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BUYING LOCAL:
AN INQUIRY INTO THE ETHICAL DIMENSIONS OF
PLACE IN CONSUMER DECISIONS

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Dean Jacob Williamson
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BUYING LOCAL:
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PLACE IN CONSUMER DECISIONS

Dean Jacob Williamson

Read and Approved by:

Faculty Supervisor: David A. Bosch

Second Reader: John Klaassen

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For my wife, Kate

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PREFACE

My journey with the Buy Local Movement began when my wife, Kate, and I started shopping at our local farmer's market in Statesville, North Carolina. Having taken a personal finance class in my studies at Southeastern Baptist Theological Seminary and having understood that everything should be brought under the lordship of Jesus Christ including my personal buying choices, I began to reflect on the ethical dimensions of place in my consumer decisions. At that time, I also learned about sweatshop working conditions in developing countries, so my wife and I tried to buy everything either Fair Trade or local. That lifestyle proved to be incredibly difficult, yet we felt it was the right thing to do.

Starting my program at The Southern Baptist Theological Seminary, I thought I was going to be defending my stance on buying local. However, after doing preliminary research for this thesis, my eyes were opened to the ideal of human flourishing and the power of a global market to promote it. Therefore, may this thesis not be taken as a defense of previously held opinion. I entered this research holding one opinion and left it holding quite the opposite, although the two things that have remained the same are my desire to honor God with every dollar of every purchase and my desire to help the global poor.

I would like to thank Dr. David Bosch for supervising my thesis and guiding me to provide a positive case for a global market.

Dean Williamson

Cocoa, Florida
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CHAPTER 1

INTRODUCTION

There has been a recent move on both the political right and political left away from a global market toward a local market. On the right, this is called “America first,” and on the left, this is called “buy local.” The nationalistic focus of the America First Movement involves keeping jobs and manufacturing in America. Products that are “made in the USA” are thought to be the superior purchase for Americans who love their country. The US economy must be protected from outside imports made with cheap labor that threatens American jobs. On the left, the Buy Local Movement is more of a grassroots movement where consumers concerned with global warming and unfair working conditions pay top dollar for products from a local farmer’s market or artisan gift shop. These goods are considered a better purchase because, in theory, less greenhouse gas is emitted, and buying something made by an American craftsman means knowing the working conditions under which the goods were manufactured. This thesis argues that both of these tendencies are moving in the wrong direction. When looking at this issue from a biblical, theological, economic, and ethical perspective, it turns out that supporting a global market through personal buying choices has a greater potential to promote human flourishing for image bearers across the globe than restricting one’s buying completely to local sources.

Focusing on human flourishing is key to answering the question of whether people should solely buy local or open themselves up to a global market. A natural law theory of human flourishing has recently been recovered by Christian scholars.¹ Arguing

¹ Andrew T. Walker, *Social Conservatism for the Common Good: A Protestant Engagement with Robert P. George* (Wheaton, IL: Crossway, 2023), 2.

from natural law theory for human flourishing is a powerful dialogue tool for reasoning with any human being because all humans want to flourish. We all want to do well and be well. People who buy local to keep jobs in America or save the environment do so because they think what they are doing will help themselves and their neighbors flourish. The questions left to be answered are the following: what does it mean to flourish as a human being, and which structures or practices promote human flourishing?

To answer questions so deep and wide ranging as these and relate them to the topic of consumer decisions, this thesis will examine biblical data, theological concepts, economic theory, and ethical arguments. I will set the stage for my argument by examining the biblical and theological foundations related to the topic. I will consider a biblical theology of human flourishing, the cultural mandate of Genesis 1:28, a natural law theory of human flourishing, and the ethics of neighbor love. To prove my thesis economically, I will draw a comparison between protectionism and buying local based on consumer choices. While there is not much academic work written on a consumer Buy Local Movement, there is much consideration given to protectionism by secular and Christian economists. By showing the unfruitfulness of protectionism, a global market will shine as the best option for promoting human flourishing. Next, I will defend my position from numerous opposing ethical arguments such as environmental concerns, poor working conditions in developing countries, and concerns about income inequality. Finally, I will draw out the practical implications of my thesis. For example, Christians need not feel guilty for buying goods from foreign lands, and they need to consider ways to help the poor that are truly effective.

Familiarity with the Literature

A multidisciplinary approach is necessary when dealing with complex ethical issues such as where to purchase goods. This survey will consider theological, economic, and ethical works of literature. The theological works listed are related to human flourishing and neighbor love, the economic works are related to globalization and

protectionism, and the ethical works are focused on ethical consumerism. By putting all of these elements together, the case will be made for the capacity of a global market to promote human flourishing for image bearers across the globe.

Theological Works

Joy and Human Flourishing: Essays on Theology, Culture, and the Good Life was edited by Miroslav Volf and Justin E. Crisp.² Volf is founder and director of the Yale Center for Faith and Culture and has devoted much research to the idea of human flourishing. While the essays mainly focus on the first part of the title, *Joy*, which is not the focus of this thesis, joy and human flourishing are related. Joy is described in *Joy and Human Flourishing* as a response to the goodness of God and his creation. The authors describe Christian joy not as a joy in bad things that happen but as a joy despite bad things that happen because joy can be found in God’s blessings even through difficulty.³ The application of this book to this thesis comes in explaining how physical blessings can inspire joy in people around the world as they thank God and celebrate his blessings.

Agents of Flourishing: Pursuing Shalom in Every Corner of Society is a recent book written by Amy Sherman⁴ to help pastors and Christian leaders live deeply and wisely into the call of Jeremiah 29:7: “Seek the peace and prosperity of the city to which I have carried you into exile. Pray to the LORD for it, because if it prospers, you too will prosper.”⁵ Sherman is encouraged by the city gospel movement, but she is also concerned about whether the movement has a rich enough understanding of complex society and how to pursue shalom in every corner of it. She grounds the pursuit of human flourishing

² Miroslav Volf and Justin E. Crisp, ed., *Joy and Human Flourishing: Essays on Theology, Culture, and the Good Life* (Minneapolis: Fortress, 2015).

³ Marianne Meye Thompson, “Reflections on Joy in the Bible,” in Volf and Crisp, *Joy and Human Flourishing*, 37–38.

⁴ Amy Sherman, *Agents of Flourishing: Pursuing Shalom in Every Corner of Society* (Downers Grove, IL: InterVarsity, 2022).

⁵ Unless otherwise noted, all Scripture quotations are from the New International Version.

in Scripture and in the purpose of human life. She shares the marks of true flourishing: communion with God, beauty and creativity, learning and discovery, wholeness, unity in diversity, and prosperity or abundance.⁶ As God’s royal priests, humans are called to flourish and to a vocation of “flourishing” others. There are several elements to community flourishing represented by chapters in the book: the good, the true, the beautiful, the just and well-ordered, the prosperous, and the sustainable. For the purpose of this thesis, the chapter on “the prosperous” is most helpful.⁷ In it, Sherman differentiates pursuing human flourishing by becoming prosperous from the prosperity gospel. She also explains the connection between human flourishing and economic prosperity, proving that Christians should be concerned with the economic well-being of those around them.

John Bolt wrote the Reformed volume titled *Economic Shalom: A Reformed Primer on Faith, Work, and Human Flourishing* in a series of primers on work and economics.⁸ Drawing on his experience with the Acton Institute and scholarly work on the thought of Abraham Kuyper and Herman Bavinck, Bolt writes as a theologian about economics. His topics range from defining economics, to questioning whether an economic system can be “biblical,” to connecting vocation with the *imago Dei*. Bolt’s ideas may be considered pessimistic in the sense that the depravity of man and the unconsummated kingdom of God lead him to expect problems to develop within every economic system. His work is helpful in defending global markets from charges of inequality and exploitation with a realistic expectation of what markets can provide.

Tom Nelson’s 2017 work, *The Economics of Neighborly Love: Investing in Your Community’s Compassion and Capacity*, proves incredibly helpful for laying the

⁶ Sherman, *Agents of Flourishing*, 26.

⁷ Sherman, *Agents of Flourishing*, 90.

⁸ John Bolt, *Economic Shalom: A Reformed Primer on Faith, Word, and Human Flourishing*, Oikonomia Series (Grand Rapids: Christian’s Library, 2013).

theological foundation for this thesis.⁹ Apart from diving into natural law theory, this book discusses all the other theological themes mentioned in chapter 2 of this thesis, including human flourishing, the cultural mandate, and neighbor love. Nelson applies each of these ideas directly to economic stewardship. For example, loving one's neighbor means promoting the economic well-being of one's neighbor, and loving God means developing his creation to make it fruitful as God commanded in Genesis 1. If one book could be used to support the foundational theological ideas of this thesis, this book would be the one.

Economic Works

Purchasing outsourced goods is usually defended for economic reasons as in *The Poverty of Nations*, cowritten by Wayne Grudem, a prominent theologian, and Barry Asmus, a well-respected economist.¹⁰ Grudem and Asmus argue that competition is necessary for market growth: "This kind of market competition is the father of innovation and a constant force for making things happen."¹¹ Grudem and Asmus do not directly address buying local, but the principles they argue for may be applied to the debate. For example, buying local would require eliminating options for competition. By taking away competition, the Buy Local Movement would also be taking away people's motivation to innovate and find better ways to produce: the very keys to wealth creation.

Not only does buying local restrict competition, but it can also have unintended consequences for the global poor. John Clark, who formerly worked for the World Bank, criticizes consumer boycotts: "France, the UK, and the United States imposed MFA

⁹ Tom Nelson, *The Economics of Neighborly Love: Investing in Your Community's Compassion and Capacity* (Downers Grove, IL: IVP, 2017).

¹⁰ Wayne Grudem and Barry Asmus, *The Poverty of Nations: A Sustainable Solution* (Wheaton, IL: Crossway, 2013), 180.

¹¹ Grudem and Asmus, *The Poverty of Nations*, 180.

quota restrictions. . . . As a result, thousands of workers, mostly women, were laid off.”¹² Consumers should pay close attention to the consequences of their actions because they could be causing the very problem they were intending to solve. Clark’s *World’s Apart: Civil Society and the Battle for Ethical Globalization* does not work from an explicitly Christian perspective, but his experience at the World Bank and desire to truly help the poorest of the world help him approach the topic with expertise and care. Clark tracks the history of globalization and rather than trying to fight globalization, he recommends harnessing its power for good.

Although it is more of a political work, *The New Localism: How Cities Can Thrive in the Age of Populism* by Bruce Katz and Jeremy Nowak discusses economic issues.¹³ The book argues that societal problems are best solved on the local level. While it argues for localism, it does not argue against globalization or participating in the global economy. Katz is the Centennial Scholar at the Brookings Institution, where he focuses on the challenges and opportunities of global urbanization. Nowak is a Distinguished Visiting Fellow at Drexel University’s Lindy Institute for Urban Innovation. The authors put their experience in urbanization to use when they argue that global cities have an opportunity to make advancements while national politics are stuck in the mire. This book proves that local communities can be benefited from globalization. Katz and Nowak affirm, “New Localism simultaneously embraces the local and the global, the latter being a source of immense and still unrealized benefits and power.”¹⁴

¹² John Clark, *Worlds Apart: Civil Society and the Battle for Ethical Globalization* (Bloomfield, CT: Routledge, 2003), 288.

¹³ Bruce Katz and Jeremy Nowak, *The New Localism: How Cities Can Thrive in the Age of Populism* (Washington, DC: Brookings Institution, 2017).

¹⁴ Katz and Nowak, *The New Localism*, 37.

Ethical Works

While buying outsourced goods is commonly argued for in economic terms, the case for the Buy Local Movement is built on ethical, political, and environmental concerns. For example, Laura Hartman applies the Catholic idea of subsidiarity to the issue of purchasing in her book *The Christian Consumer: Living Faithfully in a Fragile World*. She writes, “Subsidiarity may be applied analogously to consumption—consumers ought not consume from national or international sources if local sources would suffice.”¹⁵ The goal of the book is to provide a coherent Christian ethic of consumption by organizing it into four imperatives: avoiding sin, embracing creation, loving one’s neighbor, and envisioning an eschatological future. All four of these tools need to be considered to find a Christian consumptive ethic. Hartman’s work is valuable in that it brings together what diverse Christian authors throughout history have said about consumption and provides a framework for making ethical decisions. What is lacking in Hartman’s work is enough consideration for what the economic consequences would be if everyone were to adopt her ethic.

In a more recent book called *Buying God: Consumerism and Theology*, Eve Poole encourages consumers who might be repelled by the high price of local and fair-trade goods to consider the “true” cost of manufacturing an item. She states,

Very few things are genuine bargains. If it is cheap, someone else is paying. This may be about poor labor standards, supply chain abuse, or resource exploitation. So asking yourself about the “true” cost of whatever you are looking to buy—and researching online if possible—will help you avoid any inadvertent support of irresponsible brands.¹⁶

Poole addresses one of the top objections to buying local: cost. She also brings ethical considerations to light such as exploitation of workers and the environment. Like Hartman, Poole does not bring her train of thought to its logical conclusion. For example, would

¹⁵ Laura M. Hartman, *The Christian Consumer: Living Faithfully in a Fragile World* (New York: Oxford University, 2011), 106.

¹⁶ Eve Poole, *Buying God: Consumerism and Theology* (New York: Church Publishing, 2017), 124.

the “true cost” of necessary goods reduce our lives to mere subsistence? Consideration of ethics along with economics is needed for progress to be made in this debate.

One important ethical consideration in relation to a global market is sweatshops. Benjamin Powell provides a comprehensive treatment of the subject in *Out of Poverty: Sweatshops in the Global Economy*.¹⁷ Powell argues that while sweatshop jobs are not preferable compared with Western jobs, they are a better alternative for those who choose to take them in poor countries. Common alternatives to sweatshop jobs in poor countries include scavenging, prostitution, and subsistence farming.¹⁸ Powell explains the economics behind wage rates. A worker cannot be paid more than his marginal revenue product. A worker’s marginal revenue product is the amount of money he generates for the company. If the worker is paid any more than his marginal revenue product, then the company will be losing money in keeping that employee.¹⁹ One of the best ways to raise a worker’s marginal revenue product and therefore his pay is for him to gain skills and increase productivity. Sweatshops provide a more productive alternative to the other occupations listed above which is why they often pay better than the poor country’s national average wage.²⁰ Powell shows how the US went through a similar stage of development when sweatshops were common.²¹ He also shares surveys of sweatshop workers who do not wish to have less pay to gain shorter hours or safer working conditions.²²

¹⁷ Benjamin Powell, *Out of Poverty: Sweatshops in the Global Economy* (New York: Cambridge University, 2014).

¹⁸ Powell, *Out of Poverty*, 64.

¹⁹ Powell, *Out of Poverty*, 24.

²⁰ Powell, *Out of Poverty*, 4.

²¹ Powell, *Out of Poverty*, 112.

²² Powell, *Out of Poverty*, 74.

The Ethical Consumer is a collection of articles from various authors about the ethical consumer movement.²³ The purpose of the book is to serve as a broad introduction to the notion of the ethical consumer. It is helpful in understanding the development of the movement and the motivations of people for participating. It also includes studies that measure the effectiveness of the movement. This work reveals the ethical reasoning behind ethical consumers but does so from a sociological perspective.

Void in the Literature

There is a lack of rigorous academic scholarship in the debate over whether people should buy locally or globally. The grassroots nature of the Buy Local Movement on the left and the political nature of the America First Movement on the right may explain this lack of academic scholarship. Because of this deficiency, the complexities of this ethical issue are being glossed over. For example, people advocate for buying local because it supports the local economy. However, they never stop to ask the question of whether their local economy should take priority over other economies around the world. What if everyone in their local economy is affluent while the economies of those producing goods in other countries are struggling to put food on the table? In this situation, it could mean that buying local would require turning a deaf ear to the cry of the global poor.

Christian scholarship is also lacking in this debate. Grudem and Asmus write from a Christian perspective, however they do not address consumer ethics in buying local. Instead, they deal with government decisions in local versus global buying in the form of protectionism.²⁴ While the principles they discuss might be helpful, they do not directly interact with the Buy Local Movement. The same can be said about Brent Waters's *Just Capitalism: A Christian Ethic of Economic Globalization*. Water's book comes the closest to a published work arguing for a global market based on human flourishing, but

²³ Rob Harrison, Terry Newholm, and Deirdre Shaw, eds., *The Ethical Consumer* (Thousand Oaks, CA: Sage, 2005).

²⁴ Grudem and Asmus, *The Poverty of Nations*, 98–99.

it does not address the Buy Local Movement in particular, and it does not focus closely on consumer decisions.²⁵ Hartman and Pool do address the issue of buying local, but they address the issue in passing. The bulk of their work is more generally about consumption and other issues related to it.²⁶ What is needed is a Christian academic work that takes all the complexities of the issue into consideration and directly applies the principles of Christian scholarship to consumer purchasing.

Thesis Statement

Supporting a global market through personal buying choices has a greater potential to promote human flourishing for image bearers across the globe than restricting one's buying completely to local sources.

Chapter Outlines

In this chapter I introduced the topic and surveyed the relevant theological, economic, and ethical literature. All three areas of literature must be brought together to address such a complex issue as buying local. Next, I showed a void in the literature. Because the Buy Local Movement is a grassroots or political movement, there is a lack of rigorous, academic writing directly on this topic. In Christian published monographs, the Buy Local Movement is rarely directly addressed, so I will take the principles from these works and apply them to this issue. Finally, I introduced my thesis, which argues that supporting a global market through personal buying choices has a greater potential to promote human flourishing for image bearers across the globe than restricting one's buying completely to local sources.

Chapter 2 is devoted to biblical and theological foundations for the debate. This chapter surveys biblical literature pertaining to the purchasing of outsourced goods such

²⁵ Brent Waters, *Just Capitalism: A Christian Ethic of Economic Globalization* (Louisville: Westminster John Knox, 2016), xi.

²⁶ Hartman, *The Christian Consumer*; Poole, *Buying God*.

as 1 Kings 5:9–11, which references imported timber for the construction of the temple. These anecdotal examples are not enough to legitimize buying outsourced goods, so biblical themes such as human flourishing and neighbor love will be considered. Close consideration shows that Christians have responsibilities to look out for the economic welfare of all people.

The next chapter, chapter 3, is devoted to exploring the economic factors important to the debate. To prove my thesis economically, I draw a comparison between protectionism and buying local based on consumer choices. While there is not much academic work written on buying local, there is much consideration given to protectionism by secular and Christian economists. By showing the weaknesses of protectionism, a global market will shine as the best option for human flourishing.

In chapter 4, ethical considerations will be taken into account. Common ethical questions about buying outsourced goods include the following: Were these goods produced in unjust conditions? Is the damage inflicted on the environment worth the lower costs? Does buying outsourced goods contribute to global income inequality? Each of these concerns are addressed in Chapter Four.

The final chapter concludes my argument and shows practical ways it applies to Christians and churches. For example, Christians should value people in all countries, especially the vulnerable poor. They should support the global economy and look beyond the welfare of their own local economy. Christians should use more effective ways of helping the poor than buying local or buying fair-trade products. Instead, they should find wise and godly nongovernment organizations that have a track record for lifting people out of poverty and sharing the good news of Jesus Christ “in Whom are hidden all the treasures of wisdom and knowledge” (Col 2:3).

CHAPTER 2

BIBLICAL AND THEOLOGICAL FOUNDATIONS

This chapter assesses biblical and theological sources to be used in arguing for a global market. Faithful Christians will want to apply Scripture to every area of their lives. Scripture is the ultimate source of truth, and while it does not exhaustively address every subject, it does cover a wide range of topics. Scripture does not unequivocally endorse buying imported goods, but it does provide positive examples of such behavior. It also lacks any form of a prohibition on foreign trade despite making other prohibitions related to trade such as unfair trade or trading on the sabbath. Furthermore, the Bible lacks positive examples of preferring local buying to global buying.

While a careful analysis of Scripture is consistent with a positive view of foreign trade, I will appeal to theological ideas to build a stronger case. Four theological ideas come to bear on this debate: human flourishing, the cultural mandate, natural law theory, and neighbor love. These theological ideas will be unpacked and will prove to be a strong case for a global market when paired with economic arguments in the next chapter.

Biblical Foundations

The first positive example of foreign trade comes from 1 Kings 5 when Solomon begins construction of the temple. Solomon arranges foreign trade with Hiram, King of Tyre. Solomon says, “Therefore, command that cedars from Lebanon be cut down for me. My servants will be with your servants, and I will pay your servants’ wages according to whatever you say, for you know that not a man among us knows how to cut timber like the Sidonians” (1 Kgs 5:6). This passage reveals one of the economic benefits of foreign trade that will be discussed later: that different regions of the world are better for producing different goods. Israel did not have the timber or the expert skill in timber

cutting that those from Tyre had, so they benefited from the products of another nation and that nation's skilled workers. Tyre also benefited from the arrangement. Later in the chapter, Hiram replies,

My servants will bring the logs down from Lebanon to the sea, and I will make them into rafts to go by sea to the place you indicate. I will break them apart there, and you can take them away. You then can meet my needs by providing my household with food.' So Hiram provided Solomon with all the cedar and cypress timber he wanted, and Solomon provided Hiram with 100,000 bushels of wheat as food for his household and 110,000 gallons of oil from crushed olives. Solomon did this for Hiram year after year. (1 Kgs 5:9–11)

While Tyre was a great region for timber, Israel was a great region for producing wheat and olives. Both parties benefited by receiving something they wanted through this arrangement. Why is this a positive example? The following verse reads, "The Lord gave Solomon wisdom, as He had promised him. There was peace between Hiram and Solomon, and the two of them made a treaty" (1 Kgs 5:12). This foreign trade deal is noted in the context of God's gift of wisdom to Solomon.

Another positive example of foreign trade comes from the story of Joseph in Genesis. While the example of the merchants in purchasing Joseph as a chattel slave and taking him to a foreign land is not a positive example of foreign trade, that aspect of the story is not spoken of in positive terms. In the end, Joseph declares to his brothers who had taken the initiative in the selling him, "You planned evil against me; God planned it for good to bring about the present result—the survival of many people" (Gen 50:20). Joseph's brothers are in the wrong for selling him into slavery, but God uses it for good.

How did God use it for good? God provides for the family of Jacob through foreign trade. After Joseph providentially arrives in Egypt in the hands of the traders, God warns Pharaoh in a dream that there is going to be a severe famine in the land. Joseph interprets Pharaoh's dream and devises a plan to keep the known world from starving. They tax the grain during the seven years of plenty leading up to the famine so that there would be enough to make it through the years of famine. The famine being in Canaan as well, Jacob says to his sons, "'Listen,' he went on, 'I have heard there is grain in Egypt. Go

down there and buy some for us so that we will live and not die” (Gen 42:2). Had the family been limited to local resources, in Jacob’s own words, they would have died. The Scripture later records how trips are made to Egypt to provide for the family of promise. A central theme of the book of Genesis is how God calls out Abraham and promises to make him into a nation for himself. God provides for this chosen family through foreign trade.

When the Bible mentions foreign trade, it mentions the topic in a positive light. However, the Bible does discuss some negative practices when it comes to trade. These prohibitions reveal what matters most to God in terms of trade. Rather than seeing distance as a problem, God sees unfair trade practices and trading on the Sabbath as the real issues. Several Scripture passages outlaw using unequal weights to take unfair advantage in trades (Lev 19:35–36; Prov 11:1; 16:11; 20:10; Amos 8:4–6; Mic 6:10–12). One prime example is Deuteronomy 25:13–16:

You must not have two different weights in your bag, one heavy and one light. You must not have two differing dry measures in your house, a larger and a smaller. You must have a full and honest weight, a full and honest dry measure, so that you may live long in the land the Lord your God is giving you. For everyone who does such things and acts unfairly is detestable to the Lord your God.

The scales at that time were balanced by counterweights. The practice outlawed in this passage is using a lighter or heavier weight than standard to gain a dishonest and unfair advantage in trade. This advantage would allow the perpetrator to get more grain for his shekel when buying or to give less grain for a shekel when selling. The general principle affirmed at the end of the passage is that trade should be done fairly.

The other prohibition regarding trade is about trading on the Sabbath. When Nehemiah goes to Jerusalem to rebuild the city and reform Judah, he reports,

At that time I saw people in Judah treading wine presses on the Sabbath. They were also bringing in stores of grain and loading them on donkeys, along with wine, grapes, and figs. All kinds of goods were being brought to Jerusalem on the Sabbath day. So I warned them against selling food on that day. The Tyrians living there were importing fish and all kinds of merchandise and selling them on the Sabbath to the people of Judah in Jerusalem. I rebuked the nobles of Judah and said to them: “What is this evil you are doing—profaning the Sabbath day? Didn’t your ancestors do the

same, so that our God brought all this disaster on us and on this city? And now you are rekindling His anger against Israel by profaning the Sabbath! (Neh 13:15–18)

This passage specifically mentions imported goods in verse 16: “The Tyrians living there were importing fish and all kinds of merchandise.” Yet, the Tyrians are not rebuked for importing goods. Instead, they are rebuked for selling their imported goods on the Sabbath. It appears from these texts that God is concerned with fair trade practices and honoring the law and not so concerned with limiting consumers to local purchases.

To sum up, while the Bible comes short of unequivocally endorsing foreign trade, it does provide positive examples. When the Bible puts restrictions on trade, it is not for buying foreign goods. Instead, the prohibitions are regarding fair trade practices and resting on the Sabbath. The Bible was certainly written in a different age: the age before worries about global warming and burning greenhouse gases. However, those concerns will be addressed in chapter 4 under environmental concerns. For now, let it be said that the Bible does not clearly support the Buy Local Movement and in fact provides many examples in support of foreign trade. The people of Israel felt no need to prefer local fish to imported fish from Tyre.

Theological Foundations

The Bible provides no proof texts to end the debate although it provides evidence to support the ethics of foreign trade. Therefore, this section will look to theological ideas for guidance. Four theological ideas are foundational for understanding this issue. First, a biblical theology of human flourishing will show that economic well-being is part of God’s ideal for humanity. Second, examining the cultural mandate of Genesis 1:28 will reveal that God desires his creatures to be productive. Third, a natural law theory of human flourishing will show that while economic well-being is part of human flourishing, it should not be pursued to an infinite degree by finite creatures. Fourth, an ethic of neighbor love will show that image bearers have a responsibility to promote the flourishing of other image bearers whether they be nearby or far away.

These four ideas support embracing a global economy in various ways. First, a biblical understanding of human flourishing and the cultural mandate set the stage for later economic arguments. If God desires humanity to flourish economically, then economic practices that diminish human flourishing should be avoided, and economic practices that promote human flourishing should be embraced. Furthermore, if God desires his creatures to be productive, more productive practices such as a diverse world economy should be preferred. As will be explained in chapter 3, restricting trade options to buy locally would lead to a diminished quality of life for humanity.

Second, natural law theory and neighbor love relate to the ethics of one's economic decisions. Natural law theory helps one see the limits of more and more economic prosperity. A natural law theory of human flourishing corrects the mistaken assumption that economic growth is the ultimate good humans should pursue. If more wealth always meant more flourishing, then enriching other Americans by buying local would not have any more benefit than supporting the poor by buying from the developing world. However, more wealth does not always mean more happiness, especially when certain baseline economic thresholds are met. Therefore, buying from global sources has the potential to help the developing world flourish, while the Buy Local Movement in America is limited to enriching its already comparatively well-off citizens. Finally, the ethics of neighbor love teach that Christians should care about people on the other side of the world as well as those around them. Christian love is not bound by distance, so Christians should consider the needs of humans around the world to promote human flourishing for all. Again, these arguments prove strong when paired with economic arguments provided in the next chapter, such as the principle that trade generally benefits both parties involved in the exchange.

Biblical Theology of Human Flourishing

To uncover the importance of human flourishing in the Bible and Christian thought, I will put together a biblical theology of human flourishing. Through a survey of

recent scholarship, I will show the importance and prevalence of the idea of human flourishing in the Bible and how human flourishing relates to economics. Human flourishing is a thoroughly biblical idea which when rightly understood can inform a comparison of local and global markets. According to the Bible, God desires humans to flourish as long as they follow the biblically defined means of flourishing. Economic prosperity is one aspect of a biblical vision of human flourishing without being the totality of what it means to flourish. True flourishing only happens in relationship with God, yet believers should seek the flourishing of all human beings whether they are believers or not as they follow the example of God who sends his rain on the just and the unjust (Matt 5:45).

Jonathan Pennington wrote “A Biblical Theology of Human Flourishing” for the Institute for Faith, Work and Economics. While the term “human flourishing” rarely occurs in English translations of the Bible, the concept is embedded in several Hebrew terms and their Greek counterparts. Pennington shows the ubiquity of the concept of human flourishing through the entire canon of Scripture by explaining these terms. He also tracks the concept throughout history, which he uses to explain the hesitation on the part of some Christians about claiming human flourishing as a biblical idea: “Another part of this survey is to help us understand why many of us are ignorant of or squeamish about the fact that human flourishing is a biblical idea. The version most of us know about is obviously *not* godly and is a function of modern individualism.”¹ In other words, culture’s secular humanistic tendencies should not distract Christians from what God has revealed through his Word about human flourishing. This flourishing is not a tertiary point in Scripture. Pennington writes, “Human flourishing is not a specialized boutique interest, but is a significant part of the Bible’s witness.”²

¹ Jonathan T. Pennington, “A Biblical Theology of Human Flourishing,” Institute for Faith, Work and Economics, March 4, 2015, 4, <https://tifwe.org/wp-content/uploads/2015/03/Pennington-A-Biblical-Theology-of-Human-Flourishing.pdf>.

² Pennington, “A Biblical Theology of Human Flourishing,” 5.

The first pair of terms Pennington examines is *shalom/eirene*, usually translated as “peace.” “Peace” turns out to be a misleading translation in most cases. *Shalom* has a broad semantic range in Hebrew. Pennington explains that there are three main ways the term functions:

- (1) In standard greetings and partings, even as today we say “Peace” or “Peace to you (about 10% of the uses).
- (2) To refer to a state or relationship that is peaceful, that is free from conflict or tension (about 25% of the uses).
- (3) To refer to completeness, maturity, and especially overall well-being economically, relationally, healthwise (about 65% percent of the uses).³

Based on this list, one can see that the usual understanding of the English translation “peace” only works in 35 percent of cases. In the other 65 percent, the English word “peace” does not carry the fullness of the Hebrew idea. For the purpose of this thesis, it is important to note that the meaning of *shalom* includes economic well-being in most cases. Pennington concludes, “One can be described as flourishing when all of the parts of one’s life—health, economics, relations—are functioning together in harmony and completeness.”⁴ The Greek counterpart has an even broader vision of human flourishing because human flourishing is described as a function of God’s saving work.

The second pair of terms is *ashre/makarios*. Like the first pair, this one is difficult to translate into English. The most common English gloss is “blessed,” which Pennington states, “Probably does more harm than good.”⁵ The etymological roots of the Hebrew term “very likely stem from Proto-Semitic and Egyptian roots meaning prosperity, good luck, and happiness.”⁶ The most common phrasing of this term is “Blessed is the man who,” such as in Psalm 1:1 and other places in the Proverbs where people are “blessed/happy/flourishing” as Pennington himself translates. The Hebrew term *ashre* is

³ Pennington, “A Biblical Theology of Human Flourishing,” 6.

⁴ Pennington, “A Biblical Theology of Human Flourishing,” 6.

⁵ Pennington, “A Biblical Theology of Human Flourishing,” 7.

⁶ Pennington, “A Biblical Theology of Human Flourishing,” 8.

always rendered *makarios* in the Septuagint, showing an overlap in the concepts in Hebrew and Greek. A further connection can be made to Aristotle’s idea of human flourishing and natural law theory. Pennington writes, “Very importantly for our understanding, *makarios* is often used as synonymous with the essential Greek philosophical term *eudaimonia* (especially important for Aristotle, as mentioned earlier), which connotes inner happiness and satisfaction, the state of the truly good life or human flourishing.”⁷ This connection to Aristotle and the natural law tradition that emerged will prove informative as I later review Aquinas’s natural law theory of human flourishing.

The final pair of words is *tamim/teleios*, which refer to “wholeness, maturity, completeness, and perfection and is intimately related to *shalom* discussed above, as well as several other key biblical concepts.”⁸ While these words may not at first seem related to human flourishing, they are related in terms of describing the means by which human flourishing is accomplished. The connection between the three discussed concepts can be seen when viewed as a group. Pennington writes, “The foundational call on humanity is to be *tamim/teleios* or whole. This *wholeness* of character describes both the means and the state of God-blessed flourishing. It is not an accident that the people described as *ashre/makarios* and *shalom* are the ones whose lives are marked by *tamim/teleios*.”⁹ In other words, through a wholeness of character that involves complete devotion to God, humans can obtain peaceful, blessed flourishing.

Rather than rejecting the idea of human flourishing, the Bible describes a view of what it means to flourish as a human being and the God-ordained way to flourish. This biblical theology of human flourishing is not a limited interest in the Bible but can be found throughout the entire canon inherent in the three-word pairs described above. The problem in secular culture is that humans assume it is possible to flourish without God or without

⁷ Pennington, “A Biblical Theology of Human Flourishing,” 9.

⁸ Pennington, “A Biblical Theology of Human Flourishing,” 12.

⁹ Pennington, “A Biblical Theology of Human Flourishing,” 14.

following his divinely ordered path to flourishing revealed in his Word. For the interests of this thesis, economic wellbeing is part of God’s vision for human flourishing. However, economic wellbeing is not the totality of God’s view for human flourishing, so it must be balanced with other concerns, most importantly devotedness to God. Brent Waters says,

New and expanding global markets, in conjunction with an increasingly global economy, are potentially best situated for addressing the material wants and needs as a necessary prerequisite for human flourishing. . . . I am *not* arguing that producing and exchanging material goods and services is synonymous with human flourishing. It is a means for achieving this objective and not an end in itself.¹⁰

A global market is not the final solution when it comes to human flourishing, but it can be a helpful vehicle for promoting flourishing.

Miroslav Volf describes the relationship between globalization and human flourishing this way: “Life marked by love for God and neighbors, flourishing human life, is the end; globalization is a means, valuable insofar as it enables us to achieve that end.”¹¹ Volf’s understanding of the relationship between the global market and human flourishing can be illustrated by Jesus’s illustration of bread.¹² Jesus, quoting Deuteronomy 8:3, says, “It is written: ‘Man shall not live on bread alone, but on every word that comes from the mouth of God’” (Matt 4:4). With bread alone, flourishing human life is not possible, but without bread, no human being could live long enough to grasp Jesus’s words. That is to say, economic well-being alone will not result in human flourishing, but one must be economically prosperous enough to have something to eat in order to comprehend that life is about more than simply economic gain.

Dallas Willard adds to the conversation by saying that two elements outside of the human being are needed for flourishing: “For this view of human well-being and flourishing two *non-human* elements are required: the actual *presence* of a living acting

¹⁰ Brent Waters, *Just Capitalism: A Christian Ethic of Economic Globalization* (Louisville: Westminster John Knox, 2016), xi–xii, emphasis original

¹¹ Miroslav Volf, *Flourishing: Why We Need Religion in a Globalized World* (New Haven, CT: Yale University, 2015), 16.

¹² Volf, *Flourishing*, 22.

God in human life (corporate as well as individual) and *provisions* (including material provisions) from God outside of the course of mere natural events.”¹³ A Christian account of human flourishing requires a relationship with God and material provisions. Willard cites Psalm 23 as an example of these two elements. The first line says, “The Lord is my shepherd, I shall not want.” The rest of the Psalm describes the provisions of the Lord including physical provisions, such as green pastures and quiet waters, and spiritual provisions, such as God’s guidance and presence. Willard expresses in another way what Wolf has said through his bread illustration: humans need material provisions and a relationship with the transcendent God to truly flourish in this world.

According to Bryant L. Myers, God has given humanity the task of developing his creation for the wellbeing of all, which has implications for the goals of economic activity. He says this vision implies that “we need to correct any actions or conditions that diminish human flourishing, and we must ensure that everything that enables human flourishing is available to all.”¹⁴ In other words, individual humans cannot just look to their own flourishing. They are responsible for creating the conditions under which all of humanity may flourish. This responsibility involves correcting any activity that diminishes human flourishing. Therefore, if a purely localized economy diminishes human flourishing, as will be shown in later chapters, it should be avoided. Also, ensuring “that everything that enables human flourishing is available to all” would include embracing a global market.

Myers points to two Bible passages to support a vision of shalom for humanity.¹⁵

In Isaiah 65:19–24, God describes what shalom will look like for his people:

¹³ Dallas Willard, “Economic Wisdom and Human Flourishing” (presentation given at the Kern Family Conference for Theological Educators, St. Paul, MN, January 25–26, 2013), emphasis original.

¹⁴ Bryant L. Myers, *Engaging Globalization: The Poor, Christian Mission, and Our Hyperconnected World* (Grand Rapids: Baker, 2017), 24.

¹⁵ Myers, *Engaging Globalization*, 22–23.

“I will rejoice over Jerusalem and take delight in my people; the sound of weeping and of crying will be heard in it no more. Never again will there be in it an infant who lives but a few days, or an old man who does not live out his years; the one who dies at a hundred will be thought a mere child; the one who fails to reach a hundred will be considered accursed. They will build houses and dwell in them; they will plant vineyards and eat their fruit. No longer will they build houses and others live in them, or plant and others eat. For as the days of a tree, so will be the days of my people; my chosen ones will long enjoy the work of their hands. They will not labor in vain, nor will they bear children doomed to misfortune; for they will be a people blessed by the Lord, they and their descendants with them. Before they call I will answer; while they are still speaking I will hear. The wolf and the lamb will feed together, and the lion will eat straw like the ox, and dust will be the serpent’s food. They will neither harm nor destroy on all my holy mountain,” says the Lord.

While this vision is eschatological, it still shows what ideal human life characterized by shalom will look like. The other passage Myers appeals to is John 10:10: “I have come that they may have life, and have it to the full.” In Jesus’s words, his mission was to come to provide believers with life of full human flourishing. Believers should join Jesus by pursuing human flourishing for themselves and others.

Amy Sherman calls this mission a call to “flourish” others: “Though this isn’t an exact, grammatically correct way to put it, a huge part of that purpose is *to flourish* others. . . . True biblical flourishing involves the good of others as well as our own good.”¹⁶ Sherman describes this mission as the original vocation of humanity, that of being royal priests. She draws on the language of the garden in Genesis being a temple garden in which Adam and Eve were to serve as royal priests. All the way at the end of the canon, Revelation depicts the redemption of God’s people to be royal priests: “You have made them to be a kingdom and priests to serve our God, and they will reign on the earth” (Rev 5:10). What does being a royal priest entail? Sherman answers, “Humans were created to image God in the world, offering up our worship to him alone, and to reflect his character in the world. We were made, in short, for worship and mission. *We flourish* when we inhabit this vocation, and *others flourish* when we discharge it in God’s strength and

¹⁶ Amy Sherman, *Agents of Flourishing: Pursuing Shalom in Every Corner of Society* (Downers Grove, IL: IVP, 2022), 18, emphasis original

according to God's ways."¹⁷ In other words, the key to individual flourishing is for the individual to embrace being God's representative in the world and to work for the flourishing of others.

If true human flourishing can only be achieved through proper relationship with God through Jesus Christ, then should Christians bother promoting human flourishing in communities of nonbelievers? Yes, they should. Pennington writes,

I am not saying, however, that non-Christians cannot experience some real flourishing. There is common grace throughout God's creation, and God in his kindness causes the sun and rain to come to the righteous and the unrighteous (Matt. 5:45). . . . Non-Christians can know some flourishing, and non-Christian thinkers can have insight into the wisest and best ways of being in the world.¹⁸

Pennington continues to explain that Christianity is distinct in its version of human flourishing in that "it is consciously and conspicuously given as a vision for all people, men and women, children and adults, educated and illiterate, rich and poor, slave and free."¹⁹

What about Jesus's ideals expressed in the sermon on the mount and Paul's ideal of being content in every circumstance? Do these New Testament teachings supersede what is taught in the Old Testament about human flourishing? When Jesus says, "Blessed are the poor" (Matt 6:20), and Paul says, "I have learned to be content in whatever circumstances I am" (Phil 4:11), they are not teaching a new version of human flourishing that involves a complete rejection of material possessions. Instead, they are showing that physical needs are subordinate to spiritual needs. Willard writes, "The overall outlook of Jesus, and Paul, and the Bible on 'secular' human values is not one of rejection, but of subordination. Food and desire to eat and decent housing and clothing, for example, are not rejected from a godly life; but they are not to control us; and the same is true for all

¹⁷ Sherman, *Agents of Flourishing*, 21, emphasis original.

¹⁸ Jonathan T. Pennington, "Human Flourishing and the Bible," in *Counting the Cost: Christian Perspectives on Capitalism*, ed. Art Lindsley and Anne R. Bradley (Abilene, TX: Abilene Christian University, 2017), 50.

¹⁹ Pennington, "Human Flourishing and the Bible," 51.

‘natural’ desires and their satisfactions.”²⁰ Jesus teaches that if one has a right relationship with the Father, one can rely on him to meet his physical needs (Matt 6:33). In short, the New Testament ideal of human flourishing still involves material blessings.

From this brief survey, I have shown that human flourishing is a thoroughly biblical idea that involves a proper relationship with God and a proper relationship with creation in the form of economic well-being. The New Testament’s emphasis on a relationship with God over material goods does not mean that human beings do not need material goods to flourish. Instead, the desire for material goods must be subordinate to the desire for God. Besides, if one is in right relationship with God, he can trust God to provide the means through which he can flourish. As Volf explained, men cannot live by bread alone, but men cannot understand this principle without bread. The vocation for Christians becomes helping others to flourish, which involves implementing structures under which humanity flourishes. As will be shown later, a global market is a better structure to promote human flourishing than restricting buying to local sources.

Productivity

God has shown the means by which humans are to flourish economically in Genesis. Humans are to take God’s raw creation and make it productive. Genesis 1:28 says, “God blessed them and said to them, ‘Be fruitful and increase in number; fill the earth and subdue it. Rule over the fish in the sea and the birds in the sky and over every living creature that moves on the ground.’” This passage is known as the cultural mandate. While casual readers may assume this passage is only talking about reproduction, fruitfulness refers to much more than human reproduction. It is connected to productivity and developing the world God has made. A clear understanding of the cultural mandate means that, everything else being equal, the more productive structure is the better structure

²⁰ Willard, “Economic Wisdom and Human Flourishing,” 3.

to fulfill God’s design for human beings. As will be shown later, a global market is a vastly superior structure for productivity than limiting an economy to local sources.

Timothy Keller writes of the cultural mandate, “It means civilization, not just procreation. We get the sense that God does not want merely more individuals of the human *species*; he also wants the world to be filled with a human *society*.”²¹ Keller points out that God creates realms on the first three days of creation and then fills them in the next three days of creation.²² Humans should follow God’s pattern of taking the raw material of creation and shaping it to make it productive. Keller draws out the implications of this idea: “Whenever we bring order out of chaos, whenever we draw out creative potential, whenever we elaborate and ‘unfold’ creation beyond where it was when we found it, we are following God’s pattern of creative cultural development.”²³ God created an incredible world of useful materials. His desire is that humans in his image continue the work of creation through cultivation and productivity.

Tom Nelson, writer of *The Economics of Neighborly Love*, says of Genesis 1:28, “We find five imperative words strung together like interlocking links on a chain (*be fruitful, multiply, fill, subdue, and have dominion*). Linguistically, imperatives are authoritative commands, no optional suggestions.”²⁴ As Nelson clearly states, these commands are not optional. Ultimately, humans are copying God and living in his image as they do these things. Nelson brings out from the Genesis narrative that God is described as a “God who works and is productive.”²⁵ His human creatures are made in his own image, so they were designed to reflect his image as “a productive, fruitful, and creative

²¹ Timothy Keller, *Every Good Endeavor: Connecting Your Work to God’s Work* (New York: Penguin, 2012), 44, emphasis original.

²² Keller, *Every Good Endeavor*, 46.

²³ Keller, *Every Good Endeavor*, 48.

²⁴ Tom Nelson, *The Economics of Neighborly Love: Investing in Your Community’s Compassion and Capacity* (Downers Grove, IL: InterVarsity, 2017), 28, emphasis original.

²⁵ Nelson, *The Economics of Neighborly Love*, 25.

worker.”²⁶ Later in the chapter on economics, it will be shown just how a global market can be more productive and, furthermore, how a global market fosters creativity.

Being fruitful creates value and new wealth. Grudem and Asmus say of Genesis 1:28,

The Hebrew word translated ‘subdue’ is *kabash*, and it implies that Adam and Eve were to make the resources of the earth useful for their own benefit and enjoyment. . . . God’s ideal for us is not that we live in caves and barely survive on a subsistence diet of nuts and berries, but rather that we discover and develop the abundant resources that he has placed in the earth for our benefit and enjoyment.²⁷

A lifestyle devoted to “going back to nature” and “being one with the land” is living more like animals than living like human beings made in the image of God.

Unfortunately, human productivity is sometimes viewed as an evil to be avoided rather than a good to be pursued. Humans are not spoiling an already perfect universe through productivity because God designed in effect an “unfinished” creation and desires human beings to be productive just as he is productive. Grudem affirms, “Human desires to increase the production of goods and services are not in themselves greedy or materialistic or evil. Rather, such desires to be more productive represent God-given desires to achieve and solve problems.”²⁸ I showed in the section on flourishing that structures that lead to flourishing should be pursued and structures that diminish flourishing should be avoided. The same is true of productivity because it is a God-given means to flourishing. Grudem writes, “Hindering and decreasing the earth’s productivity (as when wars destroy factories and farms, or when governments prevent them from operating) is not good, however, because it simply allows the curse that God imposed in Genesis 3 to gain more

²⁶ Nelson, *The Economics of Neighborly Love*, 26.

²⁷ Wayne Grudem and Barry Asmus, *The Poverty of Nations: A Sustainable Solution* (Wheaton, IL: Crossway, 2013), 59–60.

²⁸ Wayne Grudem, *Business for the Glory of God: The Bible’s Teaching on the Moral Goodness of Business* (Wheaton, IL: Crossway, 2003), 28.

and more influence in the world, and this is what Satan's goal is, not God's."²⁹ God's revealed desire is that humans be productive from the very beginning of Scripture.

John Bolt in his book *Economic Shalom: A Reformed Primer on Faith, Work, and Human Flourishing* connects the aforementioned idea of humans being royal priests with the mandate for productivity: "Adam and Eve's royal office implied dignity and freedom for creative production; for using the manifold riches of creation to enhance human flourishing."³⁰ Through an examination of the literature on this subject, one can see how the ideas of human flourishing, production, and the *imago Dei* are connected. Humans flourish through embracing their role as image bearers in the world. Their role as image bearers involves creative production as they carry on God-like work. It will be shown later how a global economy results in more and better products being created, which falls in line with God's intention for the human race.

Natural Law Theory

Natural law theory can shed further light on how to pursue human flourishing in an economic context. Natural law theory teaches that physical goods are to be pursued as means to ultimate goods. Because physical goods are distinguished from ultimate goods, economic goods are not to be pursued as ends in themselves, and they are not to be pursued to infinite degrees. Based on the previous survey of human flourishing in the Bible, one might assume that the more one flourishes economically the better. Put another way, the more wealth one accumulates for himself, the more he can flourish, even to an infinite degree. Natural law reasoning puts a check on this kind of thinking. Thomas Aquinas and his brand of natural law theory can shed more light on how to flourish as a human being. Since natural law theory centers around pursuing the end or good of who one is designed to be, natural law theory is ordered to human flourishing. Mary L. Hirschfeld, herself an

²⁹ Grudem, *Business for the Glory of God*, 29.

³⁰ John Bolt, *Economic Shalom: A Reformed Primer on Faith, Work, and Human Flourishing* (Grand Rapids: Christian's Library, 2013), 29.

economist turned theologian, uses Aquinas’s view of human flourishing to critique the modern economic theory called the rational choice model. Her modern-day application of Aquinas’s thought will prove useful in this study.

Consonant with Pennington’s survey of the biblical words referring to human flourishing, Hirschfeld writes, “Aquinas’s conception of happiness is centered on the notion of perfection of our beings.”³¹ The central tenant of natural law theory is “that good is to be done and evil is to be avoided.”³² Therefore, the job of the natural lawyer is to identify the goods that should be pursued. I have already argued that the good of economic well-being is affirmed by the Bible and human experience. However, all of the goods cannot be pursued equally. Therefore, the natural lawyer needs a way to order these goods. Furthermore, he needs to distinguish between ultimate goods and instrumental goods. The ultimate good according to the Bible is God himself (as demonstrated in the “Biblical Theology of Human Flourishing” section). Through pursuing God human beings can truly flourish. Hirschfeld contrasts Aquinas’s natural law view with the prevailing economic model: “Aquinas’s conception of happiness involves coming to rest in our ultimate good [God]. Economists model happiness as an unbounded quest for more.”³³

How do these lower goods relate to the ultimate good? The good of economic well-being is instrumental to the good of physical life.³⁴ One cannot live without food, clothing, and shelter. According to Hirschfeld, Aquinas extrapolates that “because our physical needs (including our need for implements to carry out our various activities) are

³¹ Mary L. Hirschfeld, *Aquinas and the Market: Toward a Humane Economy* (Cambridge, MA: Harvard University, 2018), 68.

³² Hirschfeld, *Aquinas and the Market*, 108.

³³ Hirschfeld, *Aquinas and the Market*, 80.

³⁴ Hirschfeld, *Aquinas and the Market*, 119.

finite, our rational desire for wealth is also finite.”³⁵ Human beings do not need infinite amounts of wealth to flourish.

The Bible confirms Aquinas’s reasoning. Further down the line, economic well-being is instrumental to the ultimate good of honoring God. Proverbs 30:8–9 says, “Give me neither poverty nor wealth; feed me with the food I need. Otherwise, I might have too much and deny You, saying, ‘Who is the Lord?’ or I might have nothing and steal, profaning the name of my God.” In this proverb, the writer asks God not to give him too little or too much. Having too little would not support his physical life and tempt him to steal. Having too much would distract him from the ultimate good in life: God. The New Testament confirms this perspective: “But godliness with contentment is a great gain. For we brought nothing into the world, and we can take nothing out. But if we have food and clothing, we will be content with these” (1 Tim 6:6–8). While economic well-being is a good, it is not to be pursued as an end in itself, and it is not to be pursued to an infinite degree.

Empirical data representing people’s perceived levels of happiness also confirm Aquinas’s conclusion. If economic well-being were the ultimate good, then one would expect higher levels of economic well-being to correlate with higher levels of happiness. This trend is seen throughout the lower levels of wealth, but after a certain point, more wealth does not trigger more perceived happiness. This principle is known as the Easterlin Paradox. While the Easterlin Paradox has its share of critics, it remains an important concept in happiness studies and continues to be defended by Easterlin and others.³⁶ Christians cannot base their ideas solely on perceived satisfaction in people’s lives since these feelings may be based on wrong thinking. However, seeing that the Bible, natural law theory, and human experience agree on this point strengthens the argument.

³⁵ Hirschfeld, *Aquinas and the Market*, 120.

³⁶ Richard A. Easterlin, “Paradox Lost?,” IZA Institute of Labor Economics, January 2016, 2, <https://www.iza.org/publications/dp/9676/paradox-lost>.

Natural lawyers going back to Aristotle have considered an unbounded quest for more to be a vice. Alasdair MacIntyre comments, “The trait that the Greeks called *pleonexia*, acquisitiveness, a trait that both Aristotle and Aquinas took to be a vice, comes for the first time to be treated as a virtue by large numbers of people and money becomes an object of desire, not only for what it can buy, but for its own sake.”³⁷ MacIntyre is writing of the current spirit of the age in which wealth is pursued for its own sake rather than for the sake of some good that it provides. Aquinas himself writes,

Hence it must needs be that man's good in their respect consists in a certain measure, in other words, that man seeks, according to a certain measure, to have external riches, in so far as they are necessary for him to live in keeping with his condition of life. Wherefore it will be a sin for him to exceed this measure, by wishing to acquire or keep them immoderately. This is what is meant by covetousness, which is defined as “immoderate love of possessing.”³⁸

MacIntyre and Aquinas are saying that the purpose of wealth is to help obtain other goods. When those goods are obtained, the real need for more wealth diminishes, and an acquisitiveness or covetousness for more is a vice.

Natural law theory is quick to defend the idea of private property. However, the right to excess wealth beyond what is needed to pursue the good in one’s life is not defended. Gary Charter wrote a treatise on the connection between natural law and economics entitled *Economic Justice and Natural Law*. He draws mostly from “new classical natural law” theory articulated by Germain Grisez, John Finnis, Joseph M. Boyle Jr., Robert P. George, and Chris Tollefsen.³⁹ In chapter 1 of his book, Charter defends the idea of private property. Yet in chapter 2’s discussion of distribution, he

³⁷ Alasdair MacIntyre, *Ethics in the Conflicts of Modernity: An Essay on Desire, Practical Reasoning, and Narrative* (New York: Cambridge University, 2016), 109.

³⁸ Thomas Aquinas, *Summa II-II.118.1*, trans. Fathers of the English Dominican Province, in *St. Thomas Aquinas Summa Theologica: Complete English Edition in Five Volumes* (Notre Dame, IN: Christian Classics, 1981), 3:1680.

³⁹ Gary Charter, *Economic Justice and Natural Law* (Cambridge: Cambridge University, 2009), 1.

argues that wealth exceeding what is needed to participate in the basic aspects of well-being be considered a “public trust.”⁴⁰ Charter specifies the public trust threshold:

Resources in excess of the public trust threshold are ones (i) which are not needed to fulfill specific duties that flow from the criteria of distributive justice, whether to friends, trading partners, or people in need, and (ii) which, in accordance with the requirements of practical reasonableness, it is unreasonable to use to further one’s own participation in the various aspects of well being.

It is important to note what Charter considers to be basic aspects of well-being. He lists “aesthetic experience, creativity, friendship and community, knowledge, life and bodily well being, mental health and inner peace, play, practical reasonableness, and religion” as basic elements of well-being.⁴¹ Charter is arguing that one does not have a right to keep wealth beyond what is needed to participate in these basic goods. He is not arguing as a consequentialist might that every person should limit himself to what it takes to physically survive in order to give to help others because he has a robust view of human flourishing.

However, how can Charter say that people do not have a right to keep their own wealth for themselves when it reaches a particular threshold? It is because property rights are contingent and not absolute. If humans were to have absolute rights over their property, then no one else could have an interest in their property. However, the Bible both affirms private property in the eighth commandment and yet teaches that God is the ultimate owner of everything. Psalm 89:11 says, “The heavens are yours, and yours also the earth; you founded the world and all that is in it.” Therefore, humans are to respect private property, but they do not have an absolute right to property because God’s owns everything. What is one to do with wealth beyond the public trust threshold? Charter says, “Wealth beyond one’s public trust threshold must either be given away (individually or through one communal process or another) or invested in ways that yield benefit to other persons or

⁴⁰ Charter, *Economic Justice and Natural Law*, 50.

⁴¹ Charter, *Economic Justice and Natural Law*, 7.

shared projects (not necessarily the *needy* in the narrow sense).”⁴² Wealth beyond the public trust threshold must be given away or invested in the community.

Early Christian teaching on wealth and poverty confirm the natural law teaching. Helen Rhee wrote a study on the early church’s positions on wealth and poverty titled *Loving the Poor, Saving the Rich: Wealth, Poverty, and Early Christian Formation*. Rhee concludes,

While early Christians in general hardly denied the legitimacy of private property, they considered it a share of the common creation that was intended for the common use and the common good. . . . [This view] means that the needs of others do matter in our stewardship of God-given possessions and that they should influence our decisions about our money and property. Our ownership is always conditional in light of God’s absolute ownership and creative purpose (the common good).⁴³

God does not just give wealth to a person only for that person to consume it. He blesses people so they can bless others.

When wealth is given away, who should it go to? It should not go to people who have already reached the public trust threshold with their wealth. This principle gets to the issue of a global or local economy. A global economy has the potential to bring wealth to people around the world who have not reached the public trust threshold, allowing them to participate in basic human goods. On the other hand, a local economy in America will economically benefit people who generally already have the means by which to flourish. As will be explained in the next chapter, trade provides economic benefit. In a trade, each person gains something they want and is better off. If this were not so, then the partners would not have agreed to the trade. When writing about what to do with public trust wealth, Charter discusses the benefit of employing others: “There will often be less reason, all other things being equal, to provide employment to people already in comfortable economic circumstances if one is doing so to fulfill one’s duty to make good use of

⁴² Charter, *Economic Justice and Natural Law*, 60, emphasis original.

⁴³ Helen Rhee, *Loving the Poor, Saving the Rich: Wealth, Poverty, and Early Christian Formation* (Grand Rapids: Baker, 2012), 193..

resources beyond one's public trust threshold."⁴⁴ Although Charter was discussing employment, and I am discussing trade, employment and trade both bring economic benefit, so both should be done for the benefit of those who do not have the means to flourish.

What one will not find from natural lawyers is an idea that humans should be less productive. Wealth flows from God's design for humans to be fruitful and productive. Thus, wealth is not bad in and of itself. Keeping or desiring too much for oneself is a vice, but having a high paying job or owning a productive business is not a vice. It all comes down to how that income is used. It could be used to provide excessive luxuries to the already wealthy, or it could be used to provide basic goods to the poor to provide them with the means to a flourishing life. Dallas Willard gives a full chapter to the question "Is Poverty Spiritual?," in his book *The Spirit of the Disciplines: Understanding How God Changes Lives*. He brings out the fact that the cultural mandate involves ownership of goods: "But to abandon the goods of this world to the enemies of God is to fail the responsibilities we are given at creation to have dominion, to rule over all life forms above the plants (Gen 1:26)."⁴⁵ Image bearers should be productive, which leads to wealth. While there are limits on how much wealth one needs to keep in order to have a flourishing life, God does not set limits on how productive or industrious one should set out to be. Of course, producing too many goods to be of use just for the sake of production would be wasteful and, in that sense, not productive. As will be shown in the next theological idea, true productivity provides the wealth by which one can show love to his neighbors.

To apply these principles to the debate over the Buy Local Movement, one must consider data showing that the overwhelming majority of people in the United States already have adequate means by which to flourish. However, many people in the developing world do not have the means to flourish. Data from the World Bank

⁴⁴ Charter, *Economic Justice and Natural Law*, 65.

⁴⁵ Dallas Willard, *The Spirit of the Disciplines* (New York: HarperCollins, 1988), 202.

comparing the US with Haiti may demonstrate this point. The US GDP per capita is \$76,398.60,⁴⁶ while in Haiti it is \$1,748.30.⁴⁷ The US poverty headcount ratio at \$2.15 a day is 0.2 (2021),⁴⁸ while in Haiti, it is 29.2 (2012).⁴⁹ These numbers indicate that the average US citizen has the means to flourish while those in a developing country have a much larger percentage of people without the means to flourish. The Buy Local Movement in America asks Americans to economically benefit people who already have enough income to live flourishing lives. A global economy, on the other hand, economically benefits people in developing countries who do not have the means to flourish. A global economy is preferred because it promotes human flourishing for all.

Neighbor Love

When Jesus was asked which was the greatest commandment in the Law, he answered, “‘Love the Lord your God with all your heart and with all your soul and with all your mind.’ This is the first and greatest commandment. And the second is like it: ‘Love your neighbor as yourself’” (Matt 22:37–39). Everything God requires of human beings can be summarized in these two commandments. To understand how to love one’s neighbor, the first question to ask is, “What is love?” Willard answers, “To love something or someone is to act or be poised to act for its (or their) good. Love of neighbor is a disposition to act for what is good for your neighbor.”⁵⁰ This definition of love shows how neighbor love connects with a vision for human flourishing. If to love someone is to

⁴⁶ “United States Data,” World Bank Group, 2022, <https://data.worldbank.org/country/united-states?view=chart>.

⁴⁷ “Haiti Data,” World Bank Group, 2022, <https://data.worldbank.org/country/haiti?view=chart>.

⁴⁸ “United State Data,” World Bank Group.

⁴⁹ “Haiti Data,” World Bank Group.

⁵⁰ Dallas Willard, “Some Elements of Economic Wisdom to Be Addressed by Christian Ministry” (presentation given at the Kern Family Conference for Theological Educators, St. Paul, MN, January 25–26, 2013).

seek their good or their flourishing, and economic well-being is an aspect of human flourishing, then loving neighbors means to promote their economic well-being. As will be shown in the next chapter, a global market promotes the economic well-being of image bearers around the globe, so promoting a global market shows love for global neighbors.

Neighbor love can be shown through the economic value added through trade, but neighbor love can also be fostered through a global market by creating economic capacity for giving. As will be shown in the next chapter, a global market is more productive than a local one because each country has different resources that allow it to be more efficient in producing certain goods. The global market has created vast wealth and provided unprecedented reduction in world poverty. Sherman writes,

A productive economy can help lift people out of poverty; indeed, the capacity for a for-profit business to do this is greater than that of nonprofit organizations or philanthropy. Worldwide, economic growth has greatly reduced extreme poverty in the past fifty years: the number of people living on a dollar per day or less dropped by 80 percent between 1970 and 2006.⁵¹

Not only does global trade economically benefit those one trades with, but it also creates economic capacity with which believers can give aid.

God's design for believers in Scripture is that through their productivity, they provide for their own needs and create the economic capacity to provide for the needs of others. Ephesians 4:28 says, "Anyone who has been stealing must steal no longer, but must work, doing something useful with their own hands, that they may have something to share with those in need." Tom Nelson's discussion of the Good Samaritan brings attention to economic capacity enabling neighbor love:

The Samaritan was motivated by heartfelt compassion, but he was also able to engage in loving action because he had the economic capacity to do so. The Samaritan's economic capacity came from diligent labor and wise financial stewardship within an economic system where he added value to others. If we are going to love our neighbor well, we must not only manage our financial resources well; we must have ample financial resources to manage.⁵²

⁵¹ Sherman, *Agents of Flourishing*, 201.

⁵² Nelson, *The Economics of Neighborly Love*, 15.

In other words, showing neighbor love economically means that Christians embrace the cultural mandate to work productively which gives them the capacity to give to their neighbors.

Some consequences result from local and global buying. Those who argue for local buying often tout the benefits for the local economy in the lives of local people. Those who argue for global buying also tout benefits, yet the benefits they tout are for people in developing countries. Christians are called to put their faith into action by caring for the physical needs of their brothers and sisters in Christ. James 2:15–17 says, “If a brother or sister is without clothes and lacks daily food and one of you says to them, ‘Go in peace, keep warm, and eat well,’ but you don’t give them what the body needs, what good is it? In the same way faith, if it doesn’t have works, is dead by itself.” Assuming economic activity brings the standard of living up for the people one trades with, by choosing to trade with those close by, he might be neglecting those far away. Some who argue for a strong principle of moral proximity say that Christians are only responsible to care for those close to them. However, as seen from Scripture, physical distance does not exempt Christians from showing neighbor love.

Neighbor love is built on the foundation that every human being is made in the image of God. The image of God impacts Christian ethics because if every person is made in God’s image, then every person is worthy of love and respect. The logic moves in the following way: because Jesus is *the* image of God (Col 1:15) and all people bear God’s image (Gen 1:27), and when one treats others poorly, he treats Jesus poorly, and when one treats others well, he treats Jesus well. Jesus shares this idea in Matthew 25: “For I was hungry and you gave Me something to eat; I was thirsty and you gave Me something to drink; I was a stranger and you took Me in” (v. 35). Later, when the righteous ask when they did these things, Jesus responds, “And the King will answer them, ‘I assure you: Whatever you did for one of the least of these brothers of Mine, you did for Me’” (v. 40). C. Kavin Rowe in his book *Christianity’s Surprise: A Sure and Certain Hope* teases

out the connection between the image of God and how we treat others and concludes, “The earliest Christians, however, began with Jesus and said that whenever you encounter a human being you simultaneously encounter him.”⁵³ Because every person on earth is made in the image of God, Christians need to consider how they will affect people both near and far away from them.

When it comes to moral proximity, the two sides of the debate within Christendom can be represented by Ronald J. Sider and his *Rich Christians in an Age of Hunger: Moving from Affluence to Generosity* and John R. Schneider and his *The Good of Affluence: Seeking God in a Culture of Wealth*.⁵⁴ Sider represents the view that affluent Christians are obligated to be concerned about the world’s poor, while Schneider represents a very limited obligation to give economically to the poor if any obligation at all. Schneider gets his idea of moral proximity from the Old Testament:

The people within Israel had no developed system of obligations in their ethics toward people living outside their national boundaries. . . . It existed in order to make the demands of morality in economic life reasonable, bearable, and humane. For without this moral perspective and its graduated limitation of moral duty, for the seriously dutiful person, the vision and blessing of material delight would be impossible to accept.⁵⁵

In other words, the speculative reason why God did not give the Israelites ethical commands beyond their national borders was because such commands would be too burdensome and keep the Israelites from enjoying the material blessings of God.

However, even if there were no ethical considerations beyond national borders in Old Testament times, several Scriptures in the New Testament open up circles beyond family and national lines. First, the story of the good Samaritan broadens Jesus’s listeners’ understanding of who they were responsible for. In this story, the helper has no prior

⁵³ C. Kavin Rowe, *Christianity’s Surprise: A Sure and Certain Hope* (Nashville: Abingdon, 2020), 40.

⁵⁴ Ronald J. Sider, *Rich Christians in an Age of Hunger: Moving from Affluence to Generosity*. 6th ed. (Nashville: W Publishing, 2015); John R. Schneider, *The Good of Affluence: Seeking God in a Culture of Wealth* (Grand Rapids: Eerdmans, 2002).

⁵⁵ Schneider, *The Good of Affluence*, 89.

relationship with the helped, is not part of the same social group, and is of a different ethnicity. The helper simply became aware of the issues and regardless of nationality, race, age, or sex decided to help the person in need. Rather than placing limitations on neighbor love, this parable is opening them up. Thomas Walker explains, “It is in creating new imaginative possibilities that challenge the restricted view of neighbor and in pushing for more expansive, if not nonexistent neighbor boundaries.”⁵⁶ Schneider glaringly omits the story of the good Samaritan from his consideration of the parables.

Second, Scripture in the New Testament points to a new situation in the last days. Jesus said in the Sermon on the Mount, “You have heard that it was said, Love your neighbor and hate your enemy. But I tell you, love your enemies and pray for those who persecute you” (Matt 5:43–44). Jesus’s command breaks through circles of proximity. James also points to a new ethical consideration. He chastises the wealthy because they “stored up treasure in the last days” (Jas 5:3). Even if wealth was a sign of blessing in the Old Testament, end times ethics requires Christians to love and give to all people, even their enemies. Schneider’s hermeneutic involves reading Old Testament ethics into the New Testament. He says, “For even in Luke’s Gospel, which is the most severe of them all toward the rich of Israel, the foundations of Jesus’ ethics are not in asceticism or utilitarianism. They are in the vision of God as expressed in and through the prophets.”⁵⁷ In contrast to this view, as the fulfillment of the law, if anything, Jesus widened the circles of care for Christians.

Third, the collection for the church in Jerusalem breaks through the boundaries of moral proximity. Sider sees this collection as opening up previously closed boundaries: “With Peter and Paul, however, biblical religion moved beyond the ethnic group and became a universal, multiethnic faith. Paul’s collection demonstrated that the oneness of

⁵⁶ Thomas W. Walker, “Who Is My Neighbor?,” in *Global Neighbors: Christian Faith and Moral Obligation in Today’s Economy*, ed. Douglas A. Hicks and Mark Valeri (Grand Rapids: Eerdmans, 2008), 12.

⁵⁷ Schneider, *The Good of Affluence*, 168.

believers entails economic sharing across ethnic and geographic lines.”⁵⁸ Because Jerusalem is in Asia and Greece is in Europe, there is biblical precedent for intercontinental economic concern. While Schneider argues against this view, his reasoning proves to be unconvincing. He claims that the ethics for the collection are not normative: “I believe that Paul did teach in these passages that the Corinthians could choose to submit out of grace to an ethics of the utilitarian sort. But I do not believe that Paul taught (implicitly or explicitly) in these passages that this ethics is normative for all Christians in all times and circumstances.”⁵⁹ His argument relies on conjecture about the reason for the collection. He says the motivation was not economic but that “Paul’s primary concern was rather with the connection between Israel and the emerging Gentile church.”⁶⁰ Schneider’s knowledge of Paul’s mind on this matter rests on the fact that the Macedonian church was asked to give even though they were a poor church as well.

However, because Paul does not disclose his “primary motivation” in Scripture, it would be best not to guess his mind any more than what is revealed. What is revealed is located in 2 Corinthians 8:13–14: “It is not that there may be relief for some and hardship for you, but it is a question of equality—at the present time your surplus is [available] for their need, so that their abundance may also become [available] for your need, that there may be equality.” Paul’s appeal seems to be based on equality and not based on Gentiles helping Jews because he mentions in verse 14 that the Jerusalem church might be able to help them someday. His appeal is not limited by distance or proximity. Furthermore, Paul says he did not call for the Macedonian believers to give out of their poverty but that they did this “on their own” and “begged” Paul to allow them to share in this ministry (2 Cor 8:3–4).

⁵⁸ Sider, *Rich Christians in an Age of Hunger*, 88.

⁵⁹ Schneider, *The Good of Affluence*, 208.

⁶⁰ Schneider, *The Good of Affluence*, 209.

Furthermore, the rise of modern technology and globalization eliminates the relevance of physical distance for moral considerations. Using physical distance when determining ethical responsibility can result in some absurd conclusions. For example, suppose a well-off man from America goes on a trip to Africa for a safari. If he comes in close physical proximity to people in extreme poverty while on this trip, he then becomes responsible to help according to this logic. However, if he had just stayed home, then he would never have had any special obligation to help them. It seems that if the man did not wish to have the responsibility of helping these poor people, it would be better for him to stay away from places in which he would encounter them. This kind of thinking seems to go directly against the teaching of Jesus in the good Samaritan. One might be encouraged to take the path of the priest and the Levite who “passed by on the other side” (Luke 10:31). They seemed to think that by staying away from the man in need they would be free from obligation to him.⁶¹ Nevertheless, they received condemnation from Jesus.

To sum up, moral proximity should not limit one’s concern for the economic well-being of people around the globe. When the definition of Christian love is uncovered, the connection between human flourishing and neighbor love is revealed. If love means seeking the good of neighbors, and economic well-being is an element of human flourishing, then Christians show love to neighbors when they economically benefit those neighbors through trade or giving. Through a global market, believers can provide economic benefits to other image bearers around the globe. Furthermore, the wealth created through a global economy creates a capacity for more neighbor love to be shown through direct giving. Those who take the time to consider what is best for human neighbors around the world will come to realize that a global market is a better structure for promoting human flourishing.

⁶¹ Bharat Ranganathan, “On Helping One’s Neighbor,” *Journal of Religious Ethics* 40, no. 4 (December 2012): 662.

Conclusion

From the survey of biblical literature, I showed that while the Bible does not directly address the Buy Local Movement from an ethical perspective, it does contain positive examples of foreign trade. Furthermore, prohibitions regarding trade in the Bible center around unfair trade practices and trading on the Sabbath. Nehemiah could have rebuked the Israelites for buying imported fish from the Tyrians, but instead, he rebukes them for trading on the Sabbath. These passages of Scripture point away from the ethical commands of the Buy Local Movement, but they are not sufficient to convince a person to throw out a preference for buying local altogether.

In the survey of theology, I covered four topics that come to bear on the issue: a biblical theology of human flourishing, the cultural mandate, a natural law theory of human flourishing, and neighbor love. A deeper study of Scripture and several key terms reveals that human flourishing is an important concept in the Bible. Part of human flourishing from God's perspective is economic well-being. This principle lays the foundation for later economic arguments coming in the next chapter which center around whether economic decisions result in human flourishing or diminish human flourishing. The cultural mandate shows God's desire for humans to bear his image through making the raw elements of creation productive. A more productive economy would be more in line with this cultural mandate. A natural law theory of human flourishing reveals that there is a limit to which economic prosperity serves human flourishing. Economic well-being is a lower order good compared with the ultimate good of knowing God. As finite creatures, it is rational that humans would have a finite need for wealth. Understanding this principle in conjunction with data on the riches of the United States motivates Christians to economically benefit the global world through trade rather than keeping wealth in their own country. Finally, a study of neighbor love reveals that a Christian's moral duty to aid neighbors does not stop at national or ethnic boundaries. As one considers where to purchase goods, he cannot merely consider the good of the people around him. Christians should also consider the economic impact of their buying habits

on other image bearers around the world. As will be shown in the next chapter, a global market is a better way to promote human flourishing, fulfill the cultural mandate, and show love to global neighbors than restricting one's buying completely to local sources.

CHAPTER 3

ECONOMIC FOUNDATIONS

The theological arguments laid out in chapter 2 anticipate economic arguments found in this chapter. For example, the cultural mandate means that humankind should use their creativity to develop the raw materials of creation in order to make it fruitful. Therefore, economic systems that encourage fruitfulness and creativity should be pursued. This chapter will assess how open global markets compare with closed local markets in their ability to promote human flourishing.

Several economic principles prove the benefits of global markets, including the value of trade, growth of the world pie, division of labor, comparative advantage, and creative competition. In this chapter, I will show how each of these ideas supports a global market. Then I will consider the argument of Wendell Berry for a local economy and respond with a counter argument based on the weaknesses of protectionism.

Free Trade as Win-Win

Chapter 2 showed that God is concerned with human flourishing and that human flourishing involves economic well-being. Uncoerced trade helps all parties involved in a trade to flourish. Jay W. Richards shares a simple game his sixth-grade teacher introduced in class which powerfully illustrates this basic principle.¹ In the game, each child is given a small toy. Each child is then asked to express how much they liked their gift on a scale from one to ten. After this, the children are given one trading partner with whom they may trade if both sides agree. In Richard's example, he was given barbie trading cards while his female trading partner had gotten a paddle board, so they happily made the exchange.

¹ Jay W. Richards, *Money, Greed, and God* (New York: HarperOne, 2019), 74–75.

The teacher then recorded their satisfaction level again. The overall satisfaction level of the class had risen. Finally, the teacher allows free trade between all the children in the room. Once more, the overall satisfaction level increased.

This simple game illustrates several principles of free trade. First, free trade is a win for both trading partners. This principle is evidenced by the simple fact that both parties freely agreed to the trade. If the trade were not in both parties' best interests, then it would not have occurred. No one was forcing them into the exchange. Second, trade benefits parties even when the value of the goods exchanged is equal. In the class game, all the toys were roughly equal in value, but they were not all needed or desired equally by all of the students. Therefore, when the exchange occurred, one party did not come out on top in terms of market value, and yet both parties got what they wanted. Finally, expanding the pool of trading partners results in greater benefit to the group as a whole. This principle directly applies to the topic of the global economy. The reason consumers are able to get such a variety of goods and services is because of the globally connected economy. A local economy would have a similar result to the first round of trading in the class game; fewer trading partners means less flourishing.

The advantages of trade may best be shown through what life would be like in the absence of trade. Martin Wolf writes, "We need merely ask what our standard of living would be if we had to grow our own food, make our own clothes and shoes, build our own houses, make our own furniture, write our own books and newspapers, build our own vehicles or be our own doctors and dentists."² Sometimes, subsistence farming is romanticized as a secure, wholesome, and self-sufficient way to live. Yet, Wayne Grudem and Barry Asmus write, "Subsistence farming did not permit people to be either economically or morally better off. It failed economically because populations were sparse, markets were few, and people were so involved with the daily concern for food

² Martin Wolf, *Why Globalization Works* (New Haven, CT: Yale University, 2004), 80.

that they could not work on much of anything else.”³ Furthermore, life in a subsistence farming time period was short, maybe lasting to the mid to late 1920s.⁴ Subsistence farming cannot be a twenty-first century economically reliable alternative because “economies based only on individual subsistence farming would not be sufficient to feed more than a small portion of the world’s 7 billion people.”⁵

Anyone arguing against a global economy must compare a global economy with live alternatives. Only with a viable live alternative could the global economy be replaced. Yet there are no success stories of countries becoming wealthy without globalizing. After surveying a myriad of studies, Peter H. Lindert and Jeffrey G. Williamson conclude, “The second, and this time empty, set contains those countries that chose to be less open to trade and factor flows in the 1990s than in the 1960s and rose in the global living-standard ranks at the same time. As far as we can tell, there are no antiglobal victories to report for the postwar third world.”⁶ The alternatives to a global economy are rural subsistence farming and communism, which both have a failing track record in creating and sustaining wealth.

Growing Pie Not Zero Sum

The principle of neighbor love from chapter 2 teaches that Christians should be concerned about the economic well-being of image bearers across the globe, both near and far. However, some argue that for one person to get rich, others had to become poor. This common misunderstanding about the economy comes from thinking about the wealth of the world as a zero-sum game. In this idea, one’s gain is another’s loss. There is only so much wealth to go around, so if you take more of the pie, there is less for me. Those who

³ Wayne Grudem and Barry Asmus, *The Poverty of Nations: A Sustainable Solution* (Wheaton, IL: Crossway, 2013), 111.

⁴ Grudem and Asmus, *The Poverty of Nations*, 110.

⁵ Grudem and Asmus, *The Poverty of Nations*, 111.

⁶ Peter H. Lindert and Jeffrey G. Williamson, “Does Globalization Make the World More Equal?,” in *Globalization in Historical Perspective*, ed. Michael D. Bordo, Alan M. Taylor, and Jeffrey G. Williamson (Chicago: University of Chicago, 2003), 252.

take this approach focus more on how to divide up the pie of the earth's resources rather than on how to create more wealth. However, given the potential of God's creation for development and his mandate that humanity makes his creation fruitful, it should not be surprising that the wealth of the world as a whole can expand. If the entire pie expands, then there is more wealth in each individual slice. Wealth is created when human beings develop the raw materials of the earth to make them useful. By growing the world wealth pie, there is more wealth for image bearers across the globe.

A clear example of the creation of wealth comes from the sharing economy. Companies like Uber and Airbnb are unique in that they do not use their own property to make money. Uber does not own taxis, and Airbnb does not own real estate, and yet they are worth \$145.39B⁷ and \$94.57B,⁸ respectively. The reason they are able to generate revenue without owning their own property is that they make people's property profitable for them through their ideas and technological platform. A person might own a car and a home, but he cannot make them profitable without the sharing economy's platforms. Uber and Airbnb have generated billions of dollars of income both for themselves and their users through these platforms.

Applying the idea of wealth creation to the buy local debate, one country does not get richer at the expense of another country in a truly free market. Unfortunately, this principle has been ignored by some politicians arguing for protectionism. For example, in the runup to the 2016 election, Donald Trump blamed China for stealing US jobs: "They [US workers] can't get jobs, because there are no jobs, because China has our jobs and Mexico has our jobs."⁹ Furthermore, Trump promises to impose more tariffs on Chinese

⁷ "Uber Profile," *Forbes*, accessed February 7, 2024, <https://www.forbes.com/companies/uber/?sh=3b2e4fbd10b0>.

⁸ "Airbnb Profile," *Forbes*, accessed February 7, 2024, <https://www.forbes.com/companies/airbnb/?sh=4eff4e6e676e>.

⁹ "Donald Trump Sells Chinese Goods Despite Accusing China of Stealing US Jobs," *ABC News*, June 17, 2015, <https://abcnews.go.com/Business/donald-trump-sells-chinese-goods-accusing-china-stealing/story?id=31826791>.

goods if elected in 2024, possibly in excess of 60 percent.¹⁰ I am not addressing any unfair trade practices by China such as government collusion with private companies to create power imbalances or intellectual property theft. These issues violate free trade and should be dealt with in an appropriate way. Instead, I am addressing the straightforward claim that open trade with China has made China richer at the expense of Americans and that tariffs on Chinese goods are the best way to deal with it.

Looking at the numbers, both the US and China have grown enormously during the period of globalization. Edward Goldberg writes in *Why Globalization Works for America: How Nationalist Trade Policies Are Destroying Our Country*, “In 1980, approximately when our current period of globalization started to take off, the United States had a gross domestic product of \$2.8 trillion, while China’s was only \$302 billion. By 2019 the U.S. economy’s GDP was estimated to be \$20.4 trillion, while the Chinese economy had an estimated GDP in dollars of \$14.1 trillion.”¹¹ According to these numbers, both countries have benefited from globalization. Goldberg explains China’s faster rate of growth as attributable to their building up of their basic infrastructure which the US already had done. He concludes, “The point is that the United States did not get poorer as China grew—quite the opposite, it got substantially wealthier.”¹²

Still, one still must consider Trump’s claims that the global economy has taken away American jobs. Trump’s campaign focuses on bringing back manufacturing jobs to America, especially American steel. Yet, Goldberg writes, “The steel industry in the United States in 2018 employed one-sixth of 1 percent of the American workforce, approximately eighty-one thousand workers, while ironically the steel-importing industry employed over

¹⁰ Peter Hoskins, “More China Tariffs if Re-elected, Donald Trump Says,” *BBC News*, February 5, 2024, <https://www.bbc.com/news/business-68201370>.

¹¹ Edward Goldberg, *Why Globalization Works for America: How Nationalist Trade Policies Are Destroying Our Country* (Lincoln, NE: Potomac, 2020), 21.

¹² Goldberg, *Why Globalization Works for America*, 21.

sixty-thousand workers in the United States.”¹³ The plan to create more steel jobs in America would actually involve taking jobs away from Americans working in the steel importing industry.

Another hidden cost of protecting American jobs from global competition comes in the form of higher prices for consumers. Scott Lincicome writes, “U.S. import restrictions between 1950 and 1990 found that the measures annually cost U.S. consumers an average of \$620,000 in current dollars per job supposedly saved in the protected industry at issue.”¹⁴ In other words, for every manufacturing job that might have been saved through protectionism, consumers on average ended up paying \$620,000 more in purchasing costs. Consumers end up paying higher prices because for companies to stay in business, they must raise their prices to compensate for government tariffs. Considering that the average manufacturing job only pays around \$40,000 a year, protectionism is a bad bargain for America. Trump is not the only president guilty of making a bad deal for the country. Joe Biden has largely kept Trump’s tariffs in place. Moreover, Barack Obama’s safeguard duties on Chinese tire imports cost \$900,000 per job potentially saved from foreign competition. Lincicome describes further costs down the line of the Obama tire tariffs: “Overall, the tariffs cost approximately 2,531 American jobs, as the United States lost far more jobs in retail and other industries than it potentially preserved or created in tire manufacturing.”¹⁵

One might wonder why America continues to try to preserve jobs through protectionism when it is such a bad deal on the whole. Phil Gramm and Donald J. Boudreaux respond, “The answer is politics. Although protectionism’s overall costs are high, they are spread thinly over millions of consumers, making them difficult to detect.

¹³ Goldberg, *Why Globalization Works for America*, 90.

¹⁴ Scott Lincicome, “Doomed to Repeat It: The Long History of America’s Protectionist Failures,” Cato Institute, August 22, 2017, 2. <https://www.cato.org/sites/cato.org/files/pubs/pdf/pa-819-updated.pdf>.

¹⁵ Lincicome, “Doomed to Repeat It,” 24.

While the benefits of protectionism are small, they are concentrated. This buys political support.”¹⁶ The huge costs of potentially saving one manufacturing job are not noticed by the public because they are spread over a large number of consumers, whereas when a manufacturing job has been lost, that person has lost his entire livelihood until he can find other employment. In the next sections on division of labor and protectionism one will see that labor saving automation allows more efficiency and is the real cause for the need for fewer workers. Curtailing global trade will not lead to more wealth for America. A free global market allows more wealth to be created in America and across the globe.

Division of Labor

Dividing a labor force into various individual tasks greatly increases productivity, and productivity is part of the cultural mandate for human beings in the book of Genesis. Adam Smith famously explained the benefits of the division of labor in *The Wealth of Nations*. His example is the production of a very basic product: the metal pin. A lone man without prior knowledge or experience would be lucky to produce one pin in a day. However, Smith observed a group of ten men trained in pin making and dividing the labor up into distinct operations who were able to produce 48,000 pins a day. If dividing the labor of the ten men into 48,000, one man’s labor produced 4,800 pins. Smith concludes,

But if they had all wrought separately and independently, and without any of them having been educated to this peculiar business, they certainly could not each of them have made twenty, perhaps not even one pin in a day; that is, certainly not the two hundred and fortieth, perhaps not the four thousand eight hundredth part of what they are at present capable of performing, in consequence of a proper division and combination of their different operations.¹⁷

As Smith’s example makes clear, a division of labor greatly increases productivity.

¹⁶ Phil Gramm and Donald J. Boudreaux, “The High Cost of the Trump-Biden Tariffs,” *The Wall Street Journal*, January 18, 2024, <https://www.wsj.com/articles/tariffs-arent-worth-the-cost-trump-aluminum-steel-producers-inputs-trade-9273b46f>.

¹⁷ Adam Smith, *The Wealth of Nations* (New York: Random House, 1937), 5.

While in Smith's example a pin could be made in one day with many hours of unskilled labor, Leonard Read in his famous essay titled "I, Pencil" shows that no one person could create a single ordinary pencil, even if he had days upon days.¹⁸ In fact, no one person even possesses the knowledge to make a pencil and yet one and a half billion pencils are produced in the US each year. Read draws attention to the loggers who cut the cedar, the train track layers who laid the rails, graphite miners, cargo ship workers, growers of castor beans, refiners of castor oil, and on and on. The supplies come from California, Sri Lanka, Mississippi, Mexico, and Indonesia among other places. One must read the entirety of Read's essay just to begin to wonder at the complexity and degree of specialization required to make a pencil that you can buy twenty-four for one dollar. The division of labor makes this kind of production possible.

Jay W. Richards takes "I, Pencil" a step further by giving a more modern illustration: the iPhone. Richards notes that keeping track of all the companies that make the parts is hard enough, let alone naming all of the parts. As far as companies go,

The accelerometer likely comes from Germany-based Bosch Sensortec. If you have an iPhone X, the OLED display screen and battery are developed by Samsung in South Korea. The American firm Intel supplies the modem that controls web traffic. Other parts may come from Toshiba in Japan, Broadcom and Texas Instruments in the U.S., and Dialog Semiconductor in the U.K. Lumentum, a U.S. company, developed the slightly creepy facial recognition tech. the parts get assembled (not manufactured) by Foxconn, a Taiwanese company with a giant factory in China. Some of this assembly has been moved to India.¹⁹

Richards concludes, "Millions of engineers, technicians, and other workers around the world work to make all this possible. None of them knows how to make an iPhone, or even one of its parts, from scratch."²⁰ Without division of labor, the iPhone would be impossible to make.

¹⁸ Leonard E. Read, *I, Pencil* (Atlanta: Foundation for Economic Education, 2019), 4.

¹⁹ Richards, *Money, Greed, and God*, 96.

²⁰ Richards, *Money, Greed, and God*, 97.

Someone committed to localism might agree with the benefits of division of labor and yet insist that local sources should be used to produce goods for local consumers. Yet producing goods locally is not as easy as one might think. Designer and Drexel University professor, Kelly Cobb, tried to create a suit made from materials produced within 100 miles of her location. The experiment took several months with 20 artisans putting in over 500 hours of work. Even with all of that effort, 8 percent of the garment was still made in places outside of the 100-mile radius. Cobb says, “If we worked on it for a year and half, I think we could have eliminated that 8 percent.”²¹ It should be noted that the suit was ill fitted and did not even have sleeves. This example highlights the incredible productivity of a global market. A global market is able to efficiently produce goods that are practically impossible to produce locally.

Comparative Advantage

The basic idea of comparative advantage is that each country has resources and skills that better suit it for the production of certain types of goods. That country can produce those goods more efficiently than other products. Rather than attempting to produce all the goods and services that a given country needs, it would be to that country’s advantage to produce more of what that country can efficiently produce and find trading partners who have a comparative advantage in producing the other goods and services that country needs. English economist David Ricardo is credited with developing the idea of comparative advantage. This system benefits all countries involved.

Ricardo uses the example of the countries of England and Portugal to illustrate this principle. England’s rolling hills and cool climate are better for producing wool while Portugal’s warmer climate is better for producing grapes. Therefore, England’s comparative advantage is in producing cloth, while Portugal’s comparative advantage is in producing wines. Ricardo points out that if in England it takes the labor of 120 men to

²¹ Kelly Cobb, quoted in Paul Adams, “100-Mile Suit Wears Its Origins on Its Sleeve,” *Wired*, April 2, 2007, <https://www.wired.com/2007/04/100-mile-suit-wears-its-origins-on-its-sleeve/>.

produce wine and only 100 men to produce cloth, then England would be better off producing cloth and trading for wine. If in Portugal it takes 80 men to produce wine and 90 men to produce cloth, then Portugal would be better off producing wine and trading for cloth.²² The astounding thing about the principle of comparative advantage is that even if Portugal were to be able to produce cloth with 90 men as compared with England's 100, it would still be better off to invest its capital in producing wine and trading for cloth²³ because the labor of 80 men can produce the wine while the labor of 90 men would produce the same value in cloth.

Each country's pursuit of its own comparative advantage in foreign trade promotes aspects of *shalom* throughout the world. In chapter 2, a strong case was made that *shalom* includes economic well-being and is not simply the absence of fighting. However, the biblical idea of *shalom* still includes the idea of peaceful relations between countries. It refers to both economic well-being and the absence of war. A global market promotes *shalom* by bringing economic prosperity to the world and incentivizing peaceful relations between nations as each country pursues its own comparative advantage.

The beauty of this system is that by being connected with the rest of the world economically, each country promotes the good of the whole by pursuing what is best for itself. Ricardo writes,

Under a system of perfectly free commerce, each country naturally devotes its capital and labour to such employments as are most beneficial to each. This pursuit of individual advantage is admirably connected with the universal good of the whole. By stimulating industry, by rewarding ingenuity, and by using the most efficaciously the peculiar powers bestowed by nature, it distributes labour most effectively and most economically: while, by increasing the general mass of productions, it diffuses general benefit, and binds together, by one common tie of interest and intercourse, the universal society of nations throughout the world.²⁴

²² David Ricardo, *The Principles of Political Economy and Taxation* (Garden City, NY: Dover, 2004), 82.

²³ Ricardo, *The Principles of Political Economy and Taxation*, 82.

²⁴ Ricardo, *The Principles of Political Economy and Taxation*, 81.

In other words, by each country pursuing its own advantage in trade, the whole world is benefitted. Smith tells of the motivation of self-interest that is beneficial to all involved in a trade: “It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard for their own interest.”²⁵ In trade between people as well as trade between nations, each nation acting in its own interests by pursuing its own comparative advantage benefits the world as a whole.

Another way of perceiving comparative advantage is to understand it as Smith’s idea of the division of labor applied to nations. Just as it would be against the interests of the pin makers in Smith’s example to attack the other men in their operation, it becomes against the interests of countries to attack their trade partners. Wolf writes, “But, since division of labour is limited by the size of the market, it will also benefit from trade, not just in goods and services, but in ideas, capital and people. . . . Trade is far cheaper than empire, just as internal development is a less costly route to prosperity than plunder.”²⁶ The more trade partners a nation has, the more it can pursue its own comparative advantage through the division of labor. Furthermore, a country is less likely to attack another country when it is benefitting from that country’s trade. Thus, the world becomes a safer place under global trade.

Conversely, a world full of self-contained, isolated states is a breeding ground for war. Norberg explains,

With freedom of movement and free trade, citizens are not all that interested in the size of their country. People create prosperity, not by annexing land from another country, but by carrying on trade with that land and its resources. If, on the other hand, the world consists of self-contained nation states, the land of other countries has no value until one is able to seize it.²⁷

²⁵ Smith, *Wealth of Nations*, 14.

²⁶ Wolf, *Why Globalization Works*, 34.

²⁷ Johan Norberg, *In Defense of Global Capitalism* (Washington, DC: Cato Institute, 2003), 40–41.

To use a modern example, if America were to cut off all trade with China, then China would have no way to benefit from America except by attacking it. However, if America and China remain trade partners, then there becomes less incentive for war. By providing economic well-being and incentivizing peaceful relations between nations, a global market promotes *shalom* throughout the world.

Competition Fosters Creativity

Division of labor and comparative advantage show how global trade fosters productivity: an idea inherent in the cultural mandate in Genesis to “be fruitful.” Another activity the global economy encourages is creativity, which ties in with human beings being made in the image of God. Part of living in the image of God means joining him in the work of creation. A system that fosters creativity encourages human beings to image God by thinking of creative ways to make the raw materials of creation useful. A global economy encourages creativity through competition. Competition provides incentive for innovation.

Wayne Grudem describes the benefits of competition in his short book entitled *Business for the Glory of God*: “A competitive system is one in which we test our abilities and find if we can do something better than others, and so be paid for it. The system works well when we reward better work and greater quantity of work with greater reward.”²⁸ While some may ostensibly prefer cooperation to competition, Grudem reveals that all consumers participate in market competition:

If you have ever shopped around for the lowest price on a shirt or a computer or a car, your actions show that you approve of competition in the economy, because you are making competition work. You are buying from the person who can produce and distribute a computer cheaper than someone else, and you are encouraging that more efficient manufacturer to stay in business, and you are discouraging the less efficient, more expensive computer manufacturers from staying in business.²⁹

²⁸ Wayne Grudem, *Business for the Glory of God: The Bible’s Teaching on the Moral Goodness of Business* (Wheaton, IL: Crossway, 2003), 62–63.

²⁹ Grudem, *Business for the Glory of God*, 63.

Without this built in competition among producers, manufacturers are likely to produce less efficient and more expensive goods.

To see this principle in action, one need look no further than the US car industry of the 1980s and 1990s. During this time, Ford, Chrysler, and GM, the big three automakers in the US were forced to produce better vehicles in response to international competition, especially coming from Japanese automakers. Japanese automakers were able to use lean production to create higher quality vehicles, forcing US automakers to innovate in order to catch up.³⁰ While some focus on the losses the US automakers experienced due to international competition, the real winners in the competition were consumers who got to drive better cars for lower prices. US companies may have never improved without being forced to innovate due to global competition. A global market has a greater potential for bringing out the creativity of God’s image bearers than limiting markets to local sources.

Local Economy Argument

Consumer pursuit of a local economy is rarely argued for in academic circles. However, Kentucky novelist, poet, and essayist Wendell Berry makes an argument for a local economy in his chapter entitled “The Total Economy.”³¹ It is important to allow those one disagrees with to speak in their own words, so I will outline in quotations the main points of Berry’s argument against a global economy before responding to his argument.

Berry makes three main points when arguing against the proposition that a global market will lead to greater economic security:

³⁰ McKinsey Global Institute, “Increasing Global Competition and Labor Productivity: Lessons from the US Automotive Industry,” November 2005, 15, https://www.mckinsey.com/~media/mckinsey/business%20functions/economic%20studies%20temp/our%20insights/increasing%20global%20competition%20and%20labor%20productivity/mgi_lessons_from_auto_industry_full%20report.pdf.

³¹ Wendell Berry, *What Matters? Economics for a Renewed Commonwealth* (Berkeley, CA: Counterpoint, 2010), 177–93.

One knows, in the first place, that “efficiency” in manufacture always means reducing labor cost by replacing workers with cheaper workers or with machines. In the second place, the ‘law of competition’ does *not* imply that many competitors will compete indefinitely. . . . The law of competition implies that many competitors, competing on the ‘free market’ without restraint, will ultimately and inevitably reduce the number of competitors to one. . . . In the third place . . . cheap long-distance transportation is the basis of the idea that regions and nations should abandon any measure of economic self-sufficiency in order to specialize in production for export of the few commodities, or the single commodity, that can be most cheaply produced. Whatever may be said for the ‘efficiency’ of such a system, its result (and, I assume, its purpose) is to destroy local production capacities, local diversity, and local economic independence.³²

In other words, Berry criticizes a global economy for the replacement of workers with cheaper labor and machines, what he sees as the war-like and aggressive nature of market competition and reliance on cheap long-distance transportation, which also means that a local economy is not self-sufficient and in Berry’s opinion, not as diverse.

Berry’s number one solution to the problem of the global free market is protectionism. He writes, “To protect domestic producers and production capacities, it is possible for governments to impose tariffs on cheap imported goods. These means are justified by the government’s obligation to protect the lives, livelihoods, and freedoms of its citizens.”³³ However, he does not see enough action in the government stepping in to protect its citizens from the global market, so he turns to a consumer movement toward a local economy: “If the government does not propose to protect the lives, the livelihoods, and the freedoms of its people, then the people must think about protecting themselves. How are they to protect themselves? There seems, really, to be only one way, and that is to develop and put into practice the idea of a local economy.”³⁴

I will respond to Berry’s three objections to a global economy providing economic security in this section and then address his solution of protectionism in the next. Berry’s first point about the replacement of workers with cheaper workers and machines does not directly relate to the global market, but one might question whether cheaper

³² Berry, “The Total Economy,” 184–85.

³³ Berry, “The Total Economy,” 189.

³⁴ Berry, “The Total Economy,” 190.

workers and machines are negatives. When labor is less expensive or automated, goods can be produced at lower costs, which allows goods to be offered at lower costs for consumers. Consumers, then, are able to live at a higher standard of living because the money they make goes further. This concept is called “purchasing power.” To give a simple example, consumers spending less on food and clothes allows them to spend more on games and books. Brent Waters writes, “Adopting policies that restrict trade, foreign investment, and immigration may protect various economic sectors and preserve jobs, but at the cost of greater production and labor costs that are passed on to consumer through higher prices, thereby diminishing aggregate purchasing power and affluence.”³⁵ This benefit is shared with the poor. Norberg explains, “The poor and powerless find their well-being vastly improved when inexpensive goods are no longer excluded by tariff barriers and when foreign investments offer employment and streamline production.”³⁶ The hidden cost of protectionism is rising prices, which affect every consumer who buys protected goods.

Berry’s second point about competition relates directly to the global market. With the expanding of the market comes more competition because there are more competitors. As already mentioned, competition is beneficial in that it fosters creativity. Yet, Berry points out a potential downside. If the nature of market competition means that companies eventually beat each other out and consolidate into one company, then competition and the benefits thereof would be lost.

While it is true that larger companies often buy out smaller companies as they grow, it has not been true in history that the number of competitors reduces to one. John Bolt gives three examples that disprove Berry’s understanding of market competition: A&P, Montgomery Ward, and Kmart. Bolt writes of twentieth-century dominant grocery

³⁵ Brent Waters, *Just Capitalism: A Christian Ethic of Economic Globalization* (Louisville: Westminster John Knox, 2016), 65.

³⁶ Norberg, *In Defense of Global Capitalism*, 13.

chain A&P, “Observing the trajectory of A&P conquests in the first half of the twentieth century, one could reasonably conclude that by the turn of the next century A&P would be the only grocery retail chain left standing. Today, however, the brand has disappeared.”³⁷ In the case of Montgomery Ward, it started in the nineteenth century as a mail-order retailer and became the largest retailer in the world at the turn of the twentieth century. However, ironically enough in today’s world, department stores such as Sears and JCPenney won the day when Montgomery Ward closed its last store in 2001. At one point Kmart was the third largest discount retailer in the US, yet now there are only a dozen stores. Bolt concludes, “These three tales from the arena of retailing could be multiplied in the spheres of newspapers and news magazines, transportation, utilities, and the communications industry (telephone, radio, television, internet), among others.”³⁸ Economic history disproves Berry’s critique that competition necessarily leads to one top dog.

Berry’s third critique is that the reliance on long-distance transportation of the global economy takes away self-sufficiency and local diversity within a local community.³⁹ The ideal of self-sufficiency has been critiqued already in this chapter. Subsistence farming does not have the ability to raise humanity much past the level of survival. Furthermore, the principle of comparative advantage allows countries to be more prosperous, and free trade with other countries provides incentive not to make war with them. When it comes to local diversity, a case can be made that a globally connected economy provides more overall diversity. Take, for example, the case of the tomato in Italian cooking. The tomato did not originate in Italy, but in Peru. Goldberg tells the story of the tomato: “The tomato originated in the Andes Mountains, traveled to Mexico, where it became part of Aztec

³⁷ John Bolt, *Economic Shalom: A Reformed Primer on Faith, Work, and Human Flourishing* (Grand Rapids: Christian’s Library, 2013), 126.

³⁸ Bolt, *Economic Shalom*, 127–28.

³⁹ Concerns about the environmental impact of long-distance transportation will be taken up in chap. 4.

cuisine, and was brought to Spain by the returning conquistadors in the 1500s. Shortly afterward it appeared in Italy, where it was reportedly first used by Cosimo de' Medici not in a sauce but as an ornamental item.”⁴⁰ Were it not for global trade bringing the tomato to Italy, Italian cooking, something thought of as indicative of a traditional culture, could not be what it is today. Global trade can add diversity to local culture.

Protectionism

Berry's first solution to the problems he sees in the global market is for the government to protect its economy through tariffs. Tariffs are government-imposed taxes usually on imported goods. The money is paid to the home country's government by the importing business. To be clear, foreign governments do not pay domestic tariffs, and foreign exporters do not pay domestic tariffs. Domestic companies pay tariffs to their own home country's government. The main idea behind protectionism is to keep global competition from taking away the business of local companies. If the tariffs are high enough, global entities will be effectively barred from participating in a protected country's economy. Local consumers are limited to purchasing goods made by national companies because global competition is kept out by high tariff walls. The goal of protectionism is to become more self-sufficient and keep businesses and jobs from moving away or being driven out of business by fierce global competition. The best way to assess the effectiveness of protectionism is through historical examples where it has been pursued.

Countries in East Asia and Africa were in a similar plight at the end of the age of colonization, but they took different approaches to their economies with very different results. Africa took the route of protectionism. Norberg writes, “African leaders have, by and large, been intent on avoiding both the policies of the old colonial powers and the risk of becoming commercially dependent on their European ex-rulers. So they have tried to build self-sufficient economies via draconian tariffs, nationalization, and detailed control

⁴⁰ Goldberg, *Why Globalization Works for America*, 2.

of industry.”⁴¹ At the time, some argued that developing nations should aim for self-sufficiency by protecting their economies. Unfortunately, this policy resulted in stagnation for African countries. In their detailed study, “Sources of Slow Growth in African Economies,” Jeffrey D. Sachs and Andrew M. Warner argue, “Basic economic policies such as openness to international trade, government saving and market-supporting institutions have had an even larger quantitative impact on economic growth rates.”⁴² Sachs and Warner go on to give projections based on their data: “Our estimates suggest that even with its natural disadvantages, Africa could have grown at over 4% per year in per capita terms with appropriate policies. In addition, the available evidence so far is that African countries that have engaged in serious pro-growth economic reforms have achieved impressive growth rates.”⁴³ Norberg points out that such growth would have tripled the African population’s incomes between 1965 and 1990: the years studied in Sachs and Warner.⁴⁴

While starting in a similar place to Africa economically, East Asian economies trended up dramatically during the same time frame. Norberg writes of the comparison, “Zambia in 1960 was almost as wealthy as South Korea. Today South Korea has a standard of living comparable to Portugal’s and is roughly 20 times wealthier than Zambia. The Taiwanese used to be poorer than the population of the Congo. Today they are as rich as the Spaniards.”⁴⁵ Connection to the global economy is the best explanation for East Asia’s incredible growth. Norberg continues, “East Asian countries were among the first developing countries to open up their economies by reducing tariffs, abolishing quotas,

⁴¹ Norberg, *In Defense of Global Capitalism*, 105.

⁴² Jeffrey D. Sachs and Andrew M. Warner, “Sources of Slow Growth in African Economies,” *Journal of African Economies* 6, no. 3 (1997): 359–61.

⁴³ Sachs and Warner, “Sources of Slow Growth in African Economies,” 361–62.

⁴⁴ Norberg, *In Defense of Global Capitalism*, 109.

⁴⁵ Norberg, *In Defense of Global Capitalism*, 99.

freeing exports, and deregulating foreign exchange.”⁴⁶ The path of protectionism is the path to poverty. The only historically proven way to produce a high standard of living is through connection with the global economy.

One might wonder what protectionism has to do with the Buy Local or America First Movements. The main difference between the two is the role of government. In protectionism, the government sets quotas or tariffs to discourage international trade. In the Buy Local Movement, consumers set personal quotas on what they will buy locally. However, if enough people jump on the buy local bandwagon, the same problems of protectionism will affect the country because it does not matter economically why one does something. Richards writes, “Economically, though, only *what you do* is important, whatever your reason. Buying a bunch of bananas at Costco will have the same economic effect no matter why you buy them.”⁴⁷ Applying this principle, consumers buying locally because their government tells them to or because they decide it is more virtuous makes no economic difference. The economic results will be the same. Only, because the government is not enforcing a consumer Buy Local Movement, the effects will not be on the same scale because fewer people will be artificially restricting their own trade. However, the results will still trend in a negative direction because protectionism hurts the overall growth of local and foreign economies. Norberg writes, “The protest movement against this more global capitalism may call itself radical and profess to stand for exciting new ideas, but its arguments actually represent the same old opposition to free markets and free trade that has always been shown by national rulers.”⁴⁸

⁴⁶ Norberg, *In Defense of Global Capitalism*, 103.

⁴⁷ Richards, *Money, Greed, and God*, 46.

⁴⁸ Norberg, *In Defense of Global Capitalism*, 10.

Conclusion

Global markets promote human flourishing through providing all parties value through free trade, growing the global wealth pie, dividing the labor force for more efficient production, allowing each country to pursue its comparative advantage for the good of the entire world, and fostering creativity and innovation through global competition. Those who argue for a local economy are really arguing for a consumer enforced version of protectionism. Protectionism has a proven track record for impoverishment. It is through a globally connected economy that human beings can have the means to flourish. Global flourishing requires a global market.

CHAPTER 4

ETHICAL CONSIDERATIONS

This thesis has already provided a strong argument for global trade. The argument is structured as follows: the Bible describes human flourishing as a good to be pursued. One aspect of human flourishing is economic well-being. A global market is the best structure for promoting economic well-being and, hence, flourishing. Therefore, Christians should be willing to support a global market through personal buying choices because it has a greater potential of promoting human flourishing around the world when compared with limiting themselves to only local options. However, some may grant the power of a global market to create economic prosperity and yet argue that a global market comes with unintended consequences that negate its benefits. Three of the most common objections to global markets in this realm include income inequality, sweatshops, and environmental concerns.

When it comes to income inequality, some argue that because the benefits of a global economy are not shared equally among all of humanity, the system is unjust and unfair. They argue that a global economy will only worsen the current gaps in income between the world's rich and poor. Others argue that a global market entails supporting sweatshop working conditions in developing countries such as long hours in unsafe environments. They would rather spend their money on local goods because they know the working conditions under which these goods were produced. Still others cite damage to the environment as the outcome of a globally connected economy. They point to the depletion of natural resources and pollution caused by long-distance transportation of goods as an unfavorable outcome of global markets.

While these concerns should all be taken seriously, they do not negate the benefits of global markets for human flourishing. In the end, some income inequality is a natural outcome of the created order and a proper reward for hard work and creativity. People in the developed world may not want to work in sweatshops, but in a truly free market, long and difficult working conditions may be chosen as a better alternative by people in the developing world when compared with other options. Finally, concerns about the environment often fail to take into consideration an inexhaustible resource possessed by humans made in the image of God: human creativity and ingenuity.

Income Inequality

In 2013, then President Barack Obama declared that rising income inequality was “the defining challenge of our time.” He told the press that his administration would focus all their efforts on this issue.¹ Before tackling the “challenge” of income inequality, one must ask about the nature of income inequality and whether it is a positive or a negative. The general idea of income inequality is that different people make differing amounts of income. Income inequality is often measured using the Gini coefficient. Using this scale, a Gini coefficient of 0 means that everyone earns the same income, and a Gini coefficient of 1 means that one person holds all the income and everyone else has zero. It is clear to see that a Gini coefficient of 1 would be bad for society because only one individual would have any income. However, a Gini coefficient of 0 would not necessarily be good because it could mean that every person is equally poor. In sum, income inequality refers to different individuals making different amounts of money, and it is usually measured using the Gini coefficient.

¹ Jim Newell, “Obama: Income Inequality Is ‘Defining Challenge of Our Time,’” *The Guardian*, December 4, 2013, <https://www.theguardian.com/world/2013/dec/04/obama-income-inequality-minimum-wage-live>.

To know whether some level of income inequality is a good or bad thing, the first place Christians should turn is the Word of God. Jesus's Parable of the Talents in Matthew 25:14–30 teaches about stewardship of God's resources. Matthew 25:14–15 says, "Again, it will be like a man going on a journey, who called his servants and entrusted his wealth to them. To one he gave five bags of gold, to another two bags, and to another one bag, each according to his ability. Then he went on his journey." The man going on the journey represents God, and in the story, God gives different resources to different people according to their ability. In life, this principle holds true. Different people are born with different God-given abilities. It seems just according to this parable to reward people with different abilities with different incomes as the God representative character does in the story.

Besides rewarding people differently based on their abilities, another factor the Bible presents as a just reason for different incomes is hard work and the applying of the mind. Proverbs 14:23 says, "All hard work brings a profit, but mere talk leads only to poverty." In other words, those who work hard should expect to earn more money than those who do not. Proverbs 24:3–4 says, "By wisdom a house is built, and through understanding it is established; through knowledge its rooms are filled with rare and beautiful treasures." Not only is hard work rewarded with profit, but those who apply their mind to wisdom, understanding, and knowledge should expect a material reward. Based on these passages, one should expect the income of someone who does not work hard or apply their mind to their work to have a smaller income than someone who puts their body and mind to good use.

One might be tempted to think that the income inequality described in Matthew and Proverbs is simply a result of living in a fallen world. In this case, income inequality would fall short of God's ideal. Wayne Grudem writes, "The Bible teaches that there are varying degrees of reward in heaven and various kinds of stewardship that God entrusts

to different people.”² He cites Luke 19:17 and 19:19 in which God is depicted as giving charge of ten cities to one man in the afterlife and five cities to another. If by God’s grace there are varying degrees of reward in heaven based on the faithfulness of Jesus’s servants here on earth, then there is nothing essentially wrong with rewarding people on earth differently based on the differences in their work. Jay Richards writes, “In the kingdom of God, there will still be inequality, but there won’t be poverty.”³ It is the desire of the Christian for God’s kingdom to come, in this case meaning the absence of poverty without the absence of inequality.

Moving away from the Bible to more pragmatic concerns, differing wages for different jobs provide indicators of a job’s value to society, and it will encourage more investment in needed areas of skill and expertise. These differing incomes for different jobs are a natural part of a market economy. Brent Waters writes, “To a large extent the demand for certain skills or knowledge determines the value of labor that is most often reflected in wages, salaries, benefits, and other forms of compensation. When the supply for certain skills or knowledge is relatively low, income tends to be higher; whereas when the supply is relatively high, income tends to be lower.”⁴ A free labor market sends signals through wages that reflect the supply and demand of certain workers for certain jobs. Without such signals, workers might invest their time and resources into jobs that are not conducive to human flourishing as a whole. In a global market, income differences send signals of what is most valuable to the world population, enhancing global productivity.

² Wayne Grudem, *Business for the Glory of God: The Bible’s Teaching on the Moral Goodness of Business* (Wheaton, IL, Crossway, 2003), 51.

³ Jay W. Richards, *Money, Greed, and God* (New York: HarperOne, 2019), 127.

⁴ Brent Waters, *Just Capitalism: A Christian Ethic of Economic Globalization* (Louisville: Westminster John Knox, 2016), 127.

This idea may sound contradictory, but there is a real sense in which perfect income equality would be unfair. It would mean that those who work harder, invest more in education, and take more calculated risk would earn the same income as those who are lazy, waste their potential, and do not take advantage of the opportunities they are given. Grudem writes, “Since people are different in abilities and effort, I don’t think there could be a fair system of rewards for work unless the system had different rewards for different people. Fairness of rewards requires such differences.”⁵ Income inequality is necessary for people to be rewarded fairly for the differences in their work.

It should be acknowledged that differences in pay in a free market are not all because of hard work and dedication. Some can be the result of genetics such as a man who grows seven feet tall and shows natural athletic talent. He will make more money playing professional basketball than a man who is less than six feet tall and does not have the same athletic ability. However, the market rewards skills that are in high demand, and it rewards them in some proportion to the revenue they generate. If fans did not enjoy professional basketball to the point at which they pay money for tickets, TV access, and jerseys, then there would not be the money to pay the players the high salaries they now enjoy.

Another issue with attaining perfect income equality is that if one was to imagine a hypothetical world in which there was perfect income equality and wealth equality, then within twenty-four hours, there would still be wealth inequality. The reason for this is that people choose to use their wealth differently. Anne Bradley discusses this idea in her chapter, “The 1 Percent,” found in *Counting the Cost: Christian Perspectives on Capitalism*. She writes, “There is no way to ensure that people’s cash holdings (based on the amount they were initially given) would remain equal, because we would all do something different with our endowment based on our unique preferences, needs, choices,

⁵ Grudem, *Business for the Glory of God*, 52.

and situations.”⁶ She notes that while some may make smart investments with their money, others might gamble it away, quickly leading to wealth disparity. At the end of the day, even perfect income equality would not create equal wealth distribution among different individuals.

So far, income inequality has been assessed from a biblical and practical perspective. Now, it is time to use the Gini coefficient to consider income inequality from a statistical perspective. As before established, a Gini coefficient of 1 means that one person has all the income and no one else has an income, while a Gini coefficient of 0 means perfect equality of incomes. In the US, the Gini coefficient has been rising in recent years. Bradley states, “In the United States, the Gini coefficient has become slightly less equal, rather than more equal, over time. . . . The United States Gini coefficient in 1967 was .399, and in 2001 it was recorded at .466.”⁷ This information leads researchers to question what might be driving this rising inequality of incomes in America. Some proponents of local markets might postulate that globalization is the cause of this disparity because it allows some to take advantage of the global market while others are negatively affected.

There are better explanations for the increase in the Gini coefficient in America. First, one major shift during the time of increase has been from one income households to two income households. Understandably, two income households are more likely to be in higher income brackets than one income households or households in which no one is working. Economist David Henderson reveals several telling numbers from the US Census Bureau’s 2006 survey in his article “Economic Inequality: Facts, Theory and Significance”:

⁶ Anne R. Bradley, “The 1 Percent: Is Income Inequality Evidence of Exploitation?,” in *Counting the Cost: Christian Perspectives on Capitalism*, ed. Art Lindsley and Anne R. Bradley (Abilene, TX: Abilene Christian University, 2017), 147–48.

⁷ Anne R. Bradley, “Why Does Income Inequality Exist? An Economic and Biblical Explanation,” in *For the Least of These: A Biblical Answer to Poverty*, ed. Art Lindsley and Anne R. Bradley (Grand Rapids: Zondervan, 2014), 154.

A whopping 81.4 percent of families in the top quintile have two or more people working, and only 2.2 percent have no one working. By contrast, only 12.6 of families in the bottom quintile have two or more people working; 39.2 percent have no one working. The average number of earners per family for the top quintile is 2.16, almost three times the 0.76 average for the bottom quintile.⁸

These numbers indicate that a great amount of income disparity is the result of a disparity of work. People should be fairly compensated for the amount of work they do, so two income households should earn more than one income households on average, and they certainly should earn more than households in which no one is working.

Second, looking at the Gini coefficient or grouping households into quintiles by income does not tell the full story. In America, households are not locked into one income quintile for their entire lifespan. They regularly move from one income quintile to the other. The phenomenon is called “income mobility.” Simon Kuznets in his article “Economic Growth and Income Inequality” discusses the importance of taking income mobility into account: “Without such a long period of reference and the resulting separation between ‘resident’ and ‘migrant’ units at different relative income levels, the very distinction between ‘low’ and ‘high’ income classes loses its meaning, particularly in a study of long-term changes in shares and in inequalities in the distribution.”⁹ Kuznets goes on to give an example:

To say . . . that the “lower” income classes gained or lost during the last twenty years in that their share of total income increased or decreased has meaning only if the units have been classified as members of the “lower” classes those 20 years—and for those who have moved into or out of those classes recently such a statement has no significance.¹⁰

Kuznets reveals the false assumption sometimes made in a long-term study of income inequality. Grouping households by relative income gives the impression that those at the

⁸ David R. Henderson, “Economic Inequality: Facts, Theory and Significance,” National Center for Policy Analysis, June 2008, <https://www.ncpathinktank.org/pdfs/st312.pdf>, 2.

⁹ Simon Kuznets, “Economic Growth and Income Inequality,” *American Economic Review* 45, no. 1 (March 1955): 2.

¹⁰ Kuznets, “Economic Growth and Income Inequality,” 2.

bottom are stuck at the bottom and those at the top are stuck at the top when really many of those in all quintiles are regularly moving up or down the income ladder at different times in their lives.

One major factor that contributes to income mobility is age. As people gain knowledge, skills, and experience over time, they tend to make more money. Then when they retire, their income tends to drop off. A worker's peak earnings typically occur between the ages of 35 and 54, and this data is correlated with income brackets. Henderson writes, "In the lowest quintile, for example, only 33.2 percent of households were headed by someone in the age group of 35–54. . . . In the highest quintile, by contrast, 58.5 percent of household heads are between the ages of 35 and 54."¹¹ One would not expect the pre-law college student to have the same income as the graduate who has twenty years of experience and has started his own practice. This income inequality generated by people working at different ages showing their experience and skill levels is a fair system of distribution based on value added to society.

Having shown that income inequality in general is necessary for fair compensation of various kinds of work, that some income inequality results from shifts in numbers of workers per household, and that adding income mobility to the picture shows that households regularly move through different levels of income throughout their lives, there still leaves the question of income inequality between nations. What has been already described might explain how a global market is not making the American people more unequal, but one still might wonder if a globally connected market leads to more economic inequality between the nations of the world. The short answer is that a global market can lead to more economic inequality between nations, but this disparity is strongly correlated with countries open to globalization flourishing and countries closed to the global market languishing. Furthermore, as more countries have embraced a global market, they have

¹¹ Henderson, "Economic Inequality," 3.

brought up the incomes of their citizens which is now lessening overall global household income inequality. The problem in today's world is not that some countries are becoming wealthy. The problem is that some countries are remaining poor. A focus on relative inequality between nations can distract from the bigger issue of poverty.

Martin Wolf explains how increasing inequality among nations can be caused by the combination of globalization and non-globalization. He writes, "Globalization may raise incomes of globalizers, while non-globalization lowers the incomes of non-globalizers. Then an era of globalization may be associated with rising inequality that is caused not by globalization, but by its opposite, the refusal (or inability) of some countries to participate."¹² In other words, increasing economic inequality among nations can be equally attributed to non-globalizing countries as it is to globalizing countries. Furthermore, since wealth is a positive and poverty is a negative, non-globalizing countries are exacerbating inequality in a particularly negative way by keeping their citizens from earning as much as they could in a global market.

Wolf describes the first period of rapid globalization in which global inequality increased as some nations became prosperous while others remained poor. What may surprise some readers is that global inequality among individuals and households has come down in recent years. To get an idea of more recent trends in global inequality, we turn to Branko Milanovic's *Global Inequality: A New Approach for the Age of Globalization*. Milanovic's research is founded on more detailed information coming from household surveys around the world between 1988 and 2011, covering more than 90 percent of the world's population.¹³ Data before this time had been sparse in comparison. Milanovic writes, "Now, for the first time since the Industrial Revolution two centuries ago, global

¹² Martin Wolf, *Why Globalization Works* (New Haven, CT: Yale University, 2004), 140.

¹³ Branko Milanovic, *Global Inequality: A New Approach for the Age of Globalization* (Cambridge, MA: Belknap, 2016), 17.

inequality is not being driven by rising gaps among countries. With the increases of mean incomes in Asian countries, the gaps between countries have actually been narrowing.”¹⁴ Milanovic describes one of the main groups who benefit from globalization: “Who are the people in this group? The obvious beneficiaries of globalization? In nine out of ten cases, they are people from the emerging Asian economies, predominantly China, but also India, Thailand, Vietnam, and Indonesia.”¹⁵ Milanovic describes these people as the “emerging global middle class.”¹⁶ It is important to distinguish between the global middle class and the middle class in rich countries as the global middle class is significantly less wealthy.

It is clear that the global middle class in Asia has come out ahead in the age of globalization, but there are other winners and losers. The major winners are the global top 1 percent while the low to middle class in rich countries have not seen much growth or have even lost. Milanovic summarizes the findings: “The percentage gains are always the strongest among the middle classes in emerging economies and the global 1 percent; they are always the least among people situated around the 75–90th percentile of the global income distribution, in other words, the middle and lower middle classes in OECD countries.”¹⁷ In absolute gains, the global 1 percent benefits much more than any other percentile: “44 percent of the absolute gain has gone into the hands of the richest 5 percent of people globally, with almost one-fifth of the total increment received by the top 1 percent.”¹⁸ However, the gains among the global middle class, which turns out to be a large group, mitigate that disparity which actually causes a decrease in global inequality

¹⁴ Milanovic, *Global Inequality*, 5.

¹⁵ Milanovic, *Global Inequality*, 19.

¹⁶ Milanovic, *Global Inequality*, 19.

¹⁷ Milanovic, *Global Inequality*, 22.

¹⁸ Milanovic, *Global Inequality*, 24.

measured on the Gini index. Milanovic notes, “And indeed, we find that the global Gini value decreased from 72.2 in 1988 to 70.5 in 2008 and then to around 67 in 2011.”¹⁹

From these numbers, it seems that globalization can work to decrease global inequality.

Milanovic describes rising inequality and subsequent drops as “Kuznets waves.” He coins this term as his own take on Kuznets’s original hypothesis which was that the inequality created by the rise in incomes as a result of urbanization and industrialization is on a curve and would eventually even out. Kuznets’s theory was questioned when global economic inequality eventually began to rise again after the World War I. Milanovic argues that economic history moves in Kuznets cycles where new advances in technology create more income, which initially increases inequality but then forces income inequality back down over time.²⁰

It might be helpful to view recent economic history in terms of a boat race. One can imagine that as for most of human history, countries were exclusively using sailing ships crawling along at a slow pace. However, due to globalization and advancements in technology, some European countries and America shift to using steam power instead of wind. At first, this means they get far out ahead in the race increasing the distance between them and the rest of the world’s nations. This part of the race represents a sharp increase in global inequality. Then, after a period of time, China and India upgrade their ships to steam power and begin to catch up with America and Western Europe. They still have not caught up, but the moving of the China and India ships forward means a decrease in global inequality because there are so many people on these ships. One can also imagine that as other countries upgrade their ships to the same practices and technologies, they can also move away from poverty and toward equality. It is better for everyone to help

¹⁹ Milanovic, *Global Inequality*, 118.

²⁰ Milanovic, *Global Inequality*, 50.

other countries get what they need to move forward than to limit the movement of the other ships.

In conclusion, income inequality should not be a reason to abandon a global market. Income inequality is necessary in principle to reward people fairly based on the different work they do. Much of the income inequality in America is attributable to demographic changes such as dual income households. Furthermore, without considering income mobility, long-term studies of income demographics are incomplete. When it comes to global inequality, globalization can actually work to lessen inequality as the global middle class benefit from a global market. Milanovic challenges those arguing for a local market:

Such is the hegemony of capitalism as a worldwide system that even those who are unhappy with it and with rising inequality, whether locally, nationally, or globally, have no realistic alternatives to propose. “Deglobalization” with a return to the “local” is impossible because it would do away with the division of labor, a key factor of economic growth. Surely, those who argue for localism do not wish to propose a major drop in living standards or a Khmer Rouge solution to inequality.

In other words, solving income inequality by localization would make everyone poor, which is no solution at all.

Sweatshops

A second common moral objection to a global market is that participating in a global market may mean buying goods produced in sweatshops. Sweatshops are factories that require their workers to work long hours in unsafe working conditions for low pay. These conditions certainly are not the picture of human flourishing. To avoid buying goods produced in sweatshops, Buy Local advocates would rather spend their money locally. It is easier for Americans to avoid buying sweatshop goods if they buy in America or from local small businesses that manufacture their own goods when compared to imported goods of unknown origin. However, in following these buying habits, Americans often unintentionally take away options from the global poor. While sweatshop working conditions are deplorable compared with modern US standards, they provide people in

developing countries with better options to pursue human flourishing, and they are an important step in a country's economic development.

The reason people in the US are so outraged by sweatshop working conditions is that they are comparing US standards to the developing world. Most people in the developing world are not able to immigrate to the US, so getting US jobs with US working conditions and US pay is unavailable to them. Benjamin Powell in his full-length treatment of sweatshops writes, "How bad are the alternatives to sweatshops? In Cambodia, hundreds of people scavenge for plastic bags, metal cans, and bits of food in trash dumps. . . . Other common alternatives are subsistence agriculture, other informal sector work, begging, or even prostitution."²¹ Needless to say, a sweatshop job will often be viewed as a better choice among these alternatives.

Despite these alternatives, one might wonder why sweatshop jobs in the developing world must be paid so little. One might question why companies could not simply pay their employees more for their efforts. The answer is that the value of labor is set by two factors. Powell writes, "The upper bound is set by the worker's productivity. The lower bound is limited by the worker's next best alternative. The actual wage must fall somewhere between these two bounds."²² In other words, employers cannot pay more than the value of the worker's productivity, and workers will not work for less than what they can get somewhere else. Regarding the upper bound of what an employee can be paid, this is referred to as "marginal revenue product." Powell explains,

Simply put, an employee who generates \$2.00 per hour of revenue for the employer that would not have been generated if that employee was not working there has a marginal revenue product of \$2.00 per hour. . . . At a wage of \$2.01 per hour, the

²¹ Benjamin Powell, *Out of Poverty: Sweatshops in the Global Economy* (New York: Cambridge University, 2014), 2.

²² Powell, *Out of Poverty*, 24.

employer is losing one cent for every hour that employee works. A profit-maximizing business does not hire workers who increase their losses.²³

Employers cannot do business while losing money. Wages can only rise to the point of worker productivity.

If wages artificially rise higher than worker productivity, businesses are forced to adapt their strategies. Powell describes this process: “A profit-maximizing company responds to a minimum wage law by decreasing the amount of low-skilled labor it uses and replacing it with higher-skilled workers and capital.”²⁴ The end result of this process is that low skilled sweatshop workers in developing countries lose their jobs as companies switch to higher skilled workers using more advanced technology usually closer to home. The above quote references minimum wage laws, but consumer boycotts have similar effect: “While a boycott is in effect, demand for products made in sweatshops is lower, which means a lower demand for sweatshop workers. As a result, some workers are laid off, and in some cases orders dry up and factories temporarily close.”²⁵ Powell shows how these consumer boycotts end up hurting the very workers they were meant to help: “As a result, workers’ marginal revenue product decreases through absolutely no fault of the employee. . . . Thus, boycotts harm workers while they are in effect.”²⁶ Buying local is not a good strategy for raising incomes in the developing world. It is better for people in developing countries to have low paying jobs than no jobs at all.

The problem with demanding that countries pay their workers more or refusing to trade with them is that low wage labor can be a country’s comparative advantage, which allows them to compete in a global market. Grudem and Asmus write, “One of the economic advantages that poor nations have today is a supply of inexpensive labor. Low

²³ Powell, *Out of Poverty*, 24.

²⁴ Powell, *Out of Poverty*, 27.

²⁵ Powell, *Out of Poverty*, 29.

²⁶ Powell, *Out of Poverty*, 29.

labor costs make it more economically attractive for companies to build factories and invest in poor countries, and thereby help them create more goods and services and move toward prosperity.”²⁷ Poor countries tend to have few advantages to exploit, so taking away the one thing they can offer can effectively cut them out of the market, locking them into poverty. The best way for those in the US to help sweatshop workers is to raise their productivity or give them more alternatives.²⁸ Multinational corporations, usually thought of as villains, invest in their employees’ productivity in the form of job training and equipment. Employees who have this training and equipment are able to be much more productive than a person farming a small plot of land with hand tools and animals or scavenging in a garbage heap.

One way to give sweatshop workers more alternatives is to build more factories in their area. In that sense, one of the answers to sweatshops is more sweatshops. When there is competition among factories for workers in one area, employers compete with one another for employees. This process benefits employees. For example, if two factories in a vicinity pay the same while one has better working conditions, then employees will begin flocking to the factory with better working conditions. To stay in business, the factory with worse conditions will be forced to improve. The same process can lead to the raising of wages. Powell explains, “For many workers, their next best alternative to working in one sweatshop is working in another. As a result, wages are bid up to approximately the worker’s marginal productivity.”²⁹ In other words, with the presence of competition among factories, workers get closer to the upper ceiling of what they can be paid for their productivity.

²⁷ Wayne Grudem and Barry Asmus, “Do Global Corporations Exploit Poor Countries?,” in Lindsley and Bradley, *Counting the Cost*, 296.

²⁸ Powell, *Out of Poverty*, 24.

²⁹ Powell, *Out of Poverty*, 24.

Unfortunately, some corporations can make deals with government officials to have a monopoly on labor in a poor area.³⁰ Government officials may be given money in exchange for only authorizing one factory to operate in a particular area so that its workers have no other options. The factory can then employ people at extremely low wages under deplorable working conditions. It is important to point out that this situation does not describe a free market. In this situation, local government officials deserve blame for exploiting their people and the corporation deserves blame for thwarting the legal system with a bribe. The kind of sweatshop labor defended in this section is limited to voluntary agreement under relatively free market conditions. Forced labor is a crime against humanity that should never be condoned. As Powell points out, “If a worker must be coerced with the threat of violence to accept a job, then that job is obviously not the best alternative available to that worker—otherwise they would have voluntarily taken the job.”³¹ One must distinguish between slavery and voluntary agreement to work under bad conditions, condemning the former.

Sweatshop pay is often voluntarily agreed to because it usually compares well with national average pay within the poor countries in which sweatshops operate. Powell writes, “Working in an average sweatshop in Cambodia, Costa Rica, Haiti, Honduras, Nicaragua and Vietnam raises a worker’s income above the average for the country. In fact, Haiti, Honduras, and Nicaragua sweatshop workers earn more than twice the national average.”³² Working hard all day to get two or three dollars does not sound appealing to people living in rich countries, but in the poor countries in which sweatshops operate, they represent a better alternative.

³⁰ Barry and Asmus, “Do Global Corporations Exploit Poor Countries?,” 295.

³¹ Powell, *Out of Poverty*, 3.

³² Powell, *Out of Poverty*, 58.

When considering sweatshops, one should take sweatshop workers' own views into consideration. Powell describes a survey that he conducted with J. R. Clark in 2010 of Guatemalan workers at a factory identified by the National Labor Committee as a sweatshop. His interviews were done without the factory's knowledge, off premises, and outside of working hours with a guarantee of anonymity to protect employees.³³ Westerners lament the long hours and difficult working conditions in sweatshops, and yet, as Powell notes, "97 percent of workers said they would not be willing to earn less in order to work fewer hours. . . . All workers surveyed reported that they were unwilling to earn less to have more pleasant working conditions, and 97 percent were unwilling to earn less for safer working conditions."³⁴ Almost all workers were not willing to sacrifice pay for shorter working hours or safer working conditions. John D. Clark tells of a situation in which Nicaraguans picketed the US Embassy and "demanded an end to the US campaign *against* sweatshop conditions because it entailed boycotting the goods they produced, so hitting their livelihood. Picketers argued that though conditions weren't good, at least it was a job."³⁵ Conscientious Westerners must listen to sweatshop workers and not harm those they are trying to help.

Another thing that conscientious Westerners forget is their own history of economic development. The US went through a period of economic development in which many Americans worked under sweatshop conditions. As productivity increased, pay and working conditions also increased along with them. Powell observes, "Sweatshops are not new. They existed in Great Britain and the United States 150 years ago. . . . Eventually the process of economic development eliminated sweatshops in Great Britain and the

³³ Powell, *Out of Poverty*, 71.

³⁴ Powell, *Out of Poverty*, 72.

³⁵ John D. Clark, *Worlds Apart: Civil Society and the Battle for Ethical Globalization* (Bloomfield, CT: Kumarian, 2003), 12.

United States. Sweatshops are part of this development process.”³⁶ Johan Norberg describes the myopia of those who demand sweatshops improve conditions before the process of economic development has done its work:

If today, as a condition for trading with the developing countries, we require their mining industries to be as safe as the West’s now are, we are making demands that we ourselves did not have to meet when our own mining industries were developing. It was only after raising our incomes that we were able to develop the technology and afford the safety equipment we use today.³⁷

Westerners must give the rest of the world the grace to develop through the stages of economic development that we ourselves went through to reach the point of economic flourishing we have now obtained.

To sum up, sweatshops are not good in themselves, but they should be allowed to exist for those sweatshop workers in developing countries who have no better alternative. The hope is that sweatshops will bring training and investment that will boost the productivity of developing nations so that they can reach the stage of economic development the West has achieved. Consumer campaigns against sweatshops end up hurting the very workers they are trying to help. If wages are raised above a worker’s marginal revenue product, then corporations respond by laying off workers in developing countries and relying on higher productivity workers and technology closer to home. In one paragraph of his book, Powell directly addresses the Buy Local movement:

There is no shortage of advocates for “Buy Made in America and Americans work” or “Buy Local” campaigns. . . . But Buy American and helping sweatshop workers are conflicting goals. To the extent that Buy American programs actually influence people’s purchases, they harm Third World workers by decreasing the demand for their labor.³⁸

This section on sweatshops showed that restricting one’s purchasing to only local goods diminishes the flourishing of poor people in the developing world.

³⁶ Powell, *Out of Poverty*, 137.

³⁷ Johan Norberg, *In Defense of Global Capitalism* (Washington, DC: Cato Institute, 2003), 195.

³⁸ Powell, *Out of Poverty*, 140.

Environment

Much like the concerns over income inequality and sweatshops, some might see the economic benefits of global trade and yet restrict their buying to local sources over concerns about the environment. Some environmentalists argue against global trade because it purportedly exhausts nonrenewable natural resources and gratuitously pollutes the earth. Global supply chains require long-distance transportation, which creates more pollution than short distance transport to local markets. Furthermore, outsourcing production to poor countries is seen as a way for corporations to get away with destroying the environment. This argument is flawed for three reasons. First, God has given humankind the creativity to discover and develop new resources. Second, the pollution caused by long-distance travel is offset by comparative advantage in production. Third, people care more about the environment once they have the financial means to flourish. For these reasons, a global market has the potential to create more human flourishing than restricting one's buying to only local sources.

The belief that humans will one day use up all earth's resources is not new. E. Calvin Beisner writes, "The belief that we are using up finite resources, and soon there will be too few left to sustain us, is one of the oldest beliefs about humankind's impact on the environment. It long predates environmentalism and Thomas Robert Malthus's *Essay on the Principle of Population* (1798)."³⁹ Yet, this belief has led some environmentalists in the twentieth century to make dire predictions about the exhaustion of natural resources. For example, in 1972, the Club of Rome predicted that the supply of oil would be exhausted in twenty years and gold would be gone in nine.⁴⁰ This thesis is written in 2024,

³⁹ E. Calvin Beisner, "Is Capitalism Bad for the Environment?," in Lindsley and Bradley, *Counting the Cost*, 323.

⁴⁰ Donella Meadows et al., *The Limits to Growth: A Report for the Club of Rome's Project on the Predicament of Mankind* (New York: Universe Books, 1972).

and humans are still driving cars and discovering gold, so clearly this way of thinking is flawed.

The Club of Rome and other environmental groups got their predictions wrong because they did not properly consider the role of markets as signals or the creativity of human beings to create new technology that will either increase efficiency, increase the ability to use resources unavailable before, or even discover how to use brand new resources. The ability of humanity to discover more of a natural resource or use it more efficiently is demonstrated by the decrease in the prices of nonrenewable resources. One would expect that as a nonrenewable resource is used up, its scarcity would increase and so would its price on the world market. This expectation does not hold true. Paul Ehrlich made several predictions about the environmental collapse of the earth. In response to his predictions, an economist named Julian Simon challenged Ehrlich to choose five commodity metals and bet that they would increase in price over the next ten years. John Bolt writes of the wager, “Between 1980 and 1990, the world’s population grew by more than 800 million, the largest increase in one decade in all of history up to that point. Nonetheless, the price of each of the five metals *decreased*.”⁴¹ People should not fear that a world market will quickly deplete all the earth’s resources.

One resource on the earth will never be exhausted: human creativity. Human beings who are made in the image of God are able to take substances that used to be considered pollutants and make them useful. One of the best examples is oil. Richards writes, “We have devised all sorts of ways to explore, refine, and use it [oil] more efficiently. Think how different oil is now than when it was gurgling up and making a mess in Mr. McGregor’s garden. The differences lie not so much in the nature of oil but

⁴¹ John Bolt, *Economic Shalom: A Reformed Primer on Faith, Work, and Human Flourishing* (Grand Rapids: Christian’s Library, 2013), 108.

in the vision and ingenuity of man. . . . In a sense, we *create* resources.”⁴² For these reasons, embracing a global market does not mean running out of resources.

The unfortunate byproduct of burning fossil fuels is that it emits greenhouse gases into the atmosphere which could be a cause for climate change. Some people prefer to buy local goods because they want to avoid the emissions generated from long-distance travel. However, when looking at the whole picture, there are many cases when long-distance travel decreases total emissions, especially in food production. These cases result from a country or region’s comparative advantage being employed.

Philosophers Benjamin Ferguson and Christopher Thompson tackle the issue of buying local food from a moral perspective in their article “Why Buy Local?”⁴³ They consider the claims of locavores such as Michael Pollan. Pollan writes, “The average fruit or vegetable on an American plate has traveled 1500 miles from the farm, and a lot of diesel fuel has been burned to get it there. Local food has much lower energy costs.”⁴⁴ When Ferguson and Thompson consider this environmental argument for local food, they disclose some contrasting evidence from the work of John Hendrickson, which finds that food transportation accounts for 11 percent of energy used in the US food system⁴⁵ and a more recent report from Christopher Webber and H. Scott Matthews finds that food miles contributed to 4 percent of the US food system’s greenhouse gas emissions.⁴⁶ With food miles contributing such a small amount to the overall emissions, Ferguson and Thompson

⁴² Richards, *Money, Greed, and God*, 218, emphasis original.

⁴³ Benjamin Ferguson and Christopher Thompson, “Why Buy Local?,” *Journal of Applied Philosophy* 38, no. 1 (February 2021): 104–20.

⁴⁴ Michael Pollan, “Eat Your View,” *The New York Times*, May 17, 2006, <https://michaelpollan.com/articles-archive/eat-your-view/>.

⁴⁵ John Hendrickson, “Energy Use in the US Food System: A Summary of Existing Research and Analysis,” *Sustainable Farming* 7, no. 4 (1997): 1–12.

⁴⁶ Christopher Webber and H. Scott Matthews, “Food-Miles and the Relative Climate Impacts of Food Choices in the United States,” *Environmental Science and Technology* 42 (2008): 3508–13.

write, “The minimal contribution of food miles to greenhouse gas emissions suggests that if we want to mitigate the effect that our food habits have on the environment, focusing on food *miles* is not the most effective approach. The environmental impact of food has much more to do with how it is grown, than where.”⁴⁷ These findings support the idea that comparative advantage is worth the price of long-distance travel. It is better to produce goods in the most efficient place they can be made and then transport them to where they are needed.

Finally, there is a correlation between income per capita and care for the environment. Therefore, the best prospects for human flourishing involve increasing economic prosperity which will elevate human consciousness to concerns such as the environment. Victor Claar and Robin Klay write, “The nations with the poorest environmental records are also among the world’s poorest economically. For most developing nations, the most pressing issues are not environmental ones; instead, they have more urgent concerns.”⁴⁸ In other words, poor countries do not care for the environment because their people are just trying to stay alive. However, once people are able to care for their basic needs, they generally give more attention to the environment. Claar and Klay conclude, “We should not deny trade to poor nations that cannot yet afford a high level of environmental quality. Instead, we should do everything possible to help them become more prosperous—including promoting free trade with them.”⁴⁹ The best way to help the environment is for humans around the globe to trade freely, which has the potential to raise economic prosperity to the point at which humans can pursue other areas of flourishing, such as caring for the environment.

⁴⁷ Ferguson and Thompson, “Why Buy Local?,” 108.

⁴⁸ Victor V. Claar and Robin J. Klay, *Economics in Christian Perspective: Theory, Policy and Life Choices* (Downers Grove, IL: IVP, 2007), 105.

⁴⁹ Claar and Klay, *Economics in Christian Perspective*, 105.

Conclusion

Ethical objections to a global market from the realms of income inequality, sweatshops, and the environment do not hold up under close scrutiny. Income inequality is a necessity to reward people fairly for the differences in their work. Furthermore, globalization has worked to curb income inequality on the global scale. While sweatshop working conditions are deplorable by US standards, they represent the next best alternative for those who voluntarily choose to work in them. Sweatshops are a step in the process of economic development that eventually leads to prosperity as worker efficiency increases. Finally, environmental concerns about the global market prove unfounded as the earth is not on the brink of running out of resources, emissions from long-distance travel are offset by comparative advantage, and the global market is a powerful tool for raising people out of poverty, which usually raises their consciousness to care more for their environment. The biblical, theological, and economic reasons to embrace a global market through personal buying choices argued in chapters 2 and 3 stand up to these ethical challenges. A global market remains the better vehicle by which to pursue human flourishing.

CHAPTER 5

CONCLUSION

This thesis argues that supporting a global market through personal buying choices has a greater potential to promote human flourishing for image bearers across the globe than restricting one's buying completely to local sources. Due to the grassroots nature of the Buy Local and America First campaigns, the issue of locality in consumer choices had not been addressed from an academic perspective in a comprehensive way. Furthermore, for followers of Jesus, the issue must be addressed in a Christian manner with proper respect given to the authority of Scripture. With the biblical record not addressing the Buy Local movement directly, more thinking is required. The complex nature of this topic required looking at the issue from a biblical and theological perspective, economic perspective, and ethical perspective. This thesis has provided a comprehensive academic argument for embracing a global market on the grounds that it promotes human flourishing.

Biblical and Theological Foundations

In chapter 2, I addressed biblical texts and theological ideas related to my thesis. Several Old Testament texts provide positive examples of buying imported goods. Furthermore, when the Bible gives prohibitions regarding trade, locality is not at issue. When it comes to theological ideas, human flourishing, the cultural mandate, natural law theory, and neighbor love have something to say about this issue. When these ideas are combined with economic arguments brought forth in the next chapter, they provide a powerful case for embracing a global market.

Positive examples of foreign trade in the Old Testament include 1 Kings 5 where Israel and Tyre made a mutually beneficial trade of agricultural products for lumber. In

the same context, the Bible notes that God gave Solomon wisdom. In this way, the Bible shows the wisdom of embracing comparative advantage in trade. When the Bible does have something to prohibit regarding trade, buying imported goods is not an issue. The two main prohibitions regarding trade are against using unjust measures and against trading on the Sabbath. Nehemiah 13:15–18 specifically describes Tyrians selling imported fish in Israel, and yet they are reprimanded not for importing fish but for trading on the Sabbath. All in all, the biblical record provides positive examples of foreign trade, and when it does make prohibitions about trade, they do not relate to locality. However, the Bible does not explicitly endorse foreign trade, yet theological concepts taught in Scripture give more light.

The first theological concept is the idea of human flourishing. According to the Bible, God desires that human beings flourish, and economic wellbeing is part of a biblical vision of flourishing. The ultimate good that humans should pursue is God himself, but there are other aspects of a flourishing human life, such as having food, clothing, and shelter. In the section on human flourishing, I built a biblical theology of human flourishing based on the work of Jonathan Pennington. He shows the ubiquity of the concept of human flourishing through several word pairs used in the Hebrew Old Testament and the Greek New Testament.¹ Miroslav Volf shows the relationship between human physical and spiritual needs through Jesus’s quotation of Deuteronomy in Matthew 4:4.² Volf affirms that man does not live by bread alone, but also points out that man must have bread in order to live long enough to comprehend that truth. Therefore, a flourishing human life is ultimately oriented toward God but also includes a vision of economic flourishing.

¹ Jonathan T. Pennington, “A Biblical Theology of Human Flourishing,” Institute for Faith, Work and Economics, March 4, 2015, 15–16, <https://tifwe.org/wp-content/uploads/2015/03/Pennington-A-Biblical-Theology-of-Human-Flourishing.pdf>.

² Miroslav Volf, *Flourishing: Why We Need Religion in a Globalized World* (New Haven, CT: Yale University, 2015), 22.

The second theological concept is the cultural mandate. It would be easy to assume that “be fruitful and multiply” only refers to reproduction, but God has called his people to be productive and creative in other ways as well. In the Genesis account, God creates an incredible world over the period of six days. Then, he creates human beings in his image. Part of “imaging” God means taking the raw materials God has created and making them useful for human life. All things being equal, a market that fosters human flourishing and productivity should be preferred over a market that diminishes flourishing and productivity.

The third theological idea comes from natural law theory. Natural law theory teaches that economic goods are not to be pursued as ends in themselves, and they are not to be pursued to infinite degrees. Mary Hirschfeld’s work on Thomas Aquinas proved helpful in this section. Aquinas taught that since physical needs are finite, one’s rational desire for wealth should also be finite.³ In other words, human beings do not need infinite amounts of wealth to flourish. This idea is confirmed by Scripture’s teaching on wealth and poverty in Proverbs 30:8–9 and 1 Timothy 6:6–8. Considering that many Americans already have enough wealth to pursue human flourishing, consumers should look to benefit the poor around the world through their purchases by embracing a global economy.

The fourth and final theological idea covered is neighbor love. Jesus said that the second greatest commandment is to love your neighbor as yourself (Matt 22:37–38). When boiled down to its essence, love means acting for the good of another. It could be phrased another way based on the study of human flourishing: love means helping others to flourish. I also considered the idea of moral proximity and determined that Christians are still called to help others flourish even if they live on the other side of the world. Therefore, when the benefits of a global market are understood, one should consider

³ Mary L. Hirschfeld, *Aquinas and the Market: Toward a Humane Economy* (Cambridge, MA: Harvard University, 2018), 120.

supporting a global market through personal buying choices rather than exclusively buying local.

Economic Foundations

The third chapter assessed how open global markets compare with closed local markets in their ability to promote human flourishing. I outlined several economic principles that show the benefits of global markets: the value of trade, growth of the world wealth pie, division of labor, comparative advantage, and creative competition. These principles show how a global market can provide the best conditions to promote human flourishing. They also show how a global market is more productive and fosters more creativity than a purely local one. Then, I considered the argument of popular writer Wendell Berry for a local economy⁴ and responded with a rebuttal. In my rebuttal, I argue the Buy Local Movement is a consumer enforced version of protectionism which will result in the diminishing of human flourishing around the globe.

The first principle discussed was the value of trade. With every voluntary trade, there is a win-win scenario. Even if the trade partners were to trade things of equal value with each other, they would both be better off in the end because they each got to have the thing they wanted. If they would not have been better off, they would not have voluntarily made the trade. Adding more trading partners results in more flourishing because now each trade partner can get a greater variety of goods for what they have to offer. A world without trade would mean a world where everyone has to manufacture everything for themselves, so almost all their time would be spent procuring the goods necessary for survival. Local level trade is good, but global trade is even better because it allows for more trading partners, opening the way for a more flourishing life.

The second principle to understand is that global wealth is better thought of as a growing pie rather than a zero-sum game. If global wealth is a zero-sum game, then for

⁴ Wendell Berry, *What Matters? Economics for a Renewed Commonwealth* (Berkeley, CA: Counterpoint, 2010), 177–93.

someone to become rich, someone else must become poor. However, if wealth is able to be created, then the wealth pie as a whole can grow, which means there is more wealth to go around. I shared examples from the sharing economy of companies like Uber and Airbnb, which have allowed people to use their own property to generate wealth that they could not before, which has enriched both the companies and the population who uses these platforms. I also addressed the claims of some politicians who blame a global market for stealing jobs. In America, they say that China has become richer at America's expense. The truth is that both China and America have grown richer through global trade. Furthermore, politicians "save" jobs that could more efficiently be done in other countries by making every citizen pay higher costs for consumer goods. The average citizen does not realize the costs of protectionism because they are spread out across the entire population in the form of higher prices.

The third principle is the division of labor. The division of labor is a simple yet powerful concept. When each person or entity specializes in one area of manufacturing, they are able to greatly improve efficiency because they can hone their craft, and they do not have to switch between tasks. On a larger scale, through the division of labor, mankind is able to produce things that no single human or even single company could produce in mass. The simple example of the pencil in Leonard Read's essay "I, Pencil"⁵ or the more complex discussion of the creation of an iPhone in Jay Richard's *Money Greed and God* illustrate how humans are able to manufacture items that no one person or company would have the knowledge or means to produce.⁶ Kelly Cobb's experiment of trying to create a completely locally produced suit shows how inefficient a purely local market is in providing these kinds of goods.⁷ A global market takes advantage of a greater division

⁵ Leonard E. Read, *I, Pencil* (Atlanta: Foundation for Economic Education, 2019), 4–10.

⁶ Jay W. Richards, *Money, Greed, and God* (New York: HarperOne, 2019), 96–97.

⁷ Paul Adams, "100-Mile Suit Wears Its Origins on Its Sleeve," *Wired*, April 2, 2007, <https://www.wired.com/2007/04/100-mile-suit-wears-its-origins-on-its-sleeve/>.

of labor across oceans and continents to create goods one would never be able to buy at a farmer's market.

The fourth principle is closely related to the division of labor: comparative advantage. The basic idea is that each region or country is better suited to produce different types of goods. Rather than attempting to produce all the goods a country needs, it is to that country's comparative advantage to produce more of what it can most efficiently produce and trade the excess for other needed goods. David Ricardo wrote about this principle using the illustration of wool production in England and port production in Portugal.⁸ England is better off producing wool and trading for port, and vice versa for Portugal. Each country benefits both itself and the other country in this arrangement. A global market allows comparative advantage to work most freely for the overall good of the world. It also discourages wars as countries mutually benefit from each other on peaceful terms.

The fourth principle is competition. Competition in a market rewards creativity, efficiency, and hard work. Every consumer participates in market competition when they shop around for products. They reward through their purchases the companies that provide the best products and services for the best prices. In this way, they support creative and efficient businesses and discourage unimaginative and unproductive ones. When businesses compete, it is the consumer who comes out ahead. For example, when Japanese car manufacturers entered the US auto market, US auto makers were forced to improve their quality and efficiency, which resulted in better cars for US citizens. Limiting oneself to a local market also means limiting competition and its force for improvement and creativity.

After covering these principles, I examined the argument of Wendell Berry for a local economy in his chapter, "The Total Economy."⁹ Berry has three main critiques of a global market. He writes that a global economy will mean replacing workers with

⁸ David Ricardo, *The Principles of Political Economy and Taxation* (Garden City, NY: Dover, 2004), 82.

⁹ Berry, *What Matters?*, 177–93.

cheaper workers or with machines, that the nature of market competition is that it all reduces to one top competitor, and that it relies on long-distance transportation, which eliminates self-sufficiency and diversity. Contra Berry, replacing expensive labor with cheaper labor or machines can benefit the entire population by providing goods at lower costs to customers. Economic history disproves the idea that competition inevitably leads to one dominant company. Many of the same companies that were at the top of their markets decades ago have fallen to the bottom in recent years. Finally, self-sufficiency means inefficiency because it does not allow countries to take advantage of the principle of comparative advantage. When it comes to diversity, a global market can add variety to local culture. An example would be the use of the tomato in Italian cooking: a fruit that originated in South America and made its way to Italy via a globally connected market.

Berry's proposed solution to what he sees as the downfalls of a globally connected economy is protectionism. However, if the government is not willing to protect their home economy, he recommends that citizens choose to practice local buying. From Berry's own essay, one can see the connection between protectionism and the Buy Local Movement. The main difference is that one is enforced by the government and the other is enforced by consumers. Nevertheless, though on different scales, the outcome will be the same. Richards points out that the reason a person makes a purchase makes no difference for economic outcome.¹⁰ The only thing that matters in a purely economic sense is what one does, not why one does it. The outcome of protectionism as observed in the economic history of East Asia and Africa is economic destitution. The rapid growth of East Asian countries coincides with the opening of their markets to global trade. Protectionism has a proven track record for the diminishing of human flourishing, and if everyone jumped on the buy local bandwagon, the results would follow the same course.

¹⁰ Richards, *Money, Greed, and God*, 46.

Ethical Considerations

Some may grant the economic power of a global market to promote human flourishing and yet object to it because of ethical concerns. Chapter 4 covered the most common objections to global markets, including concerns about income inequality, sweatshop labor, and the environment. These concerns should be taken seriously, but they do not negate the benefits of a global market for human flourishing. Some income inequality is a natural outcome of fair compensation to people with differing skills and abilities. Furthermore, while income inequality within nations has risen during the last century, global household income inequality reached a peak in the mid- to late-twentieth century and has been trending down since then. When it comes to sweatshops, while working conditions are atrocious by Western standards, they provide a better alternative to prostitution, scavenging, and subsistence agriculture to many poor families around the world. Finally, regarding the environment, while a global market uses up resources quickly, this use does not mean that the world's resources will be depleted. Additionally, emissions created through long-distance transportation are often offset by comparative advantage in production. In short, these three considerations should not discourage partaking in a global economy.

Diving a little deeper into the first consideration, there has been much alarm in some circles about rising income inequality. The first place to turn for guidance on this issue is God's Word. Jesus's Parable of the Talents depicts God giving different amounts of resources to different people depending on their ability. Moreover, Grudem points out that Scripture describes differing rewards even in the afterlife.¹¹ The Bible itself does not describe all income inequality in a negative light. Practically, differing wages provide signals that indicate a job's value to society, which encourages more investment in needed areas of skill and expertise. They also allow people to be fairly compensated for differences in skills and abilities. Income inequality is usually measured using the Gini coefficient.

¹¹ Wayne Grudem, *Business for the Glory of God: The Bible's Teaching on the Moral Goodness of Business* (Wheaton, IL, Crossway, 2003), 51.

This measurement shows the level of income inequality in a country or around the world. When the Gini coefficient is tracked across the world, it shows that global inequality has been decreasing over the last few decades. Experts attribute this decrease to the rise of the global middle class in places such as East Asia. In recent world history, the global market has been a force for lifting people out of poverty. The goal of economic decisions should not be to achieve perfect income inequality. If everyone were equally poor, that would not be success. Instead, the goal should be to create economic prosperity for all.

The second consideration is sweatshops. No one likes to think that the clothes they wear were made by people who worked long hours under bad conditions for little pay. However, the fact that is even more jarring is that working in a sweatshop is often a better alternative for sweatshop workers than other opportunities they may have. Other alternatives might be prostitution, scavenging, or subsistence farming. In this section, I relied heavily on Benjamin Powell's treatise *Out of Poverty*.¹² Powell outlines the upper and lower bounds of what a worker is able to make. The lower bound is the worker's next best alternative, while the upper bound is the worker's marginal revenue product. A worker's marginal revenue product is the amount of money a worker generates for a company and is connected to the worker's productivity. Some consumers boycott sweatshops in an effort to help sweatshop workers. Unfortunately, this plan ends up backfiring because it decreases a sweatshop worker's marginal revenue product and if the boycott is successful in closing the sweatshop, then an alternative is taken away from the worker. While far from ideal, sweatshops provide skills, training, and more productive work for people in poor countries, allowing these countries to progress in development. Buying local to avoid sweatshops does no good for the global poor.

The final ethical consideration was the environment. Some argue against global trade because it purportedly exhausts nonrenewable resources and gratuitously pollutes

¹² Benjamin Powell, *Out of Poverty: Sweatshops in the Global Economy* (New York: Cambridge University, 2014).

the earth. There are three reasons a global market should not be abandoned because of concerns over the environment. First, humans made in the image of God have the ability to discover and develop new resources. Environmental groups such as the Club of Rome made false predictions about the world running out of resources because they failed to take human creativity and the market's ability to incentivize the discovery and development of new resources into account. Second, the pollution caused by long-distance travel is offset by comparative advantage in production. Benjamin Ferguson and Christopher Thompson's research about local food helps to make this point.¹³ They found that a small amount of the US food system's greenhouse gas emissions resulted from transportation. When it comes to emissions, it matters more about how food is produced than how far it has to travel. Third, people care more about the environment when they have the financial means to flourish. Therefore, it makes more sense to embrace a global market that has the potential to bring poor countries out of poverty to a place where they can prioritize caring for the environment.

Putting the entire argument together, biblical examples, theological concepts, and economic arguments show that supporting a global market through personal buying choices has the potential to promote more human flourishing than limiting oneself to only local sources. The Bible gives positive examples of foreign trade and does not include importing goods in its list of prohibitions regarding trade. The theological ideas of human flourishing, the cultural mandate, natural law theory, and neighbor love show that believers should pursue the economic flourishing and productivity of those around the world. Economic ideas such as the value of trade, growth of the world pie, division of labor, comparative advantage, and creative competition show a global market as the best way to pursue human flourishing for all. Economically, the Buy Local Movement is a consumer enforced version of protectionism that is likely to have similar results when it comes to

¹³ Benjamin Ferguson and Christopher Thompson, "Why Buy Local?," *Journal of Applied Philosophy* 38, no. 1 (February 2021): 104–20.

human flourishing. Common ethical objections such as concerns about income inequality, sweatshops, and the environment do not turn out to be good reasons to abandon a global market. A global market shines as a vehicle by which economic flourishing may be reached.

This thesis is not arguing that people should never buy locally. Instead, people should be open in their purchasing decisions to goods made around the world. If the quality of produce one gets at the farmer's market is better than that of the supermarket for a reasonable price, then one should keep shopping at the farmer's market. However, one should not think of themselves as on a higher ethical plane than others who purchase their produce at the grocery store. Furthermore, one should consider the impact of their purchases on image bearers around the globe and not just those who live in their locality.

Practical Application

This thesis was written for the Doctor of Ministry in Christian Apologetics degree. Christian apologetics is usually thought of as defending the faith from objections, but another aspect of Christian apologetics is critically engaging with the culture. When buying local is touted as the more virtuous or ethical thing to do, it is easy for the church to jump on the bandwagon. After all, the church wants to be virtuous and ethical in all that it does. However, the church must be discerning when engaging secular movements because they may not be biblical or motivated by Christian morals. Some may think they offer a Christian apologetic to the world by championing every secular cause that does not superficially contradict their faith. Yet, if they are not careful, they can compromise the truth and ride the tide of culture away from God's revealed will. Readers of this thesis should consider what they have learned from the case of the Buy Local Movement and be careful when considering other secular causes.

The most straightforward application of this thesis is that the church need not spend extra money and time seeking out local buying options. Some examples might include the coffee a church serves or the church t-shirts they wear. If there are great options

for coffee or t-shirts in one's local area, and extra costs result in worthwhile quality, then by all means, buy local. If, on the other hand, buying local means spending more money and time for the same quality or less, then they should buy global and support human flourishing around the world.

As a general rule in America, local products cost more. This principle is shown in the example of the locally produced suit from chapter 3. Because local products cost more, global buying will result in more money in the church's pocket to give to other causes. This thesis demonstrated that exclusively buying local is not the best way to help the poor around the world. Some readers may be convinced now that buying local is not the best way to help the global poor, but they still want to help. They may wonder what they should do with the money they will be saving through embracing a global market. In the next paragraphs, one option will be considered that looks helpful but proves unfruitful, and two options will show great promise in helping the poorest of the poor.

Fair Trade is an option that at first appears helpful but proves to be an unfruitful alternative. The basic idea of fair trade is that it fixes the issue of sweatshops and global poverty by having consumers in richer countries pay more to ensure a living wage for the workers who produced their goods. An attractive feature of this option is that it provides dignity to workers in poor countries by rewarding them for their labors, ensuring that they can make a decent living from their work. However, Victor Claar in his full-length treatment of the subject, *Fair Trade? Its Prospects as a Poverty Solution*, tells another side of the story.¹⁴ The problem with the Fair Trade alternative is that consumers pay more than the market price for goods. This extra payment is a problem because it distorts the information that the market provides through market prices. When market prices rise, it signals producers to make more of that product. Therefore, if the price is artificially

¹⁴ Victor V. Claar, *Fair Trade? Its Prospects as a Poverty Solution* (Grand Rapids: Acton Institute, 2010).

high to ensure a living wage, then it encourages more people to enter that area of production and produce more of that product than the world actually needs.

One could think of buying something Fair Trade as buying something and giving a monetary gift with the purchase. The monetary gift is the amount of money one paid extra over the market price for that item. Because that monetary gift is tied to the production of that particular item, it will distort the price signals of the world market and lead to overproduction. Furthermore, in the case of coffee and some other goods, it will lock poor people into producing something that will never bring them out of poverty. Claar concludes, “Fair trade will never lead to the long-term enrichment of the poor. Instead, it creates additional incentive for the poor to continue to soldier on in a line of work that will never pay much better than it does right now.”¹⁵

With Fair Trade off the table, there are still two other methods of helping the global poor uncovered in this research. First, rich countries must stop subsidizing their farming. Wayne Grudem and Barry Asmus describe this process: “Governments (usually in wealthier nations in Europe and the United States) pay huge subsidies to farmers in their countries, which means that many farmers are paid above the world market prices for crops such as wheat, peanuts, sugar beets, and many others.”¹⁶ As pointed out about Fair Trade, when more than the going world market price for an item is paid, it is essentially a gift. In other words, the US government gifts US farmers money every year. The government, of course, does not generate its own revenue, so this gift is paid for by taxpayers. John D. Clark writes, “These subsidies cost Northern governments \$360 billion a year or about \$1,750 a year for an average family of four in the European Union,

¹⁵ Claar, *Fair Trade?*, 51–52.

¹⁶ Wayne Grudem and Barry Asmus, *The Poverty of Nations: A Sustainable Solution* (Wheaton, IL: Crossway, 2013), 97.

the United States, Japan, and Canada.”¹⁷ Many are unaware that their families are paying \$1,750 a year as a free gift to farmers.

Many are also unaware of the impact this practice has on the global poor. The “free” money tied to agriculture encourages overproduction of subsidized products. When too much of a product is grown, it is often dumped on the world market, depressing the price that farmers in poorer countries around the world can get for their products. Clark writes of the effects on the global poor: “Ending subsidies would save taxpayers but also, according to a conservative World Bank estimate, offer their-world farmers an immediate extra \$20 billion a year of business that would lift over three hundred million people above the poverty line.”¹⁸ Those in rich countries must advocate for the end of farm subsidies so that people in poorer countries can get a fair price for their products.

The second way to truly help the world’s poor is to protect private property. Private ownership of property is upheld in the Eighth Commandment: “You shall not steal” (Exod 20:15). This commandment assumes that one’s neighbor has private property and that it is wrong to take it from him. Hernando de Soto in his landmark book *The Mystery of Capital* shows that property rights are one of the main reasons that capitalism has worked in the West and not in places like Latin America and Africa. De Soto shows how the poor in these areas have houses, land, and businesses, but because they do not have formal documentation of their ownership, they cannot turn any of these things into capital. De Soto calls these holdings “dead capital” because they are assets that cannot be properly sold or leveraged for a loan.¹⁹ He writes, “It is the unavailability of these essential representations that explains why people who have adapted every other

¹⁷ John D. Clark, *Worlds Apart: Civil Society and the Battle for Ethical Globalization* (Bloomfield, CT: Kumarian, 2003), 226.

¹⁸ Clark, *Worlds Apart*, 226.

¹⁹ Hernando de Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* (New York: Basic Books, 2000), 6.

Western invention, from the paper clip to the nuclear reactor, have not been able to produce sufficient capital to make their domestic capitalism work. This is the mystery of capital.”²⁰

It might help to use practical examples to understand the predicament in which many poor people around the world find themselves. Suppose a farmer occupies a hundred acres of land. If he had a deed to his land, he might be able to sell off a portion or take out a loan to get better farming equipment to improve the efficiency of his farm. Because he does not have a deed to his land, he is stuck using hand tools and farm animals that keep him in a state of scraping out a living to keep his family afloat. As another example, suppose an entrepreneur has an idea to start his own business. In America, he might be able to take a loan out against his home to get his business off the ground, but without a deed to his home, he does not have the capital to get started.

The first solution to world poverty I propose is ending farm subsidies in rich nations. To end these subsidies, the public must be educated and aware of how their tax dollars are going as gifts to farmers in rich countries and how it affects poor farmers around the world who have no better alternative than agriculture. If the public understands these issues and votes accordingly, there is hope for change in this area. The second issue of private property, however, is more complicated to address. A country must change its legal system and enforcement to ensure proper representation of property ownership. This change is most effectively accomplished from within these countries. With private property rights clearly holding much of the world back, I suggest more research be done to identify how property rights can be established and protected in these countries.

The aim of this thesis has not been to keep people from going to local farmer’s markets or buying local products at a boutique downtown. Instead, the aim is to inquire what ethical impact place has on consumer decisions. When compared with exclusive local buying, a global market shows more potential to foster human flourishing for image

²⁰ De Soto, *The Mystery of Capital*, 7.

bearers across the globe. If readers decide to continue shopping at the farmer's market or local boutique, let it be because they enjoy doing so or because they believe they are getting a good value and not because they think it puts them on a higher ethical plane than those who embrace a global market.

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ABSTRACT

BUYING LOCAL: AN INQUIRY INTO THE ETHICAL DIMENSIONS OF PLACE IN CONSUMER DECISIONS

Dean Jacob Williamson, DMin
The Southern Baptist Theological Seminary, 2024
Faculty Supervisor: Dr. David A. Bosch

This thesis assesses the Buy Local Movement from a Christian perspective and argues that supporting a global market through personal buying choices has a greater potential to promote human flourishing for image bearers across the globe than restricting one's buying completely to local sources. In chapter 1, I introduce the topic and survey the related literature. Chapter 2 is devoted to biblical and theological foundations for the debate, including human flourishing, the cultural mandate, natural law theory, and neighbor love. Chapter 3 explores economic factors such as the value of trade, the global wealth pie, division of labor, comparative advantage, competition, and protectionism. In chapter 4, ethical considerations are taken into account including income inequality, sweatshop working conditions, and the environment. The final chapter concludes my argument and shows practical ways it applies to Christians and churches.

VITA

Dean Jacob Williamson

EDUCATION

BA, The College at Southeastern Baptist Theological Seminary, 2016

MDiv, Southeastern Baptist Theological Seminary, 2018

MINISTERIAL EMPLOYMENT

Associate Pastor, Pleasant Street Baptist Church, Worcester, Massachusetts,
2016–2017

Associate Pastor, First Baptist Church of Cocoa, Cocoa, Florida, 2021–2022

Senior Pastor, First Baptist Church of Cocoa, Cocoa, Florida, 2022–