

ISSUES IN PERSPECTIVE

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Democratic Socialism: The Solution to Economic Inequality?

Bernie Sanders, a candidate for the Democratic presidential nomination, has declared himself a democratic socialist, which means that he rejects capitalism. Sanders manifests a troubling development within the Democratic Party—a skepticism about or an outright rejection of capitalism. In socialism, generally, the means of production are owned by the public (i.e., the state) or by the workers, so that the state can provide a wide range of basic services (e.g., health care, education, child care, housing, energy, etc.) to its citizens free of charge or at a significant discount. This necessitates a redistribution of national income and wealth via the power of the state. For socialism, these various issues and solutions are moral in nature; such solutions are the right thing to do. As a democratic socialist, Sanders believes that the people will vote for such solutions through the democratic process of representative government; such solutions should not be imposed by an autocratic state. Sanders's view is more appealing to younger Americans, for, according to the Pew Research Center, among those 29 years and younger, there is a more favorable view of socialism.

How should we think about Bernie Sanders and his call for democratic socialism in the United States? How should we evaluate many in the Democratic Party who favor some kind of redistribution of the nation's wealth from the rich to the poor? Indeed, how should we think about capitalism and the resultant disparity between rich and poor? How should we think about phrases such as "equality of opportunity," about "income equality," about "unequal social conditions"?

First, consider the poignant argument presented by columnist George Will on economic equality. The Civil War (1861-1865) completed the nation's affirmation in the Declaration of independence that "all men are created equal" and the Civil War Amendments to the Constitution (the 13th, 14th and 15th) established the equality of human rights. The New Deal of 1932-1939, through untold congressional laws, addressed the issues associated with unequal social conditions. Today, Bernie Sanders, and really the entire Democratic Party, believe that economic inequality is the most important issue in American civilization. In many ways, it is a call to finish the New Deal (and the Great Society of Lyndon Johnson): It is time for the nation to address the huge disparities of wealth in the US. But, as Will argues, "the fundamental producer of income inequality is freedom." Individual Americans have different "aptitudes and different attitudes." Some people choose to teach and some choose to be neuro-surgeons or hedge fund managers. Their respective earnings are set by the market, not by the state. Will also sees four other facets in today's America that fuel economic/income inequality:

1. The entitlement state exists primarily to transfer wealth, regressively, from the working-age population to the retired elderly, who “after a lifetime of accumulation, are the wealthiest age cohort.”
2. A large, regulatory state inherently exacerbates inequality because it serves “the strong—those sufficiently educated, affluent, articulate and confident to influence the administrative state’s myriad redistributive actions.”
3. Seven years of zero-interest-rate policy by the Federal Reserve have not restored the economy so that social mobility is possible. Instead, it has driven wealth liquidity into equities in search of “high yields, thereby enriching the 10% of Americans who own approximately 80% of the directly owned stocks.” Further, since borrowing is now cheap, government has done even more deficit spending to fund its entitlement programs.
4. Family dysfunction cripples “the primary transmitter of social capital—the habits, mores, customs and dispositions necessary for seizing opportunities. When 72% of African American children and 53% of Hispanic children are born to unmarried women, and 40% of all births are to unmarried women, and a majority of all mothers under 30 are not living with the fathers of their children,” the consequences for life and for lifetime earnings are enormous.

A final thought on the already existing transfer of wealth programs functioning in the United States. Will quotes Nicholas Eberstadt in an article in the *National Affairs* quarterly:

- America’s welfare state already transfers more than 14% of Gross Domestic Product to recipients, with more than 1/3rd of Americans taking “needs-based” payments.
- Transfer of benefits to individuals through social welfare programs have increased from 1 federal dollar in 4 (24%) in 1963 to 3 out of 5 (59%) in 2013. Thus, entitlement programs are the “fastest growing source of personal income.”
- Eberstadt also argues that the entitlement state poses “character challenges” because it promotes certain habits, including habits of mind. He concludes that the entitlement state is transforming the nation’s “political culture, sensibilities, and tradition”, and weakening the nation’s “conceptions of self-reliance, personal responsibility and self-advancement.” In discussing the issue of income inequality, one cannot ignore these observations.

Second, what does Scripture say about these issues? From Genesis 1-3, we conclude that work, industry and economics are all a part of God’s good creation. In the perfect environment of Eden, wealth was the natural state; indeed, wealth and abundance were the norm! But due to sin and rebellion against God (Genesis 3 and the rest of the Bible) poverty and disparity of resources are now the norm. As theologian Albert Mohler argues, “Because of sin and

judgment upon the entire created order, poverty is now the norm, and Christian economics focuses on overcoming poverty for the sake of the love of God and neighbor.” Mohler suggests 12 theses for a Christian understanding of economics:

1. A Christian economic understanding has God’s glory as its greatest aim.
2. A Christian economic understanding respects human dignity.
3. A Christian economic understanding respects private property and ownership.
4. A Christian economic understanding takes into full account the power of sin.
5. A Christian economic understanding upholds and rewards righteousness.
6. A Christian economic understanding rewards initiative, industry, and investment.
7. A Christian economic understanding seeks to reward and incentivize thrift.
8. A Christian economic understanding upholds the family as the most basic economic unit.
9. A Christian economic understanding must respect community.
10. A Christian economic understanding rewards generosity and proper stewardship.
11. A Christian economic understanding respects the priority of the church and its mission.
12. A Christian economic understanding focuses on eschatological judgment and eschatological promise. A New Heaven and New Earth are coming and we, therefore, lay up our treasure in heaven, not on earth.

The democratic socialist nations of Europe are the model for Bernie Sanders and his Party. Those nations are hardly good models of America. A better model is that summarized by Mohler, one which sees our economic activity as a stewardship before God with an eternal perspective looking toward the New Heaven and New Earth. That balance brings joy, fulfillment and purpose—something the state with all its redistributive power cannot produce.

See Max Ehrenfreund, “8 Questions about Democratic Socialism and Bernie Sanders’s Vision for the United States,” in the *Washington Post* (14 October 2015); George Will in the *Washington Post* (21 January 2015 and 16 October 2015); and Albert Mohler, Jr., “Economics and the Christian Worldview: 12 Theses,” *Southern Baptist Journal of Theology* 19.2 (2015), pp. 9-16.