

The Covenant of Grace

by Wayne Grudem

1. Essential Elements. When man failed to obtain the blessing offered in the covenant of works, it was necessary for God to establish another means, one by which man could be saved. The rest of Scripture after the story of the fall in Genesis 3 is the story of God working out in history the amazing plan of redemption whereby sinful people could come into fellowship with himself. Once again, God clearly defines the provisions of a covenant that would specify the relationship between himself and those whom he would redeem. In these specifications we find some variation in detail throughout the Old and New Testaments, but the essential elements of a covenant are all there, and the nature of those essential elements remains the same throughout the Old Testament and the New Testament.

The parties to this covenant of grace are God and the people whom he will redeem. But in this case Christ fulfills a special role as “mediator” (Heb. 8:6; 9:15; 12:24) in which he fulfills the conditions of the covenant for us and thereby reconciles us to God. (There was no mediator between God and man in the covenant of works.) The condition (or requirement) of participation in the covenant is faith in the work of Christ the redeemer (Rom. 1:17; 5:1; et al.). This requirement of faith in the redemptive work of the Messiah was also the condition of obtaining the blessings of the covenant in the Old Testament, as Paul clearly demonstrates through the examples of Abraham and David (Rom. 4:1–15). They, like other Old Testament believers, were saved by looking forward to the work of the Messiah who was to come and putting faith in him.

But while the condition of beginning the covenant of grace is always faith in Christ’s work alone, the condition of continuing in that covenant is said to be obedience to God’s commands. Though this obedience did not in the Old Testament and does not in the New Testament earn us any merit with God, nonetheless, if our faith in Christ is genuine, it will produce obedience (see James 2:17), and obedience to Christ is in the New Testament seen as necessary evidence that we are truly believers and members of the new covenant (see 1 John 2:4–6).

The promise of blessings in the covenant was a promise of eternal life with God. This promise was repeated frequently throughout the Old and the New Testaments. God promised that he would be their God and that they would be his people. “And I will establish my covenant between me and you and your descendants after you throughout their generations for an everlasting covenant, to be God to you and to your descendants after you” (Gen. 17:7). “I will be their God, and they shall be my people” (Jer. 31:33). “And they shall be my people, and I will be their God...I will make with them an everlasting covenant” (Jer. 32:38–40; cf. Ezek. 34:30–31; 36:28; 37:26–27). That theme is picked up in the New Testament as well: “I will be their God, and they shall be my people” (2 Cor. 6:16; cf. a similar theme in vv. 17–18; also 1 Peter 2:9–10). In speaking of the new covenant, the author of Hebrews quotes Jeremiah 31: “I will be their God, and they shall be my people” (Heb. 8:10). This blessing finds fulfillment in the church, which is the people of God, but it finds its greatest fulfillment in the new heaven and new earth, as John sees in his vision of the age to come: “Behold, the dwelling of God is with men. He will dwell with them, and they shall be his people, and God himself will be with them” (Rev. 21:3).

The sign of this covenant (the outward, physical symbol of inclusion in the covenant) varies between the Old Testament and the New Testament. In the Old Testament the outward sign of beginning the covenant relationship was circumcision. The sign of continuing the covenant relationship was continuing to observe all the festivals and ceremonial laws that God gave the people at various times. In the new covenant, the sign of beginning a covenant relationship is baptism, while the sign of continuing in that relationship is participation in the Lord's Supper.

The reason this covenant is called a "covenant of grace" is that it is entirely based on God's "grace" or unmerited favor toward those whom he redeems.

2. Various Forms of the Covenant. Although the essential elements of the covenant of grace remain the same throughout the history of God's people, the specific provisions of the covenant vary from time to time. At the time of Adam and Eve, there was only the bare hint of the possibility of a relationship with God found in the promise about the seed of the woman in Genesis 3:15 and in God's gracious provision of clothing for Adam and Eve (Gen. 3:21). The covenant that God made with Noah after the flood (Gen. 9:8–17) was not a covenant that promised all the blessings of eternal life or spiritual fellowship with God, but simply one in which God promised all mankind and the animal creation that the earth would no longer be destroyed by a flood. In this sense the covenant with Noah, although it certainly does depend on God's grace or unmerited favor, appears to be quite different in the parties involved (God and all mankind, not just the redeemed), the condition named (no faith or obedience is required of man), and the blessing that is promised (that the earth will not be destroyed again by flood, certainly a different promise from the that of eternal life). The sign of the covenant (the rainbow) is also different in that it requires no active or voluntary participation on man's part.

But beginning with the covenant with Abraham (Gen. 15:1–21; 17:1–27), the essential elements of the covenant of grace are all there. In fact, Paul can say that "the scripture...preached the gospel beforehand to Abraham" (Gal. 3:8). Moreover, Luke tells us that Zechariah, the father of John the Baptist, prophesied that the coming of John the Baptist to prepare the way for Christ was the beginning of God's working to fulfill the ancient covenant promises to Abraham ("to perform the mercy promised to our fathers, and to remember his holy covenant the oath which he swore to our father Abraham," Luke 1:72–73). So the covenant promises to Abraham remained in force even as they found fulfillment in Christ (see Rom. 4:1–25; Gal. 3:6–18, 29; Heb. 2:16; 6:13–20).

What then is the "old covenant" in contrast with the "new covenant" in Christ? It is not the whole of the Old Testament because the covenants with Abraham and David are never called "old" in the New Testament. Rather, only the covenant under Moses the covenant made at Mount Sinai (Ex. 19–24) is called the "old covenant" (2 Cor. 3:14; cf. Heb. 8:6, 13), to be replaced by the "new covenant" in Christ (Luke 22:20; 1 Cor. 11:25; 2 Cor. 3:6; Heb. 8:8, 13; 9:15; 12:24). The Mosaic covenant was an administration of detailed written laws given for a time to restrain the sins of the people and to be a custodian to point people to Christ. Paul says, "Why then the law? It was added because of transgressions, till the offspring should come to whom the promise had been made" (Gal. 3:19), and, "The law was our custodian until Christ came" (Gal. 3:24).

We should not assume that there was no grace available to people from Moses until Christ, because the promise of salvation by faith that God had made to Abraham remained in force:

Now the promises were made to Abraham and to his offspring...the law which came four hundred and thirty years afterward, does not annul a covenant previously ratified by God so as to make the promise void. For if the inheritance is by the law, it is no longer by promise; but God gave it to Abraham by a promise. (Gal. 3:16–18)

Moreover, although the sacrificial system of the Mosaic covenant did not really take away sins (Heb. 10:1–4), it foreshadowed the bearing of sin by Christ, the perfect high priest who was also the perfect sacrifice (Heb. 9:11–28). Nevertheless, the Mosaic covenant itself, with all its detailed laws, could not save people. It is not that the laws were wrong in themselves, for they were given by a holy God, but they had no power to give people new life, and the people were not able to obey them perfectly: “Is the law then against the promises of God? Certainly not; for if a law had been given which could make alive, then righteousness would indeed be by the law” (Gal. 3:21). Paul realizes that the Holy Spirit working within us can empower us to obey God in a way that the Mosaic law never could, for he says that God “has made us competent to be ministers of a new covenant, not in a written code but in the Spirit; for the written code kills, but the Spirit gives life” (2 Cor. 3:6).

The new covenant in Christ, then, is far better because it fulfills the promises made in Jeremiah 31:31–34, as quoted in Hebrews 8:

But as it is, Christ has obtained a ministry which is as much more excellent than the old as the covenant he mediates is better, since it is enacted on better promises. For if that first covenant had been faultless, there would have been no occasion for a second. For he finds fault with them when he says: **“The days will come, says the Lord, when I will establish a new covenant with the house of Israel and with the house of Judah; not like the covenant that I made with their fathers on the day when I took them by the hand to lead them out of the land of Egypt; for they did not continue in my covenant, and so I paid no heed to them, says the Lord. This is the covenant that I will make with the house of Israel after those days, says the Lord: I will put my laws into their minds, and write them on their hearts, and I will be their God, and they shall be my people. And they shall not teach every one his fellow or every one his brother, saying, “Know the Lord,” for all shall know me, from the least of them to the greatest. For I will be merciful toward their iniquities, and I will remember their sins no more.” In speaking of a new covenant he treats the first as obsolete. And what is becoming obsolete and growing old is ready to vanish away. (Heb. 8:6–13)**

In this new covenant, there are far greater blessings, for Jesus the Messiah has come; he has lived, died, and risen among us, atoning once for all for our sins (Heb. 9:24–28); he has revealed God most fully to us (John 1:14; Heb. 1:1–3); he has poured out the Holy Spirit on all his people in new covenant power (Acts 1:8; 1 Cor. 12:13; 2 Cor. 3:4–18); he has written his laws on our hearts (Heb. 8:10). This new covenant is the “eternal covenant” (Heb. 13:20) in Christ, through which we shall forever have fellowship with God, and he shall be our God, and we shall be his people.

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