

# How Can We Spiritualize Economics?

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The Baha’i teachings say that humanity’s economic problems require spiritual solutions, if the world is to materially prosper and socially progress.

In other words, our economic values must be linked to our human values. This is the quintessence of Baha’i economic principles — taken together, as a whole.

Baha’is believe that a dynamic interaction should take place between *economic values* and *human values* – but that idea is by no means exclusively a Baha’i-inspired ideal. For instance, Mark Carney, former governor of the Bank of England, had this to say in *The Economist* about economic values and human values during the COVID-19 pandemic:

Value will change in the post-covid world. On one level, that’s obvious: valuations in global financial markets have imploded, with many suffering their sharpest declines in decades. More fundamentally, the traditional drivers of value have been shaken, new ones will gain prominence, and there’s a possibility that the gulf between what markets value and what people value will close. ...

This crisis could help reverse that relationship, so that public values help shape private value. When pushed, societies have prioritised health first and foremost, and then looked to deal with the economic consequences. In this crisis, we know we need to act as an interdependent community not independent individuals, so the values of economic dynamism and efficiency have been joined by those of solidarity, fairness, responsibility and compassion. ...

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In much the same vein, the democratically-elected global Baha'i leadership body, the Universal House of Justice, has explained that human values are essentially spiritual principles, which need to be identified first in order to find practical and lasting solutions to vexing and complex social problems:

**There are spiritual principles, or what some call human values, by which solutions can be found for every social problem. Any well-intentioned group can in a general sense devise practical solutions to its problems, but good intentions and practical knowledge are usually not enough. The essential merit of spiritual principle is that it not only presents a perspective which harmonizes with that which is immanent in human nature, it also induces an attitude, a dynamic, a will, an aspiration, which facilitate the discovery and implementation of practical measures. Leaders of governments and all in authority would be well served in their efforts to solve problems if they would first seek to identify the principles involved and then be guided by them.**

In 1912, Abdu'l-Baha was asked to talk about some of the new and distinctive teachings that Baha'u'llah brought. About economics, he said:

**The tenth teaching is the solution of the economic question. For no religious Books of the past Prophets speak of the economic question, while the economic problem has been thoroughly solved in the teachings of [Baha'u'llah].**

A disclaimer: while the Baha'i teachings offer general and practical guidelines for finding spiritual solutions to economic problems, the Baha'i Faith is not an economic system, nor are any of the Baha'i Central Figures — the Bab, Baha'u'llah, and Abdu'l-Baha — economists. This is not surprising, considering that world religions, generally speaking, have little to say about economics, beyond such precepts and practices as giving to the poor, encouraging philanthropy, promoting the virtue of generosity, accentuating the duty to tithe or otherwise supporting one's religious institutions, inculcating service-oriented work ethics, etc.

As the Guardian of the Baha'i Faith, Shoghi Effendi, explained:

**There are practically no technical teachings on economics in the [Baha'i] Cause, such as banking, the price system, and others. The Cause is not an economic system, nor should its Founders be considered as having been technical economists. The contribution of the Faith to this subject is essentially indirect, as it consists in the application of spiritual principles to our present-day economic system. Baha'u'llah has given us a few basic principles which should guide future Baha'i economists in establishing such institutions as will adjust the economic relationships of the world. ...**

**By the statement “the economic solution is divine in nature” is meant that religion alone can, in the last resort, bring in man's nature such a fundamental change as to enable him to adjust the economic relationships of society. It is only in this way that man can control the economic forces that threaten to disrupt the foundations of his existence, and thus assert his mastery over the forces of nature.**

However, quite a number of Baha'i economic principles exist, both at a conceptual level and an applied level, such as progressive taxation, resolving strikes, profit-sharing (see *here*), market regulation, a single world currency, private ownership, equitable management of the earth's mineral and agricultural resources, addressing the problems of climate change in the context of environmentalism, and many more, as noted by the Baha'i economist Farhad Sabetan. So I asked Dr. Sabetan which of the Baha'i teachings on economics he deemed as new: I believe there are two most important foundations laid in the Baha'i literature on economics: (1) consumption should be based on needs ... not on wants or utility maximization; and (2) the primary incentive for work as worship/service, vis-à-vis profit maximization. In my opinion, an orientation toward these two principles has profound implications for economic justice, environment preservation and sustainability, efficient resource allocation, eradication of poverty, prevention of extreme economic fluctuations, promotion of long-term economic stability, a sane and more balanced globalization and trade liberalization, more efficient government functioning without promoting special interests, and many more.

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As for how this Baha'i principle will eventually translate into action and transform society across the world over the course of time, this excerpt from Shoghi Effendi's open letter, dated March 11, 1936, to the Baha'is of the West, expounds and explains:

**The unity of the human race, as envisaged by Baha'u'llah, implies the establishment of a world commonwealth in which all nations, races, creeds and classes are closely and permanently united, and in which the autonomy of its state members and the personal freedom and initiative of the individuals that compose them are definitely and completely safeguarded. ... A world script, a world literature, a uniform and universal system of currency, of weights and measures, will simplify and facilitate intercourse and understanding among the nations and races of mankind. ... The economic resources of the world will be organized, its sources of raw materials will be tapped and fully utilized, its markets will be coordinated and developed, and the distribution of its products will be equitably regulated. ...**

**The causes of religious strife will be permanently removed, economic barriers and restrictions will be completely abolished, and the inordinate distinction between classes will be obliterated. Destitution on the one hand, and gross accumulation of ownership on the other, will disappear. The enormous energy dissipated and wasted on war, whether economic or political, will be consecrated to such ends as will extend the range of human inventions and technical development, to the increase of the productivity of mankind, to the extermination of disease, to the extension of scientific research, to the raising of the standard of physical health, to the sharpening and refinement of the human brain, to the exploitation of the unused and unsuspected resources of the planet, to the prolongation of human life, and to the furtherance of any other agency that can stimulate the intellectual, the moral, and spiritual life of the entire human race.**

These profound principles, Baha'is believe, will eventually transform the world's economic system into one based on justice, equity, and fairness.