CHAPTER 7
COVENANT OF GRACE

Definition of the covenant of grace

The covenant of grace (or sometimes called the covenant of redemption)

Defined in WCF 7:3-4, WLC 30-32, WSC 20

Parties: God the Father and God the Son (the Son representing the elect)

Conditions: perfect active and passive obedience on the part of the Son

Active obedience—Jesus in his human life perfectly obeying all the law of God

Passive obedience—Jesus in his human life suffering the penalties due to us for our sin

[For a good grammatical discussion showing that ὑπὲρ plus the genitive in atonement verses (e.g., “he died for us”) is substitutionary, see Daniel B. Wallace, Greek Grammar Beyond the Basics, 383-389; his discussion incorporates full information from the Greek papyri.]

Reward: an eternal kingdom and a people for his name

In this classical definition, the covenant of grace is a mutual purposing within the Godhead itself, prior to the creation. Sometimes Reformed writers refer to this particular covenant as the covenant of redemption, to distinguish it from the subsidiary form of the covenant (see below). With the covenant of redemption, the benefits Christians receive are seen as part of a larger plan.

The subsidiary covenant of grace

When Reformed writers refer to the above covenant as the covenant of grace, they then consider this subsidiary covenant as a consequence; when they refer to the above covenant as the covenant
of redemption, they often will then refer to a covenant of grace that exists between God and the sinner, as follows:

Parties: God and the sinner

Condition: faith

Reward: salvation and eternal life

This subsidiary definition of the covenant of grace seems intended in WCF 7:3. However, normally, Reformed theology sees this covenant of the gospel as a part and a corollary of the eternal covenant of grace (covenant of redemption), as in WCF 8:1, 5, and WLC 31-32.

Development of the doctrine

[Murray, “Covenant Theology,” The Encyclopedia of Christianity 3:199-216 (Works 4:ch. 14); for dispensational viewpoint, see Charles C. Ryrie, Dispensationalism [rev. and exp. ed.], pp. 213-227. The first generation reformers taught election, predestination, etc., but did not systematize these concepts into a covenant framework. This systematization came after the Reformation, and resulted from several independent theological developments.]

Leaders in the development of the federal headship idea:

Andrew Hyperius (1511-64)
Kaspar Olevianus (1536-87)
Rafael Eglinus (1559-1622)

The covenant of works was clearly enunciated by Robert Rollock (1596, 1597, 1603) and was developed by William Ames (1576-1633), a teacher in England and Holland, the teacher of Cocceius.

The covenant of grace experienced a parallel development. David Dickson (1583-1663) in Scotland and Johannes Cocceius (1603-69) in the Netherlands both published books in 1648 linking the plan of salvation to the covenant scheme. Usually, Cocceius’s name is associated with covenant theology. He was a German student, influenced by Melancthon, and developed the idea of a covenant of grace in order to lead Calvinism more closely in line with biblical theology. His definition of the covenant of grace was similar to the subsidiary form mentioned above.
The Westminster standards were being produced at this time (1643-48), in which the two covenants are named.

The covenant of grace was further defined, in terms of the covenant of redemption, by Herman Witsius (1636-1708) and Francis Turretin (1623-87).

In America covenant theology was adopted and taught by many, including John Cotton (1584-1652), Jonathan Edwards (1703-58), the Hodges, and so forth.

**Biblical defense of the covenant of grace**

While the covenant of grace is not named as such in Scripture, its essential features are clearly taught.

1. The elect were chosen to salvation before the world was created. (see next chapter on election)

   Eph 1:4, For he chose us in him before the creation of the world to be holy and blameless in his sight.

2. The elect were chosen to salvation in Christ.

   Eph 1:4-11, For he chose us in him before the creation of the world to be holy and blameless in his sight. In love he predestined us to be adopted as his sons through Jesus Christ, in accordance with his pleasure and will—to the praise of his glorious grace, which he has freely given us in the One he loves. In him we have redemption through his blood, the forgiveness of sins, in accordance with the riches of God’s grace that he lavished on us with all wisdom and understanding. And he made known to us the mystery of his will according to his good pleasure, which he purposed in Christ, to be put into effect when the times will have reached their fulfillment—to bring all things in heaven and on earth together under one head, even Christ. In him we were also chosen, having been predestined according to the plan of him who works out everything in conformity with the purpose of his will.

3. God therefore determined Christ’s death for the salvation of the elect before the foundation of the world, which is also stated in Scripture.

   1 Pet 1:19-20, but with the precious blood of Christ, a lamb without blemish or defect. He was chosen (Greek, “who was foreknown,” with the idea of choice) before the creation of the world, but was revealed in these last times for your sake.
Rev 13:8, All inhabitants of the earth will worship the beast—all whose names have not been written in the book of life belonging to the Lamb that was slain from the creation of the world. (Greek most easily reads “slain from the creation,” as in KJV, NIV, NASB margin; not “written from the creation,” as in ASV, RSV, NASB, NIV margin, ESV—a translation difference)

Also, this conclusion must follow from a proper understanding of God’s omniscience and his unchangeableness.

4. Christ knowingly undertook his humiliation, obedience, sufferings, and sacrifice in response to his Father’s will.

John 10:11-18, I am the good shepherd. The good shepherd lays down his life for the sheep. The hired hand is not the shepherd who owns the sheep. So when he sees the wolf coming, he abandons the sheep and runs away. Then the wolf attacks the flock and scatters it. The man runs away because he is a hired hand and cares nothing for the sheep.

I am the good shepherd; I know my sheep and my sheep know me—just as the Father knows me and I know the Father—and I lay down my life for the sheep. I have other sheep that are not of this sheep pen. I must bring them also. They too will listen to my voice, and there shall be one flock and one shepherd. The reason my Father loves me is that I lay down my life—only to take it up again. No one takes it from me, but I lay it down of my own accord. I have authority to lay it down and authority to take it up again. This command I received from my Father.

John 17:4, I have brought you glory on earth by completing the work you gave me to do.

John 17:8, For I gave them the words you gave me and they accepted them. They knew with certainty that I came from you, and they believed that you sent me.

John 17:18, As you sent me into the world, I have sent them into the world.

John 17:23-24, I in them and you in me. May they be brought to complete unity to let the world know that you sent me and have loved them even as you have loved me. Father, I want those you have given me to be with me where I am, and to see my glory, the glory you have given me because you loved me before the creation of the world.

5. This submission involved a difficult decision for his human nature.

Luke 12:50, But I have a baptism to undergo, and how distressed I am until it is completed!
John 12:27, Now my heart is troubled, and what shall I say? “Father, save me from this hour”? No, it was for this very reason I came to this hour.

Luke 22:41-44, He withdrew about a stone’s throw beyond them, knelt down and prayed, “Father, if you are willing, take this cup from me; yet not my will, but yours be done.” An angel from heaven appeared to him and strengthened him. And being in anguish, he prayed more earnestly, and his sweat was like drops of blood falling to the ground.

6. In obeying this command of the Father, Jesus fulfilled the prophecies of the suffering of the Messiah.

Isa 53 contains many verses about the suffering Messiah (often quoted in the NT)

Zech 12:10, And I will pour out on the house of David and the inhabitants of Jerusalem a spirit of grace and supplication. They will look on me, the one they have pierced, and they will mourn for him as one mourns for an only child, and grieve bitterly for him as one grieves for a firstborn son. Cf. Rev 1:7, Look, he is coming with the clouds, and every eye will see him, even those who pierced him; and all the peoples of the earth will mourn because of him. So shall it be! Amen.

John 19:23-24, When the soldiers crucified Jesus, they took his clothes, dividing them into four shares, one for each of them, with the undergarment remaining. This garment was seamless, woven in one piece from top to bottom. “Let's not tear it,” they said to one another. “Let's decide by lot who will get it.” This happened that the scripture might be fulfilled which said, “They divided my garments among them and cast lots for my clothing.” So this is what the soldiers did. (quoting Ps 22:18)

1 Pet 1:10-11, Concerning this salvation, the prophets, who spoke of the grace that was to come to you, searched intently and with the greatest care, trying to find out the time and circumstances to which the Spirit of Christ in them was pointing when he predicted the sufferings of Christ and the glories that would follow.

7. As the Messiah was to receive an eternal kingdom, so Jesus expected to receive it.

Matt 7:21-23, Not everyone who says to me, “Lord, Lord,” will enter the kingdom of heaven, but only he who does the will of my Father who is in heaven. Many will say to me on that day, “Lord, Lord, did we not prophesy in your name, and in your name drive out demons and perform many miracles?” Then I will tell them plainly, “I never knew you. Away from me, you evildoers!”

Matt 25:31-32, When the Son of Man comes in his glory, and all the angels with him, he will sit on his throne in heavenly glory. All the nations will be gathered before him, and
he will separate the people one from another as a shepherd separates the sheep from the goats.

Luke 22:29-30, And I confer on you a kingdom, just as my Father conferred one on me, so that you may eat and drink at my table in my kingdom and sit on thrones, judging the twelve tribes of Israel.

8. As a part of this kingdom, Jesus Christ would receive as his own an elect people, to be saved and glorified, and to be with him forever.

Isa 53:10-11, Yet it was the LORD’s will to crush him and cause him to suffer, and though the LORD makes his life a guilt offering, he will see his offspring and prolong his days, and the will of the LORD will prosper in his hand. After the suffering of his soul, he will see the light of life and be satisfied; by his knowledge my righteous servant will justify many, and he will bear their iniquities.

John 17:2, For you granted him authority over all people that he might give eternal life to all those you have given him.

John 17:9, I pray for them. I am not praying for the world, but for those you have given me, for they are yours.

John 17:24, Father, I want those you have given me to be with me where I am, and to see my glory, the glory you have given me because you loved me before the creation of the world.

Eph 5:25-27, Husbands, love your wives, just as Christ loved the church and gave himself up for her to make her holy, cleansing her by the washing with water through the word, and to present her to himself as a radiant church, without stain or wrinkle or any other blemish, but holy and blameless.

**Covenant theology**

This theological system considers the covenant of works and the covenant of grace to be basic to biblical theology. It seeks to subsume the various biblical covenants and dispensations under these larger concepts. It finds justification for this procedure in the similarity of content found in the promised blessings of the biblical covenants.

“Covenant theology” often is used to designate those who believe that the NT church continues to be under the Abrahamic covenant, thus establishing infant baptism.
Normally, however, the term is used as an alternative to dispensational theology, since it emphasizes the unity of the various dispensations, over against their distinctions.

Relation of the covenant of grace to the biblical covenants


1. A general rule: any biblical covenant which would lead to the fulfilment of the messianic kingdom must be a further enactment of the covenant of grace.


   The Westminster Confession distinguishes two dispensations, “the Old Testament and the New Testament,” or “the time of the law” and “the time of the gospel.” It goes on to emphasize their unity under the covenant of grace: “There are not, therefore, two covenants of grace differing in substance, but one and the same under various dispensations” (WCF 7:5-6).

3. The basic biblical covenants which clearly lead to the messianic kingdom, and which are thus outworkings of the covenant of grace, are the following:

   a. The Abrahamic covenant (Gen 12, 13, 15, 17, 22)
      a) Continued with Isaac (Gen 26)
      b) Continued with Jacob (Gen 28)
      c) Promised seed is Christ (Gal 3)

   b. The Mosaic covenant (Exod-Deut.)
      E.g., Lev 26; whole book of Deuteronomy

   c. The Davidic covenant (2 Sam 7 = 1 Chr 17; Ps 89)
d. The new covenant (Jer 31:31; Ezek. 36; Lord’s Supper institution [Luke 22:20; 1 Cor 11:25; “new” not in the Greek of Matt 26:28 = Mark 14:24]; also mentioned in 2 Cor 3:6; Heb 8:8-13; 9:15; 12:24)

4. Suggested list of dispensations
   a. Adam (after the fall) to Abraham
   b. Abraham to Moses
   c. Moses to Christ
      a) Moses to the Babylonian captivity (theocracy)
         (1) Before the reigns of kings
         (2) During the reigns of kings
      b) The Babylonian captivity to Christ (theocracy suspended)
   d. Christ to the second coming
   e. The eternal kingdom
      a) Millennium
      b) Future ages

This scheme is basically the same as that suggested by Charles Hodge, who distinguishes four dispensations before the second coming (2:373-77). All of these dispensations are included under the covenant of grace.

**Modern dispensationalism**

Charles C. Ryrie (*Dispensationalism*, pp. 46-48) distinguishes three points of difference between dispensational and covenant theology: “What, then, is the *sine qua non* of dispensationalism? The answer is threefold.

“(1) A dispensationalist keeps Israel and the Church distinct. . . . Chafer summarized it as follows: ‘The dispensationalist believes that throughout the ages God is pursuing two distinct purposes: one related to the earth with earthly people and earthly objectives involved which is
Judaism; while the other is related to heaven with heavenly people and heavenly objectives involved, which is Christianity. . . .”

“This is probably the most basic theological test of whether or not a person is a dispensationalist, and it is undoubtedly the most practical and conclusive. The one who fails to distinguish Israel and the Church will inevitably not hold to dispensational distinctions; and one who does will.

“(2) This distinction between Israel and the Church is born out of a system of hermeneutics that is usually called literal interpretation. Therefore, the second aspect of the sine qua non of dispensationalism is the matter of historical-grammatical hermeneutics. . . .

“(3) A third aspect of the sine qua non of dispensationalism is a rather technical matter. . . . It concerns the underlying purpose of God in the world. The covenant theologian, in practice, makes this purpose salvation (although covenant theologians strongly emphasize the glory of God in their theology), and the dispensationalist says the purpose is broader than that: namely, the glory of God.”

Covenant theologians could well dispute Ryrie’s third point, and premillennial covenant theologians would also dispute his second point. But the first point, the absolute distinction between Israel and the church, does indeed exclude covenant theology; and this is the point Ryrie stresses. The relation of Israel and the church will be discussed in the course The Doctrine of the Church and Eschatology.