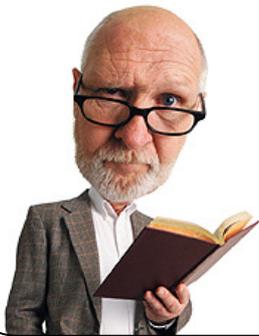


Resources for your church:



Debt in the Bible

Biblical reflection

Debt in the Bible

The Old Testament knows the harsh reality of both poverty and debt. The tragic story of the widow whose children are taken by a creditor (2 Kings 4:1ff.) brings alive the provision of the law of Moses to protect both widow and orphan in Exodus 22:22ff. Israelites are specifically instructed to have open hearts and open hands towards the poor (Deuteronomy 15:6) but it is also recognised that the poor may sell themselves as bonded labourers (Leviticus 25:39-45). This action in payment of debts is evidenced in Isaiah 50:1, Amos 2:6, 8:6 and powerfully in Nehemiah 5:5. In 1 Samuel 22:2 debtors formed a significant part of David's followers in the cave of Adullam.

Proverbs makes some acute observations: the bondage of a debtor to a lender is stressed in Proverbs 22:7 while 22:26-7 warns against giving pledges for debts and the risk of losing one's own bed.

In the New Testament, Jesus uses the grim reality of unpayable debt to illustrate the grace of forgiveness in the parable of the unmerciful servant (Matthew 18:21ff) and again in the parable of the two debtors (Luke 7:41). Debts may be involved when Paul offers to pay for any loss that Philemon has caused to his master. It is estimated in New Testament times that taxes, tithes and tributes could capture anything between 50% - 60% of income. The Lord's Prayer (Matthew 6:12) requests the forgiveness of debts, reflecting a Jewish understanding of sin as a debt owed to God. As we shall see, the Law includes some very direct treatment of the issue of debt.ⁱ

How can we engage with this biblical material on debt?

Clearly we cannot simplistically apply texts to our very different inflationary, credit economy.ⁱⁱ One temptation is to pass over texts, e.g. those which forbid interest, as irrelevant or requiring significant interpretation in an affluent credit economy. A second temptation is for preaching to spiritualise away the harsh reality of debt. Thirdly, around half of the wealth-related verses in the OT are found in wisdom literature but there is a danger of a selective, individualistic and moralising treatment. Sensitive handling, such texts can challenge Christians to a careful assessment of credit and debt.

Arguably, however, the OT centre of gravity in understanding wealth and debt is found not in wisdom but in the Law. The Law of Moses has a cluster of passages that address the issue of debt directly: the forbidding of interest, the cancellation of debt, the release of slaves and laws governing security taken against loans.ⁱⁱⁱ

To the manna born

In the shared memory of Israel, the story of the manna in Exodus 16 is foundational. In desert scarcity God gifts Israel with bread and his abundance is for the community, not for the individual. No one can collect too much and the weak do not go short.

But, as Walter Brueggemann notes, the tasks of self-identity, what is learned in the desert must be learned afresh in the promised land where abundance is not precarious but enduring. The book of Deuteronomy is story-telling and sermon at the Jordan river, the boundary between scarcity and abundance.

Just as the manna is gift, so Deuteronomy stresses (3:18-20; 5:31; 12:1; 15:4; 19:2; 25:19) the gifted nature of the land which Israel will occupy or possess. But this land is covenanted gift; the gift carries with it the obligation to obedience as the basis for blessing and for continued occupation of the land.

The OT laws on debt and interest are rooted in the conviction that land is gift not possession and all Israelites are inheritors of the promise of God.

The release of slaves

The freeing of slaves, family members offered as security for debt and the periodic cancellation of debts, is found amongst royal decrees of the Ancient Near East. Debt cancellation was often linked to the accession of a new King as a gesture to the people.

Exodus 21:2-11 provides for the release of those who have become slaves, more accurately bonded labourers, because of debt. This release takes place in the sabbatical year although it is not clear whether this implies the seventh year after enslavement or release on a nationally observed Sabbath year.

Exodus 23:10-11 states that this sabbatical year is also a year in which the land is to lie fallow and the produce of the land that year is for the poor and not for the owner of the land.

Debt cancellation

At the end of [every] seven years you shall grant a remission [of debts]. And this is the manner of the remission: every creditor shall remit his claim, [on] whatever he has lent to him neighbour; he shall not exact it from his neighbour or his brother, for a remission has been proclaimed in the name of the LORD.

Deuteronomy 15:1-3

This provision in Deuteronomy may reflect an application of the Sabbath principle to a more urban context. The verb "remit" (š-m-t) which is used here of financial debts is the same verb used in Exodus 23:11 of rest for the land. Additionally, the phrase "remission in the name of the Lord" reflects secular texts and is parallel to Lev 25:2,4 "Sabbath to the Lord" and the use of "proclaim", unique in Deuteronomy, gives a solemnity to the event such as is found in the Sabbath and Jubilee. Some scholars suggest that cancellation here means simply that repayments and the pursuit of creditors is suspended rather than total cancellation but the context and the practice in the Ancient Near East suggests total cancellation.

The release of economic slaves and the cancellation of debt are not isolated economic transactions. Along with a Sabbath rest for the land, these legal provisions are rooted in God's action in creation and the release from Egypt (the basis for the Sabbath), the gifted nature of the land and God's concern for the poor. Those who make loans to the poor are not making gifts of personal charity but expressing in a generosity embedded in law the giftedness of the land to the people. But Deuteronomy anticipates that some will be reluctant to make loans to the poor because of the year of cancellation:

.... open your hand generously to him: lend him freely, sufficient for his need, whatever he lacks. Be careful you do not entertain an evil thought, thinking, 'The seventh year, the year of remission, is near,' so that you close your eyes to the need of your poor brother, and do not give to him; then he may cry to the LORD against you, and you will be found guilty of sin. (Deuteronomy 15:8-9; see also Matthew 5:42 and Luke 6:34)

Just as the land cannot be worked in the seventh year to create wealth, so debts cannot be enforced to retain wealth. Rest, peace and a share in the goodness of the land is the gift of God to all the people, not just the wealthy. The remission of debt underlines the reality that no one deserves the land, despite good management or business acumen.

Interest

In other countries in the Ancient Near East of OT times, loans usually attracted interest often at very high rates. In the Laws of Hammurabi and Eshnunna the rate of interest on money is often around 20% or higher and that on grain around 33% but in extreme cases can rise to 100%. A certain class of laws called hubuttatu were once thought to be interest-free but experts now think that the interest was included within the principal:

“Shamash-nasu the governor ... received 133 agur of grain as a hubuttatu-loan; for two years no interest shall accrue”

By contrast, the OT law is clear that no interest shall be charged:

And when your brother becomes poor, and cannot support himself beside you, you shall strengthen him; ... Do not take from him interest of any kind, but fear your God; so your brother can live with you. You shall not lend him your money at interest, or increase the price when you lend him food. I am the LORD your God, who brought you out from the land of Egypt; to give to you the land of Canaan, to be your God.

Leviticus 25:35-38

The emphasis here is upon the poor. No interest shall be charged on either money or food. In the economy of ancient Israel money was not the dominant form of exchange in the way that we know.

Secondly, note that there are two different words used for interest here in the Hebrew, translated here as “interest” and “increase”. They may mean the same thing but it is possible that “interest” refers to money and “increase” to grain or food.

It is possible also that the words reflect two different ways of calculating interest for money and food. It seems that although interest is forbidden people knew very well what it was and how best to make it work!

Finally, the grounds for forbidding interest are the gifted nature of the land and the sovereignty of God.

You shall not charge interest [on loans] to your brother, whether interest on money or interest on food, or interest on anything that may earn interest. [On loans] to a foreigner you may charge interest, but [on loans] to your brother you may not charge interest; so that the LORD your God may bless you in everything you put your hand to, in the land which you are entering to possess.

Deuteronomy 23:19-20

This passage has a wider scope in that interest cannot be charged to any Israelite, not just the poor and the law seems to cover any eventuality. Perhaps people were finding ways of making money out of money because wealth creation is such a strong temptation.

The law is also practical in charging interest on non-Israelites who had neither covenant obligations nor privileges and were probably commercial traders. Here obedience to the prohibition of interest is the basis of both God's blessing and of Israel's possession of the land.

Security for loans

An effective system of security for loans is important because it offers some guarantee to the lender that the loan will be repaid. However, the laws of the OT limit the extent to which pledges can be taken by preserving the dignity and livelihood of the borrower.

The repayment of the loan is not the sole issue at stake:

If you ever take your neighbour's cloak as a pledge [for a loan], you shall return it to him by sunset; for his cloak [may be] the only covering for his body; in what [else] can he sleep? So it will be, if he cries out to me, I will listen, for I am compassionate.

Exodus 22:26-27

The "cries" of those abused by creditors is the same verb as that of the orphan and the widow in Exodus 22-24. Israel knew what it was to be abused in slavery and the same God who rescued Israel will hear the cry of the poor.

No one shall take a pair of millstones, or an upper millstone, as a pledge; for that would be taking a life in pledge.

Deuteronomy 24:6

When you make a loan of any kind to your neighbour, you shall not go into his house to take his pledge. You shall stand outside; and the person to whom you are making the loan shall bring the pledge out to you.

Deuteronomy 24:10-11

And if the person is poor, you shall not sleep in his [cloak given to you as a] pledge. Be sure to return the pledge to him at sunset, so that he may sleep in his cloak and bless you; and you will be in the right before the LORD your God.

Deuteronomy 24:12-13

The thrust of these texts is that the right to the security of a loan is not more significant than the dignity and respect shown to members of the community who are, with their richer brethren, inheritors of the gift of God. The respect of persons is rooted in the fact that no-one deserves the land, no-one has earned it by their hard work so as to demand in any conditions repayment of their loan.

The Law of Jubilee

The most radical expression of the principle of the land belonging to God is found in the law of the Jubilee in Leviticus 25. This Sabbath of Sabbath years, the fiftieth year, reaffirms all the principles of the sabbatical year: the cancellation of debt, the release of slaves and a rest for the land.

But there is an additional and distinctive element. Land that has been sold is redeemed and returned to its original owners and the price of land is fixed in relation to the Jubilee year. The people are tenants of God's land (Leviticus 25:23). The further from Jubilee the higher the price. In effect land was not sold but leased until the Jubilee year.

Free resources for you to share and use

The purpose was to prevent bankruptcy and reduce the gap between the rich and the poor; the promise was security in the land (25:18-19).

The law of Jubilee makes no appeal to the charity of the wealthy but embodies social justice.

Making connections

We do not know whether land restoration ever happened at Jubilee and, as noted above, we cannot make easy translations from ancient Israel to our modern economy. But scripture is suggestive of some principles.

An economic system cannot have a life of its own separate from the health and wholeness of the community nor from the One who has gifted the land.

The prevalence of debt today and the volume of material in Scripture relating to debt suggest this is not a fringe issue for the church. As the law provided for the protection of the indebted some provision should be made by the local church for pastoral care and community action in ways appropriate to local resources.

We should be very slow to assume that debt is entirely the result of profligate spending. The OT law protected the poor from punitive interest, broke the cycle of generational poverty and treated the indebted with dignity as children of the gift not the failures of an impersonal economic law. 50% of indebted households in Britain have incomes of less than £7,500 and in sharp contrast to scripture the poor today pay punishing rates of interest for the credit they can obtain.

Citizens' Advice estimate average client debt at around £17,000 with full repayment taking around 93 years. The biblical themes of remission, rest, release and restoration resonate with the need for freedom from the vigorous pursuit of creditors, establishing a link between credit and the capacity to pay, the futility of accruing interest and charges on unmanageable debt, and the opportunity for a new start through some form of debt cancellation.

They do not encourage non-payment of debts, abdication of personal responsibility nor the underwriting of unsustainable consumer lifestyle.

ⁱ Luke uses the word "sins" because of his gentile audience.

ⁱⁱ Thoughtful work has been done under the auspices of the Jubilee Centre (www.jubilee-centre.org) in Cambridge. See also the book, *Grace and Mortgage* by Bishop Peter Selby.

ⁱⁱⁱ For a detailed consideration of the OT texts see the important forthcoming book from Dr David Baker, *Tight Fists or Open Hands? Wealth and Poverty in Old Testament Law* (Eerdmans).