Economics and the Baha'i Faith

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Economics
and
The Bahá’í Faith

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Introduction

Chapter 1: Introduction

1.1 Background

Living amongst both the poorest nations and the wealthiest nations of the world for more than four decades, I witnessed inequality in standard of living and widening the gap between the rich and the poor. It was clear experiences and observations that such extremes and their effects on people's lives are of great significance in understanding and redefining human well-being. This condition of affairs and living disorder need to be addressed, by examining its causes and symptoms. The multiple consequences of contemporary social and economic problems have affected the whole of society, and the Bahá'í community as part of it. I was intrigued to learn how the Bahá'í teachings and the Bahá'í community would respond to such challenges. Statements such as 'The fundamentals of the whole economic condition are divine in nature' 1 and 'spiritual solution to economic problems' are repeatedly appears, in one form or another, in the Bahá'í scriptures and introductory literatures as one of the basic principles to tackle contemporary economic issues. This requires an in-depth study of Bahá'í teachings on economics, and what the Bahá'í Writings or approach has to offer to have an impact on the economic life of Bahá'ís and the wider society.

1.2 The organization of this work

The exploration of Bahá'í teachings on economics is carried

'Abdu'l-Bahá. Promulgation of Universal Peace, compiled by Howard MacNutt, 2nd ed., Wilmette IL: Bahá'í Publishing Trust, 1982, p. 237.

out through four broad categories of sustainable production, distributive justice, sustainable consumption, and Bahá'í globalization. Also, a Bahá'í inspired model of economic sustainability based on moral incentives is developed as a theoretical representation of the impact of Bahá'í teachings on human conduct in creating a more balanced economy. It is vital to note the interconnectedness of these groupings.

For the principal research organization, the Writings of three central figures of the Bahá'í Faith, Bahá'u'lláh, the Báb and 'Abdu'l-Bahá, along with the Writings of the Guardian of the Bahá'í Faith, Shoghi Effendi, and the international governing body, the Universal House of Justice allow to construct a framework for this work. It is the relationship of these Writings which I find attractive and which will enable me to draw a range of strands in this book into a coherent whole. The inspiration for this work is, therefore, a combination of observation, theoretical investigation along with positive and constructive critical thinking.

Although, all practice is drawn from a Bahá'í perspective and as a consequence analysis is related in a direct way to Bahá'í way of thinking with an episcopal structure Bahá'í institutions. However, some comparison will be made with other schools of economics and the views and Writings of non-Bahá'í writers and scholars where similarities and more widely applicable understandings of oversight can be identified. Extensive numbers of passages from the primary and secondary Bahá'í sources on relevant topics are incorporated into the main body of this enquiry as the basis for the analysis of various subjects linked with economics. To assist further, it is necessary to become familiar with specific terminologies used. The following guideline from the Universal House of Justices is a standard for appropriate

terminologies that need to be used in any academic exploration using Bahá'í Writings:
The Writings of the Báb and Bahá'u'lláh are Divine Revelation, the Word of God, and together with the Writings of 'Abdu'l-Bahá constitute the Sacred Scriptures of the Bahá'í Faith. According to Shoghi Effendi, the words of 'Abdu'l-Bahá 'are not equal in rank, though they possess an equal validity with the utterances of Bahá'u'lláh.' As to the Writings of the beloved Guardian and the pronouncements of the Universal House of Justice, though they are not regarded as Sacred Texts nor of the same station as

the Writings of the Central Figures of the Faith, nevertheless, they are authoritative statements of guidance and direction for the [Bahá'ís].2

This approach will be used for the organization of this book for the extensive use of Bahá'í Sacred Scriptures or primary resources, and the authorised interpretation by 'Abdu'l-Bahá and Shoghi Effendi. The selected passages are then adapted to a specific topic, and subsequently, they are explained, analysed and compared. The original and primary sources have been in Arabic and Persian. It must be noted that the primary resources were originally written either in the authors' hand writings or by their secretaries concurrently during the revelation and sealed by the author. Shoghi Effendi subsequently translated a number of these Writings from Persian and Arabic into English. He, during his own lifetime, mostly used the English language as a medium for correspondence and communication with the Bahá'í world community in the West (Europe and America). It should be noted that where references have not been provided, assertions are the perception and opinion of the author.

Universal House of Justice. 'Bahá'í Terminology for Research Purpose,' 11
November 2014, electronic correspondence to the author of this book.

1.3 The aims and significance of this work

The principal purpose of this work is to explore the Bahá'í teachings on economics and the way it contributes to the academic discourse, and its impact on the members of this Faith. Furthermore, knowing and understanding the economic principles of the Bahá'í Faith can assist Bahá'ís to work towards building a community based on spiritual and material foundation, as intended by its Prophet-Founder, Bahá'u'lláh.

Economics has advanced immensely in last two hundred years and since the publication of The Wealth of Nations in 1776 by the founder of school of the classical economics and the father of modern economics, Adam Smith. Although during this period the actual wealth of nations has increased substantially, at the same time the gap between high and low wage earners has increased dramatically in most of the world, particularly since the early 1990s. This is despite strong economic growth that created millions of new jobs. Therefore, the aim of this work is to demonstrate that economics and its relevant models and theories may have the ability to deal with many of the contemporary economic problems so long as the processes and the end result promote

the common good and eliminate extremes of wealth and poverty.3

Another significant aim of this undertaking is the proposition that moral incentives ought to be one of the pillars of modern scientific economics. The perception is not that economics and religion are the same, or generate the same outcome, or have the same effect on people, but that the effective partnership of the two fosters human well-being. It will be argued that religion and economics combined are potent

See: <https://ourworldindata.org/economic-growth>
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forces for resolving socio-politico-economic challenges of our time. On one hand, the Bahá'í literatures advocate ending discrimination, creating strong families, gender equality, poverty alleviation, and exercising moderation, compassion, honesty, and good character. On the other hand, economic literatures and academic textbooks emphasis the role of saving and capital formation, sound use of money and banking, the specialisation and trade, entrepreneurship, the role of government and legislation, efficient use of resources, equilibrium in the price system, and promoting growth and development. Consequently, the two disciplines of religion as a spiritual realm and economics as a social science, although different entities, together would be able to have a great impact on people's well-being. Exploring this view, Bahá'í scholar and development expert Haleh Arbab focuses on the significance of the role of science and religion:
Through science we explore the social and physical aspects of reality. Through religion we learn about spiritual principles that are expressions of the laws of material and spiritual existence and are built into the very structure of the universe. Religion reveals to us principles that are neither invention of the human mind nor social conventions but insights into reality. Science helps us apply these principles to the social reality in which we are immersed.4

According to this view, religion and economics have complementary aims and objectives and together accelerate the economic well-being of the whole society.

Shoghi Effendi, the Guardian of the Bahá'í Faith emphasises the significance of the Bahá'í Writings on economics and the need 'to study the economic teachings in the light of modern

Haleh Arbab. Electronic correspondence with the author, 15 January 2015.
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problems more thoroughly.' 5 The discussion of 'modern problems' is based on my keen awareness and understanding of events throughout the world, whether social, political, economic, environmental and spiritual. Also, it is based on my academic background as an academic economist. Modern problems are examined in light of Bahá'í literature. It is notable to state that the Bahá'í Faith has appeared in an age of socio-politico-economic interdependency and has addressed contemporary problems through a great diversity of Writings. These contemporary problems will be studied and examined throughout this work. Exploring Bahá'í teachings while there is not yet a significant research on Bahá'í economics makes this work more challenging, and at the same time, original and timely to the Bahá'í community and to academia.

1.4 Exploring questions

This work explores the role of Bahá'í teachings in economics and their implication for the Bahá'í community and the wider society. It examines and discusses this topic by raising a number of questions:

I. Is there a role for morality and spirituality in economics? The view expressed is based on the idea that if economics creates relationships between people through exchange and trade, then moral incentives would be a necessary condition for an effective relationship. Moral codes of conduct become essential for an effective application of supply and demand and price mechanism among participants of the market, and for successful operation of production, distribution and consumption as three basic principles of economics, and in the process of attaining a

meaningful and enlightened globalization. This work, in reference to the Bahá'í Writings, suggests a number of moral and spiritual principles for smoother operation of economic principles.

II. What are some of the distinctive principles influencing Bahá'ís to participate in the labour market to produce goods and services? This question is in reference to Bahá'í work ethics. In the modern working environment, the focus is on the role of technology and motivating the workforce to produce more through monetary incentives. But there is more than simply producing more: other factors need to be

considered, such as producing commodities that preserve the environment, allocate resources efficiently, and are befitting human dignity. The Bahá'í attitude, therefore, is beyond just producing more.

III. How does the Bahá'í principles more effectively influence the elimination of extremes of wealth and poverty? This leads to a discussion of how Bahá'ís attempt to develop a sustainable life-style. The discussion of improving economic performance and increasing the total level of output, together with wealth redistribution, would be inadequate and incomplete if a minority of the world population possesses a large proportion of the world's resources.

IV. How does the Bahá'í concept of globalization differ from the one currently forming? Today the lives of people and organizations are interrelated and interdependent in every aspect: economically, socially, politically, environmentally, and spiritually. Economics and the Bahá'í Faith

The future life of humanity is global and this is more a certainty than an option. The challenge, however, is in the process adopted for a meaningful global integration.

V. To what extent are the Bahá'í principles on economics being practiced within the Bahá'í community? It will be discussed that the application of Bahá'í teachings on economics, at this early period of the development of the Bahá'í community, is challenging because there is no Bahá'í state or a Bahá'í government to fully implement Bahá'í principles. Bahá'ís are spread all over the world with diversity of cultures, and a part of socio-politico-economic system of a country they live.

Key Words, Definitions and Concepts

Chapter 2: Key Words, Definitions and Concepts

The proposed title for this work is 'Economics and the Bahá'í Faith', which explores the Bahá'í teachings on economics and their implications for the Bahá'í community and the wider society. A number of direct and indirect keywords are relevant to this subject including: Bahá'í, economics, Bahá'í community, wider society, and spirituality. These key words are discussed in this section.

2.1 Defining economics

The conventional definition of ‘economics’ has some relevance to this enquiry. The term ‘economy’ comes from Greek oikonomia. The word denoted ‘household management’ or a person skilled in this, hence the early sense of the adjective in the late 16th century.1 If economy is ‘the arrangement…of a general system of organization,’ 2 then economics is the study of the economy. In wider society, the household can be compared to a government that has responsibility for the management of a nation’s resources for the benefit of the entire population; in the same way, a household ensures the management of the house and the well-being of all members. In several of his Writings, ‘Abdu’l-Bahá uses this concept when explaining the economic arrangement of society. For example, he said, ‘This household is not well managed. This household is not living

Oxford Dictionary of English. Oxford: Oxford University Press, 2nd ed., 2005, p. 552.

Universal House of Justice. Haifa: Bahá’í World Centre, letter dated 4 June 2013.

under perfect law.’3 He, then, refers to a need for legislation to aid the proper functioning of a household, the whole community or a nation, he said, ‘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.’4 In this passage, using the concept of ‘household,’ ‘Abdu’l-Bahá talks about the role of government in establishing legislation to ensure that the well-being of the whole nation is create.

Adam Smith defined economics from a mainly political perspective associated with increasing the wealth of a nation. He considered labour as an economic man. Considering that Smith lived in the period of industrial revolution, the issues of production, wealth, labour productivity and competition were pertinent during this period. The Industrial Revolution was the transition to new manufacturing processes in the period from about 1760 to sometime between 1820 and 1840. Adam Smith’s The Wealth of Nations was published in 1776. However, the conventional definition of economics as ‘household management’ and Adam Smith viewing labour as ‘economic man’ may not be an adequate expression for the new age with a much more complex world economy, which has expanded beyond the world known to the ancient Greeks or for the period of industrial revolution. Perhaps we ought to look at wider definitions.

The modern definitions of economics are in relation to the efficient use of scarce resources and their effects on each other. The three main economic resources, land, labour, and capital, are known in economic textbooks as factors of

‘Abdu’l-Bahá. Foundation of World Unity, compiled by the National Spiritual
Assembly of the Bahá’ís of United States, Wilmette IL: Bahá’í Publishing Trust,
1979, p. 38.
‘Abdu’l-Bahá. Foundation, p. 39.

production. 5 These resources are, however, inactive by themselves, unless a fourth factor, such as the entrepreneur, uses them effectively to produce commodities. It is based on an interpretation of the definition of modern economics where a relationship between human behaviour and economic resources is considered. This view is supported by an earlier definition by a leading economics figure in British higher education Charles Robbins. As early as 1932, Robbins defined economics as ‘The science, which studies human behaviour as a relationship between ends and scarce means which have alternative uses.’ 6 Leading development economist Michael Todaro’s definition of economics is also relevant to this discussion. For Todaro, ‘Economics is a social science. It is concerned with human beings and the social systems by activities to satisfy basic material needs and non-material wants.’ 7 Another popular definition of economics that can be seen in most economic textbooks and has relevance to our discussion in this research is from Alfred Marshal. He writes: ‘Economics is the study of mankind in the ordinary business of life.’8 The ordinary, normal, usual, or everyday business of life for most people should include the minimum standard of living as human rights including sufficient food, cloths, shelter, health and education. However, poverty, inequality, increasing the gap between the rich and the poor, child labour, consumerism, wastage of the Earth’s precious resources and various types of negative externalities are examples of abnormality that affects the life of humans and the eco-system.

Paul Krugman, Maurice Obstfeld and Marc Melitz. International Economics: Theory and Policy, 9th ed., London: Pearson Education International, 2012, p. 81.
Charles Robbins. See: Stephen Ison, Economics, 3rd ed., London: Pearson Education Limited, 2000, p. 1.
Michael Todaro. Economic Development in the Third World, 4th ed., London:

Longman Publication, 1992, p. 26.
Alfred Marshal. Principles of Economics, p. 1.
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These concepts and definitions are convenient for this study because they draw attention to the unique feature of human beings, human society, and our everyday needs as a complex pattern of behaviour towards sustainable production (chapter 3), distributive justice (chapter 4) sustainable consumption (chapter 5), and Bahá'í globalization (chapter 6). Hence, there is relevance between conventional and modern definitions of economics and the Bahá'í perspective on the role of human behaviour in economics. Economics, in this study, is viewed as a social science, but also as an 'art'. 'Art', in a sense that in using scarce resources, we need to use our creativity, ability, talent, sensitivity and understanding, in a way that one enjoys and appreciate the finished product or service.

Furthermore, the modern economic discipline is described in terms of 'microeconomics' and 'macroeconomics'. Economists have been concerned primarily with the problem of making the best use of the world's scarce productive resources at a single point in time. Microeconomics studies this problem from the perspective of individual firms and consumers. 9 Thus, microeconomics is about variables and entities, in small scale that can be controlled by households and firms. Economic variables such as price, supply and demand exist in relation to other variables such as income and employment and they act together within a time factor to form a system or a model. The results of all these interactions of variables lead to developing phenomena such as surpluses and shortages of commodities affecting supply and demand and relevant prices. People, households, firms, governments

Paul Krugman and Maurice Obstfeld. International Economics: Theory and Policy, 6th ed., London: Pearson Education International, 2003, p. 323.
Key Words, Definitions and Concepts

and even countries can be considered economic variables interacting with other variables of the same nature. Adam Smith and the classical school of economics support this type of economics. Macroeconomics, on the other hand, is about how large changes affect the system that the variables make up. The rules of economics change; and what may be true of microeconomics in small-scale is not necessarily true of macroeconomics for large-scale phenomena, such as unemployment, economic growth, and export and import. John Maynard Keynes is the founder of this type of economic

discipline, which is known as macroeconomics. An alternative economic discipline to support this discussion is coined by author Marjorie Kelly, the Director of Special Projects with the Democracy Collabourative, and is known as the ‘Generative Economy.’ Explaining ‘generative economy,’ Kelley asks, what kind of economy is consistent with living inside a living being? This question is being answered in experiments across the globe. Generative economy is about a life-style that is sustainable. Hence, generative economy is defined as ‘a living economy that is designed to generate the conditions for life to thrive an economy with a built-in tendency to be socially fair and ecologically sustainable.’10

This notion concerns the structure of the system within which economic variables act, and the way the system itself operates. The teachings of the Bahá’í Faith, in this analysis, are about ‘generative economics.’ They do not deal with the way variables interact economically, for example, how much a person should be paid, or the way systems behave, or the solution for poverty. This would explain why ‘there are practically no technical teachings on economics’ 11 stated in

Marjorie Kelly. Retrieved: <http://www.marjoriekelly.com>.
Shoghi Effendi. ‘Letter dated 25 January 1936’, American Bahá’í News, no.
103, p. 2.

the Bahá’í Writings. However, the Bahá’í teachings suggest what is morally possible for individuals and firms, such as allowing charging a fair interest rate on loans; and that economic systems are immoral if there are extremes of wealth and poverty, rather than how an extreme might be defined. In the proposed model of economic sustainability (chapter 8), micro and macroeconomic variables interact with each other in close association with spiritual principles to influence the participants of the market in making right choices and right decisions.

2.1.1 Is there a Bahá’í economic system?

A system comprises multiple components, including concepts, rules, principles, analysis, design, structure, purpose, behavior, time-based factor, and implementation. The economic system is composed of households, firms, government, and trading institutions and their relationships to resources, such as land, labour and capital. An economic system, in more specific, is a mechanism that deals with fundamental economic principles of production, distribution, consumption of goods and services, and flow of money in a

particular society. It addresses the problems of economics such as limited resources and unlimited wants, and the allocation and scarcity of resources. The purpose of an economic system is to improve the well-being of the generality of population in a society.

The term ‘system’ comes from the Latin word systema means ‘whole compounded of several parts or members’, literary ‘composition’. Most popular dictionaries define system as a set of interacting or interdependent component parts that forming a complex whole. Merriam Webster, define it as ‘A regularly interacting or interdependent group of items forming a unified whole.’ Similarly, Oxford Dictionary
Key Words, Definitions and Concepts

define system as ‘A set of things working together as parts of a mechanism or an interconnecting network; a complex whole.’ Therefore, a system is an orderly grouping of interdependent components linked together according to a plan to achieve a specific unified objective. Based on these definitions and other relevant discussions, we can establish a number of characteristics for the formation of a system, including:

I. System is an organized and orderly set of principles. It is much easier to see this feature in a more scientific structure with formulas and data collected than in a social science structure such as economics. A country chooses an economic system based on how they respond to the three basic economic questions of ‘what to produce?’ or consumption (should we produce more food stuff or electronic stuff); ‘how to produce?’ or production (should we produce using more technology or more labour); and ‘for whom to produce?’ or distribution (should we produce more for rich people or for more people? In a command economy (planned economy, Communist system) government makes all the decisions. In a free-market economy (capitalist system) the actors or different agents of the market including consumers and producers makes all the decisions. However, in reality all systems are a mixture of command economy and market intervention. Therefore, all economies worldwide are mixed economies. There are a number of guidelines in the Bahá’í Writings in relation to the three basic questions mentioned above, but not in an organized and orderly manner. This will be the task of future experts to study Bahá’í Writings in its totality for determining the components of a system that will

be fair, universal, and flexible.
Economic and the Bahá'í Faith

II. It is a functionally group of interaction and interrelated principles, with coordinated method and unified plan. It refers to the manner in which each component functions with other components of the system. Studying the totality of Bahá'í Writings, Bahá'í teachings on economics will be coordinated and linked together based on a given unified plan. There are short term plan and long-term plan for applying Bahá'í principles. Bahá'u'lláh, has given us the long-term plan such as equality of women and men, universal and compulsory education, universal peace, and many more that are stated in His Writings and requires a much longer time to achieve them. The Universal House of Justice provides to the Bahá'í community the short-term plans, currently known as Five Year Plan.

III. It is a set of rules that govern and describes structure and behavior. In the current system of free-market economy, the assumption is that the market is self-regulating and can reach equilibrium automatically. But the fact that there are numerous problems in the economy, it is an indication that the market is not self-regulating and does not reach equilibrium automatically, and thus there is a need for government intervention. It is still too early to imagine different components of the structure of an economic system for a global society.

IV. A system is described by its purpose and objective. A system should have a central objective. The objective can be divided into several sub-systems or system-model to be achieved on a set time-based factor.
Key Words, Definitions and Concepts

Having short-term and long-term plan results in a smooth process of achieving the central objective. In the Bahá'í Faith, economics is a means and the central objective is the prosperity of humankind. Without discarding the existing economic systems, models and theories, the suggestion is that the exploration of Bahá'í teachings on economics would be beneficial to all.

V. Integration of the components. It refers to the universality or holistic approach of the system. It is

concerned with how a system is tied together. The current dominant economic systems do not consider the well-being of the generality of the population. For example, capitalism favours the rich capitalists, and communism favours workers. Where is the place of more than half of the world's population, farmers, in these systems? In any alternative model of future economics, agriculture should play a major role.

Based on the above discussion, the answer to: is there a Bahá'í economic system, would be both yes and no. No, in the sense that currently, there is no Bahá'í economic system. Shoghi Effendi states: 'Bahá'u'lláh did not bring a complete system of economics to the world.' 12 He also said: 'The Cause is not an economic system, nor its Founders be considered technical economists...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.' Yes, in a sense that there are guidelines in the Bahá'í Writings to help future economists and experts to establish the Bahá'í economic system of the future as a part

Shoghi Effendi, Directives from the Guardian, p. 19.
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of a new World Order created by Bahá'u'lláh. Shoghi Effendi states: '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.'13 In the Bahá'í Writings, there are references to sustainable production, distributive justice, sustainable consumption, and flow of money, as well as elements of macro-economic such as government participation in the economy and the role of Bahá'í institutions. In addition, an economy's moral and spiritual requirements are emphasised. The task of an in-depth study of the components of an economic system is given to future Bahá'í economists. The study of the Bahá'í sacred scriptures and research carried out by Bahá'í scholars indicated that the Founders of this Faith did not construct a Bahá'í economic system. As a result, throughout this study, the assumption is made that the Bahá'í Faith is a religion and not an economic system.

Nevertheless, the Central Figures of the Bahá'í Faith have provided several principles that can be used as guidelines to help future economists to develop the components of a just, universal and flexible economic system. Therefore, in any Bahá'í discourse, researchers are using the phrase 'Bahá'í economics' with much caution, as it is not yet fully

developed. Hence, at this time, Bahá'ís must take care not to create a separate Bahá'í economic system.

Currently, the Bahá'í community is evolving toward a Bahá'í economic system. Bahá'ís are engaged in setting the spiritual foundation of economics of the future. Our economic, as well as our spiritual life, need to be in balance. Shoghi Effendi states the importance of spiritual reflection, 'The primary

Shoghi Effendi, letter dated 10 June 1939.

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 an ideal condition foretold by Bahá'u'lláh.' 14 The view that economics is a pure technical science is beginning to change. In recent times concerns have been raised dealing with climate change, consumer citizenship and about a sustainable life style. The Universal House of Justice states, 'The solution, then, to prevailing economic difficulties is to be sought as much in the application of spiritual principles as in the implementation of scientific methods and approaches.'15

Another factor to be considered is that currently there is no Bahá'í state and the Bahá'í population is small and scattered all over the world. Hence, it is too early to envisage how Bahá'í economic principles will shape and function at a larger scale in the future. The main priority at this time is the application of moral and spiritual principles within the Bahá'í community and to infuse these into the wider society. Bahá'ís all around the world enthusiastically join and work closely with any group or organisation that promotes values such as trustworthiness, truthfulness, justice, kindness, and service to humanity. These core values enlighten any economic system, now and in the future.

System-model: It was stated earlier that a system comprises multiple views, including concepts, rules, principles, analysis, design, structure, purpose, behavior, time-based factor, and implementation. A system-model is required to describe and represent all these multiple views. One can make simplified representations of the system in order to understand it and to

Shoghi Effendi, Directives, p. 19.
Universal House of Justice, letter dated 2 April 2010 to the Bahá'ís of Iran.

predict or impact its future behavior. For example, 'the

Bahá'í inspired model of economic sustainability' in chapter eight is a conceptual and nonphysical entity developed by the author of this work. It is also an open system as it has many interfaces with its environment. The Bahá'í model of economic sustainability is based on moral incentives and is developed as a theoretical and simplified representation of the impact of Bahá'í teachings on human conduct in creating a more balanced economy. It is vital to note the interconnectedness of these groupings.

Divine economy: The phrase 'divine economy'16 is stated in the Writings of Shoghi Effendi and he associates it with the World Order of Bahá'u'lláh. The concept has close connotation with spirituality and hence to the current work. According to the Universal House of Justice, the concept of divine economy is not in reference to a particular economic system but it is referred to a general system of organisation. 'It appears that the Guardian [Shoghi Effendi] uses the term divine economy not as a reference to a specific system of economics, but to something broader and more general.'17 In this context, the general system of organisation can be referred to as a holistic society that all parts of it are interrelated and interconnected, and nothing can be understood in isolation but as a part of the whole system. In this work spirituality and the divine economy is placed in the same grouping because as we will see in other chapters many features of divine economy are associated with spirituality.

For 'Divine Economy', see: Shoghi Effendi, The World Order of Bahá'u'lláh,
Wilmette, IL: Bahá'í Publishing Trust, 2000 [1991], pp. 19-20, p. 22, p. 24, and p.
61.
Universal House of Justice, letter dated 4 June 2013.
Key Words, Definitions and Concepts

2.1.2 Bahá'í community
According to statistics provided by the Bahá'í International Community, there are more than 5 million Bahá'ís in the world. The Bahá'í Faith is established in virtually every country and in many dependent territories and overseas departments of countries. Bahá'ís reside in well over 100,000 localities. About 2,100 indigenous tribes, races, and ethnic groups are represented in the Bahá'í community…Of the several thousand Bahá'í efforts in social and economic development, more than 900 are large-scale, sustained projects, including more than 600 schools and over 70 development agencies…The Bahá'í International Community

has been registered with the United Nations as a nongovernmental organization since 1948. It currently has consultative status with the United Nations Economic and Social council (ECOSOC) and the United Nations Children's Fund (UNICEF), as well as accreditation with the United Nations Environmental Program (UNEP) and the United Nations Department of Public Information (DPI). The Baha'i International Community collaborates with the UN and its specialized agencies, as well as member states, inter- and non-governmental organizations, academia, and practitioners. It has Representative Offices in Addis Ababa, Brussels, Geneva, Jakarta, and New York…Bahá'í writings and other literature have been translated into more than 800 languages. Each year, around one million people visit the Bahá'í Shrine, terraces, and gardens on Mount Carmel in Haifa, Israel.18

Such a diverse and mixture of people makes the worldwide Bahá'í community a diverse group. The life of Bahá'ís and the Bahá'í community is not isolating itself from rest of the wider society. The community as a part of its commitment of

See: <https://news.bahai.org/media-information/statistics/>
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service to humanity, sponsors a large number of small-scale, grassroots-based social and economic development projects, which cater for anyone in need, not only Bahá'ís. The various activities of the Bahá'í community and its involvement in socio-economic undertakings are discussed throughout this book.

One of the distinguishing features of the Bahá'í Faith is the presence of a set of institutions to be in charge of the affairs of the Bahá'í community at local, national and international level. Hence, a system of priesthood is replaced with a system of administrative order. 19 Consequently, after the passing of Shoghi Effendi, the Guardian of this Faith, the affairs of the Bahá'í community have been managed through an administrative order. The system of Bahá'í administration is regarded by Bahá'ís as divinely ordained. It is distinguished from other religious or secular forms of government, as Shoghi Effendi points out:

> Bahá'u'lláh has Himself revealed its principles, established its institutions, appointed the person to interpret His Word who is 'Abdu'l-Bahá, and conferred the necessary authority on the body designed to supplement and apply His legislative ordinances, the Universal House of Justice.20

With electoral and consultative principles, the Bahá'í administrative order operates democratically at the local, national, and international levels. The election of Bahá'í Local Spiritual Assemblies takes place each year on 21st April. The Bahá'í election is theoretically and practically different from the electoral processes currently practised, in

For an in-depth study of Bahá'í administration see: Hatcher and Martin, The Bahá'í Faith, pp. 143-153; John Ferraby, All Things Made New, pp. 263-266; Peter Smith, The Bahá'í Religion, pp. 53-59; Wendi Momen and Moojan Momen, Understanding the Bahá'í Faith, pp. 115-120.
Shoghi Effendi. World Order of Bahá'u'lláh, p. 145.
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that there is an emphasis on spiritual qualities and service orientation, rather than material gain or power. Bahá'ís are free to vote for any adult Bahá'í21 who they consider as loyal and Faithful. Therefore, there is no nomination or canvassing. Shoghi Effendi states:

> The strength and progress of the Bahá'í community depends upon the election of pure, Faithful and active souls…Canvassing is deprecated...Bahá'í elections of the community are…sanctified from all traces of canvassing and plotting that characterize the activities of the perfidious.22

The Universal House of Justice is a nine-member body elected at five-year intervals by the entire membership of the National Spiritual Assemblies. The Universal House of Justice consults on issues pertaining to the welfare of the whole of humanity as well as the affairs of the Bahá'í communities and guides the Bahá'í world within the framework of the teachings of Bahá'u'lláh. It was first instituted in 1963, and its seat is in Haifa – Israel (Bahá'í World Centre). The Universal House of Justice appointed 'Bahá'í International Community' as representative of the Bahá'í community with International agencies.

A distinction is made between Bahá'í community, Bahá'í civilisation, and Bahá'í commonwealth. The Bahá'í community is one that is comprised of registered adult Bahá'ís and children. The Bahá'í civilisation refers to a future society where Bahá'í principles are applied, such as gender equality, universal and compulsory education, and the practice of Bahá'í consultative method of decision-making. The Bahá'í commonwealth will be the final stage of the

The age of maturity is 15 for both girls and boys. But, the age of an adult Bahá'í

for the purpose of Bahá'í election is 21.
Shoghi Effendi. Quoted in Lights of Guidance, p. 10.
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Administrative Order leading to the promised Golden Age.

2.1.3 Wider society
The statement of the founder of the Bahá'í Faith which states, 'The earth is but one country and mankind its citizens'23 is becoming increasingly clear that the world has reduced to a global village24; and in an ideal sense the village represents the entire humanity and the Bahá'í community playing its parts to promote its advancement. However, to consider the whole globe as one home for the entire human family, it cannot be achieved in a spiritual vacuum.

Bahá'ís are instructed to adopt a world-embracing vision. Statements such as 'Be intent on the betterment of the world.'25 and 'The well-being of nations'26 and 'We desire but the good of the world and the happiness of the nations,' 27 clearly indicate that the prophet-founder of the Bahá'í Faith is concerned about the well-being of the entire society. Hence, in any discussion on socio-politico-economic issues, the Bahá'í writers and researchers refer to the global features of Bahá'í teachings.

Currently the Bahá'í community associates with the wider society in a number of ways. The Bahá'í International

Bahá'u'lláh. Gleanings from the Writings of Bahá'u'lláh, p. 250.
Marshall McLuhan came up with the phrase 'the global village' as a way to describe the effect of radio in the 1920s in bringing us in faster and more intimate
contact with each other that ever before in human experience. For the full paper
on the 'global village' see Eric McLuhan, an online information resource, retrieved at: <http://projects.chass.utoronto.ca/mcluhan-studies/v1_iss2/1_2art2.htm>.
Bahá'u'lláh. Cited in Ebenezer Esslemont, Bahá'u'lláh and the New Era,
Wilmette IL: Bahá'í Publishing Trust, 1990, p. 133.
Ibid. Tablets of Bahá'u'lláh: Revealed after the Kitáb-i-Aqdas, translated by
Habib Taherzadeh, Haifa: Bahá'í World Centre Publications, 1978, p. 174.
Ibid. Cited in Shoghi Effendi, Advent of Divine Justice, New Delhi: Bahá'í Publishing Trust, 1970, p. 31.
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Community (BIC) is an independent organization which is recognised by the UN, and with whom the UN co-operates.

BIC is a non-governmental organisation registered with the UN as an NGO in 1948. BIC affiliates in over 180 countries and territories, representing the members of the Bahá'í Faith worldwide. One of the aims of the BIC is to seek to promote and apply principles derived from the teachings of the Bahá'í Faith that contribute to the resolution of the current day challenges facing humanity. To achieve its purpose, the BIC interacts with the UN and its specialised agencies, governments and other NGOs, and has presented papers and statements at world conferences and meetings of UN bodies and agencies for a number of years. These include contributions on such diverse subjects as food, population, women, international trade, education, health, and the peaceful utilisation of scarce resources and the environment. In May 1970, BIC gained consultative status with the United Nations Economic and Social Council (ECOSOC); in 1976 at the United Nations Children's Funds (UNICEF), and in 1989, developed a working relationship at the World Health Organization (WHO).28

2.1.4 Analogy of human family

An important analogy that will be used in a number of topics is the concept of human family. The phrase 'human family' in the Bahá'í Writings is used to portray the entire humanity. It is stated that 'The world of humanity has been described as a unit, as one family.'29 Also, it is stated 'we are all inhabiting one globe of earth. In reality, we are one family and each one of us is a member of this family. We must all be in the greatest happiness and comfort.'30 Hence, just as discipline,

See: <https://www.bic.org/about-us>
'Abdu'l-Bahá. Promulgation, p. 36.
Ibid. Foundation, p. 41.
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organization, cooperation, and association are necessary for the establishment of family, so should there be similar discipline and procedures for the establishment and advancement of society.

But what is a family model? The family model is a small unit. Partnership is one of the features of family model. This is an approach based upon an explicit model of caring and helping process. It demonstrates how a partnership, enable parents and children to overcome their difficulties, build strengths and resilience and fulfill their goals more effectively.

Thus, the analogy of family is useful in a number of discussions in this book including the view on globalization,

in clarifying the concept of economic sustainability, and in discussing human, capital and financial interdependency. The Bahá'í Writings affirm that 'The family unit offers an ideal setting within which can be shaped those moral attributes that contribute to an appropriate view of material wealth and its utilization.'31 According to Loudon and Bitta 'The concept of family or household life cycle has proven very valuable for the marketers, especially for segmentation activities.'32 This analogy is useful in discussing distributive justice.

The use of the analogy of the family in economic activities is helpful, given the similarities between the features and structure of a family and those of economics. For example, partnership is one of the features of family. This is an approach based on an explicit concept of a caring and helping process. It demonstrates how a partnership enables parents

Universal House of Justice. 'Statement addressed to the Bahá'ís of Iran,' 2
April 2010, The UK Bahá'í News, May 2010.
David Loudon, and Albert Della Bitta. Consumer Behaviour: Concepts and Applications, 4th ed., London: MaGraw-Hill International Edition, 1993, p. 223.

and children to overcome their difficulties, build strengths and resilience and fulfill their goals more effectively. The success of the family as a socio-economic unit would be based on a bond of love and unity and concern for the other; so, should be the success of the economic operations in the market. The integrity of the family is based on mutual love, trust, service to others and sacrifices for one another. These qualities are essential for the family to succeed, otherwise the family would become dysfunctional and chaotic and will break apart. A family that applies the principles of love, trust, service and sacrifice can cater for the varied needs of each individual in the family, even with limited resources. In the family unit, the idea of division of labour applies too, where each member has a different but complementary function. Thus, the analogy of family is the pivot of all economic reciprocal relationships leading to activities of production, distribution and consumption, be it between the members of the same family, between families or between communities, local, national and international. This is where we see a logical connection between moral principles and economics.

There are however challenges when discussing the analogy of family. According to Wesley Burr, Loren Marks and Randal Day:
Most people do not need to be encouraged to be

interested in their own welfare. This seems to come rather naturally to most humans, whereas being concerned about others does not seem to come as naturally. The idea that the welfare of others is important is acquired only when people learn it as a part of their ideology or philosophy of life, and people need to be relatively mature to grasp this idea. 33

Wesley Burr, Loren Marks and Randal Day. Sacred Matters: Religion and Spirituality in Families, London: Taylor and Francis group, 2012, p. 112.

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Most people are altruistic by nature and have a certain level of empathy and understanding to help others. To form a family, for example, couples enter into an agreement or covenant with each other whereby they concentrate on helping and supporting each other and their children. The same applies to the human family whereby we use all our resources to produce goods and services that benefit all its members through a justified exchange mechanism, which is based on altruistic nature. However, the features and functioning of a modern family are complex and it may not be so easy to use it as an analogy for contemporary economic issues. The application of the analogy would be more practical in smaller communities and in small-scale operations.

However, the structure of a modern family is much more complex with variety of functions. Apart from financial capital as a function of a unit of family, Charles Collier identifies three other functions:

There is more to family wealth than the financial dimension. Human capital refers to who individual family members are, and what they are called to do; intellectual capital refers to how family members learn and govern themselves; social capital denotes how family members engage with society at large; and financial capital stands for the property of the family.34

Therefore, the key to the financial success of the family depends on how well the other three functions are performed. From a Bahá'í perspective the four functions of a family unit are all influenced by one's moral and spiritual compass. Consequently, in this study, spiritual capital is added to the above principles suggested by Charles Collier. The idea is

Charles Collier. Wealth in Families, Harvard University Press, 2006, p. 34.

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that if the moral and spiritual principles are effectively working within the unit of the family, then those values become a norm, a cultural phenomenon, and a way of life in the entire community.

Within the Bahá'í community, much importance is placed on strengthening the concept of family and its relationship with those outside of the family unit. Moral education and better understanding of the significance of marriage and family life helps pave the way. Morality is an essential part of the Bahá'í culture, which defines the relationship between an individual and the whole society. Bahá'í parents and the Bahá'í community endeavour to teach moral values to children. As a result, those values become an intrinsic part of the individual and the life of the society. Thus, it becomes natural for a Bahá'í to respect and care for fellow human beings and the creation of a new generation. The Bahá'í community is in a dynamic state of transformation with a culture of learning. This approach promotes the positive transformation of individuals and families into a new generation. However, it depends how this community adjust itself with the challenges of the larger society they are living in it.

2.1.5 The concept of spirituality

The word 'spiritual' or 'spirituality' constitutes an important and inseparable part of all Faiths including the Bahá'í Faith and hence it has much relevance to Bahá'í discourse. In any discussion about Bahá'í teachings spirituality plays a central role. Nevertheless, the word spiritual has been associated with a multitude of meanings, religious and non-religious. There is an agreement among all of the major religious systems that there is a non-observable spiritual reality above and beyond material reality. Bahá'í scholar, philosopher and Economic and the Bahá'í Faith

mathematician, William Hatcher (1935-2005) maintains the view that 'Spiritual dimension of existence is more fundamental and more real than the material, and that the basic task of human existence lies in learning how to relate properly to spiritual reality.'35 Although the terms spirituality and religion are commonly used interchangeably, it is important to note that the term spirituality refers to the higher nature of human beings, which Bahá'ís believe is innate in human being, however, it need to be developed.

There is no precise agreement between theologians and social scientists, including economists, about the precise meaning of topics that have some relevance to the notion of spirituality,

such as justice and trustworthiness. Some economists, such as Karl Marx, keep their distance from phrases such as ‘divine economy,’ ‘spiritual enterprise,’ ‘eco-justice,’ and ‘spiritual economics.’ Bahá’í scholar and academic economist Farhad Rassekh has made a distinction between ‘anti-religion thinkers like Karl Marx and those who do not see a role for religion in economics.’ 36 Rassekh argues that there is a difference between religion and spirituality:

It is quite common for a lot of people to consider themselves spiritual but have no religious affiliation and actually see religion as a negative force. Thus, some economists rather keep religion out of their work even if they believe in God. As a result, as far as their research and Writings are concerned, they can be safely placed in the category of secular thinkers.37

A number of researchers investigating spirituality have found that spirituality is broader than the concept of religion. Educational psychologist, Douglas McDonald’s investigation

William Hatcher. Retrieved: <http://william.hatcher.org/license>.
Farhad Rassekh. Electronic correspondence, 10 May 2013.
Ibid.
Key Words, Definitions and Concepts

of existing literatures has found that spirituality can be viewed as a separate and identifiable concept that is broader than the notion of religion. He stated that ‘Spirituality is a complex yet identifiable construct that includes but extends beyond religion.’38 Another educational specialist, Kirsi Tirri maintains that ‘spirituality must be seen as a wider concept than religion.’ 39 Theologian and senior researcher in spirituality David Hay’s view is that ‘Surely the unquestionable assumption that spirituality refers only to religion cannot be right.’ 40 Hay refers to a new way of thinking about spirituality that ‘will help us to get beyond the religious/secular or believer/sceptic split.’ 41 Humanistic psychologist, Abraham Maslow suggests that it is useful to differentiate the subject of ‘spirituality’ from ‘conventional and organised religions’ 42 Theologian, Joseph Priestley, has identified six factors that characterise spirituality and maintains that spirituality is: ‘broader than religion’, ‘dynamic’, ‘being and becoming’, ‘other worldly’, ‘communal’, and ‘holistic’ in nature. 43 Brendan Hyde proposes that ‘spiritualty existed long before the evolution of religion.’ 44 Social psychologist, Diarmuid O’Murchu illustrates that historically spiritual experiences can be traced as far back as 70,000 years ago. In contrast, he argues that

Douglas McDonald. Spirituality: Description, Measurment, and Relation to the Five Factor Model of Personality, 2000, page 192.
Kirsi Tirri. Cross-cultural study of preadolescents' moral, religious and spiritual
questions. British Journal of Religious Education, 2005, 27(3), pp. 207-214,
David Hay. Something There: The Biology of The Human Spirit, London: Darton - Longman, 2006, p. 28.
Ibid. p. 34.
Ibid.
Joseph Priestley. Spirituality, Curriculum and Education. International Journal of Children's Education, 1997, pp. 29-31.
Brendan Hyde. The plausibility of spiritual intelligence: spiritual experience, problem solving and neural sites. International Journal of Children's Spirituality,
2004, 9(1), pp.30-40.
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most organised religions have only existed for 4500 years.45 O'Murchu further claims that 'humans have been exploring spiritual meaning from time immemorial, while formal religion is a very recent visitor of planet earth.'46 Similarly, experts in education and spirituality, Carol Johnson and Chris Boyatzis argue that 'human spiritual activity first appeared in human historical record with evidence of ritualised burial practices 40,000 years ago.'47 Researchers in spirituality and social scientists, Donald Ratcliffe and Rebecca Nye also agree that 'spiritual experiences…exist among all ethnic and cultural groups…throughout all of human history.'48 Political scientists, Nancy Bancroft insists that spirituality does not need to become affiliated to a religion. She offers, for example, Marxist version of spirituality, constructing it on the basis of Marx's term 'species being' which refers to the deepest centre or spirit of humankind as a collective. Referring to 'species being' she writes:

> The term asserts that there is no division between individual and society: human means precisely social…we complete our individual and species character only by social interaction over time… species being in its full sense cannot obtain until we have eliminated class and ended every kind of social division.49

These various views of researchers suggest that spirituality and religion are separate yet related concepts. The Bahá'í

O'Murchu, Quantum Theology: Spiritual Implications of the New Physics.
(ED.), An Introduction to the Study of Education, London: David Fulton Publishers, 2004, pp12-13.

Ibid.
Carol Johnson, Chris Boyatzis. Cognitive – Cultural Foundation of Spiritual Development. The Handbook of Spiritual Development in Childhood and Adolescence. California: Sage Publication Inc. 2006, pp. 211-223, at p. 212.
Donald Ratcliffe, & Rebecca Nye. Childhood Spirituality: Strengthening the Research Foundation. The Handbook of Spiritual Development in Childhood and Adolescence, pp. 480-481.
Nancy Bancroft. In David Hay, Something There, P. 29.
Key Words, Definitions and Concepts

understanding is that religion is the source of spirituality. The Bahá'í view is that religion can play an important role in changing human attitudes and behaviour towards the life. Religion, the Bahá'í scriptures states, 'is the source of illumination, the cause of development and the animating impulse of all human advancement.'50 and 'has been the basis of all civilisation and progress in the history of mankind.'51

Bahá'í and non-Bahá'í scholars agree with some aspects of defining spirituality and have attempted to reconcile the opinion differences of theologians and social scientists and secular thinkers in understanding the concept of spirituality. Hatcher, for example, defines spirituality as: 'The process of the full, adequate, proper, and harmonious development of one's…capacities.' 52 David Hay argues that 'whilst pinning spirituality down to an agreed definition seemed impossible, social scientists are able to recognise it when they come face to face with it as a unifying factor.'53 Both Hay and Hatcher are referring to the harmonious function and the higher nature of human being, which social scientists become aware of when they face difficulties. The Bahá'í view is that all humans are endowed with a higher nature but it needs to be nurtured and developed. For example, 'Abdu'l-Bahá refers to the 'higher nature of human being [as] all-unifying agency.'54 It is this 'all-unifying' function of spirituality that helps to resolve socio-politico-economic problems when we come face to face with them. The belief in the 'higher nature of human being' inspires individuals to act justly towards

'Abdu'l-Bahá, Promulgation, p.361.
Ibid.
William Hatcher. 'The Concept of Spirituality,' Bahá'í World Journal, vol. 18,
1986, 1979-1983, p. 935.
Ibid. p. 28.
'Abdu'l-Bahá. Tablet to August Forel: For the Good of Mankind, John Paul Vader (ed.), Oxford: George Ronald, 1984, p. 73.
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others. This can have great application in economics in areas such as wealth redistribution, poverty reduction, taking care of the precious resources, and issues related to the environment. The belief in the 'higher nature of human being' has also close correlation with the purpose of life. The purpose of life is not simply satisfaction of one's own needs and enjoyment of material pleasures, but also involves service to one's community and the wider society.

In order to reconcile the viewpoints of theologians, social scientists and secular thinkers, and having been inspired by the Bahá'í Writings, I attempted to develop a working definition of 'spirituality' for use in this book. Although there is so much diversity of opinions about the concept of spirituality, making a definition is a difficult task, there are also a number of commonalities in this vast body of scholarship that support the creation of a definition to satisfy different groups. This definition not only includes the material side of life but also the higher nature of human beings represented by qualities such as justice, trustworthiness, compassion and honesty. Thus, the following definition of the author of this work attempts to resolve conflicts and divisions, and is concerned with the ultimate purpose of life: Spirituality is defined as the all-unifying agency for developing and interconnecting our life with the material world, with other people, with our natural environment, and with the future generation, beyond our human limitations. This working definition of spirituality will be used throughout this work. This definition is supported by a number of elements suggested by other writers. For example, it agrees with David Hay's interpretation of spirituality as a unifying factor. Hence, recognising the harmonious function of spirituality, social scientists become aware of it when they attempt at resolving conflicts and

divisions. A number of researchers have described spirituality as 'relational' in nature. Transcendence may be characterised as one's relationship with forces outside of self; and hence one can discover meaning, purpose and connections with other people, nature, and the future generation. The application of the concepts of spirituality as 'unifying' and 'relational' factors is applied in the Bahá'í inspired model of economic sustainability developed by the author of this work (see chapter 8).

Spirituality, based on suggested working definition is a process and requires a person to work towards acquiring it.

Spiritual development and acquiring spiritual qualities by individuals require a life of learning and action and focuses on human behaviours. Individuals, then, does actually highlight that collectively, they tend to be greater contributors to the whole society. The interpretation and understanding of spirituality as a relational concept helping Bahá'ís and the Bahá'í community in appreciating the principle of 'work' (see chapter 3) and for undertaking social and economic development programs in rural areas of developing countries (see chapter 7). A Bahá'í, for example, develops spiritually through community service, by considering work as worship, doing humanitarian activities, and effectively trying one's utmost to be a productive member of society both socially and economically. Spirituality is, therefore, concerned with some important objective of the life, which requires a discussion on the process of how to attain it, otherwise its worth and application would be challenged. Based on the working definition and its features of unifying and relational, then alternative interpretation of spirituality is possible for establishing social justice and satisfying social scientists.

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Hence, terms such as 'ecosystem' 55 and 'ecojustice' 56 and 'eco-wellbeing' 57 are suggested as a method of achieving socio-politico-economic objectives.

The suggested definition also helps the process of social transformation from individual core values to affect the wider society. The acquisition of spiritual qualities and moral behaviour is what the Bahá'í Faith has in common with all other religions. While this is true, Farzam Arbab has argued that in the Bahá'í Faith the goal of religious practice is shifted from individual salvation to the collective progress of the entire human race, and this is reflected in the Bahá'í teachings. The emphasis is on the qualities that must be acquired by each Bahá'í. Arbab then discusses a number of individual core values that affecting the wider society. For example, while charity, so essential to Christian theology is still highly praised, justice is given a far more central place. In the same way, while tolerance is recommended, those attitudes that lead to unity and human solidarity are more appreciated. Some other values that affect the wider society and are discussed by Arbab include:
Love includes the abolition of all social prejudices and the realisation of the beauty of diversity in the human race. Detachment from the world is not taught in a way that leads to idleness and to the acceptance of

oppression; it is acquired to free us from our own material interests in order to dictate ourselves to the well-being of others. To this expansion of the meaning of almost all qualities is also added a constant endeavour to acquire social skills, to

The term ‘ecosystem’ was first used in 1935 in a publication by British ecologist Arthur Tansley.
The term suggested as early as 1970. It is defined as the condition or principle
of being just or equitable with respect to ecological sustainability and protection
of the environment, as well as social and economic issues.
Also, see: < https://www.lexico.com/definition/eco-justice>
This term is suggested by the author of this work.
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participate in meetings of consultation, to work in groups, to express opinions with fairness and clarity, to understand the points of view of others, to reach and carry out collective decisions. Thus, the path of spiritualisation should not be confused with one that defines goodness passively and produce a human being whose greatest virtue is not to harm anyone; it is a path to create social activities and agents of change.58

Thus, spirituality, based on the suggested definition is a process and requires a life of learning and action for a person to become a productive member of society. At individual level, humans are capable of demonstrating core values. According to the Bahá’í view, humans are not only distinct from the rest of creation, but at its apex, distinct and distinguished from all else, as stated in the Genesis 1,27: ‘God hath created all humankind in his own image, and after his own likeness.’59 Created in the image and likeness of God means that whereas all other created things reflect one or more of the signs or qualities of God, the human being is empowered and given the capability, opportunity, facility and guidance to reflect all the qualities of God. Many of those attributes that befit the dignity of God are referred to in the Bahá’í Writings, including forbearance, compassion, mercy, and loving-kindness towards all the peoples of the world. Reflecting upon the attributes of God means that in our daily lives, we can demonstrate and promote praiseworthy acts, which are the force behind all advancement and progress in a global society.

Farzam Arbab. ‘The Process of Social Transformation,’ Journal of Baha’i

Studies Review, pp. 9-20, at p 11, 1987.
Bahá’u’lláh, quoted in Lights of Guidance, compiled by Helen Hornby, New Delhi: Bahá’í Publishing Trust, 1988, p. 612.
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2.2 A brief account of economic condition of Iran at the time of Bahá’u’lláh

The founder of the Bahá’í Faith, Mirza Husayn-‘Alí-i-Núrí known as Bahá’u’lláh, meaning the ‘Glory of God’ 60 is regarded by Bahá’ís as the most recent in the line of messengers of God. The word Bahá'í is derived from Arabic, it is the name of the religion and refers to followers of Bahá’u’lláh. Bahá’u’lláh was born in Persia (Iran) on November 12, 1817. He was the son Mirza Buzurg, ‘a distinguished nobleman who held a high-ranking position in the court of the Persian King.’61 Therefore, Bahá’u’lláh was grew up in an affluent and comfortable household and was expected to take on the responsibilities of His father as a minister after he passed away. This position He declined. Along with His family and many of His followers He was repeatedly banished within the Ottoman Empire, until finally He was sent to the prison city of Acre where he remained until His passing on 29 May 1892. He is buried in Bahji in Acre and His shrine is considered the most sacred place of pilgrimage for Bahá’ís around the world.

The economic structure of Iran during the Qajar period (1785-1925), when Bahá’u’lláh declared His mission was in widespread deterioration. The socio-economic condition of Iran during this period illustrated the key features of a failing economy and was disintegrated under the stress of political anarchy. Several decades of external invasions, internal strife, and endemic lawlessness had brought widespread decay and decline to this country. According to historian Charles Issawi in terms of the basic economic structure ‘Persia depicted the

For an in-depth study of the title Bahá’u’lláh see: Stephen Lambden, ‘The Word
Bahá: Quintessence of the Greatest Name’, Association for Bahá’í Studies English - Speaking Europe, Bahá’í Studies Review, 1993, 3:1.
Also, see Ruhi book 4.
Key Words, Definitions and Concepts

key features of a backward economy.’ 62 Also, historian Ervand Abrahamian highlighted three sets of issues as factors that contributed to the economic backwardness and disruption of economic life of people during Qajar period:
First the absence of an administrative elite or tradition that could help oversee the process of change and

development; second ‘the strains that were placed on the country’s irrigation system when there occurred a reduction in the cultivating population of certain areas; and finally, the under realization of the agricultural potential that emanated from the survival of pastoral nomadism over large parts of the country.63

It was during the early part of the 19th century that ‘commercial activity and relative economic prosperity returned to Iran.’64

Abrahamian was the first to examine the appalling social and economic condition of Iran during Qajár period. For example, in regard to the balance of trade, Abrahamian cites some interesting evidence for the period 1830-1880. The figures he provides demonstrate a large deficit in Iran. In the analysis of socio-economic condition of Iran during the period 1800-1850, Abrahamian writes:
Such massive and continuing deficits meant, in practical terms, a considerable drain of gold and silver from the country…Progressive debasement of the coinage and other factors led to an inflation rate of between 70 and 150 percent in the period from 1843 to 1861, with some important commodities such as wheat and barley tripling in price…Apart from the purely economic consequences of the trade with Europe, there was also the social disruption caused by

Charles Issawi. An Economic History of the Middle East and North Africa, London, 1982, p. 71.
Ervand Abrahamian. ‘Oriental Despotism: The Case of Qajar Iran,’ The International Journal of Middle East Studies, vol. 5, no. 1, 1974, pp. 3-31, at p. 3.
Ervand Abrahamian. The International Journal of Middle East Studies, p. 5.

the import of European manufactured goods leading to the decline and even death of many traditional local industries.65

Consequently, Iran was virtually bankrupt and its central government was weak. The acute socio-economic-political condition of Iran and the rest of the world during the period of Qajar can be perceived from the Bahá’í Writings. Bahá’u’lláh states, ‘The winds of despair are, alas, blowing from every direction, and the strife that divideth and afflicteth the human race is daily increasing.’ 66 ‘Abdu’l-Bahá said, ‘Today no state in the world is in a condition of peace or tranquillity, for security and trust have vanished from among

the people. Both the governed and the governors are alike in danger.'67 Shoghi Effendi also describes the condition of the world as 'spiritually destitute, morally bankrupt, politically disrupted, socially convulsed, economically paralyzed.' 68 Bahá'u'lláh, has explored the subject of civilisation in reference to the West (Europe and North America). For example, He has praised the West in a number of areas such as democracy and progress in the scientific fields and has criticised it in areas such as manufacturing of armaments, consumerism and decline in morality.69

Moojan Momen. 'The Social Basis of the Bábi Upheavals in Iran (1848-53): A Preliminary Analysis,' International Journal of Middle East Study, no. 15, 1983,
pp. 157-183, at 159.
Bahá'u'lláh. Tablets of Bahá'u'lláh Revealed after the Kitáb-i-Aqdas, translated
by Habib Taherzadeh, Haifa: Bahá'í World Centre Publications, 1978., p. 171.
'Abdu'l-Bahá. Selections from the Writings of 'Abdu'l-Bahá, compiled by
Research Department of the Universal House of Justice, translated by a committee
at the Bahá'í World Centre and Marzieh Gail, Haifa: Bahá'í World Centre Publications, 1987, p. 293.
Shoghi Effendi. Promised Day is Come, Wilmette IL: Bahá'í Publishing Trust, 1980, p. 16.
Shapoor Rassekh. Dunya Niyazmand-I Yik Tamaddun-I Jahani Ast (Author's own translation from Persian: The world needs a global civilisation). Madrid: Foundation Nehal, 2010, p. 169.
Key Words, Definitions and Concepts

Chapter 3: Sustainable Production

O people of Bahá! It is incumbent upon each one of you to engage in some occupation - such as a craft, a trade or the like. We have exalted your engagement in such work to the rank of worship of the one true God.1 Bahá'u'lláh

3.1 Introduction

Engagement in 'Work' is a fundamental part of human life and is the subject of comment in the academy of economics, as well as an important Bahá'í teaching and greatly emphasised in the Bahá'í literatures. For a Bahá'í, 'work' done in a spirit of service is considered as worship. The Bahá'í Writings recognise the essential need for cooperation and interdependence between human beings and engaging in some kind of work is a means for achieving it. One of the key

features of Bahá'í teachings on economics is the keen interest shown to one's productive contribution to society in a sustainable manner. The concept of Bahá'í work ethics includes obtaining social skills to become reliable and resourceful in the work setting. The purpose of this chapter is to explore selected Bahá'í teachings in relation to work ethics and how they support and influence increasing the supply of the workforce in the labour market. Hence, this chapter addresses the question of how the principles of

Bahá'u'lláh. The Kitáb-i-Aqdas, verse 33. (In The Kitáb-i-Aqdas, the term
'verse' is referred to the Writings of Bahá'u'lláh only, and the term 'note' is
referred to clarification of certain verses which could be from other sources such
as from the Writings of 'Abdu'l-Bahá, Shoghi Effendi or the Universal House of
Justice.)
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Bahá'í work ethics influence individuals to become productive members of society and develop a sustainable lifestyle.

3.2 A brief historical perspective of work ethics
Although the subject of 'work ethics', and in particular the aspect of 'work as worship', is a distinctive principle in Bahá'í literature, the concept has been expressed by others and stated in various Faiths' scriptures. However, the emphasis here is on the Bahá'í literatures and related scholarly materials.

From a historical perspective, according to specialised in technology education Roger Hill:
work, for much of the ancient history of the human race, has been hard and degrading. The cultural norm placing a positive moral value on doing a good job because work has intrinsic value for its own sake, is a relatively recent development.2

Hill then refers to the significant role of the Protestant in accepting physical labour and writes: 'It was not until the Protestant Reformation that physical labour became culturally acceptable for all persons, even the wealthy.' 3
Attitudes towards work during the classical period were degrading too. According to Michael Rose:
The cultural norms allowed free men to pursue warfare, large-scale commerce, and the arts, especially

architecture. Skilled crafts were accepted and recognized as having some social value but were not regarded as an appropriate work for slaves. Manual labour was for slaves.4

Roger Hill. 'The History of Work Ethic,' retrieved: <http://rhill.coe.uga.edu/workethic/hist.htm>.
Ibid.
Michael Rose. Reworking the Work Ethic: Economic Values and Socio-Cultural Sustainable Production

For the Romans, work was to be done by slaves and, according to Maywood 'only two occupations were suitable for a free man - agriculture and big business. A goal of these endeavours was to achieve an honourable retirement into rural peace as a country gentleman.'5 Attitudes toward work during the Medieval Period began with the fall of the Roman Empire. During this time, Christian thought dominated the culture of Europe. The attitudes toward work during Protestantism, which became a part of the culture during the sixteenth century, and the economic value system which they nurtured, represented a significant change from medieval and classical ways of thinking about work.

Two key religious leaders who influenced the development of western culture and Protestant reformation during the end of Medieval Period were Martin Luther (1483 –1546) and John Calvin (1509 –1564). Luther believed that people could serve God through their work, that the professions were useful, that work was the universal base of society and the cause of differing social classes. Luther regarded the monastic and contemplative life, held up as the ideal during the Middle Ages, as an egotistic and unaffectionate exercise on the part of the monks, and he accused them of evading their duty to their neighbours.6 Calvin taught that all men must work, even the rich, because to work was the will of God. The belief was that each person should earn an income that would meet his basic needs, but to accumulate wealth was sinful. The Protestant ethic that gave moral consent to profit making

Politics, London: Schocken, 1985, p. 18.
Maywood, A. G. 'Vocational Education and the Work Ethic,' Journal of Vocational Education and the Work Ethic in a Changing Workplace, no. 78, 1982, pp. 7-12, at p. 9.
For an in-depth discussion of the concept of 'work' from Luther and Calvin perspective see: Adriano Tilgher. Homo Faber: Work Through the Ages. Translated by D. C. Fisher. New York: Harcourt Brace, 1930.
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through hard work and organization, spread throughout Europe and America. This brought the rise of capitalism. In the emerging capitalist system, according to Hill, work was good. Work satisfied the economic interests of an increasing number of small businessmen and it became a social duty and a norm.

In a discussion about changing attitudes toward work, Maywood refers to the 'Protestant work ethic' as the view that humans have a moral duty to work diligently, regardless of their station in life, and that by doing so they can reap societal regard and the personal reward of knowing that a job has been well done. 7 This Protestant work ethic has, according to Maywood, reformed the traditional approach of work. Max Weber in his The Protestant Ethics and the Spirit of Capitalism, written in 1904-05, first coined the term 'Protestant Ethic'. The common notion between the Weber and the Bahá'í view is to reconceptualise the worldly work as a duty that benefits both the individual and the wider society. Therefore, the Bahá'í and Protestant idea of 'work' is elevated from purely monetary value to manifest signs of morality and spirituality.

Two of the most famous economists in the classical economy were Adam Smith, with his free-market economy, and Karl Marx, with the notion of socialism. Capitalism came under attack by Karl Marx. Marx believed that under the Capitalist economic system, workers were dehumanized and exploited. He claimed that the new industrial system required workers who would accept long hours and poor working conditions. He believed that as people laboured for long hours every day,

Maywood A. G. Journal of Vocational Education and the Work Ethic in a Changing Workplace, p. 13.

they became alienated. Marx distinguishes one class from another on the basis of two criteria: ownership of the means of production, and control of the labour power, thereby believing that society has two distinct classes: I) Capitalists, or bourgeoisie, who own the means of production and purchase the labour power of others; and II) Workers, who do not own any means of production. Hence, for Marx there is a conflict between labour and capital.

The Bahá'í view is that labour and capital are not in conflict, rather they are interdependent and complement each other.8 For example, in the Writings of 'Abdu'l-Bahá it is stated that capitalists may earn much more than labourer, thus

recommending progressive taxation as a method to moderate the inequality.9 Moreover, ‘Abdu’l-Bahá appeals to the self-interest of the capitalists and suggests profit sharing as a method of enhancing labour productivity.10 It will be to the advantage of capitalists to share their profit because workers would exert more effort. Hence, workers become partners in an industry, and apart from a wage, they receive a portion of the profit. 11 These methods eliminate the concept of alienation expressed by Marx. ‘Abdu’l-Bahá states, ‘If it be right for a capitalist to possess a large fortune, it is equally just that his workman should have a sufficient means of existence.’12 In addition, the Bahá’í work ethics support the economic view that a skill, such as acquisition of useful arts, sciences and commerce, are essential for improving performance and hence receiving pay according to performance. ‘Wage differentials’ and ‘pay according to

See: Shoghi Effendi, World Order of Bahá’u’lláh, pp. 40-41.
See: ‘Abdu’l-Bahá. Promulgation of Universal Peace, p. 217.
See: ‘Abdu’l-Bahá. Some Answered Questions, pp. 315-320.
Ibid.
‘Abdu’l-Bahá. Paris Talks, 12th ed., London: Bahá’í Publishing Trust, 1995, p.
156.

performance’ and ‘piece work’ are the requirements for wealth creation and are features of free-market economy or democratic capitalism. The following writings of Shoghi Effendi clarifies Bahá’í views on capitalism and the free-market economy: The current form of free-market economy needs to be ‘controlled, regulated, and even restricted.’ 13 ‘Bahá’í economic system would…prevents among others the gradual control of wealth in the hands of a few and the resulting state of both extremes, wealth and poverty.’14 ‘There is nothing in the teachings against some kind of capitalism, its present form, though, would require adjustments to be made.’15 ‘In the Bahá’í economic system of the future, private ownership will be retained, but will be controlled, regulated and even restricted.’16

But, is there a realistic and practical alternative to the current free-market economy? The answer, according to academic economist Richard Lipsey, is both yes and no. No, because the modern economy has no practical alternative to reliance on market determination for most of its functions; but yes, because a market economy cannot deliver all the outcome we generally desire without some role for interventions by

government.17

Though the ideas of Marx do not seem applicable to modern day situations, looking back at Marx's lifetime, one realises that the conditions differed greatly from those of present

Shoghi Effendi. From a letter dated 25 August 1939 written on behalf of Shoghi Effendi as transcribed by the recipient of this letter in a manuscript he prepared, a
copy of which is held at the Bahá'í World Centre.
Shoghi Effendi. Letter dated 28 October 1927.
Shoghi Effendi. Directives from the Guardian, p. 19.
From a Letter dated 25 August 1939 written on behalf of Shoghi Effendi as transcribed by the recipient of this letter in a manuscript he prepared, a copy of
which is held at the Bahá'í World Centre.
Richard Lipsey. Economics, Oxford: Oxford University Press, 2007, p. 12.

time. As Colin Leys, has argued, the change of conditions began long before, Leys writes:

> In 1870s two things, had already happened to alter Marx's vision. First, the working class in Western Europe was increasingly becoming organist in parliamentary political parties and gradually became reformist, not transformist; and second, capitalism had become a worldwide phenomenon affecting many countries in which the working class was still a small minority.18

Moreover, today, the labour market as a part of the free-market economy has been regulated and changed significantly in favour of workers compared to the time of Marx. For example, many governments have passed several laws to protect the rights of workers. Also, one of the major responsibilities of trade unions is to take care of their members, including wage negotiation, providing good working conditions, and offering health and safety and training programs. Likewise, owners and managers of companies demonstrate greater interest in improving the working conditions to motivate the workforce. Although, the reasons are probably profit driven. The realisation is that such improvements increase labour productivity and thus result in greater returns for the organization. Therefore, it can be argued that a combination of factors, including the effective role of government and information and technology, have led to a significant transformation in the meaning of the work ethic. Jobs provided opportunities for greater self-expression by workers and people began to find more self-fulfilment in

their work.

Colin Leys. ‘Marxism: Yesterday and Today - The Bahá’í Faith and Marxism, Journal of Bahá’í Studies, January 1986, pp. 43-49 at p. 43.

3.3 Sustainable production

Production plays a major role in all aspects of economic activities. For the purpose of this discussion, a working definition for sustainable production is developed as follows: production is the act of effective utilisation of tangible and intangible resources, through an efficient conversion process, to produce those goods and services that are befitting human nobility, 19 protecting the environment and respecting future generations. This definition is in line with Bahá’í understanding of sustainable production. Although the phrase ‘sustainable production’ does not appear in the primary Bahá’í Writings, the requirements for producing commodities that are sustainable are mentioned. The first part of the above working definition, which is the act of effective utilisation of tangible resources, is supported by economic theory; and the second part by the Bahá’í Writings. The economic theory, by both classical and neo-classical, considers land, labour and capital as ‘tangible’ resources. Moral incentives, as ‘intangible’ resources are desirable to add value to an organization. Both tangible and intangible factors are recommended for increasing production in a sustainable way.

To increase the level of production in a sustainable way, there is a need for skilled workers and advanced technology, both of which are endorsed in the Bahá’í Writings. The progress of advanced technology, however, changes the kinds of skills needed, and would not stop people from acquiring knowledge and skills. Shoghi Effendi’s view is that, ‘the progress of machinery has not made effort unnecessary. It has given it a new form, a new outlet.’20 The decision as to what kind of

Bahá’u’lláh said. ‘Noble have I created thee…’ (Bahá’u’lláh, Arabic Hidden Words, no. 22) the word noble in the Bahá’í literatures denotes the quality of being noble in character such as honesty, trustworthiness and truthfulness.

Shoghi Effendi. Letter dated 26 December 1935.

technology should be used is often a difficult one, particularly in developing countries. It involves careful consideration of cost estimates for all the inputs for each possible technology. In many instances, the modern

technology is not the cheapest. New technologies usually require attention to human capital as well, for example, people may need training or retraining, and the size of the workforce may have to be reduced as the skilled labour force becomes more efficient, or technology replace with labour. Hence, both skilled workers and advanced technology may cause redundancies, both of which are issues in the stage of production of Bahá'í inspired model in chapter seven. Consideration must also be given to ensuring that the costs of these new technologies do not outweigh their benefits. A practical and sensible recommendation is that advanced technology and training of the workforce should go hand in hand.

Furthermore, the economic view expressed in the Bahá'í Writings indicates that skills such as useful arts and sciences and commerce, are necessities for sustainable production and wealth creation. Useful arts are concerned with skills such as manufacturing and craftsmanship. Economic theories assume that skilled workers with high demand earn more than unskilled workers. There are several reasons for this view. Principally, this is because the demand for skilled workers is higher, and in some occupations, supply of skilled workers is limited. Another reason is that the marginal revenue and marginal physical product of skilled labour is high, because the skills possessed by the workers will lead to higher revenue. 21 Also, the supply of skilled labour in many

Marginal Revenue is the increase in total revenue when output increases by one unit. Labour is more demanded when they are able to increase productivity and hence increasing sales.

developing countries is below that of unskilled workers. In some highly-specialised occupations, it is difficult to substitute skilled labour with machines. Such attitudes towards skill learning increase the wealth of a nation. This accords with the guidance of the head of the Bahá'í Faith the Universal House of Justice, which said, 'The Bahá'í community will need men and women of many skills and qualifications; for, as it grows in size the sphere of its activities in the life of society will increase and diversify.'22

Notably, 'Abdu'l-Bahá relates the effect of work and the acquisition of useful arts, and sciences, to the multiplying of a nation's wealth. He said:

The acquisition of useful arts and of general knowledge, to inform [themselves] as to the truths of such physical sciences as are beneficial to man, and to

widen the scope of industry and increase the products of commerce and multiply the nation's avenues of wealth.23

For example, an increase in investment in useful arts and sciences and skills learning, have led to creating specialisation, which in turn has a great effect on the national income of a country. Specialisation allows a person to become skilled and more efficient at a specific task, hence producing more, with better quality and less wastage. To achieve this level of specialisation, the Bahá'í Writings suggest training and skill learning and a fair pay system, such as the principle of profit sharing. However, the drawback of becoming specialised in a certain occupation is that it may become monotonous for some individuals. It may also mean that the specialised person would end up with limited skills in other things, reducing his or her ability to find other jobs if

Universal House of Justice. Wellspring of Guidance, Wilmette IL: Bahá'í Publishing Trust, 1979, p. 95.
'Abdu'l-Bahá. The Secret of Divine Civilisation, pp. 102-103.

they wished to. Therefore, in some cases specialisation may reduce efficiency and demotivate workers. Consequently, the extent to which specialisation motivate workers, or add meaning to life, varies in different people.

In recent time, many organizations have become more innovative by putting new ideas and approaches into action to create social benefits. Innovation is the development of new customer values through techniques that meet new market needs in new ways. This is accomplished through different or more effective products, processes, services, technologies, or ideas that are more readily available to markets, governments, and society. Among the benefits of innovation are increasing the profit of the organization; product diversification; satisfying consumer needs; use of new business opportunities; market development; and increasing competitive advantage. There are positive externalities24 from the use of innovation and new technology that can be used, for example in pharmaceutical industry where new drugs improve the quality of life, or improvements in car manufacturing that reduce the risk of injury from accidents and help to diminish environmental damage such as emission levels and pollution. The model assumes great responsibility for organizations to consider codes of conduct in areas of corporate integrity, social obligation, personal uprightness, and environmental responsibility. Therefore, those

individuals and organizations that have the ability, skill and knowledge can innovate those essentials of life that not only causing wellbeing for the generality of population but also promote sustainability.

Positive externalities are those activities that its social benefits exceed private
benefits.

3.4 Bahá'í work ethics

The term 'work ethic' refers to the beliefs, values, and principles that guide the way individuals understand, value, and perform their jobs well. Gene Laczniak defines ethics as 'moral rules or principles of behavior that should guide the members of a profession or organization and make them deal honestly and fairly with each other and with their customers.' 25 The distinctiveness of 'Bahá'í work ethics' is that, work done in a spirit of service is elevated to the rank of worship. Hence, the expression 'work as worship' is a key concept for discussing the Bahá'í perspective on work and work ethics. The challenge, as Torrington, Hall, and Taylor argue, is that 'ethical standards vary between different national cultures, making international standards difficult.'26 They further write, 'Ethical codes are only valid if they are appreciated and willingly implemented by the great majority of those to whom they apply.'27 To make this view effective, work ethics should become a culture in an organization and perhaps in the wider society.

From an economic perspective, work is central and a key principle. Through work, individuals carry out their responsibilities, maintain their livelihoods, and enhance their quality of life. Without work, and hence in the absence of monetary reward, production, distribution and consumption cannot be sustained. From a Bahá'í perspective, work is conducive to human upliftment and exaltation. Also, work is important for individual identity and self-fulfilment, and as a

Gene Laczniak. Framework for Analyzing Marketing Ethics, London: Prentice-Hall, 1990, p. 18.
Derek Torrington, Laura Hall and Stephen Taylor. Human Resource Management, 7th ed., London: Pearson Education Limited, 2008, p. 756.
Ibid.

service for community development. Bahá'u'lláh affirmed 'work is worship'. He also said: 'It is incumbent upon each one of you to engage in some occupation, such as a craft, a

trade or the like. We have exalted your engagement in such work to the rank of worship of the one true God.'28 Hence, the emphasis is not only placed on the monetary aspect of work but also on its effect on one's spiritual development, which would otherwise be achieved through worship.

Despite great emphasis on the principle of work as worship, the concept of work as spiritual practice could be disputed. The concept of spirituality is difficult to grasp in the context of a discussion on 'work', because of its abstract nature. It is difficult to measure spirituality, as people have to think beyond monetary gain. It can be argued that work and worship are totally different from each other. Worship is in the spiritual realm, it is an act of meditation and aims to receive the blessings of God. For many it is done in private, in a temple or a shrine. However, work is what is done in the fields, in a factory, in a hospital, in school, or in an office. The purpose of work for many is to earn a living and produce a certain amount of output, both of which have a monetary value and can be measured.

In modern working practices, the nature of work has shifted from a purely monetary concept to achieving higher values. People do not necessarily work only to satisfy their material needs, but for other reasons, such as identity, feeling they are doing something of value or contributing. The modern theories of motivation in the work place developed by clinical psychologists, Abraham Maslow's29 'hierarchy of needs', and

Bahá'u'lláh. Aqdas, verse 33.
For Abraham Maslow's five level of human needs: physiological, security, social, esteem, and self- actualization, see: 'A Theory of Human Motivation,'
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Fredrick Herzberg's 'two factor-theory'30 supports the Bahá'í view that higher value of work is as a motivational factor. For example, Abraham Maslow in his paper of the 'theory of human needs', or the 'hierarchy of needs', considers social factors (including love and belonging), esteem and self-actualization as necessary requirements for a worker's motivation, although, the lower nature of 'work', such as physiological and safety aspects are not overlooked. 31 In parallel to Maslow, Herzberg's two-factor theory of motivation states that there are certain factors in the workplace that cause motivation, while a separate set of factors cause dissatisfaction and they act independently of each other. According to Herzberg, individuals are not content with the satisfaction of lower-order needs at work.

Rather, individuals look for the gratification of higher-level needs such as achievement, recognition, responsibility, and advancement. 32 Others such as Elton Mayo (1880-1949) stressed the principles of ‘team working and consultation’33 as a method for motivating the workforce and increasing the level of output, and both of these principles are indicated and supported in the Bahá’í literatures.

Consequently, as modern theories suggest, some people work for reasons such as excelling in their skills, talents and potential, or following their passions and achieving status. The Bahá’í work ethics advocate that work may become a path to spiritual development. For example, by referring to the purpose of work, Shoghi Effendi said, work ‘has not only a utilitarian purpose, but has a value in itself, because it

Psychological Review, no. 50, 1943, pp. 370-396, at 374. Also see: Gerald Cole. Management, Theory and Practice, p. 36.
For Fredrick Herzberg’s ‘Two Factor Theory,’ see: Cole. p. 37.
Abraham Maslow. Journal of Psychological Review, p. 375.
For Herzberg’s Motivation – Hygiene Theory, see: Cole. p. 37.
For Elton Mayo’s view on team working see: Cole. p. 34.

draws us nearer to God, and enables us to better grasp his purpose for us in this world.’34 The practical implication of ‘work as worship’ is that through fulfilling natural duties in life honestly and to the best of one’s ability, a person will progress spiritually, because work puts a person in a position to serve others. It can be argued that some people’s labour is exploited and that many do not have the opportunities or motivation to work. One way in which work helps change behaviours is that through interactions with others, one becomes aware of their needs, is less focussed on ‘self’, and more focussed on helping others, thereby changing behaviour. Hence, work becomes significant when it provides service to others. Service and worship become parts of the same entity. Thus, the concept of ‘work as worship’ suggests that, for a Bahá’í, work or occupation is part of a person’s religious duty and spiritual growth, a way of life, and fulfilment of responsibilities. Consequently, the central figures of the Bahá’í Faith also state the type of occupations that would be elevated to the rank of worship. These include craft, agriculture, useful arts and sciences, commerce, and skills learning. The basic principle, however, is that work should be done in a spirit of service, although it may lead to material gain and wealth creation.

But, is wealth creation unethical? The Bahá’í work ethics do

not condemn wealth creation. In one of His Writings Bahá'u'lláh states: '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.' 35 This statement has important economic and moral implications. Bahá'u'lláh does

Shoghi Effendi. Cited in Aqdas, note 56.
Bahá'u'lláh. Tablets, pp. 34-35.

not declare wealth as immoral; he rather accepts the need for it when a person reaches the stage of maturity. But, what is a stage of maturity? It can be viewed as when an individual has developed intellectually and spiritually to a point when he or she is able to take on responsibility for himself or herself and others, so that the wealth acquired through engaging in some sort of crafts or profession can be spent sensibly and responsibly. This, however is open to interpretation. There are a number of criteria for fulfilling such a claim. In other words, the level of maturity influences a person to spend the wealth on those goods and services that are befitting human dignity. This would then inspire producers to produce those products that are demanded by responsible consumers.

The pursuit of a profession is encouraged in the Bahá'í Writings. 'Abdu'l-Bahá said, 'Strive as much as possible to become proficient in the science of agriculture for in accordance with the Divine Teachings, the acquisition of science and the perfection of arts is considered as acts of worship.' 36 The pursuit of professions such as agriculture, arts, sciences and technology, as well as in the fields of education, health and social services, are all relevant examples of 'work is worship'. 'Abdu'l-Bahá further states: 'If a man engages with all his power in the acquisition of a science or in the perfection of an art, it is as if he has been worshipping God in the churches and temples.'37 The word 'perfection' in this passage suggests the modern working concept of 'quality assurance.' 38 Lawrence Miller further

'Abdu'l-Bahá. Bahá'í World Faith, compiled by the National Spiritual Assembly of the Bahá'ís of United States of America, Wilmette IL: Bahá'í
Publishing Trust, 1976, p. 377.
Ibid. Selection, pp. 144-145.
'Quality assurance' is the notion of increasing efficiency, waste reduction and
improving productivity, all of which would benefit an organization to perform better.

elabourates on this subject by emphasising the importance of the right ‘attitude’ to work, he writes:

> The word ‘if’ is very important when discussing ‘work is worship’. It does not say that if a person simply shows up at work and puts in his time, it is as if he were worshiping God. It is only if he is ‘engaged with all his power’ and is seeking perfection in that work…both mind and spirit must be exercised at work and only then, ‘when engaged with all his power’, is it an act of worship.39

Therefore, work is worship when attaining a sense of creativity and self-worth from a meaningful work. This requires a change in the workers’ attitude towards work, and how the workplace is designed to motivate workers. The workplace, as suggested by Herzberg and his hygiene factors, has a profound impact on the spiritual well-being of human resources, including workers and management. In such an environment, individuals feel a sense of fulfilment and self-esteem, resulting in improving performance and increasing output.

As mentioned earlier, in order to perform one’s job with excellence, one needs to be skilled and trained in what he or she is doing. The need for education and training for attainment of excellence is therefore closely linked with work ethics and essential for improving individual and organizational performance. In regard to education and training of children ‘Abdu’l-Bahá said:

> The education and training of children is among the most meritorious acts of humankind and draweth down the grace and favour of the All-Merciful, for education is the indispensable foundation of all human excellence and alloweth man to work his way to the

39 Lawrence Miller. Spiritual Enterprise, p. 152.

> heights of abiding glory.40

In modern times, working conditions are changing all the time and continued professional development and skill learning are necessary to adapt to such changes, and maintain excellence. Customer trends, the market, and technology are changing so rapidly that unless employers take steps to constantly update knowledge, skills and technology, workers will be less valuable to their current or future employers. A number of countries that are able to develop the skills and

education of their people and to employ them effectively in their economy have achieved great success in many aspects of development. As economist Tony Thirlwall pointed out since 1960's there has been a new industrial revolution by a number of countries so called the 'Newly Industrialised Countries'41 of South-East Asia into a virtually industrialised state, and many others into a semi-industrialised state.

Knowledge has a significant place in the Bahá'í Writings and as a result the Bahá'í community observes a culture of learning. It is stated that 'Knowledge is as wings to man's life, and a ladder for his ascent.'42 Hence, a combination of mode of learning, intellectual capability, and moral values influence a Bahá'í to choose the right skills and the right line of work. The dynamics of knowledge, skill learning, and excellence in all things equip an employee to work adequately and produce goods and services that satisfy the customers appropriately. Making customers delighted, according to Stanley Brown, is the key factor for total customer service and it is a sign of success for

'Abdu'l-Bahá. Selections, pp. 129-130.
Tony Thirlwall. Economics of Development: Theory and Evidence. 9th ed., New York: Palgrave Macmillan, 2011, p. 21. (Newly industrialised economies including South Korea, Taiwan, Singapore and Malaysia.)
Bahá'u'lláh. Tablets, p. 26.
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organizations.43 Delighting customers, however depends what commodities are demanded and if products match human dignity.

A Bahá'í view closely linked with 'work as worship' is to attempt to achieve perfection in one's profession, which is closely related to skill learning discussed earlier. Bahá'u'lláh said 'Strain every nerve to acquire both inner and outer perfections, for the fruit of the human tree hath ever been and will ever be perfections both within and without.'44 The inner and outer perfection can be interpreted as developing both spiritually and materially. The impression is that work offers the opportunity for self-realization and self-development, in addition to the material benefits. 'Abdu'l-Bahá exhorts Bahá'ís in 'attaining perfection in one's profession'45 He goes further to say 'Thou must endeavour greatly so that thou mayest become unique in thy profession and famous in those parts.' 46 The view of producing products at 'highest perfection' and other expressions such as 'outer perfection', 'highest motives' 47 and 'attaining perfection in one's profession' 48 can be interpreted as resource efficiency and

sustainability. However, although qualities such as perfection and excellence are necessary factors for improving performance and increasing level of output, they are not sufficient. Commitment from the workforce is required to maintain a high level of excellence in the process of manufacturing a product.

Stanley Brown. Strategic Customer Care, Toronto: John Wiley and Sons Ltd., 1999, p. 23.
Bahá'u'lláh. Quoted in Bahá'í Education, Compiled by National Spiritual
Assembly of the Bahá'í of United Kingdom, London: Bahá'í Publishing Trust,
1987, p. 3.
'Abdu'l-Bahá. Selections, p. 145.
Ibid., pp. 145-146.
'Abdu'l-Bahá. Paris Talks, p. 189.
Ibid. Selections, p. 145.
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An area closely related to the Bahá'í work ethics is that Bahá'ís are encouraged to study the type of knowledge and engage in a kind of occupation that benefits the entire society. In several Writings, the central figures of the Bahá'í Faith have encouraged Bahá'ís to engage in such professions that will benefit all. For example, Bahá'u'lláh advises his followers to 'occupy yourselves with what will profit you and others.'49 He also said 'Ye are the trees of My garden; ye must give forth goodly and wondrous fruits, that ye yourselves and others may profit therefrom.'50 He also said 'The best of men are they that earn a livelihood by their calling and spend upon themselves and upon their kindred for the love of God.'51 Some important objectives of sustainable production have been stated in the above passages including: productivity, earning a livelihood, service to humanity, and sharing. These factors influence a Bahá'í to acquire a kind of knowledge and profession that not only benefits his or her own life but also benefits others. Many Bahá'ís have therefore studied those subjects, and chosen a profession, that can be beneficial to their own development and at the same time being of benefit to the wider community. This helps to achieve a relative equilibrium in the labour market. This may also promote undertaking skill-learning or studying the subjects that are in high demand in the market. Such efforts help to satisfy workers' needs as well as the needs of the market.

What is the practical application of 'work as worship'? The

Bahá'í view is that it is not possible to worship God without serving others. Prayers and meditations need to be reflected

Bahá'u'lláh. Aqdas, verse 33.
Ibid. Hidden Words (from Persian translation), no. 80.
Ibid. no. 82.
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in action in order to be effective. 'Bahá'í House of Worship' (Mashriqu'l-Adhkár) is a classic example for the application of two ethical principles of 'worship' and 'service'. Mashriqu'l-Adhkár is Arabic, meaning 'the Dawning-Place of the Praise of God.'52 Referring to the significance of the function of Bahá'í House of Worship, Shoghi Effendi writes:

> Bahá'í worship, however exalted in its conception, however passionate in fervour … cannot afford lasting satisfaction and benefits to the worshipper himself, much less than to humanity in general, unless and until translated and transfused into that dynamic and disinterested service to the cause of humanity.53

Consequently, the Houses of Worship incorporates two fundamental principles to be included in every Bahá'í community; namely worship and building capacity for service to humanity. In its 2012 'Ridván message' 54 , the Universal House of Justice expound the two important functions of 'worship and service' offered in the Bahá'í Houses of Worship as 'an educational process that builds capacity for service to humanity.'55

The purpose of the Bahá'í House of Worship is not simply an outstanding building with a dome, with beautiful gardens around it where people go to worship. It comprises those elements that satisfy the social needs of people, through a number of dependencies dedicated to activities concerned with social, humanitarian, educational, and scientific pursuits. Shoghi Effendi envisages that the House of Worship and its dependencies 'shall afford relief to the suffering, sustenance

Shoghi Effendi. Cited in Aqdas, note 53.
Ibid. Bahá'í Administration, p. 186.
Each year during Ridván period, 21 April - 2 May, the Universal House of Justice send a message to the Bahá'ís around the world. These messages are usually about the development of Bahá'í community worldwide.
Universal House of Justice. Ridván message, April 2012.
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to the poor, shelter to the wayfarer, solace to the bereaved, and education to the ignorant.'56 It is indicated in the Writings that there will be Bahá'í Houses of Worship in every town

and city in the future.57 As the Bahá'í Houses of Worship are not yet built in every community, Bahá'ís organize activities at homes, halls and community centres to consult, learn, and practice the two principles of worship and service to humanity.

A significant aspect of Bahá'í House of worship is that it is the practical demonstration of religious unity. These Houses of worship are unique places which welcome members of all Faiths 'to re-unite' them. A letter written on behalf of Shoghi Effendi states, 'The oneness of mankind implies the achievement of a dynamic coherence between the spiritual and practical requirements of life on earth. The indispensability of this coherence is unmistakably illustrated in his ordination of the Mashriqu'l-Adhkár.'58 Hence, Bahá'í Houses of Worships are an ideal place to gather people of all faiths and no faith.

3.5 Bahá'í teachings to increase supply of labour

The ability of an individual, or group of individuals, to become productive members of society, is important for one's own growth and also as a process for community building and social development. Studying the Bahá'í Writings, a number of distinctive and interrelated teachings are found that are effective in enabling such a process. The application of these teachings provides employment

Shoghi Effendi. noted in Aqdas, p.191.
Currently there are Baha'i Houses of Worship in Chicago-USA; Frankfort-Germany; Sydney-Australia; New Delhi-India; Apia-Western Samoa; Panama City-Panama; Kampala-Uganda; and Chile.
Shoghi Effendi. Messages to America, pp. 23-24.

opportunities and increases the supply of workforce in the labour market. There is also a need to Identify labour market deficiencies, to ensure provision of training and skills learning to fill the gaps, thereby optimising production. This subject is further detailed in the following sections using principles of Bahá'í work ethics and sustainable production.

3.5.1 Bahá'í view on idleness

Bahá'ís are encouraged to work, to be productive members of the society, earn a livelihood, and to serve humanity. Thus, idleness is forbidden, whether it is due to lack of skills, lack of incentives, or as a result of living from inherited wealth. However, opportunity to work must be provided. The founder of the Faith states, 'Waste not your hours in idleness and sloth.' 59 And his successor, 'Abdu'l-Bahá places

emphasis on the productive capacity of individuals and suggests that ‘all must be producers.’ 60 Shoghi Effendi, in reference to a passage from the Writings of Bahá’u’lláh 61 , firmly affirms that ‘Every individual, no matter how handicapped and limited he may be, is under the obligation of engaging in some work or profession’ 62 and referring, to those who have inherited wealth and see no need to work he said ‘The inheritance of wealth cannot make anyone immune from daily work.’63 These excerpts leave little excuse for any Bahá’í to avoid working or being of service for the common good.

Bahá’u’lláh. Aqdas, verse 33.
‘Abdu’l-Bahá. Promulgation, p. 217.
See: Bahá’u’lláh, Gleanings, p. 202. (He said: The poor may exert themselves
and strive to earn the means of livelihood. This is a duty, which, in this Most Great Revelation, hath been prescribed unto every one, and is accounted in the sight of God as a goodly deed. Whoso observeth this duty, the help of the invisible One shall most certainly aid him.)
Shoghi Effendi. Directives, p. 74.
Ibid.
Economics and the Bahá’í Faith

The idea that the poor have to do their utmost to be engaged in some kind of work is supported by economic policies and has significant consequences in the life of the poor, their families and the entire economy. At the individual level, it causes one to better understand the value and objective of life. It helps families to enjoy higher standards of living, including better education, improved health and greater happiness. Society can also benefit greatly by using resources more effectively. For example, by lowering unemployment and increasing output, which leads to economic growth and, ultimately, more revenue for government to use to improve public services. The practicality of these idealistic views in Bahá’í Writings and in economic theories in a more sustainable social, economic and political environment, need to be analysed. The labour market is very complex and external shocks, such as a period of recession, bad weather conditions, war, and political instability, greatly affect employment conditions. Hence, labour market fluctuation exists all the time.

But what constitutes idleness and productivity? It is important to consider what we mean by idleness, and the productivity of what. This is the dilemma. For example, people working in a weapons factory are still considered to

be ‘productive’ and from an economics perspective, measured in terms of Gross Domestic Product, add to the average standard of living. However, such activities may not be ethical. Alternatively, one may argue that it is far better to be ‘idle’ and collect unemployment benefits from the public fund than working in an arms industry. Hence, there is much more in analysing the concept of ‘idleness’. For example, what guarantee is there that jobs would be available for everyone? In the free-market economy, it is not possible for all to be employed. During a period of full employment,

some form of unemployment is still unavoidable, such as those people affected by structural, frictional, and seasonal unemployment. William Phillips64 , for example, shows that there exists a ‘natural rate of unemployment’ during a period of full employment. The idea is that a certain level of unemployment helps balancing inflation and price stability.65 The level of unemployment varies in different countries and depends on a number of factors, including the availability of natural resources to produce goods and services, the existence of appropriate technology, capital investment, the level of education and training in necessary skills, as well as a good standard of health.

What provisions are there for Bahá’ís to ensure there are sufficient earnings for living? Bahá’u’lláh, in one of His Writings, refers to one of the duties of ‘the House of Justice’ 66 as ‘have been charged with the affairs of the people.’ 67 In relation to the word ‘affairs’ in this passage, Shoghi Effendi identifies a number of provisions to be considered by Local Spiritual Assemblies, including ensuring shelter for the poor and needy, encouraging and helping individuals in acquiring sufficient skills, establishing schools for education and training, and ensuring the provision of necessary academic equipment. He said:
It is the duty of those who are in charge of the organization of society to give every individual the opportunity of acquiring the necessary talent in some

William Phillips, wrote a paper in 1958 titled ‘The Relation between Unemployment and the Rate of Change of Money Wage Rates in the United Kingdom, 1861-1957.’ In the paper Phillips describes how he observed an inverse
relationship between money wage changes and unemployment in the British economy over the period examined. See: Krugman, International Economics: Theory and Policy, pp. 235-237.
Christiane Lawrence. Economics, London: Nelson Thornes, 2009, p. 153.

Universal House of Justice. The Kitáb-i-Aqdas, note 80. (Currently, Local House of Justice is known as Local Spiritual Assembly.)
Bahá'u'lláh. Tablets, p. 26.
Economics and the Bahá'í Faith

kind of profession, and also the means of utilising such a talent, both for its own sake and for the sake of earning the means of his livelihood.68

Providing opportunities for employment however, does not mean that unemployment is unavoidable. Apart from skill learning, which was discussed earlier, Assemblies are advised to ensure that children from disadvantaged families are taken care of and receive academic education.69 However, although it is most important for everyone to engage in some form of work and service, this does not apply to those who do not have the physical or intellectual abilities to do so. These individuals would be under the protection of the state or the Houses of Justice, to ensure their needs are met, and their quality of life is preserved in the best possible way.

3.5.2 Bahá'í view on begging as a profession
Is there a place for begging in the Bahá'í community? Two issues are relevant to this discussion. First: at an individual level, Bahá'ís are forbidden to beg, the law of The Kitáb-i-Aqdas is very clear about this, Bahá'u'lláh states:
It is unlawful to beg, and it is forbidden to give to him who beggeth. All have been enjoined to earn a living, and as for those who are incapable of doing so, it is incumbent on the Deputies of God 70 and on the wealthy to make adequate provision for them.71

The rationale of the injunction against begging is that it is offensive to the dignity of a person. A person who takes

Shoghi Effendi. Directives, p. 74.
See: Shoghi Effendi, Quoted in Bahá'í Education, pp. 49-50. (According to him
'Every child without exception must from his earliest years make a thorough study of the art of reading and writing … To assist the children of the poor in the
attainment of these accomplishments, and particularly in learning the basic subjects, it is incumbent upon the members of the Spiritual Assemblies.')
In this passage, 'Deputies of God' refers to members of Local Spiritual Assemblies.
Bahá'u'lláh. Aqdas, verse 147.
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begging as a profession, living off others while contributing nothing, is considered a beggar, and should not be

encouraged. However, a distinction should be made between giving to those who beg professionally, and those who are poor because they are incapable of working or because their earning is not sufficient for an adequate living. This view is supported by ‘Abdu’l-Bahá in the following statement:

> Mendicancy is forbidden and that giving charity to people who take up begging as their profession is also prohibited...The object is to uproot mendicancy altogether. However, if a person is incapable of earning a living, is stricken by dire poverty or becometh helpless, then it is incumbent on the wealthy or the Deputies to provide him with a monthly allowance for his subsistence.72

Why is mendicancy so highly disapproved of by Bahá’u’lláh while giving to charity is highly encouraged? Can we try to form a more precise picture of what Bahá’u’lláh has condemned? For example, we are familiar with street beggars, adults and children who often appear to be homeless and beg for money. Some may suffer from mental or physical disabilities. Is that what Bahá’u’lláh has forbidden or condemned? The Bahá’í Writings support charity for assisting those who are in need. For a person who suffers hardship due to circumstances beyond her or his control, Bahá’ís are enjoined to show compassion and be charitable. Bahá’u’lláh confirms this, saying: ‘Charity is pleasing and praiseworthy in the sight of God and is regarded as a prince among goodly deeds.’73 Bahá’ís are encouraged to become ‘a source of social goods.’ 74 In contrast to beggars, the poor have a very special place in the Bahá’í Writings. The rich are

‘Abdu’l-Bahá. Cited in Aqdas, note 162.
Bahá’u’lláh. Tablets, p. 71.
‘Abdu’l-Bahá. The Secret, pp. 2-3.

told to have the utmost regard for the poor. In numerous Writings, the central figures of the Bahá’í Faith encourage the wealthy to take care of the poor. Instructing the rich, Bahá’u’lláh said ‘O ye rich ones on earth! The poor in your midst are My trust, guard ye My trust, and be not intent only on your own ease.’75 These passages clearly confirm that the Bahá’í Writings consider the rich responsible for alleviating poverty and for improving the living standards of the poor. However, the nature of giving should not be for the sake of receiving public recognition or deriving more benefits. The intention of the donors should be sincere altruism. Within Bahá’í communities, helping the poor usually comes through

development projects, and contributing time and funds to Bahá'í institutions that carry out these responsibilities. It seems that the focus on begging certainly needs to be coupled with a focus on the rich and their extravagant practices, which may have contributed to the need for begging in the first place. Virtues such as generosity, compassion, kindness, thoughtfulness and justice, require action, otherwise they do not exist or their existence can be challenged. These qualities are only there if they are acted upon. The expressions 'be' generous, or 'be' compassionate, conveys an action, without which it is not there! One cannot be compassionating without practicing compassion.

The Bahá'í writing delegates the rich a great responsibility towards the poor. In this passage Bahá'u'lláh states: 'Great is the blessedness awaiting the poor that endure patiently and conceal their sufferings, and well is it with the rich who bestow their riches on the needy and prefer them before themselves.' 76 In recent time charitable undertakings are

Bahá'u'lláh. Hidden Words (from Persian translation), no. 54.
Bahá'u'lláh. Gleanings, p. 202.

boosted as a means for helping those in needs. The question to be considered is that if the poor are hiding their poverty, how can it be known to the rich to support them? There is a distinction between satisfaction and happiness. The poor are satisfied with what they possess because they are not given the opportunity to ensure a better life. Being satisfied does not mean they are happy. A poor person living in absolute poverty may satisfy with one meal per day because he cannot get the second. Happiness requires more than the basic needs, it requires proper education and health, employment opportunity, adequate housing and sanitation, and living in an acceptable environment.

Will there be a need for charity when poverty is eliminated? Generosity is an altruistic act of human being and will always need to be practiced. It may be argued that one of the reasons for eradication of poverty in the future would be continued acts of generosity and charitable giving. There will always be people who will not have the ability to earn sufficiently to live comfortably. Generosity and charitable acts are long standing traditions in all cultures, and they will continue to exist, with or without religious affiliation.

The Bahá'í law of prohibiting begging on one hand and the need for adequate provision for the poor and needy by Local

Spiritual Assemblies on the other, makes one wonder if individual Bahá'ís asking for help from Assemblies is a form of begging? Exploring the Bahá'í Writings, it is notable that Bahá'í teachings are interrelated and interconnected and should be looked at collectively rather than separately. For example, as discussed earlier, compulsory education encourages the Bahá'ís to acquire skills that help them acquire work, which would benefit themselves and others. Furthermore, work being considered as worship encourages Economics and the Bahá'í Faith

Bahá'ís not to remain idle. Also, since giving to the Bahá'í Fund is a spiritual obligation, any inappropriate use of this Fund would be deemed morally wrong. The establishment of the Institution of the House of Worship and its dependent agencies provides several opportunities for the deserving poor to be engaged in learning necessary talents, which would help them to work. It should be noted that according to the Bahá'í Writings, the House of Justice would determine the details of how the deserving poor will be protected and the nature of the help given to them. The emphasis is that the type of problems changes at different times and a new solution is required. Bahá'u'lláh provides the solution:

> Inasmuch as for each day there is a new problem and for every problem an expedient solution, such affairs should be referred to the Ministers of the House of Justice that they may act accordingly to the needs and requirements of the time.77

At the present time, Local Spiritual Assemblies deal with this matter according to the community's needs and available resources.

Also, as the Bahá'í community evolves and the economic principles are applied, absolute poverty shall disappear and there will not be any need for one to beg or the possibility for individuals to stay idle. However, it is not reasonable to think that the individuals' generosity is the only way of dealing with the challenges of begging. The role of government is crucial in eradicating begging, through legislation and other methods such as social welfare programs. This is practical in the more developed countries. Of course, the question will be raised if collecting monetary assistance from the welfare system is considered as a type of begging. If, despite attempts

77 Bahá'u'lláh. Tablets, p. 27.

for one to engage in some form of work, one still remains in

need, then it would be the responsibility of the state or the assemblies to ensure their well-being. Government should provide a variety of benefits for improving the general well-being of the population rather than individuals asking for it. The provider is the government who distributes necessary resources for the well-being of all. Of course, it is vital to realise the realities that different countries are politically, religiously and economically varied and complex.

3.5.3 Gender Equality

Bahá'ís believe in equality of opportunity for women and men in social and economic contribution. This principle has an important implication in increasing the supply of the workforce and hence the level of production. The Bahá'í literatures suggest the active participation of women in all aspects of community life. It is stated that 'Women have astonishing capacities.' 78 The benefits of discovering and using the capacity of women are many and affect the whole of society. These include increasing economic growth worldwide, particularly in developing countries, and a decline in the number of people living in poverty. Therefore, statements such as 'womankind may develop equal capacity and importance with man in the social and economic equation,'79 if applied in practice would significantly enable the other half of the human population, women, to engage in all levels of social and economic activity, once equal opportunity is provided.

However, according to Arthur Dahl 'The inequality of opportunity to which women are subjected in many cultures

'Abdu'l-Bahá. Quoted in Women, Compiled by the Research Department of the Universal House of Justice, Haifa: Bahá'í World Centre, 1986, p. 50.
Ibid. p. 37.

already handicaps [a part of] the human population (emphasis added).' 80 Looking back in history, women were deemed incapable - culturally and religiously, and did not have fair opportunity to be educated or to participate in the decision making of the social and economic life of the family and the community, even though they carried a lot of the responsibilities. 'Abdu'l-Bahá confirmed: 'Woman's lack of progress and proficiency has been due to her need of equal education and opportunity. Had she been allowed this equality, there is no doubt she would be the counterpart of man in ability and capacity.'81

The global gender gap remains a matter of concern for those

agencies working for its removal, including the Bahá'í International Community, who are working toward ensuring the same opportunity for women. It should be noted that 'Abdu'l-Bahá expressed His views on equal opportunity more than one hundred years ago, and since then the opportunities for women have significantly improved in the Bahá'í community, as well as globally. The role of Grameen bank in Bangladesh is significant in enabling seven million women to participate in economic activities. This participation not only has helped improving standards of living, but also improving the macroeconomic condition of the country by lowering unemployment and increasing economic growth. Economic resources are both human and physical. Women participation in the economy protects economic resources. Economic efficiency compels effective allocation of resources, and women, as an economic resource, cannot be excluded from this formula. Bahá'í women are actively involved in the development of community building.

Arthur Dahl. The eco, Oxford: George Ronald, 1996, pp. 125-126.
'Abdu'l-Bahá. Promulgation, p.182.
Sustainable Production

The fact that both women and men equally participate in the consultative process accustoms them to solving problems collabouratively. Through this collaboration an appropriate attitude is formed in relation to the equal status of women. Through membership of the Bahá'í community, men learn that, '... when women become fully incorporated into the life of the community, everyone benefits.'82

In theory, we may assume that when women, half the population of the world, hold the same opportunities as men, human capacity and resources increases and production multiplies. However, in practice, there are other factors, which has contributed in increasing the level of goods and service, and food production in particular. The role of advanced technology, innovation, know-how, necessary capital, good governance, and efficient use of land cannot be ignored in relation to food production. The practice of equal opportunity for women and men is a significant factor in correcting 'labour market failure' including the removal of barriers to increasing production levels. John Huddleston considers equality of opportunity 'as an essential part of a just society.'83 In a study of 'global gender gap', the World economic forum, 2005, named the following five areas necessary for improving the condition of women: economic opportunity, economic participation, political empowerment,

educational attainment, and health and well-being.

It is important to note that in the more developed countries the principle of equal opportunity is practiced more effectively. For example, women are relatively more active in

Bahá'í International Community. Statement on 'The role of Women in Commerce in the Caribbean', 1988.
John Huddleston. The Search for a Just Society, Oxford: George Ronald, 1989, p. xiv.

social, political and economic activities than countries without the same privileges. However, it may be difficult for all women, including Bahá'ís, to actively participate in social and economic development if their government or the law of the land does not permit equal opportunity.

A factor closely related to gender gap, and a barrier to increasing the supply of labour, is the existence of discrimination, in particular wage discrimination. Wage discrimination exists because there are less demands for a particular group of people, in this case the women. In relation to our current discussion, it is where employers undervalue the services of female workers. Discrimination is also prevalent in other areas such as race, colour and nationality, although, it is illegal in most developed countries. Discrimination results in an inefficient allocation of resources and inequitable wage differences. One of its costs is that the group discriminated against clearly suffers as they find it harder to gain employment and are likely to be paid less than other workers doing the same work. In addition, some may have to settle for jobs that do not utilise their talents and skills, may be overlooked for promotion, and may not be selected to go on training courses. The economy also suffers, as a result of discrimination because it leads to misallocation of resources. To avoid misallocation of resources, the factors of production such as land, labour, capital and enterprise, should be allocated and used in the right proportion to maximise output with the available resources. There is growing interest in the view that underdevelopment may not just be a matter of lack of, or shortage of factors of production but also a consequence of discrimination and the misuse of, available resources. Tai Hsieh and Peter Klenow have argued that 'misallocation of inputs across firms can

reduce aggregate total factor productivity in a country.' 84 Banerjee and Duflo emphasise the importance of resource

misallocation in understanding the differences across countries of the total level of manufacturing output, and based on evidence suggesting that 'gaps in marginal products of capital in India could play a large role in India's low manufacturing relative to that of the United States.' 85 The effective output would be below the potential output which could be achieved if groups were not discriminated against in terms of employment, pay, promotion and training. The experience in countries that have been relatively successful in implementing equal opportunity indicates that the role of government is a necessary factor.

Studies have found that where women's share of income within the home is relatively high and there is less discrimination against girls, women are better able to meet their own needs as well as those of their children. Supporting this point, Todaro and Smith writes:
When household income is marginal, virtually 100% of women's income is contributed towards household nutritional intake. Since this fraction is considerably smaller for men, a rise in male earnings leads to a less than proportional in the funds available for the provision of daily needs. It is thus unsurprising that programmes designed to increase nutrition and family health are more effective when targeting women than when targeting men.86

Therefore, the persistence of low standards of living among

Tai Hsieh and Peter Klenow. 'Misallocation and Manufacturing Total Factor Productivity,' The Quarterly Journal of Economics, Vol. CXXIV, no. 4, November 2009, pp. 1403-1448, at p. 1443.
Abhijit Banerjee and Esther Duflo. 'Growth Theory through the Lens of Development Economics,' Handbook of Economic Growth, Vol. 1a, Amsterdam: Elsevier, 2005, pp. 473-552, at p. 477.
Michael Todaro and Stephen Smith. Economic Development, 9th ed., London: Pearson Education Ltd., 2006, p. 229.

women and children is common where the economic status of women remains low.

Todaro and Smith raise a legitimate question: Why is female education important? There now exists ample empirical evidence that educational discrimination against women not only reinforces social inequality but also hinders economic development. Investigating this, Todaro and Smith argues that closing the educational gender gap by expanding educational opportunities for women, is economically desirable for a number of reasons: I. It increases their

productivity on the farm and in the factory and results in greater labour force participation. II. It improves child health and nutrition, as more educated mothers lead to multiplier effects 87 on the quality of a nation's human resources for many generations to come. III. Because women carry a disproportionate burden of the poverty, any significant improvements in their role and status via education can have an important impact on breaking the vicious circle of poverty.

3.5.4 Importance of education and training

There is a close connection between poverty and low educational attainment. Many poor countries are not able to afford to provide adequate state education. Many families cannot afford to send their children to school even if education is free. This is because they need children to work, either on their farms or as child labourers working for local businesses. Only by securing an income from their children can these families survive. Moreover, the local economy

For the concept of 'multiplier effect' see: Begg, Fischer and Dornbusch. Economics, p. 375. (The concept is developed by Keynes and states that if one of
the components of aggregate demand such as investment on training and education increase, the national income will increase by a multiple of the original
increase.)

often cannot provide jobs suitable for reasonably educated children. There is then little incentive for families to educate their children for the local job market.

Two strategic solution in dealing with children and in particular child labour in less developed countries would be the expansion of part-time employment opportunities to avoid poverty in the family, and arrangements for an ideal and supportive facilities for schooling. The provision of the right type of education and training has proved to be the most effective way of a prosperous society by revealing the human potential, improving the scale of productivity and increasing the level of production. Absence or shortage of it, can be a major barrier in the supply of necessary workforce in the labour market. The Bahá'í principle of universal and compulsory education is an effective way of dealing with such deficiency.

Education and training are vital key in increasing production level and is conducive to personal growth and transformation of society. The Bahá'í Writings indicate that humans have

great potential that needs to be discovered. Bahá'u'lláh states: 'Man is a supreme talisman. Lack of a proper education hath, however, deprived him of that which he doth inherently possess...Regard man as a mine rich in gems of inestimable value. Education can, alone, cause it to reveal its treasures, and enable mankind to benefit therefrom.' 88 Businesses recognise that investing in education and training is necessary to reveal the human treasure, which is the human talent, potential, and proficiency. The World Bank has done a comprehensive study, which shows that investing more on education and training has a direct impact on improving

Bahá'u'lláh. Gleanings, p. 260.

economic performance. The findings show that the profitability of investment in education is an attractive opportunity in the world today.89 Also, A research has been done by the Nobel Prize Laureate in economic science, James Heckman and his team based on a 40-year empirical study of the High/Scope Perry Preschool Program. The authors of the research present a careful economic case to justify if there is a positive return on the investment in early intervention schemes to facilitate social mobility. The authors of the research calculate the social rate of return based on subsequent differences between the early intervention from the High/Scope Perry Preschool Program, that include long term costs and benefits of education, crime, earnings, and welfare. Their conclusion is that the economic return to expanding investment in early intervention for disadvantaged children would produce annual social rates of return between 7 and 10%, about 2% higher than the equity market between the end of World War II and 2008.90 Heckman's research has given policymakers important new insights into such areas as education, job-training programs, minimum-wage legislation, anti-discrimination law, social supports and civil rights. Hence, investment in education has the potential to increase the total supply of skilled labour force and improve the employment prospects of unemployed workers. Of course, the economic returns from extra investment in education can vary, according to the stage of economic development that a country has achieved and the amount invested in training and education, and also the type of education required in the labour market.

See also: George Psacharopoulos. 'Returns to Investment in Education: A Global Update,' World Development Journal, vol. 22, no. 9, 1994, pp. 1325-l343,

at p. 1325.
For James Heckman study see: <https://heckmanequation.org/resource/research-summary-perry-preschool-and-character-skill-development/>

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Although the responsibility for the education of children lies with both parents, and despite men increasingly taking a more active role, the mother still takes on the primary responsibility for educating the child from its infancy in the majority of cases. This, however, that they might not be able to take advantage of equal opportunities. Although in Europe and North America most mothers are eager to train their children and pay a great deal of attention to this important matter. In many other parts of the world, women may not be able to do so because of not having the opportunity to receive relevant education and training themselves or having access to material resources. Clearly, those women who are getting financial assistance in the form of loan from the Grameen Bank are able to provide better education for their children.91 The Bahá'í Faith emphasises that all children should be educated. However, if in some circumstances parents only have the financial ability to educate one child, preference must be given to the education of girls because they are the future mothers and educators of children. Universal House of Justice states:
The decision-making agencies involved would do well to consider giving first priority to the education of women and girls, since it is through educated mothers that the benefits of knowledge can be most effectively and rapidly diffused throughout society.92

This is significant because through an educated mother, a better and healthier environment is created at home for the education of children. Commenting on this, Madeline Hellaby writes:

Muhammed Yunus (Banker of the Poor). Creating a World Without Poverty: Social Business and the Future of Capitalism, New York: Public Affairs Ltd., 2007, pp. 125-127.
Universal House of Justice. The Promise of World Peace, Haifa: Bahá'í World Centre Publication, 1985, part II.
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To give preference to girls in families where the financial situation is such that choice has to be made is quite the opposite of all traditional thinking. To most people, even today, this is hard to swallow in practice, although they may see the sense of it in

theory; but anyone who works in the social services will know that maternal deprivation is one of the root causes of family problems.93

The view is therefore, that if mothers are educated and possess the learning and accomplishments of humankind, her children, as ‘Abdu’l-Bahá points out are ‘like unto angels, will be fostered in all excellence.’94

3.5.5 Consultative method of decision-making

Leaders and organizations that are using a democratic and consultative method of decision-making become more successful in achieving objectives and attracting better workers to the workplace. According to an investigation by Matthew Hind and introducing a new development program to help quality professionals with the process of managing change within organization. According to him:

The role of quality managers has changed significantly…They are no longer controllers and policemen but need to become change agents and influencers. The role has become that of an internal consultant, aiming to bring about change in a positive manner supported by all within the company.95

Hind then focuses on the benefits of making decisions through a consultative method and writes:

This method is focused on helping quality managers to develop the skills and competences necessary to

Madeline Hellaby. Education in the Bahá’í Family, Oxford: George Ronald, 1987, p. 14.
‘Abdu’l-Bahá. Quoted in Bahá’í Education, p. 47.
Matthew Hind. ‘Consulting for Positive Change’, Training for Quality Journal,
vol. 2, no. 3, 1994, pp. 26-27, at p. 26.
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carry out this role of internal consultant successfully. Its key objective is to develop the quality professional’s consulting skills to help them in the implementation of general change programs and in particular, their own organization’s quality management…Participation through consultation provides an opportunity for employees to think constructively about issues that affect them, to contribute ideas for improvement, to engage in problem solving, and to work as a team in implementing good work practices. Morally and humanely and perhaps economically, workers are

entitled to be aware of and be involved in activities that affect their lives, within and outside the workplace. These are motivational factors that make workers productive. Through a consultative method of decision-making workers find a sense of belonging to the organization, which improves productivity and consequently the output. The benefits of such involvement are substantial. Employees will value the fact that their employer recognizes their needs and satisfactorily rewards their efforts. In turn, the employer can significantly increase profitability by retaining experienced, motivated and productive staff. Apart from these ideas and advantages of consultation, Hind identifies the following seven benefits: clarity and confidence in the product or service being provided; trusting and sound relationship between client and consultant; shared diagnosis of the need to change; shared ownership of the design of the program; willingness of both parties to adjust and modify plans; avoidance of quick fixes by both parties; and finishing the program when the organization has stabilized and not before.96

But, what are the fundamentals of the Bahá'í model of decision-making or 'consultation'? For a collective decision making the following two conditions are suggested by

Ibid. pp. 26-27.

'Abdu'l-Bahá. 'The first condition is absolute love and harmony amongst the members of the assembly…The second condition: They must when coming together turn faces to the Kingdom on High and ask from the Realm of Glory.' 97 Immediately after the two conditions, He gives five rules of procedure for consultation, 'The must then proceed with utmost devotion, courtesy, dignity, care and moderation to express their views.' 98 A fundamental principle of consultative process is the creation of strong trust among different groups of people in the community, which is 'a prerequisite of any efforts to translate collective decisions into collective actions.' 99 Another feature is that, 'when an idea is put forth it becomes the property of the group.'100 The principle of detachment from one's personal views is another feature of Bahá'í consultation. This means, 'individual participants strive to become dispassionate with their respective points of view.'101 Bahá'ís consider the notion of detachment from one's personal views as an important

principle of consultation. For this rule, ‘all ideas cease to be the property of any individual, subgroup, or constituency.’102 Of course, as commented by Bahá’í scholar Michael Karlberg, Bahá’ís recognise that the detachment prescribed above does not always come easily – even to those who are committed to it in theory.103 It is stated in the Bahá’í Writings that ‘Consultation is no easy skill to learn’ 104 . But commitment to the process, they suggest, results not only in

‘Abdu’l-Bahá. Quoted in Bahá’í Administration, p. 22.
Ibid.
Bahá’í International Community. ‘Equality in Political Participation’, statement
presented at the commission on the status of women, New York: United Nations Office, 1990.
Ibid. ‘Statement on Consultation,’ New York: United Nations Office, 1995.
Ibid. Prosperity of humankind, 1995, p. 15.
Ibid. ‘Statement of Consultation.’ New York: United Nations Office, 1995.
Michael Karlberg. Beyond the Culture of Contents, Oxford: George Ronald, 2004, p. 140.
Universal House of Justice. Wellspring of Guidance, p. 96.

more effective collective decision-making but also in the maturation of individual participants, as well as whole community. Bahá’ís therefore, view consultation as ‘a learning process and they believe that the skills and attitudes developed through consultation are as important as the specific decisions arrived at.’105 Another principle of Bahá’í consultation is exercising care and moderation in one’s manner of expression. It is stated that ‘freedom of speech must necessarily be disciplined by a profound appreciation of both the positive and negative dimensions of freedom, on the one hand, and of speech, on the other hand.’ 106 This is necessary because it is only ‘within an atmosphere of mutual respect, support and encouragement, rather than aggression and intimidation, can clarity of thought prevail and the perspectives of all people be heard.’107 Another fundamental principle of Bahá’í consultation is the requirement that the context of decision-making itself be raised to the level of principle as distinct from political pragmatism. Commenting on the inordinate disparity between the rich and the poor, Universal House of Justice in The Promise of the World Peace states:

The solution calls for the combined application of spiritual, moral and practical approaches. A fresh look at the problem is required, entailing consultation with experts from a wide spectrum of disciplines, devoid of

economic and ideological polemics, and involving the people directly affected in the decisions that must urgently be made.108

Underlying all of these principles, according to a statement from the Bahá'í International Community, is the principle of justice. 'A concern for justice is the indispensable compass in

Michael Karlberg. Beyond the Culture of Contents, p. 141.
Universal House of Justice. 'Individual Rights and Freedom,' Para 24.
Michael Karlberg. Beyond the Culture of Contents, P. 142.
Universal House of Justice. The Promise of World Peace, part II.
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collective decision-making, because it is the only means by which unity of thought and action can be achieved. Far from encouraging the punitive spirit that has often masqueraded under its name in past ages, justice is the practical expression of awareness that, in the achievement of human progress, the interest of the individual and those of society are inextricably linked. To the extent that justice becomes a guiding concern of human interaction, a consultative climate is encouraged that permits options to be examined dispassionately and appropriate of action selected. In such a climate the perennial tendencies towards manipulation and partisanship are far less likely to deflect the decision-making process…in this context, justice is a thread that must be woven into the consideration of every interaction, whether in the family, the neighbourhood, or at the global level.'109 For the practice of the method of consultation, Bahá'í International Community confirms that while the method is used for guiding the affairs of Bahá'í communities on the local, national and international levels, it is also used in Bahá'í–initiated social and economic development projects, in Bahá'í-operated schools, in Bahá'í–owned businesses and in the day-to-day decision making of Bahá'í families.

It can be argued that the application of consultation in the 'new economy,' in contrast to the 'old economy,'110 with an emphasis on the contribution of innovation and information technology in creating e-commerce, makes communication and decision-making more effective, particularly among internal stakeholders. Internal stakeholders are defined as those people whose activities are a part of, or influence, the

Bahá'í International Community. Turning Point for all Nations, pp12-13.
Andrew Griffiths and Damian Hine. 'Sustainability of the new economy,' Journal of International Management and Decision Making, vol. 4, no. 2, 2003, pp. 230 – 239.

internal value chain of the firm. 111 In the ‘new economy,’ though, socially responsible policies ought not to conflict with economic goals and should be integrated into the decision-making process.

The principle of consultation has been criticized for resulting in slow making, and not being effective during emergency time, which require a decision to be made quickly. Also, group decision-making, as John Bratton argues ‘might allow individual members to escape responsibility and to encourage groupthink.’112 However, as consultative methods of decision-making become the norm and a part of the culture of an organization, all members become accustomed to the technique of making decisions collectively. Alternatively, leaders may, in the short run, adopt a combination of intuition and consultation for making decisions.

3.5.6 Employee-employer relationship

The conventional method used in the past to deal with issues related to employer-employee relationships, was through trade union negotiations. In the case of a failure to reach a particular settlement, such as in wage negotiation, industrial action, including strike, was endorsed. The Bahá’í literatures support a fair wage system, but using strike action as a means of dealing with industrial disputes over wage is not supported. For ‘Abdu’l-Bahá there are two possible causes of strike. ‘One is the excessive greed and rapacity of the factory owners, and the other is the gratuitous demands, the greed, and the intransigence of the workers. One must therefore seek

Jaseem Ahmad, Nicholas O’Regan and Abby Ghobadian. ‘Leadership, decision making and internal stakeholder engagement,’ Journal of International
Management and Decision Making, vol. 6, no. 3, 2005, pp. 345 – 358.
David Buchanan and Andrzej Huczynski. Organizational Behaviour, 7th ed., Essex: Pearson Education, 2010, p. 416.

to address both.’113 According to ‘Abdu’l-Bahá the ‘principle cause’ 114 is the current laws, which may ‘Lead to a small number of individuals accumulating incomparable fortunes, beyond their needs, while the greater number remain destitute, stripped and in the greatest misery.’ 115 It is therefore reasonable that while the law allows injustices in wages and working conditions, the labour force may not have any other means of standing up for what may be rightfully theirs.

In some countries, such as the United Kingdom, the popularity of union membership, as a proportion of the total labour force, has fallen in recent years.116 For further analysis it is necessary to look at the main reasons for the formation of trade unions, which include: wage negotiation with the owner of a factory, improvement of working conditions, provision of necessary training, and other activities, such as organising of strikes to force the owner of the factory to accept their demands. The causes for such a decline in its popularity are many. One is that governments have passed new laws for a fair pay system, such as 'national minimum wage legislation.' 117 The policy of establishing regulations to increase the earnings of the under-paid is supported by the Bahá'í Writings. 'Abdu'l-Bahá affirms:

Laws and regulations should be enacted which would grant the workers both a daily wage and a share in a fourth or fifth of the profits of the factory in accordance with its means, or which would have the

'Abdu'l-Bahá. Some Answered Questions, P. 315.

Ibid.

Ibid.

Trade union membership in the Great Britain has declined from 13.5 million in 1975 to 7.5 million in 2002.

John Beardshaw. Economics, A Student Guide, London: Prentice Hall, 2001, P. 362. ('National Minimum Wage' is a statutory minimum wage introduced to boost the earnings of the low paid, such as the one introduced in the United Kingdom.)

workers equitably share in some other way in the profits with the owners.118

In this passage, 'Abdu'l-Bahá consider a fair wage system which is more than just a minimum wage, it is a living-wage. In other words, it is the minimum income necessary for a worker to meet their needs that are considered to be basic. He suggests that workers be paid part of the company's profits. Other factors that reduce the need for Trade Unions are that the government and employers support and provide training programmes for workers, and a democratic and consultative approach to decision-making is adopted by increasing number of organizations for negotiations and problem solving. The direct participation of workers in the working environment creates a sense of belonging. Such an approach in dealing with problems in the workplace does not require trade union involvement. Globalization can also play an important role in the decline of trade union power. If workers are not satisfied with the working conditions or wages, they

have the possibility to move to another company and even to another country. Geographical mobility of labour is easier now and takes place mainly at the regional level, such as within the European Union.

3.5.7 Cooperation instead of competition

In the sphere of private or personal relations, Karlberg argues that much of human interaction has been, and continues to be, relatively cooperative and mutualistic. According to him 'the historical process of nation building, the emergence of democratic systems of government and the establishment of the rule of law within these nations all reflect degrees of mutualism and cooperation expressed on historically

'Abdu'l-Bahá. Some Answered Questions, p. 317.

unprecedented scale.' 119 Further, he points out that many traditional non-western, civilisations have placed a strong value on harmony and collective interdependence rather than on conflict and competitive individualism. Such cooperative and mutualistic attitudes have, in turn, supported the development of sophisticated arts, sciences and technologies, as well as complex and extensive systems of public administration.

A number of economists and philosophers have shown interest in the subject of cooperation. For John Rawls, the term cooperation is in relation to fair distributions of primary goods – those resources that are necessary for the pursuit of one's rational life plan. The choice and ranking of primary goods according to him coop 'requires a general account of rational plans of life – an account that shows our lives depends on primary goods for their formation, revision, and execution.'120 This view suggests how important cooperation is in the fair distribution of resources for tackling problems linked with the issue of poverty. One aspect of cooperation in Bahá'í literature is therefore in relation to an effort to increase the utilisation of resources and their value through the coordination and organization of economic activities in the market. Shoghi Effendi states that these economic resources 'will be organized, its sources of raw materials will be tapped and fully utilised.'121

In a free-market economy, competition plays an important role. Through competition businesses use resources more

Michael Karlberg. Beyond the Culture of Contents, p. 82.

John Rawls. 'Social Unity and Primary Goods', published in Utilitarianism and

beyond, eds. Amartya Sen and Bernard Williams, Cambridge: Cambridge University Press, 1982, pp. 159-185, p. 160.
Shoghi Effendi. World Order, p. 204.
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efficiently and, as a result, there is less wastage. Also, with competition businesses produce better quality goods and services to attract more customers. Thus, in theory, consumers benefit from both lower prices and better quality. However, in practice, through aggressive or relentless competition and an uncontrolled market, small and vulnerable businesses are destroyed and eventually exit the market. This behaviour in the market leads to the creation of monopolies and larger organizations. The result would be higher prices, lower quality, waste of resources, fewer choices for consumers, and control of the market. More seriously, in a global market condition, if one of these large companies fails, the entire market could suffer. William Hatcher and Douglas Martin explain that 'One of the main causes of economic injustice in the world today is aggressive competition, which results in waste of scarce resources… This can be done only if cooperation replaces competition'122 'Abdu'l-Bahá explained that even a single enterprise should adopt cooperation by reflecting on the essential partnership of workers and owners. He specifically mentions that apart from the wage, workers must receive a portion of the profit. Workers will be much more motivated and cooperative when they are partners rather than just wage earners.123

Relentless competition without government regulation may lead to greater organizational domination in the market, which, in turn, may lead to the removal of smaller firms, causing unemployment. For example, how can small family businesses operate and survive when there are large multinational companies, with the advantage of lower costs in the developing countries from where they operate? Or, how

William Hatcher and Douglas Martin. The Bahá'í Faith, p. 91.
See: Abdu'l-Bahá. Some Answered Questions, pp. 315-320.
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can family businesses with no information technology and capital investment, survive while transnational companies are equipped with the most advanced operational techniques? Small firms and family businesses are an important source of employment everywhere and will continue facing enormous challenges in competition with multinational corporations, unless these small firms can create their own unique markets and products that are distinguishable. The Bahá'í principles

of moderation in all aspects of life, including a moderate-sized business, will be of great advantage to small businesses. Consumer education also helps to support small firms. In 1936 Shoghi Effendi said that the market must be regulated. A number of countries, such as the United Kingdom and other members of the European Union, have formed organizations such as the Competition Commission, to regulate the market in favour of consumer benefits and protect small businesses. Although it can be argued that these regulatory bodies may not be that effective because of individual national government agendas.

The argument in favour of cooperation in the Bahá'í Writings goes beyond the scope of the market and the economy. The Writings emphasise that cooperation and not competition is the cause of social activities just as the life of an organism is maintained by cooperation of the various elements of which it is composed. 'Abdu'l-Bahá explains:

> 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.124

Farhad Rassekh stresses the moral aspect of cooperation and

124 'Abdu'l-Bahá. Bahá'í World, vol. 3, p. 154.

believes that competition, like other aspects of the market, may be conducted morally or immorally. He argues that competing for 'customer service, quality improvement and innovative products are beneficial, while deceptive and restrictive practices are hurtful to society.'125 He, then refers to false advertising as an example of 'deceptive practice and lobbying the government to control imports as an example of restrictive practice.'126

In the analysis of the importance of cooperation, consideration should be given to the function of science and information technology in influencing the practicality of cooperation and reducing costs, due to coordinating economic activities. The challenge, however, is that in the new forms of organizational structure, the workforce must be trained to understand the fundamental dynamics of cooperation in order to evaluate their industrial relationships. Success depends on cooperation and willingness among the owners, managers, consumers, suppliers, and the government.

In spite of the drawbacks of competition, the Bahá'í Writings

support competition if ‘any benefits arising from praiseworthy deeds shall fall to the individuals that compete with each other in benevolent works.’127 It can be interpreted that competition is therefore acceptable in those activities such as education and service to humanity. Bahá’ís are counselled to ‘Vie…with each other in the service of God and of his Cause.’ 128 Shoghi Effendi was ‘grieved to hear

Farhad Rassekh. ‘The Bahá’í Faith and the Market Economy’, Journal of Bahá’í Studies, Association for Bahá’í Studies for North America, vol.11, p. 3,
2001.
Ibid. p. 4.
Bahá’u’lláh. Quoted in Huqúqu’lláh, p. 13.
Ibid., Quoted in Shoghi Effendi, Advent, p. 83.

bitter competition’129 between some Bahá’ís, and he advised them ‘to maintain unreservedly the one true standard of business conduct inculcated in the teachings [of the Faith] (emphasis added).’130

3.6 Chapter conclusion

This chapter has assessed and examined some of the key Bahá’í principles related to ‘work ethics’ and ‘sustainable production’, and their impact on the economic life of Bahá’ís, the Bahá’í community and the wider society. An attempt has been made to discuss and define two key expressions of ‘work ethics’ and ‘sustainable production’. A distinctive principle, and a core Bahá’í belief, discussed in this chapter is the concept of ‘work as worship’. It was noted that although this concept is a core Bahá’í belief, the idea is not new and has been mentioned by others and written in the history of work ethics. Bahá’ís hold the view that work is necessary for material and spiritual progress. However, work is worship when it is performed in the spirit of service. This means that even in this age of abundance, (for some people) service to others as a moral obligation needs to be stressed. I considered several principles under the heading of ‘Bahá’í work ethics’, including a consultative or democratic method of decision-making, profit sharing, gender equality, and considering work as worship. These are few examples needed for accelerating the process of increasing the supply of labour in the market. Another key Bahá’í view discussed in this chapter is that Bahá’ís are obliged to pursue a profession and actively seek work. This is a positive attitude that makes a Bahá’í a productive contributor to the whole of society. Any Bahá’í

Shoghi Effendi. Quoted in Trustworthiness, Compiled by the Research

Department of the Universal House of Justice, Haifa: Bahá'í World Centre Publication, 1987, p. 16.
Ibid.
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discussion on the subject of 'work' and occupation cannot overlook the importance of agriculture. Although there is great emphasis on both manufacturing and agricultures, 'special regard' is given to the matter of agriculture.

There are academic debates with regards to integrating work with other aspect of life such as the importance of family, education, skill learning, opportunity for employment, and wage differentials. The aim of this chapter was to provide a more clear and conscious interpretation of the concept of 'work as worship' stated in the Bahá'í primary Writings.

It is acknowledged that the advancement of technology and know-how has created a condition that people now have the capacity to produce enough for greater population. The challenge, however, is to ensure that this is happening and greater number of people can enjoy the outcome. The solution is to execute 'distributive justice'. This aspect will be discussed in the next chapter.

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Chapter 4: Distributive Justice

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 choosest for thyself. 1
Bahá'u'lláh

4.1 Introduction

The United Nations Charter of Human Rights considers having access to basic needs as human rights. However, this is only in theory because, in the modern times the wealth of nations has increased substantially, currently one billion people live in absolute poverty.2 The challenge, therefore, is not in the level of production and productivity, but in a fair and just distribution of the wealth created. Throughout the history of economics, the distribution of income and wealth among the members of society has been a major concern. There has not only been a desire to explain the pattern of distribution, but also a belief that basic issues of justice and fairness and morality were involved. Consequently, most of the theories of economic justice focus on distributive justice.

Philosophers, historians and economists have been debating the concept of economic justice for so long. Although what constitutes justice may vary from time to time and from culture to culture, or depend on historical context, all forms of justice are founded on the basis of ethical assumptions that

Bahá'u'lláh. Tablets, p. 64.
World Bank Report 2012.
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include ideas about morality, fairness, and the law. Issues related to extremes of wealth and poverty and the justification of principles of equity and equality have been raised and discussed by contemporary economists such as Amartya Sen, Thomas Piketty, John Rawls Michael Sandel, Kate Pickett and others. The role of government is also crucial in administering distributive justice to balance the economy and the Bahá'í literatures support such intervention.

The key feature of this chapter is to discuss the relationship between distributive justice and human well-being. The study includes discussing a number of principles that lead to prosperity for all members of society, advocated by the central figures of the Bahá'í Faith. The meaning and significance of wealth will also be explored, hence discussing the impact of distributive justice on the Bahá'í community and in the wider society.

The concept of distributive justice can be understood and discussed either at a microeconomic level as the moral assessment of individual and firms or at a macroeconomic level as the moral assessment of collective decisions for the whole economy.

4.2 Significance of distributive justice

Academic economist, Thomas Piketty, in his book Capital for the 21st Century states: 'The distribution of wealth is one of today's most widely discussed and controversial issues.'3 Piketty is concerned about the long-term evolution of wealth. He raises questions such as do the dynamics of private capital accumulation inevitably lead to the concentration of wealth in

Thomas Piketty. Capital in the Twenty-First Century, London: The Belknap Press of Harvard University, 2014, p. 1.
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ever fewer hands? This aspect of wealth redistribution and its accumulation in the hands of few was what Karl Marx was also concerned with in the 19th century. Piketty wondered if the balancing forces of growth, competition and

technological progress would lead to reduced inequality and greater harmony among the classes in the latter stages of development? This feature of wealth redistribution created interest and was discussed by economist Simon Kuznets4 in the 20th century.

According to Bryan Graham 'The exploration of the Bahá'í teachings on economics has occupied an important place in the redistribution of income and wealth, which in return has an important effect on the Bahá'í community.'5 The Bahá'í concept of well-being in relation to distributive justice needs to be explored. In the Bahá'í literature, the notion of well-being and prosperity has been shifted from individual to collective well-being. There are numerous references confirming this view. For example, 'Abdu'l-Bahá states 'prefer the general well-being to your personal well-being.'6 How challenging is the notion of preferring the well-being of others to one's own comfort and happiness? So far, limited research has been done in this regard, but there are numerous examples of charitable work and philanthropist activities by people, poor and rich, sacrificing their own comfort to bring comfort to the lives of others. There is a positive correlation a between willingness to sacrifice one's own material well-being and distributive justice. The more people contribute

Simon Smith Kuznets suggested a measure of income inequality that can be derived from the ratio of the incomes received by the top 20% and bottom 40% of the population. The ration is used as a measure of the degree of inequality between high and low-income group in a country (See: Todaro and Smith, p. 196).
Bryan Graham. 'The Bahá'í Faith and Economics: A Review and Synthesis,' Bahá'í Studies Review, vol.7, 1997, pp. 1-10, at p. 1.
'Abdu'l-Bahá. Divine Philosophy, p. 111.

sacrificially, the more effective is distributive justice, and hence in the long run there may be less government involvement in conducting wealth redistribution. However, the subject of distributive justice has been given much attention by governments and it is implemented relatively better in developed than in developing countries. There are several reasons for this difference, for example, more availability of resources, higher quantity and quality of education, more wealth creation, more opportunities for women to participate in economic activities, and more emphasis on order and discipline in public institutions. It seems the best possible way would be a combination of human consciousness and government participation for conducting wealth distribution in the society.

In one of his Writings, Shoghi Effendi interpret the term ‘sacrificially’, he writes, ‘For after all it is not so much the quantity of one’s offerings that mattes, but rather the measure of deprivation that such offerings entail.’ 7 In its simplest terms, giving sacrificially means giving so that it hurts. Putting another way, if one donates an amount that the person does not really miss, it may be giving, but it is not a sacrifice.

Economics and religion agree that redistribution of income and wealth is necessary and desirable. Religion is more a general term, but in theory, taking care of the poor is encouraged in all Faiths. For example, in the Jewish tradition wealth redistribution includes compassion for those who could not help themselves, care for the stranger, and charity.8

Shoghi Effendi. Quoted in Life Blood of the Cause, a Compilation, Haifa: Bahá’í
World Centre, 1970. p. 10.
For a discussion of redistribution of wealth in Judaism see: Jill Jacobs and Simon Greer. There Shall Be No Needy: Pursuing Social Justice through Jewish Law and Traditions, VT: Jewish Lights Publishing, 2009, p. 142.
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The Christian tradition of redistribution of income and wealth dealing with poverty is the parable of the ‘Good Samaritan,’ which is helping the stranger, sharing of resources, loving the enemy, supporting and healing, security for all, getting the poor back on his or her feet, and being fully integrated in the life of those in need. 9 Similarly, the Islamic tradition of dealing with the issue of poverty through income and wealth redistribution includes the basic principles of sharing, the law of Zakát (Zakáh), sincere spirit of generosity, and Islamic finance, which is the rejection of interest on borrowing.10 The spirit of the parable of the Good Samaritan in Christianity and Zakát in Islam are examples of religious duty with deep spiritual implications and is therefore a form of worship. In the Bahá’í scriptures the rich are given the responsibility of taking care of the poor. Addressing the rich, the founder of this Faith states, ‘O ye rich ones on earth! The poor in your midst are My trust, guard ye My trust, and be not intent only on your own ease.’11 In this passage the rich are directed to take care of the poor. It requires a great amount of material sacrifice and spiritual enrichment to guard the poor. However, directing the wealthy Bahá’ís does not exclude the poor from taking responsibility for their own lives. For example, Shoghi Effendi states that ‘Every individual, no matter how handicapped and limited he may be, is under the obligation of engaging in some work or profession.’ 12 The

term handicapped may raise a question as to how one would expect a handicapped person to work and whether this refers

For an in-depth discussion of redistribution of wealth in Christianity see: Max Stackhouse. ‘Economic Justice: Stewardship of Creation in Human Community,’ On Moral Business, New York: Eerdmans Publication, 1995, pp. 430-434.
For a discussion of Zakát and redistribution of wealth in Islam see: William Shepard, Introducing Islam, London: Routledge Taylor and Francis Group, 2009, pp. 90-91. Also see: Saeed Javaid, Islam and Modernisation, London: Westport Connectticut, 1994, p. 58 and p. 102.
Bahá’u’lláh. Hidden Words (from Persian translation), no. 54.
Shoghi Effend. Directives, p. 47.
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to someone with physical or mental disability. No further explanation is found in the Bahá’í Writings of the exact nature of the term handicapped. However, it may be argued that the effectiveness of the use of a disabled person to work depends on the availability of social and medical services along with technological advancement to support such people to be engaged in some kind of work they can do. In developing countries, more attention is paid to ensure people with physical and mental disabilities receive appropriate support to engage in some form of profession, which improves their sense of well-being, as well as allows them to be me productive members of the society.

Andrew Crane and Dirk Matten define justice as ‘The simultaneously fair treatment of individuals in a given situation with the result that everybody gets what they deserve.’13 The crucial ethical issue with this definition is the question of what exactly ‘fairness’ means and by what standards we can decide what a person might reasonably deserve. According to Beauchamp and Bowie, theories of justice typically see fairness in two main ways. First, fair procedure, which is determined according to whether everyone has had an equal opportunity to achieve what is needed for a just reward for one’s efforts (procedural justice). Second, fair outcomes, which are determined according to whether the consequences are distributed in a just manner (distributive justice).14

Bahá’í scholar Udo Schaefer defines distributive justice as a pattern that ‘regulates the distribution of goods, benefits and

Andrew Crane and Dirk Matten. Business ethics, p. 92.
Beauchamp and Bowie. ‘Ethical theory of Business’, Journal of Business Ethics, vol. 7, no. 11, November 1988, pp. 846-860.
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burdens in the sharing of the common good.' 15 Existing economic systems, such as 'the free-market economy' and 'planned economy', have adopted a different pattern of regulating a just distribution of income and wealth in an economy. The first one is called 'commutative justice' 16 , where it is held that each person should receive income in proportion to the value of labour and capital they have contributed to the productive process. According to Alan Griffiths and Stuart Wall, this view underlies the ideology of the free-market economy. The second view is called 'distributive justice'. In this view, it is believed that people should receive income according to their need. Given that people's needs are much the same, 'distributive justice' 17 , according to Griffiths and Wall, implies approximate equality in income distribution. This view underlies the ideology of socialism. In the Bahá'í Writings, the advantages of both systems are considered for effective wealth redistribution. For example, there are references that both private and public sectors play an important role in the pattern of regulating an economy's resources. Hence, a distinguishing factor separating the two systems of 'planned' and 'free-market economy' is the judgement of government in the distribution of resources among its citizens.

Is social justice about equality or equity? It can be argued that the goal of social justice is for people to be equal. Richard Wilkinson and Kate Pickett argue that 'more equal societies tend to be more creative.' 18 For example countries which

Udo Schaefer. Bahá'í Ethics in Light of Scripture, vol. 2, Oxford: George Ronald, p. 418.
Griffiths and Wall. Applied economics, 9th ed., London: Pearson Education, 2001, p. 336.
Griffiths and Wall. Applied economics, p. 336.
Richard Wilkinson and Kate Pickett. The Spirit Level: Why Equality is Better for Everyone, London: Penguin Books, 2010, p. 225.
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practicing gender equality and religious freedom are more creative and economically more advanced. However, from a Bahá'í perspective when discussing distributive justice from purely monetary standpoint, equity is preferred to equality. The Bahá'í Writings suggest equality in opportunity, to ensure that prospect of access to material and social resources are justly and fairly distributed. Confirming this view Shoghi Effendi said, 'It is the duty of those who are in charge of the organization of society to give every individual the opportunity of acquiring the necessary talent in some kind of

profession, and also the means of utilizing such a talent, both for its own sake and for the sake of earning the means of his livelihood.'19 The view is that each individual's talents and abilities are different and hence their economic contribution to society varies, but, opportunity should be there for all. However, aside from equality in dignity and worth, human beings are not born the same. Therefore, the Bahá'í view is that every human is unique, and that human beings are not the same.

4.3 Contemporary theories of distributive justice

The problem of just distribution of wealth at different times and in different societies has been addressed in various ways and has been affected by diverse economic and philosophical views. Just distribution generally falls between the two extreme views of egalitarianism and non-egalitarianism. The egalitarian 20 approach claims that justice is the same as equality. The view expresses that burden and rewards should be distributed equally. Hence, according to Beauchamp and

Shoghi Effendi. Directives, p. 74.

For egalitarian approach, the doctrine that moral and political life should be aimed at respecting and advancing the 'equality of persons,' See: Joseph Carens.

Equality, Moral Incentives, and the Market – An Essay in Utopian Politico-Economic Theory, Chicago: The University of Chicago Press, 1981, p. 4.

Bowie 'deviation from equality is considered as unjust.' 21 According to Peter Lambert's interpretation, egalitarianism is a process of 'a rich-to-poor income transfers…and a more equal subdivision of any fixed cake will be recommended.'22 For Joseph Carens, however, equal distribution of income or 'egalitarian system' is combined with economic efficiency, freedoms as a private property market system, and moral incentives as a major source of motivation for economic activities. Consequently, the situation that 80% of the world's resources are owned by 20% of the world population is clearly unjust to an egalitarian. On the other hand, non-egalitarians claim that justice in an economic system is ultimately a product of the fair process of free-markets. Buyers with certain needs would meet sellers who can respond to the needs. If the two parties agree on a transaction, then the market forces of supply and demand determine justice. This view is popularly associated with the work of Adam Smith. Obviously these two extreme answers to the question of what exactly justice means in an economic context are unsatisfactory. The answer might well lie in

between the two. A very popular approach to this problem has been proposed by John Rawls23 (1971). In his theory, he suggests two criteria for achieving justice:
First, each person is to have an equal right to the most extensive total system of basic liberties compatible with a similar system of liberal for all. Second, social and economic inequalities are to be arranged so that they are both: a) the greatest benefit of the least

Beauchamp and Bowie, Journal of Business Ethics, pp. 846-860, at p. 849.
Peter Lambert. The Distribution And Redistribution of Income, 2nd ed., Manchester: Manchester University Press, 1993, p. 56.
John Rawls. His theory of justice as fairness envisions a society of free citizens
holding equal basic rights cooperating within an egalitarian economic system. His
Writings on the law of peoples extend these theories to liberal foreign policy, with
the goal of imagining how a peaceful and tolerant international order might be possible. (The Oxford Dictionary of Philosophy, 2nd ed., Oxford University Press,
2006, p. 308.)
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advantaged; and b) attached to offices and positions open to all under conditions of fair equality of opportunity.24

The first principle states that before allowing for any inequalities we should ensure that the basic freedom is realised to the same degree for everyone affected by the decision. The first condition thus looks to general human rights and requires their fulfilment before we would be able to proceed to the next step.

In economics, several reasons have been put forward for a just redistribution of wealth and income. In the nineteenth century, utilitarian including Jeremy Bentham (1748-1832) and John Stuart Mill (1806 - 1873) proposed that as income increases, the additional satisfaction from it decreases.25 They refer to the application of the law of diminishing marginal utility. The law states that as people consume more of a good, the utility gained from each successive unit declines. The utilitarian, therefore, believes that transferring income and wealth from the rich to the poor would increase the total human well-being and happiness. This is because the poor would get more satisfaction than the rich from each pound transferred. Some elements of this theory of redistribution are supported in the Bahá’í Writings. However, there are

disagreement in some areas, for example, ‘Abdu’l-Bahá’s view is that wealth is commendable if the whole society benefits from it. This view supports the utilitarian view of redistribution to increase the total human well-being and happiness. However, the nature of human well-being and happiness need to be clarified. True happiness in the Bahá’í Writings includes both material and spiritual.
John Rawls. Stanford Encyclopedia of Philosophy, revised edition 2014.
John S. Mill. Utilitarianism, George Sher (ed.), 2nd ed., Cambridge: Hacket Publishing Company, 2001, p. 7.
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Another view maintains that some people have altruistic elements in their nature and behaviour and are willing to transfer some of their wealth to those who are worse off than themselves. Altruism is said to exist when one individual’s well-being contains elements of both the individual’s own well-being and that of others. This benevolent act improves their standard of living. The fact that there are many charity organizations helping to improve the lives of the poor is supporting such altruistic redistribution. The view that voluntary giving of one’s possession encouraged in the Bahá’í Writings supports the notion of altruistic nature of human beings.

Marxists put forward a more left-wing reason for economic redistribution. They advocate that the market takes money from the poor by market power, and therefore the poor are justified by taking the money back by political means and other means such as strike.26 The Bahá’í Writings denounce the exploitation of the poor and of workers and hence justify government intervention in the market, to redress the balance. However, strike is not an option. ‘Abdu’l-Bahá states, ‘Today the method of demand is the strike and resort to force, which is manifestly wrong and destructive of human foundations. Rightful privilege and demand must be set forth in laws and regulations.’27

A more philosophical view of the redistribution of wealth is put forward by John Rawls, which is based on justice. According to this theory, when thinking about redistribution one should not consider where she or he is in the income distribution. Samuel

For a discussion about strike from a Bahá’í perspective see:
‘Abdu’l-Bahá,
Some Answered Questions, pp. 315-320.
‘Abdu’l-Bahá. Promulgation of Universal Peace, p. 238.

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Freeman discusses the original position of John Rawls’s social

contract account of justice, ‘justice as fairness,’ set forth in A Theory of Justice. According to Freeman:

> It is designed to be a fair and impartial point of view that is to be adopted in our reasoning about fundamental principles of justice. In taking up this point of view, we are to imagine ourselves in the position of free and equal persons who jointly agree upon and commit themselves to principles of social and political justice.28

Rawls views of ‘justice as fairness’ are compatible with Bahá’í understanding of this concept. For example, Rawls contends that the most rational choice for the parties in the original position are two principles of justice: The first guarantees the equal basic rights and liberties needed to secure the fundamental interests of free and equal citizens and to pursue a wide range of basic needs. The Bahá’í Writings advocate the provision of basic needs and social welfare program for all citizens, including: providing the basic needs for all; providing work for all; providing Insurance for all; the establishment of special places for needy people; and the establishment of moral and educational institutions with special regard to health and safety. The second principle provides fair equality of educational and employment opportunities enabling all to a fair standard of living including income and wealth. Hence, in this category wage differential is recognized as being fair. A formula closely conveys the Baha’i view of wealth distribution states that from each according to one’s ability and to each according to one’s productive contribution to society. Consequently, wage differential exists which is based on one’s level of education, skills, experience, ability and

Samuel Freeman. Stanford Encyclopedia of Philosophy, 1996.

talents.

Another economic argument in favour of redistribution of income and wealth is based on market failure. Market failure is the misallocation of resources, or when the economy is not balanced. Hence, unemployment and the presence of extremes of wealth and poverty is clearly a market failure. To avoid the risk of extremes of wealth and poverty and maintaining a fair standard of living, government intervention is essential and the Bahá’í Writings support such intervention. It can be said that if everyone lives in the same society with the same income distribution, then the results were straightforward: each altruistic individual will benefit

when any other such individual contributes to the well-being of the poor, and so each will have an opportunity to benefit from it. However, we are not living in such an environment. Therefore, at a governmental level redistribution of income and wealth takes place by a number of means. For example, taxes are used to pay for public expenditure; the tax system can be structured so that richer people pay a higher proportion of this expenditure. A substantial part of public expenditure consists of benefits to people in need of help from the state in the form of subsidies.

4.4 Bahá'í perspective on importance of wealth

The concept of wealth is difficult to define or measure because it is mainly a stock of assets such as house, land or personal possessions and accumulated money; therefore, it is different from income. Income is a flow and wealth are a stock. If we define wealth as the abundance of valuable possessions and assets, then it is difficult to measure because they can be appreciated or depreciated. Commenting on Adam Smith's The Wealth of Nations, and on the difficulty with defining certain economic terms, economist Spencer

Pack writes:
Many technical economic problems trouble Adam Smith, much as they have troubled economists ever since. For example, how will one accurately measure…the wealth of a nation? And what determines the distribution of income [and wealth] among the various social classes of modern society?29

Pack found no evidence of how the level of wealth created in a nation via production activities could be measured. This suggests that the main concern of Smith was the creation of wealth and not how to measure it. Smith also did not pay much attention to the distribution of wealth; it was David Ricardo 30 , another founder of the school of classical economics, who discussed this subject. In the Bahá'í Writings the acquisition of wealth is not condemned, but true wealth has been interpreted differently. The terminology 'true wealth' is used here and is interpreted as the coherence between material and spiritual well-being. For example, detachment from the material world is praised without condemning one's material riches. 31 This may seem contradictory as normally material wealth and attachment to it go hand-in-hand. The complexity arises when one values material richness over and above a balanced life. Bahá'ís are directed that they would be happier if the spiritual aspects of

their lives are fulfilled and developed alongside the material. And for the wider society it is stated that ‘only when material and spiritual civilization are linked and coordinated will

Spencer Pack. Capitalism as a Moral System – Adam Smith’s Critique of the Free-market Economy, London: Edward Elgar Publishing Company, 1991, p. 11.
David Ricardo (1772-1823) is a British Economist. He opposed the protectionism and arguing for free trade or what today called comparative advantage. Ricardo explained that as more land was cultivated, farmers would have to start using less productive land.
‘Abdu’l-Bahá said: ‘Our greatest efforts must be directed towards detachment
from the things of the world …’ (Paris Talks, p. 85.)
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happiness be assured.’32

Moreover, wealth is appreciated if it is acquired legitimately through honest work and is spent sensibly. In the following statement Bahá’u’lláh describes the attainment of wealth by one’s own efforts and hard work as desirable after reaching maturity. As stated in earlier discussion, Bahá’u’lláh said, ‘Having attained the stage of fulfilment and reached his maturity, man standeth in need of wealth.’ 33 The stage of fulfilment and reaching maturity in the light of this discussion can be interpreted as attaining a high level of human consciousness where the acquisition of wealth becomes worthy, if achieved through appropriate means and expended for the common good. Similarly, in the following statement from ‘Abdu’l-Bahá, he describes how wealth should be acquired and how to be spent. He said, ‘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.’34 According to this passage, the first condition for acquiring wealth is that it must be earned by one’s own efforts. This confirms the need to work and be a productive member of the community. The second condition is that the income earned be spent on charitable and philanthropic activities. This is an indication that the Bahá’í community is directed towards attaining a culture of philanthropic, humanitarian and benevolent activities.

For further analysis of wealth creation there is a need to make a distinction between ‘means’ and ‘ends’, otherwise what is a mere instrument could become the main goal of an individual

‘Abdu’l-Bahá. Promulgation, p. 110.
Bahá'u'lláh. Tablets, p. 34.

‘Abdu’l-Bahá. The Secret, p. 4.
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in life. Expounding on this, the Universal House of Justice, addressing the Bahá’í community, stresses that the acquisition of wealth as a means for achieving higher ends such as meeting one’s basic needs, promoting the welfare of society, and contributing to the establishment of a world civilisation, is praiseworthy. 35 Exploring the concept of wealth and the justification for acquiring it, the Universal House of Justice states, ‘However constructive and noble the goal, however significant to one’s life or to the welfare of one’s family [wealth] must not be attained through improper means.’ 36 The House of Justice continue by stating that ‘Regrettably, a number of today’s leaders - political, social, and religious - as well as some of the directors of financial markets, executives of multinational corporations, chiefs of commerce and industry, and ordinary people who succumb to social pressure and ignore the call of their conscience, act against this principle; they justify any means in order to achieve their goals.’37 Examples of ‘improper means’ in our present condition of society can be the use of offshore investment to avoid paying taxes. Holding money in an offshore company is generally not illegal, although such financial arrangements can be used in illegal ways - for example, to facilitate tax evasion or money laundering. The world’s wealthy and globally active corporations use every means available to protect their wealth by hiding them from the eyes of revenue authorities. In other words, most of what has been happening in recent time is about hiding the true owners of money, the origin of the money and avoiding paying tax on the money. Other examples of improper means include using child labour or paying low wages to increase profit; unfair trade through aggressive competition; or any

Universal House of Justice. Ridván Message, April 2012.
Ibid.
Ibid.
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activities that lead to the destruction of the environment. Wealth can be a blessing or a curse, depending on one’s attitude towards it.

Amartya Sen 38 has commented on the two elements of ‘means’ and ‘ends’. He is establishing an association between ‘means’ and ‘ends’ to commodities and to a level of ‘functioning’ in life. He writes:
The commodities over which a person had command

were, after all, only a means to an end, and that end was a level of functioning in life, being able to live the kind of life that one values. This ‘functioning’ was subject to objective measurement as well: life expectancy, infant mortality, literacy, morbidity, political participation and so on.39

Sen was concerned that the average longevity of a resident of a poor neighborhood in New York is less than that of a resident of Bangladesh, despite the fact that not only incomes, but real incomes, are many times higher in some parts of New York than in Dhaka, the capital city of Bangladesh. 40 Sen’s view helps to better understand the legitimacy of wealth on how it is obtained and how it is spent in relation to ‘means’ and ‘ends’.

The concepts of ‘end’ and ‘means’ are also stated in the Writings of Bahá’u’lláh. Addressing Bahá’ís he said, ‘It is incumbent upon each one of you to engage in some occupation…Hold ye fast unto the cord of means and place your trust in God, the Provider of all means.’41 This passage

Amartya Sen worked on more practical problem of measurement and famine, including his study of the 1974 Bangladesh famine that concluded that the root cause of famine was political rather than agricultural.
Amartya Sen. Equality of What, Cambridge University Press, 1980, P. 37.
Ibid.
Bahá’u’lláh. Aqdas, verse 33.
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appears to imply that one should work to earn a living and that money is a ‘means’, not an ‘end’. The indication is that our economic models cannot reduce all values to money or what is known as ‘commoditization’ 42 in a competitive market. Also, policies, which internalise negative externalities, should be carefully evaluated so as not to foster attitudes of self-satisfaction and selfishness. ‘Negative externalities’ is where the actions of an individual or a firm have impacts on others for which they do not pay, such as damaging roads and polluting the air by driving a car. Internalising negative externality means that in this example car drivers are responsible to pay the cost of road maintenance and pollution. In a similar fashion it should be noted how economic theory with its self-interest utilitarianism has reduced everything to commodities. To avoid these difficulties, there is much guidance as to how to weigh carefully the difference between gaining wealth in fields such as agriculture, commerce, the arts and industry, and in obtaining it without effort or through improper means.

Alternatively, Bahá'u'lláh describes the relationship between human station and wealth in the following words, 'I have created thee rich and have bountifully shed My favour upon thee.' 43 Also, he said, 'I created thee rich, why dost thou bring thyself down to poverty?' 44 There can be several interpretations of the above two passages, which are very similar. For instance, the main facet could be with the moral aspect of human beings, but it could also be applied to the material characteristics. The concept of 'rich' can be interpreted as both material and spiritual richness. Patrick Barker's interpretation is in respect of the use of all the

John Sloman. Economics, 6th ed., London: Pearson Education, 2006, p. 157.
Bahá'u'lláh. Hidden Words (from Arabic translation), no. 11.
Ibid. no. 13.

bounties created for humans. In his view, 'we have been created to be rich, both materially and spiritually, and are endowed with a nobility of the highest order.' 45 Another interpretation of 'I have created thee rich' is in reference to human potential and not material richness. However, changing from a condition of poverty to prosperity, either materially or spiritually, requires a transformation. In order to achieve human potential, including financial freedom there is a need for effort and persistence, and one needs to persevere and reprioritise one's thinking so that prosperity is seen as a normal way of life. Bahá'ís are advised to 'Put away all covetousness and seek contentment.' 46 However, attaining happiness and prosperity for one who is without sufficient means can become a challenge. In this case for pursuing progress; contentment with little or no means is not the way forward. With regard to human potential 'Abdu'l-Bahá states, 'Through the restoring waters of pure intention and unselfish effort, the earth of human potentialities will blossom with its own latent excellence and flower into praiseworthy qualities.'47 Therefore, rather than focusing on one's material advancement only, one should aim to develop the vast inherent potentials through unselfish acts and service to others. However, individuals must be helped to channel these qualities towards their own development as well as for the betterment of the wider society.

4.5 Bahá'í view on self-interest

A fundamental premise of Adam Smith's economic paradigm is that we are naturally endowed with a powerful 'desire of bettering our condition, a desire which, though generally calm and dispassionate, comes with us from the womb, and

Patrick Barker. Created Rich, Los Angeles: Naturegraph Publisher, 1995, p. 9.
Bahá'u'lláh. Hidden Words (from Persian translation), no. 50.
'Abdu'l-Bahá. The Secret, p. 4.
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never leaves us till we go into grave.' 48 Also his famous example of butchering tells us that, 'It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own self-interest.' 49 Also, Adam Smith in the Theory of Moral Sentiments 50 states: 'every individual…naturally prefer himself to all mankind.' These are powerful statements supporting self-interest from the founder of scientific economics, written in 1776.

For expounding this topic, it would be useful to make a distinction between self-interest and selfishness, although they are generally used synonymously. The clarification depends on how we understand these terms in relation to wealth creation and distributive justice. Self-interest is when a person is concerned with his own well-being and engages activities that benefit himself and fulfil his own desires, which could also affect others positively. However, a selfish person is excessively and exclusively concerned with himself, purely seeking his own wishes and desires, without regard for others. According to economist Michael Parkin 'In self-interest a choice has to be made and that choice is the best one available for a person. Most people make most of their choices in their own self-interest.'51 A Bahá'í view, on the other hand, would be making choices that promote social interest rather than self-interest. These choices would lead to an effective and efficient use of resources and distribute goods and services equitably among members of society. Now that we have established that self-interest is about

Adam Smith. The Wealth of Nations, Tom Griffith (ed.), London: Wordsworth, 2012, p. 709.
Ibid. Edwin Cannan (ed.), Chicago: The University of Chicago Press, 1976, pp. 26-27.
Ibid. Theory of Moral Sentiments, p. 83.
Michael Parkin. Economics, 9th ed., London, Pearson Education, 2001, p. 5.
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making choices, then why not to make choices that are not for the self-interest but for the social interest?

A person can wisely render many services for the benefit of others that are not purely based on self-interest. John Stuart Mill, an advocate of utilitarianism, argues that we should

train individuals to derive the greater utility from doing good, and conversely, disutility from doing bad. Consequently, utilitarian favours activities with 'altruistic self-interest'. They argue that caring for one's own well-being will care for someone else; or doing things for others, one would receive some benefits as well. A commonly used saying 'you scratch my back, and I will scratch yours' is an example of helping others with the expectation of getting some benefits; it is a kind of self-interest.

What an individual considers her or his self-interest depends on what values they hold. This can vary from one individual to another. Within a given culture, Carens argue 'it may be reasonable to assume that individuals share broadly similar notions of self-interest because people within that culture will have been inculcated in broadly similar values.' According to Bahá'í Writings, Bahá'ís are encouraged to adopt a culture of service to humanity.

A similar point can be made with respect to the concept of altruism. At least when used in contrast to self-interest. Explaining the term altruism, Carens write:

> The term seems to imply an element of self-reliance, of foregoing something which is in one's own interest (or doing something against one's interest) for the sake of other people. But whether an action is altruistic or not depends partly on how one defines self-interest. Indeed, some people would claim that all human action, even action which is apparently

> altruistic, is ultimately self-interested.52

The term 'altruism' is used here to distinguish certain kinds of motivation and behaviours in individuals such as preference given to others and the act of service.

Bahá'ís are encouraged to strive to be free from all the above approaches. The Bahá'í view is closer to enlightened self-interest, which argues that the nature of human being is altruistic and not egoistic. Persons who act to further the interests of others ultimately serve their own interests. Human beings should strive to reach to this level of considerate. Bahá'u'lláh deters his followers from egoistic activities and encourages them to pursue behaviours that benefit all. He states: '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.'53 'Abdu'l-

Bahá also condemns the pursuit of self-interest. He states:
Today, all the peoples of the world are indulging in self-interest and exert the utmost effort and endeavour to promote their own material interests. They are worshipping themselves and not the divine reality, nor the world of mankind. They seek diligently their own benefit and not the common weal. This is because they are captives of the world of nature and unaware of the divine teachings.54

In this passage ‘Abdu’l-Bahá contrasts seeking self-interest over seeking ‘the common weal.’ Is it possible to look at ‘Abdu’l-Bahá’s assertion as condemning the excessive promotion of self-interest, rather than self-interest itself? In weighing self-interest versus the common weal, one’s self-

Joseph Carens. Equality, Moral Incentives, and the Market, p. 121.
Bahá’u’lláh. Tablets, p. 138.
‘Abdu’l-Bahá. Selections, p. 103.

interest is also included in the common weal. If one makes efforts so that one’s community is prosperous, it would ensure one’s own prosperity. But the challenge with this view and this way of thinking is that it is much easier to think of what is good for one’s own self than to understand what is best globally and what is good for others. One suggestion given here is to start with children, raising and educating children with moral principles to be considerate, thoughtfulness, and caring. These principles then need to be practiced by families rather than simply state them.

A number of Bahá’í scholars have commented on the cause and effect of self-interest. For example, Graham’s view is that ‘self-interest is the single element most destructive to well-being [and] lacking…the moral backbone in society to construct, guide and set its parameters.’55 Rassekh goes even further considering ‘Self-interest as indifference to the welfare of other individuals, [even though he acknowledges that] although this attitude may not injure other people, it does nothing to alleviate their problems.’ 56 Graham and Rassekh’s argument is based on absence of moral backbone and altruistic behaviour in the society. However, the difficulty is, how can we include altruistic behaviour such as fairness and compassion in the economic diagrams? It is argued that economics cannot effectively integrate moral principles such as equity and justice into its utility curves. An influential voice in such an argument was that of William Jevons, who in the Theory of Political Economy was moved

to declare: ‘Economics, if it is to be a science at all, must be a mathematical science. 57 However, from a mathematical science perspective, moral values are extruded. Galbraith

Bryan Graham. Bahá’í Studies Review, p. 5.
Farhad Rassekh. The Journal of Bahá’í Studies, p. 3.
William S. Jevons. Quoted in Galbraith, A History of Economics, p. 125.

writes, ‘The detachment and the justifying commitment to scientific validity as opposed to social concern are especially influential in our own time.’ 58 Hence, when considering scientific validity economists are not concerned with justice and other moral issues. This leaves no room for actual expansion of consciousness and the realizations of other forms of being. The Universal House of Justice describe the metaphor of ‘body’ used in the Bahá’í Writings; ‘Regard the world as the human body’59 as follows:

In the human body, every cell, every organ, every nerve has its part to play. When all do so the body is healthy, vigorous, radiant, ready for every call made upon it. No cell, however humble, lives apart from the body, whether in serving it or receiving from it. This is true of the body of mankind.60

The expansion of consciousness, together with the above metaphor of the ‘body’ may point towards creating more systemic models rather than ones based on individual aggregates.

A more effective description of self-interest in the Bahá’í literatures is in relation to human nature. The Bahá’í teachings emphasise the duality of human nature. According to ‘Abdu’l-Bahá, humans possess a spiritual or higher nature, and a material or lower nature. He said, ‘In one he approaches God, in the other he lives for the world alone.’61 According to him ‘The impulse of self-interest belongs to the lower nature of human beings.’62 The virtue of benevolence belongs to the higher nature of human beings and is a source of human perfection and true happiness. In other words, true

Galbraith. History of Economics, p. 125.
Bahá’u’lláh. Gleanings, p. 254.
Universal House of Justice. Wellspring, p. 38.
‘Abdu’l-Bahá. Paris Talks, p. 60.
Ibid. Quoted in Waging Peace, p. 15.

happiness is associated with the higher nature, and material or physical happiness is related to the lower nature of human

being. John Stuart Mill presents similar views. He argues that intellectual and moral pleasures (higher pleasures) are superior to more physical forms of pleasure (lower pleasures).63

But human beings are able to overcome their own self-desires to promote the common good. F. Rassekh argues that such pronouncements against the pursuit of self-interest and self-love, however, do not constitute a rejection of the market economy.64 For example, Bahá'u'lláh allows charging interest on financial loans, which is a characteristic of the market economy. Also, 'Abdu'l-Bahá considers commerce to be one of the 'vital agencies which would constitute an immediate remedy for society's chronic ills.' 65 Moreover, he states, 'Wealth is most commendable, provided the entire population is wealthy.'66 Commenting on the Writings of 'Abdu'l-Bahá, Rassekh maintains the view that 'Indeed by encouraging commercial activities, 'Abdu'l-Bahá endorses a fundamental tenet of the market system that commercial pursuits are beneficial to society.'67 However, as Shoghi Effendi stated, the Bahá'í Faith rejects the doctrine of laissez faire, which is the extreme version of a free-market economy. It is stated:

> In the Bahá'í economic system of the future, private ownership will be retained, but will be controlled, regulated and even restricted. Complete socialization is not only impossible but most unjust, and in this the Cause is in fundamental disagreement with the extreme socialists or communists. It can also not agree with the other extreme tendency represented by the

John Stuart Mill. Utilitarianism, p. 8.
Farhad Rassekh. Electronic correspondence, 14 January 2015.
'Abdu'l-Bahá. The Secret, p. 39.
Ibid. p. 24.
Farhad Rassekh. The Journal of Bahá'í Studies, P. 2.
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> 'laissez faire' or individualistic school of economics which became very popular in the 18th century and which is still supported, in certain of its essential features, by the so-called democratic countries.68

Nader Saeidi relates the topic of human nature, self-interest and selfishness to the issue of 'order', associating it with the Writings of the political theorist of the seventeenth century Thomas Hobbes (1588-1679). The question posed by Hobbes is normally called the Hobbesian problem of 'order'. In his famous book, Leviathan, Hobbes investigated the basis of order in society. According to Hobbes, human beings are

naturally selfish, aggressive, concerned with the pursuit of their own interests, and yet rational. Hobbes argued that in the state of nature, humans will use any means to get what they want, and they will not refrain from stealing or murder. This view contradicts earlier notion that humans are fundamentally altruistic. It is due to this lower nature that according to ‘Abdu’l-Bahá ‘he expresses untruth, cruelty and injustice.’ 69 Hobbes’ solution to the problem of order is rooted in his definition of human nature. Expounding on Hobbes’ view, Saeidi writes:

By the term rational Hobbes means that people will try to maximize their pleasure and minimize their costs. In other words, rational people will follow their selfish interests efficiently and effectively. Since humans are rational, they understand that the state of nature is harmful to them and contradicts their interests. Therefore, because of their selfishness humans decided to engage in a social contract in order to create laws and political institutions so that the fear of punishment by a strong and dictatorial state would prevent selfish individuals from committing criminal acts. Order, therefore, is the product of the fear of punishment and coercion…Order in other words was believed to be based upon a combination of rational selfishness of humans and their fear of legal punishment. The inadequacy of this rationalistic

Shoghi Effendi. Letter dated 25 August 1939.
‘Abdu’l-Bahá. Waging Peace, p. 15.

conception of order became increasingly evident in nineteenth-century sociology and political theory. Modern social and political theory not only affirmed the normative and symbolic character of human action and motivation but also reconceptualised the relation of individuals in society in terms of new ideas like solidarity, common bond, common religion, shared values, shared culture, legitimacy, and normative integration.70

Saeidi’s argument in analysing Hobbes’ view is that the Hobbesian solution to the problem of order was not sufficient and considers the notion of ‘order’ from a Bahá’í perspective, he writes:

Bahá’u’lláh’s concept of order should be understood in terms of this theoretical problem. In His Writings, Bahá’u’lláh emphasized that a system of reward and punishment is a necessary but not sufficient condition

for the maintenance of order in society. According to Bahá'u'lláh, order requires reward and punishment but also internalized moral values, religious belief, and love of humanity.71

Therefore, Bahá'u'lláh's concept of order, according to Saeidi, is directly opposed to the western enlightenment's concept of order. For the latter, human reason and selfish orientation guarantee social order, and do not consider a need for religion and divine guidance in human life. Bahá'u'lláh, conversely, regards the question of order as a proof of the need for religion and divine revelation in human history.

4.6 Voluntary versus compulsory giving

A Bahá'í moral principle about distributive justice is that of voluntary sharing of one's income and wealth. Bahá'u'lláh states, 'To give and to be generous are attributes of Mine;

Nader Saeidi. 'An Introduction to 'Abdu'l-Bahá's The Secret of Divine Civilisation, Converging Realities,' Switzerland: Landegg Academy, 2000.
Ibid.
Distributive Justice

well is it with him that adorneth himself with My virtues.'72 The founder of this Faith has given great responsibility to the wealthy to take care of the poor. However, the rich should voluntarily carry out such responsibility for human prosperity and well-being because they have greater resources. The benevolent behaviours of compassion and generosity are examples of virtues required for an effective voluntary sharing. This approach is considered to be highly effective because it is done freely as a matter of choice rather than being forced to give. Confirming this, Bahá'u'lláh states 'The beginning of magnanimity is when man expendeth his wealth on himself, on his family and on the poor among his brethren in the Faith.' 73 And 'Abdu'l-Bahá maintains that 'The harvest of force is turmoil and the ruin of the social order.' 74 By reflecting upon the above two passages, it would appear that the spiritual laws of prosperity not only deal with receiving but also with giving. It is stated that 'It will not be possible in the future for men to amass great fortunes by the labours of others.' 75 Whether this is because in the future humanity will become morally more conscious or the government regulations become more effective for creating distributive justice, it is clear that at this time there is greater material prosperity in those countries with an effective regulation of wealth redistribution.

On one hand, Bahá'u'lláh has given the responsibility to the

wealthy to take care of the poor. On the other hand, ‘Abdu’l-Bahá comments that the poor should not force the rich people to share their wealth. He said, ‘sharing is a personally chosen righteous act: That is, the rich should extend assistance to the

Bahá’u’lláh. Hidden Words, (from Persian translation), no. 49.
Bahá’u’lláh. Tablets, p. 156.
‘Abdu’l-Bahá. Selections, p. 115.
‘Abdu’l-Bahá. Cited in Bahá’u’lláh and the New Era, p. 145.

poor, they should expend their substance for the poor, but of their own free will, and not because the poor have gained this end by force.’ 76 Yet this may become a challenge for both groups. It can be a challenge for the rich to share a portion of their wealth voluntarily with those who are not known to them. Also, it is a challenge for the poor not to expect or try to gain this by force. The process leading to distributive justice morally requires a great deal of Faith and obedience to the teachings of the Faith. It is in this way that the Bahá’í community can function in a more secure and orderly manner. ‘Abdu’l-Bahá clarifies this point by advising Bahá’ís that this will be a gradual process in the Bahá’í community. He said, ‘[the rich] will come to this gradually, naturally, by their own volition.’ 77 There are evidences in the Bahá’í community that this gradual process is taking place. For example, the entire expenses of the activities of the Bahá’í community at a global level are supported and paid for by Bahá’ís only. Another condition put forward by ‘Abdu’l-Bahá for the rich to share their wealth willingly is for them to become more sensitive and show compassion towards others. He said: ‘The time will come in the near future when humanity will become so much more sensitive than at present that the man of great wealth will not enjoy his luxury, in comparison with the deploring poverty about him.’78 At the same time, voluntary giving in the form of ‘in-kind’ or ‘development projects’ is well-known today.

However, in the analysis of the principle of voluntary giving of one’s possession, the system may jeopardize the importance of a number of public services such as education

Ibid.
Ibid.
Ibid. Cited in Star of the West, ‘The Economic Teaching of ‘Abdu’l-Bahá,’ vol.
viii, no. 1, 21 March 1917, p. 6.

and health and security. This will be too risky. This principle, also, can be challenged on the basis of a number of other two issues. Voluntary giving may not necessarily eliminate poverty. The reason is that such voluntary giving may provide a reason for some people never to work and may create a culture of dependency. Also, the financial aspects of a community, of a nation, and of the world cannot be built on a system based only on voluntary giving. No country can plan its public finances on such totally unpredictable sources of revenue. The shortcomings of a system of ethics based solely on voluntary giving of one's possession may jeopardize the importance of a number of public services such as education and health and security. This will be too risky.

Therefore, in the wider society the process adopted through taxation is more practical, though it may not be an ideal one. As it is commonly practiced in the wider society, the method of distributive justice is mainly through government intervention through regulatory bodies for using taxation and different types of subsidies. The effectiveness, however, depends on how the level of corruption and misuse of financial resources either in the public or private sectors affect a country, or how the distributive justice affects the economic growth of a country.

Another argument against voluntary giving is that humans are driven by instincts to survive and satisfy their base desires. Hence, there is not a simple correlation between economic growth and voluntary giving. For example, if we focus on selfishness then the idea of voluntary giving appears as a mirage, impractical and unrealistic. Also, voluntary giving in the form of charity often targets the symptoms rather than cause of a problem and may only remedy problems such as the eradication of poverty temporarily. The Bahá'í Writings Economics and the Bahá'í Faith

disagree with the notion that humans only possess the lower nature and selfish attitudes; rather it is firmly believed that this aspect of human nature can be changed gradually through proper education.

A discussion of the relationship between the voluntary distribution of wealth and the main goal of the Bahá'í Faith, unity, is worthwhile here. It can be said that there is a direct relationship between unity and voluntary giving. As discussed earlier, the acquisition of wealth is acceptable to the extent that it serves as a means for achieving higher ends. The ultimate goal for a Bahá'í is the achievement of unity of humankind. For example, how can one enjoy one's wealth

while more than a billion people live in absolute poverty? In the following statement ‘Abdu’l-Bahá, envisions that in the future ‘the rich shall most willingly extend assistance to the poor.’ 79 But why is such a benevolent and praiseworthy activity envisioned for the future? The presumption is that it is a challenge at the present time for the Bahá’í community and the wider society. Today many of the rich share their wealth by being forced to give through taxes and try to evade this as much as they can. However, as observed by ‘Abdu’l-Bahá ‘The man of great wealth…will be forced, for his own happiness, to expend his wealth to procure better conditions for the community in which he lives.’ 80 Hence, this view from the Bahá’í Writings indicates that in the future as more people advance spiritually and become conscious of the needs of others, then ‘the social function of wealth’ 81 is understood and benevolent activities are carried out willingly and with joy. In addition, in the Bahá’í Writings wealth is commendable, provided the entire population is wealthy.

‘Abdu’l-Bahá. Promulgation, p. 239.
Ibid. Star of the West, vol. viii, no. 1, pp. 4-5.
Shoghi Effendi. Aqdas, note 38.
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Consequently, by considering the above statements together, one notes that there is an optimistic view that the wider society will benefit from practicing the principle of voluntary sharing.

How is taxation as a compulsory policy different from the voluntary sharing of one’s possessions? It is vital to comment that all the activities of the Bahá’í community worldwide are carried out only through the monetary contribution of individual Bahá’ís. This allows the Bahá’í community to be financially self-supported and self-sustained. The concept of voluntary giving is an indication that a community is advancing spiritually. However, on a national scale the system of taxation and other government regulations may be more practical. This means it is too risky for a government to be dependent on voluntary contribution for the funds needed to spend on important public services.

Comparing voluntary contribution with taxation, a number of Bahá’í scholars have considered the difference being in the presence or absence of the spiritual values of generosity and compassion. The indication is that taxation is of lower spiritual importance while voluntary contribution of wealth as a high spiritual value. For example, John Huddleston writes ‘voluntary action in the social interest would be a stronger

force than the instruction and law of government.’82 Graham makes an overall assertion of the effects voluntary giving would have on economics and believes that ‘the economic effect of voluntary giving, as opposed to involuntary giving such as taxation, is profound.83 The distinguishing aspect of voluntary giving certainly emphasises an attitude of

John Huddleston. The Search for a Just Society, p. 241.
Bryan Graham. Bahá’í Studies Review, vol. 7, 1997, p. 5.
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generosity, which is in contrast with that of an imposed law for the sharing of wealth.

4.7 Specific Bahá’í principles on wealth redistribution
Studying the Bahá’í primary literatures, a number of principles are suggested for redistribution of income and wealth. Some of these principles directly affect Bahá’ís and the Bahá’í community, and some are for the wider society. Selected teachings are described and discussed in this part.

4.7.1 Government participation
Alongside the role of individuals in voluntary giving, and the role of Bahá’í institutions in coordinating wealth redistribution in the community, the Bahá’í literatures emphasise the important role of government in distributive justice, and in provision of the basic needs for all citizens. Adam Smith is often cited as arguing for the free-market economy. His basic argument is that firms in the pursuit of profits do what is best for themselves, which would also be best for the world. In other words, the market is self-correcting and not in need of government interference. He believed that the market reaches a balanced market or ‘equilibrium automatically’ when the opposing forces of supply and demand balance each other. In other words, when the price balances the purchasing power of buyers and sellers. However, since the Smith’s view of a system of ‘free-market economy,’ more study has been done about the limitations of such an economic system. Critiques of the free-market economy argue that the market does not lead to what is the best for consumers and producers, suggesting the need for participation of government in regulating the market. Economist and Nobel Prize laureate in economic science of the 2001, has mentioned one specific reason for the need for government involvement in the market that concerns the
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issue of negative externalities:
Whenever there are ‘externalities’ - where the actions

of an individual have impacts on others for which they do not pay, or for which they are not compensated, markets will not work well. Some of the important instances have long understood environmental externalities. Markets, by themselves, produce too much pollution. Markets, by themselves, also produce too little basic research. The government was responsible for financing most of the important scientific breakthroughs, including the internet and the first telegraph line, and many bio-tech advances. But recent research has shown that these externalities are pervasive, whenever there is imperfect information or imperfect risk markets - that is always. Government plays an important role in banking and securities regulation, and a host of other areas: some regulation is required to make markets work. Government is needed, almost all would agree, at a minimum to enforce contracts and property rights. The real debate today is about finding the right balance between the market and government (and the third 'sector' – governmental non-profit organizations.) Both are needed. They can each complement each other. This balance differs from time to time and place to place.84

If we define negative externality such as pollution as the third-party effect as a situation where the cost of a firm's action to society exceeds the firm's private cost, then Stiglitz suggests that government intervention is required to internalise such a cost. In other words, society should not be suffering because of the action of a firm, which is for the purpose of profit maximisation. Stiglitz's main argument here is about the effect of negative externalities created by firms, the cost of which is transferred to the whole society. These costs need to be internalised and be paid for by the firm. This is a classic example of market failure, which needs

Joseph Stiglitz. Making Globalization Work, London: Penguin Books, 2006. p. 45.

government participation. Other examples of market failure include unemployment, monopoly power, negative externality, increasing the gap between the rich and the poor, and wastage of resources either by consumers or by producers. Therefore, the proponents of a free-market economy argue that the idea that the market is able to balance the economy, has failed.

Stiglitz's view agrees with Bahá'í Writings, which support

government participation for coordinating and regulating market activities. Bahá'u'lláh's pronouncement is that '…a republican government profits all the people,'85 and 'Abdu'l-Bahá considers the role of government crucial in ensuring the happiness and well-being of the citizens of a country through 'establishing just legislation and economics in order that all humanity may enjoy a full measure of welfare and privilege; but this will always be according to legal protection and procedure.' 86 In 1936 Shoghi Effendi suggested that government participation is essential for regulating, coordinating and even restricting market activities. 87 Such participation would allow the government's performance in relation to distributive justice to be judged not only by economic growth rates but also by the effect of policies on social welfare, such as protecting the environment, creating employment, providing health and education and improving transport facilities. This way, the role of government is not limited to collecting tax and providing subsidies but extends to introducing plans to deliver acceptable living standards for all citizens.

Whenever there is government participation there is also a

Bahá'u'lláh. Tablets, p. 28.
'Abdu'l-Bahá. Promulgation, p. 238.
Shoghi Effendi. World Order, p. 203.

likelihood of government failure and the subsequent creation of negative externality. This, of course, depends on the government's availability of resources to tackle the existing challenges in the market. The founder of this Faith considers excessive expenditures on armaments as unnecessary and a type of government failure. For example, Bahá'u'lláh warned the kings and rulers of the world 88 , saying, 'We see you increasing every year your expenditures, and laying the burden thereof on your subjects. This, verily, is wholly and grossly unjust.' 89 Conversely, in some cases a government may provide too many benefits, which may cause wastage or result in a misallocation of resources (for example generous welfare programs by some governments). This approach may create a culture of dependency in society. According to the Bahá'í Writings, on the one hand work is a spiritual obligation and Bahá'ís are encouraged to be productive members of the society; and on the other hand, the Bahá'í institutions and governments are given the responsibility to prepare individuals in skills learning in the first instance, and to help the poor only when necessary, rather than providing

ample universal benefits. John Huddleston's view is that 'The Bahá'í system of government would also be responsible for providing other social services (such as social security or health services) which would be available equally for all and which would therefore contribute to the lessening of differences in wealth.'90 On the issue of misusing resources Huddleston believes that 'Bahá'í standards of morality, including honesty and the injunction against begging, should ensure the 'abuses' of social welfare programmes would be

The chosen kings and rulers of the earth whom Bahá'u'lláh addressed them includes: Napoleon III, Queen Victoria, Kaiser Wilhelm I, Tsar Alexander II, the
Austrian Emperor Franz Josef, the Ottoman Sultan 'Abdu'l-'Aziz and the Qajar
Monarch Násiri'd-Dín Sháh.
Bahá'u'lláh. Gleanings, p. 253.
John Huddleston. The Search for a Just Society, p. 439.

minimal.'91 Similarly, there will be less need for government intervention as the concept of 'work as worship' is practiced in the wider society, leading to lower levels of unemployment, which is one of the government's macroeconomic objectives. Likewise, the concept of voluntary sharing would lead to a more equitable distribution of income and wealth, hence achieving some of the microeconomic objectives of government, such as price stability and a welfare program.

4.7.2 Principle of equity
When discussing distributive justice from the Bahá'í perspective equity is preferred to equality. It is maintained that absolute equality is neither possible, nor practical or justified. However, equality of opportunity is suggested, to ensure that the opportunity for access to material and social resources is justly and fairly distributed. The Bahá'í Writings state that 'It is the duty of those who are in charge of the organization of society to give every individual the opportunity of acquiring the necessary talent in some kind of profession, and also the means of utilizing such a talent, both for its own sake and for the sake of earning the means of his livelihood.'92 This writing indicates that individual talents and abilities are different and hence their economic contribution to society varies; however, justness of opportunity should be there for all.

In the field of economics, economic justice is about equity rather than equality. The earnings of each person depend on

one’s productive contribution to society. However, it can be argued that the goal of social justice is for people to be equal.

Ibid.
Shoghi Effendi. Directives, p. 74.
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The Bahá’í belief is that we are all equal, not because we are the same but because we are all created by God. The notion of ‘all created in the image of God’ suggests that each person has certain rights granted by God. These rights include the right to life, liberty, and the pursuit of happiness. The application of ‘all created in the image of God’ can be interpreted as the recognition of equality in the social and economic equation. The Bahá’í writing make it clear that each person is unique, but human beings are not the same. The hallmark is ‘unity in diversity.’ Hence, equality and equity are very different. Equity assumes the diverse, unique individuality of each person. While people are different, they are to be treated equally before the law. In the Bahá’í view, the diversity of people is a cause for celebration. The concept of equity indicates that there should be wage differentials. In this model, each person receives according to his or her economic contribution to society and its needs. This seems to be fair because each individual has different talents and education and economic capability, and hence the productive contribution of each person to society varies. From this perspective, each person is different. The model, however, recognizes that minimum standards of living must be provided for all, ‘Abdu’l-Bahá wrote, ‘The readjustment of the economic laws for the livelihood of man…in order that all humanity may live in the greatest happiness according to their respective degrees.’93 This passage indicates the need for active participation of government in the economy.

4.7.3 Principle of profit sharing
For a social enterprise to succeed it will need to have a system of incentives to reward desirable behaviour. One such system suggested in the Bahá’í Writings is profit sharing.

‘Abdu’l-Bahá. Promulgation, p. 170.
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‘Abdu’l-Bahá said: ‘According to the divine law, no wages should be given to the employee. Nay, rather indeed they are partners in every work.’94 This clearly means that employers should consider employees as assets to be retained, rather than as costs to be reduced. Profit sharing is also supported as an effective method for wealth redistribution. ‘Abdu’l-Bahá

states, ‘Profit sharing is recommended as a solution to one form of economic problems.’95 Profit sharing refers to when a share of the net profit of the organization is given to workers. This share would be separate from the normal wage employees receive. In most organizations that apply this technique, the amount shared is determined either by an established formula or entirely at the discretion of the management or owners, based on a set of objectives. The percentage of profit shared among the workers should be sufficient to reward them, otherwise it may not create adequate incentive.

Material incentives are those that reward desirable behaviour with a claim over material goods, or through some form of monetary payment. In a competitive market economy, material incentives are related to supply and demand. Shortage of products leads to an increase in prices; in which case producers gain extra monetary benefits. If demand is low or there is excess supply, then consumers are in a position to benefit from lower prices, which would be an incentive for consumers. Stephen Gardner argues that systems of material incentives become more complicated in the presence of ‘principle-agent relationships.’ 96 This requires the most desirable behaviour from the agents to offer

Abdu’l-Bahá. Cited in the Star of the West, vol. VIII, number 1, p. 7.
Shoghi Effendi. Directives, p. 19.
Stephen Gardner. Comparative Economic Systems, 2nd ed., New York: Dryden Press, 1998, p. 10.
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an incentive to workers. A system of profit sharing may encourage the agents to respond more appropriately to market signals for providing additional incentives to workers.

Profit sharing generates several benefits to an organization, including creating opportunities for workers to participate in decision-making, improving working conditions, providing better prospects for growth and development of the organization, and creating in workers a sense of belonging to the organization. The anticipation is that such a practice would remove the culture of ‘them’ and ‘us’, strengthen people’s loyalty to the firm and encourage workers to work more effectively by not wasting the resources of the business as a result increasing the success of the organization. Workers will use their skills and talents to their full potential, thereby increasing the level of production. Consequently, profit sharing can create an environment in which people will enjoy their work.

Profit sharing has a number of applications. As workers receive a portion of the profit, there will not be an incentive for strike. An industrial strike would be very costly even for a limited number of days. Depending on the nature of the demand by the workers, strike may impact heavily on customers, workers and the industry. ‘Abdu’l-Bahá suggests that the main reasons for strike are the greed and rapacity of the factory owners and the intransigence of the workers. 97 Such extreme greed in manufacturers leads to a small number of individuals collecting massive fortunes, while the greater number remains deprived. One solution to this problem suggested by ‘Abdu’l-Bahá is profit sharing: ‘Laws and regulations should be established which would permit the

‘Abdu’l-Bahá. Some Answered Questions, p. 315.

workmen to receive from the factory owner their wages and a share in the fourth or the fifth part of the profits, according to the capacity of the factory.’ 98 This percentage seems to be high compared to what is customary currently in organizations applying this principle. Once profit sharing is in operation ‘Abdu’l-Bahá states, ‘The owner of the factory will no longer put aside daily a treasure which he has absolutely no need of … And the workmen and artisans will no longer be in the greatest misery and want; they will no longer be submitted to the worst privations at the end of their life.’99 Companies with an excessive surplus of revenue can redistribute a portion of their accumulated profit in the form of profit sharing and a part of it for improving working conditions, both of which will assist employees as well as the company to operate more effectively.

The motivation and justification of adopting profit sharing varies from the standpoint of the employer and that of the employee. The employers would feel that it is their moral duty to share their prosperity and wealth with their employees, the people who helped them succeed. An effective profit sharing requires employers to have good intentions and not to expect to be rewarded for sharing the profit. Clearly the main rationale for adopting profit sharing is its benefits to the whole of the community. The justification for implementing profit sharing according to ‘Abdu’l-Bahá is that ‘if it be right for a capitalist to possess a large fortune, it is equally just that his workman should have a sufficient means of existence.’ 100 Consequently, the workforce would consider profit sharing as a form of security for their livelihood; hence it can be an incentive to work

Ibid. p. 274.
Ibid. p. 275.
‘Abdu’l-Bahá. Paris Talks, pp. 158-159.
Distributive Justice

harder. ‘Abdu’l-Bahá states, ‘laws must be enacted that would enable [the factory owners] to make reasonable profits and the [workers] to be provided with the present necessities and their future needs.’101 Another effect of practicing profit sharing is to bring about greater harmony between employers and employees. Such harmonious relationships among the workforce cause them to apply their abilities and focus their thoughts on achieving the objectives of the firm. Another justification for a profit-sharing scheme is that distributing a portion of the profit generated by the entire workforce would act as a positive feedback to them, which would, in turn, encourage them to do even better. The argument also can be presented that profit sharing is not a gift from employer to employees. The employees know that the bonus they receive in the form of profit sharing is a payment for a bigger responsibility they have accepted. It is because employees have added an economic value to the business and created a better image for the company and consequently, they are entitled to an additional payment. Therefore, employees consider profit sharing not as a gift, but the result of a job well done. Nevertheless, from a Bahá’í perspective, for a Bahá’í, work is considered as worship and must be done well, with or without profit sharing.

Despite the above justification and benefits of profit sharing for both employees and employers, the idea is not without consequences and can be challenged in a number of ways. The effects of profit sharing to motivate workers to increase productivity, is more of a short-term phenomenon. In the long run, productivity plateaus as workers get used to this extra income, unless there is an increase in the level of profit sharing. But increasing the level of profit sharing may not be

Ibid. Some Answered Questions, p. 318.
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in the interest of the business and it may also cause a negative reaction from the shareholders, towards whom the business has a responsibility. Another difficulty with profit sharing is that it is not fair to pay the same percentage of profit to all workers with different talents, qualifications, and skills. In other words, it is not fair to pay the same number of bonuses, for example, to one who is extremely motivated and hardworking and to one whose motivation and work rate is

comparatively low. The alternative suggestion is to ‘pay according to performance’, in the words of ‘Abdu’l-Bahá ‘each in his function according to ability but with justness of opportunity for all.’ 102 The Bahá’í concept of ‘work as worship’ can have a positive impact on workers’ performance, which may lead to better pay. However, the two principles of ‘work as worship’ and ‘profit sharing’ can work independently from each other. Both principles affect the lives of workers positively, but in a different way. The principle of profit sharing is a positive gesture from the employer to the workers, giving them a portion of the firm’s profit for their loyalty. The great success of profit sharing and its increasing acceptance in the modern industrial age is not only due to its monetary benefits. The act of profit sharing will encourage workers to improve their work, giving them a sense of personal investment in their work and allowing them to participate in decision-making.

4.7.4 Progressive income tax

The Bahá’í Faith supports the notion of progressive income tax as another method of wealth redistribution and a way of reducing extremes of wealth and poverty in the wider society. Progressive tax is defined as ‘A tax whose average rate with

‘Abdu’l-Bahá. Promulgation, p. 216.

respect to income rises as income rises.’103 In other words, the tax rate increases with income; therefore, the higher-income group pay a higher proportion of tax than the lower-income group. Here, the term progressive income tax rather than graduated income tax is used because it is always advancing upwards, whereas graduated tax may go up or down. Shoghi Effendi writes: ‘the income tax, according to the Bahá’í teachings, mounts at quite a steep rate so that great sums of money would be very heavily taxed.’ 104 This kind of tax system offers one of the most straightforward ways of achieving equitable distribution of income and wealth by marginally redistributing income from top to bottom. The economic rationale for progressive income tax is related to the two economic concepts of ‘Marginal Propensity to Consume’105, which is ‘the fraction of a change in disposable income that is consumed,’ 106 and Marginal Diminishing Return, which states the more money a person spends on an item, the less satisfaction is obtained from the last unit of the money spent. 107 The larger the income earned, the higher the tax bill paid. Hence, the justification for this method is that a relatively limited level of income should be sufficient to lift

every one above a convincing poverty line. This type of tax is now universally accepted as a fair and justified method of taxation and is practised by most governments to raise revenue for their expenditures. Ideally, for an effective performance, the tax system and good governance should go hand in hand.

John Sloman. Economics, p. 279. (The other two tax systems commonly known are: Regressive tax, defined as ‘A tax whose average rate with respect to
income falls as income rises.’ And proportional tax defined as ‘A tax whose average rate with respect to income stays the same as income rises.’)
Shoghi Effendi. Letter dated11 February 1944.
Michael Parkin, Melanie Powell, and Kent Matthews. Economics, p. 640.
Ibid.
Ibid. p. 641.
Economics and the Bahá’í Faith

In the following statement, ‘Abdu’l-Bahá explains the working of progressive income tax:
Each person in the community whose need is equal to his individual producing capacity shall be exempt from taxation. But if his income is greater than his needs, he must pay a tax until an adjustment is effected. That is to say, a man’s capacity for production and his needs will be equalized and reconciled through taxation. If his production exceeds, he will pay a tax; if his necessities exceed his production, he shall receive an amount sufficient to equalise or adjust. Therefore, taxation will be proportionate to capacity and production, and there will be no poor in the community.108

It is clear from this passage that if a person’s income exceeds his expenditure, a tax is levied, and the proportion of tax paid depends on the level of income. However, a person is exempted from paying tax if his expenditure is greater than his income, in which case financial assistance will be provided. The future institutions and experts in charge of this matter will decide how this would be organized.

The Bahá’í Writings emphasise that accumulating wealth will be regulated and controlled by establishing laws. Through progressive income tax, help to the poor is ensured, and the more highly paid individuals will not accumulate excessive riches. Speaking on this subject, the vision of ‘Abdu’l-Bahá for an ideal and sensible society in the future is that ‘… the laws of the community will be so framed and enacted that it will not be possible for a few to be millionaires and many

destitute.’109 However, a combination of government tax and spiritual principles such as justice, honesty, compassion,

‘Abdu’l-Bahá. Promulgation, p. 217.
Ibid. p. 216.
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truthfulness and trustworthiness lead to a more equitable distribution of income and wealth, and possibly a more balanced life-style in society.

A classic problem or view for the imposition of any tax is that it has a disincentive effect on effort and initiative. But, what is the Bahá’í position towards such views? In the context of the Bahá’í stand towards paying tax, three basic principles should be considered. First, although people have the right to accumulate wealth and own property, the Bahá’í Writings encourage the rich to care for the poor and needy and share their wealth for the betterment of the community. It is stated that ‘They who are possessed of riches, however, must have the utmost regard for the poor.’ 110 Second, the Bahá’í way of life is that able people should become a productive unit of society; it is stated that ‘…all must be producers.’ 111 So, irrespective of the level of taxation, all must be economically active. Third, as is discussed earlier, for a Bahá’í, work done in a spirit of service is considered as a form of worship. Therefore, the imposition of tax will not be a barrier to work and service in the community, nor it will create disincentive in a person.

The intention of progressive income tax is not to achieve complete economic equality, but to enable a government to provide an adequate welfare program and security and moderate comfort for all its citizens. Since the Bahá’í Writings consider extremes of wealth and poverty as life-threatening and a severe economic problem, the function of progressive income tax is to improve the standards of living of lower income groups by taxing the top income earners at

Bahá’u’lláh. Gleanings, p. 202.
‘Abdu’l-Bahá. Promulgation, p. 217.
Economics and the Bahá’í Faith

higher rates in order to reduce the level of inequality. Alternatively, a government may increase economic well-being by increasing social welfare spending on programs that provide direct services to those who can otherwise not afford to fulfil their basic human needs such as food, shelter, and medical care. These programs alleviate the suffering of the poor and lead to a partial narrowing of the gap between rich

and poor.

4.7.5 Law of inheritance

The law of inheritance is another Bahá'í principle for attaining distributive justice. This is another method by which the Bahá'í Writings ensure the prosperity of the community and the wider society, rather than a minority group. The Bahá'í Writings advocate a tax to be levied on inheritance: '…the greater the sum inherited, the higher the tax will be.' 112 This may become another source of revenue for government spending on the wider society.

In his Book of Laws, The Kitáb-i-Aqdas, Bahá'u'lláh formulates the law of inheritance and divides the inheritance into seven categories, if no Will is prepared. 'We have divided inheritance into seven categories: to the children, We have allotted nine parts comprising five hundred and forty shares; to the wife, eight parts comprising four hundred and eighty shares; to the father, seven parts comprising four hundred and twenty shares; to the mother, six parts comprising three hundred and sixty shares; to the brothers, five parts or three hundred shares; to the sisters, four parts or two hundred and forty shares; and to the teachers, three parts or one hundred and eighty shares.' 113 Shoghi Effendi has

Shoghi Effendi. Letter dated 11 February 1944.
Bahá'u'lláh. Aqdas, verse 20.

clarified a number of issues concerning the law of inheritance:

> In cases where there is no issue [children] the share of the children reverts to the House of Justice to be expended on orphans and widows and for whatever will profit mankind. [And]...Should one leave offspring but either part or all of the other categories of inheritors be non-existent, two thirds of their shares reverts to the offspring and one third to the House of Justice.114

Reflecting on the Bahá'í law of inheritance, a number of issues need to be considered. First, it is important to note that Bahá'ís are encouraged to write a Will and are free to dispose of all their wealth as they wish. Second, female and male children get equal shares, but there are differences between father and mother, and brother and sister. Third, this law considers that the first preference of the deceased would be children rather than the spouse. These differences are associated with the role of individuals rather than the spirit of

equality.

Reflecting on the significance of division of inheritance into seven groups, it is noted that this signifies the social function of wealth. This is apparent from several Writings of the central figures of the Bahá'í Faith. Shoghi Effendi exhorts that a Bahá'í should bear in mind the social function of wealth, consequently 'avoiding its over-accumulation and concentration in a few individuals or groups of individuals.'115 It is obvious from the law of inheritance that the wealth of the deceased is not meant to stay with one individual, for instance the oldest son, as is customary in some societies, but is to be distributed among different

Shoghi Effendi. Cited in Aqdas, Synopsis and Codification, p. 153.
Ibid. p. 182.

groups of people. Within each of these groups the wealth will be further distributed among individuals. In practical terms, by following this law the life of many people will improve, which will then have an effect on the wider society. Also, relating the notion of the social function of wealth to different categories of the division of inheritance, it is possible to argue that the reason for giving preference to children than to spouse is not meant for the spouse to be left without the means to live, but that it is expected that the children should look after their parents. Another issue of note is that not all seven categories are usually present and, consequently, a part of the wealth is paid to the Head of the Bahá'í Faith, the Universal House of Justice, and is spent on a variety of purposes for the benefit of the wider society. It also helps in the construction of many Bahá'í Houses of Worship in different countries, which will be used for the purpose of serving the whole community as well as worship. The last category of the division of inheritance signifies the importance of education by giving a share of the wealth to teachers. Therefore, it seems that the main focus of the founder of the Faith in division of inheritance is the application of the social function of wealth. However, to a great extent the application of this law requires the practice of compassion and love within the members of the family.

4.7.6 Law of Huqúqu'lláh (the Right of God)

A unique and revolutionary spiritual principle mentioned in the Bahá'í scriptures for the redistribution of income and wealth is the law of Huqúqu'lláh. 'Huqúqu'lláh' is an Arabic word composed of two words, Huqúq, meaning 'Right' and Allah, meaning 'God'. Therefore, Huqúqu'lláh means 'the

Right of God'. Huqúqu'lláh, although a spiritual law, is subject to specific obligations and regulations. The law states that 19% of the earnings of a Bahá'í over a certain limit, and

after all expenses have been paid belongs to God and should be paid to the head of the Faith, the Universal House of Justice. The importance of this law is stated in the Book of the Laws - The Kitáb-i-Aqdas as follows, 'By this means [the Rights of God] He hath desired to purify what ye possess and to enable you to draw nigh unto such stations as none can comprehend save those whom God hath willed [emphasis added].'116 According to Alí Muhammad Varqá, the Trustee of Huqúqu'lláh 117 , this law 'constitutes the bedrock of an unprecedented spiritual economy.'118 Although observing 'the Right of God' is limited to Bahá'ís, and entrusted to the Bahá'í institutions, it is ultimately used for the betterment of the whole society.

The application of the law of Huqúqu'lláh is to ensure the economic well-being of the whole society. Bahá'u'lláh states, 'the payment of the Right of God is conducive to prosperity, to blessing, and to honour and divine protection.' 119 Therefore, if the payment of Huqúqu'lláh brings prosperity and blessings, then Bahá'ís would try harder to fulfil those criteria. Also, the rationale is that no one accumulates wealth without paying one's dues to society. According to Alí Nakhjavání 120 all the wealth belongs to God. Hence, when one works for acquiring wealth, one must pay a portion of it to God, in this case 19% of the surplus wealth, to be used for the benefit of all. According to Varqá, the rationale of the law is the inception of an evolutionary process, which, in the

Bahá'u'lláh. Aqdas, verse 97.
The operation of the institution of 'Huqúqu'lláh' is under the Board of Trustees
and the head office is in Haifa, Israel. There are representatives of Huqúqu'lláh in
each country to administer the affairs of this law.
Alí Muhammad Varqá. Huqúqu'lláh Newsletter, no. 2, p. 2.
Bahá'u'lláh. Quoted in Compilation of Compilations, Compiled by Research Department of the Universal House of Justice, Haifa: Bahá'í World Centre Publication, 2000, no. 1104.
Alí Nakhjavání. Huqúqu'lláh, Bahá'í Summer School, Germany, 2005.

course of ages and centuries to come, assists everyone in adopting a moderate way of living. He points out that the law 'contributes to the establishment of an equilibrium in the

socio-economic life of those who dwell on earth, thereby eliminating extreme wealth and poverty.' 121 Consequently, the rationale of the law of Huqúqu'lláh is in its altruistic nature towards the wider society.

Calculating the payment of Huqúqu'lláh , the law states that 'Should anyone acquire one hundred mithqáls of gold, nineteen mithqáls thereof are God's and to be rendered unto Him.' 122 The following explanation is necessary to clarify how much of net income should be paid as Huqúqu'lláh. In this calculation, Mithqál is used as a unit of mass:

> The basic sum on which Huqúqu'lláh is payable is nineteen mithqáls of gold. In other words, when money to the value of this sum hath been acquired, a payment of Huqúq falleth due. Likewise, Huqúq is payable when the value, not the number, of other forms of property reacheth the prescribed amount. Huqúqu'lláh is payable no more than once. A person, for instance, who acquireth a thousand mithqáls of gold, and payeth the Huqúq, is not liable to make a further such payment on this sum, but only on what accrueth to it through commerce, business and the like. When this increase, namely the profit realized, reacheth the prescribed sum, one must carry out what God hath decreed. Only when the principal changeth hands is it once more subject to payment of Huqúq, as it was the first time. The Primal Point hath directed that Huqúqu'lláh must be paid on the value of whatsoever one possesseth; yet, in this Most Mighty Dispensation, We have exempted the household furnishings, that is such furnishings as are needed, and

Alí Muhammad Varqá. Huqúqu'lláh Newsletter, no. 2, 1997, p.2.
Bahá'u'lláh. Aqdas, verse 97.

the residence itself.123

It is possible to identify a number of economic benefits that individual Bahá'ís and the whole society may receive through the application of Huqúqu'lláh . The most important one is that Bahá'u'lláh has established a permanent and self-regulating source of income for the Bahá'í institutions but has based it on the spiritual maturity of his followers. Through Huqúqu'lláh, the institutions can carry out their responsibilities and activities, whether these are looking after the poor, the orphans, the Bahá'í holy places, carrying out humanitarian work during disasters, or organising and coordinating different developmental projects for the benefit

of the whole society. All these activities increase the wealth of the society. Therefore, there would be greater possibilities for community development, social welfare and the improvement and maintenance of the infrastructure, which in turn will affect the wider society. Likewise, the law assists individuals in learning how to budget and control their income and expenditure, and in considering the altruistic nature of the law of Huqúqu'lláh rather than self-interest. Commenting on this, Bahá'í scholar Ramin Khadem describes the unique role of the law of Huqúqu'lláh as 'a model for the transformation of a society centred on self to one focused on the well-being of humanity.'124 In a similar statement Alí Nakhjavání maintains that the law is 'established to facilitate cooperation and reciprocity among human beings.'125

In addition to its economic implications, the law of Huqúqu'lláh provides a number of spiritual incentives to

Bahá'u'lláh. Aqdas, note 78.
Ramin Khadem. Huqúqu'lláh Newsletter, no. 2, 1997, p. 3.
Alí Nakhjavání. Bahá'í Summer School, Germany, 2005.

Bahá'ís. For example, it allows Bahá'ís to learn about moral virtues such as generosity, truthfulness, detachment, sacrifice and compassion. In practising this law, individuals would be their own trustees, as they are not individually asked to pay Huqúqu'lláh and it is their own responsibility to do so. Observing this law in order to purify one's personal wealth would also have a positive impact on future generations and one's offspring. Therefore, although, Huqúqu'lláh is a 'law', the spiritual aspect of this law surpasses the material aspect.

Despite the spiritual and economic benefits, the law of Huqúqu'lláh may be questioned or challenged. For example, those Bahá'ís whose income does not reach the level to be qualified to pay the Right of God, would be deprived of receiving blessings and divine protection, and this would not be fair, particularly as they may never have the opportunity to reach to such a level of income. In response to this query, I will consider the following justifications. First and the foremost is that this law, according to Bahá'u'lláh, is 'to purify one's riches and earthly possessions.'126 Therefore, it can be argued that those who do not have riches, do not need to purify them. Second, this law is indeed kindness from God, as the money will be used to help the very people who are incapable of paying the Huqúq. Bahá'u'lláh, denounces any perceived lack of love for the poor: 'say: I swear by God! No

one is despised in the sight of the Almighty for being poor. Rather he is exalted, if he is found to be one of them who are patient.' 127 Third, if there were still any doubts about the position of the poor in this regard, Bahá'u'lláh further affirms that 'those that are unable to pay will be invested with the ornament of His forgiveness.' 128 'Abdu'l-Bahá further

Bahá'u'lláh. Quoted in Huqúqu'lláh, p. 3.
Ibid. p. 7.
Ibid. p. 10.
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clarifies:

Know thou, moreover, that those who Faithfully serve the All-Merciful will be enriched by Him out of His heavenly treasury, and that the Huqúq offering is but a test applied by Him unto His servants and maidservants. Thus, every true and sincere believer will offer Huqúq to be expended for the relief of the poor, the disabled, the needy, and the orphans, and for other vital needs of the Cause of God, even as Christ did establish a Fund for benevolent purposes.129

It must be noted that according to Varqá and Nakhjavání the concept of Huqúqu'lláh is not the same as a system of taxation. Although this law is obligatory on those whose savings exceed a minimum amount, it is only acceptable if it is given in a spirit of joy and radiance. Although a spiritual obligation, this law's effectiveness depends on the spiritual maturity of the individual. In contrast, taxation is compulsory in nature, and is imposed on individuals. Thus, 'the Right of God' cannot be considered the same as taxation. Also, the Right of God is different from other forms of donations such as 'earmark' or 'general contributions' practiced in the Bahá'í community. The Trustee of Huqúqu'lláh has clarified this aspect of the law and explained the differences:

The payment of Huqúqu'lláh is based on calculations on one's income, whereas contribution to the Bahá'í funds is left to the free wish and eagerness of the believers. The Right of God cannot be earmarked for some specific purpose. It is entirely at the disposal of Marjá-i-Amr, or the focal point of authority 130 , to which all must turn, while other contributions could be earmarked for other purposes, according to the wish of the contributor.131

'Abdu'l-Bahá. Quoted Huqúqu'lláh, p. 15.
Marjá-i-Amr, or the focal point of authority in this statement refers to the Universal House of Justice.

Alí Muhammad Varqá. Huqúqu’lláh News Letter, no 2, 1997, p. 2.
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Bahá’u’lláh proclaimed the application of this law in The Kitáb-i-Aqdas in 1873, and the House of Justice announced its worldwide application in 1992. Those who observe this law must have Faith in Bahá’u’lláh. Therefore, observing the Right of God is limited to Bahá’ís only. The education and understanding of the law and its application is a gradual process for the Bahá’í communities throughout the world. One of the responsibilities of the ‘institution of Huqúqu’lláh’ is the education of Bahá’ís to better understand this law. However, even in this early period of the development of the Bahá’í community, Khadem maintains that ‘the practice of the law, however small in scale, is already working in the Bahá’í community.’132

4.7.7 Contribution to the Bahá’í Fund
The concept of ‘contribution’ is introduced in the Bahá’í Writings as a means of financing Bahá’í activities, as an alternative way for channelling the redistribution of income and wealth, and to balance standards of living in a community. Addressing Bahá’ís, Shoghi Effendi writes: ‘ our contributions to the Faith are the surest way of lifting once and for all time the burden of hunger and misery from mankind.’ 133 Also, like any other organization, the Bahá’í community has expenditures and requires material means to carry out its activities. These are paid only by general participation and support of Bahá’ís. The term ‘Bahá’í Fund’ is used in relation to the income and expenditures of Bahá’í institutions.

There are three major Funds in the Bahá'í Faith. The local Fund supports the teaching activities, consolidation and administrative work of each local Bahá'í community. Local
Ramin Khadem. Huqúqu'lláh News Letter, no. 4, 1996, p. 3.
Shoghi Effendi. Letter dated 8 December 1947.
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Funds also provide support to the National and International Funds when capable of doing so. The national Fund supports the Bahá’í National Spiritual Assembly to direct, stimulate and coordinate its activities throughout the country. This Fund is a major support to the Bahá'í International Fund as well as offering assistance in the fulfilment of overseas goals assigned by the Universal House of Justice to each country. When needed, the national Fund also provides assistance to local funds. The International Fund supports many activities throughout the Bahá'í world. Some National Spiritual

Assemblies depend upon its support. The ‘Holy Shrines,’134 the ‘Arc Buildings,’ 135 and other properties at the Bahá’í World Centre, as well as all the administrative activities of the Bahá’í World Centre, receive assistance from this fund.

According to Shoghi Effendi, a very important part of the Bahá’í administration, which he refers to as ‘The Life Blood of the Cause of God’136, is ‘the Bahá’í Fund’. It combines the spiritual and material strengths of individual Bahá’ís and tests their loyalty when it comes to parting with their money in order to advance the community. Therefore, the Bahá’í Fund can be considered as the bedrock of the administrative order. One of the distinguishing features of the Bahá’í Faith, as described by the Universal House of Justice, is its principle of non-acceptance of financial contributions for its own purposes and activities from non-Bahá’ís. Shoghi Effendi says that the Bahá’í institutions can best function and be maintained ‘by the support of those who are fully conscious of, and are unreservedly submissive to, the claims inherent in

The Holy Shrines are the Shrine of Bahá’u’lláh in Akka, and Shrines of the
Báb and ‘Abdu’l-Bahá in Haifa, Israel.
The ‘Arc Buildings’ are located at the Bahá’í World Centre in Haifa and includes: the seat of the Universal House of Justice, The International Teaching
Centre, The Bahá’í International Archive, and The International Research Centre.
Shoghi Effendi. Bahá’í Administration, p. 198.

the Revelation of Bahá’u’lláh.’ 137 However, Shoghi Effendi explains that when non-Bahá’ís are eager to contribute to the Bahá’í Fund, those donations can be accepted for philanthropic and charitable purposes, such as spending on social and economic development programs that benefit the wider society.

Another important feature of the Bahá’í Fund is that the contribution is voluntary and there is a sacred obligation for every Bahá’í to consciously give to the Fund. The amount contributed, however, is immaterial, purely private and confidential and there should not be any kind of compulsion attached. Shoghi Effendi particularly stresses the strict voluntary nature of contributions to the Fund, to a point that he considers the slightest, even indirect form of compulsion ‘strikes at the very root of the principle underlying the formation of the Fund ever since its inception.’ 138 He also stated, ‘it is the sacred obligation of every conscious and

Faithful servant of Bahá’u’lláh who desires to see his Cause advance, to contribute freely and generously.’ 139 Thus, it is clear that the amount paid is not as significant as the spirit of giving. In this passage, the word ‘freely’ needs to be emphasised, as all eligible members of the Bahá’í community must contribute by their own free will and not through coercion. The contribution to the Bahá’í Fund should be according to one’s ability and means.

Bahá’u’lláh has accepted the Islamic law of Zakát as another source for wealth redistribution. The word Zakát means both purification and growth. This is one of the basic principles of Islam and the idea is that wealthy Muslims should put aside

Shoghi Effendi. Quoted in The Life Blood of the Cause, pp. 2-3.
Shoghi Effendi. Bahá'í Administration, p. 101.
Ibid. pp. 41-42.

2.5% of their wealth for helping the poor and needy. The Islamic belief is that the act of giving Zakát purifies one’s wealth to gain God’s blessing and to make it grow in goodness. The principle states that all things belong to God, and wealth is therefore, held by human beings in trust. The Holy Qur’an states, ‘That I shall ordain for those who have God-consciousness and give their Zakát and those who believe in Our Signs.’ 140 But what is the application of the law of Zakát in the Bahá’í community? Nakhjavání’s view is that ‘at this stage of the development of the Bahá’í community the law of Zakát, and the principle of contribution to the Bahá’í Fund are merged until the Universal House of Justice in the future make alternate decision about its application.’141

4.8 Application of Bahá’í teachings on wealth redistribution

A number of Bahá’í scholars have expressed their views concerning the application of Bahá’í teachings on wealth accumulation and redistribution. Bryan Graham’s view is that any discussion of the application of Bahá’í teachings on economics would best occurs within the context of a Bahá’í commonwealth (see chapter 5, section 5).142 John Huddleston makes a similar argument that the Bahá’í views on economics acquire real meaning only when considered in the context of a Bahá’í civilisation. 143 The principle of ‘progressive taxation,’ which is accepted in the Bahá’í literatures as a suitable method for wealth redistribution, is now widely established and put into practice by most governments in the

Prophet Muhammad. Qur'an, Soltani (ed.), Alámieh Islamieh Publication, Tehran, 1957. Surah Al-A`raf 7:155.
Alí Nakhjavání. Huqúqu'lláh, Bahá'í Summer School, Germany, 2005.
See: Bryan Graham. Bahá'í Studies Review, p. 2.
See: John Huddleston. Search for a Just Society, p. 5.
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world. The principle of 'profit sharing' is growing in recognition and is practised by a number of organizations. Many of the Bahá'í spiritual teachings on wealth redistribution are currently practised within the Bahá'í community. However, no data is available concerning the extent to which each one is practised. The important role of Bahá'í institutions in the process of educating the community towards better understanding of the meaning of wealth and the significance of spiritual principles on distributive justice cannot be overlooked. The institutions play an important part in channelling the application of Bahá'í teachings on wealth redistribution and understanding the concept of wealth in relation to purpose of life for a Bahá'í.

The responsibility for promoting and establishing economic justice belongs to both individual and the society. Individuals have the responsibility to do their part by making ethical decisions, such as having a moderate lifestyle or living a simpler life. At the same time, governments also have a responsibility to devise policies to ensure that all people have the adequate education and training to earn a living and that there are suitable employments and opportunities for them. The Bahá'í Writings state:
It is the duty of those who are in charge of the organization of society to give every individual the opportunity of acquiring the necessary talent in some kind of profession, and also the means of utilizing such a talent, both for its own sake and for the sake of earning the means of his livelihood.144

Although the laws on the redistribution of wealth are not enforced on individual members of the Bahá'í community, their impact on raising the necessary funds for improving the well-being of the Bahá'í community and the wider society
Shoghi Effendi. Directives, p. 74.
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cannot be underestimated. Emphasising the practicality of these laws, Ramin Khadem refers to the law of Huqúq'u'lláh and maintains that 'however small the scale of these teachings, the practice of these laws by the adherents of the Bahá'í Faith has already amply demonstrated that this model

works.’145 The fact that the Bahá’í community worldwide is self-supported financially and no funds are accepted from non-Bahá’ís 146 , including individuals, organizations, and governments, shows that the law of Huqúqu’lláh and principles of contribution to the Bahá’í fund are working within the Bahá’í community in a global scale.

4.9 Chapter conclusion

This chapter explored the two foremost and interrelated factors of an unstable economy, which according to Bahá’í Writings are economic injustice and extremes of wealth and poverty. This chapter, also, examined the relationship between wealth redistribution and well-being as a fundamental requirement for establishing order in society. Distinctions were made between views on self-interest and selfishness. The Bahá’í literatures dismiss both views. A person with an attitude of self-interest does not like to share resources with others. Self-interest may lead to the accumulation of wealth, which is against the spirit of distributive justice and the growth and prosperity of the entire community. A number of principles dealing with distributive justice were identified and discussed, including ‘the law of inheritance’ and ‘the law of Huqúqu’lláh’ and the concept of ‘voluntary sharing’ and ‘contribution’ to the Bahá’í fund. The

Ramin Khadem. Huqúqu’lláh News Letter, no. 4, 1996, p. 3.
There are several reasons for not accepting financial assistance from non-Bahá’ís. A person who is contributing to the Bahá’í fund must be a believer and
contributing with genuine intention. Also, such assistance may create dependency
issue, which may be political, and in this case Bahá’ís get distance from any
activities associated with political affairs.

role of government is also crucial in distributive justice and the Bahá’í literatures support activities that are mainly administered by the state, such as ‘progressive taxation’, and the promotion of ‘profit sharing’. The Bahá’í view is that acquiring wealth is not immoral. Wealth is praiseworthy if it is earned honestly and spent sensibly in a way that benefits the common good. However, the concept of distributive justice advocates equity and not equality.

The theme of distributive justice has a direct impact on the purchasing power of individuals and families to buy goods and services. This requires a discussion of the pattern of consumption by people. The Bahá’í Writings encourage

Bahá'ís to adopt a more sustainable pattern of living. Given the importance of consumer support for the survival and on-going success of organization, it is crucial that being ethical and sustainable towards consumer's demand is regarded as one of the most important areas of business ethics. This subject will be considered in the next chapter under the theme sustainable consumption.

Sustainable Consumption

Chapter 5: Sustainable Consumption

The transition to sustainable consumption and production is part of a global enterprise which enables all individuals to fulfil their dual purpose, namely to develop their inherent potentialities and to contribute to the betterment of the wider community.1
The Bahá'í International Community

5.1 Introduction

Classical economists recognized that the production of goods and services was not an end in itself, thus Adam Smith wrote:

> Consumption is the sole end and purpose of all production; and the interest of the producer ought to be attended to only so far as it may be necessary for promoting that of the consumer. The maxim is so perfectly self-evident that it would be absurd to attempt to prove it. But in the mercantile system the interest of the consumer is almost constantly sacrificed to that of the producer; and it seems to consider production, and not consumption, as the ultimate end and object of all industry and commerce.2

The relationship between production and distribution is essential to understanding consumption pattern. Experts in sustainable consumption, Mark Bevir and Frank Trentmann

Bahá'í International Community, Rethinking prosperity: Forging Alternatives to
a culture of consumerism, 18th Session of the United Nations Commission on Sustainable Development.15 March 2010.
Adam Smith. The Wealth of Nations, p. 877.

argue that 'Mundane Consumption is a necessary and routine part of people's lives, as is the exercise of choice in respect of a variety of relatively inconspicuous or ordinary products and service intrinsic to the maintenance of everyday life.'3 What

is important about the consumption pattern in modern times is the complexity of the integration of people and nations trading in a global borderless market. The new consumer has access to different facilities such as the Internet for researching and purchasing products of one's own choice from different sources and from every corner of this planet. A recent world population projection by the United Nations, from 1990 to 2150, indicates that with the increasing level of world population, the relationship between consumption and sustainability is becoming critical. Consumption consists of normative choices and a matter of value judgement. Value principles such as fairness, caring and compassion play an important part when consumers associate with others in an integrated market. 4 Moral principles are also important in making final decisions about choices. The main task of this chapter, therefore, is to discuss the role of moral incentives in sustainable consumption and to explore selected Bahá'í principles and their application to the Bahá'í lifestyle and, perhaps, as a model for study in the wider society.

5.2 Bahá'í view on sustainable consumption

How do we get from our present world condition to a more sensible, equitable, sustainable and prosperous world? This can be done through either 'adjustment of means of livelihood in human society.'5 This requires a change in life

Mark Bevir, and Frank Trentmann. 'Civic choices: Retrieving Perspectives on Rationality, Consumption, and Citizenship,' 2008, in K. Soper and F. Trentmann
(ed.), Citizenship and Consumption. Basingstoke: Palgrave, pp. 19-33, at 23.
Neva Goodwin. 'Consumption, Population, and Sustainability: Perspective from Science and Religion,' The Transition to a Transition, pp. 245-265, at p. 260.
'Abdu'l-Bahá, Promulgation, p. 216.

style for both the poor and the rich. Or through 'the readjustment of the economic laws for the livelihood of man …in order that all humanity may live in the greatest happiness according to their respective degrees.' 6 Long before the Universal Declaration of Human Rights (1948) was made, the Bahá'í Writings emphasised on various aspects of human rights. The human rights are including living in dignity, free from needs, rights that are universal, indivisible, interconnected and interdependent, also the realization of the human rights of other people. The human rights to be free from poverty includes the right to an adequate standard of living, the right to work and receive

wages that contribute to an adequate standard of living, the right to a healthy and safe environment, the right to live in adequate housing, the right to be free from hunger, the right to safe drinking water, the right to primary health care and medical attention in case of illness, and the human right to education for girls and boys. ‘Abdu’l-Bahá stated:

> Every human being has the right to live; they have a right to rest, and to a certain amount of well-being. As a rich man is able to live in his palace surrounded by luxury and the greatest comfort, so should a poor man be able to have the necessaries of life. Nobody should die of hunger...Let us try with all the strength we have to bring about happier conditions, so that no single soul may be destitute.7

The Bahá’í Writings provide a number of principles that, taken together with a basic spiritual transformation in society, show the pathway towards prosperity. A current economic assumption is that human happiness can be attained by increasing the wealth of the individual members of the society, which leads to maximising happiness and reducing

‘Abdu’l-Bahá. Promulgation, p. 170.
Ibid. Paris Talks, p. 134-135.

suffering. Hence, the root idea flowing from self-interest is consumer sovereignty and utility maximisation. 8 For many, prosperity lies in increasing consumption and each consumer according to utility theory will pursue his or her opportunities until the marginal cost of a transaction exceeds the benefits of it. Each person maximises utility or happiness subject to a number of constraints, including income. Thus, the economic theory for the free-market economy considers mainly monetary aspects of life and ignores other factors, such as those values that are essential for creating relationships among people, and those protecting the environment.

Hence, the root idea flowing from self-interest is consumer sovereignty and utility maximisation. It was argued earlier that self-interest belongs to the lower nature of human beings, ‘Abdu’l-Bahá states, ‘Its custodians should continually purge themselves of every trace of personal desire of interest and become wholly imbued with the spirit of love, of cooperation and genuine self-sacrifice.’9 The rationale, in the market, is that consumers know their interests best and can act to advance them through exchange. For many, prosperity lies in increasing consumption and each consumer according to utility theory will pursue his or her opportunities until the

marginal cost of a transaction exceeds the benefits of it. Each person maximises utility or happiness subject to a number of constraints, including income. Thus, the economic theory for the free-market economy considers mainly monetary aspects of life and ignores other factors, such as those values that are essential for creating relationships among people, and those protecting the environment.

The notion is supported by the theory of utility maximisation, a view advocated by Jeremy Bentham and John Stuart Mill. Sinnott - Armstrong, Stanford Encyclopaedia of Philosophy, Edvard N. Zalta (ed.), Winter 2012 edition.
‘Abdu’l-Bahá, cited in Lights of Guidance, p. 35.
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On the one hand, consumption can be considered the destroyer of the product but on the other hand, it can mean sensible use of the product. It is the latter part that will be used in the context of this subject. Sustainable development is a condition that encourages people to use resources with consideration for the needs of others, preserving the environment, the well-being of animals, and protecting the rights of future generations. Hence, the notion of sustainable consumption is closely linked with the concept of sustainable living and sustainable development and can be conceptually divided into four components or four pillars of sustainability: ecological, sociological, economic, and spiritual. My working definition of sustainable living inspired by the Bahá’í scriptures is suggested as: the process of wise and just use of resources for producing goods and services that consider the basic human needs, while safeguarding nature for future generations. This definition considers a number of features and to a certain extent has built into it the characteristics of sustainable development, which encompasses both sustainable production and sustainable consumption. The most important aspect is the avoidance of wastages associated with the activities of production, distribution and consumption. Such assumption rules out the one sidedness of materialism as a necessary condition for well-being and prosperity. Eco-justice is suggested here as a method of achieving well-being and preventing wastage. It refers to observing eco-well-being for humans and for nature. In the broadest sense, prosperity is attained through eco-well-being. The definition also supports a number of Bahá’í Writings, including the followings: ‘We see you increasing every year your expenditures, and laying the burden thereof on your

subjects;’10 ‘the preservation of the world of being;’11 ‘Verily

the most necessary thing is contentment under all circumstances;' 12 and 'the consciousness of world citizenship.'13

Sustainable development ensures quality of life that compels wise use of resources, prevention of waste, effective use of renewable resources within their capacity for renewal and global equity, and justice in our actions in maintaining responsibilities towards others and the environment. This definition, along with government intervention, maintains a balance in lifestyle, which is the basis for sustainable living. This corresponds with the Bahá'í view that 'Only when material and spiritual civilisation are linked and coordinated will happiness be assured.' 14 The divers balancing acts in lifestyle according to David Crocker, expert in public policy and international development 'depends on a person's specific abilities, opportunities, and choices. What promotes and maintains balances often vary from person to person as well as from society to society.'15 The level of consumption, therefore, varies not only among different individuals and families, but also changes from place to place. The concept of sustainable consumption, thus, has a strong ethical component. This involves the exercise of justice and compassion in the sharing of resources between current and future generations. The definition also supports the view expressed by the Organization for Economic Cooperation and Development (OECD) stated in 2002:

Bahá'u'lláh. Gleanings, p. 253.
Ibid. Tablets, p. 69.
Ibid. Quoted in Bahá'u'lláh and the New Era, p. 108.
Shoghi Effendi. World Order, p. 202.
'Abdu'l-Bahá. Promulgation, p. 109.
David Crocker. Quoted in Neva Goodwin, 'Consumption and Well-being,' The Transition to a Transition, pp. 207-219, at p. 214.
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Sustainable consumption is the use of goods and services that respond to basic needs and bring a better quality of life, while minimising the use of natural resources, toxic materials and emissions of waste and pollutants over the life-cycle, so as not to jeopardise the needs of future generations.16

Consumers are obviously one of the most important stakeholders for any organization, because without the support of customers or a demand for commodities, organizations would be unlikely to survive. Customers are not just those who buy finished products, but also all

organizations and manufacturers that purchase resources and necessary equipment for the provision of goods and service.

An examination of the terms ‘needs’ and ‘wants’ would be useful for this discussion. Traditionally, scarcity of resources is considered as a fundamental economic problem. As resources are scarce, consumers have to make choices. For consumers, these choices are in terms of what to consume, and how much to consume. Needs are essential and must be provided at all times. However, it is not possible to satisfy all human wants at all times, because as one is satisfied another appears. This is particularly obvious in markets for innovative products such as TVs, mobile phones, computers and children’s toys. Therefore, although it is possible to satisfy human needs, it may not be possible to satisfy all human wants due to finite resources and infinite wants. Economists consider this phenomenon as ‘the insatiability of human wants.’ 17 In this sense, the economic problem is insoluble. The problem of insatiability of human wants has been the subject of much discussion in economics. For example, Thorstein Veblen used the term ‘conspicuous

OECD, retrieved: <http://www.gdrc.org/sustdev/concepts/22-s-consume.html>.
See: Beardshaw. Economics, p. 29.

consumption.’ The term refers to the tendency of people who want above the subsistence level, which he calls the ‘leisure class’. In more recent time Galbraith has pointed out that in most advanced industrial economies most people have gone beyond the level of physical necessity. According to Galbraith consumption had been the highest purpose of classical economic life, ‘the supreme source of Bentham’s happiness, the ultimate justification of all its effort and toil. With Veblen, it became in its fullest development a vacuous thing, a service to puerile personal aggrandizement.’ 18 Galbraith, then, raises the question, which is the focus in the Bahá’í Writings, as well: ‘Is consumption the highest purpose of what the economic system is really about?’19 According to Arthur Dahl, the issue of consumption to a Bahá’í ‘comes down to each person’s definition of his or her purpose in life. If it is material, then material consumption becomes an important factor.’ 20 It is here that the purpose of life for a Bahá’í in relation to consumption of goods and services needs to be examined. The founder of this Faith made the purpose of life for Bahá’ís clear: He states, ‘One indeed is a man who, today, dedicateth himself to the service of the entire human race.’21 Esslemont writes, ‘When asked on one

occasion: What is a Bahá'í? 'Abdu'l-Bahá replied: To be a Bahá'í simply means to love all the world; to love humanity and try to serve it.'22 Based on these passages, if the purpose of life for a Bahá'í is such values as service to humanity and awareness of the needs of others, then the whole perspective changes. With such an attitude, everyone is mindful of others,

Galbraith. A History of Economics, p. 176.
Ibid.
Arthur Dahl. 'Sustainable consumption and human prosperity,' 2nd International Conference of the Environment Forum, 6-8 November 1998, De Poort, The Netherlands.
Bahá'u'lláh. Gleanings, p. 248.
Esslemont. Quoted in Bahá'u'lláh and the New Era, p. 71.

and tries to serve others even if they are in one's view, heedless. This leads to ensuring the preservation and availability of resources for a wider society, now and the future.

Arthur Dahl holds a visionary and creative view that in an ideal world those goods and services that are damaging to the ecosystem, and do not possess the features of sustainability, and are not in line with human dignity will be removed from the market. For Dahl, the list of such unnecessary and damaging commodities includes:

> Most military establishments and arms manufacture, industries supporting conspicuous consumption and luxury goods, the use of planned obsolescence as a tool to maintain sales, most advertising and excessive 'brand' competition and marketing gimmicks, commercial sports and some forms of entertainment, and such harmful products as pornography, drugs, gambling, alcoholic beverages, tobacco and possibly even meat. [Hence, he is raising a reasonable question] How much of the present economy would be lost if damaging, destructive or useless kinds of consumption were eliminated.23

But what will be the replacement suggested by Dahl for the economic losses of eliminating those commodities that are unnecessary or damaging to the environment? Examining some of the guiding principles of the founder of this Faith such as 'to carry forward an ever advancing civilisation'24 , and 'human nobility'25, it is possible to argue that in an ideal, sensible and dynamic society, in the absence of unnecessary goods and services there will be opportunities for creating alternative products and services more valuable, beneficial

Arthur Dahl. ‘Sustainable consumption and human prosperity.’
Bahá’u’lláh. Gleanings, p. 215.
Ibid. Tablets, p. 173.
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and befitting of human dignity such as additional social services, teaching opportunities, increasing the possibility of research and development and innovation in areas such as food and agriculture.

In a dynamic human society, Arthur Dahl believes that ‘sustainability is fundamentally a question of balance maintained over time. It is, thus, something that cannot easily be scaled and measured, since it is a quality of motion rather than a fixed point.’26 Hence, sustainability would be achieved when there are no forces to upset supply and demand and hence maintaining equilibrium condition through moral incentives. Dahl refers to examples such as ‘the limited size of a resource, inadequate supply inputs or excessive demand for outputs, damaging pressures such as pollution.’ 27 Consequently, most factors that cause unsustainability led to market imbalances. Dahl’s argument agrees with the Bahá’í Writings that the current socio-politico-economic and environmental problems are due to imbalances that exist between the material and spiritual aspects of life, and until material civilisation ‘becomes combined with divine civilisation, the desired result, which is the felicity of mankind, will not be attained.’28 Sustainability is, therefore, an attempt to take good care of the earth’s resources. It aims to meet the needs of this generation while protecting resources for future generations and at the same time, preserving and respecting the environment. Sustainability is a dynamic process, which affects us and is affected by us, thereby needing close attention and great care

Arthur Dahl. ‘Towards Indicators of Sustainable Development’, United Nations
Environment Programme, 1995, retrieved: <http://www.un.org/earthwatch/about/docs/inddahl.htm >.
Ibid.
‘Abdu’l-Bahá. Bahá’í World Faith, p. 116.
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in order for us to meet our own needs without upsetting others. It involves responsible use of finite resources.

Just as there is rapid and continuous economic growth and higher standards of living alongside increasing levels of income and capital investment that are rapidly growing and

maximizing the returns to their owners, there is also rapid technological advancement overwhelmingly affecting world-trading relationships. One of the obvious examples of the impact of increasing know-how and technological development is mass production and consequently over-consumption by consumers as a symptom of the crisis of materialism, leading to unsustainability and accompanying challenges of consumerism. Globally, consumers are exposed differently with the experience of consumerism.

According to influential economist of 20th century Paul Krugman, the continual application of economies of scale by global producers using new technology means that many countries, including China, can produce very cheaply, and export surpluses. This, along with an insatiable demand for choice and variety, means that countries typically produce a variety of products for the global market, rather than specialize in a narrow range of products, rendering the traditional theory of comparative advantage almost obsolete.

5.3 Challenges of consumerism

The concept of the consumer and consumer society or consumerism sits at the centre of numerous current debates among policy-makers, marketers, politicians, and environmentalists. Consumerism is representing by Gabriel and Lang as ‘a moral doctrine in developed countries; the ideology of conspicuous consumption; an economic ideology for global development; a political ideology; and a social

movement promoting and protecting consumer rights.’29 The culture of consumerism has created a competitive market, and misguiding consumers through manipulation of the market. This requires especial attention.

In recent times, a growing number of people have been enjoying higher standards of living, which led to the creation of ‘consumer society.’ In particular, in the periods between 1996 and 2011, forty countries moved from the lower income to the high-income categories. This is about 20% of the world population that moved from a ‘developing economy’ status in 1996 to Upper Middle/High Income status by 2011. In 1996, the World Bank classified about 58% of the world’s economies as low-income or developing, and by 2011 that percentage had fallen to only 39%. This signifies that millions of people have come out of absolute poverty and are now enjoying a better quality of life, particularly in China. David Dollar, who worked for five years as the World Bank’s Country Director for China and Mongolia in the East Asia

and Pacific Region, states: ‘Poverty, inequality and social disparities during China’s economic reform declined’. Between 1981 and 2005 it is estimated that the poverty rate fell from 85% to 15%, roughly 600 million people relieved from poverty. 30 This pattern of change in employment and income earning is a factor, which led to consumerism. A major issue in consumerism is in relation to sustainability and the excessive level of consumption in developed countries, both at the individual level and collectively. This can become a bigger problem as the developing countries are progressing and joining the ranks of other consumer countries. Some

Yiannis Gabriel and Tim Lang. The Unmanageable Consumer, 2nd ed., London: Sage, 2006, pp. 85-86.
See: David Dollar. Retrieved: <http://data.worldbank.org/topic/poverty >, [accessed: 12 December 2014].
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people in such countries will not be ready to give up the newly acquired benefits of economic growth in the name of justifying, for example, the climate change. Followings are some examples of consumerism and relevant issues gathered by Bahá’í expert in agriculture and sustainable consumption, Paul Hanley:

Mass consumption of fast food unleashes a kind of trophic cascade of health, social, and ecological impacts. It is well established that the highly refined, high – carb western diet typified by fast food is a key driver of rapidly escalating health care cost.31

Hanley believes that mass consumption of fast food releases a kind of trophic cascade of health, social, and ecological impacts. According to him, while wealthy consumer societies rightly boast high longevity, the other side of that coin is the rise of chronic illnesses, with more than nine million Canadians – a quarter of the population – suffering from heart disease, diabetes, and cancer. Economists are relating these complications with the concept of marketing and its effects on consumers. Given these current issues, it is worthwhile re-examining the ethical basis for the consumer society and the marketing techniques and their effects on sustainability. It would also be important to include the science of climate change.

A definition of consumerism is useful to discuss the challenges of the term. With the advent of mass production and cost-effective channels of distribution, which are now possible through technological advancement and effective communication, the average person is immersed in the

generation of income to purchase items in excess of basic needs. In some societies, this overall pattern of living has led

Paul Hanley. Eleven, Victoria BC: Friesen Press, 2014, p. 18.

to consumerism. Other similar terms used are 'over-consumption' and 'consumer society.' Consumerism increasingly dominates other aspects of life such as politics, education, health, and personal relations.

According to Matthew Hilton, specialist in social history, consumerism is 'the absorption of social life into the world of commodities.'32 It is the full participation in modern society, or as a negative expression, such as stated in Vance Packard's The Waste Makers where it was equated with 'excessive materialism.'33 Ralph Nader in 1968 wrote in the New York Review of Books:

> Consumerism is a term given vogue recently by business spokesmen to describe what they believe is a concerted, disruptive ideology concocted by self-appointed bleeding hearts and politicians who find it pays off to attack the corporations. Consumerism, they say, undermine public confidence in the business system [and] deprives the consumer of freedom of choice.34

As Hilton points out 'Subsequently, the term came to be used more positively, by the consumer movement itself, at it began to notice a series of campaigning successes in the early 1970s.'35 For Roger Mason 'consuming for status has, in fact, become a defining element of the new consumer societies.'36

Ecological economist, Tim Jackson argues that consumer goods – from packaged foods and cars to electronics – have come to play a role in our daily lives that goes well beyond

Matthew Hilton. Consumerism in the 20th Century Britain, Cambridge: Cambridge University Press, 2003, p. 4.
Vance Packard. The Waste Makers, New York, 1960, p. iii.
Ralph Nader. Quoted in Hilton, Consumerism in the 20th Century Britain, p. 5.
Matthew Hilton. Consumerism in the 20th Century Britain, p. 5.
Roger Mason. The Economics of Conspicuous Consumption, p. vii.

material functionality.37 Similarly, Philip Cushman refers to the extended 'self', which is ultimately an 'empty self' that stands in continual need of being filled up with food, stimulants, and consumer products. He argues that people are strongly influenced by social comparisons, thus the empty

self is prey to powerful social forces and specific institutions over to the pursuit of consumerism. According to Cushman:

> Perhaps the most telling point of all is the rather too perfect fit between the continual consumption of novelty by households and the continuous production of novelty in firms. The restless desire of the empty self is the perfect complement for the restless innovation of the entrepreneur. The production of novelty through creative destruction drives and is driven by appetite for novelty in consumers.38

On the other hand, although the advent of globalization has benefited both the poor and the rich, the rapid and continuous economic growth has led to increasing the gap between the rich and the poor. This means that the wealth and prosperity of the rich has grown much faster than that of the poor. Economist Herman Daly has argued that consumerism and the consumer economy are founded on a philosophy of continuous economic growth, which he considered as uneconomic growth. Therefore, he supports a qualitative economic growth:

> Even though economies are still growing, and still put growth in first place, it is no longer economic growth, at least in wealthy countries, but has become uneconomic growth…the environment and social costs on increased production are growing faster than the benefits…The major job…is to overcome this denial and shift the path of progress from quantitative growth to qualitative development, from bigger to

38 Tim Jackson. Prosperity Without Growth, London: Earthscan, 2009, pp. 98-102.
Philip Cushman. Cited in Hanley, Eleven, pp. 26-27.

> better.39

As Daly states, the rapid and unlimited economic growth that is taking place today in industrialised nations and in emerging economies, has led to a deluded consumer society. He argues that policies are needed to guide society towards a balanced material standard of living, and a more equitable distribution of wealth.

Within the current economic system of rapid economic growth, there is a risk of being locked into a form of development that is damaging to the environment in the long run. Commenting on this Wilkinson and Pickett argue that 'as the rich countries reach the end of the real benefits of

economic growth, we have also had to recognise the problems of global warming and the environmental limits of growth.' 40 If consumerism continues in its current unsustainable state, it will require more resources to increase the level of output in order to meet related demands, leading to further environmental damage. Also, in causing high demand, consumerism can cause an increase in prices, leading to global inflation which will be added to the suffering of the poor.41 This, in turn, would cause additional suffering to the poor and widen the gap between the rich and

Herman Daly. 'Rio plus 20 needs to address the downsides of growth,' Natural
Resources Forum, vol. 35, no. 4. P. 15.
Richard Wilkinson and Kate Pickett. The Spirit Level, p. 11.
As a result of consumerism and global inflation, the measurement of poverty based on $1 a day has increased to $1.90 a day. Poverty is measured using the international poverty line, which is a universal standard. It indicates the amount of
income required to provide essential resources for survival. Since 2015, the World
Bank's new international poverty line was set at $1.90. The UN states that while
global poverty rates have been cut by more than half since 2000, one in ten people
in developing regions still lives on less than $1.90.
Retrieved on 12 April 2021: < https://www.concern.org.uk/poverty-definition-statistics-and-causes?gclid=Cj0KCQjw38-DBhDpARIsADJ3kjljbQCVJ0oqx2FKXigdfl0Iqk2E3GuWtryYYB7LIz4jW1VoCYjQeoUaAgRpEALw_wcB>
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the poor in both developed and developing countries.

Also, if we look at the massive rise in living standards and material wealth that accompanied economic growth in the developed world in the twentieth century, one of the key mechanisms involved was the strong association between those that produced and those that consumed. This led to employing increasing numbers of workers in factories and other production units, paying them a decent wage for a decent life and thus fuelling rising demand for more products as those workers become better off. Globalization has strengthened this process by creating a mechanism to link production and consumption, through outsourcing the production of Western consumer goods to companies in less developed countries. For example, workers in many less developed countries now primarily carry out the production

of clothing and footwear for consumers in the developed world.

According to Barry Smart, with the exception of the last category all of the distinct uses listed are closely interrelated aspects of an ethos of consumerism that gathered momentum throughout the twentieth century with the accelerating global diffusion of the economic logic of modern capitalism in the West. Considering the modern life-style in the West and other developed countries, consumerism is represented by Gabriel and Lang with five characteristics, as: ‘a moral doctrine in developed countries; the ideology of conspicuous consumption; an economic ideology for global development; a political ideology; and a social movement promoting and protecting consumer rights.’42

Gabriel and Lang. The Unmanageable Consumer, 2006.
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The Bahá’í Writings warned about consequences of the excess of consumer society and material civilisation and how it would lead society into crisis. Bahá’u’lláh said ‘If [materialism] carried to excess civilisation will prove as prolific a source of evil.’43 Some of the characteristics of the present materialistic civilisation would seem to fit this insight from the Universal House of Justice:
Today the world is assailed by an array of destructive forces. Materialism, rooted in the West, has now spread to every corner of the planet, breeding, in the name of a strong global economy and human welfare, a culture of consumerism.44

Materialism, therefore, is the root cause of many social illnesses, consumerism being one. Hanley has explored this subject and noted numerous worrying examples of the present condition of the world associated with materialism.45 Smart argues that global brands, developed mainly in the West, have successfully penetrated local cultures and attracted people around the world to consume this or that commodity by generating persuasive and appealing promotional lines and marketing messages. For example, ‘It’s the real thing’ (Coca-Cola), ‘Just do it’ (Nike), Impossible is nothing’ (Adidas), or the zeitgeist defining, ‘because you’re worth it’ (L’Oréal), which effectively exemplifies the egoistic individualism central to late-modern, materially acquisitive consumer culture.

It is fair to state that marketing has been praised in a number of ways. Through information, marketing provides customers

can make more knowledgeable decisions than their predecessors about which products they want to meet their

Bahá'u'lláh. Gleanings, p. 342.
Universal House of Justice. 2 April 2010.
Paul Hanley. Eleven, pp. 8-9.
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needs and desires. Marketing is also praised for contributing to the economics of developing nations. It brings them goods, services, and knowledge of products that they would otherwise not have. Marketing, particularly as a social marketing has been praised. Marketing techniques, when used by social marketers, have addressed social concerns, such as leprosy, DIDS, and forest fire. The results have been rather dramatic in some areas. Consequently, according to Brenkert 'social marketers require a theory of individual and social welfare according to which they may justifiably act on behalf of the individuals they seek to benefit. 46 However, currently, social marketing lacks such a theory.

Advertising is about providing information, and according to Richard Pollay, the communication of values must be at the heart of advertising. Pollay considers that the saturation of everyday life with increased marketing communications, has generated an ideology of materialism in society to 'institute in our culture an identification of consumption with happiness.' 47 Values influences thoughts, feelings, and behaviour of people in different ways. Commenting on the role of value in marketing and advertisement Pollay writes: Values are desirable, by all definitions. Popular use of values is often loose, as though some people have values and others do not. Values should refer to those criteria and standards of judgment that govern both goals and behavior. We all have values, just as we all have motives, needs, or personality traits. We can be described or measured along common dimensions. Values are deemed among the dimensions of the deep structure of personality, influencing perceptions, attitudes, emotions, and behaviors. Specific value

George Brenkert. Marketing, Ethics, and Morality, California: Blackwell Publishing Ltd., 2008, p. 214.
Richard Pollay. Journal of marketing, vol. 51, no. 3, July 1987, pp. 104-109, at
p. 108.
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dimensions, such as maturity, practicality, modesty,

courtesy, dignity, health, popularity, freedom, pride, and security, are often ‘motherhood’ criteria endorsed by most people. Cultural values are inevitably largely shared values. What distinguishes individuals, then, is not the list of values they endorse, but the relative importance of those values. This value hierarchy influences thoughts, feelings, and behaviour when competing value considerations conflict, as they do in all but trivial decision situations.48

Therefore, value hierarchy is able to play important role in influencing consumer decision-making in expansion of marketing and global communications technologies that has led to an increase in demand for products such as satellite TV and the Internet. Such developments have initiated the promotion of a consumerist lifestyle and the vision of better standards of living, not just within national borders but also on a global scale. The promotion of a consumerist lifestyle has contributed to increasing demand not only by consumers but also by the private sector and government. These economic activities, according to Keynes, lead to increasing aggregate demand and hence the economic growth of a country. But to what extent will such a relationship between consumption and growth continue to exist in a global market. Expounding on this view, Andrew Crane and Dirk Matten write:

Materialism and consumerism were often justified on the economic argument that increasing demand would lead to economic growth, which ultimately benefits all. In the global marketplace, however, even this basic relationship between consumption and growth appears to be under threat. This is due to the increasing dislocation of production and consumption

Ibid. p. 106.

occurring under globalization.49

As pointed out by Arthur Dahl, one of the consequences of a consumer society is that the market produces a substantial number of products that are unnecessary or are in low demand. Similarly, consumer knowledge and information may not be at a level to realise the consequence of disadvantage goods and services, not making the right choices as a result. For instance, lack of education and in sufficient information about health makes people illiterate and poor in health. This manifest itself in an unsustainable lifestyle, which is detrimental to human life and to the

environment. This, according to Dahl and Galbraith leads to serious disequilibrium or disparity in the market. Galbraith argues that:

> This disparity carries to the point where it is a cause of social discomfort and social unhealthy. The line, which divides our area of wealth from our area of poverty, is roughly, that which divides privately produced and marketed goods and services from publicly rendered services. Our wealth in the first is not only in startling contrast with the meagreness of the latter, but our wealth in privately produced goods is, to marked degree, the cause of crisis in the supply of public services.50

The assumption is that policy makers have failed to recognise the challenges of the market and of the consumerism Galbraith is talking about. Some of these challenges are: environmental risks, the misuse of the power of the multinational corporations, and lack of sufficient moral leadership. A particular challenge is misleading marketing. George Brenkert argue that 'Marketing has been criticised

Crane and Matten. Business Ethics, Oxford, Oxford University Press, 2004, pp. 284-285.
Galbraith. The affluent society, p. 186.

more generally as simply being wasteful, expending billions of pounds to persuade people to buy products they don't need. It is accused of bringing about the commercialisation of society and human relations. It is reproached for promoting both materialism and consumerism.' 51 Research done by Brenkert indicates that the problem of obesity is attributed, at least in part, to the marketing practices of fast-food producers and advertisers. This is due to unregulated capitalism and its offshoot, the free-market economy. Galbraith also believes that policy makers have failed to see the importance, and indeed the urgent need, of maintaining a balance between the two [control and coordination of the market].'52 A number of countries have already adopted the policy of regulating the market, such as the Competition Commission in the United Kingdom and the European Union.

The Bahá'í Writings provide a number of principles that, taken together with a basic spiritual transformation in society, show the pathway for sustainable living and guide communities towards a more sustainable future. One such belief is an understanding of human nature, which encourages us to re-examine who we are and what our purpose in life is?

Universal and compulsory education, and the spiritual principle of moderation are strongly suggested in the Bahá'í Writings as a solution to the problem of materialism and consumerism.

5.4 Importance of consumer education

The two Bahá'í principles of harmonisation of science and religion and independent investigation of truth form the basis for inspiring Bahá'ís to make appropriate decisions about their choices of goods and services. Consumer education can

George Brenkert. Marketing, Ethics, and Morality, p. 2.

Galbraith. The affluent society, p. 186.

provide people with the knowledge to consider the advantages and disadvantages of goods and services, or to distinguish between true and untrue advertisements. Knowledge and information are critical determinants of market efficiency. Therefore, the quality of information directly affects the ability of the market to meet society's collective material needs.

The consumer determines the success and failure of every business organization. Consumers are the reason for continued production of a product and hence for a business to be sustained. The success of every marketing plan must begin with the consumer and depends on whether the marketing plan has considered consumer behavior. Without such consideration, the marketing plan would be a failure. Similarly, the success of all aspects of a product, including its price, quality, shape, color, size, taste, and distribution channel, depends on the satisfaction of consumers. Ultimately, consumers can influence producers, manufacturers, suppliers, and the middlemen to deliver goods and services according to consumer choice. Therefore, 'consumer sovereignty' is an expression that signifies the power of consumers to determine what goods and services need to be available in the market. In other words, it is mostly consumers who can determine the way in which resources are allocated. Keeping in mind that effective allocation of resources is one of the fundamental principles of economics, consumer education helps to allocate resources more effectively and efficiently. Under this condition, consumers become more responsible and vigilance towards resources and also people's needs. Such an education is necessary because of the vulnerability factor of certain consumers such as income, age, education and health. Consumer education is also helpful when dealing with the issue of consumer

capability, for example freedom from limitation and rational decision-making. It also helps with comparability and the complexity of information that comes with the variety of marketing techniques. As the market becomes more competitive, there is also the issue of differentiating between products, which requires a certain level of knowledge and information to enable consumers to make a distinction between them. The authorities in the UK have taken a number of steps to assist 'consumer education' and thus influencing sustainable consumption.

Loudon and Bitta examining the impact of consumer education and write:

Consumers stand to benefit directly from orderly investigations of their own behaviour. This can occur on an individual basis or as part of more formal educational programs. As we study what has been discovered about the behaviour of others, we can gain insight into our own interactions with the marketplace. For example, when we learn that a large proportion of the billions spent annually on grocery products is used for impulse purchase, and not spent according to pre-planned shopping lists, we may be more willing to plan our purchases in an effort to save money. In general, as we discover the many variables that can influence consumers' purchases, we have the opportunity to understand better how they affect our own behaviour.53

What is learned from the above statement is that consumer behaviour can directly benefit consumers in a more formal sense. The knowledge acquired can serve as data and information for the development of educational programs designed to improve consumers' decision-making regarding

Loudon, D. L. and Bitta, A. J. Consumer Behaviour – Concepts and Applications, pp. 19-20.

products and services. As consumers become better informed about a sustainable lifestyle, they are inclined to demand products that are not exploitative. Consequently, successful organizations would be those that respond positively to demands. In an age of a materialistic attitudes and market complexity, consumer education is vital in improving decision-making. One advantage of the ability approach is that it recognises individual as well as social variation in the

level of consumption needed to achieve a sustainable lifestyle.

In spite of the effectiveness of consumer education and the way it can influence firms to produce goods and services that are sensitive and sustainable, producers have the power to influence consumers through marketing techniques. In reference to private ownership which is a feature of the market economy Shoghi Effendi states, ‘In the Bahá’í economic system of the future, private ownership will be retained, but will be controlled, regulated and even restricted.’ 54 Therefore, the remedy suggested is through legislation and regulating the market, which can run alongside consumer education. In practice consumer protection laws are established in most countries under the banner of ‘consumer rights.’ In terms of an ethical consideration, we can define rights in relation to natural rights, which are those basic, important, undeniable, befitting entitlements that should be respected and protected at all times. The concept of rights was introduced and led to the United Nations Charter of Human Rights, issued in 1948. This has been a powerful standard for worldwide enforcement of various basic rights. The most recent manifestation of this is the Charter of Fundamental Human

From a Letter dated 25 August 1939 written on behalf of Shoghi Effendi.

Rights for the European Union agreed in the Nice Treaty in 2000. In the United Kingdom Consumer Protection Law under the supervision of the Competition Commission and the Office of Fair Trade also protects consumers.

Consumer education, although necessary to achieve sustainability, is not sufficient. There are other areas that need to be considered. The issue is not about what product or how much of what product, but the question of why a product? Hence, the focus would be on why a product is needed, rather than what is needed. Increasing consumer and producer knowledge and responsibility greatly influence why a product is needed. For the consideration of the ‘why’ question, the model of economic sustainability in chapter 7 incorporates principles such as cooperation, moderation, and consultation.

In many instances, the lack of sufficient consumer knowledge and information leads to under-consumption of merit goods, and over-consumption of demerit goods. Merit goods55 with positive externality by definition are those goods and services

that are valuable to an individual and valuable to the whole society, such as education and vaccination. In other words, the benefits to society exceed the private benefits. Demerit goods with negative externality are those that are unsafe to the individual and the whole society, such as the use of hard drugs and gambling. Similarly, there will be under-production and over-production, which consequently lead to shortages and surpluses of output. The consumers' actions and producers' reactions lead to a waste of resources, both human and physical. Consumer education, in this way, can greatly influence the market to allocate resources effectively,

John Sloman. Economics, p. 306.
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or in economic terms, achieve equilibrium. Consumers, if well informed, can shape the social impact of corporations, and even their size, through their expenditure decisions. Moral leadership is also needed in addition to consumer education for a sustainable mode of production. On a practical level, sustainability requires maintenance and social responsibility at both the individual and corporation level. Thus, consumer education, corporate social responsibility and sustainability go hand in hand.

A number of guiding principles influence Bahá'ís, as producers and consumers, to make right decisions about what to produce and what to consume. For example, the principle of universal and compulsory education assists Bahá'ís in making a distinction between merit goods and demerit goods. The principle of harmony between science and religion helps a Bahá'í to become conscious of the benefits a product offers not only to consumers but also its effects on the environment. The consciousness and realisation of the principle of oneness of humankind makes it possible to adopt a more sustainable lifestyle and save resources for the benefits of those in need, and a personal commitment and a wider loyalty to the whole of the human race. Such an attitude will effectively influence sustainable living. The theme of service is obviously crucial to the Bahá'í understanding of sustainable consumption. Service to humanity is closely associated with the ethical concept of compassion and caring. Compassionate people have deep awareness of the suffering of others. The Bahá'í model of consultation helps Bahá'ís, individually and collectively, to make well-informed decisions to live a well-balanced life. The Bahá'í Writings emphasises on the importance of the principle of moderation.

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5.5 Significance of the principle of moderation

Materialistic ideologies, including unregulated capitalism and ego-centred values, underpin the economic problems associated with over-consumption and consumerism. For example, economic growth, according to Keynes, relies on ever-increasing consumption as one of the components of 'aggregate demand.' 56 For genuine and effective action to tackle the problem of consumerism, therefore, economic theories such as the theory of demand in microeconomics (classical), and aggregate demand in macroeconomics (new-classical), and utilitarian theory, 57 which are money-orientated, would not be appropriate. These theories are inadequate to deal with the challenges of consumerism and establishing sustainable consumption.

Moderation is an economic sustainability that requires creating a balance between the lowest and the highest standards of living. One extreme is when 'the rich enjoy the greatest luxury and comfort'58 and the other extreme is when 'the poor are...in the state of abject need.' 59 Therefore, moderation is a condition when 'there will not be the abnormally rich nor the abject poor. The rich will enjoy the privilege of this new economic condition as well as the

For John Maynard Keynes, the components of 'aggregate demand' include: consumption, investment, government expenditure, and export minus import (AD=C+I+G+X-M). Increasing aggregate demand cause Gross Domestic Product (GDP) and hence the national income to rise. GDP is a measure of economic.
Utilitarian also expressed the idea that we all should be in greatest happiness.
The most eminent thinkers for this view are Jeremy Bentham, and John Stuart Mill. Utilitarian argued that to achieve 'the greatest happiness for the greatest
number of people' income must be transferred from the rich to the poor up to the
point of complete equality, to the point at which there are no rich and no poor.
The reasoning according to utilitarian is that everyone has the same needs, and everyone has the same capacity to enjoy life. See: The Oxford Dictionary of Philosophy, p. 377.
'Abdu'l-Bahá. Promulgation, p.132.
Ibid..
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poor.' 60 Hence, the economic description of moderation in this model is expressed as eliminating extremes of wealth and poverty.

For the purpose of this topic, we have to make a distinction

between consumerism and living well. The Bahá'í Writings maintain the view that sustainability is associated with living well but requires living in 'moderation'. There is a correlation between moderation and sustainable living; sustainable living is a life-style when one enjoys resources with consideration for other people, the environment and the future generation. The Bahá'í Writings suggest a life-style with moderation.

The word moderation can be defined as the action or an act of moderating; limitation; restriction; and a fixed limit. It is also described as the quality of being moderate in various senses, in reference to conduct, opinions, demands, and desires or their indulgence.61 Alternatively, moderation is avoidance of extremes, especially in one's behavior. 62 Moderation at societal level is 'avoidance of extremes,' or more specifically, elimination of ' extremes of wealth and poverty.' 63 In our day-to-day living, the application of moderation in relation to food is seen as eat simple, enjoyable, healthy, sustainable, lawful, and being thoughtful. Shoghi Effendi, referring to the Bahá'í economic system of the future, states that it is '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.'64

Ibid..
See: Oxford English Dictionary. 2nd ed., p. 946.
Ibid.
Shoghi Effendi. Promised Day is Come, p. v.
Ibid. Letter dated 28 October 1927.
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The Bahá'í distributive justice is intended to control the excessive accumulation of wealth in the hands of few. A part of the total wealth will be distributed among the poor. However, this will be a gradual process. But will the principle of moderation help to eliminate the gap between the rich and the poor? An example would be that when people use all the good things that are created in abundance effectively, there will be no need for the production of unnecessary, damaging, and destructive products discussed earlier. In this way resources will be saved for improving the lives of the poor.

Moderation, if practised, can maintain a balance in the material and spiritual life of individuals, and at the same time it can be a solution to the societal problems associated with extremes. Moderation and lack of it can impact on all aspects of a society's lifestyle, economics, environment and culture.

For example, regarding the effect of moderation on the environment Arthur Dahl writes, ‘Moderation in consumption is necessary to stay within environmental limits.’65 To attain this balance, Bahá’ís are counselled that ‘In all matters moderation is desirable.’66 One may wonder if we spend and consume sensibly because of the economic conditions or because by doing so we acquire virtues. It is possible that we may be spending sensibly and practising moderation due to economic conditions; nevertheless, by exercising this principle, we acquire virtues. The moral implication is that one should be kind and compassionate and share with those in need and have empathy and understanding for those with inadequate living. It also requires protecting the environment

Arthur Dahl. ‘Science and Values as complementary foundations for consumer citizenship’, First International Conference of the Consumer Citizenship Network,
UNESCO, Paris, 1-2 March 2004.
Bahá’u’lláh. Tablets, p. 69.
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and respecting the future generation. All of these are virtuous qualities that one is require to apply in relation to others. Moderation necessitates control of one’s selfish desires and refraining from greed and self-indulgence. If we define the purpose of economics as an art of effective and efficient use of resources, then moderation and greed would be at the opposite poles. Greed leads to wastage of resources, while the aim of economics is the reduction and prevention of wastage.

Moderation also has important implications in economics through resource allocation. The exercise of moderation is commendable in all things including in trade. The lack of control on the growth and enlargement of organizations may lead to the creation of monopolies. The out-of-proportion expansion can be challenging for the economy and a disadvantage to the organization. One of the difficulties of such out-of-proportion expansion is the creation of monopoly power and its undesirable and harmful consequences which includes: wastage or lack of appropriate control over resources, problems of coordination and cooperation among various departments, and as a barrier to desirable competition. By desirable competition, I mean activities that are morally right and serve for the advancement of wider society. Since large companies hold a great share of the market, if they fail, the entire market would face crisis. Thus, a moderate expansion of trade appears to be safer for organizations and for the entire market.

The argument presented here is that moderation requires a limit to economic growth. However, the extent to which moderation is required for the progress of a country varies from one economy to another. In the initial stage, for example, an economy requires a faster and higher degree of economic growth to achieve reasonable take-off. Expert in Economics and the Bahá'í Faith

economic growth and development Walt Rostow considers five stages for economic growth. 67 Among them the stage of take-off is an important aspect of economic growth. This stage requires a substantial volume of resources of all kinds, including human, physical, and capital resources; plus, adequate saving and investment. Hence, the exercise of moderation may not be very helpful at this stage, particularly for less developed countries. Also, from an economic perspective, certain industries must remain large, called 'natural monopolies' 68 otherwise they will suffer from diseconomies of scale that is not beneficial to consumers and the wider society, such as water, gas and electricity companies.

The exercise of moderation varies among people and depends largely on individual and family circumstances such as the size of the family, employment, the level of earnings, and the pattern of individual and family life-style. What kind of moderation is suggested for those who are in absolute poverty? Once one crosses the boundaries of moderation, Bahá'u'lláh confirms 'it will prove a source of evil.' 69 Economically, one can consider the term 'evil' in this passage as the production and consumption of those products that are unsustainable and bring about the wastage of rare

Michael Todaro. Economic Development, pp. 79-80. (Rostow wrote in the opening chapter of the stages of economic growth: the traditional society, the pre-
conditions for take-off into self-sustaining growth, the take-off, the drive to maturity, and the age of the mass consumption.)
Massimo Motta. Competition Policy: Theory and Practice, Cambridge: Cambridge University Press, 2004, pp. 12-13. (In some countries like UK monopolies are regulated and monitored under Competition Commission (CC). Monopoly is defined as a firm having more than 25% market share. CC also make recommendations such as seeking changes in the firms' business practices, imposing price controls and even divestment. This introduces the possibility of structural interventions, which is more typical of regulatory regimes than competition policy.)
Bahá'u'lláh. Tablets, p. 69.
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earth resources, environmental degradation, and consumerism. Hence, even during a period of abundance, moderation is appreciated and recommended.

We should also make a distinction between a moderate way of life, simple living, and asceticism. Voluntary simplicity or simple living can be described as when individuals or families, by their own choice, reduce the consumption of goods and services to their basic needs, or avoid accumulation of wealth. Voluntary simplicity is different from a situation where individuals are poor and are forced to spend less, or have a simple life because, for example, they are unemployed. Simplicity, however, may not be constructive for economic reasons. For example, it may cause unemployment, slow economic growth, and less government revenue and its consequences on public services. However, voluntary simplicity adopted as an alternative way of life is very different from simplicity that is forced on people by poverty. This discussion focuses mainly on the voluntary choices available to those living in relative abundance, in part because much of the solution to poverty lies in the choices made by those who are not poor. It may be argued that lower consumption or simplicity may lead to high unemployment. However, the world is full of purposeful, productive and satisfying jobs waiting to be done in areas such as education, urban renewal, environmental restoration, childcare, and health care. In Bahá'í view a simple needs-orientated economy with the concept of moderation will be better able to address these urgent concerns.

A person may choose simple living for different personal reasons, such as health, an increase in quality time with family and friends, stress reduction, personal taste, a reaction to materialism and to support an anti-consumerist movement.
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Simple living is not 'living in seclusion or practicing asceticism.' 70 Asceticism is not encouraged in the Bahá'í Writings. Obviously, most human beings, to some degree, experience physical suffering throughout their lives; however, it should not be invited or made into a way of life. The Bahá'í Writings discourage practicing asceticism, which is characterised by abstinence from worldly pleasures as a lifestyle. The concept of detachment is interpreted by 'Abdu'l-Bahá as:

Detachment does not consist in setting fire to one's house, or becoming bankrupt or throwing one's fortune out of the window, or even giving away all of

one’s possessions. Detachment consists in refraining from letting our possessions possess us.71

‘Abdu’l-Bahá, then, clarifies his interpretation of detachment by stating examples including ‘A prosperous merchant who is not absorbed in his business knows severance. A banker whose occupation does not prevent him from serving humanity is severed. A poor man can be attached to a small thing.’ 72 Explaining the two concepts of detachment and asceticism and their worldly benefits Shoghi Effendi writes:

The standard inculcated by Bahá’u’lláh seeks, under no circumstances, to deny anyone the legitimate right and privilege to derive the fullest advantage and benefit from the manifold joys, beauties, and pleasures with which the world has been so plentifully enriched by an All-Loving Creator. "Should a man," Bahá’u’lláh Himself reassures us, "wish to adorn himself with the ornaments of the earth, to wear its apparels, or partake of the benefits it can bestow, no harm can befall him, if he alloweth nothing whatever to intervene between him and God, for God hath ordained every good thing, whether created in the heavens or in the earth, for such of His servants as

Ibid. p. 71.
‘Abdu’l-Bahá. Divine Philosophy, p. 135.
Ibid.

truly believe in Him. Eat ye, O people, of the good things which God hath allowed you, and deprive not yourselves from His wondrous bounties. Render thanks and praise unto Him, and be of them that are truly thankful.73

The legitimate privilege to derive the fullest advantage and benefit from the manifold joys, beauties, and pleasures of this world, according to Shoghi Effendi requires ‘the maintenance of…a high standard of moral conduct.’74 Maintaining such a high standard of moral conduct in all aspects of life, then it is left to the discretion of individuals to decide their degree of moderation, as this may vary from person to person.

5.6 Human contentment and satisfaction

It is contentment and not complacency that the Bahá’í Writings promote. The former is a virtue that harmonises the distributive function, while the latter may even impede the productive function and progress. Complacency is the expression of the lack of motivation to acquire and accumulate. The Bahá’í view is that society should be rich

and not a minority of population. Society is more than just individuals. Materially, society consists of schools, hospitals, roads, and other infrastructures and services. At the societal level, the emphasis is ‘to ensure the welfare of the commonwealth’75 and at the individual level a Bahá’í should be content ‘with but little of this world’s goods.’ 76 The challenge, however, is how to be content with little of this world while considering wealth commendable. Do these contradict each other? It is argued here that the spirit of both concepts conveys the same meaning and that is a sustainable lifestyle.

Shoghi Effendi. Advent, p. 44.

Ibid.

‘Abdu’l-Bahá. Promulgation, p.181.

Ibid. Bahá’í World Faith, p. 375.

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What is the economic significance of being content with little? Viewed only from an economic perspective reducing consumption leads to a reduction in demand and hence in production. This has serious implications for employment, income, investment, and other aspects crucial to economic well-being and growth. Reducing consumption by developed nations means less export by developing countries. This is not adding to the economy of less developed countries, but makes it more fragile. Many multinational companies operate in those countries. Developed countries provide an important market for imported products from developing economies and reduced expenditure by developed nations will have serious implications on export in developing countries. To a great extent, consumer spending is an important means to bring an economy out of a slow economic activity, although the very expression ‘consumer society’ suggests disequilibrium and global market distortion. However, we can also argue that the Bahá’í view of being content with little and sharing the extra with the low-income group does not actually reduce economic activity because the increase in the economy caused by growth in the lower income group is more than the decrease in the economy caused by reducing consumption in the high-income group. This is true since the majority of the world’s population live in developing countries and are considered the lower income group. Therefore, there is a need for a new mind-set for both the lower and higher income groups for adopting a sustainable life style. However, there would be some economic implications when the lower-income group moves to the middle-income group as noted in recent years. These include

increasing global inflation, shortage of resources, problems associated with consumerism, and market disequilibrium, which would have an undesirable impact on sustainability.
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Commitment to sustainable development necessitates a gradual and high degree of responsibility and moral obligation by people towards the essentials of sustainability. Within the Bahá'í community this is attained mainly through education. For moderation, contentment, and satisfaction with basic human needs to become feasible, these moral principles must be inculcated from a young age. The Bahá'í community considers the education of children as an important part of this process. The Universal House of Justice encourages Bahá'í parents 'to rear children that see their own welfare as inseparable from the welfare of others.'77 A fundamental shift in perspective is needed, one that changes the way in which certain essential concepts are viewed: for example, the meaning of true happiness and prosperity, the true purpose of life, and the place that material pursuits should assume in one's individual and family life. Bahá'í view is that the family unit offers an ideal setting where those moral qualities that contribute to a proper view of material wealth and its utilisation can be shaped.78 In this light, children should be raised in a culture of praising and practising moderation so that it becomes a part of their belief system. This would then turn into a cultural phenomenon, which in the long run would become natural and easy to employ.

Prosperity is a relative concept and has a cultural element. It may be argued that the first thing that comes to mind is having an adequate amount of income and wealth to become prosperous. However, perception of wealth is relative. For Arthur Dahl 'there is an important cultural dimension to prosperity and the kinds of consumption used to signal

Universal House of Justice. 2 April 2010.
See: the statement of the Universal House of Justice dated 2 April 2010.
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prosperity.' 79 He points out that for some with a lower income, food would be a preferred medium of expression; for others with a higher income, an automobile; and for some rural villagers, a school, a clinic or a church. Hence, prosperity can be expressed through personal consumption or at a community level through the provision of joint services. Either option can increase prosperity and happiness.

5.7 Specific teachings on sustainable consumption

All Faiths including the Bahá'í Faith have laws on the consumption of goods and services. There are a number of guiding principles available in the Bahá'í Writings for managing a sustainable consumption; these are discussed in the following section:

5.7.1 Bahá'í law of Fasting

Fasting is a teaching given by all major religions. Along with obligatory prayer, fasting is one of the greatest obligations of a Bahá'í. The Bahá'í fasting is the complete abstinence from both food and drink from sunrise to sunset during the Bahá'í month of 'Loftiness' for the period of 2-20 of March inclusive.

Fasting is symbolic. The basis for fasting is to obey the law and to remember the conditions of those who are suffering, as well as abstention from one's worldly desires. Shoghi Effendi describes a number of features of Bahá'í fasting: 'It is essentially a period of meditation and prayer, of spiritual recuperation.' 80; this is a period that a Bahá'í 'must strive to make the necessary readjustments in his inner life.'81 Thus, its significance and purpose are fundamentally spiritual in

Arthur Dahl. 'Sustainable Consumption and True Prosperity'.
Shoghi Effendi. Directives, p. 28.
Ibid.

character. 'Fasting is symbolic, and a reminder of abstinence from selfish and carnal desires.' 82 Through fasting, as a symbolic phenomenon, people learn to develop powers of self-control and self-restraint and resist any wrongdoing to bring about self-improvement. The deprivation brought about by fasting makes one sympathise with the suffering of others. It also makes people remember the blessings of life that they normally take for granted. Hence, the fast is not merely related to the body, but the spirit as well. According to John Esslemont the reality of the Bahá'í fast is not in abstaining from consumption of food 'but in the abstention from the desires and lusts of the flesh, and in severance from all save God.'83

The economic significance of fasting is that it helps Bahá'ís reflect on their own consumption and the problems associated with over-consumption; practising moderation and perhaps being content with little. Also, it can help improve self-care and preservation of health. The Bahá'í teaching on fasting therefore helps believers to reflect and change their attitude towards their lifestyle and allows individuals to take an

objective view of their habits and become aware of the needs of others. Charity and generosity are especially urged during the period of fasting.

5.7.2 Bahá'í perspective on food and agriculture

The Bahá'í Writings consider agriculture as a 'vital and important matter.'84 The commitment of the central figures of the Bahá'í Faith to agriculture is evident from their 'own agricultural endeavours and extensive discourse on the

Ibid.
John Esslemont. Bahá'u'lláh and the New Era, p. 184.
Bahá'u'lláh. Tablets, p. 90.
Economics and the Bahá'í Faith

topic.'85 In one of His Writings Bahá'u'lláh has paid 'special regard' 86 to the matter of agriculture, acknowledging that agriculture 'unquestionably precedeth' 87 in importance to some other Bahá'í principles, referring to 'peace', 'one common language', 'unity', and 'education'. 88 Similar statements about the importance of agriculture are seen in the Writings of 'Abdu'l-Bahá. For example, He refers to agriculture as 'the fundamental basis of the community,' 89 and a noble science,' 90 the practice of which is an 'act of worship,' 91 and he encourages Bahá'ís to engage in 'agricultural sciences.' 92 He indicates that should an individual 'become proficient in this field, he will become a means of providing for the comfort of untold numbers of people.'93

Paul Hanley raises some legitimate questions: 'Why this 'special regard' for agriculture? Why should it take precedence over other principles such as the promotion of international peace or education?'94 One comment by Hanley is that 'food is the prerequisite of human development.' 95 Without adequate food, nothing can be accomplished. Food is a requirement for human intellectual and physical development. It would be difficult to accomplish peace and security or even fellowship while masses of people starve.

Paul Hanley. The Spirit of Agriculture, Oxford, George Ronald Publisher, 2005, p. vii.
Bahá'u'lláh states: 'Special regards must be paid to agriculture.' Tablets, p. 90.
Bahá'u'lláh. Tablets, p. 90.
For the full Tablet of Bahá'u'lláh, see: Tablets, p. 89.
'Abdu'l-Bahá. Quoted in Conservation of the Earth's Resources, Compiled by
the Research Department of the Universal House of Justic, Haifa: Bahá'í World

Centre Publications, 1990, p. 12.
Ibid.
Ibid. Selections, p. 145.
Ibid. Promulgation, p. 283.
Ibid. Conservation, p. 12.
Paul Hanley. The Spirit of Agriculture, p. vii.
Ibid.
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Education is hardly possible when children are malnourished, and economic stability will not be attained if there is the frustration of hunger among multitudes of people. In all these circumstances lack of food is a major factor; hence, it must be provided.

The products of the land, however, has evolved from one stage to another, and from one place to another, depending on the demand for the product, the type of knowledge and technology used, the increase in population, and the ecosystem. Hence, it will be difficult to see any resemblance between agriculture in the time of Bahá'u'lláh in the 19th century and that of today and that in the future. However, from a Bahá'í perspective, whatever the changes, agriculture will remain as the basis of human society and of the whole economy.

When considering agriculture, there are still challenges that need to be faced and tackled. One such challenge is in countries with small pieces of land, such as Swaziland; others with heavy floods and an increasing population like Bangladesh; and some with poor quality of land or scarce resources such as Ethiopia and Sudan. Responding to these challenges, the Bahá'í Writings advocate a multi-dimensional approach. 'Abdu'l-Bahá suggests using a combination of agriculture and other sciences such as manufacturing and technology, and the Universal House of Justice recommends to 'promote the standard of agriculture and other skills in the life of the people.' 96 The success of the role of modern technology and advanced transportation systems cannot be disregarded when discussing agriculture and food production and distribution.

Universal House of Justice. Letter dated 27 July 1976.
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While there is great success in the modernisation of agriculture and food production in recent times, there are also tragic failures and challenges. Paul Hanley believes that the world's food and agriculture system is the greatest

achievement of civilisation. Stanley Wood writes ‘Today, agriculture provides more than 94% of the protein and 99% of the calories for 6 billion people.’ 97 Most of the human population explosion has occurred in the past one hundred years. Population has almost quadrupled since 1900, when there were 1.6 billion people. Since 1960 it has [more than] doubled, from 3 billion to 7 billion. Yet agriculture has more than kept pace. On average, food supplies are 24% higher per person today than in 1961 and real prices are 40% lower. Despite this success, extreme food deprivation is widespread. According to the Food and Agricultural Organization of the United Nations ‘Extreme food deprivation and plentiful food supplies in the world with excellent means of communications and transport, can only suggest that there are fundamental flaws in the way in which nations are functioning and the relationship between them are governed and managed.’ 98 A related challenge is food inflation, which is a significant negative feature of today’s economic environment. Food inflation has a great impact on quality of life, as people struggle to maintain nutritional standards that they had previously achieved, or give up some other forms of consumption so as to keep themselves well-fed.

Food plays a vital role not only in physical and intellectual development, but also in maintaining good health. ‘Abdu’l-

Stanley Wood. Quoted in Hanley, The Spirit of Agriculture, p. ix.
Food and Agricultural Organization of the United Nations, ‘Fostering the Political Will to Fight Hunger’, Committee on World Food Security, Twenty-Seventh Session, Rome, 28 May -1 June 2001.
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Bahá explains the reason for having good health, He said:
Looking after one’s health is done with two intentions. Man may take good care of his body for the purpose of satisfying his personal wishes. Or, he may look after his health with the good intention of serving humanity and of living long enough to perform his duty toward mankind. The latter is most commendable.99

However, dietary codes are not prominent in the Bahá’í sacred Writings. Bahá’u’lláh recommends: ‘Eat ye, O people, of the good things which God hath allowed you, and deprive not yourselves from His wondrous bounties.’ 100 In this passage Bahá’u’lláh not only encourages people to eat ‘good things’, he also reminds them that these are bounties from God and one need not deprive oneself of them. Rather than setting out detailed rules, the Bahá’í Writings have provided

guidance and stress the responsibility of individuals to live a virtuous life. Emphasising on the principle of the harmony of science and religion, we may consider a kind of food that invokes the virtues of naturalness, simplicity, moderation, compassion and justice. Attention should be paid to moderation in order to help maintain a relatively healthy physical and mental state. Bahá'u'lláh affirms:

> In all circumstances, they should conduct themselves with moderation; if the meal be only one course this is more pleasing in the sight of God; however, according to their means, they should seek to have this single dish be of good quality.101

Of course, the concept of a one-course meal and a 'single dish' may have different interpretations depending on the country, culture or particular circumstance or occasion. What

'Abdu'l-Bahá. Star of the West, Vol. VIII, No. 18, p. 230.
Bahá'u'lláh. Gleanings, p. 275.
Bahá'u'lláh. Quoted in Lights of Guidance, p. 294.

is important is the consideration of moderation. Such an attitude towards food can have great economic implications.

Another significant economic implication related to food is the guidance of Bahá'u'lláh '…do not eat except when you are hungry.'102 This not only can have a significant impact on one's physical well-being but also prevents obesity and the different illnesses and disorders which may result from it, such as hypertension, coronary heart disease, high cholesterol and diabetes. Therefore, the two principles in relation to food and physical well-being are (a) moderation, which signifies the amount of food one eats, and (b) the timing of having food, which is to eat when one is hungry. The practice of these principles will also lead to a reduction of wasted resources.

Having discussed the amount and timing of eating, the sustainability of the production process also plays an important role in economic well-being. However, it may be difficult to argue that consumers have an ethical responsibility to purchase sustainable products, for example when the cost difference between organic and non-organic food is substantial. Many consumers are simply unable to afford the high prices of organically farmed products. In practice, farmers will make decisions based upon the potential costs and benefits, while being mindful that consumers are now well informed and mostly capable of right

purchase. Increasing pressure from the media, the government, the public and pressure groups, is resulting in changes in farming practices that may eventually ensure that all products are environmentally sustainable. It is worth mentioning that although in the Bahá'í Faith eating meat is
Bahá'u'lláh. Quoted in Star of the West, vol. 13, no. 9, December 1922, p. 252.
Tablet to Physician (Lawh-i-Tibb)
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not prohibited, and there are no directives to Bahá'ís to become vegetarian, Bahá'ís are advised that the natural human diet consists of grains, fruits and vegetables. 103 'Abdu'l-Bahá confirms: 'the time will come when meat will no longer be eaten…the people will gradually develop up to the condition of this natural food.' 104 Elsewhere, 'Abdu'l-Bahá explains the eating of meat will gradually ceased. He said:

As humanity progresses, meat will be used less and less, for the teeth of man are not carnivorous. For example, the lion is endowed with carnivorous teeth, which are intended for meat, and if meat be not found, the lion starves. The lion cannot graze; its teeth are of different shape. The digestive system of the lion is such that it cannot receive nourishment save through meat. The eagle has a crooked beak, the lower part shorter than the upper. It cannot pick up grain; it cannot graze; therefore, it is compelled to partake of meat. The domestic animals have herbivorous teeth formed to cut grass, which is their fodder. The human teeth, the molars, are formed to grind grain. The front teeth, the incisors, are for fruits, etc. It is, therefore, quite apparent according to the implements for eating that man's food is intended to be grain and not meat. When mankind is more fully developed, the eating of meat will gradually cease.105

The intention here is not to argue directly either for or against eating meat or being vegetarian, rather, it is to examine the Bahá'í view about food and the associated moral consideration. However, there is no doubt that when less meat is produced and used, it will have an impact on the environment as well as our physical health.

'Abdu'l-Bahá. Quoted in Lights of Guidance, no. 1006 and 1007.
Ibid. Quoted in Bahá'u'lláh and the New Era, p. 102.
'Abdu'l-Bahá. Promulgation, p. 170.
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Bahá’í scholars studied the subject of food and agriculture from different perspectives. The concern of Arthur Dahl is on the preservation of the eco-system. He provides an optimistic view that humanity is mature enough to take responsibility for protecting the planet. He believes that agriculture fits well with the importance of renewable resources for any kind of sustainable civilisation. In regard to agriculture in the future he writes:

However, there is nothing to suggest that agriculture in the future will resemble that practised today. The emphasis in both the Bahá’í Writings and the science of ecology on the importance of diversity suggests that new approaches to agriculture may involve diverse species maintained in harmony. We may evolve complex and efficient ecosystems with local communities as an integral part of human development.106

This is an optimistic view by Dahl and it is in line with Bahá’í thinking of engaging local communities.

Bahá’í scholar and development expert Farzam Arbab studied the role of agriculture in poverty alleviation. Since the majority of poor people in the world live in rural areas, an analysis of reducing the poverty of villagers and helping them to grow agricultural products and having a welfare program at the village level is most appropriate. To achieve these, Arbab suggests a ‘new village economy’. Outlining his thoughts, he writes:

The best option for the villagers is indeed to understand the strengths and weaknesses of their own past and present economic system and then move forward and build on their own strengths.

Arthur Dahl. ‘Living within Environmental Limits: Implications of Bahá’í Principles for Sustainable Development’, 3rd conference of the International Environment Forum Sidcot, UK, 15-18 August 1999.

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In doing so, they would incorporate into their schemes certain structures such as the village store with its unique functions in the abolition of extremes of wealth and poverty, as described in the Writings of the Bahá'í Faith.107

The concept of a village economy may seem idealistic and too simple to apply to the complex issues of a global society. The problem is that the largest proportion of people are currently living and predicted to be living in urban areas.

Nevertheless, the new village economy can work along with a number of interrelated principles such as: providing education; creating equal opportunity for both women and men; just and effective wealth distribution of the earth's resources; and willingness to adopt a more moderate lifestyle. The Bahá'í Writings advocate structures such as a village store 108 for the economy of a village. However, the global economy is much more complex than a village economy. Recognising this point, Arbab further clarifies that the new village economy should be seen in the light of its contribution to a world economy.109 There is still a need for further study in identifying different elements of a new village economy as suggested by Arbab. The view presented here is that in any alternative model of economics for the future, agriculture should play a major role, which has been ignored mostly by the current dominant economic systems such as the 'command economy'110 and the 'free-market economy.'111

Farzam Arbab. Bahá'í Studies Review, 1987, pp. 9-20, at p. 19.
'Abdu'l-Bahá in his Writings refers to seven sources of revenue and seven sources of expenditures, see: 'Abdu'l-Bahá, Bahá'í World, vol. iv, pp. 450-451.
Farzam Arbab. Bahá'í Studies Review, 1987, p. 19.
A 'command economy' or planned economy is one that all economic decisions are taken by the government. See: John Sloman, Economics, 6th ed., p. 16.
A 'free-market economy' is an economy where all economic decisions are taken by individual households and firms and with no government intervention. See: John Sloman, p. 16.
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5.8 Further analysis of sustainable consumption

Consumer sovereignty in a free-market economy suggests that under perfect competition, consumers drive the market; they express their needs and desires as a demand, to which firms subsequently respond to by supplying them with the goods and services that they require. This gives rise to the idea that consumers are sovereign in the market. Traditionally customers were responsible for their own purchasing with little influence from advertisements. However, today, producers may target vulnerable consumers, who may not have sufficient information and knowledge of commodities. Also, if the customer were really the king, businesses would be developing, reinventing, and restructuring around the customer. However, this is not happening. The fact that there are 'consumer protection laws' indicates that consumer sovereignty has limitation and they may not necessarily be treated any more as sovereign.

Therefore, consumer sovereignty needs to be re-examined in connection with the application of commodities. Economic thinking has conventionally distinguished between public and private goods. However, the new concept of merit goods has been introduced to the economic discipline. The term ‘merit goods’ implies that the social benefits of consuming a product or a service are more than the private benefits. Economics has generally challenged this new concept because it interferes with consumer preference. The economic assumption of consumer sovereignty states that consumers have the autonomy and power to make choices. In the absence of consumer education, both moral and intellectual, consumer sovereignty may lead to the consumption of demerit goods and services. However, a study of the Writings of Bahá’í and non-Bahá’í authors indicates that the application of the concept of merit goods, Sustainable Consumption

with positive externality in the economy, is unavoidable.

Economist James Buchanan, known for his ‘Public Choice Theory’, in his paper entitled ‘Fairness, Hope, and Justice’ argues that economic justice is derived from a sense of fairness. To influence this fairness, he focuses on the distribution of rights and claims112 prior to the market process itself, rather than on some final distribution of the product.113 Buchanan is aware of consumers being handicapped due to their vulnerability and self-interest. Thus, he proposes intervention by government prior to the market process. For example, he advocates the use of taxation for public financing of compulsory education.114 This view supports the Bahá’í notion of universal and compulsory education.

Examples of merit goods are not limited to only economic issues. Moral philosopher Annette Baier argues the weaknesses of a system of ethics based on the principle of justice.115 The answer, according to Baier, is the use of the principle of ‘care’ as an alternative for justice. For example, she argues that women are more likely to have feelings of care, while men generally claim to take the justice standpoint.116 According to her, there is a need to ensure that education will prepare a person to be capable of conforming to ethics of care and responsibility. 117 While Baier’s reasoning is not directly economic, she is suggesting a normative framework of care that essentially influences the

James Buchanan. New Directions in Economic Justice, Roger Skurski (ed.), Indiana: University of Notre Dame Press, 1983, pp. 53-89, at p. 53.
Ibid.

Ibid. pp. 63-64.
Annette Baier. ‘The Need for More than Justice,’ Moral Prejudices: Essays on
Ethics, Cambridge: Harvard University Press, 1994, pp. 19-32, at p. 19.
Ibid. pp. 20-23.
Annette Baier. ‘The Need for More than Justice,’ Moral Prejudices: Essays on
Ethics, p. 29.

individual’s preferences. Therefore, according to Baier, morality must be for all people regardless of choice.118 Hence, the issue of care as a merit good must become a part of the market economy. The principle of ‘care’ has been discussed in the Bahá’í Writings as well and constitutes an important component for the application of the principle of ‘world citizenship’. According to ‘Abdu’l-Bahá:

> If man were to care for himself only, he would be nothing but an animal for only the animals are thus egoistic…Nay, rather, man should be willing to accept hardships for himself in order that others may enjoy wealth; he should enjoy trouble for himself that others may enjoy happiness and well-being.119

Another argument for merit goods stated by the contemporary economist and philosopher Amartya Sen is empowering women and their role in advancing the economy. Sen describes the underdeveloped situation of women in South Asia, West Asia, and China as unacceptable.120 Sen’s explanation is that women are viewed as inferior due to their lack of productivity, useful employment or lack of education. 121 The remedy he suggests is to endorse state funding of public education and public policy that can work to improve the status of women in the economy.122 Sen does not want to leave this situation to market mechanisms because the market may fail to rectify effectively. Therefore, he prescribes the interference of government to support the right of education for women. For Sen, therefore, education and particularly the education of women, is considered as a merit good with positive externalities, which at first does not

Ibid. p. 31.
‘Abdu’l-Bahá. Quoted in Star of the West, vol. viii, no. 1, p. 231.
Amartya Sen. ‘One Hundred Million Women Are Missing,’ New York Review of Books, 20 December 1990, p. 60-66, at p. 61.
Ibid. p. 64.
Ibid. p. 66.

appear to have anything to do with economics, but on further review, one notes that it has an indirect but significant role in economic development. The Bahá'í scriptures suggest that the inferior condition of women is because of the lack of opportunity for women to acquire education and other necessary qualifications. 'Abdu'l-Bahá states:

> Until the reality of equality between man and woman is fully established and attained, the highest social development of mankind is not possible. Even granted that woman is inferior to man in some degree of capacity or accomplishment, this or any other distinction would continue to be productive of discord and trouble. The only remedy is education, opportunity; for equality means equal qualification…And let it be known once more that until woman and man recognize and realize equality, social and political progress here or anywhere will not be possible.123

In this passage, equal opportunity and women empowerment is considered by 'Abdu'l-Bahá as a merit phenomenon with positive externality. Economist, Joseph Stiglitz, also supported merit goods. He demonstrates the failure of market reforms in Russia. He argues that the transition to a market economy lacked the institutional and legal infrastructure that it needed to take firm root in Russian society. 124 This argument is important because it shows a clear departure from classical economics. According to Adam Smith, the market automatically reaches equilibrium and there is no need of government intervention. However, Stiglitz challenges this view and by referring to the failure of market reform in Russia argues that there is a need for government intervention and support from its financial, social, and

'Abdu'l-Bahá. Promulgation, pp. 76-77.
Joseph Stiglitz. 'Whither Reform? Ten Years of the Transition,' World Bank Annual Conference on Development Economics. Washington, DC. 28-30 April 1999, p. 5.

organizational institutions. In other words, the free-market system cannot function alone on the basis of self-interest. Therefore, to complement market mechanisms it must be regulated. Hence, according to Stiglitz the provision of the institutional framework for a market economy is considered as merit goods.

5.9 Chapter conclusion

This chapter has attempted to do a survey of Bahá'í Writings

in understanding the notion of sustainable consumption. The issue was presented that to achieve sustainable consumption, it is not enough to develop values, they must also be implemented. This requires effective action by individuals, families, organizations, and the government. This is necessary because the market alone fails to achieve and maintain sustainable consumption. The agents in a free-market economy have the goal of maximising profit, and consumers are looking at their own self-interest. In such an environment, there will be under-consumption of merit goods and over-consumption of demerit goods, leading to misallocation of resources. In self-interest, a choice has to be made that would be the best one available for the person. A Bahá'í view would be to make choices that promote social interest rather than self-interest, choices that lead to an outcome that is the best for the wider society. In this case making choices leads to an effective and efficient use of resources, and distributes goods and services fairly, equitably, sensibly, and in a sustainable way among members of society. It is therefore argued that consumer education will greatly help consumers to make right choices. To achieve sustainable consumption there is a need to influence supply and demand. Consumer education on one hand, and acquiring and applying value principles on the other, will enable a successful process. Hence, willingness to change life style,

and to control and modify excessive consumption is recommended. I have upheld the view that the Bahá'í principle of moderation maintains a balance in the material and spiritual life of individuals and is a solution to the societal problem of poverty. Furthermore, I considered consumer education as an important factor influencing firms to produce goods and services that are sustainable and in accordance with human dignity. On the practical side, the Bahá'í community can have an impact on consumption, not only at individual and community level but also indirectly towards the wider society. For example, it was argued that achieving sustainability depends largely on consumer education and in particular moral education. Consumer education enriches sustainable living. Bahá'í parents are urged to instil moral values in children and prepare them for attaining a sustainable life style by knowing the purpose of life.

With this chapter, the microeconomic aspect of the study and analysis of Bahá'í teachings on economics is concluded. In the next chapter, the macroeconomic part of Bahá'í teachings

will be discussed under the main heading of ‘globalization from a Bahá’í perspective.’

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Chapter 6: The Bahá’í view on Globalization

The earth is but one country, and mankind its citizens.1 Bahá’u’lláh

6.1 Introduction

We are living in an extraordinary time. Change is taking place all the time. Internet has revolutionised our lives and globalization is a part of this change and it is real and is taking place. It is taking place, because we have the tools to achieve it. Information technology, cheap and advanced transport, effective communication, global financial interdependency, trade liberalization, the role of multinational corporations and emerging economies, all have channelled the process of globalization.

With the previous three chapters focusing mainly on the Bahá’í perspective on microeconomic discussion, this chapter is aimed at the Bahá’í view on macroeconomic teachings, primarily on globalization and development. In this chapter, an interpretation of the concept of ‘meaningful and enlightened globalization’ will be provided. The study of primary Bahá’í Writings indicates a positive outlook towards a meaningful globalization. The aim is to explore the concept of globalization from a Bahá’í perspective as well as from a contemporary economic view. It will be argued that government policies alone are not sufficient, that there is a need for emerging values to shape and reform the process of current globalization. The view that the current process of globalization has generated unbalanced outcomes, both

Bahá’u’lláh. Gleanings, p. 250.

between and within countries, will be explored. It will be argued that problems associated with the current form of globalization are due to the negative methods and processes adopted. It will be stated that there are challenges and inconsistencies in human affairs in the current process of globalization, and hence, how does the Bahá’í view on globalization differ from the one currently emerging?

The subject of globalization has expanded considerably in 20th century and it now covers a wide range of topics. The process of the globalization of the Bahá’í community started at its inception, and with the Writings of the founder of this

Faith, Bahá'u'lláh. The phrases closely associated with the concept of globalization, which signify a holistic view of humanity and organization of human society, have been used repeatedly in the primary Bahá'í scriptures. Examples include: 'world order', 'human race', 'civilisation', interdependency, and 'universal'. However, with contemporary manifestations of globalization, it seems that the modern forms and expressions of globalization can at times be less concerned with the holistic views expressed in the Bahá'í Writings. In the historical context, Bahá'í scholar Stephen Lambden argues that 'A substantial part of this global thinking is represented by major world religions, which have been theologically globally-minded through most of their existence.'2 Hence, according to this view the vision of all religions are global, although the social laws are limited to a specific time and area. The prophets of God worked as a team to bring the vision of global unity into a reality, started from tribal unity to town and city and nation and now to uniting humanity.

Stephen Lambden. 'The Messianic Roots of Bábi-Bahá'í Globalim', Bahá'í and
Globalization, Handbook, ed. Margit Warburg, Annika Huithamar and Morten Warmind, Aarhus: Aarhus University Press, 2005, pp. 17-34, p. 17.
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6.2 Unity, a prerequisite for understanding Bahá'í globalization

For Bahá'ís, an enlightened globalization involves a firm belief in the principle of unity of humankind. Unity of humankind is, therefore, a key characteristic of this Faith. Bahá'u'lláh proclaims 'The tabernacle of unity hath been raised; regard ye not one another as strangers.'3 Studying the Bahá'í Writings it becomes clear that the principle of oneness encompasses much more than brotherly love and tolerance. Shoghi Effendi clarifies that the oneness of humanity:

> calls for no less than the reconstruction and the demilitarization of the whole civilized world, a world organically unified in all the essential aspects of its life, its political machinery, its spiritual aspiration, its trade and finance, its script and language, and yet infinite in the diversity of the national characteristics of its federated units.4

A number of statements clearly emphasise the meaning and significance of globalization in relation to unity of humankind, including phrases such as 'the well-being of mankind' 5 , 'betterment of the world' 6 , 'Let your vision be

world-embracing’7, and ‘The interdependence of the peoples and nations of the earth.’ 8 Similarly, Bahá’u’lláh uses metaphorical expressions such as ‘the entire human race as one soul and one body’ 9 , and ‘ye are the flowers of one garden.’10 He also refers to the calamitous condition of the world, stating, ‘The world is encompassed with misery and

Bahá’u’lláh. Gleanings, p. 218.
Shoghi Effendi. World Order, pp. 42-43.
Bahá’u’lláh. Gleanings, p. 286.
Ibid. Trustworthiness, p. 5.
Ibid. Gleanings, p. 94.
Shoghi Effendi. The Promised, p. 122.
Bahá’u’lláh. Gleanings, p. 214.
Ibid. Bahá’u’lláh and the New Era, p. 209.

distress,’11 and ‘The world is in great turmoil.’12

A significant subject pertinent to globalization that has been discussed by ‘Abdu’l-Bahá is the interdependence of people and nations. Frequently he emphasises that ‘all the members of the human family, whether peoples or governments, cities or villages, have become increasingly interdependent.’13 And in a stronger statement he continued, ‘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.’ 14 In light of above discussion, the following definition given by Bahá’í scholar Suheil Bushrui conveys an appropriate description of understanding the concept of globalization from a Bahá’í perspective:

> Globalization is a vision of world unity in so deep and broad a sense as to embrace every aspect of human life. Such a vision of planetary unity and integration, however, bears no relation to the often bland, faceless, and amoral global marketplace that we see operating today. Instead, it recognises and celebrates the rich diversity of creeds and cultures while at the same time affirming the fundamental oneness of the human race. The Bahá'í approach to globalization can be summed up as a commitment to the concept of ‘unity in diversity’ and what this practically entails in the life of the individual and society alike.15

This definition refers to the fundamental Bahá’í principle of ‘world unity’, and ‘unity in diversity’ as practical approaches to globalization.

Ibid. Tablets, p. 163.
Ibid. Gleanings, p. 97.
‘Abdu’l-Bahá. Selections, pp. 31-32.
Ibid. p. 32.
Suheil Bushrui. ‘Bahá’í Perspective on Globalization’, retrieved at: <http://www.onecountry.org/e151/e15102as_Perspective_.htm>.
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According to historian Joseph Kitagawa (1990) in the Quest for Human Unity, ideas of the oneness of a globally united humanity have a rich and varied history, reaching back to antiquity.16 The scriptures of major religions such as Judaism, Christianity, and Islam have a vision of unity, which will be achieved through stages of unity of tribes, of cities, of nations, and the final stage of uniting the entire humanity.

The analogy of family described in chapter one has much wider implication in the creation of unity within humankind. Such an enormous undertaking requires unity within the family, as well as within the world’s societies, through spiritual and material means. It compels individuals and nations to work together in harmony in order to establish this unity. Today the effects of the gradual application of the spirit of unity, such as the rejection of racial prejudices, the greater awareness of the need to protect the environment, the acceptance of gender equality in many societies, and the greater awareness of human rights, are apparent in the wider society. Application of these would gradually lead to the oneness of humanity.

The goal of unity is possible because humanity has access to the means necessary to attain it. For example, the revolutionary and world-embracing means of communication, transportation, information technology and global financial interdependency are available as methods of unifying nations. ‘Abdu’l-Bahá explains that in the past, ‘The unity of mankind could not have been achieved,’17 because the means of coming into contact that are currently available,

Joseph Kitagawa. Quoted in Stephen Lambden, Bahá’í and Globalization, ed., p. 17.
‘Abdu’l-Bahá. Selections, p. 31.
The Bahá’í Perspective on Globalization

were not within reach during the past dispensation, thus, ‘association and interchange of thought were well-nigh impossible.’ 18 It is therefore clear that the features of meaningful globalization, which are oneness of humanity, interdependency, and interchange of thoughts, could be

facilitated through the use of advanced information and technology. On the other hand, it is important to note that in some cases the very means of uniting humanity can act as a dis-unifying force: for example, information technology may also promote a faster spread of hate and fear.

The question arises here that in what way are unity, economics, and globalization linked? Shoghi Effendi stated that 'the oneness and wholeness of the entire human race... eliminates extremes of poverty and wealth.'19 The argument is that when united, the individual and the society become more thoughtful and compassionate towards each other and share economic resources more generously. The 'Bahá'í International Fund' and many other charitable organizations are a practical demonstration of this. The contributions to the Bahá'í International Fund are spent for development projects around the world, wherever needed. Such altruistic actions become meaningful when people have a sense of connection to each other, partly due to their beliefs and partly due to human nature, which has an innate capacity to be kind. Thus, a culture of 'service' and 'voluntary charitable work' is established in the Bahá'í community to facilitate the process of removing poverty.

One may argue that unity is only possible within the Bahá'í community because all its adherents believe in the same

Ibid.
Shoghi Effendi. The Promised, p. v.

principles and values. An outsider may wonder whether the principle of unity is actualised globally. The Bahá'í teachings assert global unity and not only that of the Bahá'í community. This unity, however, starts from within the Bahá'í community. The Universal House of Justice, in its Promise of World Peace published in 1985, encourages the people of the world to examine the Bahá'í communities around the world as an example of what a united world would look like in the future. 20 It is of course naive to think that unity, whether within the Bahá'í community or in the wider society, will be established without any difficulties or complications. Indeed, the teachings of Bahá'u'lláh provide the outline and the driving force for unity, but painstaking efforts are needed at both individual and community levels to achieve it. The Bahá'í institutions at the local, national and international levels help establish and preserve the unity within the Bahá'í community, and work with individuals, organizations and governments, as appropriate, to promote

this unity outside of the Bahá'í community as well. These are achieved through various community and core activities such as observing Bahá'í Holy Days, children's classes, youth activities, encouraging women's participation in social activities, and summer and winter schools. As a community-building exercise the general public is actively invited to participate in these activities and to work together with the Bahá'ís to bring about unity. A sense of belonging to the community generates a willingness in people to accept responsibility to help each other and to commit to the development of the whole community. These collective actions can help diminish economic difficulties within and

See: The Promise of World Peace, part IV, it states: 'If the Bahá'í experience
can contribute in whatever measure to reinforcing hope in the unity of the human
race, we are happy to offer it as a model for study.'

outside the Bahá'í community.

On the practical level, Bahá'ís associate with people of all backgrounds in their effort to follow Bahá'u'lláh's exhortations, striving to create a globalization that is based on unity and love of humanity rather than factors such as economic and political gain. Elabourating on this, William Hatcher and Douglas Martin write:

We will arrive at unity, but rather by an increased awareness of and respect for the intrinsic value of each separate culture, and indeed, of each individual. It is not diversity itself, which is deemed the cause of conflict, but rather our immature attitude towards it, our intolerance and prejudice.21

The concept of 'unity in diversity' is the practical demonstration of unity that will protect Bahá'í globalization from uniformity. To attain this, consideration is given by the Bahá'í community to teaching the concept of world citizenship as part of the education of every child.

Fundamental to the understanding of world unity as an essential characteristic of Bahá'í globalization, is the statement of 'It is not his to boast who loveth his country, but it is his who loveth the world.'22 It may be argued that this statement is contrary to one's loyalty to one's country. This would be true if the ability to love was limited or love of one's country would exclude love of the world. This indeed is not accurate, as one's ability to love is extremely vast and can

extend far beyond one's love for one's country; one does not exclude the other. On the contrary, love and consideration extended to the whole world will include love of one's country and promote greater satisfaction and happiness.

William Hatcher and Douglas Martin. The Bahá'í Faith, p. 78.
Bahá'u'lláh. Gleanings, p. 95.
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Bahá'u'lláh stated that 'Love of one's country is an element of the Faith of God.' Referring to this statement, Shoghi Effendi said that 'The love of one's country…has not… either condemned or disparaged.' 23 Shoghi Effendi further considers the love of one's country as 'lesser loyalty'24 and love of humanity as 'wider loyalty'25, and states that 'a wider loyalty, should not…conflict with lesser loyalties.'26 This is an easy task when a belief culture is created, but there are challenges when applying this teaching in countries where there is rabid nationalism and at times hatred for people of other nations. Ethnic cleansing which stems from only loving one's own country to the point of excluding all others is not an unfamiliar issue in today's society.

Commenting on one of the Writings of the founder of the Bahá'í Faith, Moojan Momen writes:
Bahá'u'lláh had laid down the necessary groundwork for the globalization of the Bahá'í community… Bahá'u'lláh had emphasised in His Writings the equality of all believers, of whatever level of education or social rank. He had spoken of all as being 'created from the same dust' so that 'no one should exalt himself over the other' and hence that all should 'be even as one soul, to walk with the same feet, eat with the same mouth and dwell in the same land, that from your inmost being, by your deeds and actions, the signs of oneness…may be made manifest.'27

When one supports unity, then it is easy to realise that an enlightened globalization involves a belief that the globalised world is indeed the norm, and should be the reality of the

Shoghi Effendi. The Promised, p. 122.
Ibid.
Ibid.
Ibid.
Moojan Momen. Bahá'í and globalization, p. 81.
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human world. However, we live in a world where conflict is

considered a normal way of life. Contest, competition and confrontation have become norms embedded in social, political, and economic systems. The relationships between people are based on fear, hate and self-interest. These are severe barriers for establishing unity. There is a need to acquire certain attitudes and behaviours that are necessary to promote unity. Members of the Bahá'í community individually and collectively explore the actions essential for fostering unity in the community, which are service orientated.

An ideal globalization for Jeffrey Sachs, the Director of the Earth Institute and one who is an expert in sustainable development is one that addresses the needs of the poorest of the poor, the global environment, and the spread of democracy. He further states: 'It is the kind of globalization championed by the enlightenment globalization democracies, multilateralism, science and technology, and a global economic system designed to meet human needs.' 28 Sachs called this kind of globalization as 'an enlightened globalization.' 29
For Joseph Stiglitz, an effective globalization requires 'new social contracts,'30 which will be considered when 'The well-being of the developed and developing countries are better balanced.' 31 If we define progressive civilisation as an advancing social development and organization, then issues such as materialism, poverty, destruction of ecosystem, lack of respect for human rights, inequality, war and conflicts are contrary to human social development, organization and civilisation. Consequently,

Jeffrey Sachs. The End of Poverty, London: Penguin Books, 2005, p. 358.
Ibid.
Joseph Stiglitz. Making Globalization Work, p. 285.
Ibid. p. 285.

from a Bahá'í perspective, a meaningful globalization refers to the elimination of those 'social ills' 32 and hindrances, which 'Abdu'l-Bahá suggested 'the immediate remedy for all the ills of social life.'33 Shoghi Effendi describes these social ills as a world 'spiritually destitute, morally bankrupt, politically disrupted, socially convulsed, economically paralysed' 34 The Bahá'í International Community has identified other social ills of our current society including poverty, unemployment, social strife, over-consumption, chauvinistic nationalism, war, and moral and spiritual apathy. 35 Hence, although advancement in information

technology and communication has created immense benefits for the humanity, the disadvantage of such advances is that ‘crisis quickly become global.’36 The current global financial crisis from 2008 that started in United States spread to Europe immediately, and to the rest of the world quickly after that.

There are other factors that are important for reforming and reshaping the current process of globalization. Speaking on this, Stiglitz points out that reforming globalization is a matter of politics. According to him there are a number of issues that need to be considered, including the prospects for unskilled workers and the impact of globalization on inequality; the democratic deficit in global economic institutions, which weakens democracy even within developed countries; and the human tendency to think locally while we live in an increasingly global economy.

Universal House of Justice, 2 April 2010.
‘Abdu’l-Bahá. Tablet to August Forel, p. 80.
Shoghi Effendi. The Promised, p. 16.
Bahá’í International Community. Statement on ‘Global Action Plan for Social
Development,’ New York: United Nations Office, 1994.
Joseph Stiglitz. Freefall: America, Free-markets, and the Sinking of the World Economy, New York: W. W. Norton and Company, 2010, p. 21.
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6.3 Recognition and application of unity/oneness

Oneness is the main reason for the coming of Bahá’u’lláh. It is such an important principle that we can call the Bahá’í Faith a religion of oneness. The vision of oneness is the central truth of all Faiths and it comes in stages of unity as a goal. In every Revelation, according to ‘Abdu’l-Bahá, ‘the light of Divine Guidance has been focused upon one central theme...The consciousness of the Oneness of Mankind.’ This oneness, He says, is ‘the pivot round which all the teachings of Bahá’u’lláh revolve.’ Therefore, promoting it is ‘the object of life for a Bahá’í.’ Shoghi Effendi states, ‘The principle of the Oneness of Mankind…Its implications are deeper, its claim greater than any which the Prophets of old were allowed to advance.’37

Although the word oneness is used frequently in the Bahá’í Writings, it is not easy to define it. According to Bahá’í scholar Alimorad Davoudi 38 in order to define oneness we need to consider several parts of it, and once we break it into several parts, it is no more oneness. Therefore, the only definition of oneness is that it is one. Davoudi clarifies that

although the word oneness cannot be defined, we can feel it, or we can have a sense of oneness. As Bahá'ís we are used to the concept of oneness, we are associated with the spirit of it and we can sense it. The only way we can understand

Shoghi Effendi, World Order of Bahá'u'lláh, p. 42.
Dr Alimorad Davoudi is a prominent Bahá'í scholar. He obtained his Doctorate
in Philosophy and Education from Tehran University. He then took up a position at the same university as a professor. He wrote and translated a large number of
valuable books and articles on philosophy. He was a member of the National Spiritual Assembly of the Bahá'ís of Iran. On 11 November 1979, Dr Alimorad Davoudi was abducted and disappeared.
<https://iranbahaipersecution.bic.org/archive/alimorad-davoudi-kidnapped-and-disappeared-tehran-11th-november-1979>

oneness in a practical sense is to look at its effects and outcomes.

A contrast can be made between unity and oneness:
• Unity is the process. Oneness is the product
• Unity depends upon an event. Oneness transcends an event and joins people together.
• In unity, people gather together for a common interest. In oneness, people are integrated.
• Unity is how we should start. Oneness is how we should finish.
• Unity is the catalyst that is the bridge to go into oneness.
• Unity is built upon encouragement. Oneness is built upon the purpose.
• Unity is the means to the end, but all events and activities should have sufficient follow-up that gives the opportunity for oneness to develop.

The application of the seven candles of unity stated by 'Abdu'l-Bahá makes the oneness stronger and stronger.

The first candle is unity in the political realm, the early glimmerings of which can now be discerned. The second candle is unity of thought in world undertakings, the consummation of which will ere long be witnessed. The third candle is unity in freedom which will surely come to pass. The fourth candle is unity in religion which is the corner-stone of the foundation itself, and which, by the power of God, will be revealed in all its splendor. The fifth candle is

the unity of nations, a unity which in this century will be securely established, causing all the peoples of the world to regard themselves as citizens of one common fatherland. The sixth candle is unity of races, making of all that dwell on earth peoples and kindreds of one

race. The seventh candle is unity of language, i.e., the choice of a universal tongue in which all peoples will be instructed and converse. Each and every one of these will inevitably come to pass, inasmuch as the power of the Kingdom of God will aid and assist in their realization.39

There are several examples from the Bahá'í community as catalysts for promoting and strengthening oneness including Bahá'í Scriptures, the Bahá'í Faith is a religion without priesthood, non-involvement in partisan politics, the existence of covenant, Bahá'í marriage, Bahá'í House of Worship, Nineteen Day Feast, the independent investigation of truth, Bahá'í pioneers and traveller teachers are promoting the principle of unity/oneness, the role of the Supreme Institution of the Bahá'í Faith, the Universal House of Justice.

The core principle of oneness can be challenged because currently there are many obstacles to the transformation of consciousness, such as doubts, misconceptions, prejudices, suspicions and narrow self-interest. Such challenges require the society to 'change its attitudes before a solution to social problems can be found.'40

Therefore, based on the practicality of the principle of oneness, the challenge for the Bahá'í community is that Bahá'ís live in a world where not everybody shares their moral and spiritual principles. However, the embryonic condition for relative hope and integration is created. Leaders with global and optimistic views are becoming more popular. Leaders with negative views and not respecting human rights are becoming less popular. Nations are now realising that

'Abdu'l-Bahá, quoted in the World Order, pp. 38-39.
Universal House of Justice. Statement dated 27 April 1988.

interdependency is a reason for their future prosperity, such as NAFTA (North American Free Trade Agreement), CARICOM (Caribbean Community), and EU (European Union). 'Abdu'l-Bahá said: 'For none is self-sufficiency any longer possible.' 41 Also, international organizations are

established, such as the Court of Hague, Crime Against Humanity, World Bank, etc. These developments which happened mainly in the 20th century indicates that nations feel insecure and their own laws are not sufficient to establish order and therefore trusting more powerful laws such as those shaped by the regional and international institutions.

6.4 Good life and real happiness

In the general textbooks, happiness is defined as feeling good, enjoying life and feeling it as wonderful. Unhappiness is expressed as feeling bad and wishing things were different. The Bahá'í Writings include teachings of right livelihood, the path to true well-being, prosperity and happiness. In the following passage from 'Abdu'l-Bahá, He referred to happiness as a sentiment or a feeling which is a state of mind:

> In this world, we are influenced by two sentiments, Joy and Pain.
> Joy gives wings! In times of joy our strength is more vital, our intellect keener, and our understanding less clouded. We seem better able to cope with the world and to find our sphere of usefulness. But when sadness visits us we become weak, our strength leaves us, our comprehension is dim and our intelligence veiled. The actualities of life seem to elude our grasp, the eyes of our spirits fail to discover the sacred mysteries, and we become even as dead beings.
> There is no human being untouched by these two influences; but all the sorrow and the grief that exist come from the world of matter - the spiritual world bestows only the joy!
>
> 'Abdu'l-Bahá. Selections, p. 31.

> If we suffer it is the outcome of material things, and all the trials and troubles come from this world of illusion.42

In this passage 'Abdu'l-Bahá is referring to happiness as a state that 'joy gives wings!' and the purpose of giving wing is to fly. When people are happy and out of this material world, they can fly. And refers to all suffering as earthly and material things causing sorrows. Elsewhere, 'Abdu'l-Bahá identifies two kinds of happiness, spiritual and material:

> Know thou that there are two kinds of happiness, spiritual and material. As to material happiness, it never exists; nay, it is but imagination, an image reflected in mirrors, a spectre and shadow. Consider the nature of material happiness. It is something

which but slightly removes one's afflictions; yet the people imagine it to be joy, delight, exultation and blessing. All the material blessings, including food, drink, etc., tend only to allay thirst, hunger and fatigue. They bestow no delight on the mind nor pleasure on the soul; nay they furnish only the bodily wants. So, this kind of happiness has no real existence.43

In a number of Writings 'Abdu'l-Bahá refers to factors such as food, water, shelter, education and good health as essentials for a healthy physical life. Their function is to satisfy our physical body. If we consider happiness as feeling good and associated to a state of mind, then a good physical health would influence the state of mind and therefore happiness. However, material satisfaction alone cannot bring real happiness, spiritual happiness is an essential part of the whole bundle of happiness. 'Abdu'l-Bahá said:
As to spiritual happiness, this is the true basis of the life of man, for life is created for happiness, not for

'Abdu'l-Bahá. Paris Talks, pp. 110-113.
Ibid. Quoted in the Divine Art of Living, pp. 17-18.

sorrow; for pleasure, not for grief. Happiness is life; sorrow is death. Spiritual happiness is life eternal. This is a light which is not followed by darkness. This is an honour which is not followed by shame. This is a life that is not followed by death. This is an existence that is not followed by annihilation. This great blessing and precious gift is obtained by man only through the guidance of God… [Therefore] Until material achievements, physical accomplishments and human virtues are reinforced by spiritual perfection, luminous qualities and characteristics of mercy, no fruit or result shall issue therefrom, nor will the happiness of the world of humanity, which is the ultimate aim, be attained.'44

The understanding is that spiritual health and material well-being are harmoniously working together to achieve and maintain true prosperity.

Let us look at some other essentials influencing happiness. From a purely economic perspective. The conversion of income into a good pattern of living is an important step that must be taken. There are a number of course of action that can be considered as guiding principles for the better use of

income. Incomes can certainly help the enhancement of the quality of life and the freedoms that people can enjoy. Good management of income helps the saving requirements so crucial during for example economic crises. One factor that greatly affects the standard of happiness, in the long run, is the level of savings. Unfortunately, in poorer families with inadequate level of income, there is shortage or absence of savings. In such families, most of the income is spent on necessity products and little or nothing remains for saving. Saving is an important source of wealth accumulation in the long run. With saving, people are able to buy their own house

Ibid. Selections, p. 283.

and therefore enjoy a better life. It also helps older people to have a happier life when they are retired. The time may come that some governments may not be able to support their pensioners for a long period of time. Hence, saving becomes convenient.

It is also important to note that the Bahá'í Writings emphasise the importance of the happiness for the entire society rather than a minority of individuals. In numerous Writings, Bahá'u'lláh is desiring to this matter including the following two passages: 'Blessed and happy is he that ariseth to promote the best interests of the peoples and kindreds of the earth.'45 And elsewhere He said: 'We desire but the good of the world and the happiness of the nations.'46

What is a good life? A decent life is identifying all the necessities for having a life that is befitting human dignity. The requirements of those necessities of life including physical needs and those items needed for social inclusion such as freedom, equal opportunity and the means for progress. A good Bahá'í life distinguishes between ends and means. The ends for a Bahá'í include, service to humanity, happiness for all, unity, protecting the nature, and respecting the future generation. The means to achieve the ends includes education, skill learning, arts and crafts, industry, good health, productive contribution towards community participation, and individual core values such as trustworthiness, truthfulness, honesty and freedom to participate in advancing socio-political-economic agendas. The notion of freedom to participate in social and economic development allows individuals to benefit from equal

Bahá'u'lláh, Gleanings, p. 248.
Ibid. Quoted in The Proclamation of Bahá'u'lláh.

opportunity and discover their own talents and be able to contribute more effectively for the betterment of a community. The means or access to various tools for progress facilitates economic development at both the individual level as well as the whole community. By looking and examining those countries that there exist freedom and equal opportunity and the means for progress are in a much better position to provide an adequate standard of living for all its citizens.

For achieving a good life, we usually go through the following stages:
I. Survival phase (subsistence): This is where the basics and necessities of life are required for the survival: ‘Abdu’l-Bahá said: ‘the needy shall have their necessities and no longer live in poverty.’ 47 The United Nations’ characterization of survival stage and the accessibility of the basic needs of living includes food, clothes, shelter, good health and adequate education.

II. Comfort phase (sufficiency of basic needs): ‘Abdu’l-Bahá said: ‘everyone has the right to a happy, comfortable life.’48 The phase of ‘comfort’ is the stage of self-sufficiency and sustainability or a condition of genuine happiness. This is where individuals have the freedom to choose a state of happiness and wellbeing. Freedom to choose is a necessary condition for this stage, but not sufficient. Equal opportunity must be provided to all citizens to get the advantage of their own talents and capability. At this stage, individuals know that spending additional money in accumulating

‘Abdu'l-Bahá, Promulgation, p. 102.
Ibid. Divine Philosophy, p. 83.

more luxuries does not necessarily add a higher return to happiness. ‘Abdu’l-Bahá said: ‘As the rich man enjoys his life surrounded by ease and luxuries, so the poor man must, likewise, have a home and be provided with sustenance and comforts commensurate with his needs. This readjustment of the social economy is of the greatest importance inasmuch as it ensures the stability of the world of humanity; and until it is effected, happiness and prosperity are impossible.’49

III. The phase of ‘enough is enough’ or ‘far beyond actual

necessities': This is the stage that one is already satisfied and no more will be tolerated. 'Abdu'l-Bahá said: 'It is evident that under present systems and conditions of government…[there are] others more fortunate live in luxury and plenty far beyond their actual necessities.'50

Spending 'beyond actual necessities' or beyond the stage of 'enough is enough' means we are buying more luxuries and unnecessary products and the possible diminishing of our further happiness. Beyond the stage of 'enough is enough', there is over consumption which has led to consumer society and hence causing wastage of resources. The stage of 'beyond actual necessities' corresponds with the law of diminishing return, which states as we consume more of something, our satisfaction diminishes. Hence, if we are happy and satisfy with a certain amount of something, why should we have more of it. Stopping beyond actual necessities means we are healthier, and at the same time-

Ibid. Promulgation, pp. 181-182
Ibid. p. 107

saving resources for more deprived ones. 'Abdu'l-Bahá said: 'The man of great wealth…will be forced, for his own happiness, to expend his wealth to procure better conditions for the community in which he lives.'51

In today's most affluent societies, most people's basic needs have been fulfilled, and many are living outside the stage of 'beyond actual necessities' or 'enough is enough'. This condition of living demands a better understanding of true meaning and purpose of life, the significance of a kind of work that is considered as service to others, true prosperity and the need for a 'readjustment of the economic order.'52

6.5 Importance of core values

The importance of individual core values for establishing ideal globalization is crucial. Numerous economic theories and models that are created and introduced in the last two hundred years has affected the whole society. However, the positive outcomes of these models have not benefited humanity in a fairway. One reason for the failure of some of these models has been the absence of individual core values so fundamental and essential for implementing the models. Once the human heart is transformed and individual core values and spiritual dimension of human nature is dominant, then a real solution for the problems of the world can be

found. The Universal House of Justice states that this transformation lies in the will and effort of individuals: ‘Souls must be transformed, communities thereby consolidated, new models of life thus attained.’ 53 Bahá’í scholar William Hatcher explains the implication of morality in our economic system:

Ibid. Star of the West, vol. viii, no. 1, pp. 4-5.
Ibid. Promulgation, p. 102.
Universal House of Justice. Ridván Message, 1989.
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Viewing economics as primarily a concrete reflection of our morality has profound implications for understanding the dynamics of our economic system. For a consequence of this view is that one cannot change the economic system in much significant way without changing morality.54

The present-day economic systems reflect the values and power structures of present-day societies, including the low value is given to justice and trustworthiness, and a highly skewed power and wealth structure. If people reject these values and seek a greater emphasis on integrity and on fairness, it should be relatively easy to adjust laws and economic institutions to change the incentives of the system in favour of such values. The main cause of economic problems according to Hatcher is structural and not financial. It was corruption in the financial system and mismanagement of the monetary policy in 2008 financial crisis which was the cause of failure of the free-market economy and subsequently continuation of crisis. Hatcher rightly commented:
One can question the validity of this opposition of moral and economic values. It is just possible that the dehumanising values associated with our modern economic system precede the system rather than flow from it. Perhaps it is not so much that money corrupts but that corrupt people are using wealth in corrupt ways for corrupt ends. Perhaps, in short, our economic system is simply an external and concrete reflection of our collective inner life which the immense resources of modern technology have allowed us to project and magnify to greater dimensions.55

Some people may argue that ‘the market’ will naturally bring about all the necessary changes and eventually forms a balanced economy or an equilibrium condition in the system.
William Hatcher. ‘Economics and moral values’, World Order magazine, vol. 9, no. 2, Winter 1974-75, p. 16.

Ibid. p. 15.

The argument is that as supply curves and demand curves and the invisible hand of the market (including competition and price system) and processes of technological innovation all work together naturally to bring about a new equilibrium. The opponents of the free-market economy have grave doubts about this. It is argued that the market as it is currently structured consistently undermines long-term planning by focusing on short-term profit maximisation and other short-term incentive structures. Moreover, even the most enlightened long-term planning will ultimately need to be accompanied by a degree of spiritually motivated self-sacrifice, in which people voluntary reduce their material consumption out of commitments to social justice and ecological sustainability, rooted in recognition of their true spiritual nature. It is also argued that many consumers are not educated and do not have enough information about goods and services they buy. In other words, the education and reasoning of people have not reached that standard to make right choices.

The Bahá'í view is that humans are not only distinct from the rest of creation, but at its apex, distinct and distinguished from all else, as Bahá'u'lláh quoted from the Bible 'God hath created all humankind in his own image, and after his own likeness.'56 Created in the image and likeness of God means that whereas all other created things reflect one or more of the signs or qualities of God, the human being is empowered and given the capability, opportunity, facility and guidance to reflect all the qualities of God. Some of those attributes that befit human dignity includes forbearance, compassion, mercy, and loving-kindness towards others. Reflecting upon these attributes means that in our daily lives, we can

Bahá'u'lláh. Quoted in Lights of Guidance, p. 612.

demonstrate and promote praiseworthy acts, which are the force behind all advancement and progress in a global society.

Having grasped the purpose for human being, let us consider the prerequisites for the fulfilment of this purpose. For the sake of this discussion, a distinction is made between spiritual and moral values. Spiritual values are qualities like purity, devotion, knowledge, and contentment, which can be exercised on an individual basis or the community and thus

are independent of others. There are other qualities like forbearance, compassion, justice and mercy, which require that one be in association or in a relationship with other beings. These are moral qualities or values, which are dependent on reciprocal action. As we are dynamic beings, so is our society. Dynamism is characterised by continuous change and progress. For an effective change, moral and spiritual values become essential for an ideal globalization and sustainability in the long run.

The conventional view indicates that human values and ethical considerations are on a different level from economic issues of production, distribution and consumption. This view is particularly dominant in the neoclassical model of economics. Expounding on this John Wilson writes that the model of neoclassical 'portrayed as a purely positive model of behaviour, independent of any normative considerations. It argues that the source of human motivation is rational, self-interest maximisation.'57 The Bahá'í position is different from the neoclassical model of human behaviour and morality in economic issues. The Bahá'í Writings integrate human values

John Wilson. Cited in Frank Ackermann, ed., Human well-being and economic goals, New York, 1991, p. 23.

with economic matters. This is clear from the following statement from 'Abdu'l-Bahá, 'When the love of God is established everything else is realised, this is the true foundation of all economics.'58

Of course, the acquisition of spiritual qualities and moral behaviour is what the Bahá'í Faith has in common with all other Faiths. While this is true, the goal of religious practice in the Bahá'í Faith is shifted from the individual development to the community development. Hence, another aspect of Bahá'í globalization is the collective progress of the whole of humanity. For example, the importance of justice is repeatedly stated in the Bahá'í sacred Writings and this principle affects the entire society. In the same way, those attitudes that lead to unity and human solidarity are valued. Commenting on Bahá'í Writings, Farzam Arbab believes that the eradication of social prejudices and the beauty of unity in diversity are essential requirements for a meaningful globalization. For Arbab, 'Love includes the abolition of social prejudices and the realisation of the beauty of diversity in the human race.' 59 Hence, a change and expansion of 'social vision' through specific human qualities have an impact on collective actions in society. Arbab maintains that

the meaning of human values changes when living in a global society. For example, he writes:

> Detachment from the world is not taught in a way that leads to idleness and to the acceptance of oppression; it is acquired to free us from our own material interests in order to dedicate ourselves to the wellbeing of others. To this expansion of the meaning of almost all qualities is also added a constant endeavour to acquire social skills to participate in meetings of consultation, to work in groups, to

‘Abdu’l-Bahá. Promulgation, p. 238.
Farzam Arbab. Canadian Bahá’í Studies Publication, 1987, p. 11.

> express opinions with fairness and clarity, to understand the points of view of others, to reach and carry out collective decisions.60

Thus, the path of spiritualisation mentioned by Arbab should not be confused with one that defines goodness passively and produces a human being whose greatest virtue is not to harm anyone; it is a path to create social activists and agents of change.

Similarly, William Hatcher explains the importance of morality and the role of social organizations in lifting humans from a lower level of existence to a higher level of moral functioning, he writes:

> Everything, which lifts us above an animal level of existence, is made possible only through the existence of a certain level of social organization, which, in turn, depends on the existence of a certain level of moral functioning. We may, therefore, say that the particular form of social organization in a given society at a given time is an expression of this basic morality on which it depends. Economics depends on morality. We can also see that the basic direction of social evolution is that it progressively maximises the internal freedom of the individual, requiring a concomitantly more refined and delicately balanced level of social organization.61

Thus, for Hatcher, morality is fundamental. Economics depends on morality, and effective globalization depends on the quality of relationship between individual members of the society, which in turn relies on the level of moral functioning. In the analysis of the subject of morality, Hatcher distinguishes between two kinds of morality: one is intra-

personal or internal morality, which focuses mainly on a
Ibid.
William Hatcher. World Order magazine, winter 1974-74, p. 17.
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behaviour that affects the individual or agent, and the second one is inter-personal or external morality and this one focus on behaviours that affect others. 62 Bahá'í morality can be described as a balance between the two approaches. It is not only the quality of individual members of the society that must be considered, but also the value of the association that exist among human beings. The claim is that such a balance of relationship is essential for a meaningful globalization and it is in our reach because of the advancement of human knowledge and consciousness.

6.6 Multi-dimensional aspect of an ideal globalization

Globalization is much more than internationalisation. It has a multi-dimensional concept. Usually, internationalisation refers to trade activities that take place with more than one country. In contrast globalization include all matters that affect the planet earth. Simon Reich identifies four perspectives on globalization: historical/political; cultural/sociological; technological/spatial; and finally an economic phenomenon.63 For Joseph Stiglitz globalization is also multi-dimensional and encompasses the international flow of ideas and knowledge, the sharing of cultures, global civil society, and global environmental movements.64 Moojan Momen has named five groupings of globalization: normative, psychological, financial, institutional and universalism.65 For Shapour Rassekh the multi-dimension of globalization includes: geographical, demographic, technological, educational, cultural, economics, and

Ibid.
Simon Reich. 'What is globalization? Four possible answers', working Paper #
261, Pittsburgh: University of Pittsburgh press, 1998, p. 3.
Joseph Stiglitz. Making globalization work, p. 4.
Moojan Momen. 'The Globalization of the Bahá'í Community: 1982-1921', Bahá'í and Globalization, pp. 76-93.
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environmental.66 The view here is that the more detailed the dimensions, the more successful will be the process of establishing an enlightened globalization in the long run. Hence, I am suggesting the following dimensions for a meaningful globalization: economic, financial, political, cultural, educational, technological and information

technology, marketing, ecological, global resource use, developmental, governance, institutional, human rights, military and disarmament, democracy, weight and measurement, currency, language, global division of labour, Industrial development, ideological, and global ethics. It can be maintained that these different dimensions of globalization are closely connected to each other and intertwined with the question of values.

There is a great emphasis by some religious and social movements toward globalization and global issues. For Juan Cole, the religious movements concerned with globalization have tended to be either liberal or conservative. Cole argues that 'Liberal religious groups often attempt to accommodate the social changes provoked by globalization as far as possible in the framework of their traditions, concentrating on charitable work and social justice.'67 Hence, there is a great effort by religious and social movements to associate themselves with globalization and global issues. Since the early 1990s, economists have been using dimensions of globalization with reference to the phenomenal growth in international trade and investment. 68 Non-economist

Shapour Rassekh. Dunya Niyazmand-I Yik Tamaddun-I Jahani Ast, (author's translation from the Persian language: The world needs a global civilisation), Spain: Foundation Nehal, 2010, pp. 23-24.
Juan Cole. 'Globalization and Religion in the Thought of 'Abdu'l-Bahá',
Bahá'í and Globalization, pp. 55-75, at p. 56.
Farhad Rassekh and John Speir. 'Can economic globalization lead to a more just society?' Journal of Global Ethics, vol. 6, no. 1, 2010, pp. 27-43, at p. 27.
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scholars, however, have a broader view of the term. For example, David Held argues that globalization 'is not a singular, linear narrative, nor is it just a matter of economics. It is cultural as well as commercial and in addition it is legal: it is about power as much as prosperity or the lack of it.'69 Similarly, Anthony Giddens argues that globalization encompasses more than an international integration of economies. He writes, 'Globalization is really about the transformation of space and time. I define it as action at distance, and relate its intensifying over recent years to the emergence of means of instantaneous global communication and mass transportation.'70 For Frank Lechner and John Boli globalization refers to 'the processes by which more people across large distances become connected in more and

different ways.’71 Similarly, Ronald Robertson, who was the first author to use the term globalization in the title of a sociological article in 1985, describes globalization as ‘the compression of the world and the intensification of the consciousness of the world as a whole…The overall process by which the entire world becomes increasingly interdependent, so as to yield a single place.’72 These writers and scholars agree that globalization is more than just limited to economics and finance, it has multi-dimensional phenomenon.

Shoghi Effendi in 1931 wrote that the world is ‘…contracted and transformed into a highly complex organism by the

David Held, Anthony Barnett and Caspar Henderson. Debating globalization, Cambridge: Polity Press, 2005, p. 2.
Anthony Giddens. Beyond Left and Right, California: Stanford University Press, 1994, pp.4-5.
Frank Lechner, and John Boli. The Globalization Reader, 5th. ed., London: Wiley Blackwell, 2008, p. 2.
Ronald Robertson. The Professoriate: Profile of a Profession, Springer, 2005, p. 21.

marvellous progress achieved in the realm of physical science, by the worldwide expansion of commerce and industry.’ 73 He also said, ‘The world is contracted into a neighbourhood’74 Socialist theorist, Malcolm Waters not only envisions a ‘world society’ but a ‘diverse’ one, according to him, in ‘a globalised world there will be a single society and culture occupying the planet.’ 75 Shoghi Effendi describes the world as ‘organically unified in all the essential aspects of its life’ [that is] ‘yet infinite in the diversity of the national characteristics of its federated units.’ 76 Therefore, as Zaid Lundberg points out, although Shoghi Effendi did not use the term globalization, he described it as a multi-dimensional phenomenon; contraction or compression of the world; major transition or transformation; moving towards a single world society, yet diversified; co-dependent or interdependent society. 77 Hence, the modern scholars appear to be in agreement with Shoghi Effendi’s description of the concept of globalization.

Ronald Robertson proposed the following four basic dimensions of globalization: society, the individual, the international system, and the emergent categories of the human. Commenting on Robertson’s proposition, Juan Cole has outlined ‘Abdu’l-Bahá’s conception of the four dimensions of globalization, a summary of which is outlined

here:
I) Society: ‘Abdu’l-Bahá was very much concerned with the development of the Iranian society. He was concerned with the need to transform the Qajár government

Shoghi Effendi. World Order, p. 47.
Ibid. Advent, p. 87.
Malcolm Waters. Globalization, London: Penguin Books, 1995, p. 9.
Shoghi Effendi. World Order, pp. 42-43.
Zaid Lundberg. Bahá’í and globalization, pp. 121-125.

into a more modern Iranian national society. ‘Abdu’l-Bahá acknowledged that in the late nineteenth century Europe and the Americas were renowned for their ‘law and order, government and commerce, art and industry, science, philosophy and education’78 to which he believed Iran must aspire. He also argued that society needs practical steps such as the implementation of the law, parliamentary democracy, separation of religion and state, and religious tolerance.

II) The individual: The construction of the individual as a person in the context of globalization is a central concern of ‘Abdu’l-Bahá. He indorsed the principle of compulsory and universal education, He said ‘by man is meant the perfect individual, who is like unto a mirror in which the divine perfections are manifested and reflected.’79 He advocated that all be educated for ethical and intellectual progress.

III) The international system: ‘Abdu’l-Bahá spoke a great deal about the sort of international system he wished to see in an era of globalization. He began discoursing on these matters in His Secret of Divine Civilisation in 1875, where He argued that Europe’s material civilisation of the nineteenth century had become unbalanced and had come to pose a danger to the world because it had not been accompanied by similar advances in spiritual civilisation.

IV) The emergent categories of the human development: ‘Abdu’l-Bahá sees the emergence of the world as a single place as a quintessentially modern development, made possible by profound technological and social changes. ‘Abdu’l-Bahá points out that in the early twentieth century it

‘Abdu’l-Bahá. The Secret, p. 10.
‘Abdu’l-Bahá. Selections, p. 61.

was easy for everyone ‘to travel to every land, to associate and exchange views with its peoples, and to become familiar,

through publications, with the conditions, religious beliefs and the thoughts of all nations.'80

In all the above discussion of globalization there is a connection between the Writings of scholars and the Bahá'í thinking, which is about human relationships, exchange of thoughts, prosperity of all nations, and effective communication, all of which are necessary requirements for an enlightened globalization.

6.7 Principles of an ideal globalization

The Bahá'í teachings on globalization are numerous. These are some practical examples of Bahá'í teachings that influence positively the process of the creation of an ideal and enlightened global society. A limited number of these principles are discussed here. These principles directly and indirectly facilitate the process of a meaningful globalization. It is important to note that Bahá'í teachings are interdependent, and in any Bahá'í discussion, including globalization, the totality of the Bahá'í Faith needs to be considered.

6.7.1 Universal and compulsory education

One of the social teachings that can have a positive effect in the process of forming a meaningful globalization is the application of 'universal and compulsory education'. There is recognition that education is a basic human right, such as the United Nations Charter of Human Rights, and the Council of European Charter on Education. In the Ridván message of the Universal House of Justice 2006, it is referred to: 'concern

Quoted in Juan Cole. Bahá'í globalization, p. 62.

for human rights to the systematic pursuit of universal education. An all-inclusive approach to addressing social and economic issues will become the norm when children and youth receive proper education, both quantitative and qualitative. But, what constitutes 'proper education' in the Bahá'í Writings? The reference is given to three different kinds of education that must be considered namely material, human and spiritual.81

Education and training and skill learning are also an important part of economic development. This principle is the most important factor in increasing the potential of a country's population. According to economic development scholar Michael Todaro, a major factor in determining the success of an economy is the level of education and training provided to its citizens. 82 In a global market economy in

which countries and organizations struggle to have effective communication, education and training is an effective tool for these accomplishments. For example, by introducing universal primary education in Uganda and Bangladesh in 1997, the initial results show an improvement in economic development, a decline in the unemployment rate, a decline in poverty, and an increase in productivity.83 The argument

‘Abdu’l-Bahá in Some Answered Questions, p. 8. Explains three types of education: Material education is concerned with the progress and development of the body, through gaining its sustenance, its material comfort and ease. This education is common to animals and man. Human education signifies civilisation and progress — that is to say, government, administration, charitable works, trades, arts and handicrafts, sciences, great inventions and discoveries and elabourate institutions, which are the activities essential to man as distinguished
from the animal. Divine education is that of the Kingdom of God: it consists in acquiring divine perfections, and this is true education; for in this state man becomes the focus of divine blessings, the manifestation of the words, ‘Let Us
make man in Our image, and after Our likeness.’ This is the goal of the world of
humanity.
Michael Todaro, Economic Development, p. 343.
Louise Grogan. ‘Universal Primary Education and School Entry in Uganda,’ Journal of African economics, vol. 18, no. 2, 2008, pp. 183-211, at p. 186.

given by Todaro is that the marginal social benefit of providing compulsory basic education is more than a marginal social cost. The social advantages not only include material benefits, but also removal of different kinds of prejudices such as religious, ethnic, racial, and economic that are barriers to attaining a meaningful globalization. The argument in the Bahá’í Writings is that ‘prejudices of any kind are the destroyers of human happiness and welfare.’84 Hence the spread of universal and compulsory education eliminates all kinds of prejudices and creates a smooth process for reforming current globalization.

Universal education and training will increase the capacity and productivity of the population and facilitate the movement of labour from countries with a surplus of skilled labour to countries with shortages. The Bahá’í community of Iran is a good example. From its very inception, it invested heavily in education by establishing schools for boys and girls. Commenting on this, Momen writes:
Education and literacy, especially of women,

continued to be of prime concern to the Bahá'í community. After the Bahá'í schools were closed by government order in 1934, the Bahá'ís continued to hold moral education classes (dars-i-akhláq) on Fridays. By 1973 the Bahá'í community was able to report the eradication of illiteracy among Bahá'í women under forty years of age.85

Education can influence the future form and direction of a country and its position in the global perspective. It also determines the rate of Gross Domestic Product, which measures the level of economic growth and standard of living of a country. Education, apart from affecting the national

'Abdu'l-Bahá. Cited in Bahá'í World Faith, p. 240.

Moojan Momen. 'Iran: History of the Bahá'í Faith,' Bahá'í World, 1994, vol.
15, p. 248.

income, provides other opportunities for society. Todaro discusses a number of opportunities that education can offer to a country, including creating a more productive labour force and endowing it with increased knowledge and skills; providing widespread employment and income-earning opportunities for all kinds of jobs; creating a class of educated leaders in government services, and private and public corporations; and providing the kind of training and education that would promote literacy and basic skills for population control. Hence, investing more into education and training provides an attractive opportunity, which has a direct impact on improving economic performance. The economic returns from extra investment in education of the lower income group in developing countries will be substantial. The positive opportunities and accomplishments achieved through education will create the necessary conditions for a smoother process of attaining a meaningful globalization.

It is not possible to discuss the relationship between education and development without explicitly linking the structure of the educational system to the economic and social character of a country. An educational system accordingly reflects the essential nature of a society. For Todaro 'If the society is non-egalitarian in economic and social structure, the educational system will probably reflect that bias in terms of who is able to proceed through the system.' In modern times, an example of a society being non-egalitarian in economic and social structure is religious persecution. Religious persecution is a great barrier to the

development of the human resources necessary for growth and the advancement of the community and the nation. For example, the absence of equality, opportunity and human rights and also existence of social exclusion in Iran are barriers for Bahá'í youths to have access to higher education.
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Since 1979, the government of Iran has created barriers for Bahá'í pupils to enter higher educational institutions. Such government actions may cause all those who are excluded from education to lack the necessary schooling and training to be able to contribute to the advancement of their communities and development of the country.86

Discussing religious freedom, Brian Grim, an expert in international religious demography and the socio-economic impact of restrictions on religious freedom, raise a sensible and rational question: Is religious freedom good for the economy? Analysing this question, he believes that Beyond promoting peace and stability, religious freedom can contribute to positive socioeconomic development in the same way that freedom in general does. Grim refers to Amartya Sen (1999), for instance, and argues that societal development requires the removal of sources of "unfreedom." He writes:
According to Sen's reasoning, religious restrictions are a source of unfreedom. Removing impediments to religious freedom facilitates freedom of other kinds. Research finds that religious freedom is highly correlated with the presence of other freedoms, such that it can be considered part of a bundled commodity of social goods that have significant correlations with a variety of positive social and economic outcomes ranging from better health care to higher incomes for women.87

On the expulsion of Bahá'ís from public employment Moojan Momen writes:
'In 1979 a large number of Bahá'ís in Iran were in public employment. Since the
Bahá'í Faith emphasizes the importance of education, a sizeable proportion of the
Bahá'í community was in professions requiring a high level of education. Furthermore, certain areas of public service such as health and education are favoured by Bahá'ís in view of what the Bahá'í scriptures say about these
professions. 'The economic strangulation of the Bahá'í community of Iran', 2009.
Brian Grim. Interdisciplinary Journal of Research on Religion, Volume 10,

Religious freedom is also correlated with one of the key ingredients of sustainable economic development. This is particularly important for businesses and the whole economy because where stability exists, there are more opportunities to invest and to conduct normal and predictable business operations, especially in emerging global economy.

The non-egalitarian character of the social structure of certain societies, such as religious discrimination, absence of human rights, lack of opportunities for education, are obvious challenges facing a meaningful globalization. Active participation in community life is highly valued and is one of the components of a meaningful globalization. Social exclusions related to poverty, unemployment, education, and different kinds of discrimination are obvious barriers to participating in community activities. Therefore, if the absence of a fair social system effectively denies educational opportunities for a group of people, then the system can even increase inequality in the country, which then affects other countries.

A similar situation is possible in countries where the poor may not have access to education because the educational systems are inherently non-egalitarian. Educational economist John Simmons gives the following sketch of how the poor are beginning to regard education:

> Schooling, the poor quickly learn, in most countries, is an escape from poverty for only a few. The poor are the first to drop out because they need to work, the first to be pushed out because they fall asleep in class as a result of malnourishment, and the first to fail their French and English tests because upper income children have had better opportunities at home. The hope brought to village parents by the construction of the primary school soon fades. Enough schooling to secure a steady, even menial job for their son, let

> alone for their daughter, seems just beyond their grasp. Before…any schooling would have done to achieve their aspiration. Now a primary school certificate is needed, and some are saying that even students with some secondary schooling cannot get a steady job, and they could never afford to send their son away to town for secondary schooling.88

This view indicates that in the situations described by Simmons, students from a lower income group are not given an equal opportunity to complete any given level of education.

Before ending this part, there is a need to re-examine the issue of education and training in reference to population explosion. Some resources such as the land remain more or less the same, and as the population increases, less land will be available; portions becoming smaller when divided by more numbers. This aspect of the economy along with the economic problem of scarcity in relation to unlimited wants and limited rare resources makes the condition of living unfavourable. However, it can be argued that advancement in knowledge, innovation, technology and productivity, lead to production of greater amount of goods and services and therefore curtail scarcity. Population, if educated, skilled, and dynamic, would be able to increase the productivity of the land to satisfy the increased population. Indeed, development of human knowledge and science leads to the ability to change one's life for the better, and satisfies the basic needs of the population, now and in the future. The satisfaction of one's physical needs (related to the body) and physiological needs (related to the functioning of the body) are important and vital for the life of the body. Spiritual education on the

John Simmons. 'Education, poverty and development', World Bank paper no. 188, Washington, D.C.: World Bank, 1974, p. 32.

other hand will help one to be content with a moderate lifestyle.

6.7.2 The view on world citizenship

The concept of 'world citizen' 89 appears in the Bahá'í Writings frequently and gives a clearer understanding of the Bahá'í approach for attaining a meaningful globalization. In the Bahá'í community the concept of being world citizens is instilled in children so to broaden their love for the whole world and all the people in it, rather than for only one group of people. The Universal House of Justice states: 'In keeping with the requirements of the times, consideration should also be given to teaching the concept of world citizenship as part of standard education of every child.' 90 Such a mission, according to the Bahá'í International Community, should begin with the acceptance of the interconnectedness of the nations: 'While it [world citizenship] encourages a sane and legitimate patriotism, it also insists upon a wider loyalty, a love of humanity as a whole.' 91

The concept of ‘world citizenship’ encompasses the principles of social and economic justice at all levels of society, including ‘equality of the sexes; racial, ethnic, national and religious harmony…Promotion of human honour and dignity, understanding, amity, co-operation, trustworthiness, compassion and the desire to serve.’ 92 The Bahá’í community is learning how to practice and promote

For the concept of ‘world citizenship’ see also: Shoghi Effendi: Advent of Divine Justice, p. 4. Promised Day is Come, p. 122. The World Order of Bahá’u’lláh, p. 40, and p. 163. And a statement by the Bahá’í International
Community entitles ‘World Citizenship: A Global Ethic for Sustainable Development,’ New York: United Nations Office, dated 14 June 1993.
Universal House of Justice. The Promise of World Peace, part II.
Bahá’í International Community. ‘World Citizenship: A Global Ethic for Sustainable Development,’ New York: United Nations Office, 14 June 1993.
Ibid.

‘world citizenship’ effectively. Several factors must be considered by individual Bahá’ís, such as the responsibility of putting the interests of the world before one’s own, commitment to the whole world as one’s own home, accountability for one’s actions, preserving nature, and serving the common good. These are some of the challenges faced, as world citizenship requires individuals to reach beyond their own self to be a true world citizen.

6.7.3 Institution of the Nineteen-Day Feast

As discussed earlier, Bahá’í globalization is based on the principle of unity. Bahá’ís work towards community building at local level, as unity starts at the grass roots through individual efforts, concerted community efforts and the institutions of the Faith. At the core of Bahá’í community life is the Nineteen-Day Feast, 93 held every nineteen days. The Local Spiritual Assembly 94 has the responsibility of organising these gatherings in their own specific area of jurisdiction. Each individual Bahá’í has the responsibility of working toward unity through his or her behaviours, actions and lifestyle. The Nineteen Day Feast is a good example of the close relationship of the individual, the community and the institutions, where all Bahá’ís in the area, regardless of

The Bahá’í year consists of 19 months of 19 days each (361 days), with the addition of “Intercalary Days” (four in ordinary and five in leap years) between
the eighteenth and nineteenth months which adjusts the calendar to the solar year.

The months are named after the attributes of God. Each Bahá'í community holds a
Nineteen Day Feast on the first day of each Bahá'í month. The Feast has spiritual,
administrative and social functions and is the principal gathering of Bahá'ís of a
particular locality. Retrieved: http://www.bahai.us/welcome/principles-and-practices/bahai-calendar/>, [accessed: 26/01/ 2012].
Some of the functions of local Spiritual Assembly are: 'to protect at all times
the Temple of the Cause; to promote amity and concord amongst the friends; to extend at all times the helping hand to the poor. The sick, the disabled, the orphan,
the widow, irrespective of colour, caste, and creed; to promote…the material as
well as the spiritual enlightenment of youth, the means for the education of children, institute, whenever possible.' Shoghi Effendi. Quoted in Principles of
Bahá'í Administration, pp. 30-40.
Economics and the Bahá'í Faith

their socio-economic status and educational achievements gather together to worship, discuss the community's progress, and consult about possible ways to build the community. These discussions and recommendations are then taken to the Local Spiritual Assembly, where they will be consulted on further and a plan of action prepared for the local Bahá'í community. This will allow involvement from the grassroots in the exercise of community building and bringing about unity. These local gatherings encourage an individual-initiative attitude in Bahá'ís to be involved in development activities, adding to the capacity of a village, city or town. For example, Shoghi Effendi, in his letters to the Bahá'í community of the United States, stresses the importance of the duties of Local Spiritual Assemblies in 'the maintenance of unity and capacity of community action…through the Nineteen Day Feasts and other local meetings.'95 The holding of these gatherings is to bind hearts together. These gatherings are referred to as feasts, as they provide for the spiritual and physical needs of the community. They contain three parts, devotional, administrative and social. The spiritual part consists of reading and reciting from the Holy Scriptures, which then prepares the attendees to consult on the needs of the community and the progress of its plans during the administrative part, which is then followed by the social part when the Bahá'ís partake of some form of refreshment together, even if it is just water. The holding of

thousands of such Feasts around the world with objectives such as ‘unity in diversity’, ‘world citizenship’, ‘democratic method of decision-making’, ‘respecting the local cultures’, and ‘being free from all kinds of prejudices’ is a practical way of learning and practising a meaningful globalization.

Shoghi Effendi. Bahá’í World Journal, vol. 5, 1976, p. 74.
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6.7.4 Institution of the Bahá’í marriage
This is another principle that helps maintain unity within the Bahá’í community. As discussed earlier in chapter one, family is the basic unit of society. Unless this all-important building block is healthy and cohesive, society cannot be healthy and unified. The foundation of a successful and healthy family is the preparation for union as an essential element of a happy marriage. Bahá’u’lláh said marriage is ‘a fortress for well-being and salvation.’96 He not only permits but also keenly encourages Bahá’ís to marry with people of any belief or cultural, ethnic and racial background, and with no consideration of social class and wealth. Marriage is to ensure not only unity between the couple but also between the two families, and even different communities and cultures, such as in mixed marriages.

Mixed marriages, although challenging in some ways, enable individuals and families to learn about and respect each other’s cultures, a phenomenon that would have an effect on globalization. Despite the challenges, mixed marriages have the potential to remove national, cultural and religious barriers in the long run and improve communication between the parties. In theory, children raised in such families develop a broader view of the world, with a positive attitude of respect and effective communication with different cultures.

Studying the Bahá’í Writings, one notes that the founder of the Faith calls the entire humanity to participate in a number of principles as part of achieving meaningful globalization. The exploration of the following four principles is of special interest to this topic.

Bahá’u’lláh. Aqdas, note 88.
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6.7.5 Pioneering and travel teachings
The closest term to the concept of pioneering is ‘missionary’.97 However, it must be clear that pioneers do not proselytise in light of the comparison to missionaries. Pioneers are those Bahá’ís who leave their home and travel to different parts of the world to serve varying needs of a

particular community, both Bahá'í and non-Bahá'í. By living with other people and nations, Bahá'ís practise 'unity in diversity' and 'world citizenship', two important features of an enlightened globalization. The program of pioneering in the last few decades has resulted not only in promoting the Bahá'í Faith in all corners of the globe, also working towards removing prejudices, which may otherwise form obstacles towards creating a meaningful globalization. Pioneers and travel teachers show in a very practical sense that it is possible to be united while being different. It is important to note that by moving to different countries, Bahá'í pioneers do not intend to change people's culture and traditions but to learn and respect the culture of the community they live.

6.7.6 Developing capacity to serve humanity

Happiness is a relative concept and has a cultural element attached to it. It may be argued that the first thing comes to mind is to have an adequate amount of income and wealth as a tool to become prosperous. However, wealth is the presence of a relative condition in people. For a Bahá'í, happiness is above the material satisfaction. The Bahá'í Writings refer to 'humanitarian intentions' 98 , including activities such as service to humanity. Bahá'u'lláh states, 'Vie ye with each other in the service of God and of His Cause. This is indeed what profiteth you in this world, and in that which is to

Shoghi Effendi. Citadel of Faith: Messages to America, Wilmette IL: Bahá'í Publishing Trust, 1980, p. 41.
'Abdu'l-Bahá. Tablets of 'Abdu'l-Bahá, vol. 1, p. 43.

come.' 99 The worldwide Bahá'í community has been endeavouring systematically to affect a transformation among individuals and communities around the world, to inspire and build the capacity for service.

In a tablet addressed to Bahá'ís, 'Abdu'l-Bahá said: 'You must in this instance [that is, service to humanity] sacrifice your lives, and in sacrificing your lives celebrate happiness and beatitude (emphasis added).' 100 The perception is that happiness and service to humanity need to go hand in hand. Bahá'ís are counselled to become distinguished in the virtues of the human world, 'Abdu'l-Bahá states:

> For Faithfulness and sincerity, for justice and fidelity, for firmness and steadfastness, for philanthropic deeds and service to the human world, for love toward every human being, for unity and accord with all people, for removing prejudices and promoting international peace.101

These virtues are the basis for an ideal globalization, and Bahá'ís have the opportunity to influence communities worldwide by practicing those virtues.

6.7.7 Social and economic development projects

The universality of Bahá'í development is incorporated and is the basis of Bahá'í inspired social and economic development projects. This indicates that in our increasingly interdependent world, Bahá'í development efforts must be animated by universal values and guided by a vision of the world community. Projects are thus designed to engage and benefit all the members of a community and not only Bahá'ís. This vision is necessary for understanding the true concept of globalization. Collabouration with organizations and leaders

Bahá'u'lláh. Quoted in the Advent, p. 83.
'Abdu'l-Bahá. Tablets of 'Abdu'l-Bahá, vol. 1, p. 44.
'Abdu'l-Bahá. Promulgation, p. 190.

of thought concerned with social, moral and economic advancement is an important component of Bahá'í development endeavours. Bahá'u'lláh states 'All human beings have been created to carry forward an ever-advancing civilisation.' 102 Consequently, the creation of a prosperous and peaceful global society that promotes individual and community wellbeing is central to the Bahá'í vision of the future, which is incorporated by all economic development activities. It is based on these principles that the Bahá'í development approach is the struggle to learn universal values. This requires engendering a new mind-set in the Bahá'í community, which is already in place through various educational programs for all ages. The existence of several hundreds of social and economic development projects worldwide, with visions such as unity, world citizenship, service to humanity, work as worship, consultative process of decision making, and putting the grass root population at the centre of activities, will have a positive effect on reforming the current globalization.

6.7.8 The Covenant

Bahá'ís believe that the distinctive unity of the Bahá'í Faith stems from a promise from God to humanity that assures His continuing guidance after the passing of Bahá'u'lláh. The promise is referred to as the covenant (Ahd and Míthág). Bahá'u'lláh, in his 'Will', 'the Book of Covenant', (Kitáb-i-Ahd) appointed his son, 'Abdu'l-Bahá, as his successor and the interpreter of His Writings, and the centre of the covenant. 'Abdu'l-Bahá, also in his 'Will and

Testament'(Alváh-i-Vasáyá) appointed his grandson, Shoghi Effendi, as his successor, the interpreter of the scriptures, and the guardian of the Faith. Thus, there is clear authoritative

Bahá'u'lláh. Gleanings, p. 215.
The Bahá'í Perspective on Globalization

interpretation of Bahá'í Holy Scriptures. According to this covenant, the Universal House of Justice is the supreme governing body of the Bahá'í Faith. Bahá'ís are, therefore, united because they follow the same scriptures and authority. The organization of the Bahá'í Faith and its administrative institutions are such that do not allow the creation of sects, branches or denominations. This requires establishment of a strong covenant between the central figures of the Bahá'í Faith and the believers. The House of Justice describes the Covenant as:

An institution which protects the Cause from individuals who, through the assertion of their own wills, would try to force God's Cause into the paths of their own preference and thus divide the Faithful and subvert the world-wide establishment of divine justice.103

Therefore, the door of interpretation of the Bahá'í laws was closed after the passing of Shoghi Effendi in 1957. Bahá'u'lláh has prohibited individual ecclesiastical leadership who have in the past had the authority to interpret the Holy Scriptures, which led to division in religions. It is through the Bahá'í covenant that a network of local, national and international institutions is in operation with harmony throughout the world. Considering that the Bahá'ís live in more than one hundred thousand localities worldwide, embracing the culture of unity directly affects the Bahá'í community and indirectly affects the process of establishing of a meaningful globalization.

6.7.9 A universal language and script

Having effective communication among citizens of the world is a necessary requirement for achieving a meaningful

Universal House of Justice. Quoted in Power of the Covenant, Part Two, Toronto: Baha'i Canada Publications 1976, p. 17.
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globalization. Language barriers cause poor communication. In a global society with free movement of people across nations, one common language helps to remove barriers and misunderstandings. Bahá'u'lláh in 1873 called for an international auxiliary language and script as a tool for

effective global communication among people and nations. The term ‘auxiliary’ suggests that it is intended to be an additional language rather than replacing native languages.104 Addressing leaders of the world, he states, ‘O members of parliaments throughout the world! Select ye a single language for the use of all on earth, and adopt ye likewise a common script.’ 105 The Bahá’í Writings have not suggested any specific language. The proposition is that representatives of all nations will decide about the creation of a new language or choosing one from among the existing languages.

An international language is one of the major tools of effective communication in the modern world, particularly as the process of international trade and global travel advances. Such a language may remove the need for a middleman between producers of products in rural areas and the final consumers. Producers and farmers in developing countries in particular, would benefit from an international language to make trade easier and fairer in a global market. It would also allow consumers and producers of developing nations to be able to negotiate and settle costs and prices, which could be more favourable to both parties and at times without a need

According to the Writings of Bahá’u’lláh the process of selecting an international language will be in two stages. Commenting on this, the Universal House of Justice writes: The first stage is to consist of the selection of an existing
language or an invented one, which would then be taught in all the schools of the
world as an auxiliary to the mother languages. The governments of the world through their parliaments are called upon to effect this momentous enactment. The
second stage, in the distant future, would be the eventual adoption of one single
language and common script for all on earth. (See: Aqdas, note 193.)
Bahá’u’lláh. Aqdas, verse 189.

for an intermediary.

Of course, the selection and implementation of an international language is not without challenges. How a decision is made for the selection of a common language may indeed prove difficult. Furthermore, there may be a risk of extinction of rare languages. This risk may not be noticeable in the short run because people are enjoying the advantages of effective communication, while benefiting from improved international trade, tourism, and other benefits associated with easier access to advanced technology and innovation.

But the risk of disappearance becomes more obvious in the long run as people frequently use the international language. We are already witnessing the disappearance of a number of languages. It is estimated that about two thousand rare languages [out of an approximate existing 7000] will disappear in one hundred years. Another risk of adopting an international language is in relation to people's identity. A particular language demonstrates a particular group's culture, identity and heritage, which the Bahá'í teachings hope to preserve as part of the unity in diversity. Therefore, it would be important for the members of parliaments throughout the world when selecting a common language, to pay particular attention to preventing the extinction of minority languages in future. Whether the introduction of an international language will be effective or not depends on its cost and benefits. Otherwise, the speed of globalization makes it necessary for people to become multilingual.

6.7.10 Principle of universal peace

A meaningful globalization is also an essential prerequisite for establishing a valued world peace. Hence, there is a direct correlation between peace, globalization and the changes that are taking place and the resulting socio-political-economic

benefits.

Most people choose to live in a period of economic stability and prosperity. Peace can be a powerful stimulant for economic development and a prerequisite for creating a prosperous society. However, there is a kind of belief by some people that humans are aggressive by nature and violence is a part of human nature. The Bahá'í scriptures disagree with this view and denounce any human aggression. Humans are created with noble characteristics. It is stated that 'in creation and nature, evil does not exist at all; but when the natural qualities of man are used in an unlawful way, they are blameworthy.'106 Thus, the Bahá'í Writings see human beings as essentially good and civilization as evolving towards maturity.

A key barrier to an ideal globalization is war and internal conflicts, as they not only result in a waste of resources but also create tension and separation among citizens of the world. Conflicts greatly contribute to loss of human life and wastage and destruction of natural resources, including the non-renewable ones. These can cause setbacks particularly for the poorer parts of the world. For example, a high level of military spending affects the citizens' quality of life by

limiting spending on developmental and social programs. However, it can be argued that for some nations war and conflict lead to arms production, and the export of armaments boosts the domestic economies, including job creation. These issues are of major concern in the Bahá'í Writings. In one of

Abdu'l-Bahá, Baha'i World Faith, p. 320.
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His Writings addressed to 'Rulers and Monarchs' 107 of the world Bahá'u'lláh said, 'They [sovereigns] must put away the weapons of war, and turn to the instruments of universal reconstruction.' 108 Waste of resources is one of the most pressing issues for economists and the Bahá'í Writings strongly discourage any wastage of resources, human and physical. But what are the 'instruments of universal reconstruction'? The amount spent on war can be diverted to, for example, different forms of public services, such as education and health, research and development of sciences and arts, for improving people's lives.

But what is the interest of economists in studying peace? Some of the important assumptions and objectives of companies are related to cost minimisation, profit maximisation, and utility maximisation. During a period of war resources are destroyed, which adds to the cost of production. In theory, economics is also concerned about the cost of starting a new war – not only the cost to taxpayers, but also the possible effect on the economy, on oil prices, on the stock market, on inflation and unemployment, and on the standard of living. The concern is about the opportunity cost of resources allocated to war, in both real value and monetary value, including rebuilding cities after the war. If we define economics in terms of efficiency, then it is concerned with how good resources, such as human, physical, time, and technology, are used to produce an end result. Consequently, war, conflict and violence are not helping to protect resources. In the statement below Shoghi Effendi outlines the

The chosen kings and rulers of the earth whom Bahá'u'lláh addressed include:
Napoleon III, Queen Victoria, Kaiser Wilhelm I, Tsar Alexander II, the Austrian Emperor Franz Josef, the Ottoman Sultan 'Abdu'l-'Aziz and the Qajar Monarch
Násiri'd-Dín Sháh. See: The Proclamation of Bahá'u'lláh, Haifa: Bahá'í World
Centre Publications, 2nd ed., 1972.
Bahá'u'lláh. Epistle to the son of the wolf, pp. 30-31.
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immense opportunity cost related to the waste of resources. He also recognises the associated benefits resulting from saving resources:

> 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.109

A tranquil, peaceful economy will result in decreased risks and volatility, which increases opportunities for economic development and to make long-term plans. Conversely, a high level of military spending detracts from citizens' quality of life by limiting spending on developmental and social programs and this is a major concern in developing countries. There is an inherent 'opportunity cost' for government spending on war and internal conflicts. Money that is expended in one area cannot be spent on another. To explain this further, I will use a well-known economic model called 'production possibility frontier.' 110 Economists use this technique to demonstrate the efficient use of resources that are considered to be scarce over a period of time. For example, at a time of war, if there is a need to increase the production of military items, we would have to sacrifice some of the production of civilian goods and services such as education, health and housing. This is because the additional

Shoghi Effendi. World Order, p. 204.
John Beardshaw, Economics, 5th ed., 1992, p. 39.

production of military goods and services has an opportunity cost, in this case, the production of social goods. In other words, the opportunity cost of producing extra units of military goods is the sacrifice of civilian goods and services. Thus, there is a trade-off between war and peace. Assigning a higher priority to peace requires a lower priority to war. In other words, as Muhammad Yunus affirms putting more resources into improving the lives of the poor is a better strategy than spending it on guns.

The establishment of universal peace in a global society fosters both individual and collective well-being and security, and this is at the heart of the Bahá'í vision for a meaningful globalization. Addressing the leaders of the world, the founder of the Faith said, ‘Compose your differences, and reduce your armaments, that the burden of your expenditures may be lightened, and that your minds and hearts may be tranquilised.’ 111 During a period of peace, there is more chance that resources will be allocated more effectively in areas that are needed for the people’s quality of life. A conscientious government at peacetime spends most of its resources in pursuing plans that benefit their citizens.

The Bahá’í community has taken a number of steps by investing in areas, which leads to increasing the welfare of all citizens and thus contributing to the process of peace-making through investment in early childhood education in many communities as a part of socio-economic development activities. Projects now under way in Africa, Asia and South America demonstrate the potential for widespread implementation of development programs through the global network of Bahá'í communities. These projects are run and

Bahá’u’lláh. Gleanings, pp. 250-251.

coordinated at the grass root by the full participation of women and men in decision-making. These investments have impacted on peace and stability among people in areas that religion and racial conflict has separated members of communities for so long. If a small community such as that of Bahá’ís with much-limited resources can have such a significant impact on the life of people, certain governments and organisations with vast resources available to them can have a much greater impact in improving the lives of people and peace-making.

6.7.11 Free and fair international trade

Although globalization and free trade are beneficial to those who are equipped to compete in the international marketplace, they are less so for those not able to be a part of the global market. It is no exaggeration to say that the world market is now led by a handful of multinational corporations, which produce a substantial level of the world’s total output. The division in the human family between ‘the haves and the have-nots’ has assumed a new dimension. Thomas Picketty presents a body of empirical data covering several hundred years that supports his central idea in his book - Capital in the Twenty-First Century - that the owners of capital

accumulate wealth more quickly than those who provide labour, a phenomenon widely described with the term ‘The rich get richer and the poor get poorer.’ Hence, previously it was mainly ‘poor get poorer, rich get richer’, and now it is ‘the increasing gap between the rich and the poor.’ The Bahá’í Writings refer to this condition as ‘some who were possessed of an affluent fortune and lived in the midst of excessive riches, while others were in dire want and abject poverty.’112 Currently, we are facing other barriers to a free

Bahá’u’lláh. Gleanings, p. 235.

and international trade, including: language barriers, skill shortages, geographical and occupational immobility, quality standards, custom duty and regulations, and the exchange of currencies.

The Bahá’í teachings on economics are consistent with the belief that ‘The earth is but one country, and mankind its citizens.’113 This statement supports international trade. The establishment of a free and fair trade among nations is an important pillar of globalization. A meaningful globalization, however, is closely associated with a sustainable international trade that is fair to both developing and developed countries and preserves the eco-system. Sustainable international trade has a significant role in establishing universal benefits, ‘Abdu’l-Bahá states:

> It is apparent that whenever the ties between nations become strengthened and the exchange of commodities accelerated, and any economic principles established in one country, it will ultimately affect the other countries and universal benefits will result.114

The success of a fair and sustained international trade would depend on how realistic such mutual exchange is. For examples, issues related to protectionism, currency fluctuations, quality of goods and services, and price levels may affect trade or become barriers for a free and fair trade. It can also be argued that the level of protectionism can be decreased with a regulated international market. Shoghi Effendi supports this view when referring to a free-market economy.115 Any arrangement for the economics of the future associated with a meaningful globalization must incorporate justice and fairness for all humanity.

Ibid. p. 250.
‘Abdu’l-Bahá. Selections, p. 301.
Shoghi Effendi. World Order, p. 204.

Supporting the free-market economy, 'Abdu'l-Bahá has, for example, encouraged the 'promotion of the arts, the discovery of new wonders, the expansion of trade, and the development of industry.' 116 He also approves of profit sharing, which is a form of profit making, as a feature of the market economy. Bahá'u'lláh has sanctioned the charging of interest on financial loans as a part of a normal business transaction, provided that this is done 'with fairness and moderation' 117 on the understanding that the matter will be adjusted and regulated by the head of the Bahá'í Faith, the Universal House of Justice. Also, the principle that pay differentials should reflect different levels of skill, ability and talent is strongly upheld, both as a reward and an incentive for high levels of performance and productivity. Shoghi Effendi states that the Bahá'í Faith in the future will maintain the 'right balance between the two systems'118 of capitalism and socialism. He states:

In the Bahá'í economic system of the future, private ownership will be retained, but will be controlled, regulated, and even restricted. Complete socialisation is not only impossible but most unjust, and in this the Cause is in fundamental disagreement with the extreme socialists or communists. It cannot also agree with the other extreme tendency represented by the Laissez-faire or individualistic school of economics.119

Therefore, the Bahá'í economic system of the future will consider a balance between the two schools of free-market economy and socialism. Shoghi Effendi confirms this, 'The Cause can and indeed will in the future maintain the right balance between the two extreme tendencies of individualism and

'Abdu'l-Bahá. Quoted in Scholarship, p.1.
Bahá'u'lláh. Tablets, p. 132.
Ibid. p. 170.
Shoghi Effendi. 'Letter dated 25 August 1939.

collectivism, not only in the field of economics, but in all other social domains.'120

In relation to international trade in The Secret of Divine Civilisation, 'Abdu'l-Bahá strongly urges Iranians to 'look to the expansion of trade with the nations of the East and the West, develop…natural resources and increase the wealth of…people.' 121 This is significant because traditionally, developed countries and multinational companies have often

seen developing countries as a source of cheap natural resources that could be used by developed countries in the production of goods. The focus has now shifted and a number of developing countries are using advanced technology and know-how. The movement of manufacturing to the developing world has allowed them to improve their comparative advantage and attain a relative prosperity. ‘Abdu’l-Bahá also called upon the Iranians to learn ‘modern concepts…new systems and procedures…progressive enterprises.’ [from] ‘the people of Europe.’122 Moreover, He urged them to follow Japan because ‘Japan has opened its eyes and adopted the techniques of contemporary progress and civilisation.’123 Although these Writings are addressed to the citizens of Iran, the comments have universal implication.

However, in practice, there are a number of restrictions or barriers to a free and fair international trade, such as protectionist measures, which protect the national economy and include tariff and subsidy, and a more regulated import-export market. Shoghi Effendi has condemned restrictions on international free trade. During the Great Depression of the

From a Letter dated 25 August 1939 written on behalf of Shoghi Effendi.
‘Abdu’l-Bahá. The Secret, p. 15.
Ibid. p. 13.
Ibid. p. 111.

1930s, the USA, in an effort to protect its economy, increased import duties to record levels. In 1931, in the midst of the Great Depression, Shoghi Effendi wrote,

> A narrow and brutal nationalism, which the post-war theory of self-determination has served to reinforce, has been chiefly responsible for the policy of high and prohibitive tariffs, so injurious to the healthy flow of international trade and to the mechanism of international finance.124

Therefore, it is argued that globalization is largely the result of the integration of many countries through free trade, into a single global economy. The extent to which a country can be integrated into the global economy depends on the level of restrictions on the movement of resources into and out of the country. Shoghi Effendi said, ‘economic barriers and restrictions will be completely abolished.’125

So far, we have established that from a purely economic perspective, a sustainable, fair and free international trade is essential. However, for Amartya Sen the problem of

international trade with current globalization is in the sharing of its benefits. In the face of such appalling poverty and staggering inequalities, Sen raise a legitimate question: Can we say that there is a fair distribution of the benefits of globalization? Like Sen, Bahá'í scholars Shapour Rassekh, Arthur Dahl, and Farhad Rassekh are concerned about current processes of shaping globalization. The view is that the problem of globalization is due to negative processes adopted by the policy makers. On the positive side for Sen globalization has been a blessing, not a curse, to all countries which have embraced it. He refers to the recent East Asia and benefits gained through the remarkable reductions in poverty

Shoghi Effendi. World Order, p. 35, and p. 204.
Ibid. p. 204.

that have been achieved by countries that have opened up to global markets and knowledge.

However, according to Sen, the distribution of the benefits of global relations not only depends on domestic policies but also on a variety of international social arrangements. According to Sen these arrangements include:
Trade agreements, patent laws, global health initiatives, international educational provisions, facilities for technological dissemination, ecological and environmental restraint, treatment of accumulated debts, and the restraining of conflicts and local wars.126

Such an arrangement becomes possible when, according to Jeffrey Sache 'the economic benefits of globalization are distributed fairly and justly among the citizens of the world. 127 Thus, morality plays an important role in establishing a meaningful globalization. Farhad Rassekh and John Speir specify that 'Since economic globalization affects the economic lives of people, it has moral implications that often take centre stage in any discussion on globalization.'128 Bahá'u'lláh, in the following passage, elucidates the importance of truthfulness and trustworthiness in trade, he states, 'Commerce is as a heaven, whose sun is trustworthiness and whose moon is truthfulness. The most precious of all things in the estimation of Him Who is the Sovereign Truth is trustworthiness.' 129 Therefore, Bahá'í Writings strongly encourage Bahá'ís to practise trade with the highest standard of conduct. As pointed out by Wilkinson and Pickett 'we can think of trust as an important marker of the ways in which greater material equality can help to create

Amartya Sen. The Idea of Justice, p. 409.
Jeffrey Sachs. The End of Poverty, p. 358.
Farhad Rassekh and John Speir. Journal of Global Ethics, p. 27.
Bahá'u'lláh. Trustworthiness, p. 9.

a cohesive co-operative community, to the benefit of all.'130 The difficulty with the current free-market economy is not so much with the system itself but with the absence of moral incentives to establish trust. It is noteworthy that Adam Smith, in 1759 in The Theory of Moral Sentiment established his model of 'free-market economy' on the foundation of a human code of conduct that consists of benevolence. It seems that this aspect of Smith's model is somewhat missing from the market today. The Bahá'í Writings advocate the regulation and 'readjustment of the economic order' 131 as a necessary condition for the betterment of the whole society.

6.7.12 An international single currency
In 1936, Shoghi Effendi wrote '...a uniform and universal system of currency...will simplify and facilitate intercourse and understanding among the nations and races of mankind.'132 A universal single currency would be much like an international language, which facilitates and improves communication around the world, and the international trade. Hence, the Bahá'í Writings support the notion of having an international single currency for improving a fairer trade among nations.

The global financial crisis in 2008 and also the Euro currency crisis may immediately raise a concern that the idea of introducing an international single currency may not be as promising as it appeared to be. By looking at the Euro zone's economic condition since 2008, the opponents of a single currency may argue that the idea of single currency is not working. The United Kingdom government, for example, oppose the European single currency on the bas The Bahá'í

Richard Wilkinson and Kate Pickett. The Spirit Level, p. 62.
'Abdu'l-Bahá, Promulgation of Universal Peace, p. 102.
Shoghi Effendi. World Order, p. 204.

Writings advocate the regulation and 'readjustment of the economic order' as a necessary condition for the betterment of the whole society. is on the separation of monetary133 and fiscal134 policies. The argument in this section is that the dis-functioning of a single currency is not due to currency itself but to the management, administration, control and

organizational skills of those who are operating it. The proposition is that having an international single currency is advantageous to a global economy. The current economic imbalances resulting from currency fluctuations are not advantageous to any country. Joseph Stiglitz addressed the issue of global financial imbalances that it ‘simply cannot go on forever.’135 He, then, argues that ‘Underlying the current imbalances are fundamental structural problems with the global reserve system, [here Stiglitz refers to ideas of John Maynard Keynes of how to reform the global monetary system] including creating a new reserve system based on a new international currency, can, with a little work, be adapted to today’s economy. 136 The problem of the global financial system, therefore, is systematic and has much to do with the global reserve system, which improves global stability in the financial market. Supporting Keynes view about a new international currency, Stiglitz argues that ‘It would enhance global stability and global equity.’137

One lesson learned from the current global financial crisis is that due to increased capital mobility and economic interdependency, the occurrence of one financial crisis in one part of the world can have devastating effect on other parts of

Monetary instruments are: interest rate, exchange rate and money supply.
Fiscal policy is government policies on spending and taxation.
Joseph Stiglitz. Cited in Morrison Bonpasse, The Single Global Currency, Newcastle: Maine, 2006, p. 433.
Ibid.
Ibid. p. 268.

the world. Following the crisis, we see more coordinated action between Central Banks, and this will increase in the coming years, the reason of the structure of our economies. According to international financial economists Charles Wyplosz and Richard Maldwin in an Optimal Currency Area, where a group of countries are better off with a common currency than keeping separate national currencies; and also, where there is labour and capital mobility, the single currency takes away the risk of exchange fluctuation and associated costs. Wyplosz and Maldwin writes:
For the business community and private sector, it is very advantageous to take the risk our exchange out of their business cycle equation. It also makes perfectly sense where economies are converging and there is increased trading exchange. I would suggest exploring some history of currency and its development, that in

the past each town and region used to have their own currency, it was always much more complicated to do trades. Currency is not the driver of the exchange but the vehicle to make exchange easier and more transparent.138

Wyplosz and Maldwin's idea is appropriate for a global economy where there is a need for transparency simpler transaction. There is also unpredictability and volatility of exchange rates. Favouring an international single currency, Morrison Bonpasse argues that using a single currency can eliminated such volatility:
Economists continue to try to understand why, when, and by how much exchange rates rise and fall and a substantial portion of the published articles about the international monetary system is about those exchange rate fluctuations. However, there will never be totally satisfactory answer, which is just one reason why the system needs to be replaced with a Single Global

Charles Wyplosz and Richard Maldwin. The economics of European Integration, London: McGraw – Hill Education, 2004, p. 16.

Currency.139

Agreeing with Bonpasse, Joseph Stiglitz argued that 'Economists might like to believe that economic forces underlie all prices, but the prices of national currencies, at least are determined as much by politics as by economics.'140

The global financial crisis of 2008 was universal and affected both developed and developing countries. Looking at the crisis and relating it to the currency situation, Joseph Stiglitz wrote, 'There is a remarkably simple solution, one which was recognized long ago by Keynes: the international community can provide a new form of fiat money to act as reserves, (Keynes called his new money 'bancor').' 141 Stiglitz called them 'global greenbacks', which are similar to the Special Drawing Rights (SDR) 142 of International Monetary Fund (IMF). He wrote that the concept of global greenbacks, 'simply extends the concept' of SDRs, and that global greenbacks would be issued annually, unlike SDRs which are issued episodically.'143

Today, there are 143 different currencies in circulation serving 191-member countries of the United Nations.144 It is estimated that transaction costs related to currency exchanges are in the region of billions of dollars annually.145 Of course, such a transaction method would be beneficial to certain

groups such as banks and other financial institutions, and no doubt create employment opportunities. Countries are

Morrison Bonpasse. The Single Global Currency, p. 418.
Joseph Stiglitz. Making Globalization work, p. 259.
Ibid. p. 260.
The SDR is an international reserve asset, created by the IMF in 1969 to supplement its member countries' official reserves.
Joseph Stiglitz. Making Globalization work, p. 261.
Morrison Bonpasse. The Single Global Currency, p. 483.
Ibid. p. 33.
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constantly competing with each other in order to promote their respective currencies on the global market, and currencies that become stronger are more valuable, and consequently in higher demand. Governments at different times intervene in the money markets, and resort to managed exchange rate systems, in order to manipulate the exchange rate so as to gain an advantage over their competitors. Multinational corporations, invest only in countries whose currencies are favourable to their operations, otherwise relocate their businesses elsewhere.

The creation of a universal single currency cannot take place overnight. Many factors need to be taken into consideration before one is chosen or created. The success of regional currencies such as the 'East Caribbean Dollar – XCD'146 and 'West African Franc – CFA' 147 are notable, which have harmonised the economies of a number of nations. These represent a positive movement and a promising factor towards the formation of a universal single currency. These regional currencies have provided opportunity to further understand the nature of an international single currency, as a result, economists are now far better informed of what an international currency may involve.

A universal single currency operating under a central bank has certain economic implications and advantages over the current system of 143 separate currencies in circulation in the world. Among the factors that facilitate economic transactions on a global stage is the benefit of rendering a

Eight East Caribbean countries using XCD are: Antigua and Barbuda, St. Lucia, Dominica, Grenada, St. Kitts and Nevis, Saint Vincent and the Grenadines,
Anguilla, and Montserrat.
Eight West African countries using CFA currency: Benin, Colt d'Ivoire, Gabon, Guinea-Bissan, Mali, Niger, Senegal and Togo.

central bank independency, transparency and accountability. Commenting on this Artis and Nixson argue that 'It is generally reckoned to be in the interests of effective stabilisation and low inflation to ensure that the central bank is independent from day-to-day political pressures.' 148 It is also important that the institutions concerned to be accountable and transparent in what it does and how it does it. Artis and Nixon further argue that by being accountable and transparent 'the central bank can enlist the support of the market rather than working against the grain.'149 Transparent helps firms and households to compare the prices of goods, services and resources accurately in the global marketplace. This is needed because of the distorting effect and the variability of the exchange rates, which may discourage trade. From an economic point of view, it is accepted that prices should act as a signalling function for the optimal allocation of resources, so as to improve economic efficiency.150 The chances of this happening across the globe would be far greater if there existed a universal single currency.

Another benefit of a universal single currency is associated with risks that each currency poses to the other. This could be avoided using a single currency. In a multi-dimensional currency market, countries are continuously striving to influence their currency in order to gain a competitive edge, and as the value of one currency is determined against another, all currencies are at risk. This can be one of the reasons for global economic imbalances. Moreover, multinational companies that have invested heavily in

Mike Artis, and Frederick Nixson. The Economics of the European Union: Policy and Analysis, 4th ed., Oxford: Oxford University Press, 2007, p. 266.
Ibid. p. 267.
Beardshaw. Economics, p. 47.

different countries are at risk of losing money as a result of currency fluctuations. In order to avoid such losses, they may relocate their whole business operation to a country with more favourable conditions. Transfers of this kind create serious economic problems for the former host country, including increased unemployment, decreased revenue, and, more importantly, a decline in the welfare of the people. Adoption of a universal single currency would help alleviate this considerable risk and uncertainty from the economic equation.

A universal single currency can be a regulating factor for consumerism. Several factors lead consumers to spend more, one such factor being the exchange rate. With a highly valued or strong currency 151 , people are able to purchase foreign products cheaper. It is for this reason that the rich and developed countries with stronger currencies are able to import products more cheaply. The opposite is also true: countries with weak currencies are unable to import goods produced by developed economies. A universal single currency could play an important role in improving this situation. A single currency, which has the same value in all markets globally, would give people of different countries the same purchasing power to trade with each other. Although, single currency is an important factor for a fair trade, however, it is not sufficient for improving the standards of living. Other factors are essential such as the availability of resources, employment opportunity, the level of education and training, consumer and producer confidence, and the price level.

The seven most popular currencies in the world are: US dollar, Euro, British Pound Sterling, Japanese Yen, Swiss Franc, Canadian dollar, and Australian dollar.

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Despite the advantages of a single currency, there are challenges related to how it is designed, managed and regulated. Hence, it can be challenged in a number of ways. Assuming that a universal single currency is operated by a world central bank, if a single rate of interest is decided based on the so-called 'one-size-fits-all' policy, the interest rate decided would be applied to all countries equally. There is a risk then, that an interest rate, which may be appropriate for one country, may not be appropriate for another. For example, countries with high inflation may require a higher level of interest rate, while countries with low level of economic growth or high unemployment may need a lower level of interest rate. In an ideal world with a meaningful globalization and a sustainable development, where countries operate in a similar economic cycle, having the same interest rate would not be a problem. Individual governments also can coordinate their activities with their own fiscal instruments to avoid any conflict with the policies of World Bank and a single interest rate.

Another difficulty with a single currency according to John Sloman is in adjusting to an international shock, which affects countries differently. He mentions for example a

sudden change in the price of oil would affect an oil exporting country differently from oil importing one. Sloman argues that 'the divergences between economies are often the result of a lack of harmony between countries in their demand-management policies.' 152 The Bahá'í scriptures advocate a change in lifestyle and the adoption of a demand management attitude, such as implementing the moral principle of moderation. Also, according to Sloman 'many of the shocks that face economies today are global and have

John Sloman. Economics, p. 713.

similar effects on all countries. Adjustment to such shocks would often be better with a single coordinated policy.'153

At the regional level, gains from the adoption of Euro currency came at the cost of abandoning monetary policy as a stabilisation tool. Two experts in European economy, Mike Artis and Fredrick Nixson, confirm this. According to them, 'The monetary union entails the loss of one important tool of national macroeconomic stabilisation policy which would need to be compensated by greater reliance on a second such tool, namely national fiscal policies.' 154 According to Artis and Nixson, the assessment of benefits and costs comes down to a few distinct considerations:

Benefits come from gains for trade and growth and the elimination of exchange rate risk; cost stem from the possibility that monetary policy that is right for the monetary union is wrong for the individual country. This cost could take the concrete form of greater volatility of inflation and growth in the absence of a monetary policy instrument to help absorb idiosyncratic shocks (shocks to an individual country that do not affect the currency union as a whole).155

On balance, the success of a single currency, whether at regional level or at international level depends on whether it can promote economic justice in the world. It also depends as to whether in an Optimal Currency Area, it removes the advantages enjoyed by a few favoured countries, whose currency is seen as strong as or more secure than that of others and stops the poor from being affected severely by the impact of currency fluctuations. In the long run, the adoption of a universal single currency depends on whether it offsets the harm that economic globalization may cause at the local

Ibid. p. 714.

Artis and Nixson. The Economics of the European Union, p. 283.

level, by putting everyone everywhere, on a more level economic playing field. Hence, this particular teaching may become controversial if it is not devised and implemented properly, and if it does not stimulate economic justice. To avoid confusion, as mentioned previously, the Bahá'í Faith should be studied as a whole rather than looking at each principle individually.

6.8 Opportunities and challenges of globalization

There are two paradoxical conditions that are shaping the current process of globalization. On the one hand, and positively, the economic performance and the wealth of nations have increased significantly. On the other hand, the gap between the poor and the rich has widened, and there is increasing domination and bargaining power by some nations and firms over others. Hence, the current globalization has produced both opportunities and challenges.

Currently most developing countries enjoy greater trade in goods and services, including: transfer of financial capital; transfer of technology and information, specialization in production, and greater labour migration; resulting in the inclusion of more economies in the global trading system including Central and Eastern European economies, China and the other so-called 'emerging economies.' 156 We are witnessing encouraging signs of acceleration in the process of globalization, in particular, with the interest shown to global economic integration caused by economic liberalisation. The process of globalization is facilitated through removing trade barriers, democratisation in many parts of the world and the

Emerging economies are the newly industrialised countries such as Brazil, Russia, Indonesia, and China (BRIC). Also, it refers to economies in transition from planned economy to the free-market economy such as the Eastern European Countries.

activities of the international agencies. The progress of information technology has enabled the easy and relatively cheap transfer of information between different agents of the market at a global level. For example, the Internet has led to increasing knowledge and information for both consumers to demand their choice of product and the manufacturers to produce what consumers demand. Advanced technology and transportation enable mass production and distribution to different parts of the world. Moreover, trade is gradually

becoming more liberated as restrictions have been reduced due to the activities of the World Trade Organization.

The Bahá'í Writings also affirm that important components of a meaningful globalization are the political, environmental, social, and moral. Today, we are all speedily and increasingly live in one world, and all nations are becoming ever more interdependent. This is an understanding that most would agree on. This view means that we are now living in a smaller and better-connected world. 'Abdu'l-Bahá has identified a number of necessary elements for globalization, some of which became available during his own lifetime, including travelling, availability of information through different publications, effective communication and exchange of views. However, the issue of the interdependency of nations, in its current form, is not without challenges. Two of the most significant are that the current process of globalization has created a condition of dependency, and the increasing domination and bargaining power by some nations over others. Thus, the challenge is creating and maintaining interdependency in such a way that its foundation is based on trust among nations.

Globalization has increased trade among nations and assisted developing countries in becoming more integrated into the

global economy. This has enabled domestic firms to establish contracts with the international capital markets, thereby producing more and benefiting from economies of scale.157 Increasing the level of output for a world market creates more employment in developing countries. 'Abdu'l-Bahá explains that trade multiplies output. 158 Hence, principles such as investment in education, providing opportunity for women, and removing trade barriers would help to increase the level of output in the market globally. Many developing countries have already benefited by applying these principles and have come out of poverty by earning additional revenue, which is needed for improving public services such as education, health and other welfare programs. The multidimensional approach to poverty measurement has been discussed by a number of recent writers. Their Writings implicitly accept the proposition that, because of lack of information and other market failures, important dimensions of well-being cannot be purchased in markets with money, and thus require independent measurement.

A positive occurrence that helps reform the current process of globalization is the promotion of education among the female

population in some parts of the world. Education, leading to the emancipation and empowerment of women motivates them to participate at all levels of society as politicians, educators, managers and entrepreneurs. Women in South East Asian countries are now heavily engaged in advancement of their communities in controlling the growth of the population, while increasing the total output of the

Economies of scale is a situation where reduction in the cost of production leads to increasing the level of output. Benefits includes: managerial, technological, financial, and marketing economies. Economies of scale is a characteristic of large firms.
For expansion of trade and issues related to free and fair international trade see: ‘Abdu’l-Bahá, The Secret, pp. 5-36.
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economy. These activities not only connect their communities to the rest of the world, but also have improved the quality of their own lives, enabling them to better practice their role as mothers. Women, thus, play an important role in dealing with challenges such as population explosion, output shortages, and improving standards of living, which are important components of a meaningful globalization.

Further improvement is noted in the enrichment of agriculture. Farmers have been encouraged to embrace new technology. International agencies have helped to teach them new techniques in farming and, as a result, there has been a significant increase in their productive capacity. Adequate technology is now available for farmers with small areas of land.

Another area of development is the improvement of the banking system through adjustment and regulation, and the provision of funds for start-up businesses. This is particularly crucial for the developing countries. The Grameen bank in Bangladesh has made small credit (micro finance) available to more than seven million women to start up their own businesses.159 The social function of wealth has been realised by the modern banking corporation, although much more needs to be done for the effective implementation of the social function of wealth.

Through access to information necessary for international trade, the developing countries would be able to access different markets around the world and trade their commodities globally and more favourably. This suggests that in practice there is no need for the middleman; and

See: Muhammad Yunus. Creating a World Without Poverty,

producers in the developing countries are able to sell their products directly to the final consumers. In particular, developing countries can have easier access to advanced technology, which can be obtained from the developed countries for manufacturing products that are healthier and more suitable for the local requirements. The vast improvement in people’s knowledge and information, and the significant role of pressure groups, animal lovers, and green campaigners can help increase production of eco-friendly commodities and more sustainable patterns of consumption. Consequently, as Stiglitz pointed out, ‘Problem is not with globalization but with how it has been managed.’160 For Sen the Universal Declaration of Human Rights in 1948 is a positive step towards achieving the conditions of a meaningful globalization. For him, globalization is a blessing, not a curse. He refers to East Asia and the recent remarkable reduction in poverty achieved by countries that opened up to global markets and knowledge. For Shapour Rassekh the benefits of globalization surpass its cost. He raised a question that how can we stop the negative attitudes towards an effective and ideal globalization. He argues that in last two decades the focus has been mainly on disadvantages of globalization. He further comments that a meaningful globalization must focus on humanizing it. Hence, for Sen, Stiglitz, Sache, Rassekh and many more there is nothing wrong with the creation and development of globalization, the problem is the negative processes adopted to achieve it. One such negative outcome is the creation of inequality in the society. Quoting the World Commission on Social Dimensions of Globalization, Joseph Stiglitz found that 59% of the world’s people were living in countries with growing inequality, with only 5% in countries with declining

Joseph Stiglitz. Globalism’s Discontents, pp.200-207.

inequality. Even in most of the developed countries, the rich were getting richer while the poor were often not even holding their own. In short, globalization may have helped some countries – GDP may have increased – but it has not helped most of the people in these countries.

We are still facing many more serious challenges in establishing a meaningful globalization. These include elimination of extremes of wealth and poverty, the issue of consumerism, the effective use of human capital, population explosion, the preservation and protection of the ecosystem,

the prevention of child labour, and pursuing a fair international trade. Experts and policy makers are faced with multiple complex challenges for creating a meaningful globalization. World Commission on the Social Dimension of Globalization has condemned the current process of globalization in a sense that the current process of globalization is generating unbalanced outcomes, both between and within countries:

Wealth is being created, but too many countries and people are not sharing in its benefits. They also have little or no voice in shaping the process. Seen through the eyes of the vast majority of women and men, globalization has not met their simple and legitimate aspirations for decent jobs and a better future for their children. Many of them live in the limbo of the informal economy without formal rights and in a swathe of poor countries that subsist precariously on the margins of the global economy. Even in economically successful countries some workers and communities have been adversely affected by globalization. Meanwhile the revolution in global communications heightens awareness of these disparities...these global imbalances are morally

unacceptable and politically unsustainable.161

There is also the danger of moral crisis associated with the current form of globalization such as exclusion, population replacement, and environmental damage. Hence, in the face of such appalling challenges and staggering inequalities, can we say that there is a fair distribution of the benefits of globalization? We are still in the early stages of globalization and according to Sen 'The rapidly expanding interest of the subject has also had an impact on demands of policy reforms'162 by individual countries.

It was argued that one benefit of globalization is creating more employment in developing countries. But, this does not mean that those employed are satisfied with what they are doing. The following story written by Jeffrey Sachs and it is about his visit to Bangladesh confirming this claim:

On one visit to Bangladesh, I picked up an English-language morning newspaper, where I found an extensive insert of interviews with young women working in the garment sector. These stories were poignant, fascinating, and eye-opening. One by one, they recounted the arduous hours, the lack of labour

rights, and the harassment. What was most striking and unexpected about the stories was the repeated affirmation that this work was the greatest opportunity that these women could ever have imagined, and that their employment had changed their lives for the better.163

The self-explanatory character of this story indicates that although the existence of multinational corporations in

World Commission on the Social Dimension of Globalization. A Fair Globalization: Creating Opportunities For All, Geneva: International Labour Office, 2004, p. x.
Amartya Sen. The Idea of Justice, p. 381.
Jeffrey Sachs. The End of Poverty, p. 12.

Bangladesh have changed the material life of these women and perhaps millions more, but in an exploitive and inhuman way.

At this early phase of the process of expanding globalization, both developed and developing countries are affected, and to some extent benefited. Developed countries have often seen developing countries as a source of low-cost raw materials that could be used in manufacturing products. Another advantage to the developed countries is that the reduction in the price of manufactured goods has increased the real income of consumers allowing them to have higher standards of living. This, however, has led to consumerism. On the other hand, while the transfer of manufacturing to the developing world has allowed the developed countries to enjoy cleaner environments, it has simply moved the negative effects of manufacturing, such as pollution, to developing countries.

Hypothetically, globalization is expected to bring unprecedented benefits to all countries, however as Stiglitz argues:
[Globalization] has come to be vilified both in the developed and the developing world. America and Europe see the threat of outsourcing; the developing countries see the advanced industrial countries tilting the global economic regime against them. Those in both see corporate interests being advanced at the expense of other values.164

Henceforth, purely national interests often shape debates on globalization, especially in policy-making circles, whether social, economic, or political. Therefore, discussions of the

subject should be properly broadened to consider all aspects

Joseph Stiglitz. Making Globalization Work, p. 269.

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of global life in a changing world. The process of changing the world is both a reform and a transition. It is useful to define the terms 'transition' and 'reform'. Transition implies the shift from one system to another, for example, currently there is a transition from the 'command economy' to 'free-market economy', taking place by the Eastern European Countries. While, reform implies changes in the existing system, perhaps a more fundamental one, the Bahá'í Writings suggest that the remedy to current socio-politico-economic crisis consists of the removal of the old order and reforming to a new World Order. Bahá'u'lláh states 'Soon will the present day order be rolled up, and a new one be spread out in its stead.' 165 The changes shaping human affairs now indicate that transition into a global society is inevitable. These changes include international activities and cooperation among nations, such as holding international conferences on environment, migration, poverty reduction, and human trafficking. However, a major challenge in this transition for reform is creating conditions for socio-politico-economic fairness among and within the nations of our global community so that humanity as a whole can benefit.

The question therefore arises as to whether humanity is capable of facing the challenges of globalization. From the above discussion, it is evident that the process of globalization has already begun; however, a central view discussed and presented in this work is that social structures are constantly changing and no single economic theory would be always suitable for the whole world. It is argued that humanity has reached a level of understanding and accepting responsibility and is capable of facing the challenges, but a multi-dimensional solution is required.

Bahá'u'lláh. Tablets, p. 163.

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There is also a debate between Bahá'í and non-Bahá'í scholars whether the Bahá'í Faith qualifies as a global religion. There is an agreement among Bahá'í scholars that the Bahá'í Faith is a world religion, a global religion166. Zaid Lundberg in his paper, 'Global Claims, Global Aims: An Analysis of Shoghi Effendi's the World order of Bahá'u'lláh', conveys Shoghi Effendi's perspective on globalization and that he defined the Bahá'í Faith as a 'world

religion.’167 According to Peter Beyer:

> There are now Bahá’í communities all over the world in regions and localities as culturally different as they could possibly be…the Bahá’í Faith is a global phenomenon in the process of constructing a global identity with the aid of universal teachings that apply to the human condition.168

The Bahá’í Faith as a global religion can also be studied and examined by working with religious texts and global principles. There are a number of principles that facilitate the process of achieving a meaningful globalization. James Beckford has noted that in some senses the Faith of Bahá’u’lláh ‘foreshadowed globalization, with its emphasis on the interdependence of all peoples and the need for international institutions of peace, justice and good governance.’169

For an in-depth study of the Bahá’í Faith as a ‘global religion’, see: Seena Fazel, ‘Is the Bahá’í Faith a World Religion?’ Ottawa: Journal of Bahá’í Studies, number 6,1994. Also. See: Moojan Momen. Is the Bahá’í Faith a World Religion?, in Soundings: Essays in Bahá'í Theology, ed. Sen McGlinn (1989).

Zaid Lundberg. ‘Global Claim, Global Aims: An Analysis of Shoghi Effendi’s World Order’, p. 121.

Peter Beyer. The Religious System of Global Society. A sociological Look at Contemporary Religions. 1994, Numen 45, vol. 1: 1-29. Also, quoted in Todd Lawson, Bahá’í globalization, p. 37.

James Beckford, J. ‘Religious movements and Globalization’, in Robin Cohen and Shirin M. Rai (eds.), Global Social Movements, London: The Athlone Press, 2000, pp. 165-219, at p. 175.

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6.9 The Bahá’í World Commonwealth

The phrase ‘Bahá’í World Commonwealth’ is plausibly the closest expression to the concept of ‘globalization’ stated in the Bahá’í Writings.170 The Bahá’í World Commonwealth can be described as representing the final stage in the development of the Bahá’í administrative order and standing on the threshold of the promised Golden Age. Shoghi Effendi has described the relationship between the Bahá’í World Commonwealth and Bahá’í administration in the following words: ‘It stands in its final form as a worthy and Faithful exposition of the constitutional basis of Bahá’í communities in every land, foreshadowing the final emergence of the world Bahá’í Commonwealth of the future.’ 171 Thus, the Bahá’í Writings envisage that humanity, and as a subset

within it the Bahá'í community itself, must undergo a process of development. This comprises both short and long-term developmental plans and activities to understand and fully implement Bahá'í teachings. Short-term plans of action are given to the worldwide Bahá'í community, by the head of the Bahá'í Faith, the Universal House of Justice, the latter ones being called the 'Five Year Plans'. These short-term plans provide guidelines for the progress of the Bahá'í community and its future development.

The significance of Bahá'u'lláh's prescriptions for humanity, it is anticipated, will be realised only gradually over an

The term 'Bahá'í World Commonwealth' has been mentioned in The World Order of Bahá'u'lláh (p. 40, 98, 146,152, 168, 193, 203, 204); in God Passes By
(p. 26, 316); in Advent of Divine Justice of Divine (p. 12); Bahá'í Administration
(p. 135); Promised Day is Come (p. 122); Bahá'í World (vol. XI, p. 138, p. 26);
and Messages to America (p. 81) where Shoghi Effendi talks about welding the society into '... a single, organically-united, unshatterable world commonwealth
...'. Also, the term is used repeatedly in a letter from the Universal House of
Justice dated 27 April 1995.
Shoghi Effendi. Bahá'í Administration, p. 134.

extensive period. Society as a whole is called upon to share in establishing the Bahá'í World Commonwealth, for example, by working towards the unity of all nations; bringing about the 'Lesser Peace172, and striving generally to acquire moral and ethical values. However, it is only during the 'Golden Age'173 of the Bahá'í Faith that the world peace in its truest sense as the 'Most Great Peace'174 will be established.

An important issue to be borne in mind is that the new World Order of Bahá'u'lláh is in an embryonic stage and it is as yet too early to envisage the structure, implications, benefits, and the character of the Bahá'í World Commonwealth. Nevertheless, since the Bahá'í administration is a part of it, we can argue that the process of establishing Bahá'í World Commonwealth has already begun. The components of Bahá'í World Commonwealth referred to in the Bahá'í Writings are summarised by the Bahá'í International Community as follows:
Recognised and secure borders for all nations;
freedom of movement and thought for all people; a

general disarmament; the establishment of a world

The lesser peace will come about through a binding treaty among the nations for the political unification of the world. It will involve the boundaries of every
nation being clearly fixed, the size of their armaments strictly limited, the principles underlying the relationship of governments toward one another definitely laid down, and all international agreements and obligations ascertained.
See: Peace more than an end to war, Compiled by Terrill, Hayes; Richard, Hill; Anne, Scheffer; Anne, Atkinson and Betty, Fisher, Wilmette IL: Bahá'í Publishing Trust, 1986, p. 276.
'The Golden Age of the [Bahá'í] Faith itself that must witness the unification
of all the peoples and nations of the world, the establishment of the Most Great
Peace, the inauguration of the Kingdom of the Father upon earth, the coming of age of the entire human race and the birth of a world civilisation, inspired and
directed by the creative energies released by Bahá'u'lláh's World Order, shining
in its meridian splendour, is still unborn and its glories unsuspected.' See: Shoghi
Effendi, God Passes By, p. 411.
The Most Great peace will be the practical consequence of the spiritualisation of the world and the fusion of all its races, creeds, classes, and nations. Such a
peace will rest on the foundation of, and be preserved by, the ordinances of God.
See: Bahá'u'lláh and the New Era, p. 276.
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federation of nations; the establishment of a world
tribunal for the adjudication of international disputes;
the creation of an international military force capable
of enforcing peace through principles of collective
security; and a commitment to the protection of
cultural diversity.175
These propositions for the Bahá'í World Commonwealth are good illustrations of essentials of a meaningful globalization anticipated in the Bahá'í Writings.

The issue of poverty discussed in several sections of this work. For this part, I will consider briefly how Shoghi Effendi's propositions affect reducing poverty. Referring to the Bahá'í World Commonwealth, he offers a number of propositions, which are essential in dealing with economic imbalances. He states:

The resources of the world will be organized, its sources of raw materials will be tapped and fully utilised, its markets will be coordinated and developed, and the distribution of its products will be equitably regulated...economic barriers and restrictions will be completely abolished. 176

Let us consider some of the main causes of poverty. One of the causes of poverty in the world today is the shortage, or absence, of necessary resources available to the poor. When the world's resources are organized and used effectively, and a greater share is allocated to poor countries, opportunities will be created for them to improve their living standard. Lack of coordination of the world's markets is another cause of poverty. Usually, poverty exists in areas where wealth is concentrated in the hands of the few. In this category, must be included the Multinational Corporations, which originate, and thus control a considerable proportion of the world's

Bahá'í International Community. The Bahá'ís, 2005, p. 82.
Shoghi Effendi. World Order, p. 204.

production of goods and services. When markets are coordinated, and the need for balanced economic growth is recognised, the poor will be better able to promote their own economic development. Another cause of poverty is that the less developed countries have few market opportunities to sell their products. As economic barriers are removed, market conditions are developed, and a fairer and freer form of international trade is practised, poor nations will be able to market their products globally under much more favourable conditions. This situation will certainly improve a lot of those currently deprived of the full benefits of international trade. And finally, one of the major underlying causes of poverty is the lack of proper distribution of the world's resources among all nations in an equitable manner. The above statement of Shoghi Effendi suggests under the Bahá'í World Commonwealth the distribution of products will be equitably regulated. Therefore, the principle of just distribution of the world's resources will be crucial in order to reduce and even eradicate poverty.

6.10 Chapter conclusion

Globalization is defined as the process by which more people across nations become interconnected in different ways. Globalization from an economic perspective is expressed as a borderless market. The view expressed that creating a global society is possible at this time because the means of

interconnectedness of people and nations have been created. These include advanced communication, information technology, trade liberalisation, and global financial interdependency. Some popular statements from the Bahá'í Writings such 'the well-being of mankind,'177 and 'betterment

Bahá'u'lláh. Gleanings, p. 286.
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of the world,'178 and 'We must all be in the greatest happiness and comfort' 179 confirm the Bahá'í vision of globalization. Addressing Bahá'ís the founder of this Faith instructs them to 'Let your vision be world-embracing.'180 To establish such a vision, Bahá'ís not only work to build a community as a model for a meaningful globalization, but also for the common good. For example, there are specific guidelines and instructions for individual Bahá'ís and the Bahá'í community, such as standards for marriage, elimination of all kinds of social and economic prejudices, and consultative methods of decision-making. There are also principles promoting the betterment of the world, such as universal peace, gender equality, and the unity of humankind. This way, Bahá'ís are committed themselves to be a part of the process of forming a meaningful globalization.

However, the current process of globalization does not march forward along a smooth path. It is maintained that there is nothing wrong with the idea or the concept of globalization; the challenges are in the negative processes adopted. For example, the development of the current modelling of globalization has created winners and losers, problems associated with the eco-system, and unbalance growth and expansion of organizations. The most worrying consequence is the widening gap between the rich and the poor. Therefore, this form of globalization is not in agreement with the Bahá'í perspective of creating a sensible global society. Both Bahá'í and non-Bahá'í writers and scholars have suggested that the benefits of globalization should be distributed fairly and justly among citizens of the world. It was also suggested that the current form of globalization needs to be reformed, and

Ibid. Trustworthiness, p. 5.
'Abdu'l-Bahá. Foundation of World Unity, p. 41.
Bahá'u'lláh. Gleanings, p. 94.
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such a reform need to be multi-dimensional. In addition, and on the positive side, it was argued that humanity today has the capacity to combat the challenges of globalization.

The process of capacity building and community building involves a global enterprise of learning. It is a process of action, evaluation, and adjustment, one in which local communities gradually improves their abilities to define, analyse, and meet their own needs. Hence, the process of attaining a meaningful globalization in the Bahá'í community is incorporating development strategies through a combination of bottom-up and top-down planning systems. A substantial amount of decision-making, planning and implementation comes from the grassroots population, with necessary guidelines and technical and financial support from the Bahá'í institutions, such as the Office of Social and Economic Development at the Bahá'í World Centre. In the next chapter, the Bahá'í view on development will be discussed.

Chapter 7: Bahá'í Development Approach: Theory and Practice

Bahá'í worldwide now generally possess a much clearer understanding of the unique Bahá'í approach to development and have gained invaluable experience in developing the art of applying spiritual concepts to the practical challenges of daily life.1
Universal House of Justice

7.1 Introduction

There is a great deal of correlation between globalization and economic development. The two processes are inextricably linked. If we consider Michael Todaro's definition of development as 'The process of improving the quality of life for all'2 then, as Jeffrey Williamson writes, 'It started about the same time as globalization, in the early 19th century.'3 Considering these observations, it can be argued that globalization and development are mainly 19th and 20th century phenomenon and go hand in hand. The question of which one comes first, the response is that globalization requires the means, and the means are attained through developments in such things as advancement in transportation, effective communication, and technological progress. The degree of development, however, depends on the resourcefulness of communities, both physical and intellectual. Development programs are varied from small scale at local communities, to large scale at global level, depends on the resources available to a particular community

Universal House of Justice, The Six Year Plan, summary of achievements, p. 72.
Michael Todaro. Economic Development, p. 739.
Jeffrey Williamson. 'When Did Globalization Begin?' European Review of Economic History, vol. 6:01, April 2002, pp. 23-50, at p. 23.

or to an organization to carry out social and economic development projects. For example, agencies working under the United Nations, and others such as Canadian International Development Agency (CIDA) with substantial resources are able to undertake extensive development projects around the world.

7.2 Office of Social and Economic Development

The accelerated growth of the Bahá'í community worldwide in the 1960s-1980s led to the enrolment of a large number of people in India, Africa, South and Central America. Such rapid expansion for the Bahá'í communities created challenges, as the development required induction and consolidation in the Faith. The process of consolidation needed cooperation among Bahá'í communities worldwide. The development projects were therefore started, supported and reinforced by the Bahá'í communities. Such a process, pursued most notably through a variety of educational activities, received considerable impetus in two separate statements issued by the head of the Bahá'í Faith, the Universal House of Justice. First, in 1983, the historical statement of 20th September asked for 'systematic attention'4 to be given to the above area of activities following the rapid expansion of the Bahá'í community during the 1970s,5 and hence the Office of Social and Economic Development (OSED) was established. Second, a statement issued in September 1993 entitled 'Bahá'í Social and Economic Development: Prospects for the Future.'

The OSED is responsible for coordinating Bahá'í

Universal House of Justice. 'Message dated 20 October 1983,' Haifa: Bahá'í
World Centre Publications, 1983.
Holly Hanson Vick. Social and Economic Development: A Bahá'í Approach, Oxford: George Ronald, 1989, p. 8.

development projects and is an agency of the Universal House of Justice at the Bahá'í World Centre in Haifa, Israel. Some of the responsibilities of the OSED are to provide 'support and guidance'6 to Bahá'ís engaged in development

activities by ‘coordinating the flow of human and financial resources to projects’ 7 and to nurture them by ‘providing general advice, technical and otherwise, in response to the questions that naturally arise in carrying on such endeavours.’ 8 Therefore, the work of OSED according to Universal House of Justice should be organized around its primary purpose to ‘facilitate learning about development by fostering and supporting action, reflection on action, study, consultation, the gathering and systematisation of experience, conceptualisation, and training - all carried out in light of the Teachings of the Faith.’9

7.3 Bahá’í view on development

It is notable that the association of economic viewpoints with religion and development are not new, nor is it restricted to scholars of the 21st century. Scottish philosopher and economist, Adam Smith presented his view of development in his two major publications, the wealth of nations and the theory of moral sentiment, arguing that the way to economic development is increasing production, productivity and the wealth of a nation. Also, German economist, socialist and politician Max Weber put forward his now-famous theory of ‘the Protestant ethic and the spirit of capitalism,’ arguing that economic development in Northern Europe could be explained by developments associated with the ‘Protestant

Office of Social and Economic Development. Haifa: Bahá’í World Centre Publications, 1999.
Ibid.
Ibid.
Ibid.

ethics,’ which was interested in savings and entrepreneurial activity. Hence, economists and philosophers recognise these factors as necessary components of the theories and models associated with sustained economic growth and development.

The universality of Bahá’í development is incorporated and is the basis of Bahá’í inspired social and economic development projects. This indicates that in our increasingly interdependent world, Bahá’í development efforts must be animated by universal values and guided by a vision of the world community. Projects are thus designed to engage and benefit all the members of a community and not only Bahá’ís. This vision is necessary for understanding the concept meaningful globalization. Collabouration with organizations and leaders of thought concerned with social, moral and economic advancement is an important component of Bahá’í

development endeavours. Bahá'u'lláh states 'All human beings have been created to carry forward an ever-advancing civilisation.'10 Consequently, the creation of a prosperous and peaceful global society that promotes individual and community wellbeing is central to the Bahá'í vision of the future, which is incorporated by all economic development activities. It is based on these principles that the Bahá'í development approach is the struggle to learn universal values. This requires engendering a new mind-set in the Bahá'í community, which is already in place through various educational programs for all ages. The existence of more than one thousand social and economic development projects worldwide, with visions such as unity, world citizenship, service to humanity, work as worship, consultation, and putting the grass root population at the centre of activities,

Bahá'u'lláh. Gleanings, p. 215.

will have a positive effect on reforming the current globalization.

According to Bahá'í Writings, religion has been among the most powerful agents for changing human attitudes and behaviour towards development. Religion, has traditionally defined human nature, and our relationship each other and with respect to the environment. Religion, in the Bahá'í view, is 'the cause of development and the animating impulse of all human advancement' [and] 'has been the basis of all civilisation and progress in the history of mankind.' 11 In a number of ways religions are the causes of wealth creation. For example, it advocates moderation, which reduces wastage of resources, and adds to wealth and it promotes for all creatures and plants and the conservation of the earth's resources. Religion also encourages sharing and caring and hence influences wealth redistribution. Many of the important decisions about family, work and savings have been rooted in religious beliefs. Religion emphasises the human resource development that constitutes the ultimate basis for wealth of nations. Religion is the source of hope for the vast majority of the planet's inhabitants. It is, therefore, 'inconceivable that a peaceful and prosperous global society, a society which nourishes a spectacular diversity of cultures and nations, can be established and sustained without directly and substantively involving the world's great religions in its design and support.'12 Social and economic development has been an important part of all religions and the Bahá'í Faith is not an exception. What is significant now is the timing and

geographical implication of Bahá'í development.

'Abdu'l-Bahá. Promulgation, p. 361.
Bahá'í International Community. 'Statement on Sustainable Development,' World Summit on Sustainable Development, Johannesburg, South Africa, August 26, 2002.
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It is the right time for the Bahá'í community to be involved in social and economic development activities on a global scale because as Holly Hanson puts, of the 'strong foundation that has been created over more than half a century of establishing and building a worldwide Bahá'í community (the statement was written in 1989).' 13 The 'global scale' and 'strong foundation' can be interpreted as the establishment of increasing numbers of Local Spiritual Assemblies around the world, which coordinate and direct the activities of the Bahá'í community in villages, towns and cities. Also, the 'global scale' does not refer to the size of projects but to the number of projects. This indicates grassroots involvement in a coordinated fashion while their activities are linked and supported by the Bahá'í administrations at local, national and international levels. The support can be in planning or offering financial assistance if required. Therefore, the vast majority of Bahá'í social and economic development projects are local in nature rather than global. Confirming this the Bahá'í International Community writes:
Most Bahá'í social and economic development efforts are fairly simple activities of fixed duration in which Bahá'ís in villages and towns around the world apply spiritual principles to the problems and challenges faced by their localities. These activities either originate in the Bahá'í communities themselves or are a response to the invitation of other organizations.14

The development projects consist of academic schools dealing with literacy and capacity building. Many others focus on areas such as basic health care, immunisation, substance abuse, childcare, agriculture, the environment, and microenterprise. Workshops and seminars on such themes as

Holly Hanson Vick. Social and Economic Development, p. 8.
Bahá'í International Community. 'Bahá'í Development Projects: A Global
Process of Learning, 1999.
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race unity and the advancement of women are also organized for the whole community. The approach to creating and

operating these projects is distinctively Bahá'í. Many of these programs according to Holly Hanson Vick are 'fairly simple activities of fixed duration in which Bahá'ís in villages and towns around the world apply spiritual principles to the problems and challenges faced in their localities. 15 The approach to creating and operating these projects is distinctively based on Bahá'í teachings. Many projects place emphasis on raising the status of women, and a number of projects seek to serve minority populations that have been discriminated against. Most projects make extensive use of the principle of consultation in an effort to seek input from, and empower, those whom the projects attempt to serve.

In spite of considerable progress in the expansion of development activities in the Bahá'í community, the following two points are of importance. One is that projects are aimed to increase people's self-reliance, communal cooperation, giving access to knowledge, and where possible, removing sources of injustice and prejudices. These are fundamental and necessary for the success of projects in long-term plans. Also, considering that Bahá'í development projects are mainly in areas where poverty and social problems are prevalent, projects that create job opportunities in a short period of time become favourable.

7.4 Features of Bahá'í development

By studying and observing the pattern of activities of Bahá'í development projects around the world, it is possible to identify the following five features.

Holly Hanson Vick. 'Overview of Bahá'í Social and Economic Development,'
Bahá'í World, Vol. 21, 1992-1993, pp. 229-245, at p. 233.
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7.4.1 Material and spiritual coherence

From a Bahá'í perspective, development is an organic process in which 'the spiritual is expressed and carried out in the material.' 16 Therefore, an important feature of Bahá'í development is that it must respond to both material and spiritual needs in a balanced way. The Bahá'í literature considers human beings essentially as spiritual in nature and happiness and well-being will be ideally satisfied if the spiritual aspects of their life is fulfilled and developed alongside the material. 'Abdu'l-Bahá said: 'Although material civilisation is one of the means for the progress of the world of mankind, yet until it becomes combined with divine civilisation, the desired result, which is the felicity of mankind, will not be attained.' 17 Hence, Bahá'í inspired

development projects incorporate this basic requirement.

7.4.2 Universality of Bahá'í development
Another feature of Bahá'í development is that in our increasingly interdependent world, development efforts must be animated by universal values and guided by a vision of the world community. Projects are thus designed to engage and benefit all the members of a community and not only Bahá'ís. Collabouration with organizations and leaders of thought concerned with social, moral and economic advancement is an important component of Bahá'í development endeavours. Bahá'u'lláh states 'All human beings have been created to carry forward an ever-advancing civilisation.' 18 Consequently, the creation of a prosperous and peaceful global society that promotes individual and community well-being is central to the Bahá'í vision of the future, which is

'Abdu'l-Bahá. Paris Talks, p. 9.
'Abdu'l-Bahá. Bahá'í World Faith, p. 289.
Bahá'u'lláh. Gleanings, p. 215.
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incorporated by all economic development activities. It is based on these principles that the Bahá'í development approach is the struggle to learn universal values. This requires engendering a new mind-set in the Bahá'í community, which is already in place through various educational programs for all ages.

7.4.3 Development with the grassroots population
The desire for change must come directly from individuals and communities and cannot be imposed from the outside. An important aspect of Bahá'í development projects is that for the most part, these activities are very simple initiatives that take place at the grassroots level. The activities are used to unlock the creative capabilities of individuals and communities. The form of grassroots initiatives carried out by small groups of individuals in towns and villages has an important effect in the long run. As these initiatives evolve, some grow into more substantial programs with permanent administrative structures. Yet, very few of Bahá'í development projects can be compared with the kind of complex development projects sponsored by government agencies and large multilateral organizations such as Canadian International Development Agency (CIDA). Therefore, the most important successes of Bahá'í development initiatives are qualitative in nature. With an emphasis on grassroots action and evolutionary growth, Bahá'í development projects complement the many other

elements of Bahá'í community life. Development activities are an integral aspect of Bahá'í efforts to create a pattern of living that releases individual potential and simultaneously promotes the collective good. Therefore, the Bahá'í Development approach, is not a product to be delivered by the 'developed' countries to the 'underdeveloped.' Rather, it is a process in which individuals and communities in all parts

of the world, regardless of the degree of their material prosperity, become the principal actors in defining, analysing and solving their own problems.

7.4.4 Education, the focus of Bahá'í development
Learning takes place at all levels and involves all the members of Bahá'í communities, whatever their capacities and experiences. Development of human resources is closely related to learning and building of capacity. Training methods, which foster participation and an open attitude toward learning, principally involve individuals and groups at the grassroots, but can also include professionals and students from other regions and countries. In this way, a worldwide process of learning is encouraged. The classes, and other educational activities offered in increasing numbers by Bahá'í communities around the world, can help to ensure that children grow strong intellectually, morally, and spiritually. The view is that increased prosperity in rural areas of developing countries is mainly possible through the education of rural children. To contribute to their societies effectively, these children require not only acquiring knowledge and skills, but also being acquainted with universal ethical values to develop capability and proficiency. However, the main focus of Bahá'í development projects is not only providing necessary knowledge and education to increase the children's ability to earn financial requirements, but also to improve the quality of life through personality development.

There are numerous examples of Bahá'í inspired social and economic development projects with a systematic approach. By investigating these projects around the world, the indication is that a systematic approach is adopted towards the application of Bahá'í principles towards development. This is a key factor for the success of Bahá'í projects to the

challenges of social and economic development. According to the Bahá'í International Community:
Certain Bahá'í development efforts have achieved the stature of development organizations with relatively

complex programmatic structures and significant spheres of influence. They systematically train human resources and manage a number of lines of action to address problems of local communities and regions in a coordinated, interdisciplinary manner.19

The components for the application of a systematic approach towards development stated before. The Ruhi Institute20 is a good example of a successful Bahá'í Institute Process carried on in a systematic way. In regard to its aim and function, the Universal House of Justice stated:

Thousands upon thousands, embracing the diversity of the entire human family, are engaged in systematic study of the Creative Word in an environment that is at once serious and uplifting. As they strive to apply through a process of action, reflection and consultation the insights thus gained, they see their capacity to serve the Cause rise to new levels.21

These activities have understood and demonstrated that a systematic, deliberate process of study, consultation, action and reflection are essential to the success of any Bahá'í enterprise.

The focus of a considerable number of Bahá'í development projects is closely related to learning and building of capacity. Training methods, which foster participation and an Bahá'í International Community. 'Bahá'í Development Projects: A Global
Process of Learning.'
'Ruhi institute' is based on the concept of the 'training institute'. The Universal
House of Justice in the mid-1990s introduced the 'training institute.' Its purpose is
to assist individuals to deepen their understanding of the Bahá'í teachings, and to
gain the spiritual insights and practical skills they need to carry out the work of
the community.
Universal House of Justice. Ridván Message, 21 April 2008.
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open attitude toward learning, principally involve individuals and groups at the grassroots, but can also include professionals and students from other regions and countries. In this way, a worldwide process of learning is encouraged. The classes, and other educational activities offered in increasing numbers by Bahá'í communities around the world can help to ensure that children grow strong intellectually,

morally, and spiritually. The view is that increased prosperity in rural areas of developing countries is mainly possible through the education of rural children. To contribute to their societies effectively, these children require not only acquiring knowledge and skills, but also for personality development, and to improve the quality of life for themselves, for their families and the community in which they live.

7.4.5 Community building process

Bahá'u'lláh refers to the human being 'as a mine rich in gems of inestimable value'22 and states that the purpose of life and society is to generate creative processes that serve to release those 'gems' of human potential. As individuals begin to cultivate their innate capacities, so the community around them is transformed, and impetus is given to 'an ever-advancing civilization.'23 It is therefore the hope of the Bahá'í community that its current modest efforts in the development field will serve to promote a model of capacity building and community building that results in widespread moral and material advancement. Increased capacity depends on the degree and dimension of the local contributions and participation to the project in terms of human resources, financial aspects and other resources. At this stage of the development of the Bahá'í communities globally, social and

Bahá'u'lláh. Gleanings, p. 259.
Ibid. p. 215.
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economic development Projects are not fully self-sufficient, both financially and in terms of human resources. However, there is a strong local initiative to support the Project.

7.4.6 Collabouration with organizations of the society

Collabouration with organizations and leaders of thought concerned with social, moral and economic advancement is an important component of Bahá'í development endeavours. The founder of this Faith states 'All human beings have been created to carry forward an ever-advancing civilisation.' 24 Consequently, the creation of a prosperous and peaceful global society that promotes individual and community wellbeing is central to the Bahá'í vision of the future, which is incorporated by all economic development activities. It is based on these principles that the Bahá'í development approach is the struggle to learn universal values. This requires engendering a new mind-set in the Bahá'í community, which is already in place through various educational programs for all ages such as 'the Institute Process'.

7.5 Development in practice

The importance of work ethics and sustainable production cannot be appreciated without its practical implications. Here are some possible practical and real-world observations from the Bahá'í community offering the grass root population the means for development and creating a better life for them and the larger community. A number of Bahá'í social and economic development projects in developing countries have incorporated a culture that is explicit about welcoming constant change. The positive attitude for welcoming change is a prerequisite for successful adaptation of appropriate

Bahá'u'lláh. Gleanings, p. 215.

technologies. For example, India hosts a number of Bahá'í inspired socio-economic development projects including Barli Development Institute for Rural Women (Indore), New Era Teacher Training Centre and New Era School (Panchgani, Maharashtra), Rabbani School (Gwalior), Foundation for Advancement of Science (Lucknow), and Rahmanian Foundation in Rajshahi - Bangladesh. These establishments are a few examples that are using small and medium-sized or intermediate technology and organising training programmes designed for people at the grassroots level. They use relatively simple and inexpensive ways to make better use of available resources. The principal behind this is that low-cost modern ways of performing tasks are devised for increasing productivity. The important feature of intermediate technologies is that they are appropriate to the local circumstances in which they are used. The emphasis is on the use of existing skills and resources so that people do not become over-dependent on others. The economic perspective in relation to any community that are using local resources and also appropriate technology and skills learning create more jobs.

The principles of Bahá'í work ethics discussed in chapter two enable individuals and business organizations to create employment opportunity by removing some of the labour market deficiencies. Such opportunities boost earnings and favour all participants. Individuals and families benefit from increased disposable income and hence having a better standard of living. However, the task is not that easy and there are unexpected limitations and challenges such as external shocks that affect the labour force unpleasantly and Bahá'ís are not excluded. The Bahá'í community is not an isolated community and what happens to the whole labour

market will affect the Bahá'ís as well, such as suffering from

unemployment during a period of recession.

7.6 Chapter conclusion

We need to keep in mind that those development agencies such as NGOs (non-governmental organizations) and Faith-based institutions are still in a transition period and there is a need for shaping the form of partnerships between different institutions in the future. The issues of religion are of critical importance in the global agenda and there are many links between religion and development that are complex and diverse. There is a need to continue to work on building stronger partnerships and alliances between development agencies and Faith-based organizations and better understand how the two works together.

Also, for a socio-economic development project to become successful, it must be trusted. The reason many governments fail to attract funding from International Agencies such as 'the World Bank', 'United Nations' and 'Canadian International Development Agency' is the lack of trust and commitment. In looking at overall development assistance for poor countries, the international community wants to make sure that funds are spent in areas in which they are needed. Local governments receiving the funding must show a genuine commitment to allocate resources to a specific requirement. The former director of Development Dialogue on Values and Ethics in the World Bank, Katherine Marshall thinks that the poor work done by governments in certain regions indicates or causes high trust levels for Faith organizations, much higher than for most other institutions such as police, governments, NGOs and politicians. Therefore, if the objective is to work with communities, trust is a critical element, and building on and working with the trust placed in Faith organizations is very important. The

trustworthiness of Bahá'í projects as Faith-based agencies puts them in a strong position to be engaged in community development successfully.

Chapter 8: The Bahá'í Inspired Model of Economic Sustainability

Sustainable development is development that meets the needs of the present without

compromising the ability of the future
generations to meet their own needs.1
(World Commission on Environment and Development)

8.1 Introduction

We must make a distinction between a market economy and a market society. The market economy is a tool to organize economic activities; however, a market society is where almost everything is for sale. Both markets have become a way of life for many where market-thinking dominate every aspect of life. The missing part of this kind of market and lifestyle is the absence of moral values, which must become a part of the process of market thinking.

Therefore, the market is in conflict with itself and with its participants and stakeholders frequently. Conflict and inconsistency lead to the market being unbalanced or reaching a disequilibrium position. Hypothesise of economic theories is achieving maximum gain. In new-classical economics, it is assumed that the interests of owners or shareholders are the most important element. Just as consumers attempt to maximize utility and workers attempt to maximize their rewards from working, shareholders will be motivated solely by maximizing their gain from the company, suppliers are interested to deal with larger companies, and

1 Report from the World Commission on Environment and Development (Brundtland Commission) published in 1987.

government is addicted and dependent on taxes. In all these instances, conflicts of objectives arise in the market, which hinder equilibrium. The reason is that each actor or agent in the market considers one’s own gain, while disregarding the collective interests of the whole; and as long as ‘the spirit of unity, of cooperation and of selfless service’2 is absent in the market, the challenges of the market will not be resolved. Having identified some of the challenges and inconsistencies of the market, the proposition of this chapter is introducing a theoretical description of economic variables as an alternative approach to balancing the market. Without denouncing the role of pricing, the proposition in this model is that by incorporating and embracing moral incentives into the actions and behaviours of the participants of the market, we can reach to a more balanced economy. The model is a simplified representation of the application of Bahá’í teachings on economics in balancing the market in a sustainable way, the eco-well-being.

The process of establishing a balanced market, also, can be challenged. For example, participants in the market represent their own thinking and behavioural patterns, such as the motives of profit maximisation, self-interest, and aggressive competition. The major activities of the market are through the unit of currency as a medium for transaction. When money dominates major aspects of a market, inequality matters a great deal. The marketization of commodities and psychological and misleading advertisements increases the inequality of life. The spiritual principles suggested in this

Shoghi Effendi. Letter written on his behalf dated 10 August 1933. He states: ‘You should not attach much importance to your numerical strength, but should always try to foster among you the spirit of unity, of cooperation and of selfless
service. For these alone constitute the true standard according to which your activities should be judged and estimated.’

model, when applied, balances the focus on monetary values and act as guiding principles to promote a fundamental transformation towards sustainability.

8.2 The rational for the model

The modern market is a complex system of organization. The proponents of the free-market economy claim that the market is self-correcting and consumers and producers know best what to consume and what to produce, and they are behaving rationally, and the market eventually reach equilibrium. Others, on the other hand, argue, the fact that there is high unemployment in some markets, various types of negative externality, underproduction of public goods, the existence of poverty and inequality are indications that the market is not self-correcting. The 2008 global financial crisis led to the entire economic life to have extreme fluctuation. The Universal House of Justice sates, ‘if current approaches to economic life satisfied humanity’s stage of adolescence, they are certainly inadequate for its dawning age of maturity. There is no justification for continuing to perpetuate structures, rules, and systems that manifestly fail to serve the interests of all peoples.’3

Of course, fluctuation in the business cycle of any market is normal, but it is possible to eliminate the extremes. Hence, the argument in this model is that there are growing challenges and problems in the economy that both the market and the government have failed to address. Without denouncing the role of government and the position of the free-market economy and the pricing system, the Bahá’í

inspired model suggests that spiritual principles and moral incentives should become a part of the formula for

Universal House of Justice, Economic Life, 1 March 2017.
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sustainability and achieving equilibrium. The moral incentives are vital for the quality of relationship among the participants of the market.

Alternatively, it would be advantageous to examine the working of the market and to know how it functions under different conditions and see more clearly what is valuable and what is not. For example, markets give consumers a choice of commodities to buy. Clearly this is valuable. However, the choice of commodities on the market does not necessarily reflect what people want to buy, or what is good for society. Market mechanism, according to Joseph Carens 'is simply a social device adopted to serve the goals of the community.'4 Hence, the resources such as land, labour, and capital are justified only if they are beneficial to the community. Also, resource holders such as entrepreneurs have to act in ways that are beneficial to the community. Other issues concern false advertisements, which mislead innocent and more vulnerable customers into purchasing items that they would otherwise not buy. This is clearly wasting resources.

In this model, human activities are closely linked to human values and moral incentives. For example, this model supports the view that our economy cannot be in isolation from nature and human values. As stated by Shoghi Effendi 'We cannot segregate the human heart from the environment outside us.' 5 Sustainability therefore requires that the activities within the market be in harmony with the laws of nature, otherwise we may face severe consequences. This view provides the very basis for a vigorous system of global

Joseph Carens. Equality, Moral Incentives, and the Market – An Essay in Utopian Politico-Economic Theory, The University of Chicago Press, Chicago and London, 1981, p. 189.
Shoghi Effendi. Conservation, p. iii.
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economic system, also suggested by Jeffrey Sachs.
Development ecologist William Rees popularised the concept of the 'ecological footprint', which he defined as 'the impact of a person or community on the environment, expressed as the amount of land required to sustain their use of natural resources.'6 And the Ecological Footprint indicator attempts 'to measure the amount of renewable and nonrenewable

ecologically productive land area that is required to support the resources demands and absorb the waste of a given population or specific activities.'7 He believes that there is a need to have a new, global cultural narrative. He writes:

> We must learn to override our innate expansionist tendencies and abandon our perpetual growth myth. Instead of forcing the environment to conform to our demands we must learn to adapt our expectations to ecological reality. A good start would be a new global cultural narrative that shifts the values of society from competitive individualism, greed, and narrow self-interest, towards community, cooperation, and our collective interest in repairing the earth survival.8

Economic growth for Rees, therefore, is a question of moral judgement and taking account of moral principles when making decisions. According to him increasing human capacity facilitates effective moral decision-making. Expounding on this Rees writes:

> Our most human qualities must prevail – our capacity for reason, our capacity for forward planning, our ability to make moral judgements, our compassion for other people and other species. If we use these qualities in a great expression of collective intelligence on both the local and global scales,

William Rees. Cited in Tom Tietenberg. Environmental And Natural Resource Economics, 9th ed., Pearson Education Inc., 2012, p. 557.
Tom Tietenberg. Environmental And Natural Resource Economics, pp. 557-558.
William Rees. Quoted in Hanley, Eleven, p. 135.
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> humanity can become sustainable.9

Incorporating Rees' views with the Bahá'í thinking, it can be said that in the long run there is a need to limit the growth, regulate the market, pursue a moderate lifestyle, educate children, junior youths and youths to know the purpose of life, and understand the concept of 'world citizenship', creating a culture of moderation in all aspects of life.

How do we get from our present market condition to a more sensible, equitable and sustainable world? The model argue that a one-dimensional solution adopted mainly through monetary instruments would not be effective in dealing with such market inconsistencies. 'Abdu'l-Bahá, states, 'The trouble with our economics [is that] …its system and application have been purely material, instead of material and spiritual.' 10 Hence, the proposition in this model is to

consider a multi-dimensional approach to the market equilibrium and sustainability - monetary and non-monetary. The model suggests a process of ‘adjustment of means of livelihood in human society,’ 11 which requires a change in lifestyle for all participants of the market. The model supports the definition of sustainability and sustainable development stated by the Brundtland Commission of the United Nations. The main component of sustainable development is a development that meets the needs of the present without compromising the ability of the future generations to meet their own needs. 12 Preserving and protecting the eco-system should be added to this definition.

Ibid.
Quoted by Mary Hanford Ford, ‘The Economic Teaching of ‘Abdu’l-Bahá’, Star of the West, vol. viii: 1, 21 March 1917, p. 5.
‘Abdu’l-Bahá. Promulgation, p. 216.
Report from the World Commission on Environment and Development (Brundtland Commission),1987.
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The future generations have the same right to enjoy the benefits of the planet earth as we do.

8.3 Illustration of the model

Figure 1 is an image of the free-market economy. This market is out of balance most of the time. The absence of market equilibrium means that resources including natural, physical, and humans are wasted all the time. Some of the significant problems associated with each part that causing the market to become out of balance includes greed at the stage of needs and wants; the main focus on profit maximization with organizations; some of the products produced are damaging to the environment; unnecessary for living; the market function on the basis of relentless and aggressive competition; distribution is unjust and causing increasing the gap between the rich and the poor; consumption stage is unsustainable and has led to consumerism. The failure of the free-market economy is not without the cost. The current market economy is based on self-interest; power distortion and aggressive competition, and causing negative externalities, increasing the gap between the rich and the poor and the presence of disequilibrium most of the time.

Figure 1: Different stages of the cycle of production in a free-market economy

Figure 2 is the Bahá’í inspired model of economic

sustainability. This is an improvement of the different parts of the cycle of production in a free-market economy based on an understanding of spiritual and material aspects of the cycle of production with unity/oneness as the nucleus. The pillars of the model are the four spiritual principles of moderation, cooperation, consultation and compassion. These pillars provide the foundation and support for the proper functioning of the rest of the model. The next part of the model shows the resources necessary for the smooth functioning of the cycle of production. These are human resources, physical resources, and financial resources. The outer part is the cycle of production, which includes needs and wants, organizations, sustainable production, the market, distributive justice, and sustainable consumption. The close and inseparable connection between unity, spiritual principles, efficiency of resources, and cycle of production is at the heart of this model and captures its meaning and purpose. These

principles are necessary for an effective planning process. For the model to be effective, the entirety of the model must be studied and considered. All parts of this model are complementary and interconnected.

Figure 2: The Bahá'í Inspired Model of Economic Sustainability

8.3.1 Unity/oneness as the nucleus of the model

At the centre of this model is the core principle of unity/oneness of thoughts and actions for maintaining reciprocity and acting responsibly by all participants in the market towards each other. In chapter six section 6.3 a contrast is made between unity and oneness.

By unity in the context of this model means 'the spirit of unity.' Unity, in a sense that people are concerned, interconnected and responsible for the needs of each other, recognise human well-being as a human right, and accept that the suffering of others will affect their own comfort in the long run. Thinking of humanity as one entity, whether it is in a small community or in the wider society, can be effective in resource efficiency. Unity in a sense that one's feeling and thinking is in harmony with one's action. This way of thinking by various participants helps the coordination of various activities in the market and its stability. The success of many economic models and theories are based on the principle of unity. Examples include, comparative advantage, which is two-sided trade and requires harmonious association

between the two parties. The success of a single currency, whether regional or international, is based on unity among member countries. The equilibrium between the supply and demand is best achieved if consumers and producers act towards each other sensibly and conscientiously. In similar fashion, we can apply the concept of ‘the spirit of unity’ to other economic ideas. Unity, therefore, is the nucleus, and a prerequisite for establishing market equilibrium. It is the core principle that acts like a catalyst to create a balance in the market and to maintain it in the long run. Unity acts like a bridge between microeconomics and macroeconomics when the attitude is shifted from individual self-interest to the collective well-being and prosperity of the entire economy. To practice unity requires universal participation by all stakeholders in accepting responsibility and creating and maintaining a balance in using resources. Hence, one of the applications of the principle of unity is to coordinate human, financial, and physical resources in favour of all participants of the market, justly and fairly.

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8.3.2 Spiritual principles of the model

The application and understanding of the working definition of ‘spirituality’ as a ‘unifying agent’ and as a relational mediator, discussed in chapter one is vital for this model. It is defined as the process of unifying, developing and interconnecting our life with the material world, with other people, with our environment, and with the future generations, beyond ourselves. This definition is important for qualitative purposes and also provides measurable meaning to most parts of the model; hence it would be valuable and appealing to social scientists, including economists. A crucial requirement of this model is that it uses moral incentives as a major source of motivation for economic activities. Human, physical and financial resources function more effectively alongside spiritual principles. By ‘moral incentives’ means incentives that is based on the desire to serve society or to perform one’s duty to society.

The conventional view indicates that human values and ethical considerations are on a different level from economic issues of production, distribution and consumption. This view is particularly dominant in the neoclassical model of economics. Expounding on this John Wilson writes that the model of neoclassical ‘portrayed as a purely positive model of behaviour, independent of any normative considerations. It argues that the source of human motivation is rational, self-

interest maximisation.’13 The position of sustainability model is different from the neoclassical model of human behaviour and morality in economic issues. The Bahá’í inspired model of economic sustainability integrate human values with

John Wilson. Cited in Frank Ackermann, ed., Human well-being and economic goals, New York, 1991, p. 23.

economic matters.

The spiritual principles of moderation, compassion, consultation, cooperation is considered vital for the application of the ‘unifying factor’, and for the effective functioning of this model.

8.3.2.1 Moderation

Moderation is a core spiritual principle for this model. Moderation has important implications in economics through resource allocation in the market. If sustainability is about resource efficiency and consideration of other people, the environment and the future generation, then moderation plays a vital role in achieving sustainability. Moderation affects all aspects of the market including lifestyle, the size of business and its expansion and the environment. One important economic objective of moderation expressed in this model is the focus on the elimination of extremes of wealth and poverty.

The practice of moderation in the wider market requires a different mind-set to become a norm and a part of the culture, which must be built on trust. No market can function effectively without the presence of trust among different agents. As market is a place that buyers and sellers come into contact for exchanging commodities, it requires them to be in association with each other. Effective association is based on the element of trust; otherwise, it will be difficult to establish a real connection. But how to build a society based on trust? The proposition is to start in the family unit. From a Bahá’í perspective, the family unit offers an ideal setting within which can be shaped those moral attributes that contribute to an appropriate view about material wealth and its utilisation. This view, of course, can be challenged as not all families

provide an ideal setting to demonstrate trust or other family virtues.

8.3.2.2 Cooperation

The fundamental economic relationship amongst the agents

of the market is one of reciprocal actions, corresponding to the interdependent nature of human beings. The basis of this reciprocal action is an honest and sincere commitment to Faithfully do as has been mutually agreed. The fourth spiritual principle discussed in this model is the importance of cooperation, and this is preferred to competition, which is the current practice in the market. The application of this principle in the market is advantageous to all parties. In the Bahá'í Writings, the principle of cooperation and reciprocity are 'essential properties which are inherent in the unified system of the world of existence.'14 The passage shows the extreme significance of cooperation among all existing creatures, and not just in the market place.

The application of the principle of cooperation would allow smaller businesses to enter or to stay in the market without the fear of bitter and aggressive competition forcing them out of the market. Cooperation, therefore, stimulates enterprise, thereby increasing the level of output and consequently employment, and generating more revenue for government. Also, a consultative method of decision-making suggests that employees are participating in making those decisions that affect their own working life. This system of decision-making is motivating to the workforce and creates in them a sense of belonging to the organization. The result is less wastage, less absenteeism, higher productivity, and more revenue for an organization, all of which are measurable and help in

'Abdu'l-Bahá. Huququ'lláh, p. 21.

achieving organizational objectives such as growth and increased profit. All these factors are quantifiable. Hence, the model of economic sustainability recommends cooperation in competition. Quoting Dodinsky 'Be there for others, but never leave yourself behind.' Here, individual freedom is considered rather than the exclusion of other values.

The argument in favour of cooperation in this model goes beyond the scope of the market and the economy. The emphasis is on the moral facet is that cooperation and not competition is the cause of social activities just as the life of an organism is maintained by cooperation of the various elements of which it is composed. The base of life as 'Abdu'l-Bahá states, is '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.' 15 Farhad Rassekh also

stresses the moral aspect of cooperation and believes that competition, like other aspects of the market, may be conducted morally or immorally. He argues that competing for ‘customer service, quality improvement and innovative products are beneficial, while deceptive and restrictive practices are hurtful to society.’ 16 He, then refers to false advertising as an example of ‘deceptive practice and lobbying the government to control imports as an example of restrictive practice.’17

8.3.2.3 Compassion

Another spiritual basis for this model is the principle of compassion. The use of the analogy of family is particularly

‘Abdu’l-Bahá. Bahá’í World Magazine, vol. 3, p. 154.
Farhad Rassekh. Journal of Bahá’í Studies, vol.11, p. 3, 2001.
Ibid. p. 4.

relevant to elabourate this principle. The family unit lives within the society and is not isolated. Thus, different families have relationships with each other. The comfort of the family unit is dependent on the well-being of the neighbours and many more families in the community. This is important because the principle of compassion effectively works within this unit of society. The family becomes much more sensitive and understanding of the needs of others when they realise that their own comfort is dependent on the well-being and comfort of others. The idea that it is good to be concerned about the welfare of others has been a central theme in many religious traditions. The notion of family is considered here for further analysis of mutual or communal relationship. When we use to analogy of family life, it yields the principle that a mutual or communal orientation is helpful in families and is harmful when interests are dominated by concern for the welfare of self, only. An empirical study done by Wesley Burr, Loren Marks and Randal Day shows that when families show a high interest to the welfare of others, the benefit goes to the entire community. They write:

This principle has several assertions. It asserts that when lifestyles emphasis self so much that it interferes with interest and concern for others, this decreases the probability that family members will find successes in their family life. Also, when the primary concerns are the welfare, goals, and concerns of others, and people do not focus on their own needs, this too is harmful. The probability of successes is highest when people focus primarily on the needs of others but also wisely

attend to their own needs and interests.18

There is a growing scholarly literature that argues for the validity of the analogy of family. Burr, Marks and Day

Wesley Burr, Loren Marks, Randal Day. Sacred Matters: Religion and Spirituality in Families, p. 112.
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conclude that the data is so persuasive that being responsive to others in a non-contingent manner promotes the welfare of others is the most important beneficial process in communal relationships. Applying the principle of compassion to the wider community means looking after our own personal and family comfort and happiness without forgetting the need of others. This view can be developed further through education and better understanding of the concept of 'world citizenship.' The notion of compassion, therefore, has close links with the principle of distributive justice, and sustainable consumption in the cycle of production. Also, there is a close association between compassion and the notion of unity. Compassion and unity are complementary and interdependent. The coexistence of both helps achieving equilibrium in the market smoother and more effective. It helps to overcome all kinds of 'economic prejudices'19, which otherwise may cause conflicts between individuals and business organizations. Unity also motivates us to separate ourselves from bitter competition, ego, and other forms of marketing gimmicks, which cause destruction of valuable resources, allowing us to focus on cooperation and harmonious activities, which would lead to efficiency.

8.3.2.4 Consultation
Consultation is another spiritual principle for effective operation of the model. One of the problems related to sustainable development is the inability of some participants in the market to take a shared view of social, economic, environmental and spiritual factors, and use a collective decision-making process. With the main goal being unity and

Regarding the economic prejudice, it is apparent that whenever the ties between nations become strengthened and the exchange of commodities accelerated, and any economic principle is established in one country, it will ultimately affect the
other countries and universal benefits will result. Then why this prejudice?
See:
'Abdu'l-Bahá. Tablet to the Hague, p. 6.
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coordination of activities in the face of increasingly

interdependent and complex socio-economic and environmental challenges, this model stresses that more mature methods of collective decision-making are now imperative. The proposition is that a consultative method of decision-making helps producers and consumers and other stakeholders of the market carry out an effective planning process. A collective method of decision-making influences all aspects of resource allocation and different stages of the cycle of production in designing, implementing and coordinating the programs that affect all participants. Increasingly, more organizations are learning that by exercising the method of collective decision-making through consultation, and by involving and empowering the workers in the process, the company saves resources. When applied, this method provides an opportunity for each person to contribute to the process of achieving the goals. This in turn influences the relationships and subsequently improves the behaviour of individual members of an organization focussing on environmentally friendly products. Sustainability requires the principle of consultation to be applied not only for creating better working conditions and improving the input-output process, but also indirectly to preserve the ecosystem. Challenges such as environmental issues require global solutions and collective actions, which will be more effective through the application of effective consultation among policy makers. However, there are challenges in the application of effective consultation. People, applying this method must be familiar with the features of an effective method of consulting together.

The principle of cooperation indicates that the fundamental economic relationship amongst the agents of the market is one of reciprocal actions, and the interdependent nature of

human beings. The basis of this reciprocal action is an honest and sincere commitment to faithfully do as has been mutually agreed. In this model, cooperation is preferred to competition, which is the current practice in the market. The application of this principle in the market is advantageous for all participants. The argument in favour of cooperation in this model goes beyond the scope of the market and the economy. Its essential properties are ‘inherent in the unified system of the world of existence.’20 The emphasis is on the moral facet that cooperation and not competition is the cause of social activities just as the life of an organism is maintained by cooperation of the various elements of which it is composed. The basis of life is ‘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.’21

The recognition of the unit of family as the foundation of a greater society means that changes in the family through consultative method of decision-making could be applied to the wider community. Of course, not all families are well informed about the skill of consultation, and not all organizations are familiar with its components for an effective communication. The nonattendance of practicing consultation, however, does not necessarily discard the benefits attached to a democratic and consultative method of decision-making essential for improving the level of communication. When applied, this method provides an opportunity for each person to contribute to the process of achieving the goals. This in turn influences the relationships

‘Abdu’l-Bahá. Huququ’lláh, p. 21.
‘Abdu’l-Bahá. Bahá’í World Magazine, vol. 3, p. 154.

and subsequently improves the behaviour of individual members of an organization.

To summarise, these principles constitute the spiritual foundation of the model. Sustainability requires the exercise of moderation, with consideration and compassion, through the art of consultation, and effective cooperation in all parts of the market. Putting these four spiritual principles together helps to attain an effective planning process for all participants of the market, which is essential to accomplish equilibrium in the cycle of production and achieve sustainability.

The moral aspect of calculation helps the application of spiritual principles. By bringing ourselves to account each day. In a business environment, people’s intellectual capacity to dispassionately calculate the value of commodities is an important part of the development of a meaningful price system. Prices, far from being arbitrary numbers displayed on products, are a critical channel of communication system that guide the creation and allocation of complex production, distribution, and consumption functions. Currently, self-interest is a necessary part of economic calculation. However, situations such as collusion by firms through a number of pricing strategies such as price fixing. A situation that the business lowers the price so much to put competitors of the

market, are damaging to a sustainable market mechanism or to exclude other from the market.

8.4 Human, financial and physical resources

The optimal allocation of resources is essential for the market and the whole economy when considering what to produce, how to produce and for whom to produce. The three major resources are human, financial and physical with great

interdependency between them. Obviously, the combination of the use of various groups of resources depends on the nature and complexity of the business and the whole market.

There is a growing recognition that investment in people is the key to development. Torrington, Hall and Taylor maintain that 'There is a move towards redressing that balance in search for an equilibrium between needs for financial viability and success in the marketplace on the one hand and the need to maximize human capital on the other.'22 In any line of work it is essential to adopt a program of continued training and professional development. This feature is highly valued and encouraged in this model. Companies and the whole market should be concerned with the health and education of the workforce. Thus, the heart of the issue with human resources is the skills-base of the business. Human capital plays a critical role in today's knowledge-based economy and is hence considered as the most valuable resource of a company. To have a viable business the employer obviously requires those who do the work to produce an appropriate and effective performance and the performance, in great part, come from employees. According to Torrington, Hall and Taylor 'it is the efforts and activities of employees which are the basis of competitive advantage for a business.' 23 We may argue that factors of production such as capital and natural resources are inactive; this means if they are left to themselves, nothing would happen. Human resources are the active elements that gather capital, exploit natural resources, establish social and political organizations, produce goods and services, and carry out innovations and other development activities.

Torrington, Hall and Taylor. Human Resource Management, p. 5.
Ibid. p. 6.

Financial resources are concerned with the ability of the business to finance its chosen strategies for investment in new products, distribution channels, and production capacity,

which place great strain on the business finances. Such a strategy needs to be very carefully managed from a financial perspective. Issues that would have financial implications for budgets and cash flow or that are related to the essential plant or machinery required to manufacture products, or processes in need of finance, need to be considered. The financial needs also depend on whether these are very specialised, or are required for short or long term.

8.5 Cycle of production

Using four keys of spiritual principles as the foundation of the model, and three types of resources, we are in a position to construct the rest of the model. The failure of the market could be either because of lack of resources or is associated with problems in different phases of the cycle of production. The understanding and application of spiritual principles provide the much-needed balance between the monetary and non-monetary aspects of the cycle of production.

8.5.1 Needs and wants

Needs and wants are the beginning of most economic activities. What motivates people and can lead to a change of behaviour are their needs and wants, which are determined by the individual and the wider social factors. Once the necessities are identified, then a behaviour pattern will emerge to gratify them. When conflict arises between needs and wants, one's behaviour is affected. However, it should be noted that needs and wants vary at different times in a person's life. Not all needs and wants are important for a person at any one time. People perceive necessities and

luxuries differently at different times in their lives. These also depend on one's personality, the level of income, the type of employment, one's social environment and one's life-style. Essential commodities such as food, clothes and housing, and certain types of services such as health and education that provide for physical, intellectual and spiritual health and development, are basic human rights and most fundamental. Economics is concerned with satisfying needs and wants, but wants are created by society. By changing the value system of society, 'wants' could be modified and the economic system transformed. The aim of this phase of economic sustainability is to attain the greatest satisfaction of needs and wants within the limits of moderation.

There is no set formula for human needs and wants in the Bahá'í Writings and hence for this model. Needs and wants can be divided into essential and non-essential commodities.

Essential commodities such as food, clothes and housing, and certain types of services such as health and education that provide for physical, intellectual and spiritual health and development are basic human rights and most fundamental. One of the most basic human needs is food, which in a number of cases is exploited by some food manufacturers who may not be concerned with nourishing people, but with the objective of increasing profit. Shortage of sufficient food leads to malnutrition. At the same time, the use of over-consumption of foodstuff leads to serious problems such as addiction or obesity.

The success of an organization is in producing commodities that are demanded by consciousness consumers, at the same time contemplating on effective and efficient use of resources. The implementation of spiritual principles of this model inspires consumers and producers to attain the

objectives of sustainability. For 'needs', which are essential for living, the principles of equity and cooperation are helpful. For 'wants', which are non-essential, the principles of moderation and consultation are useful. The primary responsibility of producers is to establish a sustainable input-output process. This indicates that the degree of success and optimum level of sustainability depends on all stages of production, including the extraction of raw materials, conversion processes and the quality of the finished product, and the supply chain.

A number of Bahá'í principles are incorporated in this model to benefit consumers to make informed choices, including: universal and compulsory education, harmony of science and religion, removal of economic prejudices, oneness of the human race, a consultative method of decision-making, and considering moderation. Other factors influencing consumer choice are discussed in chapter four. Contemplation upon these factors can elevate the consciousness of individuals to a higher level and help them become more considerate in using the valuable resources available to them, and at the same time use money more sensibly. Thus, the aim of this phase of economic sustainability is to attain the greatest satisfaction of needs and wants within the limits of moderation. In such an environment, consumer sovereignty is controlled and utility maximisation is adjusted through making the right choices.

8.5.2 Organizations

In the next phase, organizations with different scales of capacity, and at different levels (local, national and

international, or private and public), are created, aiming to satisfy consumers' needs and wants. Organizations, to a great extent, respond to consumer demand. At the same time, using their own innovative ideas, with or without consideration of Economics and the Bahá'í Faith

consumers' actual needs and wants, they create incentives for consumers to buy what is produced or invented. The effectiveness of demand and supply depends on the application of spiritual principles along with consumer education and organizational behaviour. Organizational values are generally associated with areas such as the operation management, human resources, working environment, the culture, the marketing, the financial aspect, and the supply chain. One factor that has contributed to unsustainability of the market is unlimited growth in the size of organizations. Disproportionate expansion of the scale of an organization may become a problem for the market, for the environment, and even a disadvantage to the organization itself. The proposition in this model is that the practice of moderation would limit unlimited expansion of businesses, hence allowing small and medium size businesses to survive. Of course, some types of growth can be limitless and indeed is commendable. For example, the model supports the growth and development of arts, training and education, service to humanity, philanthropic activities, charity and acquiring morality. The reason for approving this type of growth and creating competitiveness is because they are assisting to improve human capability. Also, they are methods and processes of serving humanity, and they are important factors for economic development.

In this model, the important aspect of an organization is its values. Organizational values are attached to areas such as the operation management, human resource, working environment, the culture, the marketing, the financial aspect, and the supply chain. On the positive side organizations, today, use social and ethical responsibility as a tool for competitiveness and expansion. Rosser Reeves called to this aspect of organizational activity as 'unique selling point'.
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This is a part of an organization with specific strength. Being ethical or socially responsible can become the strength of an organization. However, the critical point is if such activities are genuine or it is done by force through influence of pressure groups and the government.

Among organizations that are crucial for the market

development and sustainability are the banking system and insurance companies. These profit driven organizations disproportionately harm the poor and the lower income group. The view here is that the banking system is able to influence the market and maintain a balanced economy by supporting small and medium size enterprise. Banks, as the storage of the fund should provide necessary credit to lower income group to start small businesses, such as ‘micro credit’ programme introduced by the Grameen bank in Bangladesh. The micro credit programme has benefited millions of people and in particular women and their families in the rural areas. The economic empowerment of women can play a key role in the development of an economy and be allowing a country to become an active part of the global economic enterprise. The view, therefore, is that the banks should focus on the social function of money. The model recommends that the banking system should mobilise savings, encourage investment, and act as suppliers of credit and a catalyst to increase output through capital formation. An important aspect of the banking system to become socially responsible is that it should engage in act of service to the community and participates in various poverty alleviation programmes and developmental activities. To facilitate this process of serving the community, and for proper functioning of the market, Bahá’u’lláh has allowed a just and moderate interest rate. He said, ‘as a token of favour towards men We have prescribed that interest on money should be treated like other business transactions

that are current amongst men.’24 needs to be applied in financial transactions. Such a policy creates opportunities where there would be room for entry of small and medium size enterprise. This helps economic growth to boost confidence in the market, and encourages investments. However, the solution to the banking crises is the restoration of trust and confidence among various groups in the market.

8.5.3 Sustainable production

The production stage is a process of transforming resources into valuable output. Two issues are significant when discussing sustainable production. First, the model considers the fundamental purpose as safeguarding the collective interest. Relating this view to production, one can envisage a world where the products can be shared and distributed more evenly among its citizens. Second is the concept of unity among participants of a market, which, along with four fundamentals spiritual principles, are the operating principles and practical requirements for well-being in the market. This

suggests the achievement of a dynamic coherence between the spiritual and practical requirements of life. Therefore, success and effectiveness of an organization is producing commodities that are demanded by conscientious consumers and at the same time contemplating on the effective and efficient use of resources. This requires establishing a sustainable input-output process. This indicates that sustainability would depend on all stages of production, including the extraction of raw materials, conversion processes, the quality of the finished product, and the supply chain. The quality of commodities not only depends on the available resources, including human, financial and physical resources, but also the quality of organizational leadership.

Bahá'u'lláh. Tablets, p.133.
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The emphasis of the model in this stage is on the term 'valuable' commodities. This refers to those products that are in line with human dignity. However, some of the profit driven organizations intend to produce commodities that are not sustainable. Such products are damaging to the environment, and destructive to rare earth resources. According to Bahá'í International Community:
The questions of what is natural and just will need to be critically re-examined…The question of human nature has an important place in the discourse on sustainable consumption and production as it prompts us to re-examine, at the deepest levels, who we are and what our purpose is in life.25

According to John Young and Aaron Sachs sustainability requires 'a shift from today's throw-away culture of convenience and planned obsolescence to an approach that designs products to reduce material use and seeks value in reusable goods.'26 To create demand and stimulate consumers to purchase such products, misleading marketing in planned and false advertisements is imposed on consumers, in particular the more vulnerable ones. The model, therefore, recommends restructuring of organizations by accepting moral leadership while educating the consumer to determine the nature and usefulness of a product.

The quality of commodities not only depends on the available resources, including technology and skilled labour and the

Bahá'í International Community. Contribution to the 18th Session of the United

quality of organizational leadership, but also on the attitude of employees towards work. The model emphasises that ‘Work done in the spirit of service is the highest form of worship.’ This will ensure that everyone performs work with excellence in all stages of production from stage of research and development to the finished product. The term excellence signifies that products are: environmentally welcoming, socially dynamic, economically profitable, and spiritually befitting human dignity. Assuming that consumers are conscientious and, producers are responsible, then such an attitude towards work and the level of production moves the market towards equilibrium. The alternative would be impeding economic sustainability.

8.5.4 The market

The product produced by organizations then enters the market. The model promotes sustainable trade as an effective method for doing business. The benefits are numerous if the markets are developed, organized, managed, and regulated properly. With satisfactory arrangements and adequate structures in place, the market can generate more cooperation among its participants, with greater opportunity for those vulnerable firms entering the market to trade their products in a fair environment. The main economic implication of globalization is that economic activities in different markets around the world have become interrelated and interdependent. Hence, an important aspect of the Bahá’í inspired model of economic sustainability is the interdependency and interconnectedness of the cycle of production to the economic resources by means of spiritual principles and with the aim of uniting humanity. The model suggests several factors necessary for an effective functioning and fair trade in the market. The guiding principles include: removal or reduction of the middleman; a just and moderate

rate of interest to facilitate the growth of small businesses; and a progressive income tax to make wealth and income distribution more effective. Also, a profit-sharing scheme to consider workers as partners rather than just wage earners. Profit sharing may remove the damaging effect that the wage system produces in the market, in particular where the wage is below the market equilibrium wage level.

There are, however, different views as to which group is the main cause of consumer society: consumers or producers? Alan Durning, for example, sees the resolution of the problem of consumer society as a cultural issue. He states that ‘the challenge before humanity is to bring environmental matters under cultural controls.’ 27 Allan Schnaiberg, on the other hand, finds a different approach to this question. Reflecting on whether the creation of the consumer society is driven by consumers or by producers, he comes down strongly on the latter one. According to him, the central fact of a modern industrialised society is that, ‘consumption in the aggregate must be kept high to maintain the economic structure.’28 In his view: American products are designed to accommodate, not the consumer, but the methods of production and distribution and the profit maximisation and market positioning of the producers. The producers have the power to limit consumer sovereignty by creating and directing a culture of wants. According to this view, the solution to the problem of consumer society, therefore, must be found on the production side. A market based on Bahá’í teachings, however, suggests a number of laws and prohibitions that encourage Bahá’ís, consumers and

Alan Durning. ‘Asking How Much Is Enough’, State of the World, New York, 1991, p. 167.
Allan Schnaiberg. ‘The Expansion of Consumption’, The Environment: From Surplus to Scarcity, Oxford University Press, 1980, p. 167.

producers, to use and allocate resources more effectively. For example, banning the production and consumption of those commodities that are harmful to Bahá’ís such as hard drugs and gambling. These items expend a substantial amount of valuable resources that may have alternative usage. Hence, in this model of economic sustainability the responsibility of creating a sustainable market is with both consumers and producers.

8.5.5 Distributive justice

The next phase of the model is the recognition of the need for distributive justice as an effective way for allocation of resources, rather than the one currently used in the market with its consequence of increasing the gap between the rich and the poor. Fairness provides an opportunity for all to enjoy the benefits that are created in the market. The key feature here is to create a positive relationship between distributive justice and human well-being. Though efficiency is important, it is not the only economic goal of the market.

Economic efficiency and fairness should go hand in hand. Thus, the challenge of sustainability is not only consumer education in productivity and market efficiency, but also in the effective distribution of the income and wealth that are created. This model supports the progressive income tax currently practiced in most markets as a method of balancing extremes of wealth and poverty. This involves active participation of government in advancing a more equitable society, which in turn benefits the market. Government intervention is needed to establish legislation for redistribution of income and wealth, for wage determination and the transfer of monetary resources from the rich to the poor. However, the model suggests a combination of legislation and voluntary contribution as methods of eco-justice for the market.

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The existing models such as 'the free-market economy' and 'planned economy' have adopted a different pattern of regulating wealth distribution of income and wealth. In a free-market economy, each person receives income in proportion to his or her productive contribution to the economy. In a planned economy, each person receive income according to needs. The Bahá'í view directs for each person to receive income in proportion to his or her productive contribution to the economy as well as their needs. Thus, the distinguishing factor separating the two systems of 'planned' and 'free-market economy' is the judgement of government in the distribution of resources among members of the society.

8.5.6 Sustainable consumption

The final phase of the cycle of production is sustainable consumption. The relationship between consumption and production is complex and varied, and has changed over time and certainly will continue to do so in the future. Consumption is a necessary aspect of human being, a practice that has constituted an important part of human existence and social life in all societies throughout human history. The advancement in knowledge and technology, and the globalization of affairs, has led to the speed of trade and, hence to a substantial increase in level of output. Such an increase in the level of commodities requires large markets to disperse the products. The Bahá'í International Community considers the transition to sustainable consumption and production as part of a global enterprise which enables all individuals to fulfil their dual purpose, namely to develop their inherent potentialities and to contribute to the betterment of the wider community. In the model of

economic sustainability, therefore, the main focus is on sustainability of both production and consumption. The

rationale in this phase is that the act of consumption should be associated with using products more sensibly, and hence, the cycle of production would repeat itself more safely and in a sustainable way. Since the cycle of production is going to be repeated, acceptable choices become essential for purchasing commodities by those participating in the market. This ensures that sustainable products are entering to the market in the new cycle. Thus, careful planning is necessary at all levels. The consumption expenditure is the largest part in aggregate expenditure in a market. Any change in the pattern of consumption will have important effects on the aggregate demand and supply in the whole market. The components of aggregate demand are factors such as consumer spending, investment, government spending, and international trade, including export and import. Human, financial, and physical resources, on the other hand, will affect aggregate supply in an entire market. Responsible and educated consumers who are practicing moderation affect the aggregate demand. Committed suppliers, who apply trustworthiness and fairness in the working environment, on the other hand, affect the aggregate supply. The application of the spiritual principles of this model influence the effective operation of aggregate demand and aggregate supply. To have an impact on consumer choice, emphasis in this model is on creating a culture of moderation and compassion. The issues of consumerism, consumer society and unsustainable life style could be remedied if participants of the market in general and consumers in particular exercise moderation.

The Consumption expenditure is the largest part in aggregate expenditure in a market. Any change in the pattern of consumption will have important effects on the overall level of demand and supply in a market. The model considers factors such as income and wealth, interest rate, savings, fair

access to loan and credit, and price level as important components of spending power. However, according to this model, the spiritual principles have great effect in making the right choices. Hence, the model considers both monetary and non-monetary factors as important elements for achieving sustainable consumption in the market.

This model supports the view that consumers' choices and preferences can have a great effect in the marketing of

commodities. It is the level of consumer education that would have an effect on aggregate consumption. Consciousness consumers are able to make right choices for utility maximisation within a limit. Consumer behaviour needs to be channelled either through moral acts, or through legislation.

8.6 Analysis of the model

The spiritual principles, although not sufficient by themselves, are necessary for establishing sustainability. Each of these spiritual principles must become so embedded in the individuals' lives, and in society, that applying them would be a norm, a culture, and a way of life. Households in particular, although small in size, can have a large-scale effect on the market. For example, decisions made by a family as to the type of food, the kind of clothes, or the housing condition not only influence production, but also can affect the environment. By being conscientious consumers and producers, even about seemingly insignificant issues, one can facilitate sustainability.

However, the model of economic sustainability may be challenged on a number of areas. For example, the core principle of unity can be challenged because currently there are many obstacles for the transformation of consciousness, such as doubts, misconceptions, prejudices, suspicions and Economics and the Bahá'í Faith

narrow self-interest. Such challenges require the society to 'change its attitudes before a solution to social problems can be found.'29 Hence, based on the practicality of the concept of 'the spirit of unity' for a market, the model is more suitable for smaller communities with specific features asked by the model. In other words, the challenge for the Bahá'í community is that Bahá'ís live in a world where not everybody shares their moral and spiritual principles. Bahá'ís, as part of larger society, face the challenges of attaining a sustainable life-style where there exists an unfair redistribution of wealth and income.

The analogy of family used in this model also requires further consideration. The challenge is that the analogy of family may be too simplistic for the kind of complex markets we are witnessing. The critics of this model may not consider the market as a family unit, as families are more concerned with their own 'flesh and blood' rather than other people's needs and welfare. Therefore, as much as there may be elements of sacrifice, compassion and cooperation within a family, these are not necessarily reflected in the life of the community. However, researchers consider the model of family as the

backbone of the society and as a small unit representing the larger society. There also are a number of scholars who have developed rational arguments for the idea that it is helpful for families to have high interest in the welfare of self and others. Burr, Marks and Day further observe that the principle of family has several assertions. It asserts that when lifestyles emphasis self so much that it interferes with interest and concern for others, this decreases the probability that family members will find successes in their family life. Also, when the primary concerns are the welfare, goals, and concerns of

Universal House of Justice. Statement dated 27 April 1988.

others, and people do not focus on their own needs, this too is harmful. The probability of successes is highest when people focus primarily on the needs of others but also wisely attend to their own needs and interests.30

The model considers consumer education necessary for achieving sustainable consumption in the market, although it is not sufficient in itself. There are other areas that need to be carefully considered. For example, consumer education and the free will for making choice become irrelevant if there is monopoly power in the market, limiting consumer choices. Consumer education becomes irrelevant if the objective is how much to produce without attention to the underlying reason for production. The question the market should consider in the first instance is what to produce rather than how much to produce, as sustainable consumption and sustainable production are complementary. Both groups must be mindful of the effects of their decisions and actions for the present and future generations, and for the environment. The Bahá'í Writings advise Bahá'ís to 'Bring thyself to account each day, ere thou art summoned to a reckoning.' All participants in the market need to check the consequences of their actions. Therefore, being discerning consumers and responsible producers can facilitate and ensure sustainability. Considering the 'why' question principle of economics, the key spiritual principles are beneficial and lead to conscientious consumption and production. The realisation that the material world reflects the spiritual world promotes various components of goods and services that are befitting human dignity. The Universal House of Justice addressing Bahá'ís to make economic decisions that are in accordance with lofty ideals, 'If a new model of community life,

Burr, Marks, Day. Sacred Matters: religion and spirituality in families, p. 112.

patterned on the teachings, is to emerge, must not the company of the faithful demonstrate in their own lives the rectitude of conduct that is one of its most distinguishing features? Every choice a Bahá'í 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.'31

Reliance on moral incentives has been an important element in many models of ideal socio-politico-economic systems. According to specialist in social policy, Peter Lambert 'Contemporary Western social scientists frequently suggest, however, that moral incentives could not be an effective source of motivation for economic activities in large, complex, politico-economic systems, at least in the long run.'32 Based on this view, the judgement is that reliance on income incentives is inevitable for any large, complex system, which seeks to persuade a consistently high level of effort from its members. Examples include the operation of industries such as railways, water, and electricity, which necessitates being large in scale or what is known as natural monopolies. Thus, according to Lambert 'one crucial task for the analysis is to show how moral incentives, in a socio-politico-economic system which relies heavily on the market, could theoretically substitute for income incentives without destroying the ability of the market to function.'33 Political theorist, Joseph Carens argues that 'The term "moral incentives" may suggest a type of motivation which is

Universal House of Justice, statement of 1 March 2017.
Peter Lambert. The Distribution And Redistribution of Income, p. 15.
Ibid.

essentially altruistic. By contrast, income incentives in a market system are often regarded as the archetype of motivation through appeal to self-interest.' 34 The Bahá'í inspired model, however includes moral incentive and material incentive as essential part of the market to function effectively.

Also, the model is more suitable and sustainable in the long run. The spiritual principles need to become a belief system, a way of life, and a part of the culture. Creating a culture in

the market requires a long time. In the short run, given the powerful role of demand characteristics that can occur in a market, the ethical model of sustainability does not have legitimate power to control and regulated the existing market.

Furthermore, the model suggests the need for a combination of quantitative and qualitative factors to achieve sustainability. However, the scales for social desirability and more implicit measurements for ethical and spiritual achievements are not created yet. For instance, in spite of the important role of cooperation in the market, competition plays an important role. Also, the argument can be presented that the market does not support spiritual principles and moral incentives because they are difficult to grasp and cannot be positioned in mathematical diagrams, or it cannot be measured, as people have to think beyond monetary gain. However, my working definition of spirituality is not only important for qualitative purpose, but it also provides measurable meaning to most parts of an economy, and hence would be valuable and appealing to social scientists including economists. The definition contains some elements of measurability. For example, the spiritual principles of

Joseph Carens. Equality, Moral Incentives, and the Market, p. 120.
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compassion, cooperation, consultation, moderation, justice and fairness play vital role for the application of the 'unifying and relational factor', and for the effective functioning of the economy. These principles, although qualitative, can lead to measurable outcomes. Moderation, for example, has important implication in economics through resource allocation. Moderation affects all aspects of the economy in regards to poverty reduction, a limit to growth, waste reduction, budgetary control, cost efficiency, and effective income distribution, all of which are quantitative and measurable. The outcome of these spiritual principles is the effective allocation of resources, so vital for economists and other fields in science. In this sense, spirituality leads to improve the monetary performance, it measures and assesses output, and it becomes the mathematics device of social sciences. As john Maynard Keynes argues: '…economics is a moral science…It deals with introspection and with values.'35
The Universal House of Justice refers to the practicality and measurability of spiritual principles:
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.36

The critics may argue that we need to develop better models, which more accurately represent reality of our world. The response will be that our world today is not found based on the reality of humans. Poverty, aggressiveness, and all kinds of injustices are not supposed to be the reality of human beings. The reality of humans living together in a society should be constructed on principles that harmonize the
John Maynard Keynes. The General Theory, part II, London: Macmillan, 1938.
Universal House of Justice. The Promise of World Peace, part II.
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activities and relationship based on human consciousness by compassion, cooperation, consultation, and moderation to allow happiness and prosperity for all. The level of consciousness and the deep spirit of service and collabouration required transforming individual behaviours and institutional forces in the direction of sustainability will require a transformation of educational processes which involves 'profound changes in the individual as well as 'systematic re-creation of social structures.'

Adjusted economic indicators such as the 'Index of Sustainable Economic Welfare'37 (ISEW) are now available for assessing a country's success in achieving sustainable economic development. ISEW is intended to replace GDP. Gross Domestic Product (GDP) is a measure of economic growth and considers only money value of producing goods and services in a specific period of time. Hence, it is misleading indicator. Adjusted economic indicators are more comprehensive. They are useful because they measure things that raise the quality of life and deduct things that reduce the quality of life such as: environmental damage; defensive expenditures; income inequality; depreciation of natural capital; and value of domestic labour. The fact that indicators are known and sustainability problems are also known, then there is a need for both consumers and producers to make right choices to achieve sustainability. The proposition in this model is that by implementing the spiritual principles of cooperation, compassion, consultation, and moderation, in the entire cycle of production, sustainability will be achieved more smoothly. These adjusted indicators are useful because
The ISEW was originally developed in 1989 by Herman Daly and John Cobb.
According to Cobb and Daly's calculations the external effects of production and

the inequity of income distribution are the main reasons for this development in
which an increase in production does not necessarily lead to an increase in welfare.

they are more comprehensive measures than for example GDP. This helps governments to determine the best policies to pursue to achieve sustainability in the field of economic, social and environmental outcomes of growth to be explicitly measured. For example, higher GDP, which results in pollution and a loss of biodiversity, does not raise economic well-being even though it raises economic activity unless the government introduces a policy to internalize the negative externality. However, adjusted economic indicators are not without problems. The most significant one is regarding difficulties of placing monetary values on for example costs of environmental degradation.

8.7 Chapter conclusion

The development of this model with its suggested components for the cycle of production shown in figure two suggests a smooth process in the creation of a sustainable market. It should, however, be noted that some of the principles of this model are meant for the distant future. The immediate plan, however, should be the education of individuals or groups of individuals that directly or indirectly influence the scale and effectiveness of the market. For example, all professions in the market including: journalism, advertising, insurances, banks, financers and investors must have a clear, professional and ethical code of conduct that its members are required to observe. It is now the time that the system of free-market economy becomes controlled, regulated and even restricted. It is a window of opportunity for the governments, the banking system, the insurance industry and Faith organizations to put the economy back into working order by re-establishing a code of honour in the market. The ideas of this model are available for those who wish to construct, as Stiglitz puts 'a more stable, prosperous,

and equitable economy.'38 This model, therefore, is a means to an end rather than an end in itself. The limitation of the model, however, does not mean that it is not effective for creating a balanced market but it provides an opportunity for others to pursue to improve it.

Joseph Stiglitz. Freefall, p. 274.

Chapter 9: Concluding Remarks

This work attempted to ascertain the relationship between the spirituality, morality and economic teachings of the Bahá’í Faith. The proposition is, that despite the conventional and contemporary economic thinking that economic problems could be resolved through purely economic policies, the current study emphasise the need for spirituality as part of the solution.

The exploration of the Bahá’í sacred scriptures and the research carried out by Bahá’í scholars indicated that the Founders of this Faith did not construct a Bahá’í economic system. As a result, throughout this book the assumption is made that the Bahá’í Faith is a religion and not an economic enterprise. Nevertheless, the central figures of the Bahá’í Faith have provided a number of principles that can be used as guidelines to help future economists to develop the components of a just, universal and flexible economic system. Therefore, in any Bahá’í discourse, researchers should use the phrase ‘Bahá’í economics’ with much caution, as it is not yet fully developed.

The investigation and exploration of the Bahá’í Writings and the role of the Bahá’í Faith in economic behaviour for this work was carried out with a number of prerequisites and assumptions as follows: Religious beliefs are likely to influence the actions and lifestyle of Bahá’ís; this was explored in relation to individuals, the institutions and the community. The contribution of the Bahá’í Faith to the subject of economics is essentially indirect and is mainly

directed to the spiritual solution of economic problems. Economics is considered a means to achieve the end, which is promoting unity of humankind. There is coherence between material and spiritual aspects of life, which suggests that the global economic condition would be more sustainable when these two components are balanced. The Bahá’í teachings should be seen ‘as an organic, logically coherent whole,’ 1 which suggests that Bahá’í teachings are complementary in nature and any Bahá’í discourse should consider the entirety of Bahá’í Writings rather than individual teachings in isolation. Consideration of interdependency of the behaviour of nations from every aspect: social, political, environmental, economic, moral and spiritual, which indicates that nations cannot be self-sufficient completely. The universality of

Bahá'í principles on economics helps to resolve the economic issues, like all other major difficulties facing humanity today, on a world-encompassing scale to safeguard the interests of humanity as a whole. Spirituality is understood and interpreted as 'all-unifying agency,' which is central standard for an effective relationship, however, with different methodology and approaches.

A growing number of economists, philosophers, writers and experts now support the view that moral and spiritual incentives should be part of modern scientific economics. It is maintained that economics, as a social science, and religion are not the same. In other words, they do not generate the same outcome, or have the same effect on people, but the effective partnership of the two entities fosters human well-being. It was argued that religion and economics combined are potent forces for resolving socio-politico-economic

Universal House of Justice. 'Issues Related to Study Compilation', Compiled by
the Research Department of the Universal House of Justice. Haifa: Bahá'í World
Centre Publication, 1992.

problems. On one hand, the Bahá'í literatures advocate gender equality to alleviate poverty and inequality, ending discrimination, creating strong families, and exercising moderation, compassion, honesty, and good character. On the other hand, economic literatures and academic textbooks emphasis the role of saving and capital formation, sound use of money and banking, the specialisation and trade, entrepreneurship, the role of government and legislation, efficient use of resources, equilibrium in price system, and promoting growth. Consequently, the two disciplines of religion and economics together would be able to have greater impact on resolving social, and economic issues.

The findings of this work indicate that although a number of Bahá'í teachings are currently practised at various levels, however, bringing a fundamental change to the life of individuals and the wider society would not be an easy task. To facilitate the process of change and make it more effective and functional, there is a need for a fundamental change in human attitudes towards management of life-style for both poor and rich people including new models of community life. Also, recommendations were made for better understanding of the meaning of prosperity, the significance of wealth, the meaning of happiness, the concept of work and

service, and how Faith organizations can contribute to the development of communities. At this point of the development of the Bahá'í community there is a need to initiate a process of moral and spiritual education as a necessary step for familiarising Bahá'ís with the fundamentals and components of future economic system. Hence, by identifying a number of distinctive Bahá'í principles on economics, this work, hopefully, would be of great assistance to the Bahá'í community.

Concluding Remarks

There are still many challenges that the future researchers need to continue this venture. Shoghi Effendi has identified a number of challenges which human society is facing:

> The recrudescence religious intolerance, of racial animosity, and of patriotic arrogance; the increasing evidences of selfishness, of suspicion, of fear and of fraud; the spread of terrorism, of lawlessness, of drunkenness and of crime; the unquenchable thirst for, and the feverish pursuit after, earthly vanities, riches and pleasures; the weakening of family solidarity; the laxity in parental control; the lapse into luxurious indulgence; the irresponsible attitude towards marriage and the consequent rising tide of divorce; the degeneracy of art and music, the infection of literature, and the corruption of the press.2

Shoghi Effendi considers these challenges as serious threats to humanity, hence suggesting a 'fundamental reconstruction of human society.'3 The Universal House of Justice inspiring Bahá'ís: 'we look to you to foster communities whose ways will give hope to the world.'4

'Abdu'l-Bahá, recommended that the extremes of wealth and poverty needs to be remedied. In 1912 in Paris, he delivered the following talk:

> 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; those who possess several stately palaces, and those who have not where to lay their head. Some we find with numerous courses of costly and dainty food; whilst others can scarce find sufficient crusts to keep them alive. Whilst some are clothed in velvets, furs and fine linen, others have insufficient, poor and thin garments with which to protect them from the cold. 5

Shoghi Effendi. World Order, pp. 187-188.

Ibid. p. 186.
Universal House of Justice. Ridván Message, 2012.
‘Abdu’l-Bahá, Paris Talks, p. 151.
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Hence, for ‘Abdu’l-Bahá ‘This condition of affairs is wrong, and must be remedied.’6 ‘Abdu’l-Bahá asserts that there is a need for ‘an equilibrium of interests’ 7 which requires ‘ readjustment of the social economy…to ensure the stability of the world of humanity.’8 The Bahá’í Writings indicate that the remedy to social and economic crisis consists of the removal of the Old Order and reconstruction of the new World Order. ‘Soon,’ Bahá’u’lláh’s own words proclaim, ‘will the present day Order be rolled up, and a new one be spread out in its stead.’9 The new spirit infused into the whole creation makes the new World Order possible. Furthermore, Shoghi Effendi, in the following statement calls for a fundamental reconstruction of the whole of human society based on unity of humankind:

The principle of the Oneness of Mankind, the pivot round which all the teachings of Bahá’u’lláh revolve, is no mere outburst of ignorant emotionalism or an expression of vague and pious hope. Its appeal is not to be merely identified with a reawakening of the spirit of brotherhood and goodwill among men, nor does it aim solely at the fostering of harmonious cooperation among individual peoples and nations. Its implications are deeper, its claim greater than any which the Prophets of old were allowed to advance. Its message is applicable not only to the individual but concerns itself primarily with the nature of those essential relationships that must bind all the states and nations as members of one human family. It does not constitute merely the enunciation of an ideal but stands inseparably associated with an institution adequate to embody its truth, demonstrate its validity, and perpetuate its influence. It implies an organic change in the structure of present - day society, a change such as the world has not yet experienced. It

Ibid. pp. 156-159.
Ibid. Promulgation, p. 132.
Ibid. p. 182.
Bahá’u’lláh. Gleanings, p. 7.
Concluding Remarks

constitutes a challenge, at once bold and universal, to outworn shibboleths of national creeds - creeds that

have had their day and which must, in the ordinary course of events as shaped and controlled by Providence, give way to a new gospel, fundamentally different from, and infinitely superior to, what the world has already conceived. It calls for no less than the reconstruction and the demilitarization of the whole civilized world, a world organically unified in all the essential aspects of its life, its political machinery, its spiritual aspiration, its trade and finance, its script and language, and yet infinite in the diversity of the national characteristics of its federated units.

It represents the consummation of human evolution - an evolution that has had its earliest beginnings in the birth of family life, its subsequent development in the achievement of tribal solidarity, leading in turn to the constitution of the city-state, and expanding later into the institution of independent and sovereign nations.

The principle of the Oneness of Mankind, as proclaimed by Bahá'u'lláh, carries with it no more and no less than a solemn assertion that attainment to this final stage in this stupendous evolution is not only necessary but inevitable, that its realization is fast approaching, and that nothing short of a power that is born of God can succeed in establishing it.10

Although there are challenges, the Bahá'í community is in a dynamic state of transformation with a culture of learning and with confident facing challenges. This approach promotes the positive transformation of individuals and families into a new generation. However, it depends how this community adjust itself with the challenges of the larger society they are living in it. Therefore, within the Bahá'í community, much importance is placed on strengthening the concept of family

Shoghi Effendi. World Order, pp. 42-43

and its relationship with those outside of the family unit. A better understanding of the significance of marriage and family life helps pave the way. Bahá'í parents and the Bahá'í community endeavour to teach moral values to children. As a result, those values become an intrinsic part of the individual and the life of the society. Thus, it becomes natural for a Bahá'í to respect and care for fellow human beings.

My final thought and reflection are that although a number of Bahá'í teachings on economics are working within this

community and to some extents have already influenced the wider society, the Bahá'í Faith is not yet in a position to fully implement its principles on a large scale. Currently there is no Bahá'í state and the Bahá'í population is small and scattered all over the world. Hence, it is too early to envisage how Bahá'í economic principles will shape and function at a larger scale in the future. The main priority at this time is the application of moral and spiritual principles within the Bahá'í community and to infuse these into the wider society. Bahá'ís all around the world enthusiastically join and work closely with any group or organization that promotes values such as trustworthiness, truthfulness, justice, kindness, and service to humanity. These core values enlighten any economic system, now and in the future.

The increasing complexity of the debate in the fields of economics and religion, however, requires scholarly attempts to create a systematic framework. It is hoped that by arranging and exploring the Bahá'í teachings on economics, this work will contribute to the on-going discussions and research in the Bahá'í community and the academic institutions.

Concluding Remarks

Suggested microeconomic and macroeconomic teachings of the Bahá'í Faith.

Microeconomic teachings of the Bahá'í Faith

At the individual level:
• Work as worship
• Farmers first
• No begging
• No gambling
• The Law of Inheritance
• Education and professional training
• Moderation
At the organizational level:
• Profit sharing
• No strike
• A consultative method of decision making
• Employee-employer relationship
• Wage differential
• Employee's consideration

Macroeconomic teachings of the Bahá'í Faith
At the national level:
• The importance of agriculture
• Control of individual ownership

• Reducing the gap between the rich and the poor
• Progressive income tax
• Welfare economics
• Supporting the minorities (human rights)

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- A justified interest rates
- Laws related to inheritance
- Equality of women and men
- Women empowerment
- Storage of food by local councils
- Universal and compulsory education and training
- The role of government in controlling and organising economic activities

At the international level:

• A world federal system
• A world tribunal
• A world inter-communication system
• A world metropolis
• A world language and script
• A universal system of currency
• A universal system of weight and measure
• Disarmament
• Proper distribution of the earth's resources
• Removal of barriers to international trade
• Environmental consideration11

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Abbreviations
Gleanings = Gleanings from the Writings of Bahá’u’lláh
Tablets = Tablets of Bahá’u’lláh

Aqdas = The Kitáb-i-Aqdas
Foundation = Foundation of World Unity
Promulgation = Promulgation of Universal Peace
Selections = Selections from the Writings of ‘Abdu’l-Bahá
Some = Some Answered Questions
The Secret = The Secret of Divine Civilisation
Advent = Advent of Divine Justice
Directives = Directives from the Guardian
Promised = Promised Day is Come
World Order = World Order of Bahá’u’lláh

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About the author

Hooshmand Badee is an academic economist. He got his PhD from the University of Leeds and York Saint John University in the UK. His Doctorate research title is ‘The Bahá’í teachings on economics and their implications for the Bahá’í community and the wider society.’

He has published several books including The True Foundation of All Economics, a compilation from the Writings of the Bahá’í Faith on economics and related subjects, The Spiritual Solution to Economic Problems, which explains some of the direct and indirect teachings of the Bahá’í Faith on economics, and the Principles of Spiritual Economics, in e-book format. He has delivered talks and presented papers on economics and related subjects in numerous international academic conferences. His idea of ‘Bahá’í inspired model of economic sustainability has become attractive to academic institutions.

Hooshmand Badee worked as a lecturer of economics for over twenty-five years. He was also one of the founders of Carmel High School, a Bahá’í inspired school in St. Vincent in West Indies where he served as its principal for five years. He is currently a faculty member of Wilmette Institute in the USA for an online academic course ‘Economics and the Bahá’í Faith’, and an academic member of an open university in Iran, the Bahá’í Institute for Higher Education (BIHE).

Inspired by the message of the Universal House of Justice in 1983, he got involved in Bahá’í social and economic development projects in Bangladesh as well as later on in

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Saint Vincent and the Grenadines in the West Indies with the aim of putting the grassroots population at the centre of activities.

He married in 1975 with May Derakhshani and together have three children and six grandchildren. He left Iran in 1975 and lived in Bangladesh (1975-1984), Canada (1984-1992), the Island of Saint Vincent and the Grenadines (1992-2001), and the United Kingdom (2001-present).

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