

Economics, A Bahá'í Approach: Warwick Leaflets

"Re-adjustment of the social economy is of the greatest importance inasmuch as it ensures the stability of the world of humanity; and until it is effected, happiness and prosperity are impossible."

The Bahá'í analysis of the present condition of the world is that it is in the throes of evolution towards a new set of conditions and a new age. The economic problems reflect to a large degree the political and spiritual state of the world. Bahá'í economic principles should be seen in the light of general Bahá'í beliefs. The most fundamental beliefs are, firstly, that we should treat all people, of whatever country, race, gender or class, as of equal worth. Secondly that we should have a form of world government with a peace-keeping role. The establishment of world peace would not only free vast resources at present devoted to warfare and defence, but would also allow all areas of the world to develop unhindered by war.

At the same time, rampant materialism must give way to a more balanced view of the world, in which everyone has the right to a reasonable standard of living and in which resources can be conserved. At present, a cycle of slump and boom characterises western economies, while industrialised former communist countries strive to adapt to market forces, and much of the developing world struggles against poverty and a world economic system loaded against them.

Ultimately, Bahá'ís believe that all the world's population will become a united community, diverse in their national and individual characteristics, but co-operating in one shared world civilisation. This civilisation will be based on justice. All trade barriers will be removed, a common system of weights and measures adopted, a world currency established and interest rates set at a fair level. These measures would foster trade between countries and remove many of the difficulties faced by less developed nations.

"The essence of the matter is that Divine Justice will become manifest in human conditions and affairs and all mankind will find comfort and enjoyment in life."

Work and the Individual

"It is the duty of those who are in charge of the organisation of society to give every individual the opportunity of acquiring the necessary talent in some kind of profession, and also the means of utilising such a talent, both for its own sake and for the sake of earning the means of his livelihood."

"It is enjoined upon every one of you to engage in some form of occupation, such as crafts, trades and the like. We have graciously exalted your engagement in such work to the rank of worship unto God, the true One..... Waste not your time in idleness and sloth. Occupy yourselves with that which profiteth yourselves and others."

Profit-sharing is advocated as a general principle, allowing workers to have a greater role and interest in their employment:

"According to the Divine law, employees should not be paid merely by wages. Nay, rather they should be partners in every work."

Implicit in this is a partnership between capital and labour. Employee/employer relations should be based on spiritual principles, backed up by laws which are just to both sides:

"The mutual and reasonable rights of both associated parties will be legally fixed and established according to custom by just and impartial laws."

Redistribution of Wealth

"Absolute equality in fortunes, honours, commerce, agriculture, industry would end in chaos, in disorganisation of the means of existence, and in universal disappointment; the order of the community would be quite destroyed."

Although absolute equality is not possible, extremes of poverty and wealth must certainly be eliminated. Each person has the right to the basic necessities of life but no-one has the right to more wealth than he or she can use. Taxation laws should be designed to ensure that everyone exists within comfortable limits.

The Role of the Local Community

Economic progress depends on a balance between the needs of the different members of the community. In the Bahá'í view, this will work better as mankind evolves a proper community spirit, and local communities are allowed freedom of initiative. Although many Bahá'í teachings are clearly global in application, complete transformation will be from the grass roots:

"The solution begins with the village, and when the village is reconstructed, then the cities will be also."

Bahá'u'lláh, the Founder of the Bahá'í Faith, reminds us that agriculture is essentially the most important industry. Bahá'u'lláh's son, 'Abdu'l-Bahá, gave an example of how the system of local finance should work, based on an agricultural community. The principle is the same for towns and cities, but operating on a more directly financial basis.

As weather conditions vary from year to year, it is recommended that each village has a local storehouse, where a certain percentage of the harvest is kept. This would be under the control of the local authority, which would also receive income from a graduated income tax. It would also receive a proportion of the income from any mining operations in the area.

Great importance is put upon a detailed system of financial support, administered by the local authority. A family whose income exceeds its needs is taxed, but a family which does not earn enough to support itself is supported by the local community.

Each local community would contribute to the national funds, if it could afford to do so, but could also be supported by national funds if necessary. The same principle would apply at international level.

The details of how this system will operate will clearly vary from one community to another, and from one time to another.

Voluntary Contributions

In the Bahá'í Writings, great importance is given to voluntary sharing of wealth. Voluntary contributions form part of the income of the local authority. Concern for one's fellow beings is essential to the Bahá'í approach.

A form of voluntary capital gains tax is also advocated and is already in operation in the Bahá'í community. Bahá'ís pay into the international fund 19% of any increase in wealth which may have been accumulated over a period of time. The amount to be taxed is total income minus necessary living expenses. Although there are general guidelines, what constitutes a necessary expense is up to the conscience of the individual.

When people become citizens of the world, voluntary giving will be on a larger scale than at present:

"The time will come in the near future when humanity will become so much more sensitive than at present that the man of great wealth will not enjoy his luxury, in comparison with the deplorable poverty about him. He will be forced, for his own happiness, to expend his wealth to procure better conditions for the community in which he lives."

The many specific recommendations relating to economic questions to be found in the Bahá'í Writings cannot each successfully operate alone. For example, the system of financial support can only work properly when people are generally honest, and profit-sharing schemes depend upon mutual trust and goodwill.

Although the implementation of certain economic principles could improve the lot of humanity, it is only when the need for justice and social equality is universally recognised that the full impact can be achieved, for in reality:

"The secrets of the whole economic question are Divine in nature, and are concerned with the world of the heart and spirit."