

A BRIEF INTRODUCTION TO COVENANT THEOLOGY

PART II (*concluded*):

The Covenant and Works and the Covenant of Grace

by STEPHEN C. PERKS

READINGS: GENESIS 2: 15–17; ROMANS 8:1–4; HEBREWS 9:1–28; 10:1–18

As we have already seen, there are two fundamental covenants between God and man in the Bible: 1. *the covenant of Creation* or *nature*, usually called the *covenant of works*, and 2. *the covenant of grace*. All other covenants in the Bible, such as the covenant between God and Noah, or God and Abraham, the Mosaic covenant, the Davidic covenant etc. are particular administrations of the *covenant of grace*, and are *typical* in nature, i.e. they point to and foreshadow the coming and saving work of the Lord Jesus Christ. The theological terms for this foreshadowing of the work of Christ are *type* and *anti-type*. Noah, Moses, David were all are *types* of Christ, who is the *anti-type*, i.e. the one to whom all the types point and who fulfils all that they promise. So also, in the Mosaic law, the sacrifices of bulls, goats and lambs, are types of Christ. The shedding of the blood of bulls and goats in the Old Testament sacrificial law did not in and of itself cleanse anyone of sin, but did so because it was a *type* of Christ, pointing to the death of Christ as our true sacrifice for sin on the cross. At this point it is important to understand that the term *old covenant* does not refer to the *covenant of works*, the covenant established between God and Adam and his posterity in him before the Fall, but to the *covenant of grace* in the Old Testament, in which Christ's future saving work is represented typically.¹

One other theological term that needs to be mentioned at this point is the *covenant of redemption*. Federal or covenant theologians use this term to refer to the covenant between God the Father and God the Son in terms of which the second person of the Trinity agrees to become the Redeemer of God's elect by becoming incarnate in the Lord Jesus Christ and saving the elect from their sin by his life, death on the cross and resurrection

from the dead. The *covenant of redemption* therefore is the foundation of and the means by which the *covenant of grace* is fulfilled.²

The *covenant of works* is made between God and Adam as the *head* and *representative* of the human race in the original state of Creation or nature. The *covenant of grace* is made between God and the Lord Jesus Christ, the Messiah, as the second Adam and *mediator* between God and man and the head and representative of the new race, and with all God's elect in union with him, i.e. the new Creation (2 Cor. 5:17; Gal. 6:15).³

All men are under one of these two covenants, the *covenant of works* or the *covenant of grace*. You can only be under one of these covenants. You cannot be under both. All men are by nature under the *covenant of works*; but when a man believes in Christ as his Lord and Saviour he becomes a new creation in union with Christ and comes under the *covenant of grace*.

The term *covenant of works* has been criticised because Adam did not work himself into a state of moral rectitude by his own efforts but was created as a morally upright person. His righteousness and acceptance with God was not based on works that he had performed in order to earn his acceptance with God. He was created morally upright. As long as he obeyed God's word he continued in that state of acceptance and fellowship with his Creator. Nevertheless, Adam's acceptance with God was based on his own righteousness, not the righteousness of another. And his own obedience to God was the basis of his continuance in that state of acceptance and fellowship with God. Given that Adam was accepted by God on account of his own righteousness and maintained his fellowship with God prior to the Fall by his own obedience, not on the basis of the righteousness of someone else being imputed to him by God, the term *covenant of works* makes sense and accurately describes his covenantal standing with God. The terms *covenant of nature*, and *covenant of Creation* are also suitable terms. I think the terms *covenant of works*, however, better explains the nature of the covenant between God and Adam.⁴

¹ "The covenant of grace, set down in the Old Testament before Christ came, and in the New since he came, is one and the same in substance, albeit different in outwards administration: For the covenant in the Old Testament, being sealed with the sacraments of circumcision and the paschal lamb, did set forth Christ's death to come, and the benefits purchased thereby, under the shadow of bloody sacrifices, and sundry ceremonies: but since Christ came, the covenant being sealed by the sacraments of baptism and the Lord's supper, doth clearly hold forth Christ already crucified before our eyes, victorious over death and the grave, and gloriously ruling heaven and earth, for the good of his own people" (*The Sum of Saving Knowledge*, III:ii).

² See further *The Sum of Saving Knowledge*, Head II.I-III.

³ Westminster Larger Catechism, *Question 34, A*.

⁴ The term *Adamic administration* has also been proposed as a description of the prelapsarian covenant. See John Murray, "The

But Adam fell from this state of acceptance with God by disobeying God's law. And once fallen, Adam's own attempts to keep God's law could not redeem him from the sin he had committed (sin is the transgression of God's law—see 1 John 3:4). However, Adam's sin affected not only himself, but all those whom he represented before God, i.e. Eve and the whole race, all those descended from Adam by natural generation. As their head and representative under the covenant, Adam's sin was *imputed* to the whole race. So mankind fell under the condemnation of the law—the sanctions of the covenant. Man is unable to redeem himself from this fallen condition by his own works. His law keeping cannot save him from the guilt of and condemnation for his lawbreaking (his sin). Man cannot atone for his sin by his works. In order to save mankind from this fallen condition God sent his own Son, God incarnate, the Lord Jesus Christ, born of the virgin Mary, to live, die and rise from the grave on man's behalf as his substitute and representative. God saves his people by sending his Son on their behalf to pay the penalty that sin brings upon them, living in their place, thereby providing a perfect life of righteousness in the place of their life of sin, and dying on the cross to make a perfect atonement, a perfect sacrifice for sin, which God accepts in the place of their eternal condemnation. In this transaction the sin of man is *imputed* by God to the Lord Jesus Christ, who suffers on the cross thereby making a full and final propitiation on behalf of God's people for their sin, and the righteousness of Christ, his perfect life of obedience to God, is *imputed* by God to the believer. But this transaction is only made for those who have faith in Christ, those who believe. The salvation that God has accomplished for man by the life, death and resurrection of his Son is by God's grace alone through faith alone. This is the *covenant of grace*. Those who believe in the Lord Jesus Christ go from under the *covenant of works* and come under the *covenant of grace*. And here is the difference between these two covenants: under the *covenant of grace* the believer is accepted with God, reconciled with God and his sin forgiven, not on the basis of his own righteousness, but on the basis of an alien righteousness, to use Luther's term, i.e. someone else's righteousness, namely the righteousness of the Lord Jesus Christ. Through faith in Christ we become *united* with Christ, who becomes our *head* and *representative*. We stand with God, forgiven and redeemed, on the basis of Christ's righteousness, which is imputed to us by God. Our sin is forgiven because it was imputed to Christ on the cross, and he suffered the penalty of sin in our place. We are accepted with God not on account of what we are and what we have done, but on account of who Christ is and what he has done on our behalf as our head and representative. Christ becomes our head and representative because of our union with him through faith. Under the *covenant of works*, however, Adam is our head and representative, and because he fell into sin all those whom he represents, all those descended from him by natural generation, are united with

him, share his fallen nature and are therefore by nature since the fall "children of wrath" (Eph. 2:3)—i.e. subject to condemnation for sin. Because Adam is by nature our head and representative we share his fallen nature and his condemnation. Under the *covenant of grace*, however, the Lord Jesus Christ becomes our new head and representative, because we are through faith united with him and adopted into the family of God. Because of this our standing with God is determined by what Christ has done for us as our head and representative, not what Adam did and not what we can do ourselves. Through union with Christ we pass from the *covenant of works* to the *covenant of grace*, and consequently his righteousness is imputed to us, just as our sin was imputed to him on the cross. He suffered for our sin, paid the penalty of the law against sin, a penalty that we owed but could never have paid, so that we could be reconciled with God. Because Christ died in our place and suffered condemnation for us, we cannot be condemned. Consequently, we are *justified* with God, accepted as righteous in God's sight, not because we are righteous in ourselves, in our own person, but because Christ's righteousness is imputed to us, i.e. put to our account. Through union with Christ Adam is no longer our head and representative. Christ becomes our new head and representative. In Christ the believer becomes a *new creation*: "Therefore, if any man be in Christ, he is a new creature: old things are passed away; behold, all things are become new" (2 Cor. 5:17 cf. Gal. 6:15). In Christ man's old covenantal standing with God in Adam—i.e. under the *covenant of works*—passes away and he comes into a new covenantal relationship with God in Christ—i.e. he comes under the *covenant of grace*. Adam is no longer the believer's covenant head and representative. Christ is his new covenantal head and representative.

As believers redeemed from our sin through the merit of Christ's life, death and resurrection, we are still in a covenant relationship with God. God now deals with the believer *in Christ*, whereas he formerly dealt with him, as a non-believer, *in Adam*. In Christ the believer is in a new covenant relationship with God. In this covenant, as believers, we are no longer condemned by God's law because the Lord Jesus Christ has taken our condemnation upon himself and discharged the debt that we owed but could never have paid. Nevertheless, this is still a covenant relationship. In this covenant of grace God promises to save us from our sins through the work of his only begotten son, the Lord Jesus Christ, on our behalf, and we, as believers, submit ourselves to his lordship, which means obeying his law. God's law constitutes the *terms* of both covenants, the *covenant of works* and the *covenant of grace*. These covenants are not the same covenants, but the law is the same in both covenants. In the covenant of works (i.e. when we are in Adam) man is condemned on the basis of his own works, his own righteousness. In the covenant of grace (i.e. when we are in Christ), we are justified and accepted with God, reconciled with God, on the basis not of our own works but on the basis of Christ's works, Christ's righteousness. We are accepted not in our own person, but in the person of another. But the fact that we are, as believers, *in Christ*, i.e. in union with Christ, and

Adamic Administration" in *The Collected Writings of John Murray* (Edinburgh: Banner of Truth Trust, 1977), Vol. 2, pp. 47–59.

therefore delivered from the condemnation of the law, does not mean that we no longer have to obey God's law. God's law still applies. Under the covenant of works God's law applies as a *means of justification*, i.e. our own obedience or works is the *ground* of our acceptance or condemnation before God. Under the covenant of grace, Christ's righteousness, his work on our behalf as our redeemer, is the ground of our justification, of our acceptance with God. The laws still applies to us, but as a *rule of life*, not as a means of justification. Justification is by grace through faith in Christ. Under the covenant of works the law is also a rule of life, but because in Adam we stand before God in our own person, disobedience to that law brings condemnation. Under the covenant of grace that condemnation has been dealt with by Christ's death as the propitiation for our sin, and his righteousness, all that he did in his life on our behalf, is put to our account, imputed to us, so that we are clothed in his righteousness in God's eyes. God's law, as the standard of righteousness that God requires, and therefore as our rule of life, continues, but the condemnation of the law for our disobedience fell on Christ, who bore the condemnation for us, on our behalf, thereby discharging the debt that we owed. We are still to keep God's law, but we are not thereby justified in God's eyes by this obedience, which can never be perfect in this life. We are justified by grace through faith.

The Old Testament therefore is not to be thought of as the covenant of works and the New Testament as the covenant of grace. All those who believed and were justified in God's sight in ancient Israel were saved by grace through faith and were under the covenant of *grace*, just as we are. The administration of the covenant of grace before the coming of the Lord Jesus Christ was not the same in all respects as the administration of the covenant of grace since the coming of Christ. In the Old Testament Christ was preached by means of shadows, or types, that pointed to Christ and his atonement for his people. This was the sacrificial system of Moses. In the New Testament, i.e. since the coming of Christ, these shadows have been fulfilled in the life and work of the one they pointed to: Jesus Christ. Therefore the sacrificial law is no longer observed.⁵ The use of an analogy here might help. When I used to go abroad to speak at conferences, I would take with me some photographs of my family, to remind me of them while I was away. When my family were not with me these photographs were important to me. But when I got home I saw my family in the flesh so to speak. The photos then became unnecessary. While I was away, I would look at them periodically to remind myself of my family. They were like the types of the Old Testament rituals. But once I got home I could see my family face to face. My real family was like the anti-type of the Old Testament rituals, the real thing to which the photos pointed. It would have been absurd for me to ignore my family once I got home and just look at the photos of them. Likewise, now that Christ has come and offered himself on the cross in our place, as the anti-type of the types, it would be absurd to observe the rituals of the Old Testament sacrificial law, which were shadows of Christ to come. These shadows,

⁵ Larger Catechism, *Questions* 31–35.

what we call the ceremonial laws, because they were typological, have now gone. We no longer observe them because what they pointed has come, and we look directly to Christ's death on the cross as our sacrifice, our atonement for sin, not to the sacrifice of bulls and goats and other ceremonies.

The old covenant, therefore, is not the covenant of works, but the preincarnational administration of the covenant of grace. The new covenant is the postincarnational administration of the covenant of grace. The terms *old* and *new covenant* both refer to the same covenant of grace. The covenant of works is the covenant with Adam and his posterity (the covenant that applied before he fell and still applies to all who do not have faith in Christ as their redeemer). The covenant of grace is the covenant under which men are saved from their sin through the merits of Christ's life, death and resurrection on their behalf, whether they lived in Old Testament times before the coming of Christ, or after his coming. So these two terms, *old covenant* and *new covenant*, refer to different administrations of the same covenant, the *covenant of grace*.

The *signs* and *seals* of the covenant under the old covenant were *circumcision*, the sign of *initiation*, and the *Passover*, the sign of *continuation*. Both of these signs were signs made with blood, the blood of the circumcised person and the blood of the paschal lamb. This pointed to the blood sacrifice without which there can be no forgiveness of sin, and therefore no acceptance with God (Heb. 9:22). The signs of the new covenant, however, are changed to *baptism* and the *Lord's Supper* (the Christian Passover), signs utilising water and bread and wine, which do not involve the shedding of blood. This is because Christ, to whom all the old covenant sacrifices pointed, has now come and shed his blood once and for all time for his people. The blood that redeems us from sin has been shed and nothing can be added to this. The sacrifice that redeems men from sin, to which all the previous sacrifices of the old covenant were only pointers, types, has been made in Christ's death on the cross. The new covenant signs of the covenant, therefore, are no longer blood sacrifices. They still refer to Christ and his sacrificial life, but they now show that no more blood shedding for the remission of sins is required or indeed *possible*. His sacrifice alone suffices. The sacrificial laws of the Old Testament, the ceremonial laws, as they are called, which were types, rituals that pointed to Christ's death, are no longer observed. There is no more blood shedding in the form of sacrificial rituals in the new covenant. The antitype, Christ, to which the types pointed, has come and offered himself as the sacrifice for man's sin, and therefore the observation of the former typical sacrifices has ceased.

However, the rest of God's law, which is given to us as our rule of life, is still applicable. So the Lord Jesus himself said: "Think not that I am come to destroy the Law, or the Prophets: I am come not to destroy but to fulfil. For verily I say unto you, Till heaven and earth pass, one jot or one tittle shall in no wise pass from the law, till all be fulfilled. Whosoever therefore shall break one of these least commandments, and shall teach men so, he shall be called the least in the kingdom of heaven: but whosoever

shall do and teach them, the same shall be called great in the kingdom of heaven” (Mt. 5:17–19). The covenant of grace still has terms, a law, God’s law, which is a perfect transcription of God’s righteousness, and Jesus tells us that we are to seek first God’s Kingdom and his righteousness (Mt. 6:33). We are to seek to live by God’s law. But doing this does not redeem us from our sins. Only Christ can redeem us. But we are redeemed that we might live according to God’s law, that the righteousness of the law might be fulfilled in us, who live not according to the flesh, i.e. in *sin*, but in the Spirit (Rom. 8:1–4). To seek to live according to God’s law, i.e. in obedience to God’s law, is to seek to live by the Spirit. To live in disobedience to God’s law is to live according to the flesh, i.e. according to sin, since sin the transgression of God’s law (1 Jn 3:4). But in seeking to live according to God’s law we are not thereby seeking to save ourselves by our own works of obedience. We are not seeking our own righteousness, but rather seeking his righteousness as people who are already redeemed from our sin by the Lord Jesus. We do not obey him in order that we might be redeemed. We are redeemed in order that we might obey him, i.e. live in a way that conforms to *his* righteousness.

Now of course, sin still remain in the believer’s life. There is no moral perfection in this life. We fail, and we sin. And when we do we confess our sin, ask forgiveness, and receive it because the Lord Jesus died for our sins. But we pick ourselves up and with God’s help continue striving towards our goal of serving God by pursuing his righteousness, and as we have seen it is God’s law that defines his righteousness, his justice, and therefore that shows us what it means to live in a way that conforms to God’s will for our lives.

I shall conclude now by summing up the role of God’s law in the two covenants. God’s law governs how men should live in both covenants, i.e. the covenant of works and the covenant of grace. But in the covenant of works it condemns us for our sin. In the covenant of grace, this condemnation is borne by the Lord Jesus, and therefore there is no condemnation for those who believe. But under the covenant of grace the law still defines righteousness, and therefore provides us with the rule of life that we are to follow. We are not as believers under the law in the sense of being under the covenant of works, i.e. under the law as a means of justification, and therefore we are not under the law in the sense of being under the condemnation of the law. But we are saved that the righteousness of the law might be fulfilled in us who walk after the Spirit (Rom. 8:1–8). We are justified by grace through faith in Christ that we might seek to serve God according to his will, which is revealed in his law. Therefore by faith we establish the law, as the apostle Paul teaches: “Do we then make void the law through faith? God forbid: yea, we establish the law” (Rom. 3:31).

Now look at the introduction to the Decalogue. “I am the Lord thy God, which have brought thee out of the land of Egypt, out of the house of bondage” (Ex. 20:2). In other words the Lord says “I am the God who has saved you.” *Therefore*, you shall obey my law. God does not say to the children of Israel: “Here is my law, obey it, and when

you have done so I will the save you from your enemies and from your sins.” And the deliverance from Egypt was also a type of the salvation that God accomplished in the Lord Jesus Christ, as is evident from deliverance from death as a result of the slaughtering of the lamb and the placing of the blood on the door posts of the Hebrews’ dwellings when the angel of death went through the land of Egypt to slaughter the first-born. No, God saves his people and then he gives them his law. The law is given to the children of Israel not as a means of justification but as a rule of life. This is why we must see the old covenant as the preincarnational administration of the covenant of grace. The law only appears as a means of justification in the *covenant of works*. In the *covenant of grace* the law is a rule of life, and justification is by grace through faith. All men are by nature under the covenant of works (i.e. in Adam), and are therefore under the condemnation of the law for sin, until they put their faith in Christ. Once we put our faith in Christ we are delivered from the condemnation of the law and we come into a new covenant relationship with God in Christ, the covenant of grace, in which the law remains our rule of life, but the condemnation for our sin is borne by Christ on the cross. God accepts Christ’s righteousness in the place of our righteousness, i.e. he imputes Christ’s righteousness to us, and our sin is imputed to Christ who discharged the debt fully on the cross. In the covenant of grace therefore the law does not appear as a means of justification but as a rule of life. God’s law is relevant to both covenants, but not in the same way. It provides a standard of righteousness that we are to live by and seek to uphold in both covenants, but it is only the ground of acceptance with God in the covenant of works. In the covenant of grace it is not the ground of our acceptance with God. And this is why we must distinguish between the covenant of works and the covenant of grace. All men are under one of these covenants, but no one can be under both. You are either under the covenant of works, and dead in your sins, or under the covenant of grace and alive to God through faith in Christ.

God’s law therefore is the standard of Christian ethics. It is our guide not only for our personal individual lives, but also for the government of nations. The Christian doctrine of the rule of law, as historically understood, in English common law for example, is that “Any law is or of right ought to be according to the law of God.”⁶ So when Jesus tells us to love our neighbour, how do we know what this means? By looking into God’s law, which guides our path. If we wish to love our neighbour we do not murder him, steal from him, commit adultery with his wife, destroy him by bearing false witness against him etc. As the apostle Paul says: “Love is the fulfilling [i.e. the *keeping*] of the law” (Rom. 13:10).

As redeemed people we are under the covenant of grace. This covenant should structure our whole lives.

⁶ This statement is from a Year Book of Henry VII’s reign (cited in A. K. R. Kiralfy, *Petter’s Historical Introduction to English Law* [London: Sweet and Maxwell Ltd, Fourth Edition, 1958], p. 33). See further my book *Christianity and Law: The Influence of Christianity on the Development of English Common Law* (Taunton: Kuyper Foundation, 2012), p. 48 *et passim*.

The law remains the terms of the covenant. When we were under the covenant of works, in Adam, we were under the condemnation of the law for our sin, and as a result spiritually dead in our sin. Now, as believers, we have come under the covenant of grace and we are delivered from the condemnation of the law for sin, and we are made alive in Christ that we might seek to serve God according to his will as revealed in his law. To seek God's Kingdom and his righteousness means that we seek to establish the covenantal social order that God has given us in his word and pursue justice according to his law in all our relationships and works.

This has been a basic overview of covenant theology, an exposition of basic principles to guide our understanding of Scripture. The Bible commands us to study God's law, and it tells us that God's law is a guide to our feet and a light to our path (Ps 119:105 cf. Ps. 19:7). As we seek to conform our lives to God's will, and seek to order our communities according to his law, his Kingdom comes on earth, and we can expect the blessings of the covenant, God's blessings on our faithfulness, in our lives and communities.

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Published by
THE KUYPER FOUNDATION,
P. O. BOX 2, TAUNTON, SOMERSET, TA1 4ZD, ENGLAND
www.kuyper.org