The Image of God and Economics

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Introduction

In the June/July 2015 issue of First Things, Michael Novak wrote about the need to think through the institutions of economics from a theological point of view. He even pointed the way when he said, “Begin with the story of creation and apply it to the economic order.” (Novak, 2015). This paper is a response to that call.

An economic system should be designed for human beings as they are, as God creates us, not as we wish we were. Human beings are not created to serve the economic system, but the economic system should be designed to serve human beings. It will do us no good to create an economic system that does not first take account of human beings as created.

Given these ideas, this paper will first discuss the theology of the image of God. Specifically, the paper will discuss the substantialist view, the relational view, and finally, the royal view of the image of God. Out of the discussion of these three viewpoints, certain standards will emerge by which to engage the conversation and critically analyze the organization of economic life.

The conversation of application to economic life will focus on economic exchange. The standards will be used to determine if voluntary cooperative exchanges or involuntary exchange best fits to human beings as created in the image of God.

The Substantialist View of the Image of God

The substantialist point of view is the viewpoint that has the longest history in theology. The substantialistic point of view begins with the observation that since only human beings carry the image of God, the question therefore follows: how are human beings different from all of the other aspects of creation? The ideas of reason, conscience and freedom are all offered at various times by various scholars. The laundry list of characteristics becomes quite long over the years, but this paper will emphasize the two concepts of reason and choice since forms of these two concepts are found in quite a bit of writing about the substantialist view.

The term reason is the idea that human beings, alone in creation, have the ability to think, ponder, turn things over in their mind, and mentally debate both sides of an issue before any specific action is taken as a result of that thought. Human reason is what brings order to the earth just as God’s spoke (and we assume it was something He had thought about) created order out of the chaos of the pre-creation world.

But human beings are not just blessed with reason, but they are also blessed with the ability to choose based on their reasoning. Other animals in God’s creation choose, but it is not a choice driven by reason as much as it is instinct. It is only human beings who have the ability to implement the results of their cognitive thought process. Alone among the creation, human beings have the ability to choose action A over action...
B because they are the only part of creation who have capacity to think and then choose action A (for whatever reason they have thought about) over action B.

This substantialistic view of the image has a long history. For example, Irenaeus asserted that image and likeness were two different things. Irenaeus asserted the likeness was lost in the fall, but the image remained in all human beings. He taught “nature as a rational and free being, a nature which was not lost in the fall” (quoted in Hoekema, chapter 4). Now, most scholars no longer make the distinction Irenaeus made between image and likeness being two different things, but it is generally accepted that while something was lost in the fall, it is also true that something remained, and although we think imperfectly and choose imperfectly, we still retain the ability to think and choose.

The Relational View of the Image of God

The relational view of the image of God has its roots in the work of Martin Luther. The biblical roots of the idea of the relational image are in Genesis 1:26 where God said, “Let us make man in our image”. In no other part of creation does God refer to others or imply that He needs help or wants some buy-in. It is only with human beings that God asks for help or seems to want some participation by others in the creation. This indicates that God is a relational entity. He has been in relation for an eternity and will be in relation throughout the rest of eternity, and therefore, as human beings, we are created for relationship.

As stated by Miroslav Volk, “Human beings are corporeal as well as communal beings.” (Volk, 1998). Therefore, in addition to the concept that each individual has a body within which that individual has the ability to think and choose, there is the added concept that we all live our lives in relation to each other. Again, the quote Volk, “. . . to focus on a person from an exclusively cognitive perspective means to miss precisely that person’s being as a person.” In other words, to develop a fuller understanding of what it means to be created in the image of God, the study must include more than thought and choice.

We should also look to the idea that Adam was created first, and it was not good that Adam should be alone. Here God is recognizing that loneliness in persons is not a good thing and that human beings are born to be in community or relationship. It is this aspect of the relational image that deserves much more investigation. But for purposes of this paper it is asserted that human beings are relational in three ways. Human beings are relational to each other, to the non-human creation, and to God.

The Royal View of the Image
In his 2005 book *The Liberating Image*, J. Richard Middleton proposes a reading of Genesis 1-11 in the context of being a contrast to Mesopotamian culture. While it is impossible to know the exact time or date of the writing of Genesis, insights into the Imago Dei can be gleaned by reading and thinking of Genesis as a response to a dominant Babylonian/Mesopotamian dominant culture.

For example, the book of Genesis proposes a monotheistic culture that contrasts with the polytheistic culture of other religions that surround Israel. The book of Genesis takes a linear view of time as opposed to the circular view of time in other cultures. Genesis also proposes an image that is not a physical image, as opposed to the culture of the times that has physical, engraved images that were worshipped by the adherents to that religion.

To quote Middleton, “. . . the point here is not simply that the biblical writers had an idea of God that was different from their neighbors (although this is not excluded) but they had different ideas about what sort of social order was ordained of God, namely, one that nurtured the flourishing of human life, rather than protecting the powerful at the expense of the weak”. (Middleton, p. 195).

The Mesopotamian religion, especially as found in certain Babylonian texts, posits a three-fold view of the purpose of human beings on the earth. They are (a) only the king (and perhaps a few priests) carry the image of the gods, (b) human beings were created to serve the gods, thus relieving the gods of their burdens, and (c) creation was created through conflict and violence. Each of these will be discussed in turn by contrasting them to the story of Genesis 1-11.

First, while Mesopotamian religion only grants the king as being in the image of god, the story of Genesis makes it clear that every single human being carries the image. In Genesis the idea is that every person is granted the royalty of being the representative of God on earth. The idea of every man being a king is a powerful one, and it resonates down through the ages. In the story of Robin Hood, the primary character makes the observation that 'a man’s home is his castle'. It is the idea that a person can own a home, a piece of property, or merely their own self without it being violated by another person. It is the concept that each individual has freedom of choice in how they live and how they go about their everyday business of life. The idea that every person is royalty means that every person not only can make their own decisions in life, but it also means that every person is also responsible for the consequences of those choices.

The second contrast of Genesis to Mesopotamian religion is the continued affirmation of human agency for all of creation. As each person is the royal representative of God, but we are responsible for the care of ourselves, our family, our neighbor, and the non-human creation. The form or structure of this care is not discussed in any detail, but it was part of the responsibility of Adam even before Adam sinned.
This responsibility did not change in the lapsarian world. Genesis 5:1 records the image is passed on not just to Adam, but also to Seth. And again in Genesis 9:6, there is the idea that after the flood, the image is passed on to human beings in the post-diluvian era. This is significant in that human beings are not creating a world to serve the gods, but they are creating their own world, their own culture.

As we think about the idea of culture in light of the Israelites vs. the Mesopotamian culture, perhaps we can see that Genesis is encouraging the development of their own culture. Perhaps Genesis is saying that we should not accept the dominant culture of the time, but think about what culture we want to establish, understanding that a culture will flourish as long as it is in keeping with the will of God, meaning if we create a system that stays true to his image. A culture that is working against the will of God will not flourish nor last very long, but a culture established by humans who are created in the image of God, and in keeping with the will of God, will be have a better chance to be healthy and flourish.

To expand on this idea just a bit, if we understand that royal status of power and responsibility is granted to every human being, then no one human being has the right to rule over a fellow human being. As royal individuals we have the right to rule over our own lives, and we have the right to rule, or have dominion, over non-human creation. God grants human beings the collective responsibility to cooperatively have dominion over all of the non-human creation. The subject of dominion is an all-encompassing power, and God grants human beings the royal right to fill the earth and subdue it.

While each person has a role to play in the dominion over the earth, there is evidence that God did not intend this to be onerous. The pre-lapsarian garden was one of abundance. There is also the idea that even after the fall, God blesses his people with abundance. God is not threatened by the self-perpetuation of his creation and overpopulation does not seem to be a concern. What is interesting is the question of how human beings should organize themselves, especially in terms of economic organization, is not stated specifically. The point of this paper is to think about principles of economic organization based on the best we can understand about the image of God.

The final contrast of Genesis to Mesopotamian religion is in the area of conflict and violence. In Mesopotamian culture the world was created through violence, and human beings were created through combat. The creation story of Mesopotamia was one god engaging in battle with another god and one side winning and one side losing. This is not a theme that is found in Genesis. The creation in Genesis is a peaceful, cooperative venture, especially when God turns to creating human beings.

The story of Genesis is God engaging in a peaceful creation. The waters of the pre-creation are not a threat to God so that he had to do battle with the earth. The story does not suggest that God never had control over them or that they were a problem.
They just were; they were just there. God had no initial struggle or violence with the pre-creation world.

God did not have to defeat an enemy in order to begin his creative process. The story of creation is of a God who begins the process slowly, but is gradually bringing order to the world. He starts a process of creating new things. He is bringing order into chaos through a peaceful process, not a violent process. When God creates human beings, the language suggests that He invites people to join with Him and help Him in the process. The language is almost (but not quite) a question. “Let us create man in our own image.” God doesn't get a response from whoever is helping him, but he is asking for cooperation or input.

The whole image of God in this process is not as a warrior conquering His enemies, but it is more of an artisan, painting on a canvas. He is taking the abstract and making it understandable, orderly. What was blank is now filled and we all look at it and wonder at the skill of the artisan.

Therefore, the predominant image from the royal point of view is that each person is a king, having dominion over their own personhood, and over the non-human creation. The dominion is not one of violence, but of cooperative peace.

As we combine these three views of the image of God (substantialist, relational and royal), we can start to develop some standards by which to think through the organization of economic life. It is our assertion that the royal view can be seen as an overarching means of interpreting and adding to the substantialist and relational view.

The substantialist point of view is that human beings are different from the animals and the rest of creation in that they have the ability to think and choose. The royalist point of view adds to that by emphasizing each human being has the power to think and choose and be responsible for those choices.

The relational point of view is that human beings are created by God for relationship with him, with fellow human beings, and with the non-human creation. The royalist point of view enhances the relational view by emphasizing these relationships should be peaceful since God himself is a person who creates as a peaceful artisan.

And so we have a model or standard by which to analyze any economic system that is proposed. Any economic system must allow each individual, every human being to make full use of the ability to think and choose. The economic system must also allow for peaceful relationships between humans and their God, humans and their fellow humans, and humans and the non-human creation. Economic Relationships

As Middleton suggests, the purpose of theology and Scripture is to inform the way we live our lives and the structures we construct so we can live a life of community. To quote Middleton, “The purpose of such theological interrogation of Scripture,
however, is not simply academic, as if interdisciplinary conversation were an end in itself.” (Middleton, p.33). The time now comes to take up the challenge that Middleton gave to himself (and to others) to think illuminate the meaning of the image of God in concrete and practical ways. And we begin by going to watch a movie.

In 2000, Tom Hanks was the featured star of the movie *Cast Away*. In it he played a FedEx employee who survived a plane crash and was washed up on a deserted island. The movie focuses on his emotional and physical transition, but to an economist it was a wonderful example of how we rely on economic relationships to improve our economic well-being. Isolated and alone, he developed a relationship with a volleyball, but also deteriorated economically. He was able to make fire and find food, but he could not cut his own hair, he lost weight, his clothing degenerated and his economic condition diminished.

When economics is taught in a school that is uninterested in theology (or highly discourages even talking about God and Christ), the starting point is the economic concept of scarcity. Scarcity in economics does not mean human beings have zero resources. The term scarcity in economics just means that there are not enough resources available for everyone to have everything they want at a zero price. Scarcity means that nothing in life that is worth having is without cost. Scarcity does not mean our resources are zero, but it means resources for any particular person or any particular project are always limited. Scarcity does not mean that Tom Hanks on that island had zero resources, but he did not have enough resources to live the kind of life he wished to live.

If economics is taught at a Christian institution, the economic problem of scarcity has its roots in Genesis. The pre-lapsarian world did require Adam and Eve to work. God at least gave them the task of naming the animals, but the notion before the fall is that the work was not onerous or taxing or required much sweat and effort. After the fall, however, God cursed the ground because of Adam’s sin and the weeds will now grow faster than any fruit that Adam (or anyone else since) was trying to grow. The idea of work was transformed into toil, and to provide for his family, Adam would have to toil and sweat. This is what economists mean when they talk about scarcity. God did not leave us in this post-lapsarian world without any resources, but the resources we do have are limited, and therefore they must be managed and we must work to bring them into productive use. Limited resources means that we have to make choices about how to use our limited resources for the various economic goals we wish to accomplish.

Once a class understands the condition of limits, the next step is to think about how human beings engage in economic action. There are resources available, but most resources are not given to productive use in their natural state. It will take work and effort to bring resources into a state that is useful to human beings. How does a person work individually, and cooperatively with others, to accomplish the task of taking available resources and transforming them into uses that are helpful to himself and others? The answer is that economic relationships are lived through our transactions
with other people. Economic relationships are greater than economic transactions, but relationships are made concrete and tangible and measureable through our economic transactions.

We use different terms to describe our transactions. We call it trade, exchange, swaps, selling, buying, transactions, and if the transaction does not involve any cash, it is barter. A transaction is when two people engage in an exchange of resources with each other. The problem that Tom Hanks has in Cast Away is that he has no one to engage in human relationship with on that deserted island. He only had a volleyball to talk to, and he has no one to cooperate with in the production of economic goods.

A transaction can be simple (I exchange some of my cash for a cup of coffee) or a transaction can be complex (I borrow money to buy a house). A transaction can be a one-time thing that is over quickly, or it can be a continuous transactional relationship between two people. But the basics of a transaction are always the same – there is an exchange between two people. It is impossible for one person to exchange with himself. A single individual can produce something and then consume it so there is no transaction, but a transaction necessarily involves two people. And because it involves two people, it is a relationship, and while relationship is a broader subject than economic transactions, it does no harm to start thinking about economic relationships in terms of our economic transactions.

Economy of Exchange

Engaging a conversation between two subjects as deep and wide as economics and theology means that there must be some limitations to keep the conversation from becoming unwieldy. We have limited the theological conversation to the image of God, and so now we must also limit the economic conversation. This paper will not be discussing fiscal policy, monetary policy, perfect competition, monopolistic competition, supply, demand, price, oligopoly, pure monopoly, natural monopoly or any other host of specific economic theories. It is not meant to be a comprehensive review of capitalism or socialism. The purpose of this paper is much more modest. This paper will limit our discussion of economics to the way in which most of us engage our economic life, and that is our economic transactions.

A full and complete life for a human being is greater than economic relationship manifest through transactions. Even though most of our relationships involve, at some point or in some degree, economic relationships, there is more to life than mere economics. Marriage is an example of this point. While human beings (assumedly, hopefully) do not get married for economic reasons, there is a big dose of economics in marriage. The original Greek word from which we get the work economics meant the ordering of the household. Once we fall in love and then get married, economic life becomes a big part of marriage. In any list of reasons why marriages break up, finances or economic life is right there at the top of the list.
The proposal of this paper is to use the principles of human beings created in the image of God to determine if our economic transactions are in keeping with those principles. In other words, we are using the Image of God to determine if our economic transactions meet any or some of these principles, and there are two ends of a continuum to thinking about economic transactions. On one end is the transaction is voluntary cooperative exchange. On the other end of the continuum is involuntary exchange.

Voluntary cooperative exchange is when two individuals (Person A and Person B) get together in conversation and start talking about a transaction between the two of them. Person A has something desired by Person B, but Person B has something that is desired by Person A. Because neither side has the power of coercion over the other, the only way a voluntary exchange takes place is if both sides are better off after the transaction is consummated than before the transaction. There is a mutually benefit taking place as a result of voluntary cooperative exchange.

That is all good theory, and perhaps it would be good to ponder some of the specific examples that are all around us. As I write this section, I am actually sitting in a Starbucks close to my university. The coffee shop itself is fairly wide, but not very deep. My sitting place is at one end, and I have a view of the both sides of the counter. I can see the baristas working the coffee machine, the person working the drive-thru at the other end of the shop and the young lady diligently working the microwave to warm up the sandwiches and treats ordered by the customers. There are five young ladies working, all very busy.

On the other side of the counter are the customers placing their orders and other customers, already served, sitting at the tables enjoying their drinks, reading, talking and a few of us with our computers out, working with the wifi that is ubiquitous now with coffee shops.

As I observe all of this, it strikes me that all of this is the result of transactions taking place. The young ladies are engaged in transactions that exchange their time for an income. The customers are engaged in transactions that have exchanges their money for coffee, lattes, sandwiches and treats. It is all here as a result of the voluntary transactions that are taking place since neither the customers nor the workers are being coerced out of their money or time.

But the fact that voluntary cooperative exchange works at a Starbucks is not a sufficient reason to endorse it as in keeping with the will of God. The question is: Does the concept and reality of voluntary cooperative exchange allow human beings to utilize their talents and abilities as God created them? Specifically, does an economic system that is dedicated to voluntary cooperative exchange meet the standard of every single person using their thought and choice, and does it promote peaceable relationships with others, with God and with the non-human creation?

Voluntary Cooperative Exchange
With voluntary cooperative exchange, a person can only enter into that exchange if they agree to do so. Therefore, they must think if the transaction they are considering is to their benefit or not. They may also ask themselves if the transaction is of benefit to the other person. But as long as the transaction is voluntary, it will require thought, and then action based on that thought. So, voluntary cooperative exchange does meet the standard set by the royal/substantialist view of every single person making use of their ability to think and choose.

The dynamics of applying the royal/relational view of the image is even more interesting. If a person can only engage in voluntary cooperative exchange, if the avenue of involuntary exchange is closed, then that person looks at their fellow human beings in a different light. If I cannot coerce my way into a transaction with someone else; if I can only talk to that other person about voluntarily engaging in a transaction with me, I tend to look at that other person as someone to be persuaded to the benefits of the transaction to them. In other words, I think of their benefit and not just my own. As long as transactions are voluntary, it is to think of it from the viewpoint of the other person. It requires each person to think of the other person. If it is known that the proposed transaction is not of benefit to the other person, then it is also known that the transaction will not occur. The other person must receive additional information or additional benefit to engage the transaction.

But the other person also knows that your side of the transaction is voluntary. They know they must speak to you about the benefit of the transaction with them. In other words, a system of voluntary cooperative exchange requires each individual to think of the other person more highly than they think of themselves.

It is here that it is also good to refer to Middleton as he discusses the peaceful creation of God as compared to the creation-by-combat of the Mesopotamian culture. Middleton notes that “This means that power in the combat myth is conceived as a zero-sum game and thus can never be shared. Since power – like cosmos or order – is treated as a finite quantity or scare commodity, victory is always at someone else’s expense.” (Middleton, page 252).

The beauty of a system of economics based on voluntary cooperative exchange is that it avoids what Middleton is warning us against. A system of voluntary cooperative exchange is not a zero-sum game, but a positive sum game. If both sides of the transaction are voluntary, then the transaction only takes place if both sides benefit from it (or at least expect to benefit). If the economic exchange is a power relationship, the powerful can take from the weak and the zero-sum game emerges. In most instances, the powerful are also the wealthy, and they therefore are taking from the poor. But with voluntary cooperative exchange, there is no coercive power of one over another. By definition, voluntary means that each side has the power to say yes and the power to say no. Even if one side of the exchange is wealthy and the other side is poor, the wealthy do not have coercive power over the poor. The wealthy and the poor meet on common ground and enter into the exchange if they choose to do so.
If we are to heed Middleton’s warnings about power and combat being the antithesis of the image of God, then it seems that voluntary cooperative exchange is a better system for organizing economic activity than involuntary exchange, and it is now time to turn to the idea of involuntary exchange as the opposite of voluntary exchange.

**Involuntary Exchange**

If an exchange is involuntary that means that at least one side has the power of coercion over the person on the other side of the transaction. If Person A has something that Person B wants, needs or desires, and Person B has the power of force or coercion over Person A, then Person B can force Person A into the transaction, even if A does not want to engage the transaction.

What sort of examples do we have of involuntary transactions? There are two kinds: Illegal involuntary transactions and legal involuntary transactions. An illegal involuntary transaction is a Godfather transaction. It is when a person is given a pen and a contract. The Godfather has Luca Brasi standing beside him, and informs the other party to the transaction that he will either have their brains or their signature on the contract. Now, this situation does require some thought, but it is only how much the signor values his life. It definitely does not require as much thought as a person pondering the costs and benefits of a voluntary transaction.

A second involuntary transaction are transactions where the force or coercion is legal, and the sole owner of legal force in our society is government. The most common type of involuntary exchange that most of us enter into is payment of taxes. It is here that the accountants are helpful as they make the distinction between tax evasion vs. tax avoidance. Tax evasion is doing something illegal in trying to not pay taxes. Tax avoidance is taking full advantage of the tax law in order to not pay taxes. Tax evasion is illegal; tax avoidance is not. The point being that while we think very hard about how to avoid paying taxes, the actual payment does not require the mental capacity that is necessary to make decisions about voluntary exchange. Once the voluntary transaction takes place, the taxes are withheld and paid without much cooperation or thought on the part of the payee.

Considering involuntary transactions, there are some that are much more involuntary than others. Payment of taxes can be avoided, but if one is to engage in economic relationships, they cannot be avoided altogether. For example, in Oregon there is no sales tax, but in Washington there is no income tax. A tax avoider will live and work in Washington, but shop in Oregon.

Leaving aside detailed discussion of types and degrees of involuntary transactions for other forums, we must now think through our criteria of royal/substantialist and royal/relational in light of involuntary transactions.

Involuntary transactions do not require thought, but not as much as voluntary transactions require. Involuntary transactions do require choice, but not as much as a
voluntary transaction will require. An involuntary exchange meets the criteria of allowing both sides of the exchange to engage in thought about the exchange, and at least one side does (the side doing the coercing) does is required to think and reason about the exchange, if nothing more than trying to convince the side being coerced that this is still a good deal. But the side being coerced does not have the ability to think about the exchange once it is in place.

Where involuntary exchange tends to fail most miserably is in the establishment of peaceful relationships. Peaceful relationships with each other, with the non-human creation and with our God are fundamental to right relationship. First of all, there needs to be analysis of the impact of involuntary exchange on relationship with God. In terms of involuntary exchange we usually think of ourselves as being on the involuntary end of the exchange. We usually think of ourselves as being the one coerced or forced into the transaction. But let's think in terms of the person doing the coercing. In terms of illegal involuntary exchange, we are now thinking of the impact of these involuntary exchanges on the Godfather himself. Even the term Godfather should give us a clue as to where this analysis is heading. The person who is doing the coercing is putting himself in the position of a god. By definition a person doing the coercing is not being peaceable, but coercive and therefore at least one side of the transaction is.

In the case of legal force, the assault on peaceful relationships is more subtle and nuanced. In the case of the lawmaker who is making the decision to tax the populace, the lawmaker is essentially saying that I know more about what is the highest and best use of your income that you do. The lawmaker is saying, in essence, that I have thought through the implications of this tax and it is my opinion that taxing money away from you is more important than whatever use you would have made of it. In other words, the lawmaker is playing the role of God in deciding what the best use of the money you have earned is going to be.

Even if the person doing the coercion is thinking of what is best for the person they are coercing, this is treacherous ground to tread to assert that I know what is best for the other person. As Adam Smith once said “Virtue is more to be feared than vice, because its excesses are not subject to the regulation of conscience.” In other words, once I make the decision that I know more than you do on one aspect of your life, and by coercing tax money out of you I am doing you a virtuous act, then it is a slippery slope to assume the coercer is smarter, more knowledgeable and cares more than the person being coerced.

But let's also think of the impact of an involuntary transaction on the part of the person being forced into the transaction. Because the transaction is involuntary, there is resentment and bitterness on the part of the payer. Rather than having a choice about how their money is used, they easily give in to resentment and, on occasion, outright rebellion against those making the decisions to coerce taxes out of the payer.
In other words, it does not seem that involuntary transactions would promote right and peaceable relationships to God on the part of those being coerced, but especially on the part of those doing the coercing.

Relationship Outside the Transaction

In most of our economic transactions (be they voluntary or involuntary) the costs and benefits of the transaction are borne by the two parties to the transaction, and there are no costs or benefits that accrue to parties outside of the transaction. But there are some transactions (again, be they voluntary or involuntary) where as a result of the transaction between two people, costs or benefits are imposed on a third person who was no part of the original transaction.

Perhaps examples would be beneficial, and let’s start with external benefits. My favorite example is the time when my wife went to Portland Nursery and purchased roses to plant in our back yard. As a result of that transaction, roses are grown and bloom in our back yard that we enjoy very much. They beautify our yard and they bring an aroma to the house that was not there before she engaged in that purchase transaction with Portland nursery. But the benefit of the roses is not limited to my wife and me. Our neighbors get to see the roses and the aroma spreads beyond our yard so they benefit from the transaction as well. This is a positive externality benefit to the neighborhood. Our neighbors, as a result of a private transaction between my wife and Portland nursery, obtain a benefit even though they had no part of, and were external to, the original transaction.

But let’s stick with the same scenario of roses and neighbors and think of a negative external cost. As anyone who works with roses knows, they are a fickle and difficult to grow well. They require constant pruning, watering, and fertilizer. If, as a result of wanting her roses to grow my wife purchases manure from a farmer, then the odor of the manure would not be contained within our yard. Our neighbors would be subjected to an odor that was not of their doing. As a result of the manure purchase transaction, external costs are imposed on our neighbors, even though they were not a part of the manure purchase transaction.

Of course, the small example of roses in our back yard is limited to a few neighbors. But there are externalities that extend beyond an impact on a few neighbors. If a manufacturing plant, in the process of producing a good for sale to consumers, allows metals and other pollutants to leech into a nearby stream, the downstream owners of property will suffer a negative externality. If a power plant, in the process of producing power for sale, allows pollutants to enter the atmosphere and degrades air quality, then individuals who did not purchase power from that plant, but were downwind, suffer a negative externality from a transaction they were never involved in.

The question of negative externalities is broad and difficult and involves many aspects that are beyond the reach of a short paper. But the question of this paper is:
To control negative externalities should the transaction be voluntary or involuntary? Here the answer also has many sides, but if the transaction is voluntary, and you know you are imposing a cost on your neighbor, because the transaction is voluntary, you can not engage in it. If we know the roses my wife plants are causing harm to our neighbor, we can no long plant the roses, or dig them up and plant other types of flowers. As long as the transactions are voluntary, we can control the negative externalities.

However, if transactions are involuntary, each person will be required to continue to engage in the transaction even if that transaction is harmful to neighbors. The problem with involuntary transactions is that unless the person doing the coercing is convinced of the negative external cost, the transaction will continue.

But if the transaction is not voluntary. If the transaction involves a degree of coercion and we know that it is causing external costs to our neighbor or to the non-human creation, we don’t have the choice to not engage in it. The principle of voluntary exchange is better as long as the external impacts are known, for we can then move to stop it. If the exchange is involuntary, and the external impacts are known, individuals are still required to engage in it.

**Conclusion**

The conclusion of this paper is fairly modest. A system of voluntary cooperative exchange is more consistent with human beings as thinking, acting and relational human beings. A system of voluntary cooperative exchange is more consistent with peaceful, nonviolent relationships of human beings with their God and each other. By studying the theology of the image of God, and then applying that image to our economic relationships, it becomes clear that whatever economic system is put in place, it must be largely dedicated to voluntary cooperative exchange. To do otherwise is to deny human beings their ability to think and choose and engage in peaceful relationships as manifest in the image of God.

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