

Economics for Social Action 2 The Economic System

Themes for Social and Economic Development

Issues for Discourse with Youth

Bahá'í Discourse – Social Action 13_2 Economics

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Establish Companies

Among the greatest means of achieving modern advancements, the prosperity of nations, and the civilization of the peoples is the establishment of companies for commerce, industry, and other sources of wealth, inasmuch as a company is a symbol of oneness, unity, and harmony in the Cause of God. It is most difficult for humankind to succeed in anything singly, but when an assemblage is formed and a company established, the members will be enabled jointly to accomplish great tasks.

(‘Abdu’l-Bahá, from a Tablet—translated from the Persian, Social Action §210)

Establish Companies

Consider, for instance, an army. If each soldier were to enter into combat singly, he would be fighting with the force of one man, but when a troop is formed, each member of that troop resisteth with a thousand-fold power, for the power of a thousand individuals is converged upon one point. It is the same in other matters. However, every business company should be established on divine principles. Its foundations should be trustworthiness, piety, and truthfulness, in order to protect the rights of the people and to become, as day followeth day, a magnet of fidelity, so that the confirmations of the All-Glorious may be unveiled.

(‘Abdu’l-Bahá, from a Tablet—translated from the Persian, Social Action §210)

Establish Companies

Moreover, a legitimate company must needs exert all within its power to safeguard the rights of the people in all matters, whether great or small, and to administer the affairs of the company with the utmost perfection, uprightness, and care. If it be so conducted, that company, beyond a shadow of a doubt, will become the embodiment of blessings, and that assemblage will attract the confirmations of the Lord of all bounties and, safe under the protection of the Greatest Name, will remain shielded from every misfortune. Upon you be greetings and praise.

(‘Abdu’l-Bahá, from a Tablet—translated from the Persian, Social Action §210)

Taxation and Expenditure

The question of economics must commence with the farmer and then be extended to the other classes inasmuch as the number of farmers is far greater than all other classes. Therefore, it is fitting to begin with the farmer in matters related to economics for the farmer is the first active agent in human society. In brief, from among the wise men in every village a board should be set up and the affairs of that village should be under the control of that board. Likewise a general storehouse should be founded with the appointment of a secretary. At the time of the harvest, under the direction of that board, a certain percentage of the entire harvest should be appropriated for the storehouse.

(‘Abdu’l-Bahá, from a Tablet—translated from the Persian, Social Action §211)

Taxation and Expenditure

The storehouse has seven revenues: Tithes, taxes on animals, property without an heir, all lost objects found whose owners cannot be traced, one third of all treasure-trove, one third of the produce of all mines, and voluntary contributions.

(‘Abdu’l-Bahá, from a Tablet—translated from the Persian, Social Action §211)

Taxation and Expenditure

This storehouse also has seven expenditures:

- 1. General running expenses of the storehouse, such as the salary of the secretary and the administration of public health.*
- 2. Tithes to the government.*
- 3. Taxes on animals to the government.*
- 4. Costs of running an orphanage.*
- 5. Costs of running a home for the incapacitated.*
- 6. Costs of running a school.*
- 7. Payment of subsidies to provide needed support of the poor.*

(‘Abdu’l-Bahá, from a Tablet—translated from the Persian, Social Action §211)

Taxation and Expenditure

The first revenue is the tithe. It should be collected as follows: If, for instance, the income of a person is five hundred dollars and his necessary expenses are the same, no tithes will be collected from him. If another's expenses are five hundred dollars while his income is one thousand dollars, one tenth will be taken from him, for he hath more than his needs; if he giveth one tenth of the surplus, his livelihood will not be adversely affected.

Taxation and Expenditure

If another's expenses are one thousand dollars, and his income is five thousand dollars, as he hath four thousand dollars surplus he will be required to give one and a half tenths. If another person hath necessary expenses of one thousand dollars, but his income is ten thousand dollars, from him two tenths will be required for his surplus represents a large sum.

(‘Abdu’l-Bahá, from a Tablet—translated from the Persian, Social Action §211)

Taxation and Expenditure

But if the necessary expenses of another person are four or five thousand dollars, and his income one hundred thousand, one fourth will be required from him. On the other hand, should a person's income be two hundred, but his needs absolutely essential for his livelihood be five hundred dollars, and provided he hath not been remiss in his work or his farm hath not been blessed with a harvest, such a one must receive help from the general storehouse so that he may not remain in need and may live in comfort.

(‘Abdu’l-Bahá, from a Tablet—translated from the Persian, Social Action §211)

Taxation and Expenditure

A certain amount must be put aside from the general storehouse for the orphans of the village and a certain sum for the incapacitated. A certain amount must be provided from this storehouse for those who are needy and incapable of earning a livelihood, and a certain amount for the village's system of education. And, a certain amount must be set aside for the administration of public health. If anything is left in the storehouse, that must be transferred to the general treasury of the nation for national expenditures.

(‘Abdu’l-Bahá, from a Tablet—translated from the Persian, Social Action §211)

The Spirit of Economic Life

He has also received the article you wrote for “The Bahá’í World” on the economic teachings of the Cause. As you say, the writings are not so rich on this subject, and many of the issues at present baffling the minds of the world are not even mentioned. 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 would help to bring about the ideal condition foretold by Bahá’u’lláh.

(20 December 1931 on behalf of Shoghi Effendi to a National Spiritual Assembly, Social Action §217)

The time has not yet come

With regard to your wish for reorganizing your business along Bahá'í lines, Shoghi Effendi deeply appreciates the spirit that has prompted you to make such a suggestion. But he feels, nevertheless, that 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 yet been sufficiently elaborated and systematized to allow anyone to make an exact and thorough application of them, even on a restricted scale.

(22 May 1935 on behalf of Shoghi Effendi to an individual believer, Social Action §218)

Economic Questions

Regarding your questions concerning the Bahá'í attitude on various economic problems, such as the problem of ownership, control and distribution of capital, and of other means of production, the problem of trusts and monopolies, and such economic experiments as social cooperatives: the Teachings of Bahá'u'lláh and 'Abdu'l-Bahá do not provide specific and detailed solutions to all such economic questions, which mostly pertain to the domain of technical economics, and as such do not concern directly the Cause.

(10 June 1939 on behalf of Shoghi Effendi to an individual believer, Social Action §221)

Guiding Principles

True, there are certain guiding principles in Bahá'í Sacred Writings on the subject of economics, but these do by no means cover the whole field of theoretical and applied economics, and are mostly intended to guide future Bahá'í economic writers and technicians to evolve an economic system which would function in full conformity with the spirit, and the exact provisions of the Cause on this and similar subjects.

(10 June 1939 on behalf of Shoghi Effendi to an individual believer)

An Economic System

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. One thing, however, is certain: that the Cause neither accepts the theories of the Capitalistic economics in full, nor can it agree with the Marxists and Communists in their repudiation of the principle of private ownership and of this vital sacred right of the individual.

(10 June 1939 on behalf of Shoghi Effendi to an individual believer)

Many Ideologies

The ideologies now current in the world are extremely complex. Just as it is difficult to identify any longer a coherent system of teachings which could be called Christianity and embrace all those who call themselves Christians, so there are many kinds of Communist, often stridently at variance with one another. Even more so are there many kinds of “Capitalist” in the sense of those who advocate Capitalism as the most desirable form of economic system.

(13 November 1985 on behalf of the Universal House of Justice to an individual believer)

Many Ideologies

“The Promise of World Peace” was no place for an analysis of the virtues and shortcomings of these various theories, it could but allude to some of the most glaring deficiencies produced by extreme variants, and encourage all who advocate them to overlook their differences in a search for the real solution of the problems afflicting mankind.

(13 November 1985 on behalf of the Universal House of Justice to an individual believer)

Extremes of Economic Theory

One could postulate two extremes of economic theory: those who believe that the best solution is to remove all governmental control and intervention from the operation of the economic system, and those who believe that the functioning of the economic system should be closely supervised and adjusted by the State so that society is not at the mercy of the system but has it under its control.

(13 November 1985 on behalf of the Universal House of Justice to an individual believer)

Extremes of Economic Theory

As has become abundantly clear, neither extreme is workable, and proponents of both have gradually come to adopt more moderate stances, although there tends to be an oscillation of viewpoints in response to changing conditions.

(13 November 1985 on behalf of the Universal House of Justice to an individual believer)

Extremes of Economic Theory

It was to the proponents of one of these extremes and to the current highly unsatisfactory economic situation in the world that the House of Justice was alluding when it referred to those ideologies which have tended “to callously abandon starving millions to the operations of a market system that all too clearly is aggravating the plight of the majority of mankind, while enabling small sections to live in a condition of affluence scarcely dreamed of by our forebears.”

(13 November 1985 on behalf of the Universal House of Justice to an individual believer)

Fair Distribution of Benefits

An obvious example arises in discussions of the process of globalization, to which your letter alludes. The immense advantages, that this long-awaited stage in the evolution of human society brings with it, demand of government and civil society comparable efforts to ensure a fair distribution of its benefits to the whole of humankind. 'Abdu'l-Bahá sets the issue squarely before us:

(27 November 2001 on behalf of the Universal House of Justice to an individual believer)

Fair Distribution of Benefits

Consider an individual who has amassed treasures by colonizing a country for his profit: he has obtained an incomparable fortune and has secured profits and incomes which flow like a river, while a hundred thousand unfortunate people, weak and powerless, are in need of a mouthful of bread. There is neither equality nor benevolence.

(‘Abdu’l-Bahá, quoted in 27 November 2001 on behalf of the Universal House of Justice to an individual believer)

Fair Distribution of Benefits

So you see that general peace and joy are destroyed, and the welfare of humanity is negated to such an extent as to make fruitless the lives of many. For fortune, honours, commerce, industry are in the hands of some industrialists, while other people are submitted to quite a series of difficulties and to limitless troubles: they have neither advantages, nor profits, nor comforts, nor peace.

(‘Abdu’l-Bahá, quoted in 27 November 2001 on behalf of the Universal House of Justice to an individual believer)

Fair Distribution of Benefits

The challenges posed by this issue, which today affects the whole planet, are on a scale unprecedented in human history. Addressing them will require unity of understanding about what is at stake, an understanding that can be achieved only by searching analysis, open public discussion and an unrelenting commitment to putting into effect agreed upon systems of control.

(27 November 2001 on behalf of the Universal House of Justice to an individual believer)

An Appropriate Economic Philosophy

The Universal House of Justice has received your letter ... requesting clarification on what constitutes an appropriate economic philosophy for our time....

(31 July 2002 on behalf of the Universal House of Justice to an individual believer, Social Action §224)

An Appropriate Economic Philosophy

In your ... letter you quote a passage from *Century of Light*, which refers to the current reigning system of thought on the planet as morally and intellectually bankrupt. The passage suggests to you that capitalism is regarded by the Bahá'í community as a useless economic philosophy for future world development. You find this stance surprising not only because it is in direct opposition to conclusions reached by thinkers today who consider capitalism the only viable system for global economic development, but also because it seems to contradict certain statements made by Shoghi Effendi.

(31 July 2002 on behalf of the Universal House of Justice to an individual believer, Social Action §224)

An Appropriate Economic Philosophy

Capitalism has evolved into a system which you would argue is largely, if not entirely, consistent with Shoghi Effendi's statements. You wonder how Bahá'ís working in the field of economics are to move forward, when they hold such widely differing views on the subject, from those like you who see the Guardian's remarks as support for capitalism to others who believe it should be replaced.

(31 July 2002 on behalf of the Universal House of Justice to an individual believer, Social Action §224)

An Appropriate Economic Philosophy

There are two aspects to the questions you raise. One concerns the statement about the moral bankruptcy of today's dominant world system, and the other is related to the validity of economic theories that embrace capitalism. As to the first, the passage you quote from *Century of Light* is intended as a general statement on the condition of the world, its political and economic structures, and the injustices that are tearing away the fabric of present-day society.

(31 July 2002 on behalf of the Universal House of Justice to an individual believer, Social Action §224)

An Appropriate Economic Philosophy

One can rightly denounce as unjust the current global situation, in which a relatively few live in opulence while the vast majority of their fellow human beings are condemned to a life of utter material poverty. Surely this situation cannot be separated from the basic inadequacies of the dominant system of thought and the structures and processes to which it has given rise.

(31 July 2002 on behalf of the Universal House of Justice to an individual believer, Social Action §224)

An Appropriate Economic Philosophy

The second aspect of your questions concerns the specifics of economic theory. That, as you mention, Bahá'í thinkers adhere to a wide range of views on capitalism and its various forms should not be a cause for alarm. On the contrary, the House of Justice finds the situation quite healthy and does not wish to elaborate further on the subject at this time.

(31 July 2002 on behalf of the Universal House of Justice to an individual believer, Social Action §224)

An Appropriate Economic Philosophy

You are correct when you make the statement in your ... letter that the solutions to humanity's problems are to be found in the application of scientific knowledge and the Teachings of Bahá'u'lláh to social reality. It is to be expected, then, that the Teachings would be brought to bear on the choices humanity has to make about how to produce, distribute, multiply, apply and use material means.

(31 July 2002 on behalf of the Universal House of Justice to an individual believer, Social Action §224)

An Appropriate Economic Philosophy

As is natural in the advancement of any science, insights into a proper economic theory will only be gained as people with divergent views explore different directions. Criticism of current economic practices should not be misconstrued as simply a denunciation of capitalism, nor should it be taken as an endorsement of socialism. As you would readily agree, the premise of private ownership can give rise to new and better ways than current modes of organizing the economic activity of the human race.

(31 July 2002 on behalf of the Universal House of Justice to an individual believer, Social Action §224)

Systems Accounting beyond GDP

Case Study of Social Action

Social Action 13_2

Systems Accounting beyond GDP

The Bahá'í-inspired professional organisation, the International Environment Forum, coordinated a research project asking how to measure progress and wellbeing without converting everything into financial measures such as GDP (Gross Domestic Product) that ignore many dimensions of human society. It identified science-based measures that could express global solidarity. It presented the results at several international meetings and online.



Presentation on Global Systems Accounting

Systems Accounting beyond GDP

The project tried to describe the goal of human progress and well-being to achieve our purpose as defined in the Bahá'í writings and to identify measures that point in that direction and encourage positive behaviour. The measures need to be simple enough to be understood by all and make sense. They should be scientifically supported, but also to express an emotional connection and to reflect our higher spiritual purpose, both to refine our characters individually and to contribute to an ever-advancing civilisation.

Systems Accounting beyond GDP

A systems approach is needed to reflect cooperation and reciprocity across all levels of human society, related to the larger Earth System that provides all of our needs and furnishes the ecosystem services that maintain a livable planet. Our inner and outer environments are inseparable. Well-being is not some goal we reach, but a dynamic process of keeping everything in balance over time and in every place. This needs to show how to regenerate what has been lost, to reverse damaging actions, and to correct present injustices.

Systems Accounting beyond GDP

The resulting conceptual framework for human and environmental well-being can have a number of functions. For an individual, it can help everyone to bring themselves to account each day, asking how they are living their responsibility to the whole human family, and what they can do to be of service, while acquiring spiritual qualities. It can support communities in reading their local reality within the global context, and in consulting on what might be the immediate local needs and possibility for social actions to meet those needs.

Systems Accounting beyond GDP

It can provide the basis for government accountability, and how well it is delivering on its responsibility for the common good of all in its area of responsibility. For other institutions, including in the economy and business, it can underline the importance for every institution to consider how it is contributing in some way to human and environmental well-being, as an essential purpose above and beyond profit. Finally, at the global level, it should become a tool to address inequalities within and between countries, highlighting progress towards justice and equity for all, leaving no one behind.

Nine Dimensions of Wellbeing

Environmental:

1. carbon cycle (energy): carbon release from fossil fuels, atmospheric carbon (global heating) and carbon capture and storage.
2. biodiversity and ecosystem services: halting damage and restoring the Earth system.
3. pollution: the major pollutants and wastes, and their reduction and elimination.



Environmental Accounting

- Carbon
- Biodiversity
- Pollution

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- Ideal state
 - Positive and negative trends and drivers
 - Strategies and solutions

26th annual conference of the International Environment Forum
Forum: 1-5 June 2022

Presentation on Global Systems Accounting

Nine Dimensions of Wellbeing

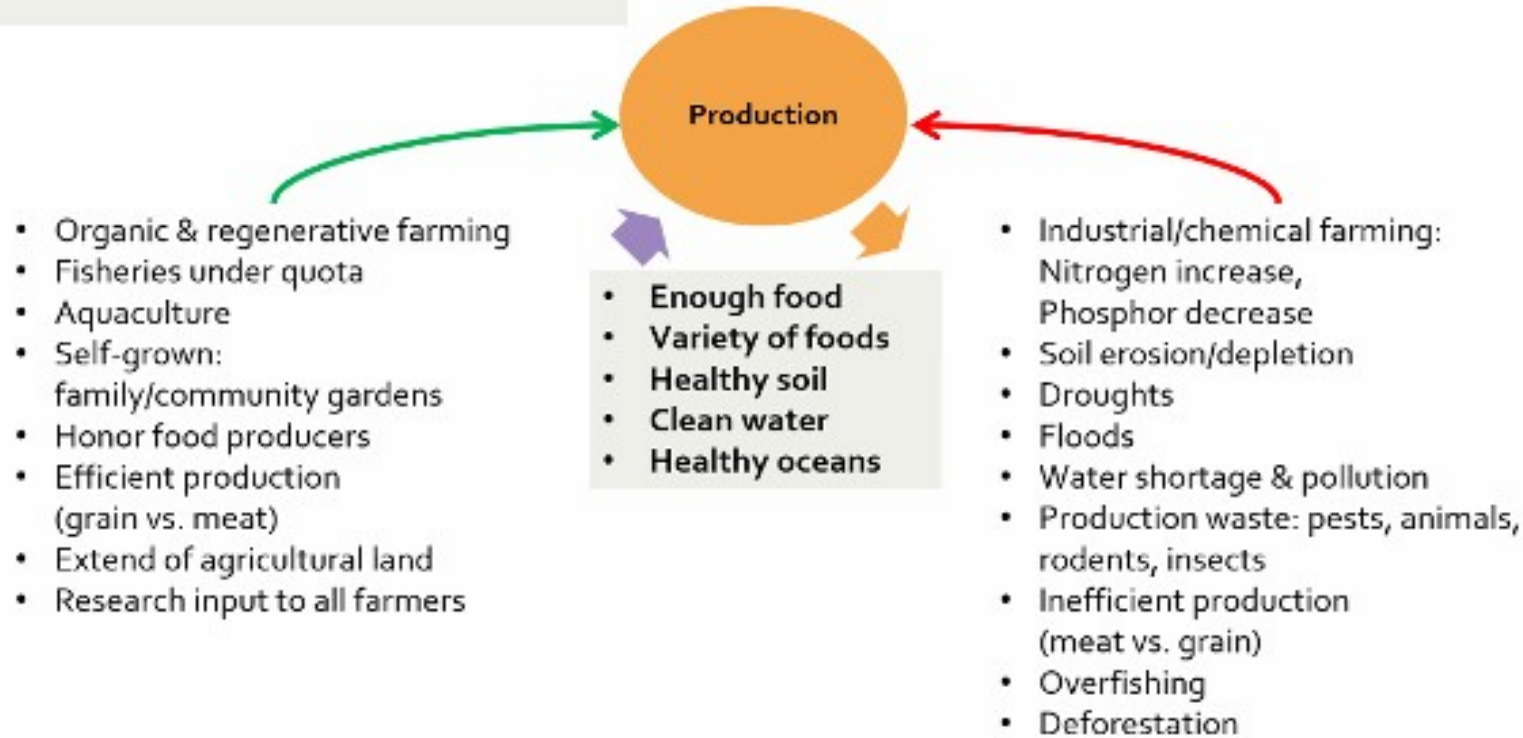
Basic human needs:

4. minimum living standard (eliminate poverty): adequate shelter, clean water and sanitation, a source of energy.

5. food: sustainable food production, distribution, nutrition.

6. health: health indicators, health services, disease control

Sustainable Production



Sara DeHoff

Nine Dimensions of Wellbeing

Social:

7. work and service for all: including a craft or trade, subsistence, raising children, no unemployment.

8. knowledge and education: science, culture, art, information.

9. spiritual capital and values: justice, moral principles, laws, higher human purpose.



Ideal State of individual pursuit

Cultivates the individual capacity and **creative powers** latent in human nature,

through the exercise and application of **independent investigation of truth** based on the conviction that human honour and happiness lie in noble purposes,

trustworthiness, integrity, service to humanity and a humble posture of life-long learning consistent with science & religion.



Systems Accounting beyond GDP

These map the essential characteristics of what human and environmental well-being should mean. For some, there will be an optimal value reflecting a desirable level of achievement in moderation. For the social dimensions which are basically intangible, these can presumably advance or be perfected indefinitely.

Environmental system accounting Conclusions

When it comes to the environment, the current economic system encourages humanity to live recklessly on illimited credit without any plan to reimburse their debts. Who in their right mind would do this?

It is time to start working together on proper accounting of our assets and debts and together devise a plan to balance our accounts following the natural systems!



Systems Accounting beyond GDP

This Bahá'í-inspired vision of the multiple dimensions of well-being resonates with people and inspires consultation about their local relevance. They enable reading the local reality in new ways, identifying practical social actions to build stronger communities. Thinking of accountability in this way can provide a framework for many efforts to improve well-being responding to local needs, priorities and capacities.

https://iefworld.org/accounting_lessons