

Kingdom Congress of Illinois

Position Paper on Minimum Wage: Business Mandate

Scripture presents God as the Creator of all things and the Owner of the Earth. As seen within the creation narrative, God fashioned mankind in His image and appointed humanity to care for the earth as God's chosen representatives (Ps. 115:16). Man's commission for earthly custodianship can be found in Genesis 1:26-28, which is called the Dominion Mandate and which gives man authority to rule and charges him with responsibility to make the earth productive, fruitful and developed.

In exercising earthly administration, each individual has private property to manage. That property might include a skill set, intellectual capital, time, and earthly assets. For example, a man may be a farmer with knowledge of agricultural laws and land to be cultivated. He has options as to how he facilitates his management. That farmer may elect to use his land to produce all that he and his family might need to support life; or that farmer might become specialized, thus focusing his efforts to produce only one commodity and then barter with other specialized farmers to acquire all that he and his family might need to support life. Earthly labors to yield productivity fulfill the commission of the Dominion Mandate whether the work is done individually or collectively.

Collaborative effort is the basis for the business sector. Business is the engine of dominion. One man focusing on a better way to build a single product will yield more advancement in that product, but that dynamic cannot be realized unless that single product producer can barter with other producers to meet his other needs for goods and services. The power of contractual cooperation releases greater specialization and greater advancement in the dominion assignment. The business sector is a gigantic bartering system that meets the demands of society. Each individual may bring his or her own private property and contract with others who bring their private property for a voluntary exchange and for mutual benefit.

The basis of the exchange of goods and services is free will. This paper will discuss the biblical function of free will contracts as well as what occurs when goods and services are taken by force, which will be defined as plunder. This document will place the concept of minimum wage under the category of plunder and will discuss its destructive effects upon entry level jobs and merit-based incentives. Finally, some current, popular views and terms that are most frequently applied to affirm minimum wage laws will be examined and debunked by the presentation of biblical wisdom and empirical data.

Free Will and Contracts

In Mathew 20:1-16, Scripture relates a story of a man who owned a vineyard. The man, who was the head of his household and who possessed legal authority to manage of his capital, decided to hire workers to aid him in his labors. Early in the morning he contracted with some men for a denarius, which was a Roman silver coin whose value in Jesus's day was equal to an ordinary day's wages. The employee and the employer agreed as to the service to be rendered by the worker and the wage to be paid by the owner. They made a contract. Each party voluntarily negotiated and voluntarily decided the terms upon which the goods and services would be exchanged.

Later in the morning, the vineyard owner found other workers in the marketplace who had not yet been employed for the day, so he offered them also a contracted wage for a service. At mid-day and again in the mid-afternoon, the employer found even more unemployed laborers and contracted for their services. Scripture continues the narrative until at the eleventh hour, which indicates a twelve-hour work day, the boss contracted with one final group of workers. At the end of the work day, the owner called his foreman to come and pay the workers. Beginning with the eleventh hour hires, the wage of a denarius was remitted. Each group of laborers was paid from last to first. When those hired at the beginning of the day arrived to receive their pay, they likewise received the denarius.

The first workers murmured that they had worked longer and harder and that they should be paid more than those who put in fewer hours. The owner justified his action by appealing to their contract and proving that he had kept the terms of the agreement into which those workers had freely entered. He had done them no injustice because it was legal for him to allocate his resources as he determined. He then concluded the discourse by asking them if their dissatisfaction was motivated by greed or jealousy because he had chosen to offer a more beneficial contract to others than what he had offered to them.

The main point of Jesus' parable concerned the fact that the Jewish nation had 'worked' for God for many years and had been subjected to more burdens and labors than other groups of people who would be 'hired' in the future. The coming of the new covenant would see many nations or Gentiles brought covenantally into Kingdom service, and the Jews were being warned to avoid jealousy for "many that are first shall be last and the last shall be first (Mt.19:30). Although the main focus of the parable must remain within the context of instruction to the Jews as Jesus had used it, nonetheless other principles of marketplace practices were employed to help Jesus make his point. The business principles, which are interwoven in the parable, reveal God's perspective on employer and employee relationships.

Contracts must be free will agreements. God allocates to every man a portion of assets and assigns personal responsibility in the use of those assets. Man receives his original allotment from God and will answer for his stewardship of that endowment. (Commandment #1) Remember the parable of the talents in which three servants received talents and then gave account for the use of those talents (Mt. 25:14-30). The man who received five talents doubled his as did the man who received two talents. The man who was allocated one talent did not use his asset in his dominion assignment, but rather hid it in order that he might return the original amount as it had been given but without any increase. Each man in the parable gave account for his stewardship of the original grant. As seen in the talent parable, every man will answer to God for his personal choices, therefore he must be free to make those choices. Since contracts facilitate the usage of original assets, they must be made by the free will of each party since God places the accountability upon the steward entering into the contract.

Although the term "free will" is being applied to contracts, the term is limited in scope. Each party may freely choose to enter or not enter an agreement, may freely negotiate the terms to fit his determined goals, and may freely allocate or withhold his assets. However, neither party may freely practice fraud or deceptive practices as a means to steal from the other (Commandments #8 and #9). Neither party may change the terms of the agreement mid-contract. Scripture tells the story of Laban, the father-in-law of Jacob, who dealt unrighteously with Jacob by retroactively changing his wages ten times. The story reveals that God took account of each man's stewardship and gave the reward of blessing to Jacob's faithfulness, hard work, and honesty while condemning and judging the contractual breaches practiced by Laban

(Gen. 30:28 – 31:13). Neither party may interrupt the contract mid-term through strikes or in any way fail to fulfill the contracted terms. The Bible admonishes all people to be keep their promises even if it causes them hurt (Prov. 15:4). Neither the employer nor the employee may engage in coercion during negotiations by threatening or causing harm to either person or property. Where wages are concerned, Scripture requires that we are not to attempt to exact any more than what is appointed nor do violence or use false accusation to change the wage (Luke 3:12-14). Biblically, peaceful negotiations are allowed and encouraged while contracts are being set; but once the contract is ratified, it must be fulfilled by each party in keeping with their free-will vows. Free will in the context of contracts and the market place could best be described as the freedom of every person to make full use of his facilities as long as he does not trespass the free will of another.

Employees are biblically commanded to serve their employer as they would serve Christ (Eph. 6:5-7). Although the Ephesian 6 passage is directed to a bond servant or a slave, in application anyone who works for wages and subjugates his services to another's rule falls into the broad category of a servant. The employee must not only do his job when being watched by the boss, which is called eye service, but should, rather, labor knowing that God is watching and therefore serve with his whole heart. When a laborer enters a contract with his free will, he has submitted his service as part of his dominion mandate and the employer is to be viewed as collaborating with him as he stewards his assets. (I Tim. 6:1)

Employers are biblically commanded to operate in like manner as the employees by doing good service as unto the Lord. They are not to threaten the workers but to remember that both the worker and the employer have the same Master in heaven and God has no favorites (Eph. 6:7-9). All persons should be treated with brotherly love and without partiality as to their economic status (I Jn. 4:20-21; James 2:1-9). The man who pays wages has a special admonition upon him to protect the interest of the worker and not to exploit any inherent weakness. Leviticus 19:13-14 calls for prompt payment of wages and sets that prompt payment in the context of not cursing the deaf nor placing a stumbling block before the blind. A deaf man could not hear the curse being hurled at him nor could a blind man see who tripped him. The inherent weakness of both would hinder them from defending themselves. In like manner, a man bartering with his services might be at a disadvantage to the stronger employer. He might be less able to defend himself against an injustice perpetrated by the boss. Therefore, the text reminds the one paying the wage to remember to "fear thy God, for I am the Lord." True righteousness defends the widows and the orphans, another category of persons who could be exploited by the strong or more affluent (James 1:27). Employers are to be defenders of those who work for them rather than exploiting any weakness for personal or financial gain.

Plunder

According to the American Dictionary of the English Language 1828 by Noah Webster, the transitive verb plunder means: "To take by pillage or open force. . . to rob, as a thief; to take from; to strip; as the thief plundered the house or the robber plundered a man of his money and watch; pirates plundered ships and men." Simply defined, plunder is the forceful seizing of the products of another person's labor.

Society is always against illegal plunder. Civil laws against theft traditionally flow from Commandment #8, "Thou shall not steal." When one neighbor forcefully confiscates the goods of his neighbor by theft, robbery, or fraud, the wronged party and the community cry out for

justice. The role of the civil is not only to make laws against plunder but also to arrest, try, and sentence the guilty. When the civil realm fulfills that role, plunder is not tolerated; justice is practiced; personal property rights are protected; the condemned lawbreaker cannot continue to harm society.

When discussing the concept of plunder, a social order must consider four options: everyone may plunder everyone; no one may plunder anyone; a few may plunder many; or many may plunder a few. Certainly the first option of everyone plundering everyone is easily seen as societal breakdown, lawlessness, and chaos. In either the few plundering the many or the many plundering the few, people are having their private property forcefully seized. The act of theft is a breach of Commandments #8 and #9 and a crime against which the civil is charged to protect its citizens. The obvious choice is that no one is allowed to plunder anyone. The civil realm is mandated to use law and its accompanied force to protect all citizens equally without bias or prejudice. A marketplace free of plunder fosters trust between parties making contracts and encourages collaboration in the dominion assignment.

Just as it is biblically immoral and illegal for an individual or a group to plunder, it is immoral and illegal for the civil realm to plunder. A condition sometimes referred to as legal plunder occurs when the civil punishes the individuals who plunder and then turns and becomes the agent of plunder and exempts itself from prosecution. Biblically speaking, the civil realm may not appropriate powers to itself that are not within its God-given jurisdiction. Law is power, and the power of law may not be used to give the civil realm right to forcefully confiscate from the few to give to the many or from the many to give to the few. Instead of checking crime, the law itself becomes guilty of the evils it is supposed to punish. Plunder is biblically illegal whether practiced by the private sector or by the civil realm.

Legal plunder has many names, for example: tariffs, subsidies, progressive taxation, public schools, guaranteed jobs, right to work, and minimum wage. In every example listed, the civil realm introduces into contracts forced stipulations that the parties entering the contract might not otherwise freely agree upon. Rights and liberties of either the employer or the employee are forcibly limited or removed, and the fruit of labor is stripped without consent or compensation from its legal owner.

Legal plunder often begins in the name of protectionism or the ideal of philanthropy. Although the civil is charged to equally protect all citizens, its protection extends to legislating and prosecuting criminal activities perpetrated against everyone and not to providing equal social or economic conditions for everyone. Equalizing living conditions is beyond civil authority. God has appointed other agencies to provide for philanthropy and to oversee social causes. The family, the church, and by extension voluntary organizations are mandated to speak and lead in those realms.

Voluntary contracts must be made between persons or groups of persons without civil regulatory plunder. The creation of contracts may be influenced by collective bargaining, which means a group of individuals may voluntarily join together to help influence the outcome of the contract. The groups are often the employees seeking worker's rights and benefits but employers may also league together for the purpose of contract negotiation. Such groups may not use force or threat of force to sway the outcome of the negotiations as that constitutes coercion and leads to plunder. These groups constitute fraternal associations, meaning that men associate together as a brotherhood for common interests. The formation of fraternal groups within the marketplace is not forbidden in scripture, and they often serve to guarantee a higher level of justice in contract making. However, fraternal organization may not league with the civil realm.

Laws may not be written to introduce a coercive element for either side in the contract making process. Contracts must be free will without the power of the civil realm to plunder. Those fraternal organizations sometimes called unions are not unbiblical unless they employ fraudulent or compulsory tactics or unless they league with the civil to force the opposite side of the contract negotiation to surrender what it would not voluntarily surrender unless the threat of force had been introduced. Unions are only biblical if they are voluntary, fraternal organizations and completely free of civil empowerment. Organic, natural and free organizations and unity occur among men under God's providence. However, forced fraternity and artificial unity deprives people of individual liberty and responsibility; and it results in plunder.

Destructive Effects of Minimum Wage

The economic case against minimum wage is simple. Employers pay a wage no higher than the value of an hour's work. Forcing a wage higher than the value of the labor harms both the employer and the employee. As with any form of plunder, theft occurs and free will is trespassed. The employer must consider the market value of his product and the steps he must take to produce his goods or services below market price in order to make a profit. Mandated wage increase raises the cost of production. The employer must then compensate for the higher wage in another aspect of his business. Cuts must occur somewhere or he will be forced out the market. He may decide to cut quality which will hurt consumers and ultimately affect his bottom line. He may decide to produce the product with fewer workers, which will limit opportunities of workers to gain employment. One business may never expand while another business may never open. Minimum wage laws always have unseen victims.

Proponents of minimum wage determine that the result of some becoming victims is outweighed by the benefits provided to those who receive a better wage. The question remains, "Are the recipients benefited or are there also unseen victims among employees?" Minimum wage tells employers to not give the beginner a chance. If the employer is forced to pay a certain amount for an hour's labor, that employer would look to hire only those whose skill level would be worthy of the wage. Those entering the market place who have yet to develop skills and increase their market value would be overlooked. If wages are function of productivity, then it follows that wage set above the workers' productivity will omit that worker from employment. The intended beneficiaries of the legislation will be harmed.

Minimum wage hurts the lowest skilled workers. Those workers entering the market place usually possess the lower levels of skills, knowledge and experience that merit the civil mandated set wage. Such a worker has few things with which to bargain in order to obtain a contract. His main bargaining tool would be the cost of his labor. If he could convince the employer that his labor would be worth one-third the amount of minimum wage and that he would work for three hours where the more skilled would only have to work one hour for the same money, the employer might be willing to give an entry level job to a beginner. Once on the job, the new worker would gain skills, knowledge and experience. If he worked hard and learned, his labor could demand a higher wage in future contracts. He would be placed upon an upward trajectory of earnings. Without the opportunity to barter with his wages, the unskilled worker is excluded from the marketplace and limited to his ability to change his condition in life.

When the worker's wage is set by his productivity and abilities, he is incentivized to work hard and to increase his skills. Scripture witnesses that a man's quality of labor will be reflected in his assets, and the hard worker will have plenty but the slothful worker will suffer

poverty (Prov. 10:4; 12:24, 27; 13:4). If the worker must apply himself, work diligently, and increase his wisdom to earn a higher wage, he is given an incentive to improve himself and increase his talents. We must remember that he will give an account to God for the management of his original endowment – his talent. If, however, he is given what he has not earned because plunder is the law of the land, then the worker has less motivation for upward advancement. Poverty can serve a tutorial function. It trains people to work hard to eat. Hard, honest labor gives man dignity within himself and gains him respect among those with whom he will make contracts.

Recalling the story of Ruth and Boaz found within the Book of Ruth can give insight into entry level incentives and promotions. Ruth and her mother-in-law, Naomi, had relocated from Moab to Israel; and they were without a source of income. Scripture mandated that the farmers forgo harvesting the corners of their fields so that the poor in the community could gather grain to feed themselves. If they would work, they would eat. Ruth joined the gleaners. She worked hard to gather. Her diligence and her care for Naomi caught the attention of Boaz. As the landowner and the employee, he gave additional opportunities to Ruth. Her hunger incentivized her and her diligence promoted her. Had there not been an entry level for the unskilled and the poor, her life story may have had a different outcome.

Employers should have the free will to provide wages and benefits based upon the value of the employee. Imagine a worker who is of such value to the boss that the idea of losing him to another employer or to misfortune would cause concern to the employer. That boss might choose to hedge his possible losses by providing economic incentives to keep the worker. Those incentives might be higher wages, retirement, health care or other benefits of that type. The contract offered to the employee would reflect the value of that employee. If, however, in the name of some misrepresented social justice or equality, civil laws mandated that all employees have social security or health insurance or unemployment benefits at the expense of the employer, then plunder is occurring and the worker loses his incentive to advance his position in the economic arena. Plunder, in the form of minimum wage or other civilly-mandated benefits, yields destructive effects on the employer, the employee, the market place, and the society at large.

Current Popular Views

A term that is often applied to minimum wage by advocates of the ideology is ‘living wage’, which is considered to be the amount of hourly income that must be earned for an individual to live above what the elite bureaucrats consider immoral and the amount it would take to lift the individual out of poverty. The poverty line in the United States is set at \$22,350.00 per year for a family of four. (www.heritage.org/research/reports) However, it must be noted that the definition of poverty has shifted from one of absolute deprivation of the necessities of life to one of having relatively less than other people. As egalitarianism has gained a larger grip on the public intellect, policy entrepreneurs have become more and more inclined to accept the relativist definition. According to Shawn Ritenour in an article published at <http://mises.org/daily/1603>, among those that are officially poor, 46% own their own home, 76% have air conditioning, 66% have more than 2 rooms of living space per person, 97% own a color TV and 62% have either cable or satellite.

By adopting the language of ‘living wage’, the consensus of the culture can be swayed by appealing to the compassionate side of the citizens. Although compassion and charity are

attributes that should mark every culture, the high jacking of a term ‘living wage’ to forward a narrative based upon misrepresented facts and faulty economic analysis does not serve the culture or the poor. Appealing to the electorate serves only the politician by gaining him or her votes based upon the promise that the injustice will be corrected by civil laws and serves the politician’s future because those receiving the entitlements will be inclined to help re-elect their benefactor.

When the concept of ‘living wage’ is insufficient rhetoric to win the argument of minimum wage laws, the case is often presented in the context of single parents working to supply the needs of their household. A multitude of facts debunk the argument. Only 4% of minimum wage earners are single parents working full time. (www.heritage.org/research/reports) Statistically, 70 % of all minimum wage workers live with a working spouse or relative and live in a household with the average income of \$38,000.00 (http://kevincraig.us/monimum_wage.htm). Only 2.8% of workers over 30 years of age receive minimum wage. Data from the Bureau of Labor Statistics and the Census Bureau show that the most minimum-wage earners are young, part-time workers and that relatively few of them live below the poverty line. Any increase to the minimum wage laws primarily raises pay for suburban teenagers, not the working poor. (www.heritage.org/research/reports)

Poverty in the United States is more a condition of that results from not working rather than not receiving a ‘living wage’. Statistical analysis proves that two-thirds of all people living in poverty do not work at all. Only 10 % work full time. (www.heritage.org/research/reports) Although poverty should be a concern to any nation, solutions to humanity’s blighted conditions are not generated by plunder. The church is an agent of charity. The family unit is another agent for charity. The business sector unfettered by minimum wage laws can provide entry level employment for the poor, thus giving them an opportunity to secure gainful employment and acquire skills that will make them more marketable.

In Conclusion

Almost all of the popular arguments that support minimum wage are false. Minimum wage does not generally lift people out of poverty because it exacerbates unemployment of lower skilled workers. The majority of the population who are helped by minimum wage are the young who already live in households that far exceed the income level to be considered poverty. Minimum wage laws fall under the sin of plunder. They forcibly steal from the employer and interfere with free will contract negotiations. A market place that not only allows plunder but facilitates plunder will suffer unseen consequences such hindrances to a healthy economy, lack of opportunity resulting in high unemployment numbers, and adversarial working conditions rather than collaboration between employers and employees. Such a thieving society will not only incur the consequences of its ignorance but will also incur the righteous judgment of God.

This position paper was written by Dr. Patti Amsden