequate and secure incomes from capital for a governing elite	/ Adequate and secure capital incomes directly accessible to every person
/ Individualistic, atomistic system (ignores or trivializes common good)	/ Collectivist system (denies economic freedom and sovereignty of individual)	/ System based on sovereignty of every person, within institutions embodying principles of social justice
/ Institutionalizes greed	/ Institutionalizes envy	/ Institutionalizes justice
/ Materialistic ideology and system which ignores the growing income insecurity of non- owning workers facing displacement by technology or lower-paid workers	/ Materialistic ideology and system based on and fostering the absolute dependency of all citizens on the state for their income security and well-being	/ Moral philosophy and economic system based on the inherent dignity and sovereignty of each person, which underpins the inalienable right of every person to be a worker and capital owner within a society where spiritual values and the respect for all creation transcend material values
/ Labor-centric, classical laissez- faire economic system (ultimately recognizes that only one factor laborproduces wealth and creates economic value)	/ Labor-centric Marxist and Keynesian systems (only one factorlaborproduces wealth and creates economic value)	/ Kelsonian binary economic system [two interdependent and distinct factors human ("labor") and non-human ("capital") directly produce wealth and create economic value]
/ Win-lose, zero-sum, scarcity, "dog-eat-dog" orientation	/ Lose-lose, zero-sum, scarcity, forced-leveling orientation	/ Win-win, synergistic, post-scarcity orientation (systems and technology are improved to do more with less)
/ Sacrifices justice for efficiency	/ Sacrifices efficiency for a collectivist version of "justice"	/ Justice and efficiency go hand-in-hand
/ Wage system (jobs for the many, capital ownership for the few)	/ Wage system (jobs for all, capital ownership for none)	/ Ownership system (every citizen and worker a direct capital owner)
/ Equality of opportunity to work; inequality of opportunity to own	/ Forced duty to work and forced equality of results as determined by governing elite	/ Equality of opportunity to work; equality of opportunity to own





The economic theory of Distributism is based on distinction between distributive justice and corrective justice found in Aristotle. *Distributive* justice deals with how the society distributes its "common goods." Aristotle defines these as "things that fall to be divided among those who have a share in the constitution" (*Nicomachean Ethics*, 1130b, 31). This refers to the common goods of a state, a partnership, corporation, or some cooperative enterprise. For Aristotle, these things should be divided on "merit" determined by contributions, but what constitutes this merit would be a matter that is culturally based, "for democrats identify it with the status of freeman, supporters of oligarchy with wealth (or with noble birth), and supporters of aristocracy with excellence" (*Ethics*, 1131a, 25-29). *Corrective* justice, on the other hand, deals with "justice in exchange"; that is with transactions between individual men. In this case, justice consists in exchanging equal values, in "having an equal amount before and after the transaction" (Ethics, 1132b, 19-21). Corrective justice is properly the subject of economic science *per se*, while distributive justice is irreducibly cultural and involves decisions about what constitutes a just distribution. Modern economics tends to treat distributive justice in one of two ways. For the socialist or for the Keynesian, it is primarily a political question and necessitates state control of the economy.

For the neoclassical economist, distributive justice will be the unintentional result of the achievement of equilibrium under conditions of perfect competition (in other words, equity would be an automatic by-product of equilibrium.

Hence, distributive justice is swallowed up, as it were, by corrective justice and accomplished without any person intending it, the very essence of "invisible hand" theory. However, this has never happened and is never likely to happen. It is not only that the necessary conditions never (perfect competition) can be satisfied, nor even that justice, a virtue, cannot be divorced from human intentionality.

Rather, the problem is with the very nature of corrective justice, which is "equality in exchange." Thus, corrective justice tends to perpetuate whatever division of property existed before the exchange; distributive equity cannot therefore result from exchanges. But for the Distributist, distributive justice is prior to corrective justice (as it was for Aristotle and Aquinas), just as production is prior to exchange. Thus, equity is prior to equilibrium, and equity will depend on the distribution of the means of production.

Equity is not the by-product of equilibrium but its cause; indeed, equity and equilibrium are practically the same word and very nearly the same thing. - Internet Intro



Cecil Chesterton (left) was a journalist and political commentator but is pictured in the uniform of the East Surrey Regiment. Although he survived WWI he was taken seriously ill with nephritis shortly after the armistice and died on 6th December, 1918.

Chesterton was known for his role as editor of *The New Witness* from 1912 to 1916, and its coverage of the Marconi scandal, which uncovered high government officials had engaged in insider trading. A former Fabian socialist he became a Distributist as he believed that social justice could only be achieved by the widest possible distribution of personal ownership.

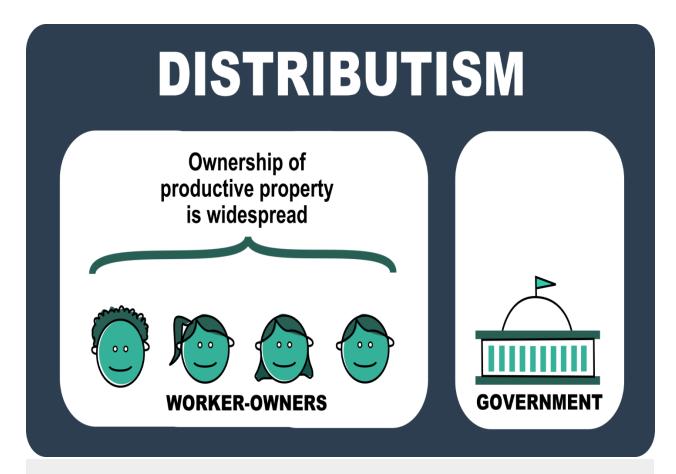
Hillaire Belloc (right) opposed both capitalism and socialism and was one of the main advocates of Distributism. His influence led Cecil Chesterton to abandon socialism and adopt Distributism. GK Chesterton (the brother of Cecil Chesterton) said that Cecil became "to suspect that Socialism was merely social reform, and that social reform was merely slavery."

Belloc was the author of The Servile State, which advocated freedom – and the end of poverty – in the form of people owning the 'the full value of what you work to create and being able to afford to buy your home.'



The Hound of Distributism





8values

8values.github.io Test Edition #1

Theocratic Distributism

EQUALITY

64.7%

35.3%



Diplomatic Axis: Nationalist

Economic Axis: Social



87.2%



Civil Axis: Authoritarian



81.0%



Societal Axis: Very Traditional



76.9%



OPINION

What is Distributism? A Controversial Alternative to Socialism & Plutocracy

Distributism is the name given to the socio-economic and political creed originally associated with G. K. Chesterton and Hilaire Belloc. Chesterton bowed to Belloc's preeminence as a disseminator of the ideas of distributism, declaring Belloc the master in relation to whom he was merely a disciple. In fact, H. Belloc was merely the propagator and popularizer of the Catholic Church's social doctrine of subsidiarity.

As such, it is very important, first and foremost to see distributism as a derivative of the religious principle of subsidiarity responsibility.

Since there are many who will be unaware of terms such as "subsidiarity" or "distributism," it might be helpful to provide brief overview of the central tenets of each. The teaching of the Catholic Church over time has elaborated the principle of *subsidiarity*, according to which *a community of a higher order should not interfere in the internal life of a community of lower*

order, depriving the latter of its functions, but rather should support it in case of need and to coordinate its activity with the activities of the rest of society, always with a view to the common good." Put simply, the principle of subsidiarity rests on the assumption that the rights of small communities - families or neighborhoods - should not be violated by the intervention of larger entities - the state or centralized bureaucracies.

For instance, in practical terms, the rights of parents to educate their children without the imposition by the state of "politically correct" school curricula would be enshrined by the subsidiarity rule. Parental influence in schools is subsidiarist; state influence is considered anti-subsidiarist.

"Subsidiarity" is an awkward word but at least it serves as an adequate definition of the principle for which it is the label. Distributism, on the other hand, is an awkward word and awkward label. What exactly does it advocate distributing? Are not communists and socialists "distributists" in the sense that they seek a more equitable distribution of wealth? Belloc argues vehemently that distributism is radically at variance with the ideas underlying communism and socialism.

It is for reasons of clarity, therefore, that modern readers might find it useful to translate "distributist" as "subsidiarist" when reading Belloc's critique of politics and economics.

Belloc's key works in this area were *The Servile State* (1912) and *An Essay on the Restoration of Property* (1936), whereas Chesterton's *The Outline of Sanity* (1925) and his late essay, "Reflections on a Rotten Apple," published in *The Well and the Shallows* (1935), represent further salient and sapient contributions to the distributist or subsidiarist cause.

Put succinctly, distributism was the name that Belloc and Chesterton gave to the version of subsidiarity that they were advocating in their writings. Thanks largely to their efforts, and those of others such as Vincent McNabb, distributism became very influential in the period between the two world wars. At the peak of its influence, the Distributist League had branches throughout the length and breadth of the British Empire. Its influence crossed the Atlantic under the patronage of Peter Maurin, Dorothy Day and came to prominence in the policies of the Catholic Worker Movement in its formative years.

Similarly, there are parallels with the vision of "economics as if people matter" outlined by the economist E. F. Schumacher in his bestselling book, *Small is Beautiful*.

Unlike socialists, the distributists weren't advocating the redistribution of "wealth" per se, though they believed that this would be one of the likely results of distributism. Instead, and the difference is crucial, they were advocating the redistribution of the means of production to as many people as possible. H. Belloc and the distributists drew the vital connection between the freedom of labor and its relationship with the other factors of production - land, capital, and entrepreneur spirit. The more that labor is divorced from the other factors of production the more it is enslaved to the will of powers beyond its control. In an ideal world every man would own the land on which, and the tools with which, he worked. In an ideal world he would control his own destiny by having control over the means to his livelihood. For Belloc, this was the most important economic freedom, the freedom beside which all other economic freedoms are relatively trivial.

Belloc was, however, a realist. Indeed, if he erred at all it was on the side of pessimism. He would've agreed with T.S. Eliot's axiomatic maxim in "The Hollow Men" that "between the potency and the existence falls the shadow." We do not live in an ideal world and the ideal, in the absolute sense, is unattainable. Yet, as a Christian, Belloc believed that we are called to strive for perfection. We are called to imitate Christ, even if we cannot be perfect as Christ is perfect. And what is true of man in his relationship with God is true of man <u>in his relationship with his neighbor, i.e. we are called</u> to strive towards a better and more just society, even if it will never be perfect. Therefore, in practical terms, every policy or every practice that leads to a reuniting of man with the land and capital on which he depends for his sustenance is a step in the right direction. Every policy or practice that puts him more at the mercy of those who control the land and the capital on which he depends, and therefore who control his labor also, is a step in the wrong direction. Practical politics is about moving in the right direction, however slowly.

In practical terms, the following would be distributist solutions to current problems: policies that establish a favorable climate for the establishment and subsequent thriving of small businesses; policies that discourage mergers, takeovers and monopolies; policies allowing for the break-up of monopolies or larger companies into smaller businesses; policies that would encourage producers' cooperatives; policies that would privatize nationalized industries; policies that would bring real political power closer to the family by decentralizing power from central government to local government, from big government to small government. All these are practical examples of applied distributism.

As the foregoing practical examples would suggest, distributism/subsidiarity isn't an esoteric ideal without any practical applicability in everyday life. On the contrary, it is at the heart of politics and economics. In all politics and economics there is the tendency for power to become centralized into the hands of fewer and fewer. Subsidiarity can be seen as an antidote to this centralization; the principle of *decentralization*, that demands the rights and protection of smaller political and economic units against encroachments of big government and big business. — *Joseph Pearce*

Economic Concentration. The distributists' key economic argument contends that economic concentration occurs systematically and inevitably under a capitalist system and that over time fewer and fewer firms come to monopolize more and more of the economy. The process whereby larger stores are alleged to win market share at the expense of smaller stores is that of "predatory pricing." In this familiar scenario, the larger store sells below cost in order to drive out its competitors and then recoups its losses by raising its prices once its rivals have folded. Belloc himself dutifully echoed this widely held notion: "The larger institution can undersell the smaller one at a loss, until the smaller one is imperiled or killed." 66

There has developed over the years considerable literature on predatory pricing as a monopolizing device, very little of which has been favorable to the theory. Economist George Stigler has gone so far as to declare, "Today it would be embarrassing to encounter this argument in professional discourse." One problem with the predatory pricing scenario is that it is next to impossible to find an actual example. To be sure, there is no shortage of examples of large stores offering low prices, but the windfall that is supposed to occur when they allegedly raise prices again once they have the field to themselves seems to be the stuff of myth.

Belloc claims that the "larger unit of capital can afford to lose on its wares for a longer time than the smaller unit. If both the larger and the smaller unit are producing a particular product at a pound, both in competition sell it at fifteen shillings, each will be losing five shillings on every sale." This analysis, while superficially plausible, is certainly mistaken. For one thing, a large firm attempting predatory pricing must endure losses commensurate with its size. That is to say, a firm holding 90 percent of the market competing with a firm holding 10 percent of the market makes losses on its 90 percent market share, while its smaller competitor makes losses only on its 10 percent share. As economist George Reisman writes, "It is difficult to see the advantage constituted by nine times the wealth and nine times the business if money is lost at a rate that is nine times as great." A scholar writing in the *Journal of Political Economy* concurs:

Price wars are far more expensive than is often realized. For one thing, it takes quite a long time to drive a rival from the field. The smaller firms may simply close down and wait and then reopen when the larger firm, in the expectation of recovering its losses, raises its prices. Even if the large firm succeeds in driving one set of owners into bankruptcy, the capacity does not thereby disappear from the area. The small company may now reopen under new management with plant bought at knock-down prices and capable, as a consequence, of marketing a product at very low cost. Only when the small plant is worn out or becomes obsolete, a matter of years, is it out of the picture, and only then is the large firm in a position to raise its prices to recoup its losses. After that the prolonged period over which prices must be kept high in order that the large business can entirely recover its losses may simply invite new entrants or new expansion and start the whole period of unprofitably low prices over again.

There is also a chain-store variant of the predatory pricing argument. Opponents of chain stores seem to believe that by virtue both of their size and of the resources at their disposal, these stores will nearly always win out in direct competition with smaller stores. They possess enormous resources, and they can draw on the profits they earn in other markets to sustain them while they suffer losses in a particular new market in their efforts to drive out their competitors there.

In some cases, of course, the larger firm *can* undersell the smaller on the basis of advantages it enjoys in terms of economies of scale and other benefits that can accrue to a firm on the basis of its size. This is not necessarily to be deplored; there clearly are advantages that accrue to everyone from business concentration.

"In the precapitalistic ages," economist Ludwig von Mises writes, "the difference between rich and poor was the difference between traveling in a coach and four and traveling, sometimes without shoes, on foot. Today in the industrialized parts of the United States the difference between rich and poor is the difference between a late model Cadillac and a second-hand Chevrolet. It is difficult to see how this result could have been achieved without bigness in business."

In this case, however, it is not the larger firm with which the distributist has a just dispute but with the consumers who freely purchase the firm's goods. It is only the consumers' buying or abstention from buying that determines the composition of a given industry. Apart from consumers' freely demonstrated preferences, made explicit through their voluntary purchases in the market, there is no nonarbitrary way of determining the proper size of a store or the infrastructure of a particular industry, or indeed how many stores or firms there should be. It is ultimately the consumers who wish to acquire the things they need with least sacrifice to themselves and families, and not large stores per se, whom distributists should logically condemn. Economists call this *consumer sovereignty*.

Moreover, if it were true that capitalism tended naturally toward ever greater concentration of wealth in the hands of ever fewer firms, we should expect to see a tendency toward fewer and fewer sellers during the period of American history when capitalist activity was least restricted and a tendency toward more and more competition during the period since, when capitalist activity has been most regulated. Unfortunately for the distributists' allegation, the opposite is true.

Gabriel Kolko's famous study of economic conditions in the late nineteenth and early twentieth centuries finds that the economy was extraordinarily competitive in the sense that quite a number of competitors could be found in virtually every industry, and it was often difficult for the top firms to maintain their dominant positions. This was essentially the case across the board, spanning industries as diverse as iron, steel, oil, automobiles, agricultural machinery, copper, meat packing, and telephone services. It was only after voluntary efforts—pools, secret agreements, mergers, and so forth—had failed to stabilize this highly competitive environment that some firms began to look to the federal government and its regulatory apparatus as a way to reduce competition coercively. "Ironically, contrary to the consensus of historians," Kolko concludes, "it was not the existence of monopoly that caused the federal government to intervene in the economy, but the lack of it."

The irony of the distributists' desire to use state coercion to bring about what they consider a more desirable dispersion of property is that it is precisely state coercion that has contributed to some of the advantages that larger firms enjoy. In an influential journal article, Nobel Prize—winning economist George Stigler contended that "as a rule, regulation is acquired by the industry and is designed and operated primarily for its benefit." He defended the hypothesis that "every industry or occupation that has enough political power to utilize the state will seek to control entry. In addition, the regulatory policy will often be so fashioned as to retard the rate of growth of new firms." Thus, the regulatory apparatus tends to favor established firms at the expense of upstarts. 9

-

⁹ Woods, T. E., Jr. (2008). <u>Beyond Distributism</u>. (K. Schmiesing, Ed.) (Vol. 13, pp. 40–49). Grand Rapids, MI: Acton Institute.

DISTRIBUTISM EXAMINED. We may now consider distributist claims in more detail. According to the celebrated writers G. K. Chesterton and Hilaire Belloc, who popularized distributism in the early twentieth century, a social system is best when productive property is widely dispersed rather than concentrated. They contend that the market order introduces an intolerably high level of insecurity and anxiety into the economic life of the ordinary person. They typically favor a variety of measures intended to reverse this situation, including prohibitive taxation of chain stores, department stores, and large distributors, in order to level the playing field for smaller operations.

As Belloc sees it, distributism brings freedom:

A family possessed of the means of production—the simplest form of which is the possession of land and of the implements and capital for working the land—cannot be controlled by others. Of course, various producers specialize, and through exchange one with the other they become more or less interdependent, but still, each one can live "on his own": each one can stand out, if necessary, from pressure exercised against him by another. He can say: "If you will not take my surplus as against your surplus I shall be the poorer; but at least I can live."

For Belloc, then, a great advantage of distributism is that it gives the household a significant measure of independence.

The introduction to his Essay on the Restoration of Property describes his view of economic freedom as something that "comes from the possession of sufficient productive property, such that a man need not depend upon his employer for a wage but has, rather, to depend upon himself and his land, craft, tools, and trade for his sustenance."

Belloc acknowledges in passing that anyone selling to others is in some way dependent on those others, thereby conceding that risk and uncertainty are unavoidable aspects of life rather than unique to a market economy. If the price and quality of his goods do not remain sufficiently competitive, he is bound to lose business. However, Belloc points out, the family can nevertheless live on its own, even if buyers refuse to purchase its surplus goods. They can live on what they themselves produce. At heart, then, Belloc's promise of security amounts to the distributist family's ability in the last resort to retreat from the division of labor and live in a condition of self-sufficiency.

Yet, the advantages of the division of labor are so clear that relatively few people have found Belloc's proposal attractive enough to attempt to observe it in practice. Practically anyone in the United States today who possesses the requisite knowledge and modest capital can acquire farmland and pursue the kind of self-sufficiency advocated by Belloc. Producing their own necessities and in possession of the means of production, such a family would be independent of employers or anyone else. They would probably also enjoy a standard of living so depressed and intolerable as to throw the rationality of the entire enterprise into question. That accounts for why the overwhelming majority of people choose to take their chances within the division of labor, balancing the risks from which this earthly life is never entirely secure against the umparalleled wealth and comfort they can enjoy by not retreating into semi-aurtarky.

Even granting the distributist premise that smaller businesses have been swallowed up by larger firms, that it is always preferable for a man to operate his own business rather than to work for another is by no means obvious. It may well be that a man is better able to care for his family precisely if he does not own his own business or work the backbreaking schedule of running his own farm, partially because he is not ruined if the enterprise for which he works should have to close, and partially because he doubtless enjoys more leisure time that he can spend with his family than if he had the cares and responsibilities of his own business. This is a matter for individual circumstances rather than crude generalization.

The way distributists portray the situation, the wage earners of today are where they are as a result of forces beyond their control: an incluctable process of wealth concentration brought about by capitalism has deprived them of the possibility of owning productive property and avoiding the dependency that the wage relation implies. The fact is, many people prefer to be wage earners rather than own businesses.

"Insecurity" and the Free Economy

Now to the extent that someone who owns the means of production is able to work for himself and for that reason is not required to work for another, then we have simply the argument of Thomas Jefferson, who admired the independent farmer for this very reason. By no means does it follow that by not working for another, one thereby avoids hand-to-mouth uncertainty. Those who work for wages in fact enjoy a kind of security that distributists do not acknowledge—namely, that the worker receives his pay whether or not the goods toward whose production he contributes ever sell. It may be many months or years before they make it to market at all.

During all that time, instead of suffering the anxieties and uncertainties of the independent craftsman or shop owner, the worker consistently earns his wage. He need not wait until—if ever—his product is actually sold to reap his benefit.

To be sure, the worker does labor under the real uncertainty that he may lose his job. This is unavoidable in light of technological improvements, changing tastes, and new methods of production. The advent of the automobile meant that carriage manufacturers would have to shift into some other line of production. The introduction of fax machines and electronic mail cut into the business of couriers and package delivery. The net result of these changes is greater abundance and a higher standard of living, as fewer resources are now necessary to accomplish our ends, thereby freeing up resources for the production of goods that prior to these technological advances we could not have enjoyed.

What would distributists have us do about these benign phenomena? We cannot have a board of economic commissars that would decide which improvements will be permitted and which not. Furthermore, no one has a right to demand that society continue to compensate him for performing a task it no longer requires, whether he is a wage earner or a shop owner. An economy based on the division of labor does not tolerate such self-centered, antisocial thinking. Instead, it encourages us to satisfy the needs of our fellows.

What sets apart the condition of laborers in market economies is precisely that they do not live in a condition of hand-to-mouth uncertainty. To be sure, terrible misfortunes can befall people, but this is true whether they are ordinary laborers or independent shopkeepers (the distributist ideal), whether medieval, early modern, or present day.

The difference is that in a prosperous society such as that of the United States, such tragedies virtually never mean utter destitution or starvation. The fantastic wealth made possible by the unhampered extension of the division of labor, by which we all enjoy the benefits of each person's specialization in that line of work that suits him best, makes such tragedies far less likely. It is not in free societies but in centrally planned economies where the most recent famines have occurred. That is real hand-to-mouth uncertainty.

Belloc argues that "the twin evils of Insecurity and Insufficiency" are inevitably associated with capitalism. "The main body of citizens, the Proletariat, are not sufficiently clothed, housed and fed, and even their insufficient supply is unstable. They live in a perpetual anxiety." As we shall see, this was not true even at the height of the Industrial Revolution, let alone the early twentieth century when Belloc was writing.

With the market's ability to create wealth no longer in serious question, critics of the market economy suddenly shift emphasis: Instead of complaining that the market produces too little wealth, they now contend that it produces too much wealth for our own good. There is more to life than material possessions, the argument goes, and economic relations should be such that man is enabled to enjoy and cultivate higher tastes.

This is a straw man. Hardly any supporter of the market suggests that material possessions are ends in themselves or bring the highest kind of fulfillment. No Christian would deny that a life of pure self-indulgence is morally inferior to one in which one's wealth is put to lasting and productive use. It is precisely the wealth that market mechanisms create and the leisure that the market makes possible that make the enjoyment of higher things practicable in the first place.

A man living at the level of bare subsistence is not likely to be able to cultivate an interest in painting or literature. Moreover, John Ryan, who perhaps more than any other attempted to reckon with the question of labor and wages, acknowledged that men are "more susceptible to religious influence [and] can know and serve God better when they are contented and comfortable than when they are impoverished and miserable."

Contrary to popular belief, the normal operation of the market tends to increase the laborer's standard of living. Businesses invest in capital goods in order to increase the productivity of labor—that is, the amount of output that each worker is capable of producing. A forklift makes it possible for a worker to move and stack far more pallets than before, and to reach heights that would have been impossible with his bare hands. Other kinds of machinery can multiply the efficiency of a single worker many times over, sometimes even by orders of magnitude. The amount of goods the economy is capable of producing rises, at times explodes. This is how wealth's created.

As a result, firms can now produce many times more goods than before—and at considerably lower cost. Thanks to the pressures of market competition, firms pass on these cost cuts to consumers in the form of lower prices, better quality merchandise, or a combination of both. The ordinary person's standard of living increases because, on the unhampered market, business firms are in a position to invest their wealth in machinery that makes it possible for more and more goods to be produced with fewer and fewer hands, thereby increasing the overall number of material goods available and rendering them less and less expensive. Thus, there is no capitalist paradox: Increased productivity means lower prices, so people can indeed afford to purchase the new abundance.

Partisans of the market are often portrayed as morally stunted for their emphasis on economic efficiency, an emphasis that supposedly fails to reckon with more important values. The point is, the more efficient we are in producing the goods we need, the more leisure we can enjoy to pursue the very higher things that economists allegedly leave out of account. The more capital-intensive our economy, the greater the productivity of labor; the greater the output, the greater our overall wealth, and the less time we need to work in order to earn the money necessary to purchase the goods we need.

Work itself is a source of dignity and should not be viewed as a "necessary evil" in contrast to the "higher things." Even so, a man forced to work eighty or more hours per week because the economy he works in is so capital-starved that this amount of labor is necessary for his sheer survival, will not be able to devote even a modest portion of his time to religious practice, family responsibilities, or the enjoyment of cultural activities. The real friends of the higher things, therefore, are supporters of the market, whose favored system makes those things readily available to more people than anyone centuries ago would have thought possible.

The net result of all of the obstacles to prosperity inherent in distributism must be a poorer society. At times, distributists even concede this point. One writer acknowledged that one of the reasons it would be especially difficult to "restore the small craftsman" was that "in many cases mass methods produce not somewhat cheaper but enormously cheaper than individual methods." Is there not a kind of security in being able to acquire the necessities of life cheaply?"

¹⁰ Woods, T. E., Jr. (2008). <u>Beyond Distributism</u>. (K. Schmiesing, Ed.) (Vol. 13, pp. 19–31). Grand Rapids, MI: Acton Institute.

Macro-Economics For Missionaries

In C. S. Lewis' *Screwtape Letters* (1942, 4), where Lewis has the demon Screwtape tell his nephew Wormwood that university students should be discouraged from studying the physical sciences, since the physical sciences focus on God's creation and thus might have the effect of pointing students to God, but that Wormwood should encourage students to study economics, which presumably more firmly belongs in the devil's camp.

Diagrams in missiology classes feature onions—concentric circles—with worldview at the center and economic behaviors on the outer edges. Or they feature platforms, with worldview as the "foundation" of all else, including economic realities that were caused and determined by worldviews. Or they feature images of depth versus surface, where worldview was "deep" and economic realities simply "surface" epiphenomena. Naturally what really needs to be studied was that which was "central," "foundational," and "deep," rather than that which is peripheral or shallow—a secondary byproduct of other, more basic realities. Coursework in missiology touches on economic dimensions of mission, but it does so in a selective and moralizing fashion.

People are not primarily philosophers striving for rational abstract coherence and attempting to be faithful to a given philosophy, but that they are motivated by anxiety, guilt, love, lust, hunger, envy, desire for success and approval, and so on. That is, in everyday life, people spend their time and effort on such matters as romance, material well-being, and attempting to achieve honor. They are often only marginally interested in rational abstractions and consistency. Like Pontius Pilate, they are often quite willing to act against what they believe to be true (consider Pilate's words, "I find no fault in him. Take him out and crucify him"), or to embrace ideologies that help them rationalize and justify their behavior or social position. The order present within society and culture might be functional, instrumental, economic, political, psychological, and ideological rather than rational and logical; The direction of causality can flow in more than one direction. Yes, belief can and sometimes does have an impact on other cultural patterns, including economic patterns.

But economic and psychological and political dynamics can also be independent variables contributing to larger sociocultural patterns, with belief sometimes a dependent variable influenced by other factors, or emerging as a secondary rationalization of some other, more primordial dynamic.

By not systematically studying the economic dimensions of life, missionaries have simply operated with the taken-for-granted assumptions about economics learned through our own primary socialization. The fact that there are fundamentally different economic orders operating in different settings, with profoundly different ideals as to the ways in which material realities are to function in our moral relations with each other, has largely been misunderstood.

One of the most common ethical challenges missionaries report is the challenge of being asked (or extorted) for a "bribe." While missionaries often simply treat this as a matter of sinful corruption, Jason Tan demonstrates how older reciprocity norms—where the line between tips, obligatory gifts, and bribes was seldom clearly marked—sometimes shape current practice in the Philippines. Furthermore, when modern bureaucratic structures are conceptualized as paying an adequate wage (to policemen or customs agents, for example), but in fact often pay less than a living wage, it is not surprising that older reciprocity norms are invoked to help make up the difference. Careful analysis of how such "bribes" work in practice and are understood in the moral logic of cultural insiders, shoe how they are intertwined with issues of honor and respect.

Both in New Testament times and in much of the world today, social and economic relations have been structured by patron-client norms—hierarchically organized reciprocities.

Around the world people are often caught between traditional economic norms with their built-in social protections and the changing realities and norms associated with free-market capitalism.¹¹

¹¹ Cheong, J., & Meneses, E. (2015). <u>Christian Mission and Economic Systems: A Critical Survey of the Cultural and Religious Dimensions of Economies</u> (pp. xxi–xxx). Pasadena, CA: William Carey Library.

Christians in ministry must take a holistic approach to poverty. Bryant Myers describes such an approach, which is rooted deeply in the Bible (Myers 2004). Myers describes poverty as a network of poorly functioning systems, including material poverty, vulnerability (lack of reserves), physical weakness, political powerlessness, spiritual poverty ("broken relationships with neighbor and God"), and isolation (lack of assets, including education) (72). "Poverty is a result of relationships that do not work," he says, "that are not just, that are not for life, that are not harmonious or enjoyable." (86). Myers' model is one of incorporation, but it does not make the mistake of promoting material development at the expense of social or spiritual growth. In fact, Myers makes a strong case for the value of Christian conversion to bringing holistic development in people's lives.

The good news to this point is that such a biblically based, holistic approach is actually *more effective* than a narrowly financial one, even in economic terms. While as Christians we must address the needs of the people we serve in ministry, we must not forget that God's kingdom purposes are beyond the comforts of this life. Jesus was clear that both wealth and family must be sacrificed to follow him (Matt 16:24; Mark 10:21; Luke 14:26). Christian history is filled with people who have been willing to give up everything to respond to God's call. Sometimes this has involved a lifestyle so radical that an ordinary involvement in society and economy is impossible. To some degree, all missionaries leave behind the comforts of family and friends, if not material wealth, to follow Christ to new places.

How does the radical call of Jesus fit in with the Christian affirmation of life in creation, our bodily existence, and the social and material good? So how are Christians to live this life? The answer surely has to do with the larger vision and purpose that guides our decision-making processes. It is not that we must eschew all the pleasures of this life for hair shirts and desert isolation. In fact, extreme austerities can be the means of an attempt at self-salvation. It is rather that we must ensure that our decisions are guided by the bigger picture we have of God's purposes for humanity in the context of his restoration of creation, and by the Holy Spirit's call upon our own lives.

That bigger picture, or metanarrative, must not be compromised by the metanarratives of the social and economic systems of which we are a part. What I suggest here is that, as Christians living under capitalism, we must appreciate the value of the economic system at hand while not being deluded by its extravagant claims. Equally, we must recognize the deep distortions that are created by the system and work steadily to rectify them, while taking care not to destroy what is good. 12

¹² Cheong, J., & Meneses, E. (2015). <u>Christian Mission and Economic Systems: A Critical Survey of the Cultural and Religious Dimensions of Economies</u> (pp. 18–23). Pasadena, CA: William Carey Library.

Neo-Colonial Modern Mercantilism



Can be used on a global scale or within countries to explain regional disparities.

Cumulative Causation – Spiral of advantages that occur in a specific geographical location (core).

Core – Initially based on comparative advantages (resource endowment and location), develops from acquired advantages (multiplier effect, agglomeration, increased tax revenue, increased public spending, education and health care, skilled labour, improvements in infrastructure).

Periphery – Inaccessible, underpopulated, resource poor.

Gunnar Myrdal (1957) - Rich lands and Poor lands

Backwash Effects







Negative effects of the core's growth on the periphery. Out-migration of economically active people, outflows of capital, decreasing tax base, firms of the periphery not able to compete with the firms of the core and therefore periphery being flooded with core's products.

Spread Effects

Positive effects of the core's growth on the periphery. Core unable to supply all the products the Core is demanding so supply from the Periphery to the Core. Core becomes affected by NEGATIVE EXTERNALITIES (high rents, overcrowding, congestion) so firms locate in periphery.

Key question – Will the benefits of the Core's development "spread" or "trickle down" to the periphery?

Market Forces Tend Toward National & Individual Caste

Myrdal's Circular Cumulative Causation Theory

Definition:

Circular cumulative causation is a theory developed by Swedish economist <u>Gunnar Myrdal</u> in the year 1956. It is a multi-causal approach where the core variables and their linkages are delineated. The idea behind it is that a change in one form of an institution will lead to successive changes in other institutions. These changes are circular in that they continue in a cycle, many times in a negative way, in which there is no end, and cumulative in that they persist in each round. The change does not occur all at once as that would lead to chaos, rather the changes occur gradually.

To put Myrdal's view in a better perspective let us see what he has to say on the subject. According to Myrdal,-

"if things were left to market forces unhampered by any policy interferences, industrial production, commerce, banking, insurance, shipping and indeed almost all those economic activities which in developing economy tend to give a bigger than average return and, in addition, science, art, literature, educational higher culture generally – would <u>cluster</u> in <u>certain localities</u> and <u>regions</u>, leaving the rest of the country more or less in a <u>backwater</u>". By whatever factors-natural, manmade, or historical space growth gets started in a particular regions and meets with initial success, all sorts of economic and non-economic activities start concentrating there. This happens because of ever increasing internal and external economies – interpreted in the widest sense of the word to include, for instance, a working of population trained in a various crafts, easy communications, the feeling of growth and elbow room and the spirit of new enterprise".

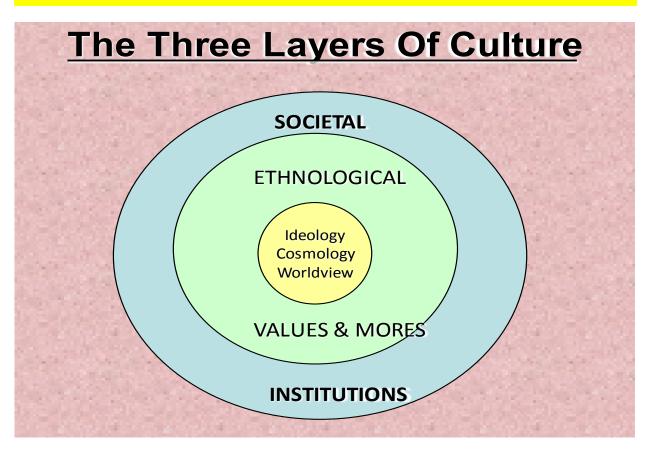
In Myrdal's analysis, the growth in progressive (or advancing) regions affects the growth in lagging (or depressed) regions through:

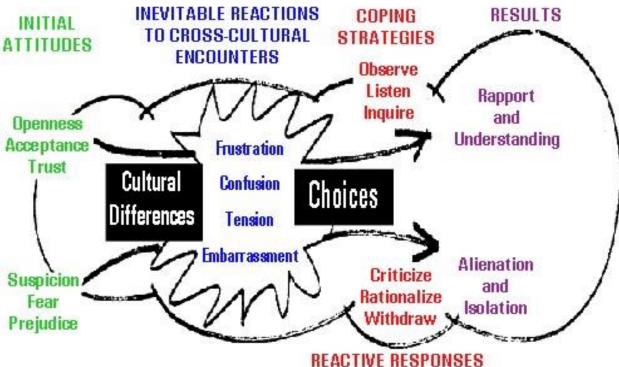
- (i) Spread effects and,
- (ii) Backwash effects.

The *spread effects* are the <u>centrifugal forces</u> of expansionary momentum <u>emanating</u> from the <u>centres</u> of economic expansion to <u>other region</u>. Thus, the spread effects have a positive impact on the development of other region.

Because of growth in the progressive region, on the one hand, demand for agricultural products and raw material from other regions in increased, and on the other, advanced technology is made available to lagging regions which they did not formally processes. On account of these two factors, growth in the other regions is promoted. In contrast to the spread effect, the backwash

Missionaries Export Christ Not Cultures





SOURCE CULTURE MESSAGE DIMENSION	RESPONDENT VARIABLES
Worldviews	Ways Of Perceiving The World
Cognitive Processes	Ways Of Thinking
Linguistic Forms	Ways Of Expressing Ideas
Behavioral Patterns	Ways Of Acting
Social Structures	Ways Of Interacting
Motivational Resources	Ways Of Deciding

APPROACH	TYPOLOGY
Christ Against Culture	Radical Christians
Christ & Culture In Paradox	Dualists
Christ Transforms Culture	Conversionists
Christ Above Culture	Synthesists
The Christ Of All Cultures	Culturalists
GIRIST & GUITURE	

Economic Cultures @ Mixed & Diverse

- NATIONS IN DIFFERENT STATES OF SOCIAL DEVELOPMENT CAN BOTH TEACH & LEARN
- *REVERSE MISSIONARIES OPEN TO BOTH TEACH & LEARN FROM INDIGENOUS MOST EFFECTIVE
- *ETHNO-CENTRIC & SOCIO-ECONOMIC SENSE OF SUPERIORITY IS DETECTABLE & HARMFUL!
- ❖PREJUDICE & IGNORANCE NEED UNLEARNING
- ❖ APOSTLES DIDN'T ADDRESS ROMAN COMMERCE
- SECULAR SOCIAL & ECONOMIC SYSTEMS ARE A MIX PRIMARY & SECONDARY & OF DEGREE
- ***WHAT WORKS ONE PLACE DOESN'T ANOTHER**
- ***MISSIONARIES SHOULD STICK WITH EXPERTISE**
- *CATHOLIC ENCLAVES VALUE LOCAL COTTAGE INDUSTRY & SUBSIDIARITY DISTRIBUTIONISM
- *DISTRIBUTIONISTS PREFER THE TOWN SQUARE TO THE BIG BOX AND MALL STORE COMMONS
- *DISTRIBUTIONISTS ENJOY & BETTER QUALITY
 OF LIFE BY PAYING & HIGHER COST OF LIVING
- ♦IN MY OPINION, DISTRIBUTIONISM SHOULD BE PART OF THE ECONOMIC MIX EVERYWHERE!

Confront Evangelism	Lifestyle Evangelism
Commitment	Discipleship
Canned Presentation	Flexible Agenda
Command Oriented	Relationship Oriented
Training Emphasis	Fellowship Focus
Organized Visitation	Friends Association
Local Church Activity	Individual Christians

From Unawareness:	Unto Christianity:
STEP ONE -	Gospel Awareness
STEP TWO -	Gospel Receptivity
STEP THREE -	Controlled Attention
STEP FOUR -	RELATIONSHIPS
STEP FIVE -	COMMITMENT
STEP SIX -	Characterization

RIGHT ATTITUDE OPENS DOORS

EXCERPTS FROM CHRISTIAN CHRONICLE COVERAGE OF CUBA:

After Fidel Castro <u>rose to power in the 1959 Cuban Revolution</u>, the relationship between the government and the churches became quite tense in this socialist state 90 miles from Florida. For decades, restrictions <u>were placed on Christian churches</u>, leading many religious leaders to leave the island. Worship services could only be held in officially registered buildings.

Before 1959, more than 100 Churches of Christ formed on the island, but <u>only six met in authorized</u> places of worship. After the revolution, most of the congregations were forced to stop meeting.

In the past five years churches of Christ in the United States have enjoyed positive relations with the island nation. That status has allowed U.S. church members unprecedented access to their counterparts on the island, after a half-century of near-isolation. Church members who have traveled the short distance to Cuba report vibrant, growing congregations in this communist nation. . .

It seems historically appropriate that, in 1985, Juan Monroy became the first church of Christ missionary to enter Cuba since the rise of Fidel Castro.

"In 1984 I met President fidel Castro in Nicaragua. In 1985 I went to Cuba. God wanted me to be the first foreign missionary of the church of Christ to enter."

At that time there were in Cuba about 150 members of the church and no full-time preachers. Now there are 100 churches — most of them small, meeting in houses. There are about 5,000 members and more than 60 full-time preachers supported by churches in the United States. As a result of their growth, many churches in Cuba are running out of space. The Cuban government regulates their construction, and many churches meet in the home of the minister. Almost every church seems to be growing.

The Cuban government recently authorized the ministry to send 40,000 Bibles and 10,000 copies of the New Testament to the island to be distributed to listeners of the ministry's radio program.

AT THE NEXUS OF GRACE & GLORY

Five Steps For Saving:

- HEARING:
- Romans 10: 17; Matthew 7: 24 27
- BELIEVING:
- Hebrews 11: 6; Mark 16: 15, 16
- REPENTING:
- Acts 2: 38; 17: 30; Luke 13: 3
- **CONFESSING**:
- Matthew 10: 32, 33; Acts 8: 36, 37
- BAPTISM:
- Romans 6: 3 5; Acts 8: 36 38

