

A Consideration of the Means for the Elimination of Extreme Poverty

Paul H. Stern

The difficulties which the poor of the world face have been part of recorded history since the earliest times. Although untold volumes and articles have been written about poverty, in spite of the numerous aid programs which have been tried in an effort to deal with the tragedies which this brings about, poverty continues unabated.

At least one major philosophy of the nineteenth and twentieth centuries, Communism, has been tried extensively as a means for eradicating the inequities between the rich and poor, but today it is well on its way to the trash heaps of history as an elaborate failure. Even though the most astute economists and philosophers over the years have spoken to this problem, and at least one American president, Lyndon B. Johnson, went all out with his "war on poverty", because of political difficulties, lack of will or just because their proposals were unworkable, successful inroads into the poverty quagmire have up to the present time been generally unsuccessful.

In modern times there have been some noteworthy studies of poverty published. Our brief examination of a few of these is not meant to be complete. One such was a three volume discussion of South Asian poverty by Gunnar Myrdal. Although Professor Myrdal does discuss some ideas for remedying poverty, he made an excellent study of the causes of this condition. He believed that in any country there is a social system which is made up of many conditions, all of which "... are causally interrelated, in that a change in one will cause changes in the other." (1) He wrote that the low level of labor productivity leads to a low per capita income in the country. This then affects the "... structure of the economy and the direction and intensity of economic activity, which are causes of low labor productivity and low income per head." (2) He said that low levels of living are the result of these factors. He believed this relationship, which he referred to as triangular, to be "... among the crucial determinants of underdevelopment." (3) Myrdal's view of productivity and its results fits quite well with what is known as Pareto's law, which states that

... government cannot effectively change the distribution of incomes. Modified only marginally by prevailing local customs and values, distribution is determined by an economy's productivity. The less productive an economy, the greater the inequality of incomes. The more productive, the less the inequality. (4)

Myrdal's views towards life and work are also related to income and production, and he includes such things as work discipline, punctuality, superstitions, poor cooperation and unreadiness of planned and sustained birth control. He taught that institutions are also intertwined with the other factors, because the national community is

... characterized by...institutional conditions unfavorable for economic development: notably a land tenure system detrimental to agricultural advance; undeveloped institutions for enterprise, employment, trade, and credit, among others. (5)

Although Myrdal was somewhat optimistic in his hopes for betterment, he saw no great movement away from existing conditions, at least in the short term. Under our present systems policies designed to bring about change are of necessity watered down by political

limitations, and of course these vary from country to country because of differing conditions, and from power broker to power broker within each country. (6) He believed that the optimum ideal can never be achieved but must be reduced to a much more practical level if any success is to be realized in the fight on poverty. Eradication of poverty, he felt, must come about through policy changes in the various countries.

Drucker discusses what he calls four panaceas for the economic development which many thought would quickly eliminate poverty throughout the world. (7) He believes that the most widely acclaimed was the greatest failure. It was planning Soviet style. It not only did not bring economic success, it brought what he calls disdevelopment.

The next plan which he described is that of socialist non-communist planning which was developed primarily in England during the nineteen thirties and forties. He believes that in all the countries which copied this planning none made any economic headway until they abandoned the approach.

Drucker's third panacea was America's foreign aid. What was envisioned was something like America in the 1950's and 60's; neat single family dwellings with a car in every garage. Whereas the Marshall Plan was an aid to companies, foreign aid is aid to governments. As a result, much of the aid went into military developments. That which went into economic aid was channeled into high profile things such as steel mills, which Drucker believes to be political showpieces rather than 'multipliers' of human energies. What was needed were low profile diversified jobs for low skilled people. (8) He says that the hard learned lesson was that "... the defeat of poverty . . . comes at the end and not beginning of economic development." (9)

His fourth panacea was the indicative planning touted by France and Japan. In his opinion this was not a plan at all, but rather the governments indicating to industry what they should concentrate on. He believes that this failed in both countries, having really seemed to work in France for only about ten years. In Japan, according to Drucker, the projects which the government pushed lead to over capacity or the wrong products. The successful products, such as automobiles, consumer electronics and photogaphics were actually opposed by the government. (10)

The 1960's were noted for the concept that what developing countries, and thus the poor, needed was to pump money into the top, such as foreign aid to governments, and enough would "trickle down" to the lower levels of society to provide assistance to raise their economic level to above that of poverty. This theory was laid to rest, in part because it was not working, and in part because of Robert S. McNamara's opposition to it. As president of the World Bank from 1968 to 1981, McNamara believed that to help the poor aid should be channeled directly to them. In a 1973 address he said that

The growth is not equitably reaching the poor. And the poor are not significantly contributing to growth.

... Among 40 developing countries for which data are available, the upper 20 per cent of the population receives 55 per cent of the national income in the typical country, while the lowest 20 per cent of the population receives 5 per cent. (11)

And yet, in spite of the bank's phraseology of 'meeting basic needs' and 'redistribution with growth', many of the touted World Bank projects of the 1970's failed, and finally, with a new president, A.W. Clausen, new theories were put into action.

Elliot Berg, a prominent supply-side economist, leading a consultancy team, produced a report for the World Bank which recommended, according to Allen, "...more overtly

free-market/open-economy type strategies." (12) Although Allen believes that the Berg report was flawed, he states that "... it did appear to redraw the prospective relationship between the international agencies, national governments and the poor." His view of the report is that it seemed to say that if the poor could be protected from bureaucrats, they would become instant capitalists. It also discussed the possibility of migration of the poor in Africa from areas which could not sustain them to other locations which could. (13) Time has shown that such migrations have not alleviated the poverty of the people.

The point to be made from this revue of economic theories and programs relating to poverty and the poor is that few things have worked very well. Sampson says that "The inability of the rich countries to reduce world poverty through the boom marked the most fundamental failure in the economic management of the eighties." He goes on to say that even though the World Bank had "... regarded the reduction of poverty as their main goal..." it "... had to recognize both a moral and an economic disaster." (14) Sampson then quotes Barber Conable, the World Bank president in 1988.

Poverty on today's scale prevents a billion people from having even minimally acceptable standards of living. To allow every fifth human being on our planet to suffer such an existence is a moral outrage. It is more: it is bad economics, a terrible waste of precious development resources. Poverty destroys life, human dignity, and economic potential. It must be fought with resolution and overcome with sustainable growth. (15)

With some despair, Drucker theorized that as none of the many theories and programs of the past are presently working or workable, a new economic theory is needed. He worries that

To give us a functioning economic theory, we thus need a new synthesis that simplifies. But so far there is no sign of it. And if no such synthesis emerges, we may be at the end of economic theory. (16)

Although there have been precious few solutions offered by ancient teachings of the past which relate to the elimination of extreme poverty, if mankind had followed the universal ethic of the Golden Rule, surely we would have been able to see a different world than what now exists. We quote here a version given by Buddha from the Pali canon.

*All shrink from suffering, and all love life;
Remember that thou too art like to them;
Make thine own self the measure of the others,
And so abstain from causing hurt to them.* (17)

It may be that the economists and renowned writers of our present world have so far overlooked the very solutions which can bring order out of the chaos which exists in this field. The Bahá'í teachings provide mankind in today's world certain principles which Bahá'ís believe will lead to the betterment of all the peoples on earth. One of these is that there must be a spiritual solution to these troublesome economic problems. Another is that extremes of wealth and poverty must be eliminated. (18)

'Abdu'l-Bahá, the son of Bahá'u'lláh, the Founder of the Bahá'í Faith, and the appointed Interpreter of His teachings, has said that "*The secrets of the whole economic question are Divine in nature, and are concerned with the world of the heart and spirit.*" (19) In another place He

explains what He means by spirit. *"The essence of the Bahá'í spirit is that in order to establish a better social order and economic condition, there must be allegiance to the laws and principles of government."* (20)

In other words, there is a definite relationship between spiritual solutions and allegiance to government. We can imply from this the need for a revision of thinking, from that which so strongly adheres to keeping spiritual considerations outside government to the realization that spiritual motivations must be integrally connected with government actions. When thinking of this we must not limit ourselves to any one or a group of countries. We must think in a truly universal sense. `Abdu'l-Bahá said that

All the governments of the world must be united and organize an assembly the members of which should be elected from the parliaments and the nobles of the nations. These must plan with utmost wisdom and power so that neither the capitalists suffer from enormous losses nor the laborers become needy. (21)

The problems of poverty have no easy solution. But, it is imperative to find a source for the vast amounts of resources which will be necessary to raise up the level of income of the world's poorest peoples. The Bahá'í teachings make clear that the other part of the equation for the elimination of extreme poverty is the elimination of extreme wealth.

Friedman, writing some thirty years ago, put forth the idea of a negative income tax. Essentially, the idea was that if a person had a taxable income, after deductions, which was less than his exemptions, he would receive a subsidy. If an individual had more income than his exemptions, he would pay a tax.

One difficulty with this proposal was that the precise amount which a needy person could actually collect would be determined by how much the community could afford. This would leave the measure open to various machinations such as political expediency or other priorities which might be established from time to time.

Another problem was that the system would leave open the hazard of payment to those who, because of the lessening of incentives to work, might not do so. But Friedman felt that "... a system of supplementing incomes up to some fixed minimum would ..." create more of a desire to work. (22) He did not discuss in his thesis the idea of putting a limit on the incomes of the very wealthy.

Although Bahá'í writings do not provide much detail on how the economy of the future will work, (23) `Abdu'l-Bahá did go into some detail in describing a method which may be the forerunner to the concept of a negative income tax. There are, however, some important differences.

The solution, as outlined by `Abdu'l-Bahá, is relatively simple. The village is the beginning point, and the farmer is considered as very important to the equation. This is because farming, even in today's world, is by far the most numerous occupation. He says that "... when the village is reconstructed, then the cities will be also." Reference is made to a storehouse, and it is explained that what is meant is the House of Finance. In other words, an institution which is established and administered by a committee of wise leaders in the community.

In the beginning, the storehouse would borrow money from the bank, which it would then use as starter money to provide funds to the farmers for such needs as purchasing farming implements, or perhaps buying seed. When the harvest is in the loan is repaid at a slightly higher interest rate than that which must be paid to the bank.

If a person earns from his crop only enough to pay his obligations no tax would be collected. If a modest profit was made, using `Abdu'l-Bahá's example, if the farmer needs "one

thousand kilo [of produce] and his income is two thousand kilo, a tax of one-tenth is taken. "If . . . one needs two thousand kilo, but his income is ten thousand kilo, two-tenths will be taken." Suppose that the farmer has fifty thousand kilo, he will pay one-third in tax, and if someone had ten thousand kilo expenses but his income is one hundred thousand, from that farmer is collected fifty percent.

Other revenue comes from various sources, for example, from earnings from cattle a proportionate amount is collected. Revenue is also taken from the estate of someone who dies without heirs. If a mine is discovered on someone's land one-third belongs to him, and the rest goes to the storehouse. Again, if a person discovers hidden treasure in the earth, or some other place, it is divided fifty-fifty. Other revenue comes from voluntary contributions to the storehouse. Abdu'l-Bahá says that people will give of their own free will. (24)

Of course, there will be necessary expenditures, the first of which is one-tenth of storehouse profits payable to the government. The second expenditure will go to the poor. *"The poor who are in need, those who are exempt, not those who are idle."* (25) This mention of no payment to those who are idle, meaning those who could work but do not, is an integral part of the Bahá'í teachings. Bahá'u'lláh is very clear on this point.

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 most despised of men in the sight of God are those who sit idly and beg. Hold ye fast unto the cord of material means, placing your whole trust in God, the Provider of all means. (26)

This matter of no payment to non-workers seems to be another major difference to Friedland's negative income tax proposal. The persons who are exempt are those who have suffered a lost harvest or business loss, thus having become poor, so need to be cared for. The next category of expenditure is for the sick or crippled, who are thus unable to work. Another is for orphans. Schools must be organized and supported for the education of children, and the deaf and blind must be cared for. And the last category mentioned is the creation and maintenance of the public health. (27) When one sees the face of extreme poverty it is the lack of health and sanitation facilities which so often stand out.

One last admonition which Abdu'l-Bahá makes about this plan is that *" . . . if after all these expenses are defrayed, any surplus is found in the storehouse, it must be transferred to the National Treasury."* (28) This reminds us that both spiritual enlightenment and government cooperation are necessary for the eradication of extreme poverty.

Obviously, the above formula is not a complete and firm economic policy for the poor, but it does get to the heart of the matter. It provides starter money for those who need it. It does not tax those whose income is less than their needs and it does not tax those whose expenses equal their income. It does tax those who can pay, in increasingly larger percentages. It does not stop people from accumulating wealth, but it does put a cap on extremes of wealth. This method then, creates the ability, on the community level, of eradicating extreme poverty, while at the same time, providing nothing for those who are not willing, even though able, to work.

An important thing which is mentioned in the plan, is the establishment and operation of educational facilities for children. The Bahá'í writings stress the importance of education for all children. *" . . . in this new cycle, education and training are recorded in the Book of God as obligatory and not voluntary."* But, this education is not meant to be only of a secular nature.

"... from the very beginning, the children must receive divine education and must continually be reminded to remember their God." (29)

This closely correlates with that of a spiritual solution to the poverty issue. In our opinion, there is little doubt that poverty and the lack of education, both spiritual and academic, go hand in hand. Ignorance must be eliminated.

Not mentioned, but an obvious necessity, is the need to get water to parched areas, and to rejuvenate the soil which is so worn out in many places. Agricultural and other experts must be utilized for these and for similar purposes.

The need for establishing and maintaining public health is of the greatest importance. It is well known that among the poor, ill health is a major problem. The mortality and morbidity rates in the developed countries are much higher than among educated, more affluent societies. A healthy environment is essential. The establishment of sanitary toilet facilities and sewer systems is a public health priority, but so is proper diet and medical care. The elimination of malnutrition, so prevalent among poor nations, must be a major priority when considering assistance to impoverished people. `Abdu'l-Bahá provides insight and direction for health care.

At whatever time highly-skilled physicians shall have developed the healing of illnesses by means of foods, and shall make provision of simple foods, and shall prohibit humankind from living as slaves to their lustful appetites, it is certain that the incidence of chronic and diversified illnesses will abate, and the general health of all mankind will be much improved. This is destined to come about . . .

It is incumbent upon everyone to seek medical treatment and to follow the doctor's instructions, for this is in compliance with the divine ordinance . . . (30)

Medical and nutritional personnel must be made available to the poor, perhaps through a system of volunteers. An important change which must take place is the establishment of the equality of men and women. Women are equal to men, but even in advanced societies they are not, in practice, granted equal training as children or equal rights as adults. Any society which does not allow women equal opportunities will be unable to develop to its greatest potential. Equal education is a starting point, because a girl who grows up and has children has as her greatest responsibility the care and education of these children. A mother who is herself poorly educated, cannot fulfill her responsibilities. `Abdu'l-Bahá exhorts mothers to

. . . suckle your children from their infancy with the milk of a universal education, and rear them so that from their earliest days, within their inmost heart, their very nature, a way of life will be firmly established that will conform to the divine Teachings in all things. For mothers are the first educators, the first mentors; and truly it is the mothers who determine the happiness, the future greatness, the courteous ways and learning and judgement, the understanding and the faith of their little ones. (31)

There are many facets to the elimination of extreme poverty. There is no quick remedy, but rather the remedy must develop in conjunction with a spiritual desire to do it, and then, with a plan developed on a world wide basis, calling on the wisdom of people from every country, measures must be taken to meet this need head on. We should remember the admonitions of `Abdu'l-Bahá, speaking in Paris.

When we see poverty allowed to reach a condition of starvation it is a sure sign that somewhere we shall find tyranny. Men must bestir themselves in this matter, and no longer delay in altering conditions which bring the misery of grinding poverty to a very large number of the peoples. The rich must give of their abundance, they must soften their hearts and cultivate a compassionate intelligence, taking thought for those sad ones who are suffering from lack of the very necessities of life. (32)

It is obvious that for this to come about, there must be a spiritual rebirth throughout the world. Only by such a universal change of spirit will the hearts of people be truly softened, thus making the elimination of extreme poverty finally possible.

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