

The Biblical Matrix of Economics

Grigore PIROȘCĂ

Bucharest Academy of Economic Studies
grigore.pirosca@economie.ase.ro

Angela ROGOJANU

Bucharest Academy of Economic Studies
angelarogojanu@yahoo.com

Abstract. *The rationale of this paper is a prime pattern of history of economic thought in the previous ages of classic ancient times of Greek and Roman civilizations using a methodological matrix able to capture the mainstream ideas from social, political and religious events within the pages of Bible. The economic perspective of these events follows the evolution of the seeds of economic thinking within the Fertile Crescent, focused on the Biblical patriarchic heroes' actions, but also on the empires which their civilization interacted to. The paper aims to discover the path followed by the economic doctrines from the Bible in order to find a match with economic actuality of present days.*

Keywords: economic doctrines; mercantilism; precious metals; methodological matrix.

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„Adam was nothing but a man, what explains everything.
 He did not want the apple for its sake; he
 wanted it because it was forbidden.
 Too bad the snake was the one forbidden:
 in this case Adam would have eaten the snake”.
 Mark Twain – *Pudd'nhead Wilson*

The Bible or the *Holly Books* represents, without any shadow of a doubt, a work of art for the multi millennia history of the economic, social and cultural *memory experience* of the mankind. Beyond of theological and anthropologic challenges, the Bible stands for a unique milestone for economic thought, but for the birth and evolution of economic ideas as well. In the same time, the Bible is a guide for moderate behaviors. We abide to *Holly Books* for a better understanding the economic path of mankind through the power of the exercise of the beginnings.

The dedication of the Labour Law, theoretically received as mandatory for all people, originating from a divine commandment from *Genesis 3. 17, 18, 19*, when Lord commanded to man: “And unto Adam he said, Because thou hast hearkened unto the voice of thy wife, and hast eaten of the tree, of which I commanded thee, saying, Thou shalt not eat of it: cursed is the ground for thy sake; in sorrow shalt thou eat of it all the days of thy life; (*Genesis 3.17*); Thorns also and thistles shall it bring forth to thee; and thou shalt eat the herb of the field (*Genesis 3.18*). In the sweat of thy face shalt thou eat bread, till thou return unto the ground; for out of it wast thou taken: for dust thou art, and unto dust shalt thou return.” (*Genesis 3.19*).

The Bible presents labor as a commandment from God, in a growing working diversity. Adam's sons were Abel-shepherd and Cain-farmer, but Cain's followers had within Tubalcain, who was “an instructor of every artificer in brass and iron” (*Facerea 4.22*) and Noah, who has been demanded by God Before the flood: “Make thee an ark of gopher wood; rooms shalt thou make in the ark, and shalt pitch it within and without with pitch.” (*Facerea 6.14*). After the flood, Noah “began to be an husbandman, and he planted a vineyard” (*Facerea 9.20*, Acroyd and al., 2008, pp. 27-50, Johnson, 1987, pp. 22-67).

In 1933 at Tell Harari, close to Syrian-Iraqi border, it has been discovered the ruins of ancient city of Mari, and at Tell Mardikh the ruins of ancient Ebla. Thousands of artifacts were discovered from excavated sites. Artifacts have been dated 1900-1500 B.C., having Biblical patriarch names such as Abraham, Jacob, Laban, Ishmael, but financial and economic vocabulary as well, along with credit operations made by Jews. The Bible has been studied ever since and researchers stood for historic facts from the history of Jews between 1300-1200 B.C. Within the pages of “Book of books” there are founder ideas of economic doctrines, under the influence of religious monotheism, principles and ethical

values, migrations, wars and economic cooperation. A good proof can be found in a clay tablet from Ebla, where is registered the selling of the first born right for only three sheep, just as it has happened between the two sons of Isaac, Isav and Jacob. The last one, also known as Jacob-Israel as a founder of Israeli people, bought from his older brother his first born right for a plate with potage. This can rely in an unpretending demonstration of the power of superior utility of the present consumption, economic principle which underpins the marginality doctrine and legitimates the interest paying in credit operations (Johnson, 1987, pp. 23-40).

The Bible is not cause and effect relation book, nor a book of reasons but a history book suitable to be interpreted as a history of economic thought one. From the flood and Noah's Ark, following the events from Ancient/ old test, it can be seen economic actions before and after the birth of the people of Israel. After Noah came Lot, then legendary Abraham, whose children are the ancestors of the two Semite people, Isaac for the Jews, and Ishmael for Arabs. Isaac's children were Isav and Jacob (also named Israel), whose son, Josef, will mark the milestone of the beginning of ties between people of Israel and Pharaoh's Egypt (Barrera, 1998, pp. 12-34).

In *Genesis* 24.35 Eliezer, servant of Abraham, has been searching a wife for Isaac, son of Abraham, to his special request that his son's wife should be from the same native lands. When the servant reached his destination, he exposed with great proud his master's wealth, pe care "And the LORD hath blessed my master greatly; and he is become great: and he hath given him flocks, and herds, and silver, and gold, and menservants, and maidservants, and camels, and asses". Briefing, Abraham's wealth is in fact a part of every original means of productions, labor, nature and capital: sheep, cows, camels and mules, as nature. Sheep and cows are wealth standards for further civilizations from Antic Age to Middle Age. Romans used to change merchandises through cows (*pecus*), where the term of pecuniary derives from. Meanwhile, sheep remains as standard meat source for Semitic and Indo-European people. Mules and camels are carry animals, very tough and strong for alpine deserts from North Africa and Palestine mountains, as a proof of merchandise flows, exchange and trading, labor migration force. Camel became a symbol of trading through caravans (Rogojanu, 2009, pp. 12-60).

Preaching the moderate attitude for wealth did not mean banishing it, but a way to make people understand that in life there is more than material wealth. As an example, people have the means of living, but "Abraham was very rich in cattle, in silver, and in gold" (*Genesis* 13.2), but so did "Lot also, which went with Abram, had flocks, and herds, and tents" (*Genesis* 13.5). Wealth representation through gold and silver is for the first time marked in beginning of *Genesis*: "And the gold of that land is good: there is bdellium and the onyx stone" (*Genesis* 2.12), then by Eliezer. The consciousness of gold value is one

of the most important facts of the theory of value in different ages, because is very interesting the way people became aware of it. Anchoring the wealth to gold is a proof that theory of monetary regression developed by Ludwig von Mises within Austrian School has methodological roots far deepened in time, being imported most probably from ancient Egypt. Within the pages of Bible people tend to recognize the gold as a possible etalon of value, but probably the modest gold resources from Palestine and Levant made their decision to go along with barter, using gold only for stocking value or taxes. The rigidity of gold supply could slow trading, in spite of the fact that merchandise used during barter are not always homogenous and divisible without changing their economic destination. But one of the most important issues on precious metals Eliezer had been talking about is a proof of trading flows, even most of them have been through barter system. Merchants come into possession of gold rather by trade than by mining it, which can be seen as a birth idea of mercantilism doctrine from XV-VII centuries (Kugel, 1998, pp. 10-34, Johnson, 1990, pp. 5-43, McNeill, 2000, pp. 3-22).

Human dignity is a major commitment people from Bible began to promote, following in banishing of every form of economic and social subordination, and especially of slavery, but:

- Slavery, on the one hand, is an extension of family, excepting the slaves who belong to different ethnic groups. Just like in ancient Greek, a slave is merely a family member, not an exploited human being. More slaves are equivalent with a bigger potential work number per family. Jobs are almost homogenous, low value-added, therefore the objective theory of value is the benchmark for a working family, as long as slaves are living and working side by side with their masters. Slaves are only deprived by the right of heritage, reserved to the family's first born son. In Bible, slaves are not the slaves from mercantilist era, they are simply a superior work force for a family.

- Slavery, on the other hand, is an institution of some people's domination over others, as an institution of human humiliation. God spoke to Abraham as follows: "And he said unto Abraham, Know of a surety that thy seed shall be a stranger in a land that is not theirs, and shall serve them; and they shall afflict them four hundred years" (*Genesis* 15.13); but "And also that nation, whom they shall serve, will I judge: and afterward shall they come out with great substance" (*Genesis* 15.14) (Pelikan, 2004, pp. 12-44, Rogojanu, 2009, pp. 10-32, Kugel, 1998, pp. 10-34, Johnson, 1990, pp. 5-43).

Identifying wealth through precious metals and specific deficiencies of mercantilist doctrine are related in *Genesis*, in the important 47 chapter, Jacob in front of Pharaoh. Egypt faced an awful famine, situation which forces authorities to run out of silver "which were in the country of Egypt and Canaan, in change of the wheat traded on it." At pharaoh's request, Josef took the last stock of silver and

traded it to buy wheat. As a paradox, silver which made Egyptians feel rich is the very reason of their calamity. Instead of developing agricultural facilities for improved output, or better infrastructure to keep bigger stocks of cereals, Egyptians only keep the silver, without intending to invest it in a better life, just as centuries later happened in decadent mercantilist empires such as Spain, Portugal, Habsburg Empire or Ottoman Empire. Had they exported lesser goods, they would not become rich but starved. They have been able to buy wheat at last, but on a market with pressure of demand, which allowed them to buy less wheat with same silver. It is very possible that silver initially gained as the profit of exports to be gone by that moment.

Rage has spread, and Egyptians protested, therefore the pharaoh was forced to find another value-etalon to provide the every day bread for the citizens. This was an assignment delegated by the pharaoh to Joseph, who demanded Egyptians the next thing on the scale of value: “And Joseph said, Give your cattle; and I will give you bread for your cattle, if money fail. And they brought their cattle unto Joseph: and Joseph gave them bread in exchange for horses, and for the flocks, and for the cattle of the herds, and for the asses: and he fed them with bread for all their cattle for that year” (*Genesis* 47.16-17). Within a year, entire cattle stock was entirely traded on wheat, in a vicious circle which was the origin of downgrading living standard in the Middle Age, after the fall of Rome until the end of migrations. Years of starvation exhausted the stocks of cereals, then the cattle stocks, leaving the people to farm without the power of a locomotion vector provided by domestic animals, lowering productivity and deepening the famine. Still, Egyptians had no choice, offering what has left, first the land, then their own bodies, as slaves. The economic cycle before the famine is Property + capital = wheat, which is further traded on silver. When final goal is nothing but simply to harvest more resources to trade them on gold, then economic cycle become vulnerable on the first variation, in this case the scarce output of farming. Harvested silver did not meet any asset equivalent on market, especially in a strategic stocking resources infrastructure for food, which eventually emerged in an alimentary bubble which burst causing the usual economic crisis, just as so many times history would have been to record (Berrera, 1998, pp. 12-24).

There are great expectations in state intervention to receive some help. Even the state bought all its citizens along with the land they have been living on, the state acted as a hedge fund to big to fail. The pharaoh has then been ruling upon a default declared people, who were continuously asking for food, leaving the pharaoh with an outstanding public debt which eventually stopped the money flows to treasury. In a fiscal amnesty without previous records, people have given seeds, being mandatory to return one fifth from their output in taxes, a milestone in the history of fiscal policies.

Fascination for precious metals will be further recorded. The ark of laws, the table, the candle, the tent, the altar, the holy clothes are all made from gold in *Exodus*, chapter 25. Egyptians learned to value less precious metals, probably after the great famine, or, the Israelites to keep the gold when they leaved Egypt.

In the fifth book of Moses, *Deuteronomy*, money become the exchange vector for trading, proving their most important function on the market. The Israelites sent peace messengers to Sihon, king of Heshbon, with the following message: “Let me pass through thy land: I will go along by the high way, I will neither turn unto the right hand nor to the left.; Thou shalt sell me meat for money, that I may eat; and give me water for money, that I may drink: only I will pass through on my fee”. Businesses should be managed in a moral values manner, as long as an economic act is correct registered and paid. Money was enough to cover the expenses of water and demanded food, and as long as this agreement is mutually accepted both by the supplier and the consumer, nothing else should matter. But Sihon, king of Heshbon, has not granted access for Israelites, assembling their army against them. The battle of Iahat where amorous lost was a battle of total annihilation. A battle for resources followed, as many others more through the human history, leaded by European colonists and mercantilists. The Bible recorded the fact that the Israelite army destroyed over sixty keeps from the land of Vasan, in a total war where no prisoners were taken. “Only the cattle we took for a prey unto ourselves, and the spoil of the cities which we took” (*Deuteronomul* 2.35). In the following chapters of *Deuteronomy*, Israelites conquerors will also keep the cattle. The reason of extermination is anything but one, colonization.

In chapter 14 of *Deuteronomy* trading using precious metals has a deeper meaning, preparing the implementation of wealth redistribution and social security policies. Israelites were to prepare the formalities for mourning, more precisely “Thou shalt truly tithes all the increase of thy seed that the field bringeth forth year by year. And thou shalt eat before the LORD thy God, in the place which he shall choose to place his name there, the tithes of thy corn, of thy wine, and of thine oil, and the firstlings of thy herds and of thy flocks; that thou mayest learn to fear the LORD thy God always” (*Deuteronomul* 14.22-23). Should several logistic issues interfere to accomplishment, it is allowed a payment in money for the demanded tenth: “Then shalt thou turn it into money, and bind up the money in thine hand, and shalt go unto the place which the LORD thy God shall choose: And thou shalt bestow that money for whatsoever thy soul lusteth after, for oxen, or for sheep, or for wine, or for strong drink, or for whatsoever thy soul desireth: and thou shalt eat there before the LORD thy God, and thou shalt rejoice, thou, and thine household” (*Deuteronomy* 14.25-26). Related on Levites, who are not entitled to heritage, Israelites should have a social assistance behavior. They are encouraged to gather three years these

tents in a strategic reserve fund, for them as well as for Levites, widows and orphans. Redistribution of wealth is one of the most important economic policies of assistance state. Mercantilist doctrine was the first true state doctrine, proving interest in chrysohedonism, regulated trade balance, control over trade and industry, colonial and maritime exclusivity, nationalism and international envies, interventionism (Rogojanu, 2009, p. 146). Biblical origins of mercantilist doctrine were specific for bullions mercantilism of Portugal and Spain. Advanced ancient civilizations, which valued better agricultural work and crafts, conquered one after another Palestine, such as Babylonians, Greeks and Romans. Israel has been also occupied by Byzantines, Arabs, Franks, Mamelouks and finally by Ottomans (Braudel, 1994, pp. 3-32, Johnson, 1987, pp. 23-87, Johnson, 1990, pp. 5-65, Reventlow et al., 1994, pp. 25-76).

In the first book of kings, things begin to change in the Israelites' way of economic thinking about precious metals. After his way back from river of Jordan, Joshua spoke to people of Ruben and Manasse: "And he spake unto them, saying, Return with much riches unto your tents, and with very much cattle, with silver, and with gold, and with brass, and with iron, and with very much raiment: divide the spoil of your enemies with your brethren". (*Joshua*, 22.8). Along with precious metals, more goods with consumer direct utility are used by people, like cattle, clothes, but especially iron and other metals capital goods are made from. Until Adam Smith's perspective on wealth, according which a king is rich if he rules a rich state, and a state is as rich as its citizens are, a man from Bible could be taken as rich if he has thousands of cattle, like the man from Maon "very rich, having heards in Carmel; he had three thousands sheep and goats" (*1 Kings* 25.2). Acceptance of wealth exclusively through precious metals will be no more of high methodological priority.

Except Benjamin, all other Jacobs' children were born in Mesopotamia. The very beginnings of civilization are marked there, in a vast area known as Fertile Crescent. Economic knowledge from Bible is therefore not entirely Jewish, but as well Egyptian, Acadian, Sumerian, Babylonian. Israelites leaved Egypt during the time of Ramses the second, who ruled during 1304-1327 B.C., in an extraordinary political, religious and economic act. Exodus is a progress from the perspective of economic thought. Israelites reached the desert, struggling to survive in a hostile environment. Even their status looked desperate, they recovered at least the property to their own bodies, being slaves no more. Apparently a superior civilization, ancient Egypt was immature from the religious perspective, through its polytheism-animism, without specific notions about concepts as life/death, heaven/earth, good/evil, with repercussions on law appliance, as long as a god-pharaoh controlled this field (Johnson, 1987, pp. 23-87, Johnson, 1990, pp. 5-65, Reventlow and al., 1994, pp. 25-76).



Source: <http://resourcesforhistoryteachers.wikispaces.com/7.4>.

Figure 1. Fertile Crescent

The first Hebrew code is known from 1250 B.C., inspired from the first Sumerian code about the works of Ur Nammu, king of Summer and Akkadia around 2050 B.C. This third dynasty from ancient town of Ur, was the first which imposed etalons for physical weight measure of merchandises. Another source for the Hebrew code was the Hammurabi code (1728-1686 B.C.), king of Akkadia, discovered in Susa, near Babylon. Practically, the mythical territories where the Biblical events took place are limited between Egypt, without written laws, and Asia, with rigorously structured n laws. Differences derived from here can be systematized as follows:

Table 1

Comparative clerical/laic analysis between law codes from biblical times

Israelites	Codes of Hammurabi and Ishtar
- divine inspiration laws	- laws managed by administration and king
- God oriented code	- property oriented code
- life has holy origins	- material life is as important or more than religious life
- death is the ultimate and only penallties, other intermediate punishments as torture, being forbidden	- heavier penallties for property violation, and lower penallties for the rest of law violation

Even this synthesis is focused on religious aspect of economic biblical events, Israelites are guided in their actions by the idea that all people are equal in front of God, being all created by Him, therefore the equality in abiding the God’s laws. Property is a gift from God to men, to be used accordingly to their needs. When God appeared in Abraham’s dream to foreseen his fate “In the same day the LORD made a covenant with Abram, saying, Unto thy seed have I given this land, from the river of Egypt unto the great river, the river Euphrates” (*Genesis 15.18*).

The Hebrew code was not laic from its beginning, but at least its laws were correct interpreted and applied. Upon social, economic and political thinking of patriarchic heroes from Bible did matter a lot the influence of laws from Canaan, with farming specific, from Summer, or from the are of ancient empires like Babylonian, Assyrian, Hittite or Egyptian (Reventlow and al., 1994, pp. 25-76). Having a primordial monotheism, first accepted by Jews, then by Christians, the Bible succeeds in focusing the attention in key points of spiritual, political and economic interest, as in the following matrix:

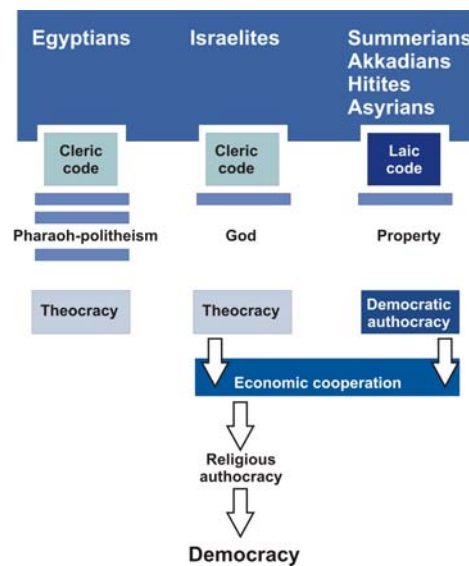


Figure 2. *The biblical matrix of economics*

Economic concepts of Bible are sometimes equivalent with an economic democratic theocracy, as a previous form of the democracy of our days. Where theocracy interfered with economic life, democracy failed and wealth of nations got different evolutions. Biblical matrix of economic thought should not be valued at present knowledge, but its methodological utility offers a secular perspective over the origins of economic ideas in a moment when divine order was offering the ultimate solutions to economic, moral and political problems.

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