
COVENANT THEOLOGY & DISPENSATIONALISM

These are both movements that affect a large swath of the evangelical Church with Covenant Theology affecting so much of the Church in the Reformed tradition and Dispensationalism largely through the first study Bible that came out, The Scofield Reference Bible. It made a big impact on Dallas Seminary and all its graduates when Dallas was putting out so many pastors for Bible churches and independent Baptist churches. The Bible school movement was largely Dispensational. Moody Bible Institute and most of the Bible schools around the country were Dispensational. Some other seminaries that were Dallas-influenced are Talbot Seminary, Biola University, Western Seminary and many more were strongly Dispensational. So many areas in evangelical life in North America were affected by it.

A. COVENANT THEOLOGY

1. GENERAL DESCRIPTION – TWO BROAD COVENANTS

Covenant theology holds, in terms of its basic understanding of Scripture, that we should understand the Bible as portraying fundamentally two covenants: a *Covenant of Works* and a *Covenant of Grace*.

In the *Covenant of Works*, God made a covenant with Adam in the Garden. Namely, if you obey me and follow me and resist eating of the tree of the knowledge of good and evil then you will receive life. Covenant theologians have seen this as something more than the life of Adam. It is not just a continuation of his life in the garden temporally, but what we would speak of as eternal life. They propose that there must have been a probationary period in which this testing was undertaken. Had Adam passed the test, then he would have received eternal life because of his works. But if Adam failed the test, if he were to eat of the tree of the knowledge of good and evil in the garden, then we know from the text, in the day that you eat from it you will surely die (Gen 2:17). So, death for disobedience; life, presumably a better life, a greater than the life he had now for obedience.

Covenant theologians acknowledge that the first part of this, the promise of life for obedience, is not stated explicitly in Scripture, but they think that it is implied by the negative statement, “If you eat of it you will die”. If you don’t eat of the tree, then you would receive the gift of eternal life. If that is the case, then it must be something different than what you have now, and if that is the case, there must be a probationary period. There must be a time after which this would be given. All of that follows from what they know to be the case; namely, there is command given that if you eat of the tree you will die.

We all know that Adam failed the test and brought death upon himself and all his progeny. Romans chapter 5 tells us that in Adam all sin and deserve his death. We learn from Paul in Romans 5:12 and following that all die in Adam’s one sin.

To save sinners, God brings about another covenant. This is not a *Covenant of Works* because sinners could never work to make the payment necessary to satisfy a holy God because of the offense that has been committed. The guilt is too great, and the offense is too serious. Another *Covenant of Works* won’t work for human beings because we are starting from a place of too much debt already. God inaugurates, instead, a *Covenant of Grace*, whereby his Son will pay the penalty for sinners, and those sinners in exchange will receive the righteousness of Christ. It is quite a deal for sinners. We give Christ our sins and he gives us his righteousness.

Double imputation is part of this understanding as well. Our sin is imputed to Christ, so he pays the penalty for our guilt and it is charged against him even though he doesn't deserve to pay it. Our sin is charged against Christ, and his righteousness is imputed to us; it is credited to our account by faith - justification.

The Covenant of Works covers Genesis 1, 2 and part of Genesis 3 where the sin takes place. What about the Covenant of Grace where sinners now cannot be saved by works? If they are going to be saved it must be by grace; Genesis 3 to Revelation 22. This leads Covenant theologians to think in terms of the broad sense of the holistic nature of virtually all the Bible, from Gen 3 on. The whole Bible fits under this Covenant of Grace notion. In *Covenant Theology*, there is a strong sense of uniformity throughout the Bible and therefore a strong sense of continuity. There is one thing God is doing from the sin in the garden and on; He is providing for human sin and saving the people. The Covenant of Grace spans both Testaments; it spans Israel and Church. In that sense, it leads to a unified sense in all of Scripture: Old and New Testaments together.

2. COVENANT HERMENEUTIC

Because of this sense of unity that takes place, the *hermeneutic* of Covenant Theology tends to see in Scripture a unified teaching in both Testaments. There is less of a notion in Covenant Theology that new things come about in divine revelation at new periods of revelation, rather there is more of a notion of simply amplifying or explaining with greater clarity or precession what has been there from the beginning. In Covenant Theology there is much more a tendency to look back in the Old Testament and see the same kinds of things as you do in the New Testament. One example of that is that Covenantal Theology would tend to see everything that is true of the work of the Holy Spirit's work in the New Testament, his indwelling, his sealing, his empowering that is true for New Testament believers, is also true for Old Testament believers. So the work of the Holy Spirit in Pentecost is seen less as a radical new happening and more as an extension of coverage than it is qualitative experience in the lives of true believers. God will extend this to the ends of the earth: Jerusalem, Judea, and Samaria. To the ends of the earth means extending this beyond the boundaries of the restricted members of the people of God. It is going to go public, nationwide, worldwide.

Take a text like Romans 8:3-4

“For what the Law could not do, weak as it was through the flesh, God did: sending his Son in the likeness of sinful flesh, and as an offering for sin, Him condemned sin in the flesh, so that the requirement of the Law might now be fulfilled in those who do not walk according to the flesh but according to the Spirit.” (Rom 8:3-4)

That looks like we ought to read it as under the Law things were one way, but now that the Spirit has come, Christ has come, things are different. But if you read the Old Covenant writers on the Holy Spirit, you will find a very strong urge to assume that New Testament teachings about the Holy Spirit must be true of Old Testament saints as well.

A similar thing might be said of Christology. There is a very strong sense of trying to see as much as possible of Christ in the Old Testament. Luke 24 makes it very clear that Christ taught concerning himself from the Law, the Prophets and the Writings (Luke 24:27). The main point here is that with this Covenant hermeneutic there is a tendency to see uniformity of content between the Testaments.

3. ISRAEL AND THE CHURCH

One of the places where this becomes both the clearest and most decisive in terms of separating covenant and Dispensational views is how Covenant Theology understands Israel and the Church. Here again, with the basic hermeneutic of uniformity, Covenant Theology would view true Israel as the people of God. There is one people of God in both Testaments, both saved by faith, both serving the same God, both the special objects of God's saving love. Israel could be thought of and spoken of as the Old Testament Church. The Church in the New Testament can rightly be thought of as New Testament Israel. We have Old Testament Church; that's Israel. We have New Testament Israel; that's Church. There should not be seen significant differences as they are the people of God. Granted Israel is also ethnic and the Church is multiethnic. But apart from that difference, as it relates to nation and ethnicity, we ought to understand the people of God, as believers, constituting the same group of people.

What about promises made to Israel that seem to relate to a time in the future; for example, Israel coming back to her land, or her ultimate salvation by God. What about promises that look like they are *eschatological* in the Old Testament and are not fulfilled at any point in history in the Old Testament or New Testament period? What do we say about those promises that relate to Israel? God makes the promise, *I'll take from your lands where you have been and I'll bring you back to your land and you shall have one God, and I will reign over you, and I will destroy your enemies*. In Covenant Theology, there is a very strong tendency to go in the direction of saying those promises made to Israel are fulfilled in the New Testament Israel - the Church. The Church becomes the object of those promises.

In Covenant Theology there is a very strong tendency to see Old Testament promises as coming straight forward and being fulfilled in the Church. So, the land promises (you will be back in your land) shouldn't be understood as literal land; there is not going to be a day when the ethnic people of Israel occupy literal geography; that is not the point of those promises. It is rather that they will have their kingdom, and it is a spiritual kingdom.

The promises to Israel are to be fulfilled in a spiritual manner in the Church. When it talks about the Jews being saved; we are all Jews. Remember Paul in Romans 2 says, we are circumcised in Abraham. We are, by faith, part of the seed of Abraham in Galatians (Galatians 3:16). We should understand that all of us are Jews spiritually because we are tied in through Christ, through the seed of Abraham. After all, the promise in Genesis 12 was that through Abraham all the nations in the world will be blessed. (Genesis 12:3).

What about the reign of Christ over nations? This is not a political military reign; it is a spiritual reign as people from every tribe and nation are brought into subjection to Christ. In Covenant Theology there is a very strong tendency to see Israel and the Church as equated spiritually.

One place that you see that Reformed Baptists differ is with pedobaptism. In Presbyterian, Anglican, and the majority of reformed theology, they hold to pedobaptism. Here the same thing is happening; Israel circumcised their people as a sign of the Covenant and we are the new Israel. The difference is that our sign of the Covenant is a sign that is Christological in nature because we have been brought together in Christ; everything in the Old Testament pointed to him. Christ has now come, so the sign of the Covenant changes to baptism as a mark of Christ's death and resurrection. Just as Israel's sign of the covenant was given to infants, so the Church's sign of the Covenant should be given to infants. The strongest argument for pedobaptism is a theological argument; if you try to argue texts, you run out quickly.

B. DISPENSATIONALISM

1. GENERAL DESCRIPTION – PROGRESSIVE REVELATION

Dispensationalism is an understanding of the Bible that notices and points to distinguishable Dispensations or *administrations of God's purposes, will, and relationships* with people in general and particularly his people.

The key idea in Dispensationalism is progressive revelation. This is the bottom rock notion in this understanding of reading the Bible. Progressive revelation means that God provides revelation at a time and that revelation provides certain commandments, requirements, warnings and promises. Some of those commands, warnings, and promises may continue beyond when that revelation is given, beyond the next period when great revelation is given or some revelations may stop at that point. When new revelation comes with Noah, or then with Abraham, or with Moses, some things continue, and some things continue all the way through. *Obey the Lord your God*; that is from the beginning right to the end. In the revelation given to Adam in the garden, the command, *"You shall not to eat of the fruit of the knowledge of good and evil for in the day you eat of it you will die,"* (Gen 2:17) doesn't apply to you and me anymore, specifically as a commandment. When revelation comes, there may be new things that start up that were not here before. Noah is told that he can eat animals; that is part of the statement made to Noah after the flood. He can eat these animals (Genesis 9), but he cannot kill human beings.

The point is that with progressive revelation, you see some things that are new which continue only for a time, and there are other things that might start, ones that weren't here before, which continue all the way through, and some things which are just for that time period itself.

This, then, amounts to different *dispensations*, different ways in which God administers his relationship with people. The most obvious example is the **Mosaic Covenant** and the **New Covenant**. We now have in this time period laws that relate to the sacrificial system. It is clear that they last until Christ comes who fulfills what they are pointing to: The Lamb of God who takes away the sin of the world. When God's Lamb comes, then you don't have to keep taking your lamb to the priest to be slaughtered. When the High Priest reigns, you don't need a priest any longer. We have in this time period laws that are very relevant, extremely relevant, in exact literal detail. Fulfilling those Laws is extremely then when Christ comes they end. You don't take a lamb; you don't go to the priest; the priest doesn't have to prepare himself for the Day of Atonement. All of these things that were there before are done. This is the main idea of Dispensationalism. It is progressive revelation. When revelation comes, you need to notice what things have quit what was revealed before, what things start that weren't revealed before and what things endure. Whatever you come up with in that time period marks that particular dispensation as the revelation of God in that time period.

2. DISPENSATIONAL HERMENEUTIC

This notion of progressive revelation has lead Dispensationalist to interpret the Bible, to look at biblical history and interpret where you are in the Bible, very differently than the way Covenant theologians look at the Bible. The tendency in Covenant Theology is to look for uniformity; there is one Covenant of Grace that spans virtually the entire Bible. In Dispensationalism, the mindset is very different. It is instead to notice discontinuity, differences in how God relates to people depending on the revelation that is given at that time. It is much more attuned to the discontinuities between various dispensations and to respect

those, to be careful not to interpret something in this dispensation as you are reading it from a different period.

Charles Ryrie's book, *Dispensationalism Today* outlined three essential teachings of Dispensationalism. *One of them is a literal hermeneutic.* He didn't mean literal in the sense of ignoring metaphorical poetic meanings or terms. He meant that, when reading the Bible, understand what an author intends to say within the historical context of when he is writing it. Don't read back into it things from the future or read forward of things in the past. Take care to read it within its own dispensation. Understand what the author meant then and there as he spoke at that time.

3. ISRAEL AND THE CHURCH

A literal hermeneutic has led to the way Israel and the Church are evaluated. It is clear in Dispensationalism that Dispensationalists insist upon seeing Israel as Israel and the Church as the Church. There is a strong discontinuity between the two. The Church starts as Christ built it. Remember Jesus said in Matthew 16:18, "I will build my Church." Therefore, we shouldn't talk about it in the Old Testament, even though the term *ekklesia* is used in the Septuagint. We shouldn't talk about Old Testament Israel as the Church. Jesus said, "I will build my Church, the gates of Hell will not prevail against it. Wait in Jerusalem until the Spirit comes" (Acts 1:4), "And when he comes he will anoint you with power" (Acts 1:8). Pentecost is the beginning of the Church. We shouldn't talk about Israel as the Old Testament Church nor should we talk about the Church as the New Testament Israel because Israel is an ethnic national group and we are multiethnic; we are multinational. It is confusing to talk of the Church as Israel.

As it pertains to these promises we talked about under Covenant Theology, what do you do with the Old Testament promises that particularly relate to Israel? How do understand these when God says through the prophet Ezekiel in Ezekiel 36:24, I will take you from the lands where you have been and bring you back to your land. And he goes on to say at the end of Ezekiel 37 that the Messiah will reign as your king; David will reign as your king. What do you do with these promises that relate to a future for Israel where the Messiah is reigning over his people in the land, the nations are subjected to the Messiah, and there is peace on earth; what do you do with these?

If these promises have to do with Israel, instead of seeing them fulfilled in the Church (because the Church is not Israel), you see them fulfilled at a future time when God will finish his promised work with Israel. There is a sense in which the premillennial view for Dispensationalism is supported because of Old Testament promises to Israel whether or not you have Revelation 20. Revelation 20 is a bonus to have because it gives you the exact period, a thousand years. According to a literal hermeneutic, what did Ezekiel, Isaiah, and Zachariah mean when they said "Jerusalem"? What did they mean when they said "in your land"? What were the authors intended meanings of these terms: land, Israel, Messiah, and other nations? They understood those things to be referring to physical realities. Have they happened yet? Has Messiah come? No. Is Israel in her land? Hence all the hoopla over 1948; this is when Dispensationalism just went nuts because here we have what appears to God's movement to begin the fulfillment of bringing Israel back to her land to fulfill all of these promises. Then there were all kinds of speculation.

For dispensationalists, God is going to come back and wipe out the nations and save Israel, that will happen during the tribulation and he (The Messiah) is going to reign in Jerusalem over his people in the Millennial period fulfilling Old Testament promises.

C. MODIFICATIONS OF BOTH DISPENSATIONAL AND COVENANTAL UNDERSTANDINGS

What has happened is that the notions that Israel equals the Church or Israel is totally separate from the Church have been challenged by both representatives in the Covenantal tradition and representatives in the Dispensation tradition. Both have come to see that a better model is one in which there is continuity and discontinuity together. Something like a screen between the two rather than a complete equation or a complete separation of the two. Some things can pass through, yet there are differences between them.

On the Covenant side there has been a recognition, for example, that we should think of a future for Israel. There was a time when very few Covenant theologians would deal with Romans 11 (Roman 11:17, 23, 24, 26) where Paul talks about the olive tree and the natural branches were cut off and the unnatural branches were grafted on. But a time will come when he will graft the natural branches back on to the tree; that is Israel. That analogy is so helpful. How many trees are there in that analogy? One. How many kinds of branches? Two. Do you have one people of God or two? If you mean one people in Christ, then there is one. If you mean specifically designated Jewish people, for whom God has specifically promised salvation verses the rest of God's saved people then it is two. How else do you understand the natural branches and the unnatural branches? Doesn't Paul continue to think of the people of God as comprised of Jews and Gentiles? At the moment most of those Jews are not saved; there is a hardening that has taken place. That is how he describes it in Romans 11. This hardening has taken place, so the Gospel has gone to Gentiles, but the day will come when he will graft the natural branches back on. Who are those people? They are Jews; they are going to be saved. Therefore, Paul says, all Israel will be saved. It was difficult for Covenant theologians and Covenant interpreters to see that as ethnic Israel. But increasingly in this more modified understanding, you are finding more and more Covenant theologians, people from the Covenant tradition acknowledging that, yes, this is what Paul means; he means that there will be future salvation of Jews - literal ethnic Jews. Whether this must happen in the way Dispensationalist conceive it (in a tribulation period where vast persecution takes place, tremendous destruction of people and material well-being in everything across the world, and at the same time massive conversions of Jews to Christ) or whether it happens in this age (through some kind of evangelistic effort) is really beside the point. That is a secondary question. Where there is much more agreement among Dispensationalists and Covenant theologians is that it does look like there is future salvation of Israel.

Dispensationalists have changed. It might be fair to say that they have done more changing than the Covenant side. Dispensationalists have recognized a bit more that has needed to be changed in their views and tradition than has necessarily been the case in with Covenant theologians.


In the old view for Dispensationalism, Israel is one thing and the Church is another and you can't mix the two. Here you are, reading your New Testament and you hear Jesus say, "This cup is the new covenant in my blood" (1 Cor 11:25). Paul says, I am a minister of the New Covenant (2 Cor 3:6). Hebrews speaks of the Old Covenant is taken away, and the New Covenant has come (Heb 8:13). The New Covenant is the Covenant for the Church, the Old Covenant is the Mosaic Covenant, the Covenant for Israel.

What do you do with how Jeremiah 31-34 relates to the New Covenant for the Church, the New Covenant that Paul talks about in 2 Corinthians 3? In traditional Dispensationalism, Israel is one thing, the Church is another and here you have this statement about a new covenant with the house of Israel, so what relation does this Jeremiah 31 *New Covenant* have to do with the 2 Corinthians 3 *New Covenant*?

The dispensational answer is that they are two separate Covenants. Traditional Dispensationalism had a two New Covenant view because Jeremiah 31 had to be for Israel, whatever Paul is talking about, whatever Jesus is talking about, and whatever Hebrews is talking about has got to be a different covenant.

Hebrews 8 and 10 quote Jeremiah 31 twice (Hebrews 8:8,9; 10:16) in making the point that the Old Covenant, the Mosaic Covenant is done away and New Covenant, "has taken its place". Even despite that, they maintain this difference.

The Dispensations

CREATION OF MAN with CHOICE	Agents of moral responsibility "Work of the law written in their hearts, conscience..." "And they knew they were naked"	CIVILIZATION INHERITS CONSCIENCE	Capital punishment to protect man, for he alone is in the image of God "by man shall his blood be shed"	COMMISSION TO GOVERN	COVENANT PROMISES TO ABRAHAM & HIS SEED "God gave it to Abraham by promise" - "I will bless" -Personal -International	COMMANDS: GIVING OF THE LAW "I will give thee ... a law, and commandments" Israel: "We will do" - or "cursing"	CHURCH GIVEN SPIRIT OF GRACE  "the dispensation of... grace of God"	CHRIST RETURNS "shall He set upon the throne" - earth
ETERNAL COUNSELS	ETERNAL REST	FREE WILL - "Whoever will ... Let him take ... freely"	CONSCIENCE - "Their conscience also bearing witness"	GOVERNMENT - "The minister of God" to punish evil	PROMISE - "If ye be Christ's, then are ye Abraham's seed"	LAW - "By the law is the knowledge of sin"	GRACE - "By grace are ye saved"	KINGDOM - "We shall reign"

"The eternal purpose which He purposed in Christ Jesus our Lord"
Eph. 3:11

- 1
- 2
- 3
- 4
- 5
- 6
- 7

New Heaven
New Jerusalem
New Earth
Rev. 21-22

Dispensation	1	2	3	4	5	6	7
New Responsibility Dispensed by God	FREE WILL Gen. 1:26-3:24	CONSCIENCE Gen. 3:7-8:22	GOVERNMENT Gen. 9:1-11:32	PROMISE Gen. 12:1-Ex. 18	LAW Ex. 19-John	GRACE Acts-Rev. 19	KINGDOM Rev. 20
Man's Failure	Ability to Choose Chose to Disobey	Knowledge of Good & Evil Thought Evil Continually	Authority to Prosecute / To Scatter Out Exalted Man, Not God / Unified	Covenant of Blessing - to Seed Enslaved Promised Seed	Covenant of Commandments Broke Word in Book & Body	Gospel of Salvation: Remission - Spirit Legalized & Liberalized Grace	Rule of Justice Attacks City of God
God's Judgment to Continue	Death & Separation Covering for Shame	Flood & Destruction Noah & Ark	Babel: Languages Confusion People Scattered	Plagues & Death of Firstborn Passover Blood	Destruction of Nation & Temple 2nd Temple & Gospel to Jew First	7 Seals of World Judgment Some Saved from All Nations	Fire from Heaven Creates New Earth