Capitalism and Its Critics

Kerby Anderson provides a biblical perspective on capitalism, defending it against economic and moral criticisms.

Nearly two decades ago, I did a Probe radio program on capitalism and socialism. Since then, I have also written other booklets on socialism, which provide an answer to the claims of candidates from the Democratic Socialists of America. But there is also a need to set forth why capitalism and the free market need to be defended and supported.

Even back then, I was able to quote from a Rasmussen poll that indicated that a mere majority of Americans said that capitalism was better than socialism.{1} That majority quickly became a minority, especially among young people. A poll just a few years later of millennials found a majority (58 percent) would prefer to live in a socialist nation than a capitalist nation. And only a small percentage (42 percent) favored capitalism. Of course, many of them probably didn't even know how to define socialism (which is a problem today).

A recent Cato Institute poll of the GenZ population found that a majority of them (53%) view socialism favorably.{2} The poll also found that more than a third (39%) would be more likely to vote for a Democratic Socialist candidate.

Part of the problem with this shift to socialism is the fact that many young people do not understand what they are supporting. Socialism sounds fair to them. And capitalism sounds evil since they have seen numerous depictions of evil, greedy capitalists in the movies and television. Think of the last time you saw a successful businessman portrayed in the media.

Another obvious issue is the fact that younger Americans are less likely to associate socialism with Soviet-style repression. Instead, they are told (incorrectly) that

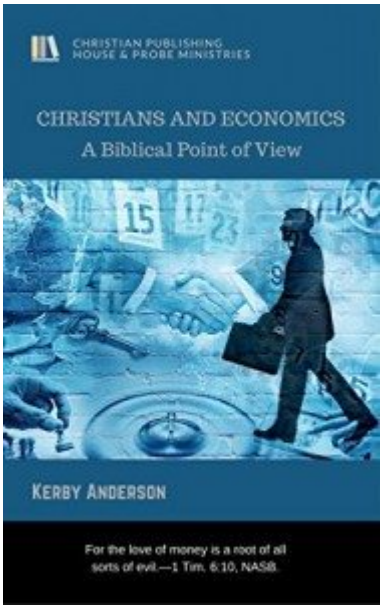
socialism is functioning well in Europe.

Also, young adults don't have "skin in the game" and thus do not think of the implications of an economic system on their future earnings. If they are in the economy, they are frustrated with the issue of affordability and naively think an economic transformation is the answer to their frustrations.

I am reminded of the famous phrase: "If you're not a liberal when you're 25, you have no heart. If you're not a conservative by the time you're 35, you have no brain." Arthur Brooks is someone I have interviewed many times, and he has proposed a variation: "A man who is not a socialist at 20 has no heart; a man who is still a socialist at 40 either has no head or pays no taxes."{3}

Capitalism Versus Socialism

How should we define capitalism and socialism? Here are some brief definitions of these two economic systems. You can find more information in my book on Christians and economics.{4}



Capitalism is an economic system in which there is private property, and the means of production are privately owned. In capitalism, there is a limited role for government. Socialism is an economic system in which there is public or state ownership of the means of production and the primary focus is on providing an equality of outcomes. In socialism, the state

is all-important and involved in central planning.

Many leaders of the Democratic Socialists argue that capitalism is doomed to fail because it leads to wealth inequality. Actor Mark Ruffalo concluded, “Capitalism today is failing us, killing us, and robbing from our children’s future.”

Steve Forbes disagrees. “Capitalism has done just the opposite! Deaths from famines are down 99% in the last 60 years. Standard of living, 10 times better than it was 50 years ago around the world.”{5}

He isn’t the only person saying that. Most people know Bono as a musician with the group U2. But here is what he said at the World Economic Forum: “Capitalism is not immoral—it’s amoral. It requires our instruction. Capitalism has taken more people out of poverty than any other ism.”{6}

Steve Forbes also argued: “Capitalism, free enterprise, free markets, whatever you call it is a moral system because success comes from meeting the needs and wants of others.” He further explained that capitalism is humane: “You may not love your neighbor, but you sure want to sell to your neighbor. It gets people working on a common objective, even if they don’t realize it.”

Another benefit of capitalism is technological innovation. Citizens are free to invent and are encouraged to do so because they can receive the financial benefits of their ideas and inventions.

This results in new products and technologies. It also results in higher-quality technologies. In a free market, the best way to get consumers to buy your product or service is to produce it more cheaply with higher quality. This, of course, also lowers consumer prices.

Economic Criticisms of Capitalism

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 monopolies that prevent true competition from taking place. Companies call for legislation that gives them a competitive advantage over other companies. 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 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 may 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. But 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.

The “capitalism leads to pollution” argument has failed. Instead, we find that as countries get richer there is more incentive and financial means to clean up pollution. This is called a Kuznets curve.{7} There are, of course, exceptions (especially with countries with inept governments and poor system of property rights). But the general rule is that as incomes go up, people focus on pollution.

Here’s what we find: when capitalism is wisely controlled, it generates significant economic prosperity and economic freedom for its citizens.

Moral Criticisms of Capitalism

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.

Biblical Perspective

Many Christians are surprised to learn that the Bible does address economic issues, even if it does not endorse any economic system. But we can use biblical principles to evaluate an economic system.

We begin with a biblical view of human nature. The Bible has what we could call a balanced view of human nature. Human beings are created in God's image (Genesis 1:27-28) and have a noble side influenced by rationality, compassion, and even altruism. But there is also a flaw in human beings. The Bible teaches that all are sinful (Romans 3:23) and that the heart of man is deceitful above all things (Jeremiah 17:9).

An economic system that allows for human flourishing must also protect against economic abuse. As we have already discussed, capitalism provides that opportunity.

Capitalism is also based upon the foundation of private property. First, the Bible teaches that everything belongs to the Lord (Psalm 24:1 – "The earth is the Lord's, and all it contains, the world, and those who dwell in it"). Second, we have been given dominion over the creation (Genesis 1:26-28). And the Bible does grant private property rights to individuals (Exodus 22). In fact, one of the Ten Commandments is about stealing, which implies property rights.

As Christians, we can also add our moral perspective to the economy. We read in Deuteronomy 8:18 to "Remember that it is the Lord your God who gives you the power to get wealth, in fulfillment of the covenant that He made on oath with your fathers."

And we should enjoy the fruits of our labor. "There is nothing better for a man than to eat and drink and tell himself that his labor is good" (Ecclesiastes 2:24). We should also "work heartily as for the Lord rather than for men" (Colossians 3:23).

Capitalism also promotes the work ethic. That is implied in the title of Max Weber's book, *The Protestant Ethic and the Spirit of Capitalism*. It is also an important aspect of Adam Smith's *Wealth of Nations*.

Many of the Proverbs (10:4, 13:4, 14:23) contrast the

difference between hard work and diligence versus idleness and sloth. In the New Testament, there is a strong emphasis on honest work (Ephesians 4:28) and self-reliance. There is also a warning in 2 Thessalonians 3:10 that "If anyone is not willing to work, let him not eat."

As Christians we should support a free market and reject the current attempts to implement a socialist economy in this country.

Notes

1. "Just 53% Say Capitalism Better Than Socialism," Rasmussen Reports, 9 April 2009.
2. Emily Elkins, "New Poll: Nearly Half of Americans Don't Know What America's 250th Is Celebrating," Cato Institute, www.cato.org/blog/new-poll-nearly-half-americans-dont-know-what-americas-250th-celebrating
3. Arthur Brooks, The Real Culture War is Over Capitalism, *Wall Street Journal*, April 30, 2009, www.wsj.com/articles/SB124104689179070747.
4. Kerby Anderson, *Christian and Economics: A Biblical Point of View*, Cambridge: OH: Christian Publishers, 2016.
5. John Stossel, "The Case for Capitalism," July 29, 2026, townhall.com/columnists/johnstossel/2026/07/29/the-case-for-capitalism-n2680299
6. Hugh Whelchel, Bono: Capitalism Excels at Poverty Relief, but Needs a Moral Rudder, February 4, 2019, institutefc.org/bono-capitalism-excels-at-poverty-relief-but-needs-a-moral-rudder/.
7 Kuznets Curve, www.sciencedirect.com/topics/earth-and-planetary-sciences/environmental-kuznets-curve.

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Olympic-Sized “I Infections”

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As the 2014 Olympics continue to unfold, televised by the NBC sports team, anchorman Bob Costa’s very public battle with a nasty eye infection continues to be as hot a topic of conversation as which Americans are winning medals. Now both eyes are red, swollen, and painful-looking. As they say here in Texas, bless his heart!

If the spiritual dimension of life were made visible in the physical realm, most of us would be walking around looking like Bob Costa. His eyeball is inflamed and infected, interfering with his vision and affecting the way people see him. It’s a startling picture of our warped and diseased perception through which we experience life. No one is immune, since all of us have sinned and fall short of the glory of God (Romans 3:23), and all of us live in a fallen world. We all have a spiritual eye infection.

It’s really an “I infection.”

We’re stupidly, pathologically self-centered and self-absorbed. Our life theme song is “It’s All About MEEEEEEEE!” Everything and everyone is evaluated in terms of how it benefits us or costs us. Adding insult to injury, this “I infection” is not only ugly, but it stinks to high heaven. Some people’s “I infection” comes from a vaunted sense of entitlement. They were showered with excessive parental adoration, believing that every successful trip to the bathroom deserved a round of applause, that they were owed a celebratory party and gifts for turning another year older, that they should receive a trophy for showing up to games.

Others’ “I infection” comes from the desperate fear that at their core, they really don’t matter and there’s nothing there anyway. They are plagued by a shame that colors all of life in

the kind of emotional gunk that blurs Bob Costa's eyes. Everything feels sticky and painful and gross. It just hurts to live.

Still others experience an "I infection" fueled by unhealed wounds that continue to fester and cause pain. It's like walking around with an arrow stuck in your heart, and it doesn't take much for life experiences to brush up against the arrow and cause a fresh wave of pain to an old wound. So they live life in a defensive mode, trying to protect themselves from the relentless presence of unfinished, undealt-with pain.

No matter what the cause of our "I infection," the cure is the same: we need to come to Jesus, in the humility of abject need and dependence on Him. The "I infection" of selfishness is the symptom of a heart that God calls deceitful above all things and desperately wicked (Jer. 17:9). This kind of heart is incurably diseased-we need a heart transplant. Fortunately, God's really good at that. He promises in Ezekiel 36:26 to give us a new heart and put a new spirit in us, which He does the moment we trust in Jesus to save us from our sins and our sin-diseased hearts.

When the person with a sense of entitlement develops an attitude of gratitude, disciplining herself to give thanks for the abundant showering of blessings and gifts from Jesus, her now-thankful heart clears up the ugly "I infection."

When a person infected with shame comes to Jesus, His loving acceptance and grace heals the "I infection" and allows him to see himself as beloved and valuable.

When the ones with unhealed wounds come to Jesus, giving Him access to the places of the heart that hurt and ooze, He pours His love into the wounds as they are exposed to the light by telling their story and then forgiving the ones who caused the wounds. Jesus heals their "I infection" through grieving and forgiving.

Bob Costa may have an eye infection. What's your "I infection" that you need to take to Jesus?

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blogs.bible.org/tapestry/sue_bohlin/oiympic-sized_i_infections

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Self-Care: Stewardship, Not Selfishness

Remember the safety demonstration on airplanes? "In the unlikely event of a sudden loss of cabin pressure, oxygen masks will drop from the overhead area. Place the mask over your own mouth and nose before assisting children." Every time I fly, I am reminded that taking care of one's own basic needs is not selfish; it enables us to give selflessly to others. Consider what would happen if a mother first put oxygen masks on her children, but lost consciousness before donning her own because she waited too long. Quite traumatic to her children, right?

We can't give to others what we don't possess ourselves. That includes mental and emotional energy, love, grace, and compassion. If we're running on empty, and have nothing to give, that is neither loving nor kind.

God's gift of the Sabbath in the Old Testament (Ex. 16:29), and His invitation to enter His Sabbath rest in the New (Hebrews 4), is His intention for us to be blessed by recharging our batteries, feeding our souls, refilling our tanks. It's a form of self-care. That's going to look different for various people, but it's all God's provision of

what He knows we need.

For my husband, self-care means walking our dog, listening to his music on these walks, working out, and getting off by himself. For me, self-care is enjoying a cup of high-quality coffee first thing in the morning while I meet God in His word, leaving my phone in another room and unplugging from the world for several hours, and getting to a place where I can drink in the beauty of crystal-blue Caribbean water. Both of us have learned that we emerge from a time of self-care ready to focus on other people and the tasks before us. Self-care enables us to be self-forgetful, which is a wonderful place to be!

In the gospels, we see the Lord Jesus' self-care as getting up early to spend time with His Father. He would no longer think of ministering in His own strength than we could successfully complete a road trip without stopping to refuel our gas tank. I think hanging out with His dear friends Martha, Mary and Lazarus may have been a form of self-care as well.

If God has created our bodies, minds and souls and thus they belong to Him, then we are responsible for taking care of them. Caring for His creation honors God and fulfills the duty of a steward: "Now what is sought in stewards is that one be found faithful" (1 Cor. 4:2).

Self-care is not selfishness, it is stewardship. How are you caring for God's treasure that is you?

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