A **BIBLICAL** VIEW ON

CAPITALISM AND SOCIALISM



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Americans traditionally have supported capitalism over socialism, but there is growing evidence that might be changing. One Rasmussen poll ten years ago, showed that a mere majority of Americans (53 percent) said capitalism was better than socialism. And one in five (20 percent) said that socialism was better than capitalism.

A more recent poll of millennials found that a majority (58 percent) would prefer to live in a socialist nation than a capitalist nation. And only a small percentage (42 percent) would favor capitalism.

This is not surprising since there have been many polls which ask adults under the age of 30 if they favor capitalism over socialism or socialism over capitalism. In general, they break down into 1/3 favoring capitalism, 1/3 favoring socialism, and 1/3 undecided.

What are we to make of these disturbing polls? 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 necessary 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 be 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.

Young people under the age of 30 are probably the least likely to associ-

ate 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 5-to-1 margin.

These polls illustrate that we are in the midst of a cultural conflict over capitalism. That is the conclusion of Arthur Brooks, who has written about this in various op-ed pieces and in his book, *The Battle: How the Fight Between Free Enterprise and Big Government Will Shape America's Future*. On Point of View, he has discussed the many statistics from various polling organizations to make his point.

He 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."

Arthur Brooks contends that we live in a 70-30 nation. A Pew Research Center poll asked a broad range of Americans this question: "Generally, do you think people are better off in a free market economy?" Almost 70 percent of respondents agree that they are better off in a free market economy.

The good news is that 70 percent of Americans believe in free enterprise. The bad news is that the other 30 percent are in control of important arenas in our society such as the academy, media, and government. This will be our challenge for the years to come.

Doesn't the Bible Teach Socialism?

Someone who tuned into *Point of View* for the first time left a comment on the Facebook page criticizing what one of my guests said and concluded by instructing us that Christians should embrace socialism. I usually ignore many of the comments left on social media, but this one deserves a response since we hear it so often.

If you have ever been teaching through the book of Acts, you know when this question will surface. 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.

For example, one moral criticism of capitalism is that the free market makes people greedy. Obviously there are ambitious and greedy people in the world, but is that due to the economic system or due to human sinfulness? At this point it is worth distinguishing between selfishness and self-interest. All people have self-interest and 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.

Consider the difference. A socialist economic system will concentrate power in the hands of a few bureaucrats through central planning. We

have seen this today in other socialist countries, and we have seen this to some degree even in the United States.

By contrast, a free market system decentralizes economic power. If you have selfish people, decentralizing economic power will be better than centralizing economic power. Capitalism protects us more effectively from selfish people. Put another way, capitalism is a system in which bad people can do least harm and good people have the freedom to do good works.

These 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. This is what we will continue to do on *Point of View* in order to educate America about the trends and issues facing us today.

Additional Resources

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A Biblical View on Capitalism and Socialism
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