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Torah Economics

By Rabbi Dr. Hillel ben David (Greg Killian)

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The following [study](study.html) is based on a lecture given by Rabbi Daniel Lapin[[1]](#footnote-1) at the Ludwig von Mises Institute, Lou [Church](church.html) memorial lecture in religion and Economics. Rabbi Lapin’s lecture was titled:

*What is Morally Right About Economic* [*Freedom*](freedom.html)

Making money is a Torah virtue, it is inherently moral. Prospering is a virtue.

Why is it that [Jews](gen-jew.html) are disproportionately successful with money?

Mark Twain made this same observation in his essay, Concerning [Jews](gen-jew.html):

*"If the statistics are right, the* [*Jews*](gen-jew.html) *constitute but* [*one*](one.html) *percent of the human race. It suggests a nebulous dim puff of* [*star*](mazaroth.html)[*dust*](rock.html) *lost in the blaze of the Milky Way. Properly the* [*Jew*](gen-jew.html) *ought hardly to be heard of, but he is heard of, has always been heard of. He is as prominent on the planet as any other people, and his commercial importance is extravagantly out of proportion to the smallness of his bulk…”*

The reason [Jews](gen-jew.html) have excelled in the area of economics is because they have believed that making money is a good thing in and of itself. When you are making money you are doing something good. Philanthropy and tzedaka (charity – righteousness) do not have to be the goal. Making money is, in the end, good. Not doing tzedaka is reprehensible, but that does not detract from the fact that making money is good. For [Jews](gen-jew.html) especially, making money is a perfectly natural thing to do. How can this be?

Consider a man who knocks of people’s doors and offers to take away their unwanted items, their junk. If he pays a pittance for the goods, so much the better. In fact, businesses have sprouted up for the sole purpose of taking unwanted items from people. These businesses charge people good money to take unwanted items. Whether the business is the [city](city.html) trash collector, or a junk hauler, they both charge money to remove a man’s junk. Now if [one](one.html) could purchase [one](one.html) man’s junk and fix it up and sell it to another man for a good price, then all are extremely satisfied with this arrangement. The [one](one.html) has his junk removed without cost or for a small profit, and the other has obtained a needed item for a good price. The end result is [two](two.html) happy customers and a junk dealer who has made a profit.[[2]](#footnote-2) The whole [world](worlds.html) is better off because of this transaction. By engaging in this sort of commerce we are doing something good for people. People welcome such junk dealers. When we do these types of transactions everyone is happy with the outcome. The ability to make multiple people happy is at the root of the Torah. Thus making money is a good thing in, and of, itself!

In [Hebrew](hebrew.html), and in English, we use the same word to characterize good business dealings and our worship of [HaShem](hashem.html). We call it *avodah*, or service. Those who get good service are glad. Whether they are [HaShem](hashem.html) or men. Providing good service is what the Torah is all about. When we please the men whom [HaShem](hashem.html) made, then we are also pleasing [HaShem](hashem.html)! When are children treat their siblings well, then the parents are extremely happy. In the same way, when [HaShem](hashem.html) sees his children treating each other well, then He is extremely happy. To make [HaShem](hashem.html) happy, all we have to do is make people happy when we make money.

Does it matter whether we are serving [HaShem](hashem.html)’s children with a profit motive? Absolutely not! In fact, in both the Torah and in common wisdom we find that actions are more important than intentions. Obeying [HaShem](hashem.html) for the wrong reason is certainly better than not obeying Him at all. In the same way, if we serve people with a profit motive we still serve people. Now clearly kavanah, or intent, is important. Never the less, obedience is more important. Consider a child who obeys his parents with a bad attitude. While the parents would prefer a good attitude, they are never the less glad that the child obeyed. Since only [HaShem](hashem.html) understands the motives of our hearts, it is impossible for us to judge this aspect. In fact, a [Jewish](gen-jew.html) court looks for the actions and words, to discern intent. Actions [speak](mashal.html) louder than words and actions trump intention. The fact that a waiter provides good service to his customers is appreciated, despite the fact that he is looking for a good tip.

The process of building good economic relationships is integral to building good relationships between human beings. The [world](worlds.html) was created for the purpose of building bonds and relationships. Consider the elements on the periodic chart. As important as those elements are, the compounds that are produced from those elements are infinitely more important. The air we breathe is a mixture. Water is a mixture. As nice as iron is, steel is ever so much more useful.

Salt, for example, is composed of sodium (toxic) and chlorine (toxic). Yet the result graces nearly every dinner table in the [world](worlds.html). With the alchemy of relationships, even toxic substances become tov, beneficial. In the same way, we take a toxic [male](male+female.html) and marry him to a toxic [female](male+female.html) and the relationship is called love, and the whole [world](worlds.html) is better off because of this relationship. In fact, Bereshit (Genesis) describes the [creation](bara.html) as good except for [one](one.html) exception. The Torah tells us that it is not good for man to be alone. Man [needs](needs.html) a relationship with a woman. [Bonding](marriageact.html) and [connectivity](connection.html) are what make the [world](worlds.html) go around.

Does [HaShem](hashem.html) want us to be rich? While His [desire](needs.html) in inscrutable, it is quite clear that He [wants](needs.html) us to be obsessively preoccupied with the [need](needs.html) and [desires](needs.html) of other people. Whether they are your clients or your customers; whether they are your boss or your employees. No matter what the relationship, [HaShem](hashem.html) warns us to be concerned with the [needs](needs.html) of others. When we do this, prosperity and wealth are the natural outcome. To put it another way, if we want to become wealthy, all we have to do is become obsessively preoccupied with the [needs](needs.html) of others. If we build buggy whips whilst the [world](worlds.html) is driving automobiles, then we will never meet the [desires](needs.html) of others and we will never make a profit. We make profit when we sell what others want. The more we understand the [needs](needs.html) and [desires](needs.html) of the [world](worlds.html) and obsess with how to meet those [needs](needs.html) and [desires](needs.html), the more we will become wealthy. It is interesting that the more we do what we want to do, the more poverty stricken we become. It is only when we turn outward to the [desires](needs.html) of others that we can become wealthy.

Many have said that the most important occupation is the occupation that you enjoy. This is not the Torah perspective. The Torah perspective is to choose an occupation that meets the [needs](needs.html) of others. This is the only way to have success in life because we will be serving [HaShem](hashem.html) in the process. Prosperity is the result of building relationships by meeting the [needs](needs.html) of others.

The Torah is full of contracts (covenants) because contracts allow relationships to [flower](flower.html). The contract that [Yaaqov](israelja.html) made with [Esav](edom.html) regarding [the birth](thebirth.html)right was a contract that allowed the [Jewish](gen-jew.html) people to become a [nation](nations.html) of [priests](priests.html).

***Bereshit (Genesis) 25:30-33*** *And* [*Esau*](edom.html) *said to* [*Jacob*](israelja.html)*, Feed me, I* [*pray*](prayer.html) *thee, with that same red pottage; for I am faint: therefore was his* [*name*](name.html) *called* [*Edom*](edom.html)*. 31 And* [*Jacob*](israelja.html) *said, Sell me this day thy birthright. 32 And* [*Esau*](edom.html) *said, Behold, I am at the point to die: and what profit shall this birthright do to me? 33 And* [*Jacob*](israelja.html) *said, Swear to me this day; and he sware unto him: and he sold his birthright unto* [*Jacob*](israelja.html)*.*

***Shemot (***[***Exodus***](exodus.html)***) 19:6*** *And ye shall be unto me a kingdom of* [*priests*](priests.html)*, and an holy* [*nation*](nations.html)*. These are the words which thou shalt* [*speak*](mashal.html) *unto the children of Israel.*

A profit motive is what allowed [Joseph](joseph.html) to survive his encounter with his brothers at [Shechem](city.html).

***Bereshit (Genesis) 37:26-27*** *And Judah said unto his brethren: ‘What profit is it if we slay our brother and conceal his* [*blood*](body.html)*? 27* [*Come*](coming.html)*, and let us sell him to the Ishmaelites, and let not our* [*hand*](fourteen.html) *be upon him; for he is our brother, our flesh.’ And his brethren hearkened unto him.*

Yehuda asked, “what profit do we get by killing the boy? Come let us sell him instead”. Thus [Joseph](joseph.html) will succinctly state that their intention to do evil was used by [HaShem](hashem.html) to do good.

***Bereshit (Genesis) 50:19-20*** *And* [*Joseph*](joseph.html) *said unto them,* [*Fear*](fear.html) *not: for am I in the place of God? 20 But as for you, ye thought evil against me; but God meant it unto good, to bring to pass, as it is this day, to* [*save*](salvation.html) *much people alive.*

This good came about only because of a motive for profit. Consider the alternative: [Joseph](joseph.html) is dead and the [Jewish](gen-jew.html) people all starve to death. Where is the good in that? Even [Joseph](joseph.html) greatly benefited from this transaction. Thus the whole [world](worlds.html) benefited from the profit motive of [Joseph](joseph.html)’s [ten](ten.html) brothers.

When [Joseph](joseph.html)’s [ten](ten.html) brothers encountered [Joseph](joseph.html) [in Egypt](thebirth.html) he accused them of spying.

***Bereshit (Genesis) 42:9*** *And* [*Joseph*](joseph.html) *remembered the* [*dreams*](dreams.html) *which he dreamed of them, and said unto them, Ye are spies; to see the nakedness of the land ye are come.*

Additionally, he had their money returned to them in the top of their sacks of grain.

***Bereshit (Genesis) 42:35*** *And it came to pass as they emptied their sacks, that, behold, every man’s bundle of money was in his sack: and when both they and their father saw the bundles of money, they were afraid.*

When they saw the money they were terrified because they imagined that they would be accused of theft. Yet [Joseph](joseph.html)’s intention was to [teach](teacher.html) them that relationships were more important than money. The brothers thought that squandering their relationship with [Joseph](joseph.html) to produce a profit was a good thing. [Joseph](joseph.html)’s message was just the opposite. His message was that profit comes from good relationships, not the other way around. It is not about money, it is about relationships.

Relationships and profit go [hand](fourteen.html) in [hand](fourteen.html) with the uniqueness of each individual. If we were all clones we would find it very hard to meet the [needs](needs.html) of others. What we have is what they have. There is no profit in have each individual being a clone. Having different [desires](needs.html) allows commerce. If no [one](one.html) [wants](needs.html) to get rid of his junk, then there can be no sale of that junk. If everyone [desires](needs.html) the same junk, then there is no opportunity for commerce. Being created in the image of God makes us unique.

While most economists would tend to call us consumers, in reality we are actually producers. If everything were consumed there would be no museums, buildings, roads, or parks. We produce! When we create wealth we [acknowledge](knowledge.html) the uniqueness of the individual. When a government attempts to equalize its citizens, then they will necessarily produce poverty. The more we are alike the more commerce fails. It is our uniqueness that allows commerce to thrive. Thus the more [freedom](freedom.html) (uniqueness) that exists in the [world](worlds.html), the greater the prosperity of the [world](worlds.html). The more we are free to pursue our own [desires](needs.html), the more we allow the [world](worlds.html) to prosper.

Socialism destroys uniqueness. Consider government housing, public transportation, and confiscatory taxation. These socialist tools are all designed to destroy our uniqueness and in the process doom us to poverty. We must produce wealth, not merely move it around.

At the tower of [Babel](bavel.html) the goal was to make bricks, not to make a tower. Notice that bricks come [first](one.html) followed by what was to be done with the bricks:

***Bereshit Genesis) 11:1-4*** *And the whole earth was of* [*one language*](one.html)*, and of* [*one*](one.html) *speech. 2 And it came to pass, as they journeyed from the* [*east*](east.html)*, that they found a plain in the land of* [*Shinar*](bavel.html)*; and they dwelt there. 3 And they said* [*one*](one.html) *to another, Go to, let us make brick, and burn them throughly. And they had brick for stone, and slime had they for morter. 4 And they said, Go to, let us build us a* [*city*](city.html) *and a tower, whose top may reach unto* [*heaven*](heaven.html)*; and let us make us a* [*name*](name.html)*, lest we be scattered abroad upon the* [*face*](body.html) *of the whole earth.*

Bricks were the goal! That is why the people were [FIRST](one.html) encouraged to make bricks, then to build a [city](city.html) and a tower. Bricks are made by man and are all identical. Stones are made by [HaShem](hashem.html) and each is unique. The goal of [Babel](bavel.html) was to make all individuals the same, to destroy their uniqueness, to make bricks. [One](one.html) of the reasons that [HaShem](hashem.html) confused the [languages](hebrew.html) at [Babel](bavel.html) was to make it very difficult to all be alike.

The Torah records that bricks were used only in [two](two.html) regards: The tower of [Babel](bavel.html) and the [building of Egypt](thebirth.html) by the Israelites. As the Israelites were enslaved, so too were the people of [Babel](bavel.html). As the people at [Babel](bavel.html) received no pay for their service, so too were the Israelites deprived of their pay.

We had [two](two.html) economic models: The [Abrahamic](avraham.html) model and the Nimrod model. The Abrahamic model is the basis for the economy of the western [world](worlds.html). This model is based on [giving](giver.html), not on taking. [Abraham](avraham.html) wanted to [give](giver.html) to and to serve other human beings. This is the source of the strength of the Abrahamic model. Nimrod’s model was based on taking from people and making them all the same.

The free market system is propped up by a [spiritual](physical.html) system.

Long term business relationships can not endure if we ‘rip people off’. Bad business dealings do not make for long term business relationships.

We are predominately [spiritual](physical.html) creatures with a subordinate [physical](physical.html) aspect. We are souls with a [body](body.html). This is an important mental perspective. We must focus on the [spiritual](physical.html) and use the [physical](physical.html) to accomplish the [spiritual](physical.html) goals. We must use our minds to impact our [bodies](body.html). If we believe that something can be done, then it can be done. Nothing stands in the way of [*desire*](needs.html), nothing! The only thing that makes us different from robots is our [*desire*](needs.html). Robots do not have any [desires](needs.html).

**\* \* \***

The [Hebrew](hebrew.html) word for *wealth* is: עשר.

The [Hebrew](hebrew.html) word for *charity* is: עשר.

Now, because the same [Hebrew](hebrew.html) word is used for both concepts, we [know](daat.html) that these [two](two.html) concepts are intimately related. Thus we understand that the act of giving charity results in wealth. Note the charity comes [first](one.html) and the wealth follows.

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1. “Thou shalt Prosper” is Rabbi Lapin’s book. [↑](#footnote-ref-1)
2. New businesses have sprung up just to bring those with junk together with those who want such junk. Can you say ‘EBay’? [↑](#footnote-ref-2)