

Dispensationalism and Covenant Theology – the Basics

by

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Words are intended as a means of communication. But what do the words mean? Isn't that the hermeneutical task that faces us? What does the speaker or author mean by what he has said?

All too often in the Church terms are bandied about – seemingly with little regard for meaning. As a result communication is stilted, and sometimes conflicts erupt – simply because of differing meanings of words. For example (and sometimes it is a phrase), the term Calvinism is used but few of the hearers really know what is meant by it. Even biblical terms like election and predestination cause strong emotions to surface – mostly because the hearers don't know or understand what the terms actually mean or how they are used in scripture. Dispensationalism is another such term.

Dispensationalism

When we study the Word of God, it does not take long to recognize that God has not administered His program in the same way during every stage of human history. At different times, God has instituted certain rules and regulations by which those living at that time were to live. These rules and regulations were and are designed to govern our relationship with God and each other. The different stages at which God changed the rules and regulations are what we will refer to as *administrations*.

At this point in our discussion, a word about the terms involved might be helpful. The term used in the biblical text is the Greek term *oikonomia* (used 9 times in the New Testament). *Oikonomia* is actually a combination of two terms: *oikos*, which means *house*; and *nomos*, which means *law*. Combined, the resulting meaning has the idea of *management of a household* – as when one person manages the estate of another (see Luke 16:2-4). That management responsibility, when assigned to a particular person, is most often referred to as a *commission* or *stewardship* (see 1 Cor. 9:17; Col. 1:25; Eph. 3:2). That for which a steward is responsible is called an *economy* or *administration* (see Eph. 1:10; 3:9; 1 Tim. 4:4).

God's eternal plan (as expressed in his earthly governance), has been administered differently at different stages in its outworking (see Ryrie's comments below). The various stages can be observed when God, for his own purposes, makes changes to the "rules and regulations" that govern the administration of his plan. These individual stages are the differing economies or administrations. Most English translations of the Bible translate *oikonomia* as *administration*. The King James Version (and now also the New King James) prefers the translation, *dispensation*. When the theological system called Dispensationalism was being developed, the King James Version was the primary translation and it was from that translation that the system derived its name.

Administrations are instituted and brought to their purposeful conclusion by God. Certain features of different administrations might be the same or similar, yet they are distinguishably different. God introduces the distinguishing features; God retains the similar features; and the overall combined purpose of the whole program is the glory of God.

Eric Sauer writes¹, "A new period always begins only when from the side of God a change is introduced in the composition of the principles valid up to that time; that is, when from the side of God three things concur:

1. A continuance of certain ordinances valid until then;
2. An annulment of other regulations until then valid;
3. A fresh introduction of new principles not before valid."

Ryrie offers a clear summary when he writes, "Dispensationalism views the world as a household run by God. In this household-world God is dispensing or administering its affairs according to His own will and in various stages of revelation in the process of time. These various stages mark off the distinguishably different economies in the outworking of His total purpose, and these economies are the dispensations. The understanding of God's differing economies is essential to a proper interpretation of His revelation within those various economies."²

Let's consider an example. When Adam and Eve were formed and placed in the garden, there were certain rules – regulations and prohibitions, which governed their relationship with God. God told them: *Be fruitful and multiply! Fill the earth and subdue it! Rule over the fish of the sea and the birds of the air and every creature that moves on the ground.*"²⁹ Then God said, "I now give you every seed-bearing plant on the face of the entire earth and every tree that has fruit with seed in it. They will be yours for food."³⁰ And to all the animals of the earth, and to every bird of the air, and to all the creatures that move on the ground– everything that has the breath of life in it– I give every green plant for food." It was so. (Genesis 1:28-30). Additionally, he told them, "But you must not eat from the tree of the knowledge of good and evil, for when you eat from it you will surely die" (Gen 2:17). However, after their sin and subsequent expulsion from the garden, God made some administrative changes: "To the woman he said, 'I will greatly increase your labor pains; with pain you will give birth to children. You will want to control your husband, but he will dominate you.'¹⁷ But to Adam he said, 'Because you obeyed your wife and ate from the tree about which I commanded you, 'You must not eat from it,' cursed is the ground thanks to you; in painful toil you will eat of it all the days of your life.¹⁸ It will produce thorns and thistles for you, but you will eat the grain of the field.¹⁹ By the sweat of your brow you will eat food until you return to the ground, for out of it you were taken; for you are dust, and to dust you will return'" (Genesis 3:16-19).

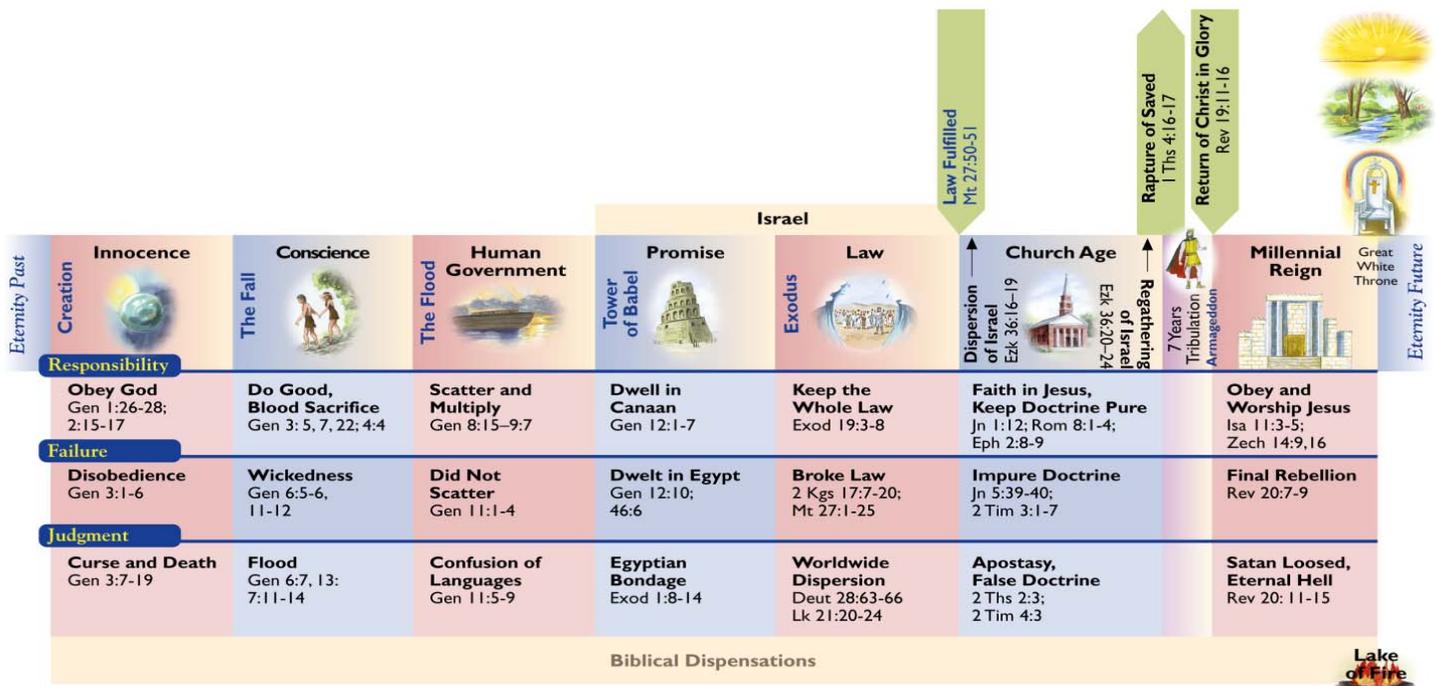
We can observe similar changes during the times of Noah, Abraham, and Moses. And at the time of Moses, we know that God instituted a covenant with the family of Abraham (known generally as the Law of Moses) as the means by which he would administer his program through the Nation of Israel. We also know that the death of Christ ended the Law of Moses as a regulatory system (cf. Rom. 10:4; 2 Cor. 3:1-11; Gal. 3:15-25; Heb. 7:12), and we now live under a new administration – the Administration of Grace, which is called by some the Administration of the Church. (cf. Eph. 1:10; 3:2). Note the diagram below.

¹ Eric Sauer, *The Dawn of World Redemption*, p. 194.

² Charles Ryrie, *Dispensationalism Today*, p. 31.

We must keep in mind that all Scripture is profitable (2 Tim. 3:16) – we learn from it and it reveals something about God to us. Nevertheless, not all Scripture is written to us directly. An obvious example of this can be seen in the laws of sacrifice in the Law of Moses. They applied only to those individuals who lived under the Law of Moses, not to those now living in the Administration of Grace.

If I want to know how God wants me to live, or how I should deal with a specific problem, I need to turn to the administration under which I live. Of course if I am facing a problem that the Administration of Grace does not deal with directly, I can turn to previous administrations to see if and how they dealt with that particular problem, and then apply the principles to my own situation – as principles of wisdom.



Covenant Theology

It would be fair to say that both Covenant Theology and Dispensationalism as theological systems were not developed until after the reformation period of church history in the sixteenth century. Unsystematic dispensationallike statements can be found from the writings of the church fathers on, but as a system Dispensationalism did not begin to develop until the early part of the eighteenth century in the writings of Pierre Poiret, John Edwards, and Isaac Watts.³ And although the doctrine of covenant was one of the theological contributions of the Reformation – particularly found in the writings of Zwingli and Bullinger, it was not until the seventeenth century that the theological system came to be known as covenant theology.⁴ Both systems endeavor to try to explain how God deals with man in the salvation process and the role of Israel and the Church in God’s plan of salvation. The distinction between Israel and the Church is where the big debate centers.

³ *Evangelical Dictionary of Theology*, p. 322.

⁴ *Ibid*, p. 279.

Covenant Theology (CT) describes God's plan for the salvation of man by defining three overarching covenants that God made with Christ and with man in which God said, "If you do this, I'll do this." The Bible doesn't actually use the term *covenant* to describe the covenants that make up CT, although the covenant of redemption/grace is clearly implied in Hebrews 13:20 where it is referred to as the Eternal Covenant. The three covenants of Covenant Theology are theological covenants; that is, they are a systematic way to describe God's plan of salvation for the world. These theological covenants are: the covenant of works, the covenant of redemption and the covenant of grace.

Covenant of Works

Although there is no mention of this covenant in the Bible – either its conditions or promises, CT teaches that they are implied in the Genesis narrative. In their system the covenant of works is said to be a covenant or agreement between God and Adam in which God promised Adam eternal life for perfect obedience. Failure would result in the penalty of death. Since Adam failed, Adam also being the federal head of the human race, death came to all: "In Adam all die" (1 Cor. 15:22).

Covenant of Redemption

The failure of Adam under the covenant of works necessitated a second covenant, the so-called covenant of redemption. CT teaches that in eternity past, God the Father and God the Son covenanted together for the redemption of the human race, the Father appointing the Son to be the mediator, the Second Adam, whose life would be given for the salvation of the world, and the Son accepting the commission, promising that he would do the work which the Father had given him to do and fulfill all righteousness by obeying the law of God. Thus before the foundation of the world, within the eternal being of God, it had been determined that creation would not be destroyed by sin, but that rebellion and iniquity would be overcome by God's grace, that Christ would become the new head of humanity, the Savior of the world, and that God would be glorified.⁵

Covenant of Grace

Many covenant theologians actually distinguish only two covenants—Works and Grace. They combine the covenant of redemption and the covenant of grace and see them as just one covenant of grace with perhaps two phases. The covenant of grace, as a second phase of the covenant of redemption, might be stated like this: An agreement made in eternity past among the members of the Godhead, whereby God the Father agreed to purpose, plan and provide for the salvation of an innumerable elect company; God the Son agreed to procure and secure the salvation of that elect company alone; and God the Holy Spirit agreed to apply the merits of the Son's redemptive work to the same elect company and to none other, all of which was designed for the eternal praise and glorification of the triune God. (Gen. 3:15; Isa. 42:6; 53:10-11; John 17:4, 6, 12; Rom. 8:32; Heb. 13:20).

Historical and Hermeneutical Issues

Historical Issues

At the heart of the debate between Covenant Theology and Dispensationalism is the issue of hermeneutics. Hermeneutics is the science and methodology of interpreting texts, especially the books of the Bible.⁶

⁵ Ibid. p. 280.

⁶ Microsoft® Encarta® Reference Library 2003. © 1993-2002 Microsoft Corporation.

In the first few centuries of the development of the Church, the church fathers, beginning with Origen (A.D. 185-254), used an allegorical method of interpretation. The allegorical method did not interpret the scriptures literally. It looked for a deeper, spiritual meaning. For example, Origen wrote,

Now the cause, in all the points previously enumerated, of the false opinions, and of the impious statements or ignorant assertions about God, appears to be nothing else than the not understanding the Scripture according to its spiritual meaning, but the interpretation of it agreeably to the mere letter.⁷

Actually, just the opposite is true. His system of interpretation allowed him and others to make the scriptures mean anything they wanted within their theological framework.

Constantine (A.D. 272-337), the Roman emperor who established Christianity as the universal religion, declared himself also to be Pontifex Maximus – high priest of the Church! In his letter to the churches over the Passover Controversy, he referred to the Jews as “polluted wretches,” whose hands were “stained . . . with a nefarious crime,” “parricides and murders of our Lord.”⁸ In a letter to the churches concerning the correct time to observe Easter, he wrote, “it becomes us to have nothing in common with the perfidious Jews.”⁹

This demonstrates clearly that an anti-Semitic spirit in the church existed and the church no longer viewed salvation as being “to the Jew first” as Rom 1:16 says.¹⁰ The church came to view itself as the new Israel! This anti-Semitic spirit, combined with an allegorical method of interpretation (especially regarding God's promises to Israel) caused theologians to view the Church as the replacement of Israel.

During the Protestant Reformation, Luther, Calvin, and others recognized that authority did not come from the Church, it came from scripture. They recognized many of the errors in the teachings of the Roman Catholic Church and they strongly protested its practices and its doctrine. When the Catholic Church refused to reform, they left the church. And as they began writing to defend and define Protestantism, theological systems such as CT were born. However, you must remember that they had over 1,000 years of bad theology to overcome, and one doesn't study the Bible and form his theology in a vacuum. It is a gradual process in which it is very difficult to change one's views. So, while they were busy attending to the doctrine of salvation and the authority of the Bible, they didn't see any problems with things like infant baptism, or more applicable to our study, the need to change the teaching that the Church replaced Israel in God's plan of salvation.

When Dispensationalism began development there was a shift in hermeneutical principle. Bible scholars began to look at the Bible according to the trend of the day which was to be more scientific about things. They began to utilize the consistent hermeneutical principle of normal, plain, or literal interpretation. This principle does not exclude the use of figures of speech, but insists that behind every figure is a literal meaning. For example, when God made a promise to Abraham (and his descendents) of a piece of real estate (see Gen. 13:14-17; Deut. 30:1-5; Ezek. 36:16ff.), it should be expected that at the appointed time they will possess that land just as God promised.

From time to time, you may hear people try to defend CT by saying that their view is older and therefore more orthodox, that it can be traced back to the early church fathers, etc. But earlier doesn't necessarily make it correct. You have to understand church history and understand what sociological and cultural issues existed that helped to shape that system. Sometimes, when you understand the history, it helps you look at the teaching more objectively. However, you must remember that even though we may not

⁷ Church Fathers, Origen de Principiis, TJLCD, record 12434.

⁸ Walter Kaiser in *Dispensationalism, Israel and the Church*, p. 363.

⁹ Socrates Scholasticus, “Ecclesiastical History, Book 5, Chapter 22. TJLCD record 75080.

¹⁰ Kaiser, p. 363.

be affected by the same cultural issues that were issues back then, we have our own cultural issues that sometimes keep us from being truly objective as well. It is a complex task.

In the debate between Covenant and Dispensational theology, both claim to use a literal hermeneutic. And both have developed a systematic theology from the text that deals with most of the passages literally. The problem comes when you run across a passage that doesn't fit literally into your theological grid. When this happens, the tendency is to fall back on your theology and spiritualize the text in some way to make it fit.

Hermeneutical Issues

It is often claimed by dispensationalists that they use a literal hermeneutic (or method of interpretation) and that the CT uses a spiritual or allegorical method of interpretation. In reality, both sides interpret some passages literally and other passages allegorically. The question is how do you decide which ones to interpret which way?

The real issue is the New Testament's use of the Old. CT places more emphasis on the NT. It lets the New Testament reinterpret the Old Testament. If a NT writer applies an OT promise in a spiritual way to the church, then the CT concludes that the OT promise was just a picture of the future spiritual reality which we are enjoying now. For example, Ezekiel 40-48 makes promises about a future literal temple. The apostle Paul then says in 1 Cor. 3:16 that we, the Church, are the temple of God. The CT doesn't have a problem saying that there is no need for a future physical temple. After all, the temple is just where God lives, and since the Holy Spirit now lives in us, the indwelling of the Spirit is the greatest realization or fulfillment of that OT promise.

So the CT places more emphasis on the NT and says it is ok if the NT writer interprets an OT promise in a totally new way that would not have been understood by the OT prophet. A dispensationalist places more emphasis on the OT. They say that the literal force of the OT cannot be changed because if you do that, you create instability in the meaning of the OT. And it almost looks like God is being deceptive. After all, He promised land, a temple, etc. We should expect real dirt, temples made of stone and gold, etc.

Israel, the Church and the Covenants of God

Abrahamic Covenant

In Acts 7:2 Stephen states that God appeared to Abraham while he was still in Mesopotamia and gave him instructions to "*leave your country and your relatives, and come into the land that I will show you.*" Abraham (known then as Abram) obeyed, first settling in Haran, then after the death of his father moved on to the land of Canaan. In Genesis 12:1 Moses picks up the story.

First, the directive that had been given to Abraham was more fully related to include a promise in the form of a royal grant. Royal grants were discovered in secular texts "that are roughly contemporary with the period of Abram. In these texts great kings offered to certain of their subjects blessings and benefits requiring no reciprocal action whatsoever in order for them to take effect . . . The Lord in his sovereign wisdom and grace . . . called [Abram] to a place where he could bestow on him the blessing of an unconditional grant. And although the covenant itself was an inalienable grant, ongoing blessings attached to it demanded a life of obedience and continuing commitment."¹¹

Second, God later (15:1-21) "guaranteed" the royal grant by means of a human covenant – a unilateral blood covenant (see also Gal. 3:15; Heb. 6:13-18).

¹¹ Eugene H. Merrill, "*The Covenant with Abraham: the Keystone of Biblical Architecture,*" *Journal of Dispensational Theology* 36 (august 2009), p. 8.

The Abrahamic Covenant consists of three (3) elements: land, seed and blessing.

Land (12:1)

God had instructed Abram to *"leave your country and your relatives, come into the land that I will show you."* Abram had previously left his homeland; and now, after separating from his family – Lot, et cetera (Gen. 13:8-13), God again confirmed His original promise to give Abraham the land of Canaan (13:14-15). Later, this same land grant was affirmed with Isaac (26:2-4) and Jacob (28:13-15).

Seed (12:2a)

Abram was promised "seed," that is, a nation would come from him. God says again to Abram in Gen 13:16 that He would *make his "offspring like the dust of the earth, so that if anyone could count the dust, then his [your] offspring could be counted."* This same promise was later affirmed to Isaac (26:4) and to Jacob (28:14). Clearly, the covenant was the guarantee that Abram would become a great nation and that nation would occupy the covenanted land.

Blessing (12:2b, 3)

In this passage it is expressly stated that Abram would not only be blessed (12:2), but that he would be a blessing to others and ultimately to the whole world (12:3). Notice that the aspect of universal blessing depends upon others' response to him. God says that He will bless those who bless Abram and curse those who curse him. God's plan for the world – including salvation for mankind, has its foundation in his special dealings with Abraham based upon this royal grant/covenant. The Abrahamic Covenant is a royal grant, unilateral blood covenant between God and his covenant people, the Jews – the family of Abraham. It is through this nation that God will bring salvation and blessing to the world – to all people without distinction, Jew, Gentile, male, female, slave, free.

In the progress of God's progressive revelation, two aspects of the covenant are expanded and clarified: *seed* by the Davidic; *blessing* by the New. Some also understand the land aspect to be clarified by what some call the "Palestinian Covenant" (see Deut. 28-30). But this is not really one of the covenants for the following reasons: (1) It is not called a covenant in scripture. (2) It is not a promissory "royal grant" like the Abrahamic, Davidic and New covenants. Instead, it follows the suzerain-vassal treaty format popular during that period of history in which blessings are promised for obedience and curses are promised for disobedience. (3) It promises nothing new in the salvation plan of God. It is simply an amplification of the Land aspect of the Abrahamic Covenant. It is a description of how God will regulate the Israelites' possession of the land. Thus it is a logical and natural development out of the promise of land given to Abraham in Gen 12:1 and 13:14-15.¹²

The Davidic Covenant (2 Samuel 7:8-16; Ps 89:20-37)

Although the term covenant does not appear in the 2 Sam 7 passage, later references make it clear that it is a covenant. For example, in 2 Sam 23:5 David says, *"He has made an everlasting covenant with me"* (see also Psalm 89:3-4, 28; 1 Kings 8:23; 2 Chron. 13:5; 21:7).

In 2 Sam. 7:8-17 God makes a declaration to David that is in the form of a royal grant. The grant provides a king for the seed of Abraham, an eternal kingdom over which he

¹² Hampton Keathley IV, *"The Relationship of the Church to Israel"* (Dallas: Biblical Studies Press, 1999).

will rule, and rest for the nation in their promised land (see Ezek. 36:22-38). The fulfillment of the covenant is found in the Lord Jesus Christ (see Luke 1:30-33).

The blessings of the Abrahamic Covenant are realized through obedience to God. The Law of Moses, which did not change or alter the covenant, was given to set forth the commands and statutes that the nation was required to keep in order to experience the blessings. The Law of Moses demonstrated their lack of ability and sinfulness. The fullness of blessing, therefore, requires a righteous, obedient people. That is where the next covenant comes in.

The New Covenant (Jeremiah 31:31-37; Ezekiel 36:15-38)

The New Covenant is an expansion of the blessings aspect of the Abrahamic Covenant. It is also a royal grant. This covenant, ratified by the death of Christ (see Luke 22:20), is a covenant between God and the Jews – Israel and Judah (Jer. 31:31). The New Covenant will involve the regeneration of the nation (see Ezek. 36:22-38). The death of Christ is the once-for-all sacrifice that is the basis for the forgiveness of sin. Salvation is mediated through Israel to the nations of the world. Many passages in the Old Testament speak of the nations coming to God (e.g., Gen. 12:3; Isa. 2:1-4; 49:6; 61:5-6; Micah 4:1-5).

Relationship of the Church to the Covenants of God

Covenant Theology teaches that because of disobedience and rejection of Messiah, Israel has forfeited the land promises. To them, the land is just a picture of the place of God's blessing. For Israel, that place of God's blessing was the land of Canaan. The CT also sees the Davidic Covenant fulfilled in Christ and teaches that Christ is currently enthroned and rules over a spiritual kingdom – the Church. To them, the Church has replaced Israel in God's program. The salvation (regeneration, forgiveness of sin, indwelling of the Holy Spirit, law of God written on our hearts, etc) that comes through the New Covenant is realized in Christ through faith. They see no future place for the nation of Israel.

The Dispensationalist holds that the Abrahamic Covenant – and its expansions (Davidic and New) is with Israel and will be realized in a future kingdom age upon the earth when the Jews are in their own promised land. The Church participates in the blessings of the Covenant because of its relationship with Christ. The Church is the "wife" of the nation's king! The Church is not Israel and Israel is not the Church.