

Kingdom Report

Week of 9 March 2019

God's Plan of Labour Income for the Poor

Scripture gives us interesting guidelines for providing income for the poor in the form of job creation and profit participation. And we can do it in our modern economies today.

The national economy needs to become part of the preaching and teaching agenda of the church in all the nations that the Lord has placed us.

I refer you to Leviticus 25;35:

And if your brother be waxen poor and fallen in decay with you then you shall relieve him; yea even the stranger or the sojourner, that he may live with you.

Let me give you my interpretation of this message from the Lord to us:

If you see that there are poor and struggling people who are your brethren, that is God's people throughout the land, you must relieve their poverty. And not just those you count as the family of God, this must include sojourners in the nation, or another way to put it fellow South African citizens, if you see them poor and needy but also strangers in the land, that is illegal immigrants streaming into the nation....you must take on the task of poverty alleviation for the nation, that they may all live a decent life with you.

So in this blog lets move away from my previous posting on what you can do personally to help the immediate need of a poor person you run into...lets talk about our nation and its economy and the poor. What can we do as a nation?

As I said previously there are many factors here for a national economy that scripture gives us guidance on, but lets now look at two scriptural prescriptions geared towards providing labour income for the poor from scripture.

The poor do not want perpetual handouts...yes a lot do. But we need to recognize there is also a Biblical injunction on us to provide work for the poor who want to work. Let me give you some ideas on those scriptures as they have applied historically to nations and how we can apply that here in South Africa.

The Principle of Profit Participation

Here is an interesting scripture from Deut. 15:12-14:

"And if your brother a Hebrew man or woman be sold to you and serve you six years then in the seventh year you shall let them go free from you. But when you send them out free from you then you must not let them go empty; you will furnish them liberally out of your flock and out of your floor and out of your winepress, of all that the Lord has blessed you shall you give unto him."

In Israel people got into financial difficulties and there was no recourse to bank loans or credit cards. The common practice was to borrow money from a private money lender and then put yourself into indentured servitude to your creditor for 6 years to pay off the loan.

The reason for 6 year payback was because the law of the Lord was that no personal debt may be made liable beyond 7 years. (Deut. 15:1-2). This is God's principle for prosperity through what we call today "limited liability". Or bankruptcy protection.

But here is the interesting command of the Lord. Don't just let the poor person work off their debt obligation and let them leave empty handed. They are going to get into financial trouble again. Give them a financial bonus above and beyond their debt repayment....give them financial capital in the form of productive capital like animals or trade goods like wine to help them set up a new life.

Now here is an interesting concept from scripture:

If you are a wage slave the economics worked out like this: About 90% of the economy of Israel was agriculture related. And when you become a wage slave to a big land owner who lent you money, you then went to work for this farm operation. Half of your daily work productivity was needed by the land owner just to feed and house you and your family. The other half of your labour went to debt repayment and profit for the owner.

However God's request to His people is this...I want you to allow the common labourer to also participate in the profits of the farm operation with a special profit participation payment at the end of 6 years. The idea here is not an annual bonus as such because next year could be a bad year. But over a period of 6 years in all the ups and downs of economic cycles if the enterprise has profited...share those profits with the workers. Legally you are only responsible for providing for their living costs and debt repayment....but go beyond that. Make them partners in prosperity.

The interesting thing about this idea is that if you couple this principle of labour participation in prosperity every 7 years with the Jubilee 49 year cycle described in Leviticus 25 there is a wealth accumulation result.

If you look closely at the Jubilee cycle it works like this: The Jubilee was to be 7 times 7 years which is 49 years and then in the 50 th year the trumpet is to be blown and freedom to be proclaimed in all the land. Economic freedom! That's right, because the result that the Lord wants is that "every person and every family to return to their own lands, their own houses and fields and flocks".

What this means is that the Lord wanted every person and every family to be owners of productive assets. Not through give-aways....but through productive labour and profit participation over a period of 49 years of work and savings.

Under this Jubilee profit participation program a young man and his family could start as wage slaves on a landowners property and work for 7 years at a living wage and after 7 years the employer gives them their 7 year work bonus...say sheep or cattle. They invest this. They repeat this every 7 year cycle. You stay out of long term debt, you work hard for your employer to make the farm enterprise profitable because that

increases your bonus, you save and invest your bonus....and repeat. 49 Years later you have wealth in productive assets and an ability to hand down an inheritance to your children and grandchildren so they can prosper even more.

I am not here going to go into applications in our economy of this principle. There are many ways that we can achieve this result in our economy. The fact of the matter is that our workers in all the major economies barely can cover their living expenses from their monthly paycheck. There is rebellion in the air. There is anger at the inequality. There has been hardly any wage growth for the last 20 years adjusted for inflation.

We Christians can come up with solutions. If we do not the world system is going to come with their own ideas which is usually inefficient state socialism which has always just produced an equality of poverty. State socialism is where government owns the productive assets of the nation and doles out to the needs of the people. God's capitalist program is where each family ends up owners of their own productive capital and meets their own needs!

I will tackle this in some upcoming ideas blogs. Let me for now just also cover another scriptural idea for poverty relief....

Job Creation for the Poor

Our text here is Leviticus 19:9-10....

"And when you reap the harvest of your land you shall not wholly reap the corners of your field, neither shall you gather the gleanings of your harvest. And you shall not glean the vineyard neither shall you gather every grape of the vineyard; you shall leave them for the poor and the stranger: I am the Lord your God."

The principle here is very important. There is a certain portion of the national economy...the corners of the field... that must be set aside as work creation for the poor. And there is going to be lots of anger from the "free enterprise" folks on this about "property rights" etc and actually the Lord realizes this....which is why He says at the end of this verse....Hey you...I am God, I am Lord...the earth is mine and I am only leasing a certain portion of it to you but I demand that a certain portion of the national output be set aside for the poor to produce...because actually I am the boss of this whole earth operation!

Practically I can easily give some good examples here of what we can do here in South Africa and in fact what all successful nations have done when they implemented this particular poverty make work idea for the poor.

It is called in today's economy....Tarrifs!

Here in South Africa right now we are getting over 500,000 mt of chickens dumped on us mostly from Brazil and a lot from America. Another 500,000 mt of sugar is getting dumped on us.

We have no trouble producing either chickens or sugar. But the free market person will say if we let these cheaper products in then it helps the poor by making food

cheaper. The answer to that would then be "but if the poor do not have a job they have no income to buy the cheaper food".

I support a tariff policy for the sake of the poor. I am also an ardent free marketeer. I don't like government interference in the economy or in my life. But we are sitting with 8 million people with no jobs....officially 27% unemployment but in reality far more.

I believe that there is a certain section of our economy...call it the corners of our national fields that need to be given to the poor to reap, give it to the poor to harvest. I know we can do it cheaper with mechanization or imports.

I say give the poor that section of the economy that they with low skills can gain employment in. I say lets make our own clothing, our own shoes, our own chicken, our own steel, our own furniture, and I can go on and on so many products we can actually make ourselves but our corporates would rather buy cheap overseas and sell high here for larger profits. And the effect....look at our shopping malls...stores closing everywhere at an increasing pace. Why? There are plenty of goods to buy. What is missing are customers with money to buy. The demand is there, the products are there...but there is no money in the pockets of consumers. Because they have no wages or very low wages....because we did not make the products, we imported them...so we do not have the wage income to buy the products.

Here is a fact: Every nation that has ever lifted itself out of poverty by creating a middle class through industrialization did it with a policy of tariffs! That is what America did in the 1800's, that is what Japan did in the Meiji restoration of 1868, what China did to lift 600 million people out of poverty, that is what Korea and Taiwan and all the Asian tigers did....keep foreign goods out that our own workers can make ourself.

You set aside a certain part of your economy for the poor and say the rest of us are going to pay a little higher for those products, we could have bought them cheaper overseas but I know that the workers who are making those here are making a wage that they will spend again in our economy.

That is how South Africa industrialized in answer to the great poverty of the 1930's depression. We put up tariffs and started making things ourselves as a nation starting with making our own steel...with cries of objection as we could import cheaper from England.

This is how America industrialized and created work for the poor:

- The first major bill of the new congress was the Tariff Act of 1789.
- George Washington imposed taxes on foreign shipping so America could build her own merchant marine.
- Alexander Hamilton the new Treasury Secretary in his famous 1791 Report on Manufactures "Every nation ought to endeavor to possess within itself all the essentials of national supply..."
- Henry Clay developed what became known as the "American System" : Financing internal infrastructure investments through tariffs on foreign goods.

- Abraham Lincoln said 'Give us a protective tariff and we will have the greatest nation on earth.'
- William McKinley campaigning for president in 1892 said "Free trade results in giving our money and our markets and our manufactures to other nations. It will bring widespread discontent...."

This period of high American tariffs on foreign goods between 1869 and 1900 allowed America to highly industrialize: The GDP quadrupled, budget surpluses were run for 27 straight years, commodity prices fell 58%, US population doubled, real wages rose 58%, economic growth averaged 4% per year and America which started this period with half Britain's production ended it with double Britain's GDP...all the while ignoring the British demand for 'free markets'.

Romans 2:14 "***For when the Gentiles which have not the law do by nature the things contained in the law....***" then these Gentiles get financially blessed when they do the things contained in Israel's law including the economic laws!

And that is how all the nations who have ever moved out of extreme poverty have done so...they set parts of their economy aside for the poor and protected those jobs for the poor with high tariffs so that foreign cheaper goods could not take away those jobs.

And then some economic miracle happened that cannot be explained by orthodox economics....as you give to the poor, jobs....amazingly the nation prospers. Because the Lord says in Proverbs 19:17 "***He who gives to the poor lends to the Lord, surely the Lord will repay.***"

We can give to the poor jobs. It will cost us higher tariffs on imported goods that the poor are competing against to keep those jobs. But our nation will prosper for it...the Lord will repay with national prosperity.