

Economic utopia of the Torah

*Economic concepts of the Hebrew Bible interpreted according to the
Rabbinical Literature*

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Abstract:

Hebrew Bible offers alternative Economic utopia for building Theocratic society. In this paper, various economic concepts and themes are presented, as found in the Hebrew Bible. These economic concepts include taxation, property rights, labor market, social policy, banking, years of Sabbath and Jubilee, and business cycles. Most economic issues of the Bible are found in the texts of Torah, also known as five Books of Moses. These texts are analyzed by using classical Rabbinical commentaries for better insight. Contrary to the modern Economic theory which is based on the assumptions of scarcity of resources and unlimited needs of consumers, Economics of the Torah is based on God's resources which are enough for all true needs of His people.

Introduction

Ancient Hebrew texts, especially the Torah (also known as Five Books of Moses, Mosaic Code or Pentateuch (using Greek terminology)) offers an alternative economic ideology and system. In this study of Biblical literature, these texts of Torah are studied from the viewpoint of economic theory and concepts. Some quotes are made also from the larger corpus of Biblical texts, from the Tanach (also called as Old Testament in Christian terminology). Most economic ideas of the Bible are nevertheless found in the Torah. In this paper, basic properties and phenomenon of economic concepts found in Bible are presented by using Rabbinical texts for more clear interpretation. Several economic concepts, as taxation, property rights and labor markets are presented.

Among the Judaistic scholarship, the Torah is seen as a unified combination of “Written Law”, which must be interpreted by using the Jewish Sage’s Rabbinical commentaries, called “Oral Law”, collected in Talmudic Literature. This is also the premise of this paper, seeing these texts as a unified entity containing also economic message. Therefore, it should be noted that this study does not fully associate with contemporary Hebrew Bible exegetic, because no assumptions of the formulation process or origin of these texts are made. Therefore, discussion on the textual differences and various literature, tradition or redaction critique issues is not done here. I believe this is a possible basis for this study, as no major economic policy differences can be found between the redactors of first four books of Moses and the Deuteronomistic history. In terms of Bible exegetic schools, this paper could be representing narrative critique viewpoint. This paper is not interested of the origin of source texts, but the economic issues and consequences implied in the final codex of these texts (final form of these texts was completed some centuries B.C.E.). These findings connect with the emerging sub-area of Economics of Religion, where also economic texts before Adam Smith are nowadays under increasing scientific scrutiny.

Classic Rabbinical commentaries (of which most notable was *Rashi*) are used to interpret the original meaning of the Torah legislation and to gain the “Oral Law” insight. Appreviations of the main Rabbinical texts (also known as *Mikraot Gedolot*) are presented in the references section. I use traditional *textus receptus* and scholarly BHS (Biblia Hebraica Stuttgartensia) Hebrew Bible text as the primary base source. Quotes from the English Bible are according to the traditional Authorized King James version (from year 1611).

The Torah is seen in Rabbinical texts as one unified structure which is necessarily to be protected by the Israeli nation and followed in its wholeness. This strict rule on "*the statutes and the judgments*" is to be found in Deut 4:1-14 "*You shall not add to the word which I command you, nor take anything from it...*" This implies that in Biblical Theocratic rule the Mosaic Law is seen as a given, unchangeable constitution.

Powerful and wealthy economy of Egypt was the gentile economy with material abundance, but without freedom for Jewish slaves. Moses decided to lead the Jewish population out of the Egyptian bondage, requiring “a leap of faith”, with no guarantee of survival in the land of Canaan. The commandment to keep Sabbath rest is central to whole teachings of the Hebrew Bible. It requires a trust on God’s ability to support seven days prosperity for six days of work. It operates on the assumption that human life and spiritual prosperity exceed human productivity.

“And the children of Israel said unto them, Would to God we had died by the hand of the LORD in the land of Egypt, when we sat by the flesh pots, [and] when we did eat bread to the full; for ye have brought us forth into this wilderness, to kill this whole assembly with hunger.” (Exod 16:3)

People’s argumentation can be understood as perfectly rational short-term utility optimization, but the alternative Theocratic utopia of Moses was able to show its potential already in the desert. God made a miracle in wilderness and the people were able to gather manna¹ and quails for free. This illustrates the Torah’s “economy of grace”.

“Then said the LORD unto Moses, Behold, I will rain bread from heaven for you; and the people shall go out and gather a certain rate every day, that I may prove them, whether they will walk in my law, or no.” (Exod 16:4)

The economic utopia of Pentateuch is specially suited for the Jewish nation and maybe not intended for any use among the gentile economies.² Nevertheless, it offers interesting alternative view of seeing the basic economic fundamentals in a society, as taxation, labor-leisure decision, social care, economic institutions, financial market, economic growth and private property.

The contemporary economic theory is based on two initial conditions: Scarcity of material resources and infinite needs of the consumers. The key economic problem is to reconcile the conflict between people’s unlimited demands with society’s limited ability to produce goods and services to fulfil these demands.³ Torah gives an alternative foundation with fulfilled needs and sufficient resources. This is enabled by completely trusting God’s long-term support and following the *mitzvot*⁴ of the Torah.

“This [is] the thing which the LORD hath commanded, Gather of it every man according to his eating, an omer for every man, [according to] the number of your persons; take ye every man for [them] which [are] in his tents. And the children of Israel did so, and gathered, some more, some less. And when they did mete [it] with an omer, he that gathered much had nothing over, and he that gathered little had no lack; they gathered every man according to his eating.” (Exod 16:16-18)

¹ Manna, מן (Strong's 04478), means “What is it?” as its root is a primitive particle and interrogative pronome מן, (Strong's 04100). The implicit meaning could be that manna is something which cannot be understood purely by using human understanding and reasoning.

² Jews are descendants of Abraham’s beloved son, Isaac. Abraham’s another son Ismael, born from maidservant Hagar, is prophetized to be “a wild-ass of a man, his hand against everyone, and everyone’s hand against him” (Gen 16:12). *Onkelos* translates the description of Ismael in the economic sense. He would be dependent on other nations, and they in turn, would be dependent on him. More traditionally, Rashi interprets him as an untamed brigand, a hated plunderer and warrior.

³ This founding principle is presented in the first pages of virtually every basic economic textbook, see f.e. Begg D., Fischer S., Dornbush R. (2003): *Economics*, 7th edition, pp.3-8

⁴ 613 positive and negative commandments of the Pentateuch, based primarily on the list compiled by *Rambam* in his *Mishneh Torah*.

The example presents the situation when nobody “had no lack” after gathering manna. Similarly the quantity of manna was enough, not too little, not too much. Those who gathered more had no surplus and those gained less did not face shortage. Every day the people got the quantity which was enough for that day (only for Sabbath it was allowed to gather for two days portion). When some tried to gather more, the manna was spoiled.⁵

“... some of them left of it until the morning, and it bred worms, and stank.”
(Exod 16:20)

The miracle of manna was intended only for the 40 years time period of wilderness journey, but was an example of God’s promise to provide adequate means of support for the people if the Torah was obeyed. Similar promise is made in relation to ordering of Sabbath and Jubilee years.

“And the land shall yield her fruit, and ye shall eat your fill, and dwell therein in safety.” (Lev 25:19)

Not only will there be abundant food, there will be a blessing upon the food in that it will be filling to those who eat it. People will be satisfied with it (Rashi). *Sforno* likens it to the manna, which was enough to satisfy young and old, big and small, even though everyone had the same measure of food every day. The blessing is that people will not gorge themselves to excess, and still they will be satisfied.⁶ Those who live in moderation can easily adjust to less (K’sav Sofer).

In the Torah, different attitudes towards material abundance are seen in the story of brothers Jacob and Esau who both had gained wealth and prosperity. Righteous Jacob states in Gen 33:11 that “*I have everything*”⁷, implying that righteous feel that no matter how much or how little they have in absolute terms, they are content, for they think that whatever they have is everything they could possibly need. On the other hand, the wicked brother Esau has a boastfully tone in his words when he says two verses before (Gen 33:9) that “*I have plenty*”⁸, emphasizing the abundance of their possessions and proclaiming that they have accumulated more than they could ever want (Rashi).

⁵ Nevertheless, Israelis had a craving for meat instead of manna, which lead to plague. People desired to gather too much meat compared to their immediate needs, which was seen as a sin. See Num 11; Ps 78:20-31; 106:13-15. Same principle is seen allegorically in Exodus, where it is stated that the main task for Jewish slaves in Egypt was to build storages for the Pharaoh. Economics of Egypt was about accumulating wealth, economics of Israel was about circulating and redistribution. The story of Tower of Babel (Gen 11:1-9) can be also seen as a metaphora of sinful accumulating of physical capital.

⁶ Another blessing is found by *Sforno*, who comments that the key to this verse (v.19) is the last word, עליה “upon it”, meaning that needs are satisfied upon the soil of *Eretz Israel*, Jews will not be forced to travel abroad to purchase food.

⁷ In hebrew: יש-לי-כל

⁸ In hebrew: יש-לי רב

Ownership of land property

The fundamental Biblical principle is that God is the only sole owner of the Universe.⁹ The most basic form of productive property and wealth in Bible is agricultural land.

“The land shall not be sold for ever: for the land [is] mine; for ye [are] strangers and sojourners with me.” (Lev 25:23)

Israelis were freed from the bondage of slavery in Egypt and were ordered to move to Canaan. After conquering the seven Canaanite nation (which did not succeed immediately, but during the following many years) and destroying all the living Canaanites, they were to possess the promised land, “*Eretz Israel*”, as a virgin territory. (Deut 7:1-5 ; 20:16)

This conquer can be seen as a fulfillment of a promise made to Abraham in Gen 12:1-7, 15:1-7 and 17:5-8.¹⁰

“And I will give unto thee, and to thy seed after thee, the land wherein thou art a stranger, all the land of Canaan, for an everlasting possession; and I will be their God.” (Gen 17:8)

As already noted, God is the only true owner of the land. In Lev 25:2 it is explicitly stated that “God gives” the land for Israel.¹¹ After invading and depopulating the promised land, “*Eretz Israel*”, the land property is divided among the Israelis. The initial division is commanded to be permanent and is based on equalitarian rule.¹²

”These were the numbered of the children of Israel, six hundred thousand and a thousand seven hundred and thirty. And the LORD spake unto Moses, saying, unto these the land shall be divided for an inheritance according to the number of names. To many thou shalt give the more inheritance, and to few thou shalt give the less inheritance: to every one shall his inheritance be given according to those that were numbered of him. Notwithstanding the land shall be divided by lot: according to the names of the tribes of their fathers they shall inherit. According to the lot shall the possession thereof be divided between many and few.” (Num 26:51-56)

Similar order is repeated in Num 33:51-54.

⁹ Similarly “... for all the earth [is] mine.” Exod 19:5, and also in Ps 24:1; 50:9-12

¹⁰ The covenant was made when Abraham was 70 years old (Seder Olam). Abraham was shown also Egyptian enslavement in prophetic vision as told in Gen 15:13 (Tosafos, Berachos 7b).

¹¹ Verb “give” is in Hebrew in the present tense, נתן, because it is always God’s gift

¹² Hebrew Bible adds four situations when Israelis buy additional land from the surrounding neighbours: 1. Abraham bought a burial cave for Sarah from Hittite area in Machpelah (Gen 23). 2. Jacob bought a lot for an altar from the Shechemites (Gen 33:18-20), mentioned also in Josua 24:32. 3. David bought a threshing floor from Jebusite Araunah (2 Sam 24:18-25; repeated in 1 Chr 21:18-26). 4. King Omri bought a hill of Samaria (1 Kings 16:23-24)

”And ye shall divide the land by lot for an inheritance among your families: [and] to the more ye shall give the more inheritance, and to the fewer ye shall give the less inheritance: every man's [inheritance] shall be in the place where his lot falleth; according to the tribes of your fathers ye shall inherit. ” (Num 33:51-54)

The number of people mentioned above includes only men fit for a military service, the whole amount of people is therefore to be more exactly “numbered of him”. This is accordance of the God’s order for Moses not to count the exact number of Israelis, only military force was allowed to be numbered, excluding also Levites.¹³ The reason for ordering not to count each Israeli is not clear¹⁴, but it’s sinfulness is seen especially in king David’s mistake (2 Sam 24:1-10).

Division of land done by using a lot raises some additional problems. The distribution is said to be equalitarian, but using what unit of measurement ? The soil is certainly not homogenous in relation to productivity. The most simple alternative is to distribute equal acreage per capita, if the soil was measured in physical units. Nevertheless, it is reasonably to assume that there existed some more sophisticated method for measurement, as the agriculture soil apparently is not homogenous for the production purposes. Soss suggests that we could assume that the land was divided to give some of its inhabitants an equal market value (or yield) per capita (Soss 1973, p.325). This is in some degree possible, as Israelis had gathered some beforehand information on the productivity of the Canaan¹⁵. As a conclusion, we do not know the exact valuation methods employed, but the grounding aim of the procedure was nevertheless to be as equal as possible.

The decisions concerning the measurement and valuation was to be done according the Mosaic Law. The interpretation of the law, thus establishing *de facto* a Theocratic rule, was given to priests, that is to sons of Levi.

”And the priests the sons of Levi shall come near; for them the LORD thy God hath chosen to minister unto him, and to bless in the name of the LORD; and by their word shall every controversy and every stroke be [tried]. ” (Deut 21:5)

Deuteronomistic history orders:

“Judges and officers shalt thou make thee in all thy gates, which the LORD thy God giveth thee, throughout thy tribes: and they shall judge the people with just judgment. ” (Deut 16:18)

It does not specify from which group of people those judges and officers are to be chosen from. Nevertheless, it might be reasonable to assume that they should be Levites. Lev 6 gives several orders concerning damages done to private property and the required restitutions. Verse 6 tells that priests are allowed to value the required sacral offerings, as it is done

¹³ Num. 1:2

¹⁴ Rabbinic tradition derives the order from Exod 30:12

¹⁵ Spies were sent to gather productivity information in Num 13

“with thy estimation”.¹⁶ Similarly the supreme court, *sanhedrin*, is completely Levitical, which gives decisions in matters not solved in lower courts.

Important basic unit of currency in Hebrew Bible is “the shekel of the sanctuary”, which is mentioned 25 times in Pentateuch¹⁷. The Levites set the weight of this currency, which gave them a lots of economic control. Levites had much legal and economic power, but on the other hand they were not able to own any land.

“...there was no inheritance given them among the children of Israel.” (Num 26:62)

This was a mean to prevent the Levites from having economic conflicts of interest. They were able to dedicate themselves into their sacral and governmental responsibilities and were freed from agricultural labor.

“Command the children of Israel, that they give unto the Levites of the inheritance of their possession cities to dwell in; and ye shall give [also] unto the Levites suburbs for the cities round about them. And the cities shall they have to dwell in; and the suburbs of them shall be for their cattle, and for their goods, and for all their beasts... [So] all the cities which ye shall give to the Levites [shall be] forty and eight cities: them [shall ye give] with their suburbs. And the cities which ye shall give [shall be] of the possession of the children of Israel: from [them that have] many ye shall give many; but from [them that have] few ye shall give few: every one shall give of his cities unto the Levites according to his inheritance which he inheriteth.” (Num 35:2-3,7-8)

Levitical courts were originally supervising weights and measures¹⁸, but in the middle of the third century the rabbinical courts were granted also control over monetary issues and private property.¹⁹ (Shapiro 2000)

Taxation and tithes

Levites were to be living in 48 cities inside the area of each tribe and were given somewhat land for cattle. They were given a right to eat food sacrifices brought into the temple, but that right includes only males. Therefore, the Levites had a right to tax 10% of agricultural production.²⁰

¹⁶ Hebrew word for order, estimation and valuation is ערך, (Strong's 06187)

¹⁷ Lev 27:25 states strongly that “all thy estimations shall be according to the shekel of the sanctuary”

¹⁸ Deut 25:14-15

¹⁹ based loosely to Ezra 10:8, Joshua 19:51, argued in Talmud (Baba Batra 89a and Yoma 9a).

²⁰ The origin of tithes tradition can be derived back to Gen 14:20, when Abraham gave “a tenth of everything” to a mysterious king of Salem, Malchizedek, symbolizing that Abraham’s descendants will also give “maaser”, מעשר מפל, to the Levites (Ramban).

“And, behold, I have given the children of Levi all the tenth in Israel for an inheritance, for their service which they serve, [even] the service of the tabernacle of the congregation... But the tithes of the children of Israel, which they offer [as] an heave offering unto the LORD, I have given to the Levites to inherit: therefore I have said unto them, Among the children of Israel they shall have no inheritance.” (Num 18:21,24)

The tax incidence is beard by the land owners and is a proportional tax. The tithe for Levites was consumed solely among the Levites and was collected for the supporting of the priests. The Deuteronomium mentions a second kind of tithe, also 10%, which was consumed by the owner himself and his family, but eaten in the temple in Jerusalem.

“Thou shalt truly tithe all the increase of thy seed, that the field bringeth forth year by year. And thou shalt eat before the LORD thy God, in the place which he shall choose to place his name there, the tithe of thy corn, of thy wine, and of thine oil, and the firstlings of thy herds and of thy flocks ... “ (Deut 14:22-27)

The owner had also a possibility to change that part of production into money and consume that money in Jerusalem.

“And if the way be too long for thee, so that thou art not able to carry it; [or] if the place be too far from thee, which the LORD thy God shall choose to set his name there, when the LORD thy God hath blessed thee: Then shalt thou turn [it] into money, and bind up the money in thine hand, and shalt go unto the place which the LORD thy God shall choose: And thou shalt bestow that money for whatsoever thy soul lusteth after, for oxen, or for sheep, or for wine, or for strong drink, or for whatsoever thy soul desireth: and thou shalt eat there before the LORD thy God, and thou shalt rejoice, thou, and thine household.” (Deut 14:24-26)

Therefore, this second tithe also made an incentive to support money economy instead of agricultural barter product transfer. This brings apparently all the market economy benefits for the national economy. The important role of Jerusalem implied also some regional effects, where Jerusalem and the whole Judean area got economic benefits, due to increasing tourism into the area. It should be noted that every seventh year was a sabbatical year and no tithes were collected then.

Every third year this tithe is not to be eaten in the temple, but inside the home area and the food is shared with the poor, widows and Levites. This is sometimes called as a “poor tithe”.

“At the end of three years thou shalt bring forth all the tithe of thine increase the same year, and shalt lay [it] up within thy gates: And the Levite, (because he hath no part nor inheritance with thee,) and the stranger, and the fatherless, and the widow, which [are] within thy gates, shall come, and shall eat and be satisfied; that the LORD thy God may bless thee in all the work of thine hand which thou doest.” (Deut 14:28-29)

The beginning of kingship brought new taxes, but probably in the beginning of king David's reign he did not levy taxes at all, but was forced to do so lately (*Radak*)²¹. The prophet and judge Samuel gave a warning that kingship means increasing taxation, in addition to the taxes ordered by Mosaic Law.

“And he will take the tenth of your seed, and of your vineyards, and give to his officers, and to his servants. And he will take your menservants, and your maidservants, and your goodliest young men, and your asses, and put [them] to his work. He will take the tenth of your sheep: and ye shall be his servants.”
(1Sam 8:15-17)

Exodus 30:12-16 mentions also one additional tax, which was of fixed amount (half a shekel), but that tax most probably was one-time tax, collected in relation to particular census.

Notion of private property and business commerce

Bible presents several wealthy figures and attains no negative implication on the private property itself or to its quantity.²² Commerce is not seen itself as having any negative connotation, but it is clearly forbidden to cheat. Rabbinical commentaries state that a Jew should give preference in commercial relations to a fellow Jew.²³ Prohibition of hurting or insulting other people applies to commercial relationships as well. The Talmud contains several examples of such insensitivity (Rashi, Bava Metzia 58b).²⁴

The Torah gives clear requirement for honest business practices.

“And if thou sell ought unto thy neighbour, or buyest [ought] of thy neighbour's hand, ye shall not oppress one another.” (Lev 25:14)

This verse is in Talmud interpreted to refer to over- and undercharges as well, and rules that if the overcharge is more than one-sixth, the sale is null.²⁵ Similarly, the rule applies to undercharges as well, and therefore one must not take advantage of the sellers ignorance. Therefore, a business company that wishes to behave ethically should not use its monopolistic powers to overcharge customers or underpay its employees. Selling defective or low-quality

²¹ 2 Sam 20:24 mentions Adoram, whose task was to govern the taxation (על-המס) of the kingdom, the task not mentioned in the first years of Davidic rule (2 Sam 8:15-18).

²² Most representative examples are: Abraham (Gen 13:2; 24:35), Isaac (Gen 26:12-14), Jacob (Gen 32:10), Lot (Gen 13:5) and Job (Job 1:3; 42:10,12).

²³ Based on Lev 25:14, “...when you make a sale or when you make a purchase, you should try to do business with your fellow Jew” (Rashi, Sifra). This is an extension to the general principle that one should seek to help his brethren in any way possible, and the highest form of charity is to enable someone to make a living in an honorable way, without being required to seek charity.

²⁴ If someone asks a merchant for a product, he should not say “I am out of stock, but so-and-so has it available”. If he knows that other seller does not have the product. It is also forbidden to make inquiries about merchandise if he has no intention of buying. The Sages teach that it is worse to hurt someone personally than financially, because money can be replaced, but shame lingers on (*R' Hirsch*).

²⁵ Bava Metzia 50b

items would also be a violation of this law. The Talmud extends the law also against excessive mark-ups on necessities.²⁶ Any profit from the sale of a necessity is not to exceed one-sixth (Friedman 2000, p. 49).

The Sages derive from Lev 25:50²⁷ the strict rule that it is forbidden to steal also from a non-Jew (Bava Kamma 113b). *Tosefta* notes that it is worse to steal from a non-Jew than from a Jew. The reason is that if a Jew is victimized by his fellow, he will not condemn all Jews or lose his faith in God, but if a Jew cheats a non-Jew, the victim will rail against the Torah and God. Similarly Jacob instructed his sons to return the money that they found in their sacks (Gen 43:12)²⁸, demonstrating the integrity of people (R' Bachya).

In Gen 23:3-20 there is an example of business negotiation tactic when Abraham wanted to buy a burial site for his wife Sarah. In plain sense, Hittite man Ephron said (v. 11) that he would be honored to give the entire field as a gift. But as the story continues, it is clearly revealed that Ephron's public generosity was a sham. He not only had no intention of making a gift, he hypocritically implied to Abraham that he expected an outrageously high price for the plot. At the end of the negotiation process, Abraham was forced to pay not just a cave but the surrounding large field area as well and Ephron demanded an incredible high price of 400 "negotiable currency"²⁹, which were known as centenaria. As the Talmud (Bava Metzia 87a) explains, each shekel that Abraham used to pay for the plot was worth 2500 ordinary shekels (Rashi). Thus Abraham paid a total of one million ordinary shekels for the area.

In this story Abraham proofed his righteousness by choosing the finest burial place for his wife without haggling over the price. On the other hand, Ephron's actions are seen as wicked, because he started out by making grandiose offer of a gift, but then revealed himself as a greedy man who extorted far more than the property was worth. One small way to imply this is that Ephron's name is spelled all the time with a Hebrew letter ך, but in verse 16 when money changed hands and the sale was consummated, the ך is omitted. Thereby the Torah implies that his stature was diminished. This story is one of three places where Torah attests to the Jew's uncontestable possession of the land of Canaan. For the Cave of Machpelah, the site of the Temple, and the Tomb of Joseph were all purchased without bargaining and paid for with unquestionably legal tender.

The Talmud states that business ethics is so important that the first question an individual is asked in the next world at the final judgment is, "Were you honest in your business dealings?"³⁰ One important Talmudic tractate, *Avot* (also known as Ethics of the Fathers), explains

²⁶ Bava Bathra 90a and Bava Metzia 40a,b.

²⁷ "And he shall reckon with him that bought him..." (Lev 25:50)

²⁸ "...and the money that was brought again in the mouth of your sacks, carry[it] again in your hand..." (Lev 25:12). *Alshich* states that Jacob meant this literally, "do not leave the money in your sacks, nor wait until you are asked for it, but carry it in your hands to demonstrate immediately that you are honest men and have come to return any money not rightfully yours".

²⁹ עבר לסחר

³⁰ Shabbos 31a.

that a pious person follows the philosophy that “mine is yours and yours is yours”³¹, an antithesis of selfish greed.

The negative attitude towards stealing is most profoundly based on the eight commandment, but expanded to all types of deception and dishonesty. One of the prophet Isaiah’s criticism of people dealt with unethical business.

“Thy silver is become dross, thy wine mixed with water.” (Isaiah 1:22)

According to several commentaries (Rashi and Redak), this is not a metaphor but refers to actual misconduct of people, causing God’s anger.³² The Talmud instructs shopkeepers to wipe their weights once a week and clean their scales after every weighting.³³

In the Bible’s books of small prophets when the future Messianic utopia is revealed, in the future paradise on earth, the right for private property clearly continues.

“But everyone shall sit under his vine and under his fig tree.” (Micah 4:4)

Another prophetic vision for the future Messianic economy is shown in Isaiah 55. It gives a promise of spiritual abundance.

“Ho, every one that thirsteth, come ye to the waters, and he that hath no money; come ye, buy, and eat; yea, come, buy wine and milk without money and without price. Wherefore do ye spend money for [that which is] not bread? and your labour for [that which] satisfieth not? hearken diligently unto me, and eat ye [that which is] good, and let your soul delight itself in fatness.” (Isaiah 55:1-2)

It does not mean that there is no monetary institution or price mechanism in Messianic rule, as the verse is purely allegorical. Nevertheless, the redemption will be followed also by pure material blessings.

“Instead of the thorn shall come up the fir tree, and instead of the brier shall come up the myrtle tree: and it shall be to the LORD for a name, for an everlasting sign [that] shall not be cut off.” (Isaiah 55:13)

Social policy

The Torah admits that the nation will always have some poor³⁴ population amongst it.

“For the poor shall never cease out of the land:” (Deut 15:11)

³¹ Avot 5:10

³² Similar reference to false measures is found in prophet Amos: *“Saying, When will the new moon be gone, that we may sell corn? and the sabbath, that we may set forth wheat, making the ephah small, and the shekel great, and falsifying the balances by deceit?”* (Amos 8:5)

³³ Bava Bathra 88a

³⁴ A word for a poor, needy, subject to oppression and abuse, lowest class, is אַבְיָוִן , (Strong’s 034)

Nevertheless, this is not an ideal state of nation, but the aim should be to remove or at least ease the poverty in economy.³⁵

“Save when there shall be no poor among you; for the LORD shall greatly bless thee in the land...” (Deut 15:4)

Biblical rule consists caring of poor, including also non-Jewish population.

“And if thy brother be waxen poor, and fallen in decay with thee; then thou shalt relieve him: [yea, though he be] a stranger, or a sojourner; that he may live with thee.” (Lev 25:35)

Rambam rules that the highest form of charity is to step in with help to prevent a person from becoming poor. The above verse refers to him as “thy brother” which is a clearly intimate term. (Hil. Matanos Aniyim 10:7). The responsibility for caring of the poor is defined geographically, whoever happens to be near a poor person, must help. (Soss, p.333). The help includes food support, but any individual is not required to brought a poor into his household, which would mean a forming of involuntary enslavement. In above verse, “a stranger” is in Rabbinical literature interpreted to mean “a proselyte”, who has become a Jew.³⁶ Similarly “a sojourner” is interpreted to be so called “righteous gentile” (Rashi, Sifra).³⁷

The poor tithe, to be repeated every third year, is a clear social income transfer for the poor. Another type of social care is an order to leave some crops in fields to be uncut for the poor.

“And when ye reap the harvest of your land, thou shalt not wholly reap the corners of thy field, neither shalt thou gather the gleanings of thy harvest. And thou shalt not glean thy vineyard, neither shalt thou gather [every] grape of thy vineyard; thou shalt leave them for the poor and stranger.” (Lev 19:9-10)

It should be noted that this order not to cut the corners of the field is not exact and leaves room for interpretation and practical decision. The Levites probably made practical interpretation of every action for field gleaning.

Similar fear of widening income gap between rich and poor is seen also in later prophetic books of the Hebrew Bible, as in Isaiah.

“Woe unto them that join house to house, [that] lay field to field, till [there be] no place, that they may be placed alone in the midst of the earth!” (Isaiah 5:8)

³⁵ The first word is סוף, (Strong’s 0657), implying “ceasing, end and finality”. It leaves a lot of room for interpretation, for example, regarding if this non-poverty ideal will actually be reached in a prophetic future.

³⁶ גר צדק is a proselyte who has accepted all the commandments and converted (Rashi, Sifra).

³⁷ “A sojourner” should rather be referred as “a resilient”, גר תושב, who has accepted the seven Noachide commandments, but not the 613 commandments. Therefore, “a sojourner” is a person who do not worship idols, but may eat non-kosher food (Rashi, Sifra).

Interest rate

Mosaic Law orders a zero interest rate for any interpersonal loans. In Deuteronomium, this order is given to be concerning loans for Jews, but not for foreigners.

“Thou shalt not lend upon usury to thy brother; usury of money, usury of victuals, usury of any thing that is lent upon usury: Unto a stranger thou mayest lend upon usury; but unto thy brother thou shalt not lend upon usury:” (Deut 23:19-20)

Similar zero-rate order is in Leviticus, but in form which does not explicitly reveal such clear distinction between loan for Jews and others.

“Take thou no usury of him, or increase: but fear thy God; that thy brother may live with thee. Thou shalt not give him thy money upon usury, nor lend him thy victuals for increase.” (Lev 25:36-37)

Nevertheless, it is pretty clear from the context of this verse, that it is referring only to “a brother”³⁸, not for non-Jews.³⁹ The commandment not to take interest applies only to a Jew, but it is permitted to take interest from a non-Jewish resident, as it is from other gentiles (Bava Metzia 71b). In dealing with non-Jews, one may charge interest because it is no contradiction of ethical business practice, but in dealing with Jews, non-interest legislation is a form of generosity and charity.

According to Rashi, terms “usury” and “increase”⁴⁰ have identical meaning and the prohibition against interest is mentioned twice, implying that taking interest violates more than one commandment. Nevertheless, *Ramban* explains that there are two different kind of loans. First type is an “interest”⁴¹ loan, where a borrower must pay interest indefinitely, without any of it being credited to the principle. The second type is a loan, where a borrower pays the principle and the interest back when agreed, but there is no stipulation for further interest payments. This arrangement is “increase”, because it increases the lender’s fortune without unduly “biting” the borrower.⁴²

³⁸ A noun for brother, אָח, (Strong 0251), usually refers to relative or to an individual amongst the same tribe or other Israelites.

³⁹ Pronomine אָחֵךְ is used, most probably referring to “a brother” in previous verse. This is apparent, because this verse is in singular. The subject may refer only to “a brother”, or alternatively, one of the two types of people, mentioned in Lev 25:35, namely the converted ex-gentile, “a sojourner”.

⁴⁰ אָחֵךְ and אָחֵךְ are synonymous according to Rashi (Sifra).

⁴¹ “interest” אָחֵךְ, is literally “biting”, because it bites into the borrower’s resources indefinitely without reducing the loan (Kli Yakar).

⁴² According to R’ Hirsch, the commandment of not taking interest is in the nature of the עֵדוּת, “witness”. A Jew bears “witness” when not taking interest, to his recognition that the source of his funds is God, the ultimate Owner.

Lending

This zero-interest rule is not aimed to lead to the situation where lending is not practiced. The Torah gives strong orders to support lending money for the poor, even without interest.

*“If there be among you a poor man of one of thy brethren within any of thy gates in thy land which the LORD thy God giveth thee, thou shalt not harden thine heart, nor shut thine hand from thy poor brother: But thou shalt open thine hand wide unto him, and shalt surely lend him sufficient for his need, [in that] which he wanteth.” (Deut 15:7-8)*⁴³

The text does not explicitly tell how much the rich is required to lend, except that it is “sufficient for his needs”. It might be that this was also one of the tasks of the Levitical court.

Lending, also in nation wide level, is seen as negative sign affecting nation’s independence. Ideal national economic situation means do foreign debt, but lending other nations, and therefore reigning⁴⁴ them.

“For the LORD thy God blesseth thee, as he promised thee: and thou shalt lend unto many nations, but thou shalt not borrow; and thou shalt reign over many nations, but they shall not reign over thee.” (Deut 15:6)

There are also several orders for not taking a pledge if the borrower is a poor, nor it is allowed to take an important pledge, which would threaten a poor’s ability to continue working and earning.

*“When thou dost lend thy brother any thing, thou shalt not go into his house to fetch his pledge. Thou shalt stand abroad, and the man to whom thou dost lend shall bring out the pledge abroad unto thee. And if the man [be] poor, thou shalt not sleep with his pledge: In any case thou shalt deliver him the pledge again when the sun goeth down, that he may sleep in his own raiment, and bless thee: and it shall be righteousness unto thee before the LORD thy God.” (Deut 24:10-13)*⁴⁵

Accordingly, it is not allowed to deny loans because of the narrowing Sabbatical year.⁴⁶ Zero-interest rate (but not for non-Jews) does not sound efficient and economic growth stimulating way of policy. But it should be remembered, that it applies to interpersonal relations between the poor and rich, and mainly among the Jewish population (poor gentiles will also get help).

⁴³ Similar order in Exod 23:25, *“If thou lend money to [any of] my people [that is] poor by thee, thou shalt not be to him as an usurer, neither shalt thou lay upon him usury.”*

⁴⁴ Hebrew word for “reign” used here is מָשַׁל, “mashal” (Strong's 04910), to rule, have dominion, which usually has more negative, harsher implication than other alternative, מָלַךְ “malach”.

⁴⁵ Similar order is given also in Exod 22:25-27: *“ If thou lend money to [any of] my people [that is] poor by thee, thou shalt not be to him as an usurer, neither shalt thou lay upon him usury. If thou at all take thy neighbour's raiment to pledge, thou shalt deliver it unto him by that the sun goeth down: For that [is] his covering only, it [is] his raiment for his skin: wherein shall he sleep? and it shall come to pass, when he crieth unto me, that I will hear; for I [am] gracious.”*

⁴⁶ Deut 15:9

It is not a description of whole capital market, but only the part which relates to social characteristics. This legislation has several implications. Firstly, redistribution of national income which equalizes the income distribution. This task is somehow organized in all modern economies, but in this version it is done with great emphasis on private support, combining the shortages with other social help, as the tithes from the temple and Levites. Secondly, it leads to reduction of the total net accumulation of capital.

Aumann and Maschler (1985) give several examples of Talmudic rules concerning Talmudic rules for dividing the estate among the creditors. They show that rules given in Talmud⁴⁷ lead to uniformly consistent solutions for collective bargaining.

Labor market

The basic task given to man is to labor. After the man's transgression to the sin in the garden of Eden the man was given a heavy load of work.

"In the sweat of thy face shalt thou eat bread, till thou return unto the ground..." (Gen 3:19)

Wage payment period is legislated to be one day.

"Thou shalt not defraud thy neighbour, neither rob [him]: the wages of him that is hired shall not abide with thee all night until the morning." (Lev 19:13)

Similar order is given in Deuteronomistic history:

"Thou shalt not oppress an hired servant [that is] poor and needy, [whether he be] of thy brethren, or of thy strangers that [are] in thy land within thy gates: At his day thou shalt give [him] his hire, neither shall the sun go down upon it; for he [is] poor, and setteth his heart upon it: lest he cry against thee unto the LORD, and it be sin unto thee." (Deut 24:14-15)

Here it is added that the rule applies also to gentiles. This rule significantly decreases the need for financial market and institutions. The Talmud extends this law to all kinds of payments owed, including various types of rental fees.⁴⁸

The Torah gives Jewish men the right to sell themselves as slaves to fellow Jews, but they do not lose their status in the civil or religious community (Rashi, Sifra). Rabbinical literature emphasis that rather than slaves, they are "indentured servants", who for a specific period of time are not free to resign their employment, but who should be treated with respect (Lev 25:39) . Sages say that "one who buys himself a slave, buys himself a master" (Kiddushin 15a). A Jew is owned only by God and it is sacrilegious to sell him on an auction block (Rashi, Sifra, Rambam, Hil. Avadim 1:5). Rambam also defines that it is forbidden to have him work merely to keep him busy or to set him to tasks without a specified time limit or useful purpose (Hil. Avadim 1:6). Labor without a purpose and degrading work demoralizes the human being and is therefore prohibited. Righteous employers take care that their employees are not

⁴⁷ Kethubot 93a and Bava Metzia 2a

⁴⁸ Bava Metzia 111b

overworked, but treated with respect. King Solomon used a large number of workers when building the Temple in Jerusalem, but even in this sacred work employees were allowed to work in shifts, not to keep them away from their families for too long a time when working in Lebanon.⁴⁹

Nevertheless, Jews may purchase slaves from surrounding nations and they become the property of their owners (Lev 25:44).

“Both thy bondmen, and thy bondmaids, which thou shalt have, [shall be] of the heathen that are round about you; of them shall ye buy bondmen and bondmaids. ... And ye shall take them as an inheritance for your children after you, to inherit [them for] a possession; they shall be your bondmen for ever: but over your brethren the children of Israel, ye shall not rule one over another with rigour.” (Lev 25:44,46)

The Torah states clearly, that the non-Jewish slave is his master’s property (but not so with Jews, because their true owner can only be God) and is a heritage. His owner does not have the similar restrictions as Jewish slave owners (Seder Olam). The Talmud notes that the inheritance of non-Jewish slaves is a positive commandment, prohibiting a Jewish owner to free his non-Jewish slaves. If necessary, a slave may be freed as a performance of a good deed, *mitzvah*. A slave may not be freed merely to please him, but if the owner will derive some benefit from freeing a slave, he may do so (Gittin 38b, Berachos 47b). If a Jew is sold as a slave to a non-Jewish resident of “Eretz Israel”, his kinsmen have the responsibility to redeem him, but without depriving the owner of his legitimate property rights (Lev 25:47-55).

The Torah also states responsibilities of workers. Employees are required to work to the best of their abilities and not waste time. This is homiletically seen in passage where Jacob enters Haran and notices idle shepherds around the well.⁵⁰ He gives them orders to continue work even when he is in a foreign land. Later he describes his work habits when serving his uncle Laban, saying he has used all his strength and abilities. Jacob emphasizes that an employee should work as hard as possible and do an honest day’s work.⁵¹

“And ye know that with all my power I have served your father.” (Gen 31:6)

The Torah and its Rabbinical interpretation seems to support the idea of labor specialization. Each of the tribes of Israel (i.e. sons of Jacob) had their own characteristics and task, implied in the blessing of Jacob in Gen 49. Rabbinical literature does not necessarily give the study of Torah and religious professions the most valuable position in human life. Although Issachar was the tribe that excelled in Torah scholarship while Zebulun was a merchant tribe, Jacob gave precedence to Zebulun in Gen 49 (similar as with Ephraim and Manasseh, sons of Joseph in Gen 48:19). Issachar’s spiritual growth was made possible only because Zebulun shared his wealth with the scholars of Issachar.

⁴⁹ *“And he sent them to Lebanon, ten thousand a month by courses: a month they were in Lebanon, [and] two months at home”* (1 Kings 5:14)

⁵⁰ *“And he said, Lo, [it is] yet high day, neither [is it] time that the cattle should be gathered together: water ye the sheep, and go [and] feed [them].”* (Gen 29:7)

⁵¹ The discussion on work ethics is expanded in Talmud, (Taanith 23a), where one Rabbi is told to being so meticulous about not wasting his employer’s time that he ignored all important guests sent to meet him.

The Law also prohibits the improvement of seed⁵² and meat production by using hybrid strains of seeds and animals.

“Thou shalt not let thy cattle gender with a diverse kind: thou shalt not sow thy field with mingled seed: neither shall a garment mingled of linen and woollen come upon thee.” (Lev 19:19)

The Law seems to be pretty pessimistic also on the use of irrigation, but it is not explicitly restricted. The negative connotation can nevertheless be seen as the status of God as a rain maker and God’s blessing to be seen in a form of rain.

“The LORD shall open unto thee his good treasure, the heaven to give the rain unto thy land in his season, and to bless all the work of thine hand.” (Deut 28:12)

Irrigation is referred to be used in Egypt, where real God was not served.

“For the land, whither thou goest in to possess it, [is] not as the land of Egypt, from whence ye came out, where thou sowedst thy seed, and wateredst [it] with thy foot, as a garden of herbs: But the land, whither ye go to possess it, [is] a land of hills and valleys, [and] drinketh water of the rain of heaven: A land which the LORD thy God careth for: the eyes of the LORD thy God [are] always upon it ... That I will give [you] the rain of your land in his due season, the first rain and the latter rain, that thou mayest gather in thy corn, and thy wine, and thine oil.” (Deut 11:10-14)

Any need for technological innovation is not clearly seen in the Bible, but is not restricted either. Some implication for supporting agricultural innovation can nevertheless be found. The promised land is seen as a good soil, where for example mining is encouraged:

“... a land whose stones [are] iron, and out of whose hills thou mayest dig brass.” (Deut 8:9)

Both Pentateuch’s attitudes towards capital accumulation and technological innovation seem to be somewhat restrictive. The third input factor in economic theory is work-leisure decisions made by the consumers. One of the most essential order in the Torah is to keep Sabbath, which is given as fourth in the ten commandments.⁵³

“Remember the sabbath day, to keep it holy. Six days shalt thou labour, and do all thy work: But the seventh day [is] the sabbath of the LORD thy God: [in it] thou shalt not do any work, thou, nor thy son, nor thy daughter, thy manservant, nor thy maidservant, nor thy cattle, nor thy stranger that [is] within thy gates: For [in] six days the LORD made heaven and earth, the sea, and all that in them [is], and rested the seventh day: wherefore the LORD blessed the sabbath day, and hallowed it.” (Exod 20:8-11)

⁵² Finnish year 1933 translation refers to manual production improvement. The reason and validity of that translation is not clear.

⁵³ Fourth commandment is repeated in Deut 5:12-15

This rule applies to all humans, including gentiles and also animals. Also using other non-human means of production, as using fire, is prohibited in Exod 35:3. This order is very strict, as is shown in the death-penalty

“Six days shall work be done, but on the seventh day there shall be to you an holy day, a sabbath of rest to the LORD: whosoever doeth work therein shall be put to death.” (Exod 35:2)

Jewish calendar includes also several festivals when the work is not allowed and three pilgrimage festivals⁵⁴ (the feast of unleavened bread, the feast of harvest, the feast of ingathering) require a pilgrimage to the temple in Jerusalem, concerning the whole population.

Business Cycles

Biblical calendar is profoundly cyclical, as sabbatical years are every seven years. During those sabbatical years (every seven years and a year after seven seven-year cycles, the so called year of Jubilee) no tithes were collected.

Another cyclical element in Bible is not ordered by the Law, but seems to be fluctuating because of deterministic cycles of the nature.⁵⁵ They are revealed in Pharaoh’s dreams, which were interpreted by Joseph.

“Behold, there come seven years of great plenty throughout all the land of Egypt: And there shall arise after them seven years of famine; and all the plenty shall be forgotten in the land of Egypt; and the famine shall consume the land; And the plenty shall not be known in the land by reason of that famine following; for it [shall be] very grievous.” (Gen 41:29-31)

Joseph also gave economic policy measures to dampen those fluctuations and acted lately as a finance minister in Egypt. The same episode of Joseph in Egypt, includes recommendations for using active public fiscal policy for dampening the economic fluctuations. During the prosperous years of economic boom the public governance should use surplus budgets to prepare for the economic downturns, when public budgets could be in deficit. When Josef interprets the dreams of Pharaoh, he includes suggestions for proper handling of future seven year famine. In Gen 41:34, one part of these suggestions is usually interpreted *“and he shall prepare”*⁵⁶, but several alternatives exist. Ibn Ezra derives the word usually interpreted as *“prepare”*, שׁוּבַרָה, from the word שׁוּבָה, *“five”*, according to which Joseph was recommending that Pharaoh buy a fifth of the land of Egypt during the seven years of abundance. Along

⁵⁴ Exod 23:14-17; *“... Three times in the year all thy males shall appear before the Lord GOD.”*

⁵⁵ Economic historians (f.e. Shumpeter J. (1939): *Business Cycles*, New York, pp.166-171) used to distinguish several main types of business cycles, some types which blend with Biblical fluctuations. That is, business cycles of Jubilee year fluctuations, repeated every 50 years can be seen as an argumentation supporting Kondratiev’s *“long waves”*, also with a duration of 50 years. 7 year fluctuations of Joseph’s time and Sabbatical years match up with *“major cycles”*, also called *“Juglar cycles”*.

⁵⁶ Following Rashi

similar lines, *Rashbam* and *Radak* observe that this was a proposal that Pharaoh double the usual one-tenth tax on grain, and have his oversees collect a fifth of all the produce for the royal granary during the economic boom. Another proposition Josef gave to Pharaoh, in verse 35 “*and let them gather*”, implies that the food (double taxation during the upturn) should be gathered as a levy from the landowners, even against their will (*Rashbam*). Every city should also have its own royal granaries, to save transport costs and reassure the citizens that their food is not being taken for the benefit of others (*Tur*, *Ralbag*, *R’ Bachya*). It should be also noted that Joseph’s granaries were sufficient not only feed Egypt but to enrich Pharaoh by selling food to the surrounding lands. This implies not only active fiscal policy, but also active overall public economic sector in the society. According to Talmud, the famine did not last for full seven years, but was shortened (by God). Therefore, the length of the fluctuations is not fixed, but may vary depending on the economic and spiritual situation of the nation.

Jacob seems to speculate with future grain price increases and take use of the price fluctuations when ruling in Egypt. Joseph’s agrarian policy enriches Pharaoh when he gathers high prices from food. In Gen 47:14 tells that either Joseph had bought the grain from farmers of Egypt when the prices were depressed during the seven years of abundance, or Pharaoh had forced them to give it up during those years. Joseph’s plan was to impoverish the Egyptians and make them totally dependent upon the King. Priests were the only part of population which was not forced to sell their land for food. This implies that Jews should never be reluctant to give their tithes to the Jewish priests, Levites or poor either.

The Talmud is concerned of price stability. Causing prices to rise by hoarding or by any means was a violation of Biblical law, similar to usury or tampering with weights and measures. The market prices should be stable and low throughout the year.⁵⁷ Nevertheless, the Sages disagree as to whether or not supervisors should be appointed to oversee prices (*Friedman* 2000, p.49).

Sabbatical year

The Jewish time frame is strictly connected to the cycles of number seven. Every seventh day is a rest day and also every seventh year is a Sabbath year (*Shemittah* in Hebrew).⁵⁸

“And six years thou shalt sow thy land, and shalt gather in the fruits thereof: But the seventh [year] thou shalt let it rest and lie still; that the poor of thy people may eat: and what they leave the beasts of the field shall eat. In like manner thou shalt deal with thy vineyard, [and] with thy oliveyard.” (Exod 23:10-11)

Additional orders are given in Leviticus, which states that produce of the land which is not supported by any human actions may be consumed also during the Sabbath year.

⁵⁷ Examples from Talmudic tractates include: *Krithoth* 8a, *Sukkah* 34b, *Pesachim* 30a, *Bava Bathra* 90b.

⁵⁸ It is not known if this legislation was followed in reality, but 2 Chron 36:14 implies that it was not followed during the last years of Kingdom of Judah before the Babylonian exile: “*To fulfil the word of the LORD by the mouth of Jeremiah, until the land had enjoyed her sabbaths: [for] as long as she lay desolate she kept sabbath, to fulfil threescore and ten years.*”

“That which groweth of its own accord of thy harvest thou shalt not reap, neither gather the grapes of thy vine undressed: [for] it is a year of rest unto the land. And the sabbath of the land shall be meat for you; for thee, and for thy servant, and for thy maid, and for thy hired servant, and for thy stranger that sojourneth with thee, And for thy cattle, and for the beast that [are] in thy land, shall all the increase thereof be meat.” (Lev 25:3-7)

Aftergrowth of the harvest (v.5) was not allowed to reap, which refers to the produce of seeds that were not planted in the seventh year, but that fall onto the soil during the harvest of the sixth year’s crop (Rashi). A crop that was planted before the seventh year was also allowed to be eaten (Ramban). Everyone from land-owners to gentiles and wild animals must have equal access to the produce, it is to be used as food but not for commerce (Rashi). Rest of the land implies also that it is left unguarded so that anyone could take its produce.

This rest is naturally understandable for the reproductive purposes, while it may also support innovation activity, as time is devoted also for resting and leisure. Nevertheless, the religious obligations, essentially the study of the Torah, is time-consuming. On the other hand, literacy is very much respected and supported. The Law puts clearly great emphasis on education of the whole population.⁵⁹

“When all Israel is come to appear before the LORD thy God in the place which he shall choose, thou shalt read this law before all Israel in their hearing. Gather the people together, men, and women, and children, and thy stranger that [is] within thy gates, that they may hear, and that they may learn, and fear the LORD your God, and observe to do all the words of this law:” (Deut 31:11-12)

The lands rest in the seventh year has the same spiritual message as the people’s rest on the seventh day⁶⁰, both teach that the primary force in the universe is God, not the law of nature. Devotion of the whole year for contemplation and spiritual enhancement requires additional saving during the six year period. Cycle of six years farming can be seen both as a blessing and a warning. It implicitly promises that the people will be able to work productively all consecutive six years, and are not required to let the soil lay fallow any more (*Sforno*). Ramban (*Mechilta*) notes, that if this legislation is not followed, people will be necessary to let the soil rest for four years out of every seven. The Talmud (Sanhedrin 26a) adds that under extreme economic circumstances, the Sages permitted farmers to work their fields also during Shemittah, implying that people are permitted to take measures to deal with hunger if it comes.

Deuteronomistic history adds also forgiveness of loans in every Sabbatical years. This was intended to remove the threat of deepening cycle of poverty.

⁵⁹ Deut 6:6-9

⁶⁰ Lev 25:2 explicitly connects Sabbath day and year together, using term שבת להי (Rashi, according to Gur Aryeh). Ramban also adds that the years of the Shemittah cycle allude to the six thousand years of history that will be climaxed by the seventh millennium, which be a Messianic period of peace. Because of this symbolism, importance of Shemittah is so great that its violation was the reason for exile (Avos 5:9). Therefore, only Shemittah, not any other festival, is explicately likened to the holy Sabbath day. Observance of these laws will help insure secure dwelling in the land (Ramban, *Sforno*).

“At the end of [every] seven years thou shalt make a release. And this [is] the manner of the release: Every creditor that lendeth [ought] unto his neighbour shall release [it]; he shall not exact [it] of his neighbour, or of his brother; because it is called the LORD'S release. Of a foreigner thou mayest exact [it again]: but [that] which is thine with thy brother thine hand shall release.”
(Deut 15:1-3)

Year of Jubilee⁶¹

The number seven represents the cycle of completion in creation. The seven cycles (of seven years) leading up to the Jubilee reinforce this concept (*Chinuch*).

As already noted, God is the only true owner of the land and He gave the Canaan to each tribe of Israel. After the original division of the land, the human “owner” of the land cannot permanently sell his property. This is because every fiftieth year⁶², in Jubilee year, all land alienated during the preceding fifty years returns to its original owner or his closest heirs. Inheritance is given to sons and the first-born male is given the double portion. The inheritance legislation ensures, therefore, at least some land-owning to every non-Levitic male in Canaan.

The main orders concerning the year of Jubilee are given in Leviticus chapter 25.⁶³ It should be noted, that the Jubilee year follows immediately after a Sabbath year (seventh in succession after last Jubilee). At the end of each 48 year there occurs two consecutive years of rest, 49th is a Sabbath year and 50th is the Jubilee. Therefore, the institution of the Jubilee year institution is essentially an extension of the Sabbath year legislation.

The most important function of Jubilee was reversion of sold land to its original owner.⁶⁴ Ancestral plots of land, that have been sold between one Jubilee and the next, revert to their original owners with the arrival of the Jubilee Year (Rashi). Land could not be sold in perpetuity, implying that the land and the owner family are entwined with each another.⁶⁵

⁶¹ English word “Jubilee” is derived from Hebrew word “yobel”, יובל (Strong's 03104), which has a meanings of “ram, ram's horn, trumpet or cornet” as the beginning of the Jubilee year was announced by blowing of the *shofar* horn. In Ezek 46:17 reference to Jubilee is called “a year of freedom”. Rashi connects word “yobel” to sounding of shofar, but Ramban refers to movement when all people have freedom to move about as they please.

⁶² It is a task of Levites court, Sanhedrin, to count the seven times seven years leading to the year of Jubilee. The task of counting (Lev 25: 8) is given in singular form, referring to Moses and after him to Sanhedrin (Sifra).

⁶³ Rashi (commentary on Lev 26:1) makes an interpretation of seemingly random order of content of chapter 25, and explains its logical sequence. By the progression of commandments, implied meaning is that if one allows greed to keep him observing the Shimittah and Jubilees, he will eventually lose his money and be forced to sell his movable property (v.14). If neglect continues, he has to sell his ancestral portion (vs.25-28), then his house (vs.29-31), and then borrow at interest. After that he will sell himself to a fellow Jew (vs.37-43), lately to a non-Jew. Finally, he sell himself to service of idols (vs.47-55).

⁶⁴ From the plural form “years”, שנים and “crops” תבואה, the Sages derive that redemption is in effect only if the buyer has held the field for at least two years and also had at least two crops. (Rashi, Arachin 29b).

⁶⁵ The word in Lev 25:10, “ancestral heritage”, ארצה (Strong's 0272), is derived from root ארזח, (Strong's 0270), “to grasp”. One who owns land possesses it, but it possesses him as well, because people develop an attachment and loyalty to their land (Radak, Shorashim).

Therefore, the transfer of property was actually not the sale of the land, but of its produce for a certain number of years and the price was fixed according to the number of years which intervened between the year of the sale and that of the next year of Jubilee. In addition to zero interest rate, returning the land to its original owner every 50th year implies that the land is valued only by the crops produced until the next year of Jubilee.

As Lev 25:29-34 adds, a residence house in a walled city was not included in a Jubilee legislation. Whereas a field cannot be redeemed for the first two years, but may be redeemed at any time thereafter, and a house in an unwalled city may be redeemed at any time, even immediately, a house in a walled city can be redeemed only until the first anniversary of the sale. Thereafter, it remains the property of the buyer in perpetuity (Rashi, Sifra, Vayikra, p.434).⁶⁶ Levites received initially 48 towns, scattered around the country, each of which was surrounded by a ring of open land, 2000 cubits wide (Num 35:1-8). Any part of the Levite property may be redeemed immediately, whether it is a house or a field, and whether the city is walled or open (Rambam, Hil. Shemittah V'Yovel 13:8-9, Rashi, Sifra). Consequently, the Levites cannot be deprived permanently of any part of their heritage.

There were two ways in which an Israelite would lose his right to the property, namely if an Israelite consecrated a field to the Temple treasury and did not redeem it, and alternatively, if he consecrated his field to the Temple treasury and it was sold by the Temple treasurer before it was redeemed. In these cases the field did not return to an original owner, but would become the property of the Priests, who divide it among themselves (Lev 25:34; 27:20-21). Levite fields, however, do go back in even such an event (Rashi, Sifra).

Another main function of the year of Jubilee was rest for agricultural soil. Similar as to normal Sabbatical year, land was to lie fallow and there was to be no tillage. Therefore, the soil actually rests for two consecutive years.

“A jubile shall that fiftieth year be unto you: ye shall not sow, neither reap that which groweth of itself in it, nor gather [the grapes] in it of thy vine undressed. For it [is] the jubile; it shall be holy unto you: ye shall eat the increase thereof out of the field.” (Lev 25:11-12)

What the land produces spontaneously is free to be utilized by all Israelites (owner included), but only from their immediate use, not to be stored or sold for any future or speculative use.

Third function was releasing of slaves. The slaves are free to return (with their family⁶⁷ if any) to their land of inheritance. This is a difference compared to slave release after six years of service, when family was not necessarily allowed to follow the male slave. Additionally, the slave in Jubilee year was allowed to gain back its inheritance soil, but no other financial help was provided.⁶⁸ All Jewish slaves must be freed, even if they have not worked the usual

⁶⁶ Ramban comments that a residence in a walled city does not affect one's livelihood (as a field does) and thus the Torah limits the right of redemption.

⁶⁷ Under no circumstances do the Jewish children of a Jewish slave ever belong to his master. On the other hand, those who are born to the non-Jewish slavewoman with whom he lives are halachically not his. They remain the non-Jewish slaves of the master (Rashi, Sifra).

⁶⁸ Rashi follows the opinion of *R' Meir* that a freed slave returns to any official position he may have held before he sold himself. However, the halachah follows *R' Yehudah* that he loses his right to return to such positions (Vayikra p.440; Rambam, Hil. Avadim 3:8).

minimum of six years or if they have elected to remain with their masters after the six years (Rashi).⁶⁹

Releasing of debts is not mentioned to be happening in Jubilee. That is obviously not necessary, as it is done every seven years.

Leviticus contain a promise that rest of land will not cause famine, but the last harvest during the 48th year will be enough for the next three years demand (until the next harvest).

“And if ye shall say, What shall we eat the seventh year? behold, we shall not sow, nor gather in our increase: Then I will command my blessing upon you in the sixth year, and it shall bring forth fruit for three years. And ye shall sow the eighth year, and eat [yet] of old fruit until the ninth year; until her fruits come in ye shall eat [of] the old [store].” (Lev 25:20-22)

Meaning of the Jubilee is to preserve the essential character of the Theocracy, the end that no poor people exists among the Israelis. If people realize the benefits of Torah Economics, they will refrain from cheating and stealing, because they will reflect on the lesson of Supreme Owner (Chinuch). Main characteristics and differences between Sabbatical and Jubilee year legislation is presented in Table 1, in the appendix.

It is not historically known by how long the command for celebrating the year of Jubilee was followed, but later books of Bible still consists some reference to stable land-owning situation.⁷⁰

Conclusion

Economics of the Torah offers one more alternative basis for understanding economic reasoning and theory. To say it very shortly, the modern capitalist economic system tries to increase the material well-being (increase the size of the common economic “pie”), by accelerating economic growth, so that in the end even the smallest (in relative sense) piece of that “pie” is big enough to feed and sustain even the poorest people in society, leading to world of material well-being and peaceful co-existence (Nelson 2001). Marxian economic theory is based on equal division of that “pie”, which would lead to peaceful society according to that view. But the Economics of Torah offers completely alternative way of seeing the economic dilemma. We may say that the aim and final state of that process is the

⁶⁹ Exod 21:5-6 uses the word עולם (Strong’s 5769), which in most cases has the infinite meaning of “for ever” , but can be also interpreted to mean long-duration with maybe finite duration.

⁷⁰ *“And the children of Israel departed thence at that time, every man to his tribe and to his family, and they went out from thence every man to his inheritance.” (Judges 21:24).* See also Judges 11:2. Also the Book of Ruth is based on idea of continuing land inheritance. Prophet Samuel warned in 1 Sam 8:14, that the beginning of Monarchy would mean decrease of land owning by king’s right: *“And he will take your fields, and your vineyards, and your oliveyards, [even] the best [of them], and give [them] to his servants.”* Clear indication of stable land-owning tradition is the case of Naboth, when wicked king Ahab tried to buy his land. The Naboth’s answer is full of strict support for the Torah’s commandments: *“And Naboth said to Ahab, The LORD forbid it me, that I should give the inheritance of my fathers unto thee.” (1 Kings 21:3).* After king Ahab, the order of Torah was at least temporarily returned, as seen in 2 Kings 8:6

same in all these alternatives, some kind of Messianic world of peace and happy co-existence between people and nature, but the means and ways to that state of society are completely different.

Economics of Torah tries to tell that the “pie” is not ours at all, but belongs to Supreme Being, God. If the society and economic practice is based on that kind of very strict and absolute moral base and institution, the gross utility (including material and spiritual) of consumers is maximized and poverty minimized. There is no need to accumulate wealth or accelerate economic growth, as the two main assumptions concerning the state of initial economic conditions are different. In the Economics of Torah, there is no scarcity of material resources (if controlled by Torah institutions) and the needs of consumers can be met (if consumers allow to follow the Torah commandments, alternating their personal preferences).

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Alshich. Rabbi Moshe Alshich 1508-1593, born in Adrianople, Turkey, but lived in Safed Israel. Author of "Torat Moshe".

R' Bachya. (1263-1340). Student of the Rashba, author of a commentary on the Pentateuch containing four modes of interpretation: plain meaning of the text, midrashic, philosophical and kabbalistic exegeses.

Chinuch. Also known as the Sefer Ha Chinuch. Published anonymously in 13th century Spain. Contains a comprehensive description of the 613 commandments.

R' Hirsch. Samson Raphael Hirsch (1808–1888), German rabbi and chief exponent of Neo-Orthodoxy. Author of several biblical commentaries.

Ibn Ezra. Also known as Rabbi Avraham. (1089-1164). Bible commentator. Composed classic commentary on entire Tanach, famous for its grammatical and linguistic analysis.

Kli Yakar. Commentary on the Torah, written by Rabbi Shlomo Lushitz, in the 16th century.

K'sav Sofer. Written by Rabbi Abraham Sofer, the Rabbi of Pressburg during the 1800's.

Malbim. Acronym for Rabbi Mayer Leibush (1809-1879), lived in Germany, Romania and Russia. Leading Torah commentator in modern times.

Mechilta. Tannaitic Halachic midrash to the Book of Exodus.

Onkelos. Also known as Targum Onkelos. Authoritative interpretative Aramaic translation of Pentateuch by the proselyte Onkelos (c. 90).

Radak. Acronym for Rabbi David Kimchi, also known as Radak (1160-1235) of Provence. Leading Bible commentator and grammarian.

Ralbag. Acronym for Rabbi Levi ben Gershon, also known as Gersonides of Provence, (1288-1344). Probably a grandson of Ramban.

Ramban. Acronym for Rabbi Moshe ben Nachman, also known as Nachmanides (1194-1270) of Gerona, Spain. Author of numerous basic works of all aspects of Torah and a successful defender of Judaism in Barcelona debate 1263.

Rambam. Acronym for Rabbi Moshe ben Maimon, also known as Maimonides (1135-1204). Author of Moreh Nevuchim ("Guide for the Perplexed"), a major work of Jewish philosophy.

Rashbam. Acronym for R' Shlomo ben Meir (1085-1174). Grandson of Rashi and brother of Rabbeinu Tam, leading Tosafist and Talmud commentator, author of a literalist commentary on the Pentateuch.

Rashi. Acronym for Rabbi Shlomo Yitzhaki (1040-1105). The most famous Jewish scholar on Torah, Tanach and Talmud.

Seder Olam. Ancient chronological work quoted by the Gemara, attributed to the Tanna R' Yosei ben Chalafta.

Sforno. Classic commentary on the Pentateuch by Rabbi Ovadiah Sforno of Rome and Bolgna, Italy (1470-1550).

Sifra. Tannaitic halachic midrash to the Books of Leviticus, also known as Toras Kohanim.

Talmud Bavli, better known as *Babylonian Talmud*. Corpus of Jewish Law and ethics compiled by Ravina and Rav Ashi 500 C.E. All Talmudic quotations unless otherwise specified are from the Babylonian Talmud.

Tosafos. The Talmudic glosses of the French and German rabbis of the twelfth and thirteen centuries on the Babylonian Talmud.

Tosefta. Tannaitic collection of Baraisos, traditionally attributed to Rabbi Chiya and his circle.

Tur. Code of Jewish Law composed by R' Yaakov, the son of the Rosh (1275-1340). Full title is "Arba Turim".

Yalkut Shimoni. Most comprehensive Midrashic anthology, attributed to Rabbi Shimon HaDarshan of Frankfurt (13th century).

APPENDIX

Table 1: Main functions of the Sabbath and Jubilee years.

	Rest for soil	Return of original ownership	Debt cancellation	Release of slaves
<p>Sabbath year (Shemittah)</p> <ul style="list-style-type: none"> • Every 7th year 	<p>Land rests Lev 25:2-7; Exod 23:10-11</p> <ul style="list-style-type: none"> • Uncultivated production allowed to all (human and animal) (Lev 25:6-7) 	<p>No</p>	<p>Yes Deut 15:1-3</p> <ul style="list-style-type: none"> • Not applies to debt for gentiles (Deut 15:3) 	<p>After six years of service, not necessarily on Sabbath year. Deut 15:12-18 Exod 21:2-11</p> <ul style="list-style-type: none"> • Slave's family not necessarily follow (Exod 21:4) • Slave gets financial help (Deut 15:13-14)
<p>Year of Jubilee</p> <ul style="list-style-type: none"> • Every 50th year 	<p>Land rests Lev 25:11-12</p> <ul style="list-style-type: none"> • Uncultivated production allowed to all (human and animal) (Lev 25:11) 	<p>Yes Lev 25:13-17, 23-55</p> <ul style="list-style-type: none"> • Not applies to houses in walled cities (Lev 25:29-30) • Not applies to Levites (Deut 18:1) 	<p>No</p>	<p>Yes Lev 25:39-41</p> <ul style="list-style-type: none"> • Slave leaves with his family (Lev 25:41,54) • Slave receives his land inheritance (Lev 25:41)