

Letter from the ebbf board

The Value of Moderation: A Focus on Wealth Inequality

One of the core ebbf values is Moderation, expressed in the following way:

'Moderation should be exercised in all things, as excess is always damaging. For everything there is an optimal size or rate, including for material civilization and the economy.

What are the implications of moderation for the traditional concept of economic growth?'

Prominent economists (such as Nobel prize-winner [Joseph Stiglitz](#) and Harvard Economist [Lawrence Katz](#), among many others) and other scholars (e.g., [Peter Turchin](#)) have been sounding the alarm for a number of years as to the social unrest and economic dysfunction caused by patterns of entrenched wealth inequality. For example, inequality may lead to lower economic growth and lower efficiency, as well as under-investment in infrastructure, education and technology, all of which are needed for a robust economy. Lack of opportunity caused by extremes between 'haves' and 'have nots' can lead to societal volatility, workforce demoralization, reduced incentives for entrepreneurial activity, and an erosion of public values.

In terms of economic excesses we seem to be living in markedly immoderate times. The charitable organisation Oxfam, in a [2017 report](#), notes that eight individual men own as much wealth as the poorest half of the global population. This global trend of economic inequality has been intensifying, with seven out of 10 people living in a country where inequality has risen over the last 30 years; in 2010 it would have taken the combined wealth of the 43 richest people to equal the wealth of the poorest 50 percent. Women are often employed in the lowest paid sectors, and, according to Oxfam, it will take 170 more years for women to be paid at the same rates as men, if current trends continue.

In an increasingly interconnected world, with ever-greater visibility given to 'the adverse conditions experienced by many populations' it is not surprising that 'there is much that should weigh heavy on the conscience of the human race' as '[u]nconscionable quantities of wealth are being amassed, and the instability this creates is made worse by how income and opportunity are spread so unevenly both between nations and within nations.'¹

The Bahá'í writings clearly note the danger of immoderate behaviour in all spheres, including in the economic: "It is incumbent upon them who are in authority to exercise moderation in all things. Whatsoever passeth beyond the limits of moderation will cease to exert a beneficial influence."²

The Bahá'í writings comment further on the justice and humanitarian dimensions of extremes of wealth and poverty, and the need for their collective regulation:

'We see amongst us men who are overburdened with riches on the one hand, and on the other those unfortunate ones who starve with nothing ...

¹ Letter of 1 March 2017, Universal House of Justice (see: http://universalhouseofjustice.bahai.org/activities-bahai-community/20170301_001).

² 'Baha'u'llah, *Tablets of Bahá'u'lláh Revealed After the Kitáb-i-Aqdas*, p. 169.

This condition of affairs is wrong, and must be remedied. Now the remedy must be carefully undertaken. It cannot be done by bringing to pass absolute equality between men...

There must be special laws made, dealing with these extremes of riches and of want. The members of the Government should consider the laws of God when they are framing plans for the ruling of the people. The general rights of mankind must be guarded and preserved.³

Alongside enlightened governmental policies, the Bahá'í writings also stress the imperative of a deep personal commitment to the voluntary sharing of one's wealth (an action which 'lighteth up the world [and] bestoweth honor upon humankind'⁴) and the admirable nature of wealth acquired through correct means ('[w]ealth 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'⁵).

Too often in contemporary discourse there is a fear of addressing fundamental economic issues due to outworn ideological framing of economic and social thought. Can humanity, through sincere consultation,⁶ transcend such patterns to genuinely and dispassionately consider healthy approaches to shared, sustainable prosperity and a balance between material and spiritual/ethical progress?

In this context, it is important to recall the foundational concept of the spiritual reality of humankind: the Bahá'í writings note that "the hope for the future of humankind is build" upon the fundamental tenant of "the nobility inherent to every human being."

As the 'welfare of any segment of humanity is inextricably bound up with the welfare of the whole' we are told that:

'There is no justification for continuing to perpetuate structures, rules, and systems that manifestly fail to serve the interests of all peoples. The teachings of the Faith leave no room for doubt: there is an inherent moral dimension to the generation, distribution, and utilization of wealth and resources.'⁸

Oxfam has suggested [the following steps](#) to be taken towards a more 'human economy':

'Governments end the extreme concentration of wealth to end poverty. Governments should increase taxes on both wealth and high incomes to ensure a more level playing field, and to generate funds needed to invest in healthcare, education and job creation.

³ Abdu'l-Baha, *Paris Talks*, p. 153.

⁴ *Selections from the Writings of Abdu'l-Baha*, p. 115.

⁵ Abdu'l-Baha, *The Secret of Divine Civilization*, p. 24. It is also stated: 'Above all, if a judicious and resourceful individual should initiate measures which would universally enrich the masses of the people, there could be no undertaking greater than this, and it would rank in the sight of God as the supreme achievement, for such a benefactor would supply the needs and insure the comfort and well-being of a great multitude.'

⁶ Consultation, the collective search for truth, considering all points of view without attachment to personal opinion, can be employed as a mechanism to discuss economic moderation (see a description of consultation as an ebbf operational principle here: <http://ebbf.org/resources/knowledge-network/the-7-ebbf-core-values/>).

⁷Letter of 1 March 2017, Universal House of Justice (see: http://universalhouseofjustice.bahai.org/activities-bahai-community/20170301_001).

⁸ *Ibid.*

'Governments cooperate rather than just compete. Governments should work together to ensure workers are paid a decent wage, and to put a stop to tax dodging and the race to the bottom on corporate tax.

'Governments support companies that benefit their workers and society rather than just their shareholders. The multi-billion Euro company Mondragon, is owned by its 74,000 strong workforce. All employees receive a decent wage because its pay structure ensures that the highest paid member of staff earns no more than 9 times the amount of the lowest paid.

'Governments ensure economies work for women. They must help to dismantle the barriers to women's economic progress such as access to education and the unfair burden of unpaid care work.

'Oxfam is also **calling on business leaders to play their part in building a human economy.** [...] They can make a start by committing to pay their fair share of tax and by ensuring their businesses pay a living wage.' [It is implied that not only should businesses 'pay' their fair share but also 'fulfill' their responsibility towards society].

With respect to the responsibility of transnational companies, it has also been noted that:

"it is the concentration of wealth in the hands of the few that is in urgent need of attention. Indeed, the tremendous wealth generated by transnational corporations could be an integral part of the solution to tackle poverty, through strict regulation to ensure good global citizenship, adherence to human rights norms and the distribution of wealth for the benefit of the larger society." ⁹ [This BIC statement seems to ask corporations to participate in the distribution of wealth, not only through tax by governments].

Generally, from a Bahá'í perspective, the ethical responsibilities of individuals in matters of economic justice have recently been made clear:

'Every choice [an individual] makes—as employee or employer, producer or consumer, borrower or lender, benefactor or beneficiary—leaves a trace, and the moral duty to lead a coherent life demands that one's economic decisions be in accordance with lofty ideals, that the purity of one's aims be matched by the purity of one's actions to fulfil those aims.... Not content with whatever values prevail in the existing order that surrounds them, the friends everywhere should consider the application of the teachings to their lives and, using the opportunities their circumstances offer them, make their own individual and collective contributions to economic justice and social progress wherever they reside.'¹⁰

What are your views on wealth inequality and the value of moderation, and possible solutions to the problems of our time? How can the 'spiritual enterprise' contribute to solutions?