

# The Great Reset

*The Great Reset means different things to different people. Kerby Anderson provides an overview and a biblical perspective.*

Is the idea of “The Great Reset” merely a conspiracy theory? That seems unlikely, given the fact that if you type in those three words in a search engine you will find more than 900 million hits. But the phrase “great reset” apparently means different things to different people, so getting a clear definition is important.

In 2020, the founder of the World Economic Forum co-authored and published a book called *COVID-19: The Great Reset*.[\[1\]](#) This organization is composed of political, economic, and cultural elites who meet regularly in Davos, Switzerland. The two authors of this book see the current situation in the world as a means of dealing with the “weaknesses of capitalism” supposedly exposed during the pandemic.



But to understand the history of “The Great Reset” you need to go back to the beginning of the World Economic Forum. Klaus Schwab introduced the idea of “stakeholder capitalism.”[\[2\]](#) This is a term sometimes used by progressives to reset the management goals in corporations from shareholders to stakeholders.

The actual term “Great Reset” can be found in a book by that title written by urban studies scholar Richard Florida.[\[3\]](#) He argued that the 2008 economic crash was the latest in a series of great resets that included the Great Depression of the 1930s. A few years later, the book and its ideas became the basis for wanting to “push the reset button” on the world economies.

As you might expect, the pandemic and lockdowns have provided a context in which a reset could take place. The goal would be to make the world greener, more digital, and fairer. Given what the world has been through these last few years, the proponents hope to change the economies of nations, so that they benefit not only shareholders but employees, consumers, communities, and the environment.

Some of the comments proponents have made about “The Great Reset” have become fodder for various conspiracy theories. But it is probably fair to say that the phrase “The Great Reset” means different things to different people. Environmental groups want to reset how we use resources and focus on sustainability. Business leaders want banks and corporations to use an ESG index (environmental, social, and governance index). Globalists want to reset the economy and move us toward a different view of [capitalism](#).

Critics talk about some of the other factors associated with “The Great Reset.” That would include such things as the promotion of uncontrolled immigration along with significant money printing that results in such problems as open borders and uncontrolled inflation.

In this article we look at this important issue from an economic, political, and biblical perspective. As you will see, Christians need to pay attention to this issue in the news.

## **The Great Reset of Capitalism**

The primary focus from the World Economic Forum has been on the attempt to move our current economic system into “stakeholder capitalism.” Some critics have renamed it “corporate [socialism](#)” or even “communist capitalism.”

The plan is to change the behavior of corporations to no longer benefit shareholders but to focus on stakeholders. This

would be done by requiring businesses and corporations to take a more central role when a crisis, like the recent pandemic, adversely affects society.

[Climate change](#) is another “crisis” that corporations need to address. Put simply, corporations need to be involved in social justice issues. That is why we are seeing major corporations getting more involved in political issues and expressing their opinions on issues ranging from transgenderism to voter integrity laws. One effective tactic being used is to rate businesses and corporations with an ESG index (environmental, social, and governance index).

The ESG index can be used to force businesses to comply with a [woke](#) agenda or else be squeezed out of the market. Some have suggested that the ESG index is essentially a social credit score being applied to businesses and corporations.

Andy Kessler, writing in the *Wall Street Journal*, argues that ESG is a loser and that you pay higher expenses for a fund with similar stocks but worse performance.[{4}](#) In fact, he encourages [investors](#) to buy stocks of companies with great prospects over the next decade at reasonable prices.

Aren't the companies and countries with a high ESG score better investments? A professor at the University of Colorado evaluated the system in the *Harvard Business Review* and made four key points about ESG.[{5}](#)

First, ESG funds have underperformed. Second, companies that tout their ESG credentials have worse compliance records for labor and environmental rules. Third, ESG scores of companies that signed the UN Principles of Investment, didn't improve after they signed, and their financial returns were lower for those who signed. His final point was even more significant. He concluded that often companies publicly embrace ESG as a cover for poor business performance. In other words, when earnings are bad, the company cites its ESG score.

Klaus Schwab believes that companies should try and optimize for more than short-term profits and focus on achieving the goals set forth by the UN for sustainable development. That may sound like a good idea until you look at the economic data behind it.

## Why Now?

Why has there been such a push for significant changes in this decade? Activists wanting to make changes in society and our economy see the pandemic and governmental response as a political opportunity. It is the familiar phrase, “Never let a crisis go to waste.”

Most social and political change occurs gradually. The crisis of the pandemic forced big government and big pharma to move at a much faster rate. Public acceptance of larger governmental control became a paradigm shift that allowed political leaders and even corporate leaders to move faster than the incremental pace of the past. The pandemic threw open the window for change. The only question is how much of “The Great Reset” will be put in place before it closes.

The pandemic is the external reason for pushing “The Great Reset” but there is also an internal reason. An entire generation of college students learning woke ideology in the universities are now filling positions in various companies. Many commentators naively suggested that once coddled college students enter the “real world,” they will drop their woke ideas and face the reality of making a living in the business world and the free market.

Instead, those woke students brought their ideas into corporate boardrooms and embraced attempts to reset capitalism and corporations. Their professors taught them that capitalism is evil, and that America is riven with racism, sexism, homophobia, and xenophobia. It is time, they believe, to join

arms with activists and reformers and bring about “The Great Reset.” We might add that the American consumer hasn’t been so accepting of these ideas, which is why we sometimes hear the phrase “go woke, go broke.”

The push for a “Great Reset” is also taking place during what many commentators refer to as the fourth industrial revolution. The first industrial revolution was a mechanical revolution. The second and third revolutions were electrical and digital revolutions. This fourth industrial revolution brings together diverse technologies like artificial intelligence, robotics, nanotechnology, and biotechnology. It also includes philosophical ideas like [transhumanism](#).

In previous programs, I have discussed the impact of surveillance on our [privacy](#). We warned about the influence of [Big Tech](#) and [Big Data](#). And we have also talked about [the merging of humans and machines](#). Each new technological development brings progress and benefits, but they also bring legitimate concerns about how these technologies can be abused in the wrong hands.

How then will this be accomplished?

## Administrative State

It may be difficult to imagine how the great reset programs could be implemented in the US. Only a few members of Congress would support these ideas. As we have discussed above, many of these ideas have been implemented in woke corporations. But these programs could also be implemented by the administrative state or what some have called “the deep state.”

Two books document the deep state. Michael Glennon (Tufts University law professor) wrote about *National Security and Double Government*.[\[6\]](#) This dual-state system, he explained, began under President Bush but was continued under President Obama.

Mike Lofgren (former congressional aide) wrote about *The Deep State: The Fall of the Constitution and the Rise of a Shadow Government*.[\[7\]](#) He argued that there is “the visible government situated around the Mall in Washington, and then there is another, more shadowy, more indefinable government that is not explained in Civics 101 or observable to tourists at the White House or the Capitol.” He explained that it wasn’t a “secret, conspiratorial cabal” but rather “the state within a state is hiding mostly in plain sight.”

The reason we have an executive bureaucracy is to benefit from the research and experience of public servants who have devoted their lives to understanding the social and political implications of federal policies. This has always been a necessary function, but especially with the last few presidents. The experts in the bureaucracy can provide context and prevent presidents and their cabinets from making huge mistakes.

But there is another side to the federal bureaucracy. We may suppose that bureaucrats are there to implement the policies of the President and administration. Political appointees to the cabinet always say that they “serve at the pleasure of the president.”

That may be true for them. But a career civil servant has a different perspective and expects to be in government much longer than the four or eight years a president holds office. We may think of the bureaucracy as like a military unit (where every order is routinely obeyed). But the bureaucracy is often more like a university faculty (where you are part of a team but also have many of your own ideas about what should be done). Often the federal bureaucracy slows down the implementation of the president’s policies or even chooses to ignore them.

As I discussed in a previous program on [The Liberal Mind](#), even with the best of bureaucrats, the “[road to serfdom](#)” can be

paved with good intentions. Fredrick Hayek wrote his book with that title because he was concerned that most government officials and bureaucrats write laws, rules, and regulations with good intention. They desire to make the world a better place and may believe that the best way to achieve that is to implement many of the great reset policies. That is why we need to pay attention to the “deep state” and administration policies.

## **Biblical Perspective**

What is a biblical perspective on the great reset? It would be easy to merely link all these ideas to end-time prophecy. It is easy to see how these emerging technologies and the concept of the “great reset” could be used by the Antichrist (2 Thessalonians 2, Revelation 13). Computer technology and enhanced surveillance would allow this future leader to control the world. But it is important to consider how we should respond in our current world to these proposals.

We are seeing many examples of leftist authoritarianism today and need to be alert and involved. James 4:7 says we have a responsibility to resist evil, and Paul tells us to fight the good fight (2 Timothy 4:7). Jesus teaches that we are to be the salt of the earth and the light of the world (Matthew 5:13-16).

Christians can agree with the goals of addressing economic inequality and the need to care for the environment. We are to defend the poor and oppressed (Psalm 82:3) and to be good stewards of God’s creation (Genesis 1:27-28). But we should also be concerned about the authoritarian impulses we see not only in government but in major corporations.

First, we should separate the message from the messenger. The World Economic Forum and its participants are sometimes naïve and they even propose disturbing solutions to very real

problems in our society. We can agree with their attempts to deal with poverty and economic inequality, but we must reject some of the ways in which they want to reset the world and bring about change.

Second, we should apply the Bible and a biblical worldview to each issue. For example, a biblical view of justice usually differs from many of the secular, progressive ways of working for justice that also includes such things as the promotion of sexual and gender identities.

Third, we should apply a biblical perspective to technology. The Bible does not condemn technology but often reminds us that tools and technology can be used for both good and evil. The technology that built the ark (Genesis 6) also was later used to construct the Tower of Babel (Genesis 11). A wise and discerning Christian should evaluate the benefits and drawbacks of each technology.

Christians will need discernment (Proverbs 18:15) in judging the ideas associated with the “great reset.” The phrase can mean different things to different people. Many of the ideas associated with it are bad for our country and us. But we can join hands with those who desire to make a better world and want to do it in ways that don’t contradict the Bible.

### **Additional Resources**

Kerby Anderson, *A Biblical View on The Great Reset*, Point of View booklet, 2022.

Marc Morano, *The Great Reset: Global Elites and the Permanent Lockdown*, Washington, DC: Regnery, 2022.

Vivek Ramaswamy, *Woke, Inc.* New York: Center Street, 2021.

Michael Rectenwald, “What is the Great Reset?” *Imprimis*, December 2021.

### **Notes**



1. Klaus Schwab and Thierry Malleret, *COVID-19: The Great Reset*, Agentur Schweiz, 2020.
2. Klaus Schwab, *Stakeholder Capitalism: A Global Economy that Works for Progress, People and Planet*, NY: Wiley, 2021.
3. Richard Florida, *The Great Reset: How the Post-Crash Economy Will Change the Way We Live and Work*, NY: Harper Business, 2011.
4. [www.wsj.com/articles/esg-loser-funds-costs-basis-points-blackrock-500-environment-green-sec-11657461127](https://www.wsj.com/articles/esg-loser-funds-costs-basis-points-blackrock-500-environment-green-sec-11657461127)
5. [hbr.org/2022/03/an-inconvenient-truth-about-esg-investing](https://hbr.org/2022/03/an-inconvenient-truth-about-esg-investing)
6. Michael Glennon, *National Security and Double Government*. Oxford University Press, 2016.
7. Mike Lofgren, *The Deep State: The Fall of the Constitution and the Rise of a Shadow Government*, NY: Penguin Books, 2016.

## Notes

1. Klaus Schwab and Thierry Malleret, *COVID-19: The Great Reset*, Agentur Schweiz, 2020.
2. Klaus Schwab, *Stakeholder Capitalism: A Global Economy that Works for Progress, People and Planet*, NY: Wiley, 2021.
3. Richard Florida, *The Great Reset: How the Post-Crash Economy Will Change the Way We Live and Work*, NY: Harper Business, 2011.
4. [www.wsj.com/articles/esg-loser-funds-costs-basis-points-blackrock-500-environment-green-sec-11657461127](https://www.wsj.com/articles/esg-loser-funds-costs-basis-points-blackrock-500-environment-green-sec-11657461127)
5. [hbr.org/2022/03/an-inconvenient-truth-about-esg-investing](https://hbr.org/2022/03/an-inconvenient-truth-about-esg-investing)
6. Michael Glennon, *National Security and Double Government*. Oxford University Press, 2016.
7. Mike Lofgren, *The Deep State: The Fall of the Constitution and the Rise of a Shadow Government*, NY: Penguin Books, 2016.

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# Socialism and Society

*Kerby Anderson provides an overview of the popularity of socialist ideas in America from a biblical perspective.*

Socialism is more popular today than anyone would have predicted a few years ago. A significant number of socialist characters can be found in Congress. Universities have many professors who are promoting socialism. And more young people than ever believe socialism is superior to capitalism.



Why is socialism so appealing to so many Americans? Young people are drawn to the siren song of Bernie Sanders and Alexandria Ocasio-Cortez. Part of the reason is that it appeals to their sense of fairness. Another reason is that it promises lots of free stuff.

Free college tuition and student loan forgiveness are examples. The millennial generation (Generation Y) and the iGen generation (Generation Z) have lots of student debt. They see the need but forget that someone would have to pay for this new massive entitlement. And they rarely stop and think about why someone who didn't go to college and took a blue-collar job should pay for their university education. These may be the most educated generations in history, but they don't seem to spend too much time reflecting on what they supposedly learned in economics.

The cost of some of these policies is enormous. Just covering the cost of tuition at public colleges and universities is

estimated at \$70 billion a year. One study of the cost of government-run health care (called "Medicare for All") was estimated to cost \$32 trillion during the first ten years. Some estimate the cost of the "Green New Deal" to be \$93 trillion. We can certainly debate how accurate some of those estimates are, but we can't ignore that they would be very expensive once these programs are implemented.

There is some evidence that the popularity of socialism is waning. A post-election survey done by the Cultural Research Center shows a significant decline in support for socialism. George Barna believes that another reason for this decline is the aggressive marketing of a government-driven culture that show young and old what socialism in America would really be like.

He found that the most precipitous decline in support for socialism was among Americans ages 30 to 49. Just a decade ago, they were the demographic I often pointed to as those who supported socialism more than capitalism. That has changed significantly.

Socialism is less popular even for Americans who are age 50 years or older. In the past, they have been the group most consistent in their support of capitalism. But even in this group, there was an eight percentage-point decline of support for socialism.

The demographic groups with the least support for socialism were Christians who had a biblical worldview and what George Barna calls SAGE Cons (Spiritually Active Governance Engaged Conservative Christians). But there are still a small percentage of them who support socialism. That is why I also address whether the Bible teaches socialism.

# The Promise of Socialism

In order to understand the appeal of socialism, we need to make a clear distinction between capitalism and socialism. *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.

Often when young people are surveyed about socialism, the pollster does not provide a definition. If you merely believe socialism means more equality in society, then you can see why so many choose socialism over capitalism. Also, young people under the age of 30 are probably the least likely to associate socialism with Soviet-style repression. Instead, they may have in their minds the current government push toward European socialism and find that more attractive.

There is also an important philosophical reason for the popularity of socialism. When Karl Marx first proposed the concepts of socialism and communism, he enjoyed an intellectual advantage. He could talk about the problems with capitalism the modern world was going through as they were adapting to the difficult process of industrialization. He could contrast the *reality* of capitalism with the *utopian* ideal of socialism.

Utopian visions will always win out over the harsh reality of the world. But we now have the terrible record of socialism. Unfortunately, socialism's death toll never quite gets factored into any equation. The late columnist Joseph Sobran said: "It makes no difference that socialism's actual record is terribly bloody; socialism is forever judged by its promises and supposed possibilities, while capitalism is judged by its worst cases."[\[1\]](#)

Dinesh D'Souza reminds us that many countries have tried socialism and all failed. The first socialist experiment was the Soviet Union, then came lots of countries in eastern Europe (Poland, Yugoslavia, Albania, Czechoslovakia, Hungary, Romania, and East Germany). Add to that countries in Asia (Vietnam, Laos, Cambodia, North Korea, and China) and countries in South America (Cuba, Nicaragua, Bolivia, and Venezuela) and Africa (Angola, Ghana, Tanzania, Benin, Mali, Mozambique, Zambia, and Zimbabwe). By his count, there are 25 failed experiments in socialism.[\[2\]](#)

The typical answer to these failures is that each of these wasn't done correctly. The failure of these socialist experiments was a failure of implementation. But this time, they say, we will get it right. Believing in socialism apparently mean never having to say you're sorry.

In the next section we will look at the argument that democratic socialism is the ideal we should pursue. We should ignore this list of socialist failures and focus on socialism in the Scandinavian countries.

## **A Different Kind of Socialism**

Proponents of socialism not only argue that it was not implemented correctly in the past but also argue that what they are proposing is "democratic socialism." They usually point to the Scandinavian countries as examples.

Anders Hagstrom in one of his videos asks, "What does socialism mean to [people such as actor and comedian Jim Carrey]?" He says that conversations about socialism often go like this: "A liberal says we should be socialist. A conservative points to Venezuela, and says socialism doesn't work. A liberal says, What about Sweden and Norway? The conservative then points out that those countries aren't actually socialist."[\[3\]](#)

He says that even if we accept the comment by liberals, there is a problem. "Nordic countries have tiny populations of less than 10 million. And copying and pasting their policies to a country of 330 million isn't going to work." These Nordic countries were successful before they adopted the redistributive policies they have now. Here's a reality check: if Sweden were to join the U.S. as a state, Sweden would be poorer than all but 12 states.

Hagstrom also explains that the policies of true socialists like Senator Bernie Sanders and Alexandria Ocasio Cortez go far beyond what the Nordic countries have. For example, Bernie Sanders wants a planned economy. None of the Nordic states have this. Alexandria Ocasio-Cortez wants to abolish profit. None of the Nordic countries have done that. And both of them want a universal minimum wage. None of the Nordic states have that.

There's another problem with the argument. These countries aren't socialist. John Stossel in one of his videos interviewed a prominent Swedish historian.[\[4\]](#) Johan Norberg makes it clear that "Sweden is not socialist—because the government doesn't own the means of production. To see that, you have to go to Venezuela or Cuba or North Korea." He does admit that the country did have something that resembled socialism a few decades ago. The government heavily taxed the citizens and spent heavily. That was not a good period in Swedish history, especially for the economy.

Yet even with the high Swedish taxes, there was simply not enough money to fund Sweden's huge welfare state. Norberg explains that "People couldn't get the pension that they thought they depended on for the future." At this point, the Swedish people had enough and began to reduce the size and scope of the government.

John Stossel says, "They cut public spending, privatized the national rail network, abolished certain government

monopolies, eliminated inheritance taxes and sold state-owned businesses like the maker of Absolut vodka.” While it is true that Sweden does have a larger welfare state than the US and higher taxes than the US, there are many other areas where Sweden is actually more free market.

## **Socialism and Equality**

One of the moral arguments for socialism is that it creates a society with more social and economic equality. Proponents want us to consider the fairness argument when applied to a free market. How fair is it that basketball star LeBron James makes more than \$37 million when a social worker starting out only makes about \$30,000? Even more extreme is the estimate that Jeff Bezos makes more than \$320 million a day while the average Amazon salary is around \$35,000 a year.

Of course, this is what happens in a free society where people with different skills, different abilities, and different motivations are allowed to participate in a free market. You will get inequality, but you also have a free society where people can use their gifts to pursue their calling and still receive a good income.

We don't have to guess what will happen in a socialist economy because we have lots of historical examples. In a desire to bring equality, socialism doesn't bring people up out of poverty. Instead, it drives them into poverty. Consider two test cases (Germany and Korea).

After World War II, Germany was divided into two countries: West Germany was capitalist, while East Germany was socialist. Throughout the time they were divided, there was a striking difference between the two countries. When the two countries were reunified, the GDP of East Germany was a third of the GDP of West Germany.

An even better example is North and South Korea, because it lasted longer and continues to this day. South Korea is now more than 20 times richer than North Korea. Of course, people in South Korea are also freer than North Korea. They are also taller and live about 12 years longer than people in North Korea.[\[5\]](#)

By contrast, capitalism provides every person a chance to influence the society. In his book, *United States of Socialism*, Dinesh D'Souza doesn't ignore the issue of justice but actually embraces it. Capitalism, he says, "far more than socialism, reflects the will of the people and expresses democratic consent."[\[6\]](#) A consumer is like a voter. As a citizen, we get to vote in an election every two to four years. But a consumer gets to vote every day with his or her dollar bills. That money represents the time and effort put in to get those dollar bills.

The free market provides you a level of popular participation and democratic consent that politics can never provide. You get to vote every day with your dollars and send economic signals to people and companies providing goods and services. Essentially, capitalism, like democracy, is a clear form of social justice.

## **The Bible and Socialism**

Perhaps you have heard some Christians argue that the Bible actually supports socialism. The book of Acts seems to approve of socialism. In Acts 4, we find a statement that the believers in Jerusalem "had all things in common." It also says that those who possessed land or houses sold them and brought the proceeds to the apostles' feet. They distributed these gifts to anyone in need. This looks like socialism to many who are already predisposed to believe it should be the economic system of choice.



First, we need to realize that this practice was only done in Jerusalem. As you read through the rest of the book of Acts and read the letters of Paul and Peter, you see that most believers in other parts of the Roman world had private property and possessions. Paul calls upon them to give voluntarily to the work of ministry.

Second, the word voluntary applies not only to Christians in other parts of the world, but it also was a voluntary act by the believers in Jerusalem to give sacrificially to each other in the midst of persecution. This one passage in the book of Act is not a mandate for socialism.

If you keep reading in the book of Acts, you can also see that the believers in Jerusalem owned the property before they voluntarily gave the proceeds to the apostles. The next chapter (Acts 5) clearly teaches that. When Peter confronted Ananias, he clearly stated that: "While it remained, was it not your own? After it was sold, was it not in your own control?"

Owning property contradicts one of the fundamental principles of socialism. In the *Communist Manifesto*, "the abolition of property" is a major item in the plan for moving from capitalism to socialism and eventually to communism.

By contrast, the Ten Commandments assume private property. The eighth commandment forbidding stealing and the tenth commandment about coveting both assume that people have private property rights.

In fact, we can use biblical principles to evaluate economic systems like capitalism and socialism. Although the Bible does not endorse a particular system, it does have key principles about human nature, private property rights, and the role of government. These can be used to evaluate economic systems like socialism and communism.

Socialism is still a popular idea, especially among young

people. Recent polls along with various books about capitalism and socialism illustrate the need for us to discuss and explain the differences between capitalism and socialism. Socialism may sound appealing until you begin to look at the devastating impact it has had on countries that travel down the road of greater governmental control.

## Notes

1. Joseph Sobran quoted by Robert Knight, "Bernie's siren song of socialism," *Washington Times*. September 13, 2015, [www.washingtontimes.com/news/2015/sep/13/robert-knight-bernie-sanders-siren-song-of-sociali/](http://www.washingtontimes.com/news/2015/sep/13/robert-knight-bernie-sanders-siren-song-of-sociali/)
2. Dinesh D'Souza, *United States of Socialism*, New York: All Points Books, 2020, 3.
3. Anders Hagstrom, "When you are forced to argue socialism with a liberal," [www.facebook.com/watch/?v=234493017230024](https://www.facebook.com/watch/?v=234493017230024).
4. John Stossel, "Sweden is not a socialist success," [www.facebook.com/watch/?v=407319650027595](https://www.facebook.com/watch/?v=407319650027595).
5. Ibid., 5.
6. Ibid., 186.

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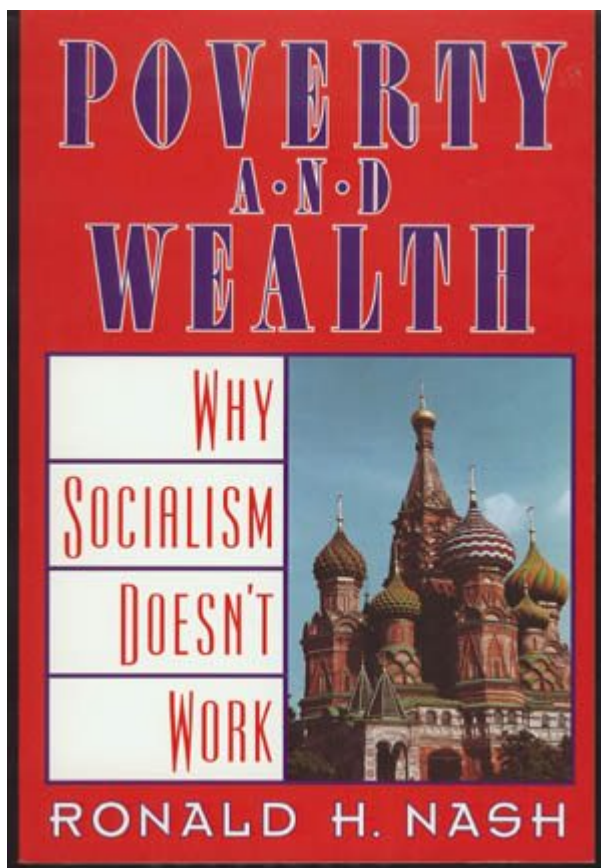
# Poverty and Wealth

*Don Closson examines the arguments in Ronald Nash's book Poverty and Wealth: Why Socialism Doesn't Work and concludes that capitalism is compatible with biblical ethics.*

It's disheartening to meet young Christians who are convinced of the immorality of capitalism and the free market system. Sincere Christians often quote the second chapter of Acts which describes how the church in Jerusalem held all things in

common as proof that socialism or collectivism is more biblical than the free market. Sometimes they use the Marxist critique that “poor nations are poor because rich nations oppress them.” It’s unusual to meet students who wholeheartedly endorses capitalism. They recognize that it works well enough to make the U.S. the richest nation on earth, but it’s not something to be proud of or openly endorse.

There continues to be a heated debate in our country over which economic system is the most just and best able to weather the inevitable economic ups and downs in today’s complex worldwide economy. Christians wonder if capitalism is inherently incompatible with Christian ethics. Is it driven by greed and self-interest alone? Does it thrive on oppression? Does it conflict with a biblical view of human nature?



Ronald Nash’s book *Poverty and Wealth: Why Socialism Doesn’t Work*[\[1\]](#) faces these questions head on and concludes that free market capitalism leads to abundance and political freedom because it is based on the

laws of economics and the truth about human nature. Social and economic programs that ignore these laws will inevitably cause more harm than good. Even more importantly, Nash argues that capitalism is compatible with biblical ethics. He writes,

Capitalism is quite simply the most moral system, the most effective system, and the most equitable system of economic exchange. When capitalism, the system of free economic exchange, is described fairly, there can be no question that it, rather than socialism or interventionism, comes closer to matching the demands of the Biblical ethic.[\[2\]](#)

In order to understand Dr. Nash's point we will define some basic economic concepts and compare capitalism with socialism and interventionism. Neither Dr. Nash's book nor I question the intentions of Christians who have accepted Marxist solutions, but we do question their wisdom. In the words of Dr. Nash,

"Unfortunately, many Christians act as though the only thing that counts is intention. But when good intentions are not wedded to sound theory, especially sound economic theory, good intentions can often result in actions that produce consequences directly opposite to those we planned."

Even the acceptance of free markets by China and Eastern Europe have not swayed the true believer of Marxist thinking. Our young people will encounter a Marxist critique of capitalism and the free market system at some point in their education. As parents we owe it to our children to have an answer to their certain questions.

## **The Market System**

The market system is the set of rules that creates a voluntary system of exchange resulting in the price, selection, and quantity of products that are made and sold in an economy. Those who support capitalism believe that both parties benefit

from the voluntary exchange of goods and services. Marxists, on the other hand, often argue that the free market system results in a win/lose relationship. What are the rules that define a free market system and what role should government play in maintaining it?

The rules of a free market system are simple. First, people should not be coerced into making economic exchanges. This means that they should be free from force, fraud, or theft. Another rule is that people must honor their contracts to buy or sell with another party. Just as local government provides for the traffic signals in a town, government is responsible for enforcing the basic rules of the free market. Traffic signals create order out of potential chaos on our roads. Likewise, the rules of the free market system create order out of potential economic chaos. But in neither case do the rules tell people where to go or what to trade. Both systems are neutral to an individual's personal goals.

The decentralized actions of producers and consumers encourage the production of a vast array of products at prices that people are willing to pay. These goods and services are produced, not because someone is forced to, but because they know that by satisfying needs they can earn an income and satisfy their own desires. Free market capitalism is based on this principle of mutual accommodation. The market also encourages the efficient use of resources. Price is a factor of demand for a product and the scarcity of its components. It is the market which takes into account an almost infinite number of decisions and variables to make goods available at the best possible price. Profits and losses within the market encourage producers to move into or out of the production of a given item. Inefficient production or over-production of an item will result in losses sufficient enough to change a producer's behavior.

Government is necessary for enforcing the basic rules of a free market economy. Its interest should be to make sure that

justice prevails, and to ensure the common good. This includes the right to own and exchange property, the enforcement of contracts, as well as laws forbidding the use of force, fraud, and theft. If the government itself begins to intervene beyond this role, it becomes a detriment to the market and can itself become the source of injustice. A system based on, or highly influenced, by government coercion cannot be called a free market system.

## **Capitalism vs. Socialism**

A former president of the Evangelical Theological Society has written that capitalism violates “the basic ethical principles of Christianity” and that there is an essential political and economic dimension to the Kingdom of God which capitalism defiles. This thinking has the effect of placing supporters of capitalism among the heretics and against the Kingdom of God. Does capitalism really violate the gospel message and a biblical worldview? Does socialism offer the only righteous means for creating and distributing wealth?

Capitalism argues that individuals have the right to make decisions about what they own. This not only assumes the right to own property, but to exchange what one owns for something else, and to be free from force in the form of fraud, theft, or the violation of a contract. The moral base of “thou shalt not steal” and “thou shalt not lie” are essential to the success of a capitalistic system. In fact, these basic rules of capitalism are very similar to an Old Testament view of righteousness which focused on the completion of covenant agreements. God is considered a righteous God partially because He fulfills His covenants with His creation.

Marxists love to point to examples like the Philippines under Ferdinand Marcos in order to criticize capitalism. This corrupt regime can surely be criticized, but not as an example of capitalism. It is representative of what might be called an

interventionist economy. There are three general types of economies: capitalist, interventionist, and socialist. Capitalism and socialism are at the two ends of the continuum with interventionism in the middle. The two opposites represent two possible means of exchange. Capitalism is defined by its advocacy of free or peaceful exchange, allowing individual choice regarding the use of personal property. Socialism is defined by centralized planning, using force to get individuals to conform to its decisions. A system becomes less capitalistic and more interventionist as more and more economic decisions are coerced by the government. It becomes socialistic when basic needs are met only by the government, forcing people to deal with it exclusively. The ideal of capitalism is freedom; the ideal of socialism is forced compliance with government planning.

Critics of capitalism condemn economic systems in which interest groups use the power of government to intervene on their behalf, forcing consumers via taxes or mandates to spend their money or use their talents in a way they would not freely choose. But this isn't capitalism; it's interventionism, and unfortunately a pretty good description of where the U.S. is headed.

## **Economic Systems and Human Nature**

Is capitalism the primary cause of world poverty? Although the Bible does teach that exploitation is one cause of poverty, it also teaches that it results from indigence and sloth as well as accidents, injuries, and illness. When the prophet Amos condemned the Jews for forcing the poor to give them grain, for taking bribes, and depriving the oppressed justice, he was highlighting violations of free market capitalism as well.

Some believe that capitalism is built on greed, which the Bible condemns. However, the Bible does teach a certain level of self-interest. For example, 1 Timothy 5:8 is critical of

anyone who does not provide for the needs of his family. And although selfishness exists in capitalistic countries, it is not inherent to the system; it is inherent to humanity. Either we allow people to make choices based on their own self-interest and moral virtue, or we turn those decisions over to a central government. Could it be naïve to think that government officials will use wealth in a morally superior way to those outside of government? History teaches that when power is centralized it has the tendency to be abused.

In a non-coercive free market environment, those who serve the needs of others will prosper. As long as the rule of law prevails and the government isn't allowed to stack the deck for one particular group against another, the market protects us from the greed of others. The free market is by definition one place where coercion is not possible.

Socialists contend that competition is another evil of capitalism, but is competition itself an evil? We can agree that using force, fraud, or theft to compete is morally wrong, but can we really say that all competition is wrong? Scarcity demands competition; as long as resources are limited we will find some competitive means for allocating them. Socialist societies use long waiting lines and bureaucratic red tape to dole out limited goods, and competition is intense for political positions that result in material gain.

There are only two ways to resolve conflict that results from scarcity. One is by force, the other is by free market competition. Non-violent free market competition has helped to alleviate the effects of scarcity by stirring people to high levels of excellence in manufacturing and services. Socialist countries are not usually known for the quantity or quality of their goods and services.

Economist Walter Williams notes that "Capitalism has a strong bias toward serving the common man. . . . Political allocation of resources, regardless of its stated purpose, is strongly



biased in favor of the elite.”{3} Maybe that is why the elite have such disdain for capitalism.

## Critiquing Socialism

Highly collectivist economies are not known for producing what people need at a price they can afford. In the 1920s, economist Ludwig von Mises showed why central planners can never replace the market: they are unable to gather the necessary information to plan accurately. The market system provides incentives to both producers and buyers that are missing in socialistic countries. Under socialism “rewards are not related to effort and commercial risk-taking, but to party membership, bureaucratic status, political fiat and corruption.”{4} Sociologist Peter Burger writes, “Simply put, Socialist equality is shared poverty by serfs, coupled with the monopolization of both privilege and power by a small (increasingly hereditary) aristocracy.”{5}

One evangelical writer contends that Marxism has “a deep compassion for people. Unlike present political systems—big business, even the Church—it [Marxism] does not seem to have any particular vested interests to defend.”{6} In other words, only Marxists really care about people. However, history has not been kind to Marxist collectivism. Some of the worst human rights records have been accumulated by Marxist regimes in the U.S.S.R., China, Cambodia, North Korea and Cuba. I find it hard to imagine that the millions who died at the hands of Stalin, Mao Tse Tung, or the Khmer Rouge were very impressed by the compassion of their nation’s Marxist leaders.

But what about the example in Acts of all Christians sharing their goods in common or of Barnabas selling his property for the good of other believers? What some people miss is that both of these examples are of individuals making free moral choices to use their property for the good of others. They are making free market decisions regarding their possessions. This

can only occur when individuals have the freedom to use their possessions to help others. If all economic decisions are made by centralized planners, moral choice is removed and the option to act upon personal moral convictions is reduced.

Living within a capitalistic society allows believers to exercise their personal responsibility to provide for the poor and less fortunate. This has resulted in remarkable examples of philanthropy in America and other capitalistic nations. In fact, no other people on earth have given as much to other nations as have Americans.

A properly functioning market system is an effective tool against oppression and corruption because it promotes the rule of law for all citizens. However, a strong moral system is necessary to keep it from being controlled by special interests. There are too many examples of economies that have been shaped for the benefit of a few. Christ's advocacy for the poor should make us a strong moral barrier to this kind of corruption.

## Notes

1. Ronald H. Nash, *Poverty and Wealth: Why Socialism Doesn't Work* (Dallas: Probe Books, 1986).
2. Ibid., 80.
3. Ibid., 75.
4. Ibid., 87.
5. Ibid.
- 6 . Andrew Kirk, *The Good News of the Kingdom Coming* (Downers Grove, IL: InterVarsity Press, 1985), 45, quoted in Nash, *Poverty and Wealth*, 191.

# Capitalism and Socialism

*Kerby Anderson writes that recent polls show that a mere majority of Americans believe in capitalism. And those under the age of 30 are essentially evenly divided about capitalism and socialism. Is there a war on capitalism? And are there answers to the typical criticisms of capitalism?*

## Poll About Capitalism

Americans traditionally have supported capitalism over socialism, but there is growing evidence that might be changing. The latest Rasmussen poll showed that a mere majority of Americans (fifty-three percent) say capitalism is better than socialism.[\[1\]](#) And one in five (twenty percent) say that socialism is better than capitalism. America may not be ready to reject capitalism for socialism, but this poll does show less enthusiasm than in the past.



Age is a significant component. If you look at adults under the age of thirty in the poll, you find they are essentially evenly divided. More than a third of young people (thirty-seven percent) prefer capitalism, another third (thirty-three percent) embrace socialism, and the rest (thirty percent) are undecided.

What are we to make of this? First, the terms capitalism and socialism weren't defined in the poll. I suspect that if the pollsters explained the various tenets of socialism that the percentages would change. Defining capitalism would also be important since many would not necessarily associate it with a free market but instead might have visions of an evil, greedy capitalist. After all, that is how many businessmen are

portrayed in the media.

How should we define capitalism and socialism? Here are some brief definitions of these two economic systems. 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.

Another question surfacing from the Rasmussen poll concerns those under the age of thirty. They are probably the least likely to associate socialism with Soviet-style repression. Instead, they may have in their minds the current government push toward European socialism and find that more attractive. Also, they are less likely to have “skin in the game.” When you ask investors this same question about capitalism and socialism, they favored capitalism by a five-to-one margin.

Political affiliation is another determinant of support for capitalism. Republicans favor capitalism over socialism by an eleven-to-one margin. By contrast, Democrats are more closely divided. They barely favor capitalism (thirty-nine percent) over socialism (thirty percent).

In what follows I’ll look at the debate between capitalism and socialism and provide a biblical critique.[{2}](#)

## **The War Over Capitalism**

I noted that fifty-three percent of Americans say capitalism is better than socialism. While that is a majority, it is a mere majority and hardly a strong endorsement of free market economics.

We might wonder if the percentages of support for these

economic systems might change if different words were used. A survey taken in 2007 came to a different conclusion. The Pew Research Center asked people if they were better off “in a free market economy even though there may be severe ups and downs from time to time.” In that case seventy percent agreed, versus twenty percent who disagreed.[\[3\]](#) This might suggest that Americans like terms like “free market” more than “capitalism.”

These polls illustrate that we are in the midst of a cultural conflict over capitalism. That is the conclusion of Arthur Brooks. His op-ed in *The Wall Street Journal* argues that “The Real Culture War is Over Capitalism.”[\[4\]](#) He notes that President Obama’s tax plan will increase the percentage of American adults who pay no federal income tax from forty percent to forty-nine percent (and another eleven percent will pay less than five percent of their income in tax). This has the potential to change attitudes about taxes since half of America won’t be paying taxes.

Brookes says, “To put a modern twist on the old axiom, 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. Social Democrats are working to create a society where the majority are net recipients of the ‘sharing economy.’ They are fighting a culture war of attrition with economic tools.”[\[5\]](#)



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## CHRISTIANS AND ECONOMICS A Biblical Point of View



KERBY ANDERSON

For the love of money is a root of all  
sorts of evil.—1 Tim. 6:10, NASB.

These various polls, as well as the current debate about the role of government in the economy, illustrate why we need to educate adults and young people about economics and the free market system (in my book, *Making The Most of Your Money in Tough Times*, I devote a number of chapters to economics and economic systems). How can we use biblical principles to evaluate economic systems like capitalism and socialism? The Bible does not endorse a particular system, but it does have key principles about human nature, private property rights, and the role of government. These can be used to evaluate economic systems.

The Bible warns us about the effects of sinful behavior in the world. Therefore, we should be concerned about any system that would concentrate economic power and thereby unleash the ravages of sinful behavior on the society. We should reject socialism and state-controlled economies that would concentrate power in the hands of a few sinful individuals.

# 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 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. 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.

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 be downstream and the waste pipe be 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 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.

# Capitalism and 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.[\[6\]](#)

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 can 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

## Notes

1. "Just 53% Say Capitalism Better Than Socialism," Rasmussen Reports, 9 April 2009.
2. If you would like more information about this topic or would like to order my book, *Making the Most of Your Money in Tough Times*, visit our website [store](http://www.probe.org/store) at [www.probe.org](http://www.probe.org) for more information.
3. "World Publics Welcome Global Trade – But Not Immigration," Pew Research Center, 4 October 2007.
4. Arthur Brooks, "The Real Culture War is Over Capitalism," *The Wall Street Journal*, 30 April 2009.
5. Ibid.
6. Jay Richards, *Money, Greed, and God* (NY: Harper One, 2009), 60-61.