

T&JIF



Economics & Christianity 1

The Basic Biblical Principles

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I. Capitalism and Socialism

- Typical Critique of Capitalism
 - Over-emphasis on self-interest and the profit motive (individualism)
 - Over-valuation of the material side to life: the enjoyment of material goods (materialism)
 - Over-exploitation of natural and human resources in the pursuit of profit

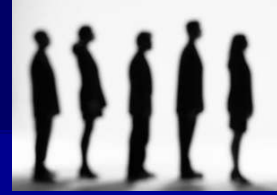


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- Typical Critique of Capitalism (cont'd)
 - Too much inequality of wealth and income both within nations and between nations.
 - Too much concentration of economic power in the hands of big business and the vested interest behind it.
 - Potentially highly disruptive instability of financial markets and the enormous fortunes that can quickly be made and destroyed there.



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- Typical Critique of Socialism
 - Lack of individual freedoms and rights
 - Too much concentration of power in the hands of the state, which also tends to be undemocratic and dictatorial
 - Inefficiency and poor quality of goods produced
 - Often an even greater exploitation of the natural environment (some of the greatest environmental disasters happened behind the iron curtain in former communist countries)

II. Three Opposites: The Extremes to Avoid



1. Ideological Utopianism *versus* Pietistic isolationism
2. Hedonistic Materialism *versus* Asceticism
3. Individualism *versus* Collectivism

Ideological Utopianism *versus* Pietistic Isolationism

- **Ideological Utopianism:**
 - Over-valuation of the Benefit of a just Social System (just laws): Kingdom of God = Social Justice
 - One-sided emphasis on Environmental Conditioning of Behaviour
 - A just social system will make just people
 - Under-valuation of Personal Responsibility, Personal Morality and a Personal Relationship with God

Ideological Utopianism *versus* Pietistic Isolationism (cont'd)

- **Pietistic Isolationism:**
 - Only Evangelism Matters
 - Only Personal Morality and "My Relationship with God" Matters
 - Under-valuation of the Benefits of a just Social System (just laws)
 - Better individual morality sufficient to make better society
 - Little or no Social or Political Engagement

T&JIF Ideological Utopianism *versus* Pietistic isolationism (cont'd)

■ Balance:

- Social Justice enormously important but will not bring the Perfection of the Kingdom
- Problem: Authentic Christian view on Social Justice required

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T&JIF Hedonistic Materialism *versus* Asceticism



- **Hedonistic Materialism:** Over-valuation of the Enjoyment of Material Wealth
- **Asceticism:** Under-valuation of the Enjoyment of Material Wealth
- **Balance:**
 - Enjoy but don't live for it (don't let it capture your heart) - difficult
 - Live within your means
 - Be exceptionally generous

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T&JIF Individualism *versus* Collectivism



- **Individualism:** Over-valuation of the Rights and Freedoms of Individuals/Under-valuation of the role of the state and the collective
- **Collectivism:** Under-valuation of the Rights and Freedoms of Individuals/Over-valuation of the role of the state and the collective
- **Balance:** Elaborating on this balance will give us clues as to a biblical perspective on social justice

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T&JIF Legitimate Domain of the Individual



- Human beings are created as individuals
 - Only individuals experience pleasure, pain or freedom
 - Only individuals have the power of choice and, in that sense, capable of doing right or wrong (not to say there is no social wrong)
- It is as individuals that we are accountable to God

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T&JIF First Foundational Biblical Principle of a Just Society



- First Foundational Principle: *The individual should be held personally responsible for his/her actions.*
- Biblical Justification:
 - Human beings are created "in the image of God" (Gen.1:26-27). As such, they are God's representatives, the stewards over His possessions, the agents ("sons") through which He wishes to spread His love, justice and righteousness in the created realm.

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T&JIF First Foundational Principle (cont'd)

- What does individual responsibility mean?
 1. Individuals have the right to decide freely on their actions
 2. Individuals must face the consequences of their freely chosen actions
 3. People are individually answerable to God



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T&JIF First Foundational Principle (cont'd)

- Implications for the economic sphere?
 1. Individuals are personally responsible for their own needs, as well as for the needs of those who require their help:
 - State protects private property in productive assets: the individual's own labour, his/her machines, implements and land
 2. Individuals can only be held responsible for their actions if these were free and voluntary:
 - State protects free exchange and free association
 3. Individuals must face the consequences of their free and voluntary actions:
 - State enforces contracts
 4. Criminal behaviour defined as violation of voluntariness in association
 - State punishes by enforcing consequences for criminal which would otherwise not be there



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T&JIF First Foundational Principle (cont'd)

- Implications for the economic sphere (cont'd)
 5. Individuals may privately own land (natural resources in general), but state may interfere in order that ..
 - .. strategically situated land may be communally owned with free access for all
 - .. everybody may benefit equally from a country's natural resources (see Second Foundational Principle)
 6. Looks all very capitalistic: But modern capitalism does only VERY PARTIALLY stick to the principle

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T&JIF Legitimate Domain of the Social

1. Individuals are not meant to live in isolation: humans are social beings
 - However: the social can be both helpful and harmful to the individual
 - Other people can both help and harm you
 - Ways to optimise the helpfulness and minimise the harmfulness of social relations:
 - Keep social relations voluntary (already implicit in Personal Responsibility)
 - State protects the freedom of engage and disengage with others
 - Minimise absolute dependence on others
 - Avoid dependence-creating power concentrations (see below)
 - Provide minimum safety net (see below)
 - Ensure people face consequences for criminal violations of voluntariness in social relations (already implicit in Personal Responsibility)
 - State appropriately punishes theft, fraud, violence, rape etc

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T&JIF Legitimate Domain of the Social (cont'd)

2. There exists a "Public Sphere" where Responsibilities cannot be solely Personal/Private, because:
 - Individuals can, by their actions, force consequences on others without these others' voluntary consent
 - Put differently: there are involuntary spill-over effects on others; action consequences are involuntarily intertwined
 - Mostly in area of natural-resource use and the use of public space
 - Leads to Second Foundational Principle

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Second Foundational Principle

- Second Foundational Principle:
The benefits of a country's natural resources should be distributed over all citizens as evenly as possible.
- Biblical justification: Mosaic law about land distribution and the Jubilee.



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Second Foundational Principle (cont'd)

- Implications for Economic Sphere:
 - Radical: But come to Talk 4 (does not necessarily mean that land cannot be privately held)
- Note the balance between individuality and sociality:
 - The first principle has a more "individualistic" orientation, while the second has a more "socialistic" orientation.

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T&JIF When Individuality turns into Individualism

- When individuality is pushed too far, which happens when:
 1. individuals get given the freedom to act in their personal responsibility but the state shields them from having to face the negative consequences of their actions; .. when freedom turns into licence
 2. the state allows individuals to treat as part of the "private sphere" what properly belongs to the "public sphere":
 - Individuals appropriate a disproportionate amount of a country's natural resources for themselves
 - People use natural resources (land, air, water) in ways which are detrimental to other
- We will later see where modern capitalism is individualistic (in this sense)

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T&JIF When Sociality turns into Socialism

- When sociality is pushed too far, it turns into socialism/collectivism. This happens when ..
 1. individuals are denied the freedom to act in their personal responsibility at all: no freedom of association/disassociation, no private property
 2. when what properly belongs to the "private sphere" is treated as part of the "public sphere"
 - the state interferes in private affairs
 - Paradoxically, socialism tends to lead to an extraordinary amount of social injury: people lack power to protect themselves

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TGIF Broad Results of Two Foundational Principles

1. Optimal spread of power (“power tends to corrupt and absolute power corrupts absolutely”):
 - By keeping responsibilities with all the scattered individuals themselves, power gets spread out.
 - By spreading the benefits of natural resources, power gets spread out.
 - Optimise spread of power: minimise social injury
2. Optimal stimulation of responsible behaviour, in spite of not prescribing any particular moral code (moral neutrality; no Christian fascism):
 - By forcing people to face both the positive and the negative consequences of their actions, responsible (and as such moral) behaviour is stimulated.
 - Further illustration in talks 2, 3 and 4

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