

Inherently Capitalist

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Throughout high school, I have been interested in the history of capitalism, as well as its applications and benefits. The more I research capitalism, the more I realize it is more than a type of economy; it is a worldview that affects everything in life. The Ludwig von Mises Institute defines capitalism by stating, “Capitalism means free enterprise, sovereignty of the consumers in economic matters, and sovereignty of the voters in political matters. Socialism means full government control of every sphere of the individuals’ life and the unrestricted supremacy of the government in its capacity as central board of production management.” [1]

Before we delve into the issue of capitalism, let us look at the purpose of government. Romans 13:3a says, “For rulers are not a cause of fear for good behavior, but for evil ...” and verse 4b continues, “... for it does not bear the sword for nothing; for it is a minister of God, an avenger who brings wrath upon the one who practices evil.” Clearly, the Bible specifically states that the government was put in place to protect those who do right from those who do evil. Sadly, the government has progressively overstepped its God-ordained role by becoming more of a provider than a protector.

Whenever there is a capitalistic society, there are more resources used efficiently and the production rates increase significantly because incentive is one of the many benefits capitalism embraces. The private-sector has incentive to use its resources as efficiently as possible because they know they are using their own limited resources, which they worked hard to obtain. The issue with socialistic communities is that they have no “ownership” of their resources because they know the government provides for them. Government provision is a socialist mindset and is completely anti-biblical; reference II Thessalonians 3:10b, “...if anyone will not work, neither let him eat.” As stated previously in Romans, the government’s job is to protect the people, not provide for them.

According to Proverbs 10:4, “Poor is he who works with a negligent hand, but the hand of the diligent makes rich.” The biblical form of government evidently rewards those who work industriously, unlike the socialist mindset, which would have you believe everyone deserves the same amount no matter how hard they work. This completely undermines the scripture. We can see the affects of socialism creeping into America inch-by-inch as more people expect the government to take care of them.

A basic tenet of capitalism is free enterprise; it is here that the principle of supply and demand has its full effect. Supply and demand is an economic model of price determination in a market. It is something that socialistic governments can never take advantage of because the government is in control of an item’s price. However, according to Gary North in *Inherit the Earth, Biblical Blueprints for Economics*, “What the free market social order does is encourage men to serve the wants and the desires of their fellow man, voluntarily, because of a unique combination of

private property, self interest, competitive bargaining, and personal responsibility.” [2] Supply and demand is a healthy, natural economic benefit that only capitalism can truly grasp a hold of because the government’s hand is out of the free market’s pocket.

Another characteristic of capitalism that gets played out in a free market is that of negotiation. An example is in Proverbs 20:14, ““Bad, bad,” says the buyer, but when he goes his way, then he boasts.” In this verse, we see the buyer undervaluing the item he is negotiating to purchase by pointing out what he does not like about it. Unfortunately, this person also exhibited the negative character trait of boasting.

As we have seen, capitalism and socialism are two very distinct economic systems. The Bible clearly supports capitalism throughout. There are numerous benefits when a nation follows the word of God and supports capitalism. However, when a nation does not look to the word of God for its guidance in ruling a nation, there will be consequences; as evidenced in Proverbs 29:18a, “Where there is no vision, the people perish...” (KJV) It is imperative that Christians look at the world through their biblical glasses to see if the government and its citizens are following the word of God. In closing, a quote from Winston Churchill, “The inherent vice of capitalism is the unequal sharing of the blessings. The inherent blessing of socialism is the equal sharing of misery.” [3]

Unless otherwise noted, all scripture references are taken from the New American Standard Bible, 2006 edition.

[1] Ludwig Von Mises Institute, *Bureaucracy*, New Rochelle, N.Y.: Arlington House, [1944] 1969, pg. 10

[2] Gary North (PhD in Economics), *Inherit the Earth, Biblical Principles for Economics*, Published by Dominion Press, 1987, pg. 56

[3] http://thinkexist.com/quotes/winston_churchill/