



Is There A Bahá'í Economic System?

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The plan

1. Introduction
2. Is there a Bahá'í Economic System?
3. Distinctive Bahá'í Teachings on Economics
4. Concluding remarks

Definitions and concepts: 'Economy'

- The word 'economy' comes from the Greek word 'oikonomia' that literally means 'the management of the house' .
- 'This household is not well managed. This household is not living under perfect law. ...a law must be given to this family by means of which all the members of this family will enjoy equal well-being and happiness.' (Abdu'l-Bahá. *Foundation of World Unity*, p. 38)

Definitions and concepts:

'system'

An interacting or interdependent group of items forming a unified whole.

- **'A set of things working together as parts of a mechanism or an interconnecting network; a complex whole.'** *Oxford Dictionary*
- **'Using a fixed and organised plan as parts of a mechanism that work together in order to make something happen (objective).'**

Cambridge Dictionary

A system comprises multiple components, including concepts, rules, principles, analysis, design, structure, purpose, behavior, time-based factor, flexibility, planning and implementation. (these definitions are based on our understanding today)

Definitions and concepts:

The analogy of the 'human body' as a 'system'

In a Tablet to Queen Victoria Bahá'u'lláh wrote **'Regard the world as the human body'**

'In the human body, cooperation ensures the functioning of that system... Similarly, civilization can be seen as the outcome of a set of interactions among closely integrated, yet diverse components - components which have transcended the narrow purpose of tending to their own existence.' *'Abdu'l-Bahá*

Definitions and concepts:

The key elements of modern economy

Today the term 'Economic System' has reached three levels of meanings:

1. Economic activities
2. Socio-economic systems
3. Economic sciences (microeconomics and macroeconomics).

Therefore, today the worldwide economic discipline is extremely complex and mostly technical which requires specialists to deal with ups and downs and challenges of every day fluctuation of economic activities.

Is there a Bahá'í Economic System?

NO!

- 'Bahá'u'lláh did not bring a complete system of economics to the world.' (Shoghi Effendi, *Directives from the Guardian*, p. 19)
- 'The Cause is not an economic system, nor its Founders be considered as having been technical economist. ...The contribution of the Faith to this subject is essentially indirect, as it consists of the application of spiritual principles to our present-day economic system.' (Shoghi Effendi, letter dated 25 January 1936)

Continuing this discussion, we look at the question in a different way: **‘Will there be a Bahá’í Economic System?’** Responding to this, we will identify features and components of a ‘system’ more appropriate to the Bahá’í writings and the activities of the Bahá’í community.

Features of a 'system'

1. 'System' is an organized and orderly set of principles

- A country chooses an economic system based on how an economy coordinates principles of production, distribution, consumption, and flow of money.
- **In the Bahá'í Writings there are a number of guidelines, mainly spiritual, in relation to these basic economic principles.**
- **However, these teachings are not in an organized and orderly manner. This will be the task of the future experts to study Bahá'í Writings in its totality and devise a system based on an organized and orderly set of principles.**

2. 'System' is a functional group of interacting and interrelated components

- It refers to the manner in which each component functions with other components of a system.
- **Bahá'í teachings on economics yet need to be coordinated and linked together based on a given unified plan.**
- **There are short-term plans and long-term plans for applying Bahá'í principles.**

3. 'System' is a set of rules that govern and describe structure and behavior

- In the current system of market economy, the assumption is that the market is self-regulating and can reach equilibrium automatically.
- **In the Bahá'í Writings, apart from supporting government intervention to correct all kinds of market failures through legislation, there are numerous ethical and spiritual principles that influence individuals and businesses to have a new way of thinking or to have a different life style behavior.**

4. A 'system' is described by its purpose and objective with coordinated methods and unified plans

- A system should have a central objective. The objective can be divided into several sub-systems or system-models to be achieved on a set time-based factor.
- **In the Bahá'í community, having short-term and long-term plans results in a smooth process of achieving the central objective of unity. Economics is a means to achieve the central objective.**
- **We are familiar with a number of models or sub-systems that coordinate various activities in the Bahá'í community in relation to its central purpose of unity.**

5. A 'system' should convey its universal or holistic approach

- It is concerned with how a system is tied together. The current dominant economic systems do not consider the well-being of the entire global population.
- **The Bahá'í vision is working for 'an ever-advancing civilization', and service to humanity. There is a clear universal and holistic view with a multi-dimensional approach.**

Multiple components of a 'system' can be seen in the Bahá'í community

- The Bahá'í community has a learning culture that is influenced by the Bahá'í Writings and has a **behavioral pattern** towards life. Also, a substantial amount of **planning and implementation** comes from the **grassroots** population, with a coordinated method of **decision making process**.
- The Bahá'í community has the main objective of **unity** which is supported by **sub-systems** with **long-term** and **short-term** plans that are **time-specific**.
- There are Bahá'í Institutions at local, national and international levels guiding and supervising the **implementation** of plans with some **flexibility**.
- There are regularly **interacting and interdependent groups of sub-systems** working together within the Bahá'í community as parts of a **whole mechanism**, such as the coordination of financial aspects at local, national and international level.
- There is **unity** of thought and action in the Bahá'í community. The vision is based on Bahá'í Writings and therefore it does not create division in the community. This aspect makes a system more **stable** in the long run.

Will There Be A Bahá'í Economic System?

YES!

‘The International House of Justice will have, in consultation with economic experts, to assist in the formulation and evolution of **the Bahá'í economic system of the future.**’

(Shoghi Effendi, letter dated 25 August 1939)

It is too early to envisage the nature of the Bahá'í Economic System of the future

'...the time has not yet come for any believer to bring about such a fundamental change in the economic structure of our society, however restricted may be the field for such an experiment. **The economic teachings of the Cause, though well known in their main outline, have not as yet been sufficiently elaborated and systematized** to allow anyone to make an exact and thorough application of them even on a restricted scale.'

(Shoghi Effendi, letter dated 22 May 1935)

We are not aware of the detailed Bahá'í Economic System

‘Although Bahá'u'lláh does not set out in His Revelation a detailed economic system, a constant theme throughout the entire corpus of His teachings is the reorganization of human society. Consideration of this theme inevitably gives rise to questions of economics. Of course, the future order conceived by Bahá'u'lláh is far beyond anything that can be imagined by the present generation. Nevertheless, its eventual emergence will depend on strenuous effort by His followers to put His teachings into effect today.’

(Universal House of Justice, 1 March 2017)

Primary consideration of Bahá'í Economic System is the spirit

‘The primary consideration is the spirit that has to permeate our economic life and this will gradually crystallize itself into definite institutions and principles that will help to bring about the ideal condition foretold by Bahá'u'lláh.’

(Shoghi Effendi, *Directives from the Guardian*, p. 19)

‘There are practically no technical teachings on economics in the Cause...’ (Shoghi Effendi, letter dated 25 January 1936)

What this means?

- The teachings of the Bahá’í Faith do not operate in a way that economic variables interact with each other..

‘A system that prevents among others the gradual control of wealth in the hands of a few and the resulting state of both extremes, wealth and poverty.’ (Shoghi Effendi, letter dated 28 October 1927)

The conclusion for this part

- Currently there is no such thing as Bahá'í Economic System.
- Bahá'ís should be careful not to device a separate economic system.
- The current definitions and characteristics of a 'system' may not work with the Baha'i approach in the future.
- We can find components of a system based on: community, universality, sustainability, morality, spirituality, and unity. Non of the present systems may work for a Baha'i Economic System.
- We are currently engaged in the application of spiritual principles towards the evolution of the Bahá'í Economic System of the Future.
- For any Bahá'í discourse, the assumption should be made that the Bahá'í Faith is a religion and not an economic system.

Guiding Spiritual Principles on Economics

Maintaining a balance between spiritual and material needs

‘In man there are two natures; his spiritual or higher nature and his material or lower nature.... If a man’s Divine nature dominates his human nature, we have a saint.’

(‘Abdu’l-Bahá, *Paris Talks*, p. 60)

‘Economic life is an arena for the expression of honesty, integrity, trustworthiness, generosity, and other qualities of the spirit.’

(Universal House of Justice, 1 March 2017)

The interdependence of peoples and nations

‘... All the members of the human family, whether peoples or governments, cities or villages, have become increasingly interdependent. **For none is self-sufficiency any longer possible**, inasmuch as political ties unite all peoples and nations, and the bonds of trade and industry, of agriculture and education, are being strengthened every day. Hence the unity of all mankind can in this day be achieved.’

(‘Abdu’l-Bahá, quoted in *The World Order of Bahá’u’lláh*, p. 39)

‘The stresses emerging out of the long-term process of transition from a divided world to a united one are being felt within international relations...’

(Universal House of Justice, 1 March 2017)

The universality of Bahá'í Economics

- ‘We desire but the good of the world and the happiness of the nations.’ *(The Proclamation of Bahá'u'lláh)*
- ‘the well-being of mankind’ *(Gleanings from the Writings of Bahá'u'lláh, p. 286)*
- ‘Let your vision be world-embracing’
(Gleanings from the Writings of Bahá'u'lláh, p. 94)
- ‘the entire human race as one soul and one body.’
(Bahá'u'lláh, Gleanings from the Writings of Bahá'u'lláh, p. 214)

Economic equity and not equality

‘Social inequality is the inevitable outcome of the natural inequality of man. Human beings are different in ability and should, therefore, be different in their social and economic standing.’

(Shoghi Effendi, *Directives from the Guardian*, p. 20)

The need for equality and opportunity before the law of the land

Would the setting up of just legislation, in accord with the Divine laws which guarantee the happiness of society and protect the rights of all mankind and are an impregnable proof against assault - would such laws, insuring the integrity of the members of society and their equality before the law, inhibit their prosperity and success?’

(‘Abdu’l-Bahá, *The Secret of Divine Civilization*, p. 14)

Economic justice

'No light can compare with the light of justice. The establishment of order in the world and the tranquility of the nations depend upon it.' (Bahá'u'lláh, *Epistle to the Son of the Wolf*, p. 28)

'O son of man! If thine eyes be turned towards **mercy**, forsake the things that profit thee and cleave unto that which will profit mankind. And if thine eyes be turned towards **justice**, choose thou for thy neighbour that which thou chooseth for thyself.

(Bahá'u'lláh, *Tablets of Bahá'u'lláh*, p. 64)

Cooperation instead of aggressive competition

‘The base of life ... is this mutual aid and helpfulness, and the cause of destruction and non-existence would be the interruption of this mutual assistance. **The more the world aspires to civilisation the more this important matter of cooperation becomes manifest.**’ (‘Abdu’l-Bahá. *Bahá’í World*, vol. 3, p. 154)

(Further reading: *The Culture of Contest*, Michael Karlberg)

Promoting social interest rather than self-interest

True self-interest is the wellbeing of humanity

‘Dissipate not the wealth of your precious lives in the pursuit of evil and corrupt affection, nor let your endeavours be spent in promoting your personal interest ... cling unto that which profiteth mankind.’

Bahá'u'lláh. *Tablets of Bahá'u'lláh*, p. 138.

Further reading:

The Bahá'í Faith and the Market Economy, Farhad Rassekh, the Journal of Bahá'í Studies Vol. 11, number ¾ , 2001

Wealth creation and wealth redistribution

‘Having attained the stage of fulfilment and reached his maturity, man standeth in need of wealth, and such wealth as he acquireth through crafts or professions is commendable and praiseworthy.

(Bahá'u'lláh, *Tablets of Bahá'u'lláh*, pp. 34-35)

‘Wealth is praiseworthy in the highest degree, if it is **acquired** by an individual's own efforts and the grace of God, in commerce, agriculture, art and industry, and if it be **expended** for philanthropic purposes. ...**Wealth is most commendable, provided the entire population is wealthy...**

‘Abdu'l-Bahá, *The Secret of Divine Civilization*, pp. 24-25)

Means & ends

‘Wealth is acceptable and praiseworthy to the extent that it serves as a **means** for achieving higher **ends**, such as:

- meeting one’s basic necessities,
- fostering the progress of one’s family,
- promoting the welfare of society,
- and for contributing to the establishment of a world civilization.’

Universal House of Justice, 2 April 2010

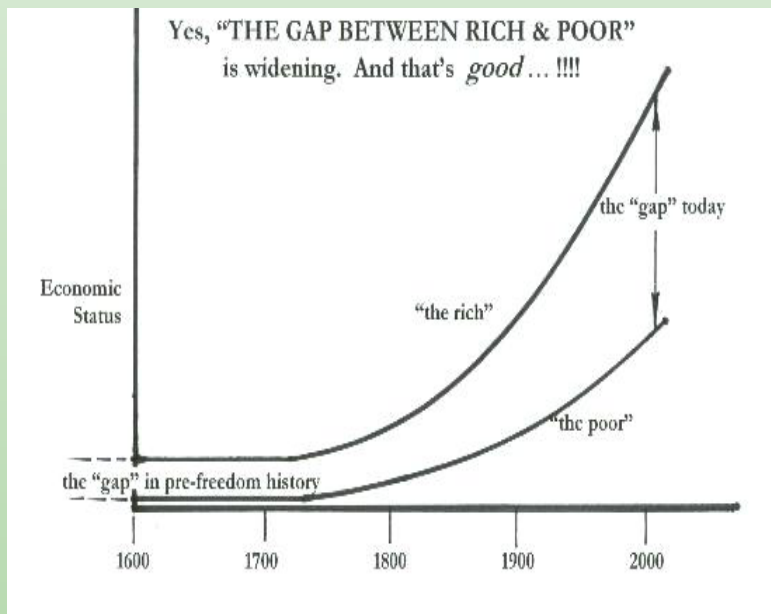
A practical guide for Bahá'ís to appreciate wealth

If a wealthy Bahá'í ...

- Having attained the stage of fulfilment and reached his maturity
- Purifies one's riches (e.g. paying Huqúqu'lláh)
- Earns by one's own efforts
- Has compassion and caring for the poor
- By being rich, is not hindered from the eternal kingdom
- Performs Philanthropic services
- Contributes with a willing heart, without being forced to do it
- Does not let possessions possess him/her
- Pays taxes (virtues tax)
- Spends money on what is befitting to human dignity
- Brings themselves to account each day
- To bring one's priorities into balance

Then a wealthy Bahá'í does not need to have guilty feelings or apologise for being wealthy.

Eliminating extremes of wealth and poverty



‘One of Bahá’u’lláh’s teachings is the **adjustment of means of livelihood** in human society. Under this adjustment there can be no extremes in human conditions as regards wealth and sustenance.’

(‘Abdu’l-Bahá, *The Promulgation of Universal Peace*, p. 216)

Work done in a spirit of service is considered as worship

‘My servants! **Ye are the trees of My garden; ye must give forth goodly and wondrous fruits, that ye yourselves and others may profit therefrom.** Thus, it is incumbent on every one to engage in crafts and professions, for therein lies the secret of wealth, O men of understanding! For results depend upon means, and the grace of God shall be all sufficient unto you. Trees that yield no fruit have been and will ever be for the fire.’

(Bahá'u'lláh, *Persian Hidden Words*, number 80)

The poor are urged by Bahá'u'lláh to ‘exert themselves and strive to earn the means of livelihood’, and the rich are urged by Bahá'u'lláh to ‘have the utmost regard for the poor’.

(Universal House of Justice, 1 March 2017)

The importance of agriculture

- ‘Special regard must be paid to agriculture. Although it hath been mentioned in the fifth place, unquestionably it precedeth the others.’

(Bahá'u'lláh, *Tablets of Bahá'u'lláh*, p. 90)

- ‘The question of economics must commence with the farmer and then be extended to the other classes ... it is fitting that the economic problem be first solved with the farmer, for the farmer is the first active agent in the body politic.’

(‘Abdu’l-Bahá, Tablet to an individual believer, dated 4 October 1912)

Further reading: *The Spirit of Agriculture*, Paul Hanley

The Bahá'í Faith will maintain a balance of two dominant economic systems of capitalism and socialism

- 'Private ownership will be retained, but will be controlled, regulated, and even restricted. ...Complete Socialization is not only impossible but most unjust. ...In the Laissez-faire absolute freedom leads to confusion and corruption. ...The Cause in the future will maintain the right balance between the two systems.'

(Shoghi Effendi, letter dated 25 August 1939)

- 'There is no justification for continuing to perpetuate structures, rules, and systems that manifestly fail to serve the interests of all peoples.'

(Universal House of Justice, 1 March 2017)

Bahá'í views on market economy

- Bahá'u'lláh has permitted **charging interest** on financial loans.
- A uniform **and universal system of currency** is recommended.
- A **progressive income tax** is supported in the Bahá'í Writings.
- The Writings support **government expenditures** to improve social welfare
- 'Abdu'l-Bahá approves and encourages **commercial activities** and encourages expansion of trade.
- The conditions of **wealth creation and wealth redistribution** are mentioned in the Bahá'í Writings.
- 'Abdu'l-Bahá has **endorsed profit sharing**.

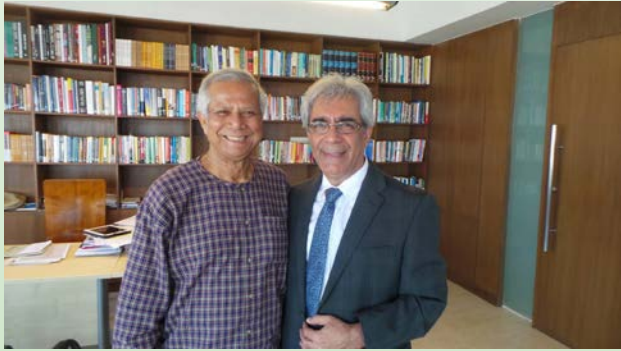
Further reading:

- The Bahá'í Faith and the Market Economy, Farhad Rassekh
- Principles of Spiritual Economics, A Compilation, Amazon, Kindle edition: See: <https://www.amazon.co.uk/Principles-Spiritual-Economics-Compilation-Writings-ebook/dp/B01CXIFXS0>
- Bahá'í Teachings on Economics and Their Implications for the Bahá'í Community and the Wider Society. See: <http://etheses.whiterose.ac.uk/11190/>

The economic principle of making right choices

A number of Bahá'í teachings help consumers to make right choices:

- Universal and compulsory education
- Harmony of science and religion
- Oneness of humankind
- Independent investigation of truth
- Bahá'í model of consultation
- Spiritual principle of moderation



Mohammad Yunus:

Nobel Prize winner of economics 2001, Bangladesh

How do you explain the success of Bangladesh and similar nations in wealth creation and poverty reduction since 1980?

1. Increasing the enrolment of girls in schools
2. Women empowerment (Grameen Bank)
3. Reducing income inequality through government policies
4. Transformations in the agricultural sector
5. Some progress in reducing corruption
6. Micro credit finance and the role of a moderate interest rate (Grameen Bank)
7. Significant success in population management due to education of girls and women empowerment.
8. The role of international trade
9. Improving human rights
10. The significant role of higher education

Concluding remarks

- One of the central concepts in the Bahá'í Faith is the view that social structures are constantly changing and so no single economic theory is always going to be suitable for the whole world.
- At this point of time, Bahá'ís should be cautious not to create a separate Bahá'í economic system. We know to some extent the Bahá'í writings, we know principles, but we are still too far away to see the picture clearly.
- The main priority at this time is engaging in the spiritual foundation of economics of the future within the Bahá'í community and to infuse these into the wider society.
- Bahá'ís all over the world enthusiastically join and work closely with any group or organisation that promotes values such as trustworthiness, truthfulness, justice, and service to humanity. These core values enlighten any economic system, now and in the future.

Further readings

Statements by the Bahá'í International Community:

- The Promise of Disarmament and Peace (1982)
- Struggle Against Hunger (1985)
- Social welfare and social development (1985)
- Economic Development (1986)
- The Relationship Between Disarmament and Development (1987)
- Environment and Development (1990)
- Women and development (1992)
- Human Rights and Extreme Poverty (1993)
- Turning Point For All Nations (1995)
- Educating Girls and Women (1995)
- The Prosperity of Humankind (1995)
- The realisation of economic, social and cultural right (1995)
- Sustainable communities in an integrated world (1996)
- Meaningful Participation in the Development Process (1998)
- The Role of Women in Commerce in the Caribbean (1988)
- Religious Values and the Measurement of Poverty and Prosperity (1999)
- A New Framework for Global Prosperity (2006)
- Building a just and sustainable society (2010)



Thank You

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