

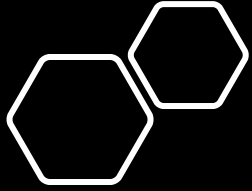
Capitalism Versus Socialism

What Does the Bible Have to Say?



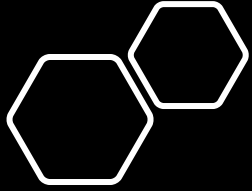
America Was Settled by People Seeking Freedom and Opportunity

- American culture has been receptive to capitalism from the beginning.
- Individual initiative and market-based trade were a natural way of life.
- Religious freedom was sought by many.
- The founders were heavily influenced by Enlightenment thinking and natural law.



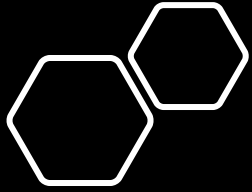
Socialism Never Got Much Traction

- Ran against the grain of the culture.
- Ironically, trade unions never embraced socialism.
- Great Depression drew some to Marxism.
- But the onset of the Cold War led to a sobering of enthusiasm.



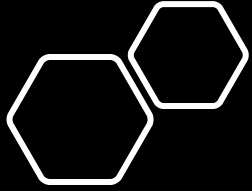
Postwar Experience

- Socialist systems greatly underperformed.
- Examples of Germany and Korea.
- Plagued by corruption.
- Collapse of Eastern Europe and the Soviet Union.
- Venezuela.
- Under U.S. influence, market-based systems became best practices.



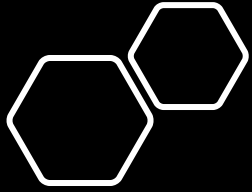
Recent Enthusiasm for Socialism

- Exemplified by Bernie Sanders and AOC.
- Mainly among the young.
- Seen to be fairer, more equality, less competition, devoid of greed, and many things free.
- Influenced by the Great Recession.



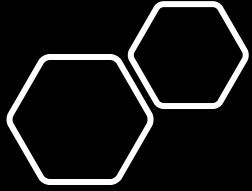
Perceived Biblical Basis

- Ongoing concern for the destitute.
- The early communal experience in Acts 2 and 4.
- Rich young ruler in Matthew 19.



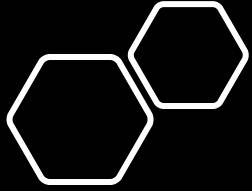
Pillars of Economic Systems

	Property ownership	What is produced?	How is it produced?	How is output distributed?
Socialism/ Communism	State	State	State	State
Fascism	Private	State	Private	State/private
Market	Private	Private	Private	Private



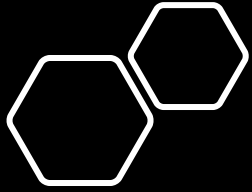
Biblical Teaching

- Private property.
- Individuals capable of making decisions (as consumers, workers, and producers).
- Definite responsibility for caring for those in need—but individual and voluntary corporate.
- Wealth is okay, so long as priorities are right.



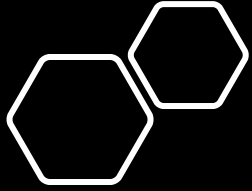
Other Biblical Teaching

- Work is expected in return for necessities.
- Work is good for a person—fulfilling.
- Employers are permitted discretion in compensating employees.
- Prices set in the marketplace are acceptable.



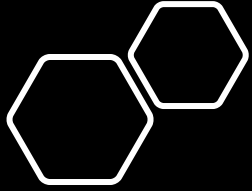
Capitalist System

- Based on self-interest.
- Utilizes the coordinating role of prices—the Invisible Hand—and leads to amazing order.
- Utilizes all information and encourages innovation (unleashing creativity).
- Has flaws: Monopoly; Externalities; Public goods; Inequality (?).
- Has an important role for government.



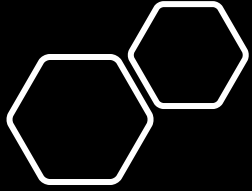
Socialist System

- The collective makes decisions instead of individuals.
- Short-circuits the Invisible Hand.
- Fewer incentives for innovation.
- More scope for corruption.
- Poor performance.



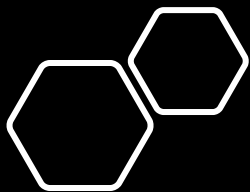
Communism and Fascism

- Based on ideologies—one universal and the other highly nationalistic.
- Individual is subordinate to the collective.
- Both short-circuit the Invisible Hand.
- Conflict with biblical teaching, including feasibility of utopia.
- Legacy of death.



Modern Welfare State

- Focused on socializing risk and redistribution.
- Frontiers are universal health care and UBI.
- High tax rates and social programs discourage work.
- Depersonalizes charity and gives rise to entitlement attitudes.



Questions?

- I am happy to take your questions and hear your comments.