Comparative Advantage – A Christian Perspective

Video Transcript

Why do people go to work? Obviously, to earn an income so they can buy things. But why don't we make everything ourselves? Why not sew your own clothes or build your own house or even engineer your own car? Because if you did do all those things yourself you might end up clad in leaves or walking everywhere or living in the kind of hut you might see in a Saturday morning cartoon.

We go to work and have better stuff because of comparative advantage. Comparative Advantage is the idea that, out of the entire universe of skills and abilities, each of us has an efficiency advantage in a small subset of those skills. This is true for individuals and nations. Comparative advantages emerge but can and do change over time. We are always looking for new opportunities, developing new skills, and these, in turn, can lead to new comparative advantages.

Scripture inspires us to do for others, we are to have a servants’ heart, but we must be careful. The reality of comparative advantage should discipline us to realize that a) we do some things better and proper stewardship means we should focus on those things we do better for our service, b) our attempt to do for others may actually be a disservice if we try to do things we do not do well and, c) we may get in the way of others who have a comparative advantage from being good stewards and servants. Comparative advantage goes hand-in-hand with humility and a proper view of our own skills and abilities. We are to serve but serve to our best abilities and not in everything; sometimes we are to be served so others can serve.

We can see from the episode in Acts 6 where the early church chose deacons to minister to the physical needs of the widows and orphans. The Apostles may have been very good at distributing food, they were undoubtedly fair and respected. But they were called to study and teach and waiting
tables was distracting from that. Their comparative advantage was in ministering the word not the food. So they chose other men, also respected, to tend to that chore. Men we know from other passages were also able to teach and preach but were providing better service by taking over certain functions and allowing the Apostles to focus. Good stewardship requires that we not just serve but serve using our best abilities, which means understanding what those abilities are and what we do not do so well so we can allow others to serve in those areas.

We see this concept throughout the Bible. With Cain and Abel, one was a shepherd and one a farmer. Solomon sought the craftsmen needed to build the Temple to the Lord. Lydia was a dealer in purple and Paul was a tent maker, Peter and others were fishermen. Paul explains this idea in 1 Corinthians 12 when he compares the church to the human body and that each person in the church fills a different role. He relates this to the different spiritual gifts we are given. There are many roles to fill in a church or an economy, not all are called to be preachers or missionaries and not all are called to be car designers or house builders.

God created us to be in community primarily through institutions like marriage, family, church, markets, and government. These require we interact with each other; this is the way we serve Him and others to create flourishing and to spread the gospel. To facilitate this, He gave us different skills and abilities so that the interactions would be desirable and necessary. Comparative advantage, specialization, and trade is the economics way of describing this process and understanding its value to our spiritual and material well-being.

About this transcript:

- Transcript title: Comparative Advantage – A Christian Perspective
- Corresponding Lesson: Comparative Advantage – A Christian Perspective
- Author and curator: Brain A. Baugus, Ph.D. for The TEL Library
- Creative Commons License: CC BY NC SA