Economic Ideologies and Systems: Definitions of Key Terms

- **Socialism** is "an economic system based upon governmental or communal ownership of the means of production and distribution of goods and services."[1]
- Socialism is a component of **Marxism,** which is "an atheistic and materialistic worldview based on the ideas of Karl Marx that promotes the abolition of private property, public ownership of the means of production (i.e., socialism), and the utopian dream of a future communistic state."[2]
- **Communism** is "the Marxist ideal of a classless and stateless utopian society in which all property is commonly owned and each person is paid according to his or her abilities and needs."[3]
- **Capitalism** or **free enterprise** is "an economic system in which capital assets are privately owned, and the prices, production, and distribution of goods and services are determined by competition within a free market."[4]
- **Social justice,** "also known as economic justice, is a term describing the redistribution of wealth supposedly for the common good of all. However, this comes at the expense of wage earners and liberty by demanding a society to conform. Those who work and have must give to those who don't work and don't have." (See https://t.ly/wB6Km.)

One more term we need to understand is **interventionism.** We discussed it in "The Bible and Free Enterprise, Part 2" (see https://t.ly/WTi9Y). We quoted Dr. Ronald Nash, a seminary professor who "taught for over 40 years, teaching in the areas of worldview, apologetics, ethics, theology, and history" see https://t.ly/SsKw7). Dr. Nash also had a keen understanding of culture and economics. In an important article titled "Socialism, Capitalism, and the Bible,"[5] Nash says calls interventionism a "hybrid" between socialism and capitalism. Elaborating, he says,

> One dominant feature of capitalism is economic freedom, the right of people to exchange things voluntarily, free from force, fraud, and theft. Socialism, on the other hand, seeks to replace the freedom of the market with a group of central planners who exercise control over essential market functions. There are degrees of socialism as there are degrees of capitalism in the real world. But basic to any form of socialism is distrust of or contempt for the market process and the desire to replace the freedom of the market with some form of centralized control. Generally speaking, as one moves along the continuum of socialism to capitalism, one finds the following: the more freedom a socialist allows, the closer his position is to interventionism; the more freedom an interventionist allows, the closer his position is to capitalism. The crux is the extent to which human beings will be permitted to exercise their own choices in the economic sphere of life.

After citing this quote in "The Bible and Free Enterprise, Part 2," we observed,

> In other words, regardless of intentions, the greater the intervention to control the economy centrally, the less freedom people have. Nash continues, calling interventionism "a hopeless attempt to stop on a slippery slope where no stop is possible." Typically, when a free market experiences hiccups or bumps in the road, the market can and will correct itself—if it is allowed to do so.

Notes:

[1]Jeff Myers and David A. Noebel, *Understanding the Times: A Survey of Competing Worldviews,* (Manitou Springs, CO: Summit Ministries, 2016), 100.
[2]Ibid.
[3]Ibid.
[4]Ibid.
[5]See https://t.ly/sqw8y, https://t.ly/Vefm6, and https://t.ly/hFrJY

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