



## **FIVE REASONS CHRISTIANS SHOULD EMBRACE ECONOMIC FREEDOM**

### ***A FALLEN WORLD'S PATH TO FLOURISHING***

BY ANNE BRADLEY, PH.D.

What is economic freedom, and why do we need to embrace it? As Christians, we are called to be good stewards of the resources that God gives us. Stewardship is not just about tithing or caring for the earth; it is about every choice we make. It is then inextricably tied to flourishing. If we are not good stewards, we cannot possibly practice true sustainability by creating more than we are given and caring for one another. Markets facilitate stewardship by helping us to fulfill the great commandment, which calls us to love our neighbor.<sup>1</sup>

#### **What is Flourishing?**

In the Old Testament, the concept of flourishing is best described by the Jewish word *shalom*. Biblical scholars tell us that *shalom* signifies a number of things, including salvation, wholeness, integrity, soundness, community, connectedness, righteousness, justice, and well-being.

*Shalom* denotes a right relationship with God, with others, and with God's good creation. It is the way God intended things to be when he created the universe.

In most of our English Bibles, we translate *shalom* as peace, but it means much more than just an absence of conflict. The idea of flourishing as *shalom* in the widest sense of the word is a significant theme in the Old Testament:

- When the Lord brings *shalom*, there is prosperity.<sup>2</sup>
- There is health.<sup>3</sup>
- There is reconciliation.<sup>4</sup>

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<sup>1</sup> Matt. 22:39, NIV.

<sup>2</sup> Ps. 72:1-7.

<sup>3</sup> Isa. 57:19.

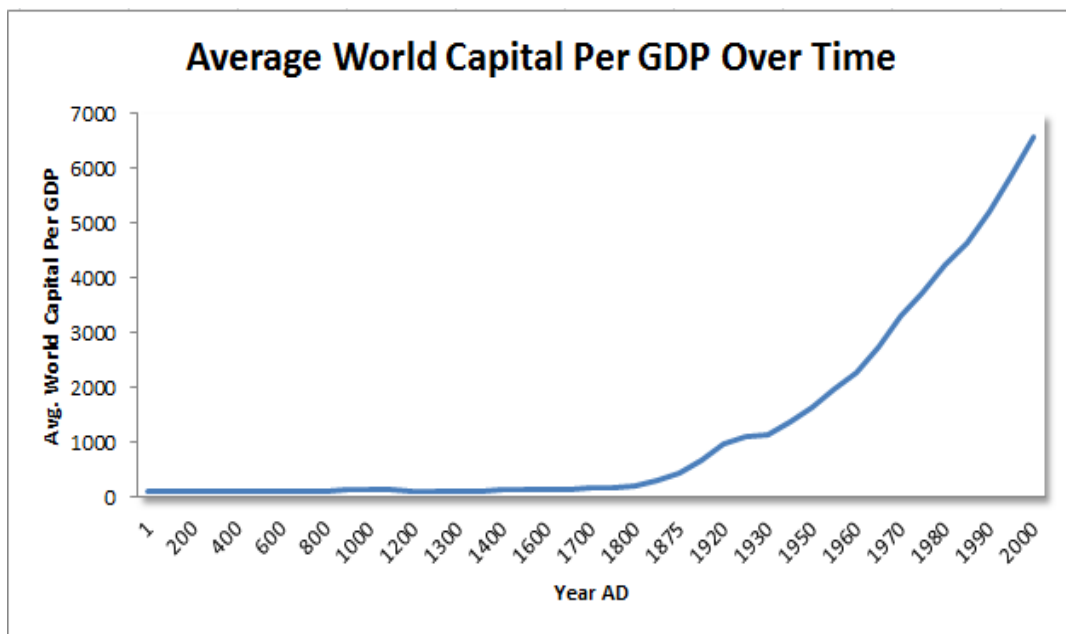
<sup>4</sup> Gen. 26:29.

- There is contentment.<sup>5</sup>
- When the shalom of the Lord is present, there are good relationships between the nations and peoples. God's shalom has a social as well as a personal dimension.<sup>6</sup>

Shalom means universal flourishing, wholeness, and delight, representing the way things ought to be. The Old Testament prophets pictured shalom as the lion lying with the lamb, weapons becoming farming tools, deserts blooming, and the mountains streaming with red wine.

One aspect of shalom is material prosperity. It is no accident that over the last two hundred years we have experienced explosive growth in the Western world, providing a level of abundance and prosperity unthinkable even to kings and queens just a short time ago. Most of human history up to that point was marked by poverty and a struggle for subsistence. The path to flourishing has been uphill, but Christians have and can play a big part in bringing about more flourishing for all mankind.

Productivity per person, when graphed over human history, follows an exponential pattern, as demonstrated in the graph below. It was not until 1500 A.D. that we started to see even the slightest increase in GDP per person.<sup>7</sup> Prior to 1500 A.D., net productivity hovered slightly above zero.



<sup>5</sup> Gen. 15:15; Ps. 4:8.

<sup>6</sup> 1 Chr. 12:17-18.

<sup>7</sup> J. Bradford DeLong, "Estimates of World GDP, One Million B.C.-Present," last modified May 24, 1998, [http://econ161.berkeley.edu/TCEH/1998\\_Draft/World\\_GDP/Estimating\\_World\\_GDP.html](http://econ161.berkeley.edu/TCEH/1998_Draft/World_GDP/Estimating_World_GDP.html). Graph constructed from data in DeLong's paper.

As the graph shows, most of the advances in technology, longevity, and prosperity are quite recent in human history. These innovations and advancements have benefitted everyone, not just the rich. Aggregated by competitive markets and international free trade, they have lifted billions out of poverty and are increasingly available to larger segments of the world's population.

Yet poverty still plagues too many in the twenty-first century. The World Bank defines poverty as living on less than \$1.25 per day. In 1990, 43.1% of the world's population lived in poverty, but in 2008 that statistic dropped to 22.4%.<sup>8</sup> The spread of global markets is the reason this number continues to decline.<sup>9</sup>

Poverty is a scar on the God-given dignity of each human. How we care for the poor, enable them to use their God-given talents, and come into community with one another are all aspects of stewardship.

Good stewardship leads to flourishing, which is characterized by well-being, thriving, and abundance. It is the way God created all things before the fall, as well as what he will restore when Christ returns. In the parable of the talents, Jesus teaches that everyone is to maximize the gifts that he is given in order to contribute to the flourishing of the world.<sup>10</sup> Greater economic freedom offers more opportunities to do just that.

Stewardship involves not just what we do with our money; it entails how we govern or manage all the limited and scarce resources with which we have been gifted. While this encompasses the earth and all that is in it, it also includes our time, energy, talents, gifts, and skills.

Stewardship is part of the cultural mandate found in Genesis 1:28:

*God blessed them and said to them, "Be fruitful and increase in number; fill the earth and subdue it. Rule over the fish in the sea and the birds in the sky and over every living creature that moves on the ground."*

Each of us is created uniquely by God to contribute something to his kingdom. We have a special opportunity to use our particular interests and abilities to do something significant.

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<sup>8</sup> The World Bank, "Poverty and Equity Data," last modified July 2013, <http://povertydata.worldbank.org/poverty/home/>.

<sup>9</sup> Laurence Chandy and Geoffrey Gertz, "With Little Notice, Globalization Reduced Poverty," *YaleGlobal Online*, July 5, 2011, <http://yaleglobal.yale.edu/content/little-notice-globalization-reduced-poverty>; James Gwartney et al, "Economic Freedom of the World 2012 Annual Report," Frazier Institute, 2012, <http://www.freetheworld.com/release.html>.

<sup>10</sup> Matt. 25:14-30.

This larger view of stewardship encompasses every aspect of life. The job that one takes, where you live, how many children you have, and where you send your children to school all involve stewardship. Those options require us to make choices with our scarce resources, as each tradeoff presents us with a cost and becomes part of the calculus of stewardship.

Working is one way that we bear the image of God; we were indeed created for work.<sup>11</sup> Our efforts can bring delight to us and to the Lord and allow us to serve the common good. Creating value through work is then a mechanism for stewardship.

In order to labor effectively, we need a robust institutional environment. Through a setting where people know and understand established rules of the game that coordinate cooperation among individuals, we may come together to serve one another effectively through our work. This sort of environment requires greater economic freedom. Economic freedom ensures that individuals can coordinate their plans most effectively which in turn helps us steward our scarce resources wisely; this in turn generates prosperity and greater wealth accumulation.

### **What is Economic Freedom?**

Economic freedom is a measure of the ability of people from any race, gender, or faith to trade and use their gifts and skills in order to serve others. It is the best known path to unleash the creativity of each individual.

Each year, economic freedom is measured empirically using an index. The authors of the *Economic Freedom of the World Report* describe it this way:

*Individuals have economic freedom when property they acquire without the use of force, fraud, or theft is protected from physical invasions by others and they are free to use, exchange, or give their property as long as their actions do not violate the identical rights of others. An index of economic freedom should measure the extent to which rightly acquired property is protected and individuals are engaged in voluntary transactions.*<sup>12</sup>

Economic freedom allows individuals to better practice the lesson of stewardship from the parable of the talents by multiplying the resources we are given.

It also gives us the best-tested chance to provide an opportunity society for all income levels, not just for the wealthy. In fact, if you care about life expectancy, child mortality, environmental performance, poverty reduction, civil rights, child labor and unemployment, you should care about economic freedom.

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<sup>11</sup> Gen. 1:26.

<sup>12</sup> James Gwartney et al, "Economic Freedom of the World 1996 Annual Report," Fraser Institute, 1996.

Economic freedom results in:

- Higher life expectancy
- Lower levels of child mortality
- Better performing and cleaner environments
- Higher incomes for the poor
- Better protected civil liberties
- Less child labor
- Less unemployment
- Higher per capita income<sup>13</sup>

Below are five reasons Christians should be concerned with economic freedom. Though economic freedom is not an end in and of itself, it reflects certain biblical truths and provides a framework for helping Christians and others to understand how to promote higher levels of flourishing in a fallen world through their work.

### **Reason #1: We are Called to Work**

People are created in the image of God and are created to work as one way of fulfilling his design for their lives. This applies to the mechanic as well as the missionary. God gifted each person with unique skills and a unique purpose.

Snowflakes provide a helpful analogy. When someone looks out the window during a snowstorm, he sees white dots peppering the sky rather than the intricacy of the individual snowflakes. Yet if an observer puts those snowflakes under a microscope, he sees that each and every one is unique. If one watches a televised football game and sees the fans in the seats from a distance, they all look very similar; however, up close, each one of them is different.

Such uniqueness is part of God's design. It allows us to come together in cooperation with each other. If we were all the same, we would have less incentive to cooperate and would also be able to do little, if anything, to help one another or to make life better. Economic freedom provides opportunities for the individual to unleash his gifts through work and to thereby serve the world.

### **Reason #2: We are Called to Serve the Poor**

We are told in Scripture that the righteous care about justice for the poor.<sup>14</sup> Christians believe that poverty is an affront to human dignity. Justice means enabling the poor to elevate their dignity by helping them escape the trappings of poverty. There is no other way of organizing

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<sup>13</sup> Ibid.

<sup>14</sup> Prov. 29:27.

society that has lifted more people out of poverty than global markets which are supported by economic freedom. According to a recent Brookings Report, nearly half a billion people escaped living at or below the poverty line between 2005 and 2010. Never before in history have so many found liberation from poverty in such a short time. The report goes on to say that the change is driven by the highest levels of sustained economic growth ever recorded in the developing world.<sup>15</sup>

The principles of economic freedom provide a blueprint for human flourishing. Markets consist not of a physical place, but of a mechanism of human coordination and cooperation. They bring unique individuals together to trade their time and talents in the service of others. For example, greater flourishing fostered by economic freedom ensures that poor women can open businesses without being overburdened by regulations and entry barriers that would keep them in poverty.

Most people in the developing world do not live in an institutional environment that supports earning an income through serving others. Many nations are plagued by corrupt governments and abject poverty. In these countries, people are forced to focus on mere survival because the average citizen lives on less than \$1.25 per day.<sup>16</sup>

The African woman who walks four miles to get dirty water for her family and then carries it back four miles with children in tow, just to repeat the process tomorrow, needs an opportunity to earn an income through serving others. She too was born uniquely in the image of God and needs a chance to offer her skills to the world.

Enabling her to do this is the only way to generate economic growth. Christians should understand that material wealth earned through market competition is not a zero-sum game, meaning if I win it's not because you lose. Rather, wealth creation requires that both parties in a transaction benefit, persuading each party to serve the other.

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<sup>15</sup> Laurence Chandy and Geoffrey Gertz, "Poverty in Numbers: The Changing State of Global Poverty from 2005 to 2015," Brookings Institute, 2011, [http://www.brookings.edu/~media/research/files/papers/2011/1/global%20poverty%20chandy/01\\_global\\_poverty\\_chandy.pdf](http://www.brookings.edu/~media/research/files/papers/2011/1/global%20poverty%20chandy/01_global_poverty_chandy.pdf).

<sup>16</sup> The World Bank, "Poverty," last modified 2013, <http://www.worldbank.org/en/topic/poverty>.

### **Reason #3: We are Called to Flourish**

The book of Genesis is full of language indicating abundance. For instance, Genesis 1:20 tells us that the water was “teeming” with living creatures. When God was finished with creation, Genesis 2:1 describes it as a “vast” array.

God does not desire that we live in conditions of despair, scarcity, poverty or minimalistic conditions, although some may be called to a life of few material goods, like Mother Theresa. Just as all riches and abundance come from God, so does the power to enjoy them.<sup>17</sup> The Psalms and Proverbs are filled with references for God’s abundant desires for us. While this does not mean that God calls all of us to be rich, he desires for us to delight in the abundance of his creation and the work of our hands.

This does not mean that we never experience scarcity or poverty, but the metanarrative of Scripture clearly states that God did not create poverty as the ideal, nor will we be delivered into those conditions in the coming kingdom. The Bible relates that full shalom awaits God’s people at the end of this age, in the last chapter of redemptive history when Christ returns to consummate his kingdom. While Christians await the return of Christ, they are called to work toward shalom. The effects of striving for shalom can be described as flourishing. Clearly, God not only desires that his followers enjoy his creation and the fruits of our labor; he in fact has commanded them to do that.

The Garden of Eden was perfect but unfinished. God gave us raw materials, and we use them to bring his work to completion. It is incumbent upon the redeemed to help bring about flourishing here and now. Redemption reflects the way things could be and will be upon Jesus’ return. Christians must radiate that hope, giving others a picture of the way life could be.

No individual can accomplish this alone. Each person must focus on his gifts and trade his skills with others to bring about a level of flourishing otherwise unobtainable. Economic freedom provides each person with the liberty and incentive to capitalize on his individual strengths, bringing about greater flourishing and higher levels of thriving.

### **Reason #4: Private Property Rights are Biblical**

Property rights are upheld and defended in Scripture. Old Testament scholar Walter Kaiser notes that because God made men and women his image, he has granted them dominion over the earth. In this dominion mandate we are given property rights which help us to steward our

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<sup>17</sup> Eccl. 5:19.

scarce resources. The eighth commandment, “You shall not steal,” reinforces man’s dominion, and Scripture defends the notion of private property in many other passages.<sup>18</sup>

The absence of private property rights takes away the incentives and results in a loss of the institutional environment that promotes thriving and human productivity. For example, the massive explosion of wealth in the West since the Industrial Revolution was not possible without well-defined property rights upheld by the rule of law.

Economic freedom is predicated on the property rights of individuals, starting with your talents and labor. When you use your property to innovate, you create wealth not just for yourself but for others, too.

The bright spots in the developing world exist where people can access, trade, and transfer their property as they see fit.

### **Reason #5: Minimal Government is Biblical**

Recognizing the function of property rights helps us understand the consequences of government sequestration of private property. Every time the government enforces a new law, regulation, or “service,” it does so through coercion. A representative government is defined as an institution that possesses the use of force by the “consent” of the governed.<sup>19</sup>

What does the Bible have to say about this use of force and when it may or may not be legitimate? Christian philosopher J.P. Moreland examines the two types of central texts on the issue of government to provide a framework for our understanding:

1. Old Testament prophets and the obligations of pagan rulers and nations
  - Amos 1 and 2 provides the best example of the prophets berating pagan rulers for not protecting persons and property from the force and fraud of others (negative rights) rather than berating them for not proactively offering goods and services (positive rights). For example, they were chastised for forced deportation of a population and for murder.
2. New Testament passages on the state in general:
  - Matthew 22:21: Jesus upholds that the church and state are separate and operate in different realms of authority.
  - Romans 13:1-7: Paul tells us to submit to the governing authorities but does not tell us to obey the government. His use of “submit” implies that there are cases

<sup>18</sup> Walter Kaiser, “Ownership and Property in the Old Testament Economy,” *Journal of Markets and Morality* 15 (2012); Ex. 20:15, 28-36; 22:1-15; Deut, 22:1-4; 23:24-25; Prov 22:28; 23:1.

<sup>19</sup> Note: Many representative and constitutional governments, including the United States, take upon themselves activities that are not consented to and that often violate their constitutional arrangements.



where one would be justified in disobeying the government. Paul clearly delineates the limits and scope of the state. The text also implies that the state should protect those negative rights when they are violated.

- I Timothy 2:1-2: The function of the state is to provide a stable social order in which people can live peaceably. We are to pray for our leaders to be successful in fulfilling that specific function.
- I Peter 2:13-14: Another limited view of government is presented as a body which is to protect the negative rights of others and punish violators of others' negative rights.<sup>20</sup>

The Scriptures emphasize limited models of government in order to protect our natural, God-given rights. Limited government broadens the path to flourishing by liberating each person to use his resources to best serve himself and others. Governments that extend beyond the protection of person and property into the provision of positive rights, such as medical care, education or a job, for some can only do so at the expense of another.

Moreover, governments do not create wealth; they are only capable of taking and transferring wealth. The more we require a government to provide positive rights, the more we expropriate from the broader abilities of the population to increase the productive capabilities of its citizens. This is especially damaging to the poorest among us, for whom we are called to care.

As Christians, we should want everyone to have a job, shelter, food, and medical care. Yet a good understanding of economics, history, and human nature helps us better understand that the government is incapable of fulfilling many of our desires, no matter how much we might wish it could.

Economic freedom, even in partial doses, has lifted millions out of poverty. In China alone, limited amounts of market reforms since 1978 have lifted 600 million people out of abject poverty.<sup>21</sup> If we fail to advocate for economic freedom, we will continue to lose it, slowing the triumph over poverty. The United States has dropped from the second most economically free country in the world to the eighteenth in the past twelve years alone.<sup>22</sup> We cannot afford to further jeopardize our ability to flourish as a people, and Christians who embrace a biblical understanding of work and freedom can make a big difference.

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<sup>20</sup> For additional references on a biblical perspective of limited government see Chad Brand, "A Case for Limited Government"; J.P. Moreland, "A Biblical Case for Limited Government"; and Tom Pratt, "God and Government: A Biblical Perspective (The Bible and Limited Government)," available here: <http://tifwe.org/research/research-articles/>.

<sup>21</sup> The World Bank, "China Overview," last modified 2013, <http://www.worldbank.org/en/country/china/overview>.

<sup>22</sup> James Gwartney et al, "Economic Freedom of the World 2012 Annual Report," Fraser Institute, 2012.

It is by pursuing our gifts and doing what God has called us each to do that we become salt and light. In doing his job with excellence the Christian promotes flourishing and gives others a glimpse of the coming of God's kingdom and the restored earth.

To paraphrase Martin Luther, the great reformer, the most impactful way to love one's neighbor consists of doing one's job well. The assembly line worker who makes steering wheels for Hondas may not feel like he is promoting flourishing, but he is if he does it with excellence. He is part of a much bigger market economy that requires many different skills and talents to bring about greater prosperity for everyone, including the poorest of the poor. He is taking individual responsibility in embracing and promoting economic freedom by doing his job well and serving others. A free market and a limited government which upholds the rule of law provides each individual with the liberty and stability to use his gifts to support himself, serve others, and promote a flourishing society.

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