

**Bahá'í Teachings on Economics and Their Implications  
for the Bahá'í Community and the Wider Society**

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The candidate confirms that the work submitted is his own and that appropriate credit has been given where reference has been made to the work of others.

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**Abstract:** The Bahá'í faith has appeared at a time of global social and economic integration and internationalisation of affairs. Therefore, it is timely to carry out a systematic study of the extensive volume of primary writings of the Bahá'í faith on economics and related subjects. This is the focus of this dissertation. This research will further attempt to explore and develop the understanding of Bahá'í writers and scholars on this subject, and systematise them in a fashion that is accessible to academia, and beneficial to the Bahá'ís, the Bahá'í institutions and the wider society. This requires extensive study of primary scriptures and institutional resources of the Bahá'í faith. The discussion will be centered on the Bahá'í belief of *unity* as a core principle and as a prerequisite for improving the material and spiritual life of the Bahá'í community. Consequently, through a holistic approach this research links spiritual principles to the material life of individuals and families. The proposition is that a multi-dimensional solution based on the material and spiritual aspects of life can influence human action and improve people's quality of life. The thesis argues that the role of economics is to attain a good life and the role of religion is to educate and inspire people how to live a good life, hence the assertion is that the Bahá'í faith as a religion and economics as a social science are complementary in their aims and objectives. The two entities as social disciplines would work well together in creating a better-balanced life and prosperous communities. The inspired vision of this thesis is therefore not limited to the Bahá'í community but also applies to the wider society. Without discarding the existing economic systems, models and theories, the proposition is that the exploration, appreciation and understanding of moral and spiritual principles of the Bahá'í faith on economics would be harmonising and beneficial to all.

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## **Chapter 1: Introduction**

### **1.1 Background**

Living amongst both the poorest nations and the wealthiest nations of the world for more than two decades, I witnessed extremes of poverty and wealth.<sup>1</sup> It was clear experiences and observations that such extremes and their effects on people's lives, both on the poor and the rich, are of great significance in understanding and defining 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. As a Bahá'í (insider for this research), 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'<sup>2</sup> 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, and what the Bahá'í writings or approach has to offer to have an impact on the Bahá'í community and the wider society.

### **1.2 The aims and significance of this research**

The principal purpose of this research is to explore the Bahá'í teachings on economics and the way it contributes to the academic discourse, and its impact on

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<sup>1</sup> The author of this research lived in Bangladesh from 1975-1984, and then moved to Canada where he lived from 1984-1991, and subsequently to St. Vincent and the Grenadines from 1991-2001.

<sup>2</sup> 'Abdu'l-Bahá. *Promulgation of Universal Peace*, Compiled by Howard MacNutt, 2<sup>nd</sup> ed., Wilmette IL: Bahá'í Publishing Trust, 1982, p. 237.

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 (chapter 1, section 1.7).

Economics has advanced immensely in last two hundred years and since the publication of *The Wealth of Nations* in 1776 by 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.<sup>3</sup> This is despite strong economic growth that created millions of new jobs. Therefore, the aim of this dissertation 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.

Another significant aim of this dissertation is the proposition that moral incentives ought to be one of the pillars of modern scientific economics. The perception is not that economics, as a social science, 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 forces for resolving socio-politico-economic challenges of our time. On one hand, the Bahá'í literatures advocate ending

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<sup>3</sup> 'United Nations Report'. 16 October 2008, retrieved: <<http://www.un.org/apps/news/story.asp?NewsID=28590&Cr=INCOME&Cr1=ILO#.VHJh90vA5II>>, [accessed: 23 November 2014].

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 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 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.<sup>4</sup>

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

Shoghi Effendi (chapter 1, section 1.7), the Guardian of the Bahá'í faith emphasises the significance of the Bahá'í writings on economics and the need 'to

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<sup>4</sup> Haleh Arbab. 'Significance of the Role of Science and Religion,' electronic correspondence, 15 January 2015.

study the economic teachings in the light of modern problems more thoroughly.<sup>5</sup> The discussion of ‘modern problems’ in this research 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 dissertation. Exploring Bahá’í teachings while there is not yet a significant research on Bahá’í economics makes this research more challenging, and at the same time, original and timely to the Bahá’í community and to academia.

### **1.3 Research questions**

This dissertation 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 asking the following questions:

Is there a role for morality and spirituality in economics? The argument 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 operation of production, distribution and consumption, the three basic principles of economics, and in the process of attaining a meaningful and enlightened

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<sup>5</sup> Shoghi Effendi. ‘Letter dated 11 January 1933,’ quoted in *True Foundation of All Economics*, 3<sup>rd</sup> ed., compiled by Hooshmand Badee, Toronto: Webcom Press, 2000, p. 22.

globalisation. This dissertation, in reference to the Bahá'í writings, suggests a number of moral and spiritual principles for smoother operation of economic principles.

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.

How do 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.

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

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. Also, there is not a specific Bahá'í culture. 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.

#### **1.4 Key words, definitions and concepts**

The proposed title for this research is 'Bahá'í teachings on economics and their implications for the Bahá'í community and the wider society'. The direct key words for this research are: economics, spirituality, Bahá'í community, and wider society. These key words are discussed in this section:

##### **1.4.1 Economics**

The conventional definition of 'economics' has some relevance to this research. 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 16<sup>th</sup> century.<sup>6</sup> If economy is 'the arrangement ... of a general system of organisation,'<sup>7</sup> then economics is the study of the economy. In wider society, the

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<sup>6</sup> *Oxford Dictionary of English*. Oxford: Oxford University Press, 2nd ed., 2005, p. 552.

<sup>7</sup> Universal House of Justice. Haifa: Bahá'í World Centre, letter dated 4 June 2013.



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 (son of Bahá'u'lláh and his successor, see chapter 1, section 1.7) 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 under perfect law.'<sup>8</sup> 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.'<sup>9</sup> In this passage, using the concept of 'household,' 'Abdu'l-Bahá talks about the role of government in establishing legislation for ensuring the well-being is created in an economy.

However, the conventional definition of economics as 'household management' may not be adequate expression for today's world economy and a wider society, which has expanded beyond the world known to the ancient Greeks. 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 production.<sup>10</sup> These resources are, however, inactive by themselves, unless a fourth factor, such as the entrepreneur, uses them effectively

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<sup>8</sup> '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.

<sup>9</sup> Ibid. p. 39.

<sup>10</sup> Paul Krugman, Maurice Obstfeld and Marc Melitz. *International Economics: Theory and Policy*, 9<sup>th</sup> ed., London: Pearson Education International, 2012, p. 81.

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 an economist and leading 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.’<sup>11</sup> Leading development economist Michael Todaro’s definition of economics is also relevant to this research. 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.’<sup>12</sup> These definitions are convenient for this research 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 2), distributive justice (chapter 3) sustainable consumption (chapter 4), and globalisation (chapter 5). Hence, there is relevance between conventional and modern definitions of economics and the Bahá’í perspective on the role of human behaviour in economics. For this research, I consider economics as a social science, but also as ‘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 ‘micro’ and

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<sup>11</sup> Charles Robbins. See: Stephen Ison, *Economics*, 3<sup>rd</sup> ed., London: Pearson Education Limited, 2000, p. 1.

<sup>12</sup> Michael Todaro. *Economic Development in the Third World*, 4<sup>th</sup> ed., London: Longman Publication, 1992, p. 26.

‘macro’ economics’. 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.<sup>13</sup> 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 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 Collaborative, 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

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<sup>13</sup> Paul Krugman and Maurice Obstfeld. *International Economics: Theory and Policy*, 6<sup>th</sup> ed., London: Pearson Education International, 2003, p. 323.

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.’<sup>14</sup> This view, to some extent, is consistent with the Bahá’í view of efforts that inherently nurture the community and respect the natural environment.

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...’<sup>15</sup> stated in 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 7), micro and macro economic 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.

## 1.4.2 Spirituality

The word ‘spiritual’ or ‘spirituality’ constitutes an important and inseparable part

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<sup>14</sup> Marjorie Kelly. Retrieved: <<http://www.marjoriekelly.com>>, [accessed: 4 April 2015].

<sup>15</sup> Shoghi Effendi. ‘Letter dated 25 January 1936’, *American Bahá’í News*, no. 103, p. 2.

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 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.'<sup>16</sup> 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,'<sup>17</sup> 'spiritual enterprise,'<sup>18</sup> 'eco-justice,'<sup>19</sup> and 'spiritual economics.'<sup>20</sup> 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

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<sup>16</sup> William Hatcher. Retrieved: <<http://william.hatcher.org/license>>, [accessed: 7 February 2008].

<sup>17</sup> Shoghi Effendi. *The World Order of Bahá'u'lláh*, Wilmette, IL: Bahá'í Publishing Trust, 2000 [1991], p. 19.

<sup>18</sup> See: Laurence Miller. *Spiritual Enterprise*, Oxford: George Ronald publication, 2007.

<sup>19</sup> 'Eco-Justice'. Retrieved: <<http://www.ecojustice.ca>>, [accessed: 9 January 2015].

<sup>20</sup> See: Eric Butterworth. *Spiritual Economics*, London: Unity Books, 2011.

economics.’<sup>21</sup> 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.<sup>22</sup>

Similarly, a number of existing researchers investigating spirituality have found that spirituality can be viewed as a separate and identifiable concept that is broader than the notion of religion. Academic education specialist, Kirsi Tirri, for example, argues that ‘spirituality must be seen as a wider concept than religion.’<sup>23</sup> Theologian and senior researcher in spirituality David Hay’s view is that ‘Surely the unquestionable assumption that spirituality refers only to religion can’t be right.’<sup>24</sup> These various views suggest that spirituality and religion are separate yet related concepts.

Bahá’í and non-Bahá’í scholars agree with some aspects of defining spirituality and have attempted to reconcile theologians and social scientists 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 ...

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<sup>21</sup> Farhad Rassekh. ‘Clarification of the Relationship Between Economics and Spirituality,’ electronic correspondence, 10 May 2013.

<sup>22</sup> Farhad Rassekh. Electronic correspondence, 10 May 2013.

<sup>23</sup> Kirsi Tirri. ‘Cross-Cultural Study of Preadolescents’ Moral, Religious and Spiritual Questions.’ *British Journal of Religious Education*, vol. 27, no. 3, 2005, pp. 207-214.

<sup>24</sup> David Hay. *Something There: The Biology of The Human Spirit*, London: Darton - Longman, 2006, p. 28.

capacities.’<sup>25</sup> David Hay maintains that ‘Surely the unquestionable assumption that spirituality refers only to religion can’t be right.’<sup>26</sup> Hay refers to a new way of thinking about spirituality that ‘will help us to get beyond the religious/secular or believer/sceptic split.’<sup>27</sup> Also, he 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.’<sup>28</sup> 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.’<sup>29</sup> 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 others. This can have great application in economics in areas such as wealth redistribution, setting-up a business, employee-employer relationships and issues related to the environment. The belief in the ‘higher nature of human being’ has also close correlation with the purpose of life for a Bahá’í. 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.

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<sup>25</sup> William Hatcher. ‘The Concept of Spirituality,’ *Bahá’í World Journal*, vol. 18, 1986, 1979-1983, p. 935.

<sup>26</sup> Hay. *Something There*, p. 28.

<sup>27</sup> Hay. *Something There*, p. 34.

<sup>28</sup> *Ibid.*, p. 28.

<sup>29</sup> ‘Abdu’l-Bahá. *Tablet to August Forel: For the Good of Mankind*, John Paul Vader (ed.), Oxford: George Ronald, 1984, p. 73.

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 dissertation. 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 both 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 attempts to resolve conflicts and divisions, and is concerned with the ultimate purpose of life. This dissertation defines spirituality as: 'The process of unifying, developing and interconnecting our life with the material world, with other people, with our environment, and with the future generation, beyond ourselves.' This working definition of spirituality will be used throughout this dissertation.

This definition is also supported by a number of elements suggested by researchers. It is in agreement with 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 (chapter 7).



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 requires 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 is helping Bahá'ís and the Bahá'í community in appreciating the principle of 'work' (chapter 2) and for undertaking social and economic development programs in rural areas of developing countries (chapter 6). 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. 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. Hence, in this research the term 'eco-justice' and 'eco well-being' 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 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.<sup>30</sup>

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.

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<sup>30</sup> Farzam Arbab. 'The Process of Social Transformation,' *Journal of Baha'i Studies Review*, pp. 9-20, at p 11, 1987.

### **1.4.3 The Bahá'í community**

Every religious organisation has its own ways of community social life guided by a set of criteria such as membership, marriage, divorce and family-life, dead and burial, worship and pilgrimage, and other community events. Some of these topics will be discussed in this dissertation. The Bahá'í community comprises members of the Bahá'í faith from every nationality, race, ethnic group, and religious background across the globe. It has more than seven million followers. They represent 2,112 ethnic and tribal groups and live in over 116,000 localities in 188 independent countries and 45 dependent territories.<sup>31</sup> Such a mixture of people makes the worldwide Bahá'í community a diverse group. The Bahá'í community is not isolating itself from rest of the wider society. The community as a part of its commitment of 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 research.

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

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<sup>31</sup> Bahá'í Statistics. 'Bahá'ís of the World': Retrieved: <<http://info.bahai.org/article-1-6-0-1.html>>, [accessed 12 May 2013].

system of administrative order.<sup>32</sup> Consequently, after the passing of Shoghi Effendi, the Guardian of this faith (chapter 1 section 1.7), 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.<sup>33</sup>

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 21<sup>st</sup> April. The Bahá'í election is theoretically and practically different from the electoral processes currently practised, in 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'í<sup>34</sup> 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

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<sup>32</sup> 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.

<sup>33</sup> Shoghi Effendi. *The World Order of Bahá'u'lláh*, p. 145.

<sup>34</sup> 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.

the perfidious.<sup>35</sup>

The Universal House of Justice (بيت العدل عمومي – *Baytu'l-'Adl-i-'Umúmi*) is a nine-member body elected at five-year intervals by the entire membership of the National Spiritual Assemblies (بيت العدل خصوصي – *Baytu'l-'Adl-i-Khusúsi*). Currently there are 182 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.

Throughout this research, distinctions are 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 (chapter 2, section 2.5.3), universal and compulsory education (chapter 2, section 2.5.4), and the practice of Bahá'í consultative method of decision-making (chapter 2, section 2.5.5). The Bahá'í commonwealth will be the final stage of the Administrative Order leading to the promised Golden Age (chapter 5, section 5.5).

#### **1.4.4 The wider society**

Bahá'ís are instructed to adopt a world-embracing vision. Statements such as 'Be

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<sup>35</sup> Shoghi Effendi. Quoted in *Lights of Guidance*, compiled by Helen Hornby, New Delhi: Bahá'í Publishing Trust, 1988, p. 10.

intent on the betterment of the world...'<sup>36</sup> and 'The well-being of nations'<sup>37</sup> and 'We desire but the good of the world and the happiness of the nations,'<sup>38</sup> clearly indicate that the prophet-founder of the Bahá'í faith is concerned about the well-being of the entire society. Hence, in any academic discussion on socio-political-economic issues, the Bahá'í writers and researchers refer to the global features of Bahá'í teachings. A familiar term in the Bahá'í writings, closely associated with economic problems is the phrase 'divine economy.'<sup>39</sup> The Universal House of Justice, the international governing body of the Bahá'í faith, referring to a letter by Shoghi Effendi, the Guardian, states 'it appears that the Guardian uses the term divine economy not as a reference to a specific system of economics, but to something broader and more general.'<sup>40</sup> In this context, the general system of organisation can be referred to as a holistic or wider society in that all parts of it are interrelated and interconnected, and nothing can be understood in isolation but as a part of the whole system.

Currently the Bahá'í community associates with the wider society in a number of ways. The Bahá'í International Community (BIC) is an independent organisation which is recognised by the UN, and with whom the UN co-operates. 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

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<sup>36</sup> Bahá'u'lláh. Cited in Ebenezer Esslemont, *Bahá'u'lláh and the New Era*, Wilmette IL: Bahá'í Publishing Trust, 1990, p. 133.

<sup>37</sup> 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.

<sup>38</sup> Ibid., Cited in Shoghi Effendi, *Advent of Divine Justice*, New Delhi: Bahá'í Publishing Trust, 1970, p. 31.

<sup>39</sup> For 'Divine Economy', see: Shoghi Effendi, *The World Order of Bahá'u'lláh*, pp. 19-20, at p. 22, p. 24, and p. 61.

<sup>40</sup> Universal House of Justice. Haifa: Bahá'í World Centre Publication, 'letter dated 4 June 2013'.

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 United Nations 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 Organisation (WHO).

As an active non-governmental and non-political member of the United Nations, Bahá'ís are involved in the life of the society by participating in social and economic development in their own communities by supporting local activities such as interfaith groups and creating constructive dialogue to promote religious unity, women empowerment, children, environment and racial equality net works. Also, globally the Office of Social and Economic Development (chapter 6, section 6.2) in Haifa-Israel has a relationship with, and is working with, various NGOs that are working towards the advancement of communities. However, the challenge for the Bahá'í community is its limited financial and human resources and hence these activities are in small scale.

#### **1.4.5 The analogy of the family**

Family is the backbone of the wider society. An important analogy that will be

used in a number of topics in this dissertation 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.’<sup>41</sup> 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.’<sup>42</sup> Hence, just as discipline, organisation, 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.

Thus, the analogy of family is useful in a number of discussions in this dissertation including the view on globalisation (chapter 5), in clarifying the concept of economic sustainability (chapter 7), and in discussing human, capital and financial interdependency (chapter 7, section 7.6). 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.’<sup>43</sup> According to Loudon and Bitta ‘The concept of family or household life cycle has proven very valuable for the marketers, especially for segmentation activities.’<sup>44</sup> This analogy is useful in discussing distributive justice (chapter 3, section 3.2).

The use of the analogy of the family in economic activities is helpful, given the

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<sup>41</sup> ‘Abdu’l-Bahá. *Promulgation of Universal Peace*, p. 36.

<sup>42</sup> ‘Abdu’l-Bahá. *Foundation of World Unity*, p. 41.

<sup>43</sup> Universal House of Justice. ‘Statement addressed to the Bahá’ís of Iran,’ 2 April 2010, *The UK Bahá’í News*, May 2010.

<sup>44</sup> David Loudon, and Albert Della Bitta. *Consumer Behaviour: Concepts and Applications*, 4<sup>th</sup> ed., London: MaGraw-Hill International Edition, 1993, p. 223.



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 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.<sup>45</sup>

The Bahá'í view suggests that 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.

## **1.5 Methodology**

The exploration of Bahá'í teachings on economics is carried out through four broad categories of sustainable production, distributive justice, sustainable consumption, and globalisation. In addition, a field trip to Bangladesh was undertaken to observe the visible contribution of a Bahá'í community to the development of rural population. 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

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<sup>45</sup> Wesley Burr, Loren Marks and Randal Day. *Sacred Matters: Religion and Spirituality in Families*, London: Taylor and Francis group, 2012, p. 112.

groupings.

The methodology implemented, explores the relationship between religion and the social and organisational sciences based on an assertion by the prophet-founder of the Bahá'í faith, Bahá'u'lláh, that 'human beings are spiritual by nature.' The challenge of this research is that the interpretation of the Bahá'í laws are prohibited and I as an insider have certain limitation in interpretations of the Laws. This, however, does not include the interpretation of social and economic teachings such as moderation and human well-being, equity and equality, taxation and expenditures, wealth creation and poverty eradication.

For the principal research methodology, it should be stated once again that the theme of this research is the exploration Bahá'í teachings on economics and their implications for the Bahá'í community and the wider society. Therefore, 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 faith, Shoghi Effendi, and the International Governing Body, the Universal House of Justice allow to construct a framework for such a methodology. It is the relationship of these writings which I find attractive and which will enable me to draw a range of strands in my research together into a coherent whole. The ideal methodology for this research is, therefore, a combination of observation, theoretical investigation along with positive and constructive critical thinking.

Religious methodology, however, should be distinguished from scientific methodology. Scientists have the advantage of gathering data through performing

various experiments. This leads to acquiring measurable information necessary for analytical purpose. However, according to Bahá'í scholar Moojan Momen<sup>46</sup> 'in religious studies minimal empirical studies are possible and much of the data collected is unreliable.'<sup>47</sup> He, therefore, suggest a holistic approach to be implemented as a Bahá'í methodology, which as stated above could be a combination of literature review, observation, critical thinking and logical conclusion. 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 resources on relevant topics are incorporated into the main body of this research 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 in this research. The following statement from the Universal House of Justices addressed to the candidate this research is a guide for appropriate terminologies that need to be used in any academic research using Bahá'í writings:

The Writings of the Báb and Bahá'u'lláh are Divine  
Revelation, the Word of God, and together with the

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<sup>46</sup> Moojan Momen has contributed to the *Encyclopedia of the Modern Islamic World* and the *Encyclopedia Iranica*, and has had papers published in various academic journals, including the *International Journal of Middle Eastern Studies, Past and Present, and Iran and Religion*, no. 15, 1983, pp. 157-183, at 159, Retrieved: <[http://bahaikipedia.org/Moojan\\_Momen](http://bahaikipedia.org/Moojan_Momen)>, [accessed: 23 February 2015].

<sup>47</sup> Momen. 'Methodology of Studying Religion,' *Journal of Bahá'í Studies Review*, vol. 1, no. 1, 1991, pp. 40-53, at p. 44.

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].<sup>48</sup>

This approach will be used for the organisation of this research 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 specific topic, and subsequently they are explained, analysed, compared, and interpreted, with consideration of challenges facing researchers in Bahá’í discourse. 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’ handwritings 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). The Research Department of the Universal House of Justice is continually engaged in further translations, and has been very supportive and cooperative in providing the original writings needed and assisted in the translation of a number of original quotes from the Persian language into English. In addition, I have received necessary guidance on a number of subjects pertinent

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<sup>48</sup> Universal House of Justice. ‘Bahá’í Terminology for Research Purpose,’ 11 November 2014, electronic correspondence to the author of this research.

to this research from four departments at the Bahá'í World Centre with Department of the Secretariat of the Universal House of Justice, the Research Department, the Office of Social and Economic Development, and the Office of Huqúqu'lláh (chapter 3, section 3.7.6).

The state of the candidate of this research as an insider also has an effect on the choice of a methodology. Theologian Ross Reat suggests the following classification for insider and outsider for academic purpose:

Every religious tradition, by its very existence and regardless of its claims to universality, divides the world into two sets: insiders of the tradition and outsiders to the tradition. Thus, broadly speaking, information about religions may be transmitted through four channels: (1) insider-to-insider, (2) insider-to-outsider, (3) outsider-to-outsider, and (4) outsider-to-insider.<sup>49</sup>

This kind of classification is appropriate for religious educations and in particular researching comparative religious studies. The current research however, is not a comparative religious study, and since the candidate of this research is a Bahá'í, an insider-to-insider method works well for the title of this research. This approach forms the basis for the methodology adequate to the academic purpose. Likewise, as there is no room for the Bahá'í faith to have different denominations or traditions, the emphasis of an insider would be on the Bahá'í community as a single entity.

Misrepresentations of the Bahá'í writings by an outsider channel are possible. An

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<sup>49</sup> Ross Reat. 'Insiders and Outsiders in the Study of Religious Traditions,' *Journal of the American Academy of Religion*, vol. 51, no. 3, September 1983, pp. 459-476, at 463.

outsider may unintentionally misinterpret the writings due to lack of sufficient knowledge, information and experience about the Bahá'í faith. Ross Reat refers to 'faith' and 'belief' as essential components of true presentation of religious views. He makes a distinction between 'faith' and 'belief'. According to him '...though one's insider-ship may be culturally determined, the more important criterion is having a faith.' In light of this discussion and a recent work of Wilfred Cantwell Smith (1977; 1979), Reat writes,

It is well to define the term 'belief' as it is used here, and to differentiate it from 'faith,' since Smith suggests that 'belief' may be an inappropriate term in the religious context and should be replaced by 'faith.' Here, belief certainly does not mean thinking something is true without being able to prove it. Instead, 'belief' involves sincere assent to certain fundamental, life-guiding propositions, with or without doubts.<sup>50</sup>

Paul Tillich has provided perhaps the most satisfactory definition of the insider. The insider is, in Tillich's terms, '...one who has an 'ultimate concern', which is shared with others, and one who has adopted an approach to that concern, which is also shared with others.'<sup>51</sup> According to this view, neither the shared 'ultimate concern' nor the shared approach need necessarily be religious which is precisely the method adopted for this research. Consequently, care is taken in presenting the Bahá'í resources in a way that is acceptable to the academia, with a degree of critical analysis of Bahá'í teachings.

Another challenge in this research is the shortage of scholarly written materials for an in-depth discussion of certain topics. This was resolved through face-to-face interviews and electronic correspondence with Bahá'í institutions and

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<sup>50</sup> Reat. *Journal of the American Academy of Religion*, p. 29.

<sup>51</sup> Paul Tillich. Quoted in Reat, *Journal of the American Academy of Religion*, p. 29.

individual Bahá'í and non-Bahá'í scholars and writers. The face-to-face interviews took place with necessary arrangements and preparations such as the particulars of a topic to discuss, and a place to meet. Questions raised for such interviews were in areas that needed more clarification or in depth discussion of those topics related to this research. Examples include: Meeting with the office of Huqúqu'lláh at the Bahá'í World Centre (April 2009) for clarification of the law of Huqúqu'lláh in relation to principle of taxation. Also meeting with the Office of Social and Economic Development at the Bahá'í World Centre (April 2009) to discuss the selection of a social and economic development project for this dissertation.

Two face-to-face interviews were carried out with prominent Bahá'í scholar Shapour Rassekh in London on 28 December 2008, and in Chicago on 20 August 2013, seeking his views about the grouping of Bahá'í teachings on economics. He suggested the grouping to be based on microeconomics and macroeconomics. The type of grouping used in this research, although includes the above concepts, introduces somewhat different terminologies that are close to the style of Bahá'í writings. According to Rassekh, Bahá'ís should be cautious not to create a separate Bahá'í economic system at this time. Vahid Ra'afati, the director of the Research Department of the Universal House of Justice was also interviewed in London on 27 December 2010, asking his views about creating a Bahá'í model for this research. Like Rassekh, Ra'afati's view was that the Bahá'í faith is not an economic system and the development of models on Bahá'í discourse should not be referred to as Bahá'í model, rather they should be in the name of researchers developing the model. Hence, it should be emphasised that in chapter 7 of this



dissertation, the model proposed is a Bahá'í inspired model rather than a Bahá'í model. The Bahá'í scholar Mark Hellaby was interviewed on three occasions in 2013-2015. Issues that needed more critical discussion on a number of Bahá'í teachings such as the practical application of unity and gender equality were discussed with him. He was also contacted through electronic correspondence on four occasions to enquire about transliteration of original Persian and Arabic terms in Bahá'í scriptures. Electronic communications were also carried out with Bahá'í scholar Farhad Rassekh on ten separate occasions discussing and enquiring his comments on a number of topics relevant to this research. His view on the concept of spirituality and secular thinking is in agreement with other scholars such Hatcher and Dahl. Bahá'í scholar Ian Kluge was contacted through electronic correspondence regarding his views on the concepts of morality and spirituality. Two interviews were conducted with Jabbar Eidelkhani, the director of 'Rahmanian Foundation,' a Bahá'í inspired social and economic development project in Rajshahi, Bangladesh. Among non-Bahá'í scholars, Mohammad Yunus, a successful entrepreneur and the Nobel Prize Laureate from Bangladesh was interviewed in Dhaka, Bangladesh on 12 March 2012. His views about the role of 'Micro Credit' in reducing poverty in Bangladesh and helping families; on the role of education, family, and human rights on economic development and poverty reduction greatly assisted this research. Two interviews were conducted with professor Julian Stern, professor of theology at York St. John University seeking his views about developing a working definition for spirituality for this research.

In addition, a field trip is made to investigate a Bahá'í social and economic

development project in Bangladesh established in 1999 through the self-initiative of individual Bahá'ís with extensive collaboration of the Bahá'í community of Rajshahi in North of Bangladesh. The aim of the project is the upliftment of rural and tribal children aged 11-16 living in small communities of Bangladesh who have no or little prospect for education. The method employed for this field research is a combination of literature review, observation and interviews. Interviews took place within the school with the members of staff and with the director of the project (chapter 6, section 6.5.1).

## **1.6 Literature review**

Although there have been numerous scholarly research material in various areas of the Bahá'í faith, there has not been sufficient scholarly research papers on the subject of economics. Furthermore, since the Bahá'í faith is one of the latest religions (chapter 1, section 1.7), its resources would mainly include those written and published by the Bahá'í authors, by the Bahá'í institutions, by associations for Bahá'í studies, and by a number of non-Bahá'í writers and scholars, however limited. The literature review for doing this work or for any Bahá'í discourse requires introducing the writings of the central figures of the Bahá'í faith on various subjects.

The writings of Bahá'u'lláh specific on the subject of economics are not found in one book and require studying a number of his works. Some of the frequently used writings of Bahá'u'lláh for this research include: *The Kitáb-i-Aqdas*, *Tablets of Bahá'u'lláh*, *Hidden Words*, and *Gleanings from the Writings of Bahá'u'lláh*. Shoghi Effendi regarded *The Kitáb-i-Aqdas* (کتاب مستطاب اقدس) ‘...as the Mother

Book of His Dispensation, and the Charter of His new World Order.’<sup>52</sup> *The Kitáb-i-Aqdas* (1973) is regarded as the book of laws, however, Bahá’u’lláh covers many issues such as the Bahá’í institutions of the future, exhorting his followers to moral and spiritual laws, as well as those laws that would have direct bearing on economics, like the law inheritance (chapter 3, section 3.7.5), the law of Huqúqu’lláh or the Right of God (chapter 3, section 3.7.6), and the Bahá’í work ethics (chapter 2 section 2.4). Bahá’u’lláh mentioned the laws briefly and left their explanations and interpretations to his successors. Subsequently, ‘Abdu’l-Bahá and Shoghi Effendi expanded on many of these laws. Any further interpretation of the laws of *The Kitáb-i-Aqdas* is banned. Passages from *The Kitáb-i-Aqdas* are used frequently in this thesis. *The Tablets of Bahá’u’lláh* was published in 1978 under the supervision of the Universal House of Justice. It contains selected tablets of Bahá’u’lláh revealed after *The Kitáb-i-Aqdas*. Some of these tablets contain laws and exhortations related to various subjects that have directly or indirectly influenced various discussions of this research. Examples include the importance of education and training (chapter 2, section 2.5.4), and giving to charity (chapter 2, sections 2.5.2). Another major compilation from the writings of Bahá’u’lláh, which was prepared by Shoghi Effendi, is *Gleanings from the Writings of Bahá’u’lláh*. This is a collection of selected writings and extracts from the writings of Bahá’u’lláh, which was first published in 1935. The passages come from a range of Bahá’u’lláh’s writings from around 1853 to 1892, which are of profound and significant value in better understanding of the central beliefs of the Bahá’ís and a glimpse of the writings of Bahá’u’lláh as they cover many spiritual and social teachings of the faith. Another writing of Bahá’u’lláh frequently used

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<sup>52</sup> Shoghi Effendi. *God Passes By*, Wilmette IL: Bahá’í Publishing Trust, 1987, p. 213.

in this research is *The Hidden Words*. Topics related to wealth and poverty, and number of issues linked to moral and spiritual aspects of economics is found in this popular writing of the founder of this faith. All these books are translated into English language and easily accessible for this research. It is important to note that some of the writings of Bahá'u'lláh are addressed directly to Bahá'ís, which usually begins with 'O people of Bahá,' and some are addressed to the entire humanity.

In similar fashion the writings of 'Abdu'l-Bahá's that are directly or indirectly related to the subject of economics are scattered in several books such as *The Secret of Divine Civilisation*, *The Promulgation of Universal Peace*, and *Paris Talks*. *The Secret of Divine Civilisation* was written in 1875, where he addressed the king and the people of Iran (Persia). Although the contents of this book are addressed to the people of Iran, they are relevant and can be applied to any developing country. In this book 'Abdu'l-Bahá discusses the elements of material, social and spiritual progress and encourages the king and the people of Iran to form a 'just government', establish 'equity and be righteous,'<sup>53</sup> discussing different components of creating true happiness, the importance of wealth creation and the use of modern technology, and he illustrates the path of how to advance materially by for example referring to economic growth of Japan. As it is clear from these topics and many others, the contents of this book have greatly influenced this thesis. *The Promulgation of Universal Peace* is a collection of 140 talks given by 'Abdu'l-Bahá during his extensive tour of North America in 1912.

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<sup>53</sup> 'Abdu'l-Bahá. *The Secret of Divine Civilisation*, Wilmette IL: Bahá'í Publishing Trust, 1990, p. 11.

Similarly, *Paris Talk* is a collection of ‘Abdu’l-Bahá’s talks delivered during his tour of Europe between 1911-1913. Both books, *The Promulgation of Universal Peace* and *Paris Talk*, are compilations that touch on a wide range of subjects related directly or indirectly to economics and thus to this research, including gender equality, universal peace, universal and compulsory education, abolition of prejudices of all kinds, the need for a universal language, and the spiritual solution to economic problems. Several other writings of ‘Abdu’l-Bahá are used in this research. A popular and philosophical book of ‘Abdu’l-Bahá used in this research is *Some Answered Questions*. This book was particularly useful for discussing employee-employer relationship and wage determination. Other writings of ‘Abdu’l-Bahá used in a variety of subjects include *Selections from the Writings of ‘Abdu’l-Bahá*, *Foundation of World Unity*, and *The Will and Testament of ‘Abdu’l-Bahá*.

Among the writings of Shoghi Effendi is *The World Order of Bahá’u’lláh*. This is a collection of some of the letters and messages from Shoghi Effendi to the Bahá’ís around the world, first published in 1938. These letters present his clear vision of the relationship between the Bahá’í community and the process of social and economic development in the dispensation of Bahá’u’lláh. *The World Order of Bahá’u’lláh* is an important Bahá’í resource that has inspired a number of discussions in this thesis as the topics on the Bahá’í World Commonwealth, the world government, and a number of characteristics of Bahá’í economics are mainly elaborated in this book. This book is also of significant value in Bahá’í administrative system. Thus, the three important parts of this thesis in relation to moral, social, and economics are found in this work of Shoghi Effendi. Other

books quoted from Shoghi Effendi include *the Advent of Divine Justice*, *Directives from the Guardian (a compilation)*, *God Passes By*, *Messages to America*, and *Promised Day is Come*.

The writings and messages of the Universal House of Justice, the supreme governing council of the Bahá'í faith include statements, messages, and letters to the Bahá'í institutions and individual Bahá'ís. A number of documents issued at the Bahá'í World Centre are of special interest to this research. These include the 'Ridván messages' produced every year for the period. Ridván (رضوان) - meaning paradise – is referred to a period of 12 days, 21 April to 2 May, during which Bahá'u'lláh declared his mission publicly for the first time.<sup>54</sup> The first day of Ridván is significant as it is the beginning of the Bahá'í administrative year. In their Ridván messages to the Bahá'í world, the Universal House of Justice highlight the development of the Bahá'í community in the previous year, while setting its future goals. These messages are of especial import because they include up to date information that are vital for this research. Other issues discussed in these messages include the state of social and economic development of the Bahá'í community in particular, and the wider society in general; the human rights issues; the plan for the establishment of new Bahá'í Houses of Worship; and the situation of the Bahá'í fund for the maintenance of the Bahá'í world Centre and Houses of Worship. References are also used from other messages of the Universal House of Justice such as 'Five Year Plans'. These

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<sup>54</sup>The Festival of Ridván [Paradise] (20 April-2 May) is the greatest festival for Bahá'ís, it not only has spiritual significance, but it is also a time for the re-election of the Bahá'í institutions. Also see: 'Sacred Acts, Sacred Space, Sacred Time,' *Bahá'í Studies*, vol. 1, Oxford: George Ronald, 1995.

short-term plans provide guidelines for the progress of the Bahá'í community and its future development. These documents provide up-to-date, accurate, and specific information about the Bahá'í community, which is immensely useful for this research. In particular, two documents are of especial significance about the Bahá'í perspective on development (chapter 6).

In addition to the above literatures, the documents and statements of the Bahá'í International Community are used for a number of discussions. Among them is a statement called *The Prosperity of Humankind* (1995). Like Jeffrey Sachs, Joseph Stiglitz and Amartya Sen, this document asserts the need to 'reshape all the institutions of society' in order to 'accelerate humanity's coming-of-age.' The three statements 'Eradicating Poverty: Moving Forward as One' (2008), 'Religious Values and measurement of poverty and prosperity' (1999), and 'Human Rights and Extreme Poverty' (1993), are used for discussing poverty alleviation and income inequality from a Bahá'í perspective. The views expressed in these statements are echoed with many contemporary socio-politico-economic leaders, experts and academia around the world.<sup>55</sup>

The views of three notable Bahá'í scholars are significant for this research:

William Hatcher (1935-2005) is a specialist in the philosophical interpenetration of science and religion. He held, for over forty years, university positions and lectured widely in North America, Europe, and Russia. He wrote and published

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<sup>55</sup> Other documents prepared by the Bahá'í International Community and suitable for this research includes, 2010 statement, 'Rethinking prosperity: Forging Alternatives to a culture of consumerism.' This document is useful in a number of discussions linked to consumerism, sustainability, and spiritual principles of economics from a Bahá'í perspective. Also, 1993 statement, 'World Citizenship: A Global Ethic for Sustainable Development.' Retrieved: <[http://bahai-library.com/william\\_hatcher\\_bio](http://bahai-library.com/william_hatcher_bio)>, [accessed: 12 January 2015].

more than 100 scholarly papers in English and French on subjects such as the concept of spirituality, science and religion, Marxism, economics and the Bahá'í faith, and universal values such as fairness and trustworthiness. His views and writings on issues such as the concept of spirituality from a Bahá'í perspective, and on various topics related to economics, have greatly assisted this research. Although he made significant contributions to the fields of mathematics and philosophy, he is perhaps best known for developing new ideas on the perception of spirituality and logical proof of the existence of God.<sup>56</sup> Unlike those contemporary economists such as the founder of 'monetarism', Milton Friedman who see monetary solution as the main approach to solve economic problems, Hatcher believes that monetary policies will be more effective if accompanied by moral incentives and spiritual principles. Inspired by the writings of the Bahá'í faith, extensive research material are available by Hatcher which indicates that moral and spiritual principles are able to improve productivity of the workforce and improve organizational performance. Hence, for Hatcher, money is not the only motivational factor, non-monetary considerations are important as well.

Another notable Bahá'í scholar whose writings and views in the area of environmental sustainability are significant for this research is Arthur Dahl (1942-).<sup>57</sup> He has published numerous scientific papers and books including '*Island Directory*', '*Unless and Until: A Bahá'í Focus on the Environment*' and '*The Eco*

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<sup>56</sup> William Hatcher. Retrieved: <[http://bahai-library.com/william\\_hatcher\\_bio](http://bahai-library.com/william_hatcher_bio)>, [accessed: 12 January 2015].

<sup>57</sup> Arthur Dahl was the Deputy Assistant Executive Director of the United Nations Environment Program (UNEP) and President of the International Environment Forum. He has consulted by UNEP, World Bank, World Economic Forum and other international organizations on indicators of development and sustainability, environmental assessment and observing strategies, coral reefs, biodiversity, islands, and environmental education. (Retrieved: <<http://www.ebbf.org>>, [accessed: 15 May 2014].)



*Principle: Ecology and Economics in Symbiosis*'. Dahl's specialty papers are: Indicators and ethics of sustainability, environmental diplomacy and governance, island environmental management.<sup>58</sup> One of Dahl's earlier works is '*Evolving Toward a Bahá'í Economic System*' in which he argues that '...our economic as well as spiritual life will eventually be revolutionised.'<sup>59</sup> Most economists restrict their studies to an understanding that economics is a technical science. However, Dahl demonstrates that this pattern of thinking is beginning to change. This research has benefited greatly from Dahl's views on sustainable development, consumerism, climate change, consumer citizenship and a sustainable life style.

Shappour Rassekh, another prominent Bahá'í scholar, contributed significantly to the Bahá'í discourse. Rassekh is the former professor of sociology and economics at the University of Tehran and the current advisor to UNESCO for education. After receiving his education at the University of Tehran in Persian literature, Rassekh obtained his doctoral degree in social sciences from the University of Geneva. His research speciality includes: modernity, social justice, government and social responsibility, and globalisation. Rassekh's writings are mainly in Persian and French language, and some are translated in to English including '*Perspectives on Literacy*, and *Contents of Education*. His views and arguments on topics, such as Persian culture, education for peace, unity, gender equality, and modernisation have assisted a number of discussions in this research.

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<sup>58</sup> Arthur Dahl. Retrieved: <<http://www.ebbf.org>>, [accessed: 15 May 2014].

<sup>59</sup> Gregory Dahl. 'Evolving Toward a Bahá'í Economic System,' *Journal of Bahá'í Studies*, vol. 4, no. 3, 1992, pp. 1- 9, at p. 2.

The general investigation of Bahá'í literatures on the subject of economics initiated as early as 1920s by a British Bahá'í scholar, John Ebenezer Esslemont (1874-1925). He is the author of a well-known introductory book on the Bahá'í faith, *Bahá'u'lláh and the New Era*. His views are mainly based on Bahá'í primary writings, on topics such as extremes of wealth and poverty, public finance, voluntary sharing, the concept of work, the ethics of wealth, employee-employer relationship, and the law of inheritance. Two other Bahá'í authors, John Ferraby (1914-1973), the author of *All things Made New* (1977), and John Huddleston, the author of *The Earth is But One Country* (1976), and *The Search for a Just Society* (1989), and *Standing up for Humanity* (2008), have included materials on socio-politico-economic issues from a Bahá'í perspective. Hooshmand Badee wrote the first major compilation on Bahá'í economics entitled *The True Foundation of All Economics* (1991). Another introductory book written by Badee is *Spiritual Solution to Economic Problems* (1993) in which direct and indirect teachings of the Bahá'í faith are explained.

The written papers by Bahá'í scholars cover diverse and rather distinct subjects related to social and political economy. A group of Bahá'í scholars including Farzam Arbab, William Hatcher, Farhad Rassekh, Nader Saeidi, have looked at Bahá'í economics from a more technical perspective and explored specific teachings of the faith on issues related to free market economy and Marxism. Another group including George Starcher and Lawrence Miller have looked at the role of morality in business organisations and leadership. Others, including Farzam Arbab, and Holly Hanson Vick have discussed the importance of Bahá'í inspired social and economic development projects and the contribution of Bahá'í

communities towards rural development. Geeta Gandhi Kingdon and Mary Fish have considered the themes of happiness and prosperity. John Huddleston and Shahruz Mohtadi have concentrated on discussing the topic of economic justice. The issue of globalisation has created vast interest and a number of Bahá'í scholars have explored this subject including Stephen Lambden, Moojan Momen, Zaid Lundberg, and Robert Stockman. This categorisation of written papers are important in terms of being textual, historical, comparative, conceptual, as well as critical. Also, attempt is made to use the views of Bahá'í scholars to discuss their economic proposals and contributions to the on-going public debates on economy in our modern society in general and within the Bahá'í community in particular.

The views of a number of notable and prominent non-Bahá'í economists, experts in development, and philosophers are incorporated in this research, either for supporting a particular Bahá'í view or as a critic for further analysis. These contributions have added significantly to the quality of discussion in this research. One well-known school of thought, which is widely regarded as the first modern school of economics is the classical economics. The *Wealth of Nations* written in 1776 by Adam Smith is considered to mark the beginning of classical school of economics. Adam Smith's in his original work '*A theory of moral sentiment*' (1857) in which he established morality as the foundation of his economic views. This aspect of Smith's interpretation of economics is closely linked with Bahá'í understanding of principles of spiritual economics. However, it is *The Wealth of Nations*, which is the basis of today's free market economy. Smith's views on self-interest, competition, consumerism, supply and demand, moral self-regulation, and the role of government, for example, are referred to in discussing

the Bahá'í interpretation on similar topics. Karl Marx is another pillar of classical economics. Bahá'u'lláh (1817-1892) and Marx (1818-1883) lived in the same period. Although a comparison between the two is not appropriate, however, an overall comparison is possible on issues such as the importance of 'work', 'labour and capital relationship' and the concept of 'wealth creation'. Also, issues discussed by Marx and Smith such as self-interest and profit-sharing and labour productivity would be relevant to this research.

The scholarly papers and published books of a number of contemporary economists and philosophers are also relevant to this research. John Galbraith's view on corporate greed and the dangers of deregulated markets have some relevance to Bahá'í views and hence would benefit this research. A notable contemporary economist is Amartya Sen, a Professor of Economics at Harvard University, whose views on 'justice' and 'empowering women' and issues related to a meaningful 'globalization' is significant for this research. In his book, *the idea of justice*, Sen has written extensively about Justice and fairness. John Maynard Keynes (1883-1946) was a British economist and one of the most influential of the 20<sup>th</sup> century. Keynes' best-known work, *The General Theory of Employment, Interest and Money*, was published in 1936, and became a benchmark for future macroeconomic thought. Keynes's view to reform the global monetary system including creating a new reserve system based on a new international currency will have some relevance to Bahá'í perspective on globalisation and international fair trade. Two other experts who have written extensively on subjects such as economic development, issues on poverty, and globalisation are Joseph Stiglitz, the author of *Freefall* and *Making globalisation*

*Work*; and Michael Todaro, the author of *Economic Development*. The views of these writers are in line with a number of Bahá'í scholars such as Farzam Arbab, Shapour Rassekh, Arthur Dahl, and Farhad Rassekh. Another expert in subjects such as poverty and development is Muhammad Yunus of Bangladesh, and author of *Creating a World Without Poverty* (2007). He is a social entrepreneur, banker, economist and civil society leader and the founder of Grameen Bank and pioneering the concepts of 'microcredit and microfinance.'<sup>60</sup> Yunus's views on development can be of great benefits to those Bahá'ís working in community development or operating social and economic development projects in rural areas.

### **1.7 A brief history of the Bahá'í faith in context of this research**

The Bahá'í faith (أئین بهائی) is 'a new religion, entirely independent.'<sup>61</sup> It is beyond the scope of this research to fully discuss the history of the Bahá'í faith.<sup>62</sup> However, a brief introduction is necessary as a background for this research. The Bahá'í faith revolves around three central figures, the Báb, Bahá'u'lláh and 'Abdu'l-Bahá. The first of whom was a youth, a native of Shíráz, named Mírzá

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<sup>60</sup> Grameen Bank. Retrieved:

<[http://www.nobelprize.org/nobel\\_prizes/peace/laureates/2006/yunus-bio.html](http://www.nobelprize.org/nobel_prizes/peace/laureates/2006/yunus-bio.html)>, [accessed: 10 November 2011].

<sup>61</sup> Shoghi Effendi. *Bahá'í Administration*, Wilmette IL: Bahá'í Publishing Trust, 1974, p. 121.

<sup>62</sup> For an introductory history of Bahá'u'lláh, The Báb, 'Abdu'l-Bahá and Shoghi Effendi, as well as the development of the Bahá'í community itself see: William Hatcher and Douglas Martin, *the Bahá'í Faith*, ch. 2 - 4; Peter Smith, *An Introduction to the Bahá'í Faith*, ch. 1-4. For more in-depth study and scholarly written materials of the life of Bahá'u'lláh and His writings see: Shoghi Effendi, *God Passes By*, ch. 6-13; Adib Tairzadeh, *Revelation of Bahá'u'lláh*, vol. 1-4. For further study of the life of The Báb see: Shoghi Effendi, *God Passes By*, ch. 1-5. For further study on the history of 'Abdu'l-Bahá see: Shoghi Effendi, *God Passes By*, ch. 14-21; and Hassan Balyuzi, *'Abdu'l-Bahá*. And For further study of the life of Shoghi Effendi see: Rúhíyyih Rabbani, *The Priceless Pearl*. (Amatu'l-Bahá Rúhíyyih Khánum, born as Mary Sutherland Maxwell in New York but raised in Montreal, was the wife of Shoghi Effendi, 1921–1957.)

‘Alí-Muhammad (میرزا علی محمد), known as the Báb<sup>63</sup> (باب) which means The Gate. He was born in 20 July 1819, and 23 May 1844, at the age of 25, advanced the claim of being the herald who according to the sacred scriptures of previous dispensations, must needs announce and prepare the way for the advent of one greater than himself, whose mission would be, according to those same scriptures, to inaugurate an era of righteousness and peace, an era that would be hailed as the consummation of all previous dispensations, and initiate a new cycle in the religious history of mankind. Swift and severe persecution, launched by the organised forces of ecclesiastical and state in his native land led to his execution, in July 1850, by a firing squad in the public square of Tabríz (تبریز) in Persia.<sup>64</sup>

The founder of the Bahá’í faith, Mirza Husayn-‘Alí-i-Núrí (میرزا حسین علی نوری) known as Bahá’u’lláh (بهاء الله), meaning the ‘Glory of God’<sup>65</sup> 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 12 November 1817. He was the son of a government minister in the court of the Shah. He 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. Since the inception of the faith in 1844, following the declaration by his forerunner, the Báb, and having accepted him as the promised one of Islam, Bahá’u’lláh took it upon himself to support the Báb’s followers. This led to him

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<sup>63</sup> For an in-depth history of The Báb see: Hatcher and Martin (1989), *The Bahá’í Faith*, ch. 2.

<sup>64</sup> Shoghi Effendi. *Call to the Nations*, Bahá’í World Centre publications, 1977, page xiii.

<sup>65</sup> 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.

being caught in a whirlpool of persecutions, which were being inflicted on the Báb's followers by clerics and government officials. He was put in the Tehran dungeon in 1853 in chains. After a few months he was released from the dungeon in a very poor state of physical health, having been banished to Baghdad under the Ottoman Empire at the time. 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 (بھجی) 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 Qajár (قاجار) 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 key features of a backward economy.'<sup>66</sup> 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 Qajár 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

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<sup>66</sup> Charles Issawi. *An Economic History of the Middle East and North Africa*, London, 1982, p. 71

potential that emanated from the survival of pastoral nomadism over large parts of the country.<sup>67</sup>

It was during the early part of the 19<sup>th</sup> century that ‘...commercial activity and relative economic prosperity returned to Iran.’<sup>68</sup>

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, Momen refers to social unrest in Iran as a main cause of economic decline. Quoting Abrahamian’s viewpoints Momen 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 the import of European manufactured goods leading to the decline and even death of many traditional local industries.<sup>69</sup>

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 Qajár 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

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<sup>67</sup> Ervand Abrahamian. ‘Oriental Despotism: The Case of Qajár Iran,’ *The International Journal of Middle East Studies*, vol. 5, no. 1, 1974, pp. 3-31, at p. 3.

<sup>68</sup> Abrahamian. *The International Journal of Middle East Studies*, p. 5.

<sup>69</sup> 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.



that divideth and afflicteth the human race is daily increasing.<sup>70</sup> ‘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.’<sup>71</sup> Shoghi Effendi also describes the condition of the world as ‘...spiritually destitute, morally bankrupt, politically disrupted, socially convulsed, economically paralyzed.’<sup>72</sup>

Bahá’u’lláh in his *Book of the Covenant* (كتاب عهد - *Kitáb-i-ahd*) appointed his oldest son, ‘Abbás Effendi (عباس افندی) known as ‘Abdu’l-Bahá, meaning ‘servant of Bahá<sup>73</sup>’ as head of the Bahá’í faith after his own passing and the only authorised interpreter of his writings. ‘Abdu’l-Bahá was born in Persia on 23 May 1844 and passed away 28 November 1921 in Palestine, now Israel.

In 1911-1913, ‘Abdu’l-Bahá travelled to Europe and North America. During these travels he proclaimed Bahá’u’lláh’s message of social justice and unity and world peace to church congregations, the members of trade unions, peace organisations, university faculties, journalists, government officials, and many public audiences. The public addresses (خطابات) of ‘Abdu’l-Bahá in North America are compiled under the title *The Promulgation of Universal Peace, Talks delivered by ‘Abdu’l-Bahá During His Visit to the United States and Canada in 1912*. Talks in Europe are published in *Paris Talks*. His journey to Europe included two visits to London, Paris, and Stuttgart, and briefer visits to other European centres. On April 11,

<sup>70</sup> Bahá’u’lláh. *Tablets of Bahá’u’lláh*, p. 171.

<sup>71</sup> ‘Abdu’l-Bahá. *Selection 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.

<sup>72</sup> Shoghi Effendi. *Promised Day is Come*, Wilmette IL: Bahá’í Publishing Trust, 1980, p. 16.

<sup>73</sup> Bahá refers to Bahá’u’lláh.

1912, ‘Abdu’l-Bahá arrived in New York City. According to Bahá’í scholar and historian Douglas Martin and William Hatcher, ‘During this North American tour he visited some forty cities and towns in the United States. Among these was Chicago, where he laid the cornerstone of the building that was to become the Mother Temple of the West.’<sup>74</sup> The effects of ‘Abdu’l-Bahá’s visit to the West were far-reaching. Confirming the importance of this visit Hatcher and Martin write: ‘Western believers were directly exposed to the leader and acknowledged exponent of their faith. They flocked to meet him, sought his advice, and were able to clarify and deepen their understanding of the faith’s teachings on technological, social, and moral issues.’<sup>75</sup>

It is generally agreed by the Bahá’í historians that at the end of ‘Abdu’l-Bahá’s tour to the West, Bahá’u’lláh’s social message had been publicly proclaimed and a new generation of Bahá’ís from every strata of Western society had been enlisted. Almost a century later, the Talks of ‘Abdu’l-Bahá delivered in the West still have important contributions to make to our current thinking. He provides strategies that enable people to work together in unity for establishment of a fairer society. This includes elimination of all kinds of prejudices such as religious, racial, gender, nationality and economic. His view is that by creating a world free of prejudices, people will show their full potential. He promoted the essentials of the Bahá’í faith founded by his father, Bahá’u’lláh. ‘Abdu’l-Bahá observed excessive materialism in the West and emphasised that there is a need for material and spiritual coherence.

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<sup>74</sup> William Hatcher and Douglas Martin. *The Bahá’í Faith: The Emerging Global Religion*, San Francisco: Harper and Row Publishers, 1989, p. 57.

<sup>75</sup> *Ibid.*, p. 58.

‘Abdu’l-Bahá in his *Will and Testament* (الواح وصايا - *Alváh-i-Vasáýá*) appointed his grandson, Shoghi Effendi as the Guardian of the Bahá’í community and the interpreter of the writings of Bahá’u’lláh. Shoghi Effendi was then only 25 years old and still a student at Oxford University. Shoghi Effendi was born in Akka (عكا) on 1 March 1897 and passed away in London – England on 4 November 1957. His ministry from 1921 to 1957 was filled with carrying on his weighty responsibilities as the leader of the Bahá’í community and an interpreter.

In his *Will and Testament*, ‘Abdu’l-Bahá outlined the nature of two principal institutions namely the ‘Guardianship’ which refers to Shoghi Effendi (شوقى افندى), and the ‘Universal House of Justice’ (بيت العدل اعظم) envisioned by Bahá’u’lláh for the conduct of the affairs of the Bahá’í community. Expounding the functions and responsibilities of these institutions Hatcher and Martin write:

The Guardianship conferred the sole authority for the interpretation of Bahá’í teachings on ‘Abdu’l-Bahá’s eldest grandson, Shoghi Effendi. As was the case with the appointment of ‘Abdu’l-Bahá in Bahá’u’lláh’s Covenant as the Centre and designated interpreter, the Guardian was designated the one to whom all the believers were to submit questions on any matter of Bahá’í belief. The other principal institution named in the Will and Testament was the Universal House of Justice, designated to be the primary legislative and administrative authority of the Bahá’í community.<sup>76</sup>

## 1.8 An account of the contents of the following chapters

The title of chapter 2 is ‘sustainable production’. This is the first key chapter of

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<sup>76</sup> Hatcher and Martin. *The Bahá’í Faith*, p. 59.

this dissertation. The Bahá'í writings on the importance of 'work' and 'sustainable production' are researched, examined, and their application to the Bahá'í community and the wider society is demonstrated. The chapter explores selected Bahá'í principles in relation to work ethics and how they influence increasing the supply of the workforce in the labour market.

Chapter 3 is about the Bahá'í perspective on distributive justice. Economic justice and fairness is an important part of modern economics and a key concept in the Bahá'í literatures. Issues related to extremes of wealth and poverty and the justification of principles of equity and equality have been raised and discussed in this chapter. A key feature of this chapter is exploring the relationship between distributive justice and human well-being. This chapter identifies and discusses a number of Bahá'í principles that lead to a prosperous society. The role of government is also considered as crucial in administering distributive justice. In addition, this chapter explores the meaning and significance of wealth from a Bahá'í perspective.

Chapter 4 discusses sustainable consumption. Consumption will be considered as the main reason for production and distribution. With the increasing level of world population, this chapter argues that the relationship between consumption and sustainability is becoming complex and critical. Studying Bahá'í and non-Bahá'í literatures, this chapter further argues that consumption consists of normative choices and is hence a matter of value judgement. Consequently, the chapter maintains that value principles such as fairness, caring, and compassion would play an important part in an integrated market. This chapter discusses and

examines a number of Bahá'í teachings that promote sustainable consumption. A key concept in this chapter is those elements and value principles that influence consumers in making their final choices. The main task of this chapter, therefore, is to explore the Bahá'í understanding of sustainable consumption and to examine selected Bahá'í principles that can be applied to the Bahá'í lifestyle and perhaps acts as a model for study in the wider society.

Chapter 5 explores Bahá'í teachings on globalisation. With the previous three chapters focusing mainly on the Bahá'í perspective on microeconomics, this chapter focuses on Bahá'í views on macroeconomics. The subject of globalisation has expanded considerably over the last two centuries and it now covers a wide range of topics. It will be argued that problems associated with the current form of globalisation are due to the negative methods and processes adopted. Hence, this chapter argues that the current process of globalisation is not in agreement with Bahá'í writings. The key discussion in this chapter is on selected Bahá'í principles that lead to meaningful globalization, including those principles that create a fairer international trade and help the creation of an ideal global society. In addition, this chapter discusses the costs and benefits of globalisation. It will be argued that government policies alone are not sufficient, and there is a need for emerging values to shape and reform the process of the current globalisation.

Chapter 6 is the Bahá'í perspective on development in both theory and practice. This became possible by undertaking a field trip to the city of Rajshahi in Bangladesh and observing a Bahá'í inspired social and economic development project. The notion of development is closely associated with globalisation. There

will be a discussion on the distinctiveness of the Bahá'í approach to development, as a positive process towards globalisation. The experience of the author of this research in establishing a social and economic development project in Bangladesh will be a part of this chapter. The characteristics of Bahá'í view towards economic development will be considered, with reference to this project.

Chapter 7 introduces a Bahá'í-inspired model of economic sustainability that would be instrumental in establishing a balanced economy when considering the Bahá'í teachings discussed in the previous four chapters. The main aim of this theoretical model is to identify market imbalances and provide an alternative method of reducing such imbalances. The proposed solution is to influence the actions of the participants so that the market can function in a sustainable manner.

## Chapter 2: 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.<sup>1</sup>

Bahá'u'lláh

### 2.1 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 research question of how the principles of Bahá’í work ethics influence adherents of this community to become productive members of society and develop a sustainable lifestyle.

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<sup>1</sup> 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.)

## 2.2 The 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 of this research 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.<sup>2</sup>

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.’<sup>3</sup> 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.<sup>4</sup>

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.

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<sup>2</sup> Roger Hill. ‘The History of Work Ethic,’ retrieved: <<http://rhill.coe.uga.edu/workethic/hist.htm>>, [accessed: 25 September 2008].

<sup>3</sup> *ibid.*

<sup>4</sup> Michael Rose. *Reworking the Work Ethic: Economic Values and Socio-Cultural Politics*, London: Schocken, 1985, p. 18.



A goal of these endeavours was to achieve an honourable retirement into rural peace as a country gentleman.<sup>5</sup> 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.<sup>6</sup> 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.<sup>7</sup> 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, which gave moral consent to profit making through hard work and organization spread throughout Europe and to America through Protestants. This brought the rise of capitalism. In the

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<sup>5</sup> 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.

<sup>6</sup> Lipsey, S. M. 'The Work Ethic: Then and Now,' *Public Interest Journal*, winter 1990, pp. 61-69, at p. 63.

<sup>7</sup> 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. Also, see: Roger Hill, 'The History of Work Ethic.'

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.<sup>8</sup> 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.

As discussed in chapter 1, 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, they became alienated. Marx distinguishes one

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<sup>8</sup> Maywood A. G. *Journal of Vocational Education and the Work Ethic in a Changing Workplace*, p. 13.

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 labor 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.<sup>9</sup>

The Bahá'í view is that labour and capital are not in conflict, rather they complement each other. For example, in the writings of 'Abdu'l-Bahá it is stated that capitalists may earn much more than labourers, thus recommending progressive taxation as a method to moderate the inequality (chapter 3, section 3.7.4). Moreover, 'Abdu'l-Bahá appeals to the self-interest of the capitalists and suggests profit sharing (chapter 3, section 3.7.3) as a method of enhancing labour productivity. 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. 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.'<sup>10</sup> 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

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<sup>9</sup> For a discussion on conflict between labour and capital from Marx perspective see: John Kenneth Galbraith, *A History of Economics: The Past as the Present*, London, Penguin Books, 1989, pp. 133-139.

<sup>10</sup> 'Abdu'l-Bahá. *Paris Talks*, 12<sup>th</sup> ed., London: Bahá'í Publishing Trust, 1995, p. 156.

to performance' and 'piece work' are the requirements for wealth creation and are features of free market economy or democratic capitalism. Thus, Bahá'í economics of the future includes the advantages of both systems and excludes their disadvantages. There are indications for favouring a free market economy but with certain conditions. For example, in the following passage, in 1936, Shoghi Effendi wrote that the current form of free market economy need to be '... controlled, regulated, and even restricted.'<sup>11</sup> 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.<sup>12</sup>

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 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.<sup>13</sup>

Moreover, today, the labour market as a part of the free market economy has been

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<sup>11</sup> Shoghi Effendi. Letter dated 25 August 1939, *The True Foundation of All Economics*, p. 151.

<sup>12</sup> Richard Lipsey. *Economics*, Oxford: Oxford University Press, 2007, p. 12.

<sup>13</sup> 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.

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 organisation. 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.

### **2.3 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,<sup>14</sup> protecting the environment and respecting future generations. This definition is in line with Bahá'í understanding of sustainable production. Although the phrase 'sustainable

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<sup>14</sup> 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, truthfulness and more.

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 new-classical)<sup>15</sup> considers land, labour and capital as 'tangible' resources. Moral incentives, as 'intangible' resources are desirable to add value to an organisation. 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.'<sup>16</sup> The decision as to what kind of 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

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<sup>15</sup> For an in depth discussion of classical and new-classical model of economics see: Begg, Fischer and Dornbusch. *Economics*, pp. 554-559.

<sup>16</sup> Shoghi Effendi. 'Letter dated 26 December 1935,' quoted in *True Foundation of All Economics*, p. 129.

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 7. 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.<sup>17</sup> Also, the supply of skilled labour in many 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

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<sup>17</sup> 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. See: Begg, Fischer and Dornbusch. pp. 109-110.

diversify.’<sup>18</sup>

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.<sup>19</sup>

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 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.

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<sup>18</sup> Universal House of Justice. *Wellspring of Guidance*, Wilmette IL: Bahá’í Publishing Trust, 1979, p. 95.

<sup>19</sup> ‘Abdu’l-Bahá. *The Secret of Divine Civilisation*, pp. 102-103.



## 2.4 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 organisation and make them deal honestly and fairly with each other and with their customers.'<sup>20</sup> 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.'<sup>21</sup> 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.'<sup>22</sup> To make this view effective, work ethics should become a culture in an organisation 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 service for

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<sup>20</sup> Gene Laczniak. *Framework for Analyzing Marketing Ethics*, London: Prentice-Hall, 1990, p. 18.

<sup>21</sup> Derek Torrington, Laura Hall and Stephen Taylor. *Human Resource Management*, 7<sup>th</sup> ed., London: Pearson Education Limited, 2008, p. 756.

<sup>22</sup> Ibid.

community development. Bahá'u'lláh affirmed 'work is worship' (كار عبادت است – *Kár 'ibádat ast*). 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.'<sup>23</sup> 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 making a contribution. The modern theories of motivation in the work place developed by clinical psychologists, Abraham

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<sup>23</sup> Bahá'u'lláh. *The Kitáb-i-Aqdas*, verse 33.

Maslow's<sup>24</sup> 'hierarchy of needs', and Fredrick Herzberg's 'two factor theory'<sup>25</sup> supports the Bahá'í view that higher values 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.<sup>26</sup> 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.<sup>27</sup> Others such as Elton Mayo (1880-1949) stressed the principles of 'team working and consultation'<sup>28</sup> 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,

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<sup>24</sup> For Abraham Maslow's five level of human needs: physiological, security, social, esteem, and self-actualization, see: 'A Theory of Human Motivation,' *Psychological Review*, no. 50, 1943, pp. 370-396, at 374. Also see: Gerald Cole. *Management, Theory and Practice*, p. 36.

<sup>25</sup> For Fredrick Herzberg's 'Two Factor Theory,' see: Cole. p. 37.

<sup>26</sup> Maslow. *Journal of Psychological Review*, p. 375.

<sup>27</sup> For Herzberg's Motivation – Hygiene Theory, see: Cole. p. 37.

<sup>28</sup> For Elton Mayo's view on team working see: Cole. p. 34.

Shoghi Effendi said, work ‘... has not only a utilitarian purpose, but has a value in itself, because it draws us nearer to God, and enables us to better grasp his purpose for us in this world.’<sup>29</sup> 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

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<sup>29</sup> Shoghi Effendi. Cited in *The Kitáb-i-Aqdas*, note 56.

praiseworthy.<sup>30</sup> This statement has important economic and moral implications. Bahá'u'lláh does 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.'<sup>31</sup> 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.'<sup>32</sup> The word 'perfection' in this

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<sup>30</sup> Bahá'u'lláh. *Tablets of Bahá'u'lláh*, pp. 34-35.

<sup>31</sup> '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.

<sup>32</sup> *Ibid.*, *Selection from the Writings of 'Abdu'l-Bahá*, pp. 144-145.

passage suggests the modern working concept of ‘quality assurance.’<sup>33</sup> Lawrence Miller further elaborates on this subject by emphasising the importance of the right ‘attitude’ to work:

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 worshipping 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.<sup>34</sup>

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 organisational 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

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<sup>33</sup> ‘Quality assurance’ is the notion of increasing efficiency, waste reduction and improving productivity, all of which would benefit an organisation to perform better.

<sup>34</sup> Miller. *Spiritual Enterprise*, p. 152.

alloweth man to work his way to the heights of abiding glory.<sup>35</sup>

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'<sup>36</sup> 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.'<sup>37</sup> 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

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<sup>35</sup> 'Abdu'l-Bahá. *Selections from the Writings of 'Abdu'l-Bahá*, pp. 129-130.

<sup>36</sup> Tony Thirlwall. *Economics of Development: Theory and Evidence*. 9<sup>th</sup> ed., New York: Palgrave Macmillan, 2011, p. 21. (Newly industrialised economies: South Korea, Taiwan, Singapore and Malaysia.)

<sup>37</sup> Bahá'u'lláh. *Tablets of Bahá'u'lláh*, p. 26.

delighted, according to Stanley Brown, is the key factor for total customer service and it is a sign of success for organisations.<sup>38</sup> Delighting customers, however depends what commodities are demanded and if products match human dignity.

Another 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.'<sup>39</sup> The inner and outer perfection can be interpreted as developing both spiritually and materially. The impression is that work offers the opportunity for self-realisation and self-development, in addition to the material benefits. 'Abdu'l-Bahá exhorts Bahá'ís in '... attaining perfection in one's profession'<sup>40</sup> He goes further to say 'Thou must endeavour greatly so that thou mayest become unique in thy profession and famous in those parts...'<sup>41</sup> The view of producing products at 'highest perfection' and other expressions such as 'outer perfection', 'highest motives'<sup>42</sup> and 'attaining perfection in one's profession'<sup>43</sup> 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.

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<sup>38</sup> Stanley Brown. *Strategic Customer Care*, Toronto: John Wiley and Sons Ltd., 1999, p. 23.

<sup>39</sup> Bahá'u'lláh. *Bahá'í Education*. Compiled by National Spiritual Assembly of the Bahá'í of United Kingdom, London: Bahá'í Publishing Trust, 1987, p. 3.

<sup>40</sup> 'Abdu'l-Bahá. *Selections from the Writings of 'Abdu'l-Bahá*, p. 145.

<sup>41</sup> *Ibid.*, pp. 145-146.

<sup>42</sup> 'Abdu'l-Bahá. *Paris Talks*, p. 189.

<sup>43</sup> *Ibid.*, *Selections from the Writings of 'Abdu'l-Bahá*, p. 145.



Another 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.’<sup>44</sup> 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.’<sup>45</sup> 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.’<sup>46</sup> 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.

But 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

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<sup>44</sup> Bahá'u'lláh. *The Kitáb-i-Aqdas*, verse 33.

<sup>45</sup> Ibid., *Hidden Words* (from Persian translation), no. 80.

<sup>46</sup> Ibid., no. 82.

meditations need to be reflected in action in order to be effective. ‘Bahá’í House of Worship’ (مشرق الانكار – *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.’<sup>47</sup> 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.<sup>48</sup>

Consequently, 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. 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’<sup>49</sup>, 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.’<sup>50</sup> As the Bahá’í Houses of Worship are not yet built in every community, Bahá’ís organise activities in homes, halls and community centres to

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<sup>47</sup> Shoghi Effendi. Cited in *The Kitáb-i-Aqdas*, note 53.

<sup>48</sup> Ibid., *Bahá’í Administration*, p. 186.

<sup>49</sup> 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.

<sup>50</sup> Universal House of Justice. Ridván message, April 2012, *The UK Bahá’í News*, May 2012.

consult, learn, and practice the two principles of worship and service to humanity.

## **2.5 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 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.

### **2.5.1 The 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.'<sup>51</sup> And his successor, 'Abdu'l-Bahá places emphasis on the productive capacity of individuals and suggests that 'all must be producers.'<sup>52</sup> Shoghi Effendi, in reference to a passage from the writings

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<sup>51</sup> Bahá'u'lláh. *The Kitáb-i-Aqdas*, verse 33.

<sup>52</sup> 'Abdu'l-Bahá. *Promulgation of Universal Peace*, p. 217.

of Bahá'u'lláh<sup>53</sup>, 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'<sup>54</sup> 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.'<sup>55</sup> These excerpts leave little excuse for any Bahá'í to avoid working or being of service for the common good.

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.

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<sup>53</sup> See: Bahá'u'lláh, *Gleaning from the Writings of Bahá'u'lláh*, 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.)

<sup>54</sup> Shoghi Effendi. *Directives from the Guardian*, p. 74.

<sup>55</sup> Ibid.

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 work 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 Phillips<sup>56</sup>, 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.<sup>57</sup> 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

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<sup>56</sup> 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.

<sup>57</sup> Christiane Lawrence. *Economics*, London: Nelson Thornes, 2009, p. 153.

living? Bahá'u'lláh, in one of his writings, refers to one of the duties of 'the House of Justice'<sup>58</sup> as '...have been charged with the affairs of the people.'<sup>59</sup> 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 organisation of society to give every individual the opportunity of acquiring the necessary talent in some 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.<sup>60</sup>

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.<sup>61</sup> 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.

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<sup>58</sup> Universal House of Justice. *The Kitáb-i-Aqdas*, note 80. (Currently, Local House of Justice is known as Local Spiritual Assembly.)

<sup>59</sup> Bahá'u'lláh. *Tablets of Bahá'u'lláh*, p. 26.

<sup>60</sup> Shoghi Effendi. *Directives from the Guardian*, p. 74.

<sup>61</sup> See: Shoghi Effendi, *Bahá'í Education*, pp. 49-50. (According to Shoghi Effendi '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.')

## 2.5.2 The Bahá'í view on begging

Is there a place for begging (تكدي - *takadi*) 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,

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<sup>62</sup> and on the wealthy to make adequate provision for them.<sup>63</sup>

The rationale of the injunction against begging is that it is offensive to the dignity of a person. A person who takes begging as a profession, living off others while contributing nothing, is considered a beggar, and should not be encouraged.

Bahá'í writings suggest that begging is a social ill and therefore, not only should be discouraged, but also prohibited and entirely removed from the face of society. However, one must differentiate between the ill, disabled, disadvantaged, and the deserving poor, and the able individuals who resort to begging out of idleness. A distinction is 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

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<sup>62</sup> In this passage, 'Deputies of God' refers to members of Local Spiritual Assemblies.

<sup>63</sup> Bahá'u'lláh. *The Kitáb-i-Aqdas*, verse 147.

the wealthy or the Deputies to provide him with a monthly allowance for his subsistence.<sup>64</sup>

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.'<sup>65</sup> Bahá'ís are encouraged to become 'a source of social goods.'<sup>66</sup> In contrast to beggars, the poor have a very special place in the Bahá'í writings. The rich are 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.'<sup>67</sup> 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

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<sup>64</sup> 'Abdu'l-Bahá. Cited in *The Kitáb-i-Aqdas*, note 162.

<sup>65</sup> Bahá'u'lláh. *Tablets of Bahá'u'lláh*, p. 71.

<sup>66</sup> 'Abdu'l-Bahá. *The Secret of Divine Civilisation*, pp. 2-3.

<sup>67</sup> Bahá'u'lláh. *Hidden Words* (from Persian translation), no. 54.



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 compassionate without practicing compassion.

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, with or without religious affiliation, and continue to exist.

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? Researching 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 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 change 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.<sup>68</sup>

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

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<sup>68</sup> Bahá'u'lláh. *Tablets of Bahá'u'lláh*, p. 27.

monetary assistance from the welfare system is considered as a type of begging. If, despite attempts 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.

### **2.5.3 Equal opportunity for women and men**

The Bahá'ís believes 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.'<sup>69</sup> 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,'<sup>70</sup> 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.

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<sup>69</sup> 'Abdu'l-Bahá. *Women*, Compiled by the Research Department of the Universal House of Justice, Haifa: Bahá'í World Centre, 1986, p. 50.

<sup>70</sup> *Ibid.*, p. 37.

However, according to Arthur Dahl ‘The inequality of opportunity to which women are subjected in many cultures already handicaps [*a part of*] the human population (emphasis added).’<sup>71</sup> 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.’<sup>72</sup>

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 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.’<sup>73</sup> 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

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<sup>71</sup> Arthur L. Dahl. *The eco*, Oxford: George Ronald, 1996, pp. 125-126.

<sup>72</sup> ‘Abdu’l-Bahá. *Promulgation of Universal Peace*, p.182.

<sup>73</sup> John Huddleston. *The Search for a Just Society*, Oxford: George Ronald, 1989, p. xiv.

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 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 is 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.’<sup>74</sup> 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.’<sup>75</sup> 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 increase in the funds available for the provision of

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<sup>74</sup> 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.

<sup>75</sup> 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.

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.<sup>76</sup>

Therefore, the persistence of low standards of living among 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: 1. It increases their productivity on the farm and in the factory and results in greater labour force participation. 2. It improves child health and nutrition, as more educated mothers lead to multiplier effects<sup>77</sup> on the quality of a nation's human resources for many generations to come. 3. 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.

#### **2.5.4 The importance of education and training**

Provision of the right training has proved to be the most effective way of revealing the human potential, improving the scale of productivity and increasing

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<sup>76</sup> Michael Todaro and Stephen Smith. *Economic Development*, 9<sup>th</sup> ed., London: Pearson Education Ltd., 2006, p. 229.

<sup>77</sup> 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.)

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 is a 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 '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.'<sup>78</sup> 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 education and training has a direct impact on improving economic performance. The findings show that the profitability of investment in education is an attractive opportunity in the world today.<sup>79</sup> 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.

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

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<sup>78</sup> Bahá'u'lláh. *Gleanings from the Writings of Bahá'u'lláh*, p. 260.

<sup>79</sup> See also: George Psacharopoulos. 'Returns to Investment in Education: A Global Update,' *World Development Journal*, vol. 22, no. 9, 1994, pp. 1325-1343, at p. 1325.



the primary responsibility for educating the child from its infancy in the majority of cases. This, however means 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.<sup>80</sup> 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. It is stated that,

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.<sup>81</sup>

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, prominent Bahá'í Madeline Hellaby writes:

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

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<sup>80</sup> 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.

<sup>81</sup> Universal House of Justice. *The Promise of World Peace*, Haifa: Bahá'í World Centre Publication, 1985, part II.

the social services will know that maternal deprivation is one of the root causes of family problems.<sup>82</sup>

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...’<sup>83</sup>

### **2.5.5 A consultative method of decision-making**

Organisations that are using a consultative method of decision-making become more successful in achieving its 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.<sup>84</sup>

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 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

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<sup>82</sup> Madeline Hellaby. *Education in the Bahá’í Family*, Oxford: George Ronald, 1987, p. 14.

<sup>83</sup> ‘Abdu’l-Bahá. *Bahá’í Education*, compiled by National Spiritual Assembly of the Bahá’í of United Kingdom, London: Bahá’í Publishing Trust, 1991, p. 47.

<sup>84</sup> Matthew Hind. ‘Consulting for Positive Change’, *Training for Quality Journal*, vol. 2, no. 3, 1994, pp. 26-27, at p. 26.

organization's quality management.<sup>85</sup>

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 organisation, which improves productivity and consequently the output. The benefits of such involvement are substantial. Employees will value the fact that their employer recognises 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.<sup>86</sup>

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 'Abdu'l-Bahá. 'The first condition is absolute love and harmony

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<sup>85</sup> Hind. *Training for Quality Journal*, vol. 2, 1994, p. 26.

<sup>86</sup> Hind. *Training for Quality Journal*, p. 27.

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.’<sup>87</sup> Immediately after the two conditions, He gives five rules of procedure for consultation, ‘They must then proceed with utmost devotion, courtesy, dignity, care and moderation to express their views.’<sup>88</sup> 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.’<sup>89</sup> Another feature is that, ‘when an idea is put forth it becomes the property of the group.’<sup>90</sup> 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.’<sup>91</sup> 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.’<sup>92</sup> 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.<sup>93</sup> It is stated in the Bahá’í writings that ‘Consultation is no easy skill to learn’<sup>94</sup>. But commitment to the process, they suggest, results not only in more effective collective decision-making but also in the maturation of

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<sup>87</sup> ‘Abdu’l-Bahá. Quoted in Shoghi Effendi, *Bahá’í Administration*, p. 22.

<sup>88</sup> Ibid.

<sup>89</sup> Bahá’í International Community. ‘Equality in Political Participation’, statement presented at the commission on the status of women, New York: United Nations Office, 1990.

<sup>90</sup> Ibid., ‘Statement on Consultation,’ New York: United Nations Office, 1995.

<sup>91</sup> Bahá’í International Community. *Prosperity of humankind*, 1995, p. 15.

<sup>92</sup> Ibid., ‘Statement of Consultation.’ New York: United Nations Office, 1995.

<sup>93</sup> Michael Karlberg. *The Culture of Contents*, Oxford: George Ronald, 2004, p. 140.

<sup>94</sup> Universal House of Justice. *Wellspring of Guidance*, p. 96.

individual participants, as well as whole community.<sup>95</sup> 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.'<sup>96</sup> 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.'<sup>97</sup> 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.'<sup>98</sup> 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, we read in the *Promise of the World Peace*:

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.<sup>99</sup>

It can be argued that the application of consultation in the 'new economy,' in contrast to the 'old economy,'<sup>100</sup> with an emphasis on the contribution of

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<sup>95</sup> Bahá'í International Community. *Equality in Political Participation*, New York: United Nations Office, 1991.

<sup>96</sup> Karlberg. *The Culture of Contents*, p. 141.

<sup>97</sup> Universal House of Justice. 'Individual Rights and Freedom,' Para 24.

<sup>98</sup> Karlberg. *The Culture of Contents*, P. 142.

<sup>99</sup> Universal House of Justice. *The Promise of World Peace*, part II.

<sup>100</sup> 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.

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 internal value chain of the firm.<sup>101</sup> 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.’<sup>102</sup> However, as consultative methods of decision-making become the norm and a part of the culture of an organisation, 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.

### **2.5.6 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

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<sup>101</sup> 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.

<sup>102</sup> David Buchanan and Andrzej Huczynski. *Organisational Behaviour*, 7<sup>th</sup> ed., Essex: Pearson Education, 2010, p. 416.

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 to address both.’<sup>103</sup> According to ‘Abdu’l-Bahá the ‘principle cause’<sup>104</sup> 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.’<sup>105</sup> 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.<sup>106</sup> 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.’<sup>107</sup> The policy of establishing regulations to increase

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<sup>103</sup> ‘Abdu’l-Bahá. *Some Answered Questions*, P. 315.

<sup>104</sup> Ibid.

<sup>105</sup> Ibid.

<sup>106</sup> Trade union membership in the Great Britain has declined from 13.5 million in 1975 to 7.5 million in 2002. For the full report see: Labour market participation: the influence of social capital, Office for National Statistics, retrieved: <<http://www.ons.gov.uk>>, [accessed: 12 March 2011].

<sup>107</sup> 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.)

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 it's means, or which would have the workers equitably share in some other way in the profits with the owners.<sup>108</sup>

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 (chapter 3, section 3.7.3). 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 organisations 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. Globalisation 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.

### **2.5.7 Cooperation instead of competition**

In the sphere of private or personal relations, Karlberg argues that much of human

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<sup>108</sup> 'Abdu'l-Bahá. *Some Answered Questions*, p. 317.



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 unprecedented scale.’<sup>109</sup> 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.<sup>110</sup>

Aggressive competition without government regulation may lead to greater organisational 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 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.

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<sup>109</sup> ‘Abdu’l-Bahá. *Huququ’lláh*, Compiled by the National Spiritual Assembly of the Bahá’ís of Canada, 1986, P. 82.

<sup>110</sup> Ibid.

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 organisations 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.

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 organisational 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.'<sup>111</sup> 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

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<sup>111</sup> Bahá'u'lláh. *Huququ'lláh*, p. 13.

service of God and of his Cause.’<sup>112</sup> Shoghi Effendi was ‘grieved to hear bitter competition’<sup>113</sup> 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).’<sup>114</sup>

## 2.6 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

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<sup>112</sup> Ibid., Quoted in Shoghi Effendi, *Advent of Divine Justice*, p. 83.

<sup>113</sup> Shoghi Effendi. *Trustworthiness*, Compiled by the Research Department of the Universal House of Justice, Haifa: Bahá’í World Centre Publication, 1987, p. 16.

<sup>114</sup> Shoghi Effendi. *Trustworthiness*, p. 16.

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 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. Therefore it is imperative for studies and debates in this field to be continued, so that, one day, work will be considered as worship. Thus the aim of this research is to provide a more clear and conscious interpretation of the concept of 'work as worship' stated in the Bahá'í primary writings and explained by William Hatcher and Lawrence Miller.

The Bahá'í writings suggest a number of ways for creating a more effective working environment, including: Consultation (chapter 7, section 7.5 and chapter 2, section 2.5.5); profit sharing (chapter 3, section 3.7.3); wage differentials or performance related pay or equity principle (chapter 3); positive attitude towards wealth (chapter 3.4); equal opportunity (chapter 2, section 2.5.3); universal and compulsory education (chapter 5, section 5.4.1); skill learning (chapter 2, section 2.5.4); and the importance of service. When practiced, it is most likely that the above principles enable the younger generation of Bahá'ís to have a better grasp of the value of wealth; how to earn and how to spend it.

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.

## Chapter 3: 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.<sup>1</sup>

Bahá'u'lláh

### 3.1 Introduction

The United Nations Charter of Human Rights considers having access to basic needs as human rights. However, this is only in theory because although in modern time the wealth of nations has increased substantially, currently one billion people live in absolute poverty.<sup>2</sup> 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 include ideas about morality, fairness, and the

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<sup>1</sup> Bahá'u'lláh. *Tablets of Bahá'u'lláh*, p. 64.

<sup>2</sup> World Bank Report 2012. Retrieved: <<http://data.worldbank.org/indicator/SI.POV.GAPS>>, [accessed: 14 March 2013].

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 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 (رفاه - *refáh*). 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 research question of the impact of distributive justice on the Bahá'í community and in the wider society.

### **3.2 The significance of distributive justice**

According to economist Thomas Piketty, 'The distribution of wealth is one of today's most widely discussed and controversial issues.'<sup>3</sup> 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 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 19<sup>th</sup> 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

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<sup>3</sup> Thomas Piketty. *Capital in the Twenty-First Century*, London: The Belknap Press of Harvard University, 2014, p. 1.

redistribution created interest and was discussed by economist Simon Kuznets<sup>4</sup> in the 20<sup>th</sup> 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.’<sup>5</sup> 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.’<sup>6</sup> 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. Examples include Bill and Melinda Gates Foundation, Mother Teresa of Calcutta, Nelson Mandela, and Warren Buffett. In the Bahá’í community, group of individuals known as ‘pioneers’<sup>7</sup> are examples of this observation. There is a positive correlation between willingness to sacrifice one’s own material well-being and distributive justice. The more people contribute sacrificially, the more effective is distributive

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<sup>4</sup> Simon Smith Kuznets (1901-1985) was an American economist, statistician, demographer, and economic historian who won the 1971 Nobel Memorial Prize in Economic Sciences. He 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).

<sup>5</sup> 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.

<sup>6</sup> ‘Abdu’l-Bahá. *Divine Philosophy*, p. 111.

<sup>7</sup> Bahá’í pioneers are those who leave their own homeland to serve another community.



justice, and hence in the long run there may be less government involvement in conducting wealth redistribution. 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 matters, but rather the measure of deprivation that such offerings entail...’<sup>8</sup> 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 are in agreement 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 Judaism tradition wealth redistribution includes compassion for those who could not help themselves, care for the stranger, and charity.<sup>9</sup> 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.<sup>10</sup> 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

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<sup>8</sup> Shoghi Effendi. *Life Blood of the Cause*, a Compilation, Haifa: Bahá’í World Centre, 1970. p. 10.

<sup>9</sup> 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.

<sup>10</sup> 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. Also, see: ‘Evangelical Christians and Economic Democracy,’ *On Moral Business*: Roels Shirley, pp. 561-571.

on borrowing.<sup>11</sup> 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.'<sup>12</sup> 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...'<sup>13</sup> The term handicapped may raise a question as to how would one expect a handicapped person to work and whether this refers 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 productive members of the society.

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<sup>11</sup> 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 Connecticut, 1994, p. 58 and p. 102.

<sup>12</sup> Bahá'u'lláh. *Hidden Words* (from Persian translation), no. 54.

<sup>13</sup> Shoghi Effendi. *Directives from the Guardian*, p. 47.

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.’<sup>14</sup> 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).<sup>15</sup>

Bahá’í scholar Udo Schaefer defines distributive justice as a pattern that ‘...regulates the distribution of goods, benefits and burdens in the sharing of the common good.’<sup>16</sup> 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’<sup>17</sup>, 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

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<sup>14</sup> Andrew Crane and Dirk Matten. *Business ethics*, p. 92.

<sup>15</sup> Beauchamp and Bowie. ‘Ethical theory of Business’, *Journal of Business Ethics*, vol. 7, no. 11, November 1988, pp. 846-860.

<sup>16</sup> Udo Schaefer. *Bahá’í Ethics in Light of Scripture*, vol. 2, Oxford: George Ronald, p. 418.

<sup>17</sup> Griffiths and Wall. *Applied economics*, 9<sup>th</sup> ed., London: Pearson Education, 2001, p. 336.

according to their need. Given that people's needs are much the same, 'distributive justice'<sup>18</sup>, 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 (chapter 3, section 3.7.1). The application of these views will be considered in chapter 7, the Bahá'í inspired model of economic sustainability.

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.'<sup>19</sup> For example countries which 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

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<sup>18</sup> Griffiths and Wall. *Applied economics*, 9<sup>th</sup> ed., London: Pearson Education, 2001, p. 336.

<sup>19</sup> Richard Wilkinson and Kate Pickett. *The Spirit Level: Why Equality is Better for Everyone*, London: Penguin Books, 2010, p. 225.

the means of utilizing such a talent, both for its own sake and for the sake of earning the means of his livelihood.’<sup>20</sup> 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.

### **3.3 A discussion of the 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<sup>21</sup> 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 Bowie ‘deviation from equality is considered as unjust.’<sup>22</sup> 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.’<sup>23</sup> 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

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<sup>20</sup> Shoghi Effendi. *Directives from the Guardian*, p. 74.

<sup>21</sup> 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.

<sup>22</sup> Beauchamp and Bowie, *Journal of Business Ethics*, pp. 846-860, at p. 849.

<sup>23</sup> Peter Lambert. *The Distribution And Redistribution of Income*, 2<sup>nd</sup> ed., Manchester: Manchester University Press, 1993, p. 56.

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 Rawls<sup>24</sup> (1971). In his theory of justice he suggests two criteria. According to Rawls, justice is achieved when:

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 advantaged; and b) attached to offices and positions open to all under conditions of fair equality of opportunity.<sup>25</sup>

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

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<sup>24</sup> John Rawls (1921-2002). 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*, 2<sup>nd</sup> ed., Oxford University Press, 2006, p. 308.)

<sup>25</sup> John Rawls. Stanford Encyclopedia of Philosophy, revised edition 2014. Retrieved: <<http://plato.stanford.edu/entries/original-position/>>, [accessed: 12 April 2014].

wealth. 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.<sup>26</sup> 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.<sup>27</sup> 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 (chapter 3, section 3.4). 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.

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.<sup>28</sup> Hence, unemployment and the presence of extremes of wealth and poverty is clearly a market failure. It can be argued that some people have altruistic elements in their nature and behaviour, and are willing

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<sup>26</sup> John S. Mill. *Utilitarianism*, George Sher (ed.), 2<sup>nd</sup> ed., Cambridge: Hackett Publishing Company, 2001, p. 7.

<sup>27</sup> For the law of diminishing marginal utility see: Herman Daly and Joshua Farley. *Ecological Economics: Principles and Applications*, London: Island Press, 2004, chapter 9. Also see: Anderton, *Economics*, pp. 542-542.

<sup>28</sup> For an in-depth discussion of 'market failure' see: Krugman, *International Economics: Theory and Policy*, p. 257.

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 organisations helping to improve the lives of the poor is supporting such altruistic redistribution. The view that voluntary giving (chapter 3, section 3.6) 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.<sup>29</sup> 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 (chapter 2, section 2.5.6). The Bahá'í social welfare program, and the notion of profit sharing, supports the Marxist view. The Bahá'í social welfare program discussed in this dissertation includes elements such as providing the basic needs for all, providing work for all, providing insurance for all, establishing special places for needy people, and the establishing of moral and educational institutions with special regard to health and safety.

A more philosophical view of the redistribution of wealth is put forward by John

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<sup>29</sup> For a discussion about strike from a Bahá'í perspective see: 'Abdu'l-Bahá, *Some Answered Questions*, pp. 315-320.



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 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.<sup>30</sup>

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 recognised as being fair. The Bahá'í formula 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 exist which is based on one's level of

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<sup>30</sup> Samuel Freeman. *Stanford Encyclopedia of Philosophy*, 1996.

education, experience, ability and talents. This, according to Rawls and according to Bahá'í writings is fair.

To avoid the risk of extremes of wealth and poverty and maintaining a fair standard of living, the Bahá'í writings consider government intervention as a necessary step to remedy such unpleasant economic conditions and associated symptoms. This is now possible through legislation and by regulating the market economy. The degree of redistribution, that occurs in the context of the Bahá'í writings is determined by a number of factors such as the level of earnings capability, inheritance, education, the market structure and redistribution through benevolence activities. We can argue 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 makes a contribution to the poor, and so each will have an opportunity to benefit from it. However, we are not living in such 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.

### **3.4 The Bahá'í perspective on the importance of wealth**

The concept of wealth (ثروت - *tharvat*) 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 is a stock.<sup>31</sup> 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?<sup>32</sup>

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<sup>33</sup> (1772 – 1823), 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 in this research 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.<sup>34</sup> 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. The Bahá'í view is

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<sup>31</sup> Beardshaw, *Economics*, p. 5.

<sup>32</sup> Spencer Pack. *Capitalism as a Moral System – Adam Smith's Critique of the Free Market Economy*, London: Edward Elgar Publishing Company, 1991, p. 11.

<sup>33</sup> 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. (Retrieved: <<http://www.econlib.org/library/Enc/bios/Ricardo.html>>, [accessed: 18 September 2015].

<sup>34</sup> 'Abdu'l-Bahá said: 'Our greatest efforts must be directed towards detachment from the things of the world ...' (*Paris Talks*, p. 85.)

that human beings are spiritual in nature and thus, material well-being alone cannot guarantee human happiness. 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 happiness be assured.'<sup>35</sup>

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.'<sup>36</sup> 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 [تجارت – *tijárat*], agriculture [زراعت – *zirá'at*], art and industry [صناعت – *siná'at*], and if it be expended for philanthropic purposes.'<sup>37</sup> 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

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<sup>35</sup> 'Abdu'l-Bahá. *Promulgation of Universal Peace*, p. 110.

<sup>36</sup> Bahá'u'lláh. *Tablets of Bahá'u'lláh*, p. 34.

<sup>37</sup> 'Abdu'l-Bahá. *The Secrets of Divine Civilisation*, p. 4.

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 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.<sup>38</sup> 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.'<sup>39</sup> Examples of 'improper means' in our present society can be the use of offshore investment to avoid paying taxes; using child labour or paying low wages to increase profit; unfair trade through aggressive competition; or any activities that lead to the destruction of the environment.

Amartya Sen<sup>40</sup> has commented on the two elements of 'means' and 'ends'. He is

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<sup>38</sup> Universal House of Justice. *Ridván Message*, April 2012, Haifa: Bahá'í World Centre Publication, 2012.

<sup>39</sup> *Ibid.*

<sup>40</sup> Amartya Sen also 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. His books include *Collective Choice and Social Welfare* (1970), *Poverty and Famines* (1981), *Choice, Welfare and Measurement* (1982), *Resources, Values and Development* (1984). *The Oxford Dictionary of Philosophy*, 2<sup>nd</sup> ed., Oxford University Press, 2006, p. 334.

establishing an association between ‘means’ and ‘ends’ to commodities and to a level of ‘functioning’ in life,

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.<sup>41</sup>

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.<sup>42</sup> 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.’<sup>43</sup> This passage 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’<sup>44</sup> 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

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<sup>41</sup> Amartya Sen. *Equality of What*, S. McMurrin (ed.), Cambridge: Cambridge University Press, 1980, P. 37.

<sup>42</sup> Ibid.

<sup>43</sup> Bahá’u’lláh. *The Kitáb-i-Aqdas*, verse 33.

<sup>44</sup> John Sloman. *Economics*, 6<sup>th</sup> ed., London: Pearson Education, 2006, p. 157.

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.<sup>45</sup> 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.'<sup>46</sup> Also, he said, 'I created thee rich, why dost thou bring thyself down to poverty?'<sup>47</sup> 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 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.'<sup>48</sup> Another interpretation of 'I have created thee rich' is in reference to human potential and not material richness. However, changing from a condition of

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<sup>45</sup> For 'Negative externalities,' See: Begg, Fischer, and Dornbusch, *Economics*, pp. 304-305.

<sup>46</sup> Bahá'u'lláh. *Hidden Words* (from Arabic translation), no. 11.

<sup>47</sup> *Ibid.*, no. 13.

<sup>48</sup> Patrick Barker. *Created Rich*, Los Angeles: Naturegraph Publisher, 1995, p. 9.

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.'<sup>49</sup> 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.'<sup>50</sup> 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.

### **3.5 The 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 never leaves us till we go into grave.'<sup>51</sup> 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-

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<sup>49</sup> Bahá'u'lláh. *Hidden Words* (from Persian translation), no. 50.

<sup>50</sup> 'Abdu'l-Bahá. *The Secret of Divine Civilisation*, p. 4.

<sup>51</sup> Adam Smith. *The Wealth of Nations*, Tom Griffith (ed.), London: Wordsworth, 2012, p. 709.



interest.<sup>52</sup> 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.'<sup>53</sup> 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.

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 favour 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

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<sup>52</sup> Ibid., Edwin Cannan (ed.), Chicago: The University of Chicago Press, 1976, pp. 26-27.

<sup>53</sup> Michael Parkin. *Economics*, 9<sup>th</sup> ed., London, Pearson Education, 2001, p. 5.

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.<sup>54</sup>

I use the term ‘altruism’ 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

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<sup>54</sup> Joseph Carens. *Equality, Moral Incentives, and the Market*, p. 121.

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.'<sup>55</sup> '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.<sup>56</sup>

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-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.

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<sup>55</sup> Bahá'u'lláh. *Tablets of Bahá'u'lláh*, p. 138.

<sup>56</sup> 'Abdu'l-Bahá. *Selections from the Writings of 'Abdu'l-Bahá*, p. 103.

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.'<sup>57</sup> F. 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.'<sup>58</sup> 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 S. 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.'<sup>59</sup> However, from a mathematical science perspective, moral values are extruded. Galbraith writes, 'The detachment and the justifying commitment to scientific validity as opposed to social concern are especially influential in our own time.'<sup>60</sup> 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

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<sup>57</sup> Bryan Graham. *Bahá'í Studies Review*, p. 5.

<sup>58</sup> Farhad Rassekh. *The Journal of Bahá'í Studies*, p. 3.

<sup>59</sup> William S. Jevons. Quoted in Galbraith, *A History of Economics*, p. 125.

<sup>60</sup> Galbraith. *History of Economics*, p. 125.

the world as the human body'<sup>61</sup> 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.<sup>62</sup>

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.'<sup>63</sup> According to him 'The impulse of self-interest belongs to the lower nature of human beings.'<sup>64</sup> 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 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).<sup>65</sup>

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<sup>61</sup> Bahá'u'lláh. *Gleanings from the Writings of Bahá'u'lláh*, p. 254.

<sup>62</sup> Universal House of Justice. *Wellspring of Guidance*, p. 38.

<sup>63</sup> 'Abdu'l-Bahá. *Paris Talks*, p. 60.

<sup>64</sup> Ibid. *Waging Peace*, p. 15.

<sup>65</sup> Mill. *Utilitarianism*, p. 8.

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.<sup>66</sup> 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.'<sup>67</sup> Moreover, he states, 'Wealth is most commendable, provided the entire population is wealthy.'<sup>68</sup> 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.'<sup>69</sup> 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.<sup>70</sup>

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

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<sup>66</sup> Farhad Rassekh. 'On Market Economy,' electronic correspondence, 14 January 2015.

<sup>67</sup> 'Abdu'l-Bahá. *The Secret of Divine Civilization*, p. 39.

<sup>68</sup> *Ibid.*, p. 24.

<sup>69</sup> Farhad Rassekh. *The Journal of Bahá'í Studies*, P. 2.

<sup>70</sup> 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. Complete socialization is not only impossible but most unjust, and in this the Cause is in fundamental disagreement with the extreme socialists and communists. It cannot also agree with the other extreme tendency represented by the "Laissez faire" or individualistic school of economics, which became very popular in the late eighteenth century, by the so-called democratic countries.' (Letter dated 25 August 1939).

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...’<sup>71</sup> 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 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.<sup>72</sup>

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

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<sup>71</sup> ‘Abdu’l-Bahá. *Waging Peace*, p. 15.

<sup>72</sup> Nader Saeidi. ‘An Introduction to ‘Abdu’l-Bahá’s *The Secret of Divine Civilisation, Converging Realities*,’ Switzerland: Landegg Academy, 2000.

Bahá'í perspective:

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.<sup>73</sup>

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.

### **3.6 Voluntary versus compulsory giving of one's income and wealth**

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; well is it with him that adorneth himself with My virtues.'<sup>74</sup> 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

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<sup>73</sup> Saeidi. 'An Introduction to 'Abdu'l-Bahá's *The Secret of Divine Civilisation, Converging Realities*,' 2000.

<sup>74</sup> Bahá'u'lláh. *Hidden Words*, (from Persian translation), no. 49.



magnanimity is when man expendeth his wealth on himself, on his family and on the poor among his brethren in the faith.’<sup>75</sup> And ‘Abdu’l-Bahá maintains that ‘The harvest of force is turmoil and the ruin of the social order.’<sup>76</sup> 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.’<sup>77</sup> 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 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.’<sup>78</sup> 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

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<sup>75</sup> Bahá’u’lláh. *Tablets of Bahá’u’lláh*, p. 156.

<sup>76</sup> ‘Abdu’l-Bahá. *Selections from the Writings of ‘Abdu’l-Bahá*, p. 115.

<sup>77</sup> ‘Abdu’l-Bahá. Cited in *Bahá’u’lláh and the New Era*, p. 145.

<sup>78</sup> *Ibid.*

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.’<sup>79</sup> 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.’<sup>80</sup> At the same time, voluntary giving in the form of ‘in-kind’ or ‘development projects’ is well-known today.

However, in the analysis of this subject, the principle of voluntary giving can be challenged on the basis of at least 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.

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

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<sup>79</sup> ‘Abdu’l-Bahá. Cited in *Bahá’u’lláh and the New Era*, p. 145.

<sup>80</sup> *Ibid.*, *Star of the West*, ‘The Economic Teaching of ‘Abdu’l-Bahá,’ vol. viii, no. 1, 21 March 1917, p. 6.

wider society, the method of distributive justice is mainly through government intervention through regulatory bodies for using taxation and different types of subsidies.<sup>81</sup> 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 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

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<sup>81</sup> For government policies of taxation and subsidy see: Sloman. *Economics*, pp. 309-313.

statement ‘Abdu’l-Bahá, envisions that in the future ‘...the rich shall most willingly extend assistance to the poor.’<sup>82</sup> 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.’<sup>83</sup> 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’<sup>84</sup> 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. 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

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<sup>82</sup> ‘Abdu’l-Bahá. *Promulgation of Universal Peace*, p. 239.

<sup>83</sup> *Ibid.*, *Star of the West*, vol. viii, no. 1, pp. 4-5.

<sup>84</sup> Shoghi Effendi. *The Kitáb-i-Aqdas*, note 38.

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, Huddleston writes 'voluntary action in the social interest would be a stronger force than the instruction and law of government.'<sup>85</sup> 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.'<sup>86</sup> The distinguishing aspect of voluntary giving certainly emphasises an attitude of generosity, which is in contrast with that of an imposed law for the sharing of wealth.

### **3.7 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.

#### **3.7.1 Government participation**

Alongside the role of individuals in voluntary giving, and the role of Bahá'í

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<sup>85</sup> Huddleston. *The Search for a Just Society*, p. 241.

<sup>86</sup> Graham. *Bahá'í Studies Review*, vol. 7, 1997, p. 5.

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 'equilibrium automatically,'<sup>87</sup> 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 research 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. Joseph Stiglitz, the 2001 Noble Prize Laureate in economic science, has mentioned one specific reason for the need for government involvement in the market, concerning the 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.

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<sup>87</sup> For the concept of 'equilibrium' in a free market economy see: Parkin. *Economics*, p. 68.

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.<sup>88</sup>

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 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 is in agreement with Bahá’í writings, which support government participation for coordinating and regulating market activities. Bahá’u’lláh’s

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<sup>88</sup> Stiglitz. *Making Globalisation Work*, London: Penguin Books, 2006. p. 45.

pronouncement is that ‘...a republican government profits all the people,’<sup>89</sup> 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.’<sup>90</sup> In 1936 Shoghi Effendi suggested that government participation is essential for regulating, coordinating and even restricting market activities.<sup>91</sup> 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 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, saying, ‘We see you increasing every year your expenditures, and laying the burden thereof on your subjects. This, verily, is wholly and grossly unjust.’<sup>92</sup> Conversely, in some cases a government may provide too many benefits, which may cause wastage or

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<sup>89</sup> Bahá’u’lláh. *Tablets of Bahá’u’lláh*, p. 28.

<sup>90</sup> ‘Abdu’l-Bahá. *Promulgation of Universal Peace*, p. 238.

<sup>91</sup> Shoghi Effendi. *The World Order of Bahá’u’lláh*, p. 203.

<sup>92</sup> Bahá’u’lláh. *Gleanings from The Writings of Bahá’u’lláh*, p. 253.



result in a misallocation of resources (e.g. 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.'<sup>93</sup> 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 minimal.'<sup>94</sup> 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.

### **3.7.2 The principle of equity**

In the sustainability model, when discussing distributive justice from the Bahá'í

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<sup>93</sup> Huddleston. *The Search for a Just Society*, p. 439.

<sup>94</sup> *Ibid.*

perspective equity is preferred to equality. It is argued 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.'<sup>95</sup> 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 economic discipline, however, social justice is about equity rather than equality. It can be argued that the goal of social justice is for people to be equal. 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 makes 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

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<sup>95</sup> Shoghi Effendi. *Directives from the Guardian*, p. 74.

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.’<sup>96</sup> This passage indicates the need for active participation of government in the economy.

### 3.7.3 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 (شرکت در منافع فبریک - *shirkat dar manáfi ‘-i-fibrik*). 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.’<sup>97</sup> Profit sharing refers to when a share of the net profit of the organisation is given to workers. This share would be separate from the normal wage employees receive. In most organisations 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.

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<sup>96</sup> ‘Abdu’l-Bahá. *Promulgation of Universal Peace*, p. 170.

<sup>97</sup> Shoghi Effendi. *Directives from the Guardian*, p. 19.

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.'<sup>98</sup> This requires the most desirable behaviour from the agents to offer 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 organisation, including creating opportunities for workers to participate in decision-making, improving working conditions, providing better prospects for growth and development of the organisation, and creating in workers a sense of belonging to the organisation. The anticipation is that such a technique 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 organisation. 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.

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<sup>98</sup> Stephen Gardner. *Comparative Economic Systems*, 2<sup>nd</sup> ed., New York: Dryden Press, 1998, p. 10.

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.<sup>99</sup> 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 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.’<sup>100</sup> This percentage seems to be high compared to what is customary currently in organisations 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.’<sup>101</sup> 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.

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<sup>99</sup> ‘Abdu’l-Bahá. *Some Answered Questions*, p. 315.

<sup>100</sup> *Ibid.*, p. 274.

<sup>101</sup> *Ibid.*, p. 275.

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.’<sup>102</sup> Consequently, the workforce would consider profit sharing as a form of security for their livelihood; hence it can be an incentive to work 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...’<sup>103</sup> 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

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<sup>102</sup> ‘Abdu’l-Bahá. *Paris Talks*, pp. 158-159.

<sup>103</sup> *Ibid.*, *Some Answered Questions*, p. 318.

have added an economic value to the business and created a better image for the company and therefore 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 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 amount of bonuses, for example, to one who is extremely motivated and hard working 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.'<sup>104</sup> 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' (see chapter 2, section 2.4) and 'profit sharing' can work independently from each other. Both

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<sup>104</sup> 'Abdu'l-Bahá. *Promulgation of Universal Peace*, p. 216.

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.

#### **3.7.4 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 respect to income rises as income rises.'<sup>105</sup> 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. In this research the term progressive rather than graduated income tax is considered 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.'<sup>106</sup> 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

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<sup>105</sup> 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.')

<sup>106</sup> Shoghi Effendi. Letter dated 11 February 1944, quoted in *True Foundation of All Economics*, p. 144.



concepts of ‘Marginal Propensity to Consume’<sup>107</sup>, which is ‘the fraction of a change in disposable income that is consumed,’<sup>108</sup> 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.<sup>109</sup> 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.

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.<sup>110</sup>

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.

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<sup>107</sup> Michael Parkin, Melanie Powell, and Kent Matthews. *Economics*, 4<sup>th</sup> ed., London: Pearson Education publication, 2012, p. 640.

<sup>108</sup> Ibid.

<sup>109</sup> See Parkin, p. 641.

<sup>110</sup> ‘Abdu’l-Bahá. *Promulgation of Universal Peace*, p. 217.

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 organised.

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 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.'<sup>111</sup> However, a combination of government tax and spiritual principles (justice, honesty, compassion, truthfulness, generosity, unconditional love for humanity) 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

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<sup>111</sup> 'Abdu'l-Bahá. *Promulgation of Universal Peace*, p. 216.

have the utmost regard for the poor.<sup>112</sup> 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.'<sup>113</sup> 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 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.

### **3.7.5 The law of inheritance**

The law of inheritance is another Bahá'í principle for attaining distributive justice.

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<sup>112</sup> Bahá'u'lláh. *Gleanings from the Writings of Bahá'u'lláh*, p. 202.

<sup>113</sup> 'Abdu'l-Bahá. *Promulgation of Universal Peace*, p. 217.

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.'<sup>114</sup> 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.'<sup>115</sup> Shoghi Effendi has 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.<sup>116</sup>

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

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<sup>114</sup> Shoghi Effendi. Letter dated 11 February 1944.

<sup>115</sup> Bahá'u'lláh. *The Kitáb-i-Aqdas*, verse 20.

<sup>116</sup> Shoghi Effendi. Cited in *The Kitáb-i-Aqdas*, Synopsis and Codification, p. 153.

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.'<sup>117</sup> 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 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

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<sup>117</sup> Shoghi Effendi. Cited in *The Kitáb-i-Aqdas*, Synopsis and Codification, p. 182.

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.

### **3.7.6 The 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 (حقوق الله). 'Huqúqu'lláh' is an Arabic word composed of two words, Huqúq (حقوق), meaning 'Rights' and Allah (الله), 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].'<sup>118</sup> According to Alí Muhammad Varqá, the Trustee of

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<sup>118</sup> Bahá'u'lláh. *The Kitáb-i-Aqdas*, verse 97.

Huqúqu'lláh<sup>119</sup>, this law ‘...constitutes the bedrock of an unprecedented spiritual economy.’<sup>120</sup> 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.’<sup>121</sup> 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<sup>122</sup> 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 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.’<sup>123</sup> Consequently, the rationale of the law of Huqúqu'lláh is in its altruistic nature towards the wider society.

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<sup>119</sup> 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.

<sup>120</sup> Alí Muhammad Varqá. *Huqúqu'lláh Newsletter*, no. 2, p. 2.

<sup>121</sup> Bahá'u'lláh. *compilation of Compilations*, Compiled by Research Department of the Universal House of Justice, Haifa: Bahá'í World Centre Publication, 2000, no. 1104.

<sup>122</sup> Alí Nakhjavání. Huqúqu'lláh, Video talk, Bahá'í Summer School, Germany, 2005.

<sup>123</sup> Varqá. *Huqúqu'lláh Newsletter*, no. 2, 1997, p.2.

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.'<sup>124</sup> 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 the residence itself.<sup>125</sup>

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

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<sup>124</sup> Bahá'u'lláh. *The Kitáb-i-Aqdas*, verse 97.

<sup>125</sup> *Ibid.*, note 78.



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.'<sup>126</sup> In a similar statement Alí Nakhjavání maintains that the law is 'established to facilitate cooperation and reciprocity among human beings.'<sup>127</sup>

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

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<sup>126</sup> Ramin Khadem. *Huqúqu'lláh Newsletter*, no. 2, 1997, p. 3.

<sup>127</sup> Nakhjavání. *Huqúqu'lláh*, Video talk, Bahá'í Summer School, Germany, 2005.

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.'<sup>128</sup> 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.'<sup>129</sup> 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.'<sup>130</sup> 'Abdu'l-Bahá further 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

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<sup>128</sup> Bahá'u'lláh. *Huqúqu'lláh*, Compiled by the National Spiritual Assembly of the Bahá'ís of United Kingdom, Trowbridge: Bahá'í Books Publication, 2007, p. 3.

<sup>129</sup> Ibid., *Huqúqu'lláh*, p. 7.

<sup>130</sup> Ibid., p. 10.

purposes.<sup>131</sup>

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<sup>132</sup>, to which all must turn, while other contributions could be earmarked for other purposes, according to the wish of the contributor.<sup>133</sup>

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.

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<sup>131</sup> 'Abdu'l-Bahá. *Huqúqu'lláh*, p. 15.

<sup>132</sup> Marjá-i-Amr, or the focal point of authority in this statement refers to the Universal House of Justice.

<sup>133</sup> Varqá. *Huqúqu'lláh News Letter*, no 2, 1997, p. 2.

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.’<sup>134</sup>

### **3.7.7 Contribution to the Bahá’í Fund and the law of Zakát**

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.’<sup>135</sup> Also, like any other organisation, 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 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

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<sup>134</sup> Khadem. *Huqúqu’lláh News Letter*, no. 4, 1996, p. 3.

<sup>135</sup> Shoghi Effendi. Letter dated 8 December 1947.

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,'<sup>136</sup> the 'Arc Buildings,'<sup>137</sup> 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'<sup>138</sup>, 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 Revelation of Bahá'u'lláh.'<sup>139</sup> 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.

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<sup>136</sup> The Holy Shrines are the Shrine of Bahá'u'lláh in Akka, and Shrines of the Báb and 'Abdu'l-Bahá in Haifa.

<sup>137</sup> 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.

<sup>138</sup> Shoghi Effendi. *Bahá'í Administration*, p. 198.

<sup>139</sup> Shoghi Effendi. *The Life Blood of the Cause*, Compiled by the Universal House of Justice, Haifa: Bahá'í World Centre Publication, 1970, pp. 2-3.

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.'<sup>140</sup> 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.'<sup>141</sup> 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 2.5% of their wealth for helping the poor and needy.<sup>142</sup> 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

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<sup>140</sup> Shoghi Effendi. *Bahá'í Administration*, p. 101.

<sup>141</sup> *Ibid.*, pp. 41-42.

<sup>142</sup> For a discussion of Zakát 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 Connecticut, 1994, p. 58 and p. 102.

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.'<sup>143</sup> 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.'<sup>144</sup>

### **3.8 The 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. Graham's view is that any discussion of the application of Bahá'í teachings on economics would best occur within the context of a Bahá'í commonwealth (for Bahá'í Commonwealth see chapter 5, section 5).<sup>145</sup> 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.<sup>146</sup> 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 world. The principle of 'profit sharing' is growing in recognition and is practised by a number of organisations. 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

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<sup>143</sup> Muhammad. *Qur'an*, Soltani (ed.), Alámieh Islamieh Publication, Tehran, 1957. Surah Al-A`raf 7:155.

<sup>144</sup> Nakhjavání. Huqúqu'lláh, Video talk, Bahá'í Summer School, Germany, 2005.

<sup>145</sup> See: Graham. *Bahá'í Studies Review*, p. 2.

<sup>146</sup> See: Huddleston. *Search for a Just Society*, p. 5.

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 more simple 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.<sup>147</sup>

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 cannot be underestimated. Emphasising the practicality of these laws, Khadem 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

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<sup>147</sup> Shoghi Effendi. *Directives from the Guardian*, p. 74.



works.’<sup>148</sup> The fact that the Bahá’í community worldwide is self-supported financially and no funds are accepted from non-Bahá’ís<sup>149</sup>, including individuals, organisations, or 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.

### 3.9 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. The research 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 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’,

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<sup>148</sup> Khadem. *Huqúqu’lláh News Letter*, no. 4, 1996, p. 3.

<sup>149</sup> 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.

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 organisation, it is crucial that being ethical and sustainable in dealing with consumers 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.'

## Chapter 4: 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.<sup>1</sup>

The Bahá'í International Community

### 4.1 Introduction

The relationship between production and distribution is essential to understanding consumption pattern. Experts in sustainable consumption, Mark Bevir and Frank Trentmann 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.'<sup>2</sup> 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.<sup>3</sup> Consumption consists of normative choices

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<sup>1</sup> Bahá'í International Community. 'Rethinking prosperity', statement presented at the 18th Session of the United Nations Commission on Sustainable Development, New York: United Nations Office, 15 March 2010.

<sup>2</sup> 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.

<sup>3</sup> For an in depth discussion about population and consumption, see: Joel E. Cohen, 'Population Growth and Earth's Human Carrying Capacity,' *The Transition to a Transition*: Audrey R. Chapman, Rodney L. Peterson, and Barbara Smith-Moran, California (ed.): Island Press, pp. 55-70, at p. 56.

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.<sup>4</sup> 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.

#### **4.2 The Bahá'í view on sustainable consumption**

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. Bahá'ís are encouraged 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 (chapter 7) 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 takes into account a number of features and to a certain extent has built into it the characteristics of sustainable development, which encompasses both

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<sup>4</sup> Neva Goodwin. 'Consumption, Population, and Sustainability: Perspective from Science and Religion,' *The Transition to a Transition*, pp. 245-265, at p. 260.

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 in this research 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';<sup>5</sup> 'the preservation of the world of being';<sup>6</sup> 'Verily the most necessary thing is contentment under all circumstances';<sup>7</sup> and 'the consciousness of world citizenship.'<sup>8</sup>

Sustainable development ensures quality of life that compels wise use of resources, prevention of waste, effective use of renewable resources<sup>9</sup> 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.'<sup>10</sup> The divers balancing acts in lifestyle according to David Crocker, expert in public policy and international development '... depends on a person's

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<sup>5</sup> Bahá'u'lláh. *Gleanings from the Writings of Bahá'u'lláh*, p. 253.

<sup>6</sup> Ibid., *Tablets of Bahá'u'lláh*, p. 69.

<sup>7</sup> Ibid., *Bahá'u'lláh and the New Era*, p. 108.

<sup>8</sup> Shoghi Effendi. *The World Order of Bahá'u'lláh*, p. 202.

<sup>9</sup> For Renewable Resources, see: Begg, Fischer and Dornbusch. *Economics*, p. 748.

<sup>10</sup> 'Abdu'l-Bahá. *Promulgation of Universal Peace*, p. 109.

specific abilities, opportunities, and choices. What promotes and maintains balances often vary from person to person as well as from society to society.<sup>11</sup> 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 Organisation for Economic Cooperation and Development (OECD) stated in 2002:

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.<sup>12</sup>

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

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<sup>11</sup> David Crocker. Quoted in Neva Goodwin, ‘Consumption and Well-being,’ *The Transition to a Transition*, pp. 207-219, at p. 214.

<sup>12</sup> OECD, retrieved: <<http://www.gdrc.org/sustdev/concepts/22-s-consume.html>>, (accessed: 23 October 2012).

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.'<sup>13</sup> 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 consumption.' The term refers to the tendency of people who want above the subsistence level, which he calls the 'leisure class.'<sup>14</sup> 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.'<sup>15</sup> 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?'<sup>16</sup> 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

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<sup>13</sup> Beardshaw. *Economics*, p. 29.

<sup>14</sup> For the theory of 'the Leisure Class,' see: Thorstein Veblen, quoted in Galbraith, *A History of Economics*, p. 176.

<sup>15</sup> Galbraith, *A History of Economics*, p. 176.

<sup>16</sup> Ibid.

becomes an important factor.’<sup>17</sup> 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.’<sup>18</sup> 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...’<sup>19</sup> 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, 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

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<sup>17</sup> Arthur Dahl. ‘Sustainable consumption and human prosperity,’ 2nd International Conference of the Environment Forum, 6-8 November 1998, De Poort, The Netherlands.

<sup>18</sup> Bahá’u’lláh. *Gleanings from the Writings of Bahá’u’lláh*, p. 248.

<sup>19</sup> Esslemont. *Bahá’u’lláh and the New Era*, p. 71.



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.<sup>20</sup>

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’<sup>21</sup>, and ‘human nobility’<sup>22</sup>, it is possible to argue that in an ideal and dynamic society, in the absence of unnecessary goods and services there will be opportunities for creating alternative products and services more valuable, beneficial 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, 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.’<sup>23</sup> 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

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<sup>20</sup> Arthur Dahl. ‘Sustainable consumption and human prosperity.’

<sup>21</sup> Bahá’u’lláh. *Gleanings from the Writings of Bahá’u’lláh*, p. 215.

<sup>22</sup> Ibid., *Tablets of Bahá’u’lláh*, p. 173. Also, ‘Abdu’l-Bahá, *Promulgation of Universal Peace*, p. 264.

<sup>23</sup> Arthur Dahl. ‘Towards Indicators of Sustainable Development’, United Nations Environment Programme, 1995, retrieved: <<http://www.un.org/earthwatch/about/docs/inddahl.htm>>, [accessed: 22 October 2011].

such as pollution.’<sup>24</sup> Consequently, most factors that cause unsustainability lead to market imbalances. Dahl’s argument is in agreement 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.’<sup>25</sup> 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 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 maximising 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.

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<sup>24</sup> Arthur Dahl. ‘Towards Indicators of Sustainable Development.’

<sup>25</sup> ‘Abdu’l-Bahá. *Bahá’í World Faith*, Compiled by the National Spiritual Assembly of the Bahá’ís of the United States, 1976, p. 116.

### 4.3 The 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 represented 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.’<sup>26</sup> 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.’<sup>27</sup> 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%.<sup>28</sup> This signifies that millions of people have come out of absolute poverty and are now enjoying a better quality of life, particularly in China.<sup>29</sup> David Dollar,

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<sup>26</sup> Yiannis Gabriel and Tim Lang. *The Unmanageable Consumer*, 2<sup>nd</sup> ed., London: Sage, 2006, pp. 85-86.

<sup>27</sup> For a discussion of consumer society, see: Frank Ackerman. ‘The History of Consumer Society,’ *The Transition to a Transition*, California: Island Press, 1995, pp. 109-118.

<sup>28</sup> For a discussion of increasing consumption in recent time see: World Bank, 2011, Retrieved at: <<http://data.worldbank.org/news/2010-GNI-income-classifications>>, see: ‘changes in countries classification,’ [accessed: 20 May 2012].

<sup>29</sup> David Dollar. Retrieved: <<http://data.worldbank.org/topic/poverty>>, [accessed: 12 December 2014].

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.<sup>30</sup> 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 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.

While wealthy consumer societies rightly boost high longevity, the other side of that coin is the rise of chronic illnesses. Canada is experiencing a tsunami of chronic disease according to one expert, with more than 9 million Canadians – a quarter of the population- suffering from heart disease, diabetes, and cancer. Chronic diseases account for about 50% of physician visits and about 70% of hospital stays, costing Canadians billions every year in medical cost.

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<sup>30</sup> See David Dollar. Retrieved: <<http://data.worldbank.org/topic/poverty> >, [accessed: 12 December 2014].

Fast foods are more than a public health care disaster. One study found that 50% of the ecological footprint of a major north American city resulted from supplying its food. Estimates put the contribution of the agrifood system to climate change anywhere from 15% to as high as 50% when indirect impacts such deforestation to increase supply of farmland are included.

In 2005, total added fats and oils available for consumption reached 86 pounds per person compared with 53 pounds per person in 1970.

The fast food habit is not only a money multiplier for manufacturers. It also helps to reset society for more consumption in general. For a high – paced industrial society, easy-to-cook processed foods are critical time savers, allowing more people to work more. Housewives could now be drawn into the labour force, increasing household disposable income and purchasing power.<sup>31</sup>

Hanley believes that mass consumption of fast food unleashes a kind of trophic cascade of health, social, and ecological impacts.<sup>32</sup> 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

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<sup>31</sup> Paul Hanley. *Eleven*, Victoria BC: Friesen Press, 2014, p. 18.

<sup>32</sup> Hanley. *Eleven*, p. 9.

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 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.’<sup>33</sup> 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.’<sup>34</sup> 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...<sup>35</sup>

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.’<sup>36</sup> For Roger Mason ‘consuming for status has, in fact, become a defining element of the new consumer societies.’<sup>37</sup>

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<sup>33</sup> Matthey Hilton. *Consumerism in the 20<sup>th</sup> Century Britain*, Cambridge: Cambridge University Press, 2003, p. 4.

<sup>34</sup> Vance Packard. *The Waste Makers*, New York, 1960, p. iii.

<sup>35</sup> Ralph Nader. Quoted in Hilton, *Consumerism in the 20<sup>th</sup> Century Britain*, p. 5.

<sup>36</sup> Hilton. *Consumerism in the 20<sup>th</sup> Century Britain*, p. 5.

<sup>37</sup> Mason. *The Economics of Conspicuous Consumption*, p. vii.

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 material functionality.<sup>38</sup> 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.<sup>39</sup>

On the other hand, although the advent of globalisation 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

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<sup>38</sup> Tim Jackson. *Prosperity Without Growth*, London: Earthscan, 2009, pp. 98-102.

<sup>39</sup> Philip Cushman. Cited in Hanley, *Eleven*, pp. 26-27.

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 better.<sup>40</sup>

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.’<sup>41</sup> 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.<sup>42</sup> This, in turn, would cause additional suffering to the poor and widen the gap between the rich and the poor in both developed and developing countries.

Also, if we look at the massive rise in living standards and material wealth that

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<sup>40</sup> Herman Daly. ‘Rio plus 20 needs to address the downsides of growth,’ *Natural Resources Forum*, vol. 35, no. 4. P. 15.

<sup>41</sup> Richard Wilkinson and Kate Pickett. *The Spirit Level*, p. 11.

<sup>42</sup> As a result of consumerism and global inflation, the UN measurement of poverty based on \$1 a day has increased to \$1.25 a day. The consequence is that poverty has increased by 400 million people. Retrieved: <<http://data.worldbank.org/indicator/SI.POV.DDAY>>, [accessed: 15 July 2012].



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 and thus fuelling rising demand for more products as those workers become better off. Globalisation 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.<sup>43</sup> 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.'<sup>44</sup>

The Bahá'í writings warned about consequences of the excess of consumer society and material civilisation and how it would lead society into crisis.

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<sup>43</sup> For a discussion of consumerism in the West see: Barry Smart. *Consumer Society: Critical Issues and Environmental Consequences*, London: Sage, 2010, pp. 7-10.

<sup>44</sup> Gabriel and Lang. *The Unmanageable Consumer*, 2006.

Bahá'u'lláh said 'If [materialism] carried to excess civilisation will prove as prolific a source of evil.'<sup>45</sup> 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.<sup>46</sup>

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.<sup>47</sup> 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'Oreal), 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 needs and desires. Marketing is also praised for contributing to the economic of developing nations. It brings them goods, services, and knowledge of products

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<sup>45</sup> Bahá'u'lláh. *Gleanings from the Writings of Bahá'u'lláh*, p. 342.

<sup>46</sup> Universal House of Justice. *Message to the Bahá'ís of the world*, 2 April 2010, Haifa: Bahá'í World Centre Publication, 2010.

<sup>47</sup> Hanley. *Eleven*, pp. 8-9.

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 requires a theory of individual and social welfare according to which they may justifiably act on behalf of the individuals they seek to benefit.'<sup>48</sup> 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.'<sup>49</sup> 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 behaviour. 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 behaviours. Specific value 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

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<sup>48</sup> George Brenkert. *Marketing, Ethics, and Morality*, California: Blackwell Publishing Ltd., 2008, p. 214.

<sup>49</sup> Richard Pollay. *Journal of marketing*, vol. 51, no. 3, July 1987, pp. 104-109, at p. 108.

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.<sup>50</sup>

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 occurring under globalisation.<sup>51</sup>

As pointed out by Dahl, one of the consequences of a consumer society is that the market produces a substantial amount of products that are unnecessary or are in

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<sup>50</sup> Pollay. *Journal of Marketing*, p. 106.

<sup>51</sup> Crane and Matten. *Business Ethics*, Oxford, Oxford University Press, 2004, pp. 284-285.

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 insufficient information about health makes people illiterate and poor in health. This manifests 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.<sup>52</sup>

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 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.’<sup>53</sup> 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

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<sup>52</sup> Galbraith. *The affluent society*, p. 186.

<sup>53</sup> Brenkert. *Marketing, Ethics, and Morality*, p. 2.

unregulated capitalism and its offshoot, the free market economy. In 1936, Shoghi Effendi states that the free market economy needs to be regulated and controlled. 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].<sup>54</sup> 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.

#### **4.4 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 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

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<sup>54</sup>Galbraith. *The affluent society*, p. 186.

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’<sup>55</sup> and thus influencing sustainable consumption. Consumer education will have a positive effect on the success of the Bahá’í-inspired model of economic sustainability introduced in chapter 7.

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.<sup>56</sup>

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 products and services. As consumers become better informed about a sustainable lifestyle, they are inclined

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<sup>55</sup> For an in depth discussion of consumer education in the UK see: Matthew Hilton. *Consumerism in the 20<sup>th</sup> Century Britain*, Cambridge University Press, 2003, pp. 235-237. (Consumer education in the UK is available through educational policy in the form of issuing pamphlets on shopping advice, on consumer rights, and on quality standards. Publications such as Information for Consumer Education provided teachers with a comprehensive list of sources of information on where the consumer should turn to in government departments, and the laws that protected the consumer. Adults were targeted through the Consumer Education Panel of the National Institution of Adult Education which devised consumer education classes.)

<sup>56</sup> Loudon, D. L. and Bitta, A. J. *Consumer Behaviour – Concepts and Applications*, pp. 19-20.



to demand products that are not exploitative. Consequently, successful organisations 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. The remedy suggested in the Bahá'í writings 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 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 goods<sup>57</sup> 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<sup>58</sup> with negative externality are those that are unsafe to the individual and the whole society, such as the use of hard drugs and gambling.<sup>59</sup> 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, 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,

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<sup>57</sup> John Sloman. *Economics*, London: Prentice hall, 2006, p. 306.

<sup>58</sup> Ibid.

<sup>59</sup> For a discussion of 'merit goods' and 'demerit goods' see: Yew-Kwang Ng. *Welfare Economics: Introduction and Development of Basic Concepts*, revised ed., London: Macmillan, 1983, pp. 286-287.

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 (chapter 7, section 7.5). 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.

#### **4.5 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.<sup>60</sup> 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,<sup>61</sup> which are money-orientated, would not be appropriate. These theories are inadequate to deal with the challenges of consumerism and establishing sustainable consumption.

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 is defined as the action or an act of moderating; limitation; restriction; and a fixed limit.<sup>62</sup> It is also described as the quality of being moderate

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<sup>60</sup> For Keynes the components of 'aggregate demand' in a country 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 growth. See: Begg, Fischer and Dornbusch, pp. 401-402.

<sup>61</sup> 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.

<sup>62</sup> *Oxford English Dictionary*. 2<sup>nd</sup> ed., prepared by J. A. Simpson and E. S. C. Weiner, vol. IX (Look – Mouke), Oxford: Oxford University Press, 1989, p. 946.

in various senses, in reference to conduct, opinions, demands, and desires or their indulgence.<sup>63</sup> Alternatively, moderation is avoidance of extremes, especially in one's behavior.<sup>64</sup> Moderation at societal level is 'avoidance of extremes,' or more specifically, according to Bahá'í writings 'the extremes of wealth and poverty.'<sup>65</sup> 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.'<sup>66</sup> As discussed in chapter 3 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 Dahl writes, 'Moderation in

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<sup>63</sup> *Oxford English Dictionary*. 2<sup>nd</sup> ed., p. 946.

<sup>64</sup> *Ibid.*

<sup>65</sup> Shoghi Effendi. *Promised Day is Come*, p. v.

<sup>66</sup> *Ibid.*, Letter dated 28 October 1927.

consumption is necessary to stay within environmental limits.’<sup>67</sup> To attain this balance, Bahá’ís are counselled that ‘In all matters moderation is desirable.’<sup>68</sup> 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 and respecting the future generation. All of these are virtuous qualities that one is required 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 organisations may lead to the creation of monopolies. The out-of-proportion expansion can be challenging for the economy and a disadvantage to the organisation. 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

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<sup>67</sup> 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.

<sup>68</sup> Bahá’u’lláh. *Tablets of Bahá’u’lláh*, p. 69.

appropriate control over resources, problems of coordination and cooperation among various departments, and as a barrier to desirable competition.<sup>69</sup> 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 organisations 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 economic growth and development Walt Rostow considers five stages for economic growth.<sup>70</sup> 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 (natural monopolies)<sup>71</sup> otherwise they will suffer from diseconomies of scale that is not beneficial to consumers and the wider society. Examples include: Utility companies.

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<sup>69</sup> For monopoly and its consequences see: Begg, Fischer and Dornbusch. *Economics*, p. 745.

<sup>70</sup> 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.)

<sup>71</sup> 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.)

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.’<sup>72</sup> 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 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 live in relative abundance, in part because much of the solution

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<sup>72</sup> Bahá'u'lláh. *Tablets of Bahá'u'lláh*, p. 69.



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. Simple living is not ‘...living in seclusion or practicing asceticism...’<sup>73</sup> 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.<sup>74</sup>

‘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.’<sup>75</sup> Explaining the two concepts of detachment and asceticism and their worldly benefits

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<sup>73</sup> Bahá'u'lláh. *Tablets of Bahá'u'lláh*, p. 71.

<sup>74</sup> ‘Abdu'l-Bahá. *Divine Philosophy*, p. 135.

<sup>75</sup> *Ibid.*

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 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."<sup>76</sup>

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.'<sup>77</sup> 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.

#### **4.6 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 (chapter 3, section 3.4).

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<sup>76</sup> Shoghi Effendi. *Advent of Divine Justice*, p. 44.

<sup>77</sup> *Ibid.*

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’<sup>78</sup> and at the individual level a Bahá’í should be content ‘with but little of this world’s goods.’<sup>79</sup> 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.

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

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<sup>78</sup> ‘Abdu’l-Bahá. *Promulgation of Universal Peace*, p.181.

<sup>79</sup> *Ibid.*, *Bahá’í World Faith*, p. 375.

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 mindset 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.

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.'<sup>80</sup> 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

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<sup>80</sup> Universal House of Justice. Message to the Bahá'ís of the world, 2 April 2010, Haifa: Bahá'í World Centre Publication, 2010.

assume in one's individual and family life. In the Bahá'í view, 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. 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.<sup>81</sup> 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 prosperity.'<sup>82</sup> 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.

#### **4.7 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

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<sup>81</sup> For a discussion of the role of family unit in the importance of wealth and its utilization, see: the statement of Universal House of Justice to the Bahá'ís of the world, 2 April 2010.

<sup>82</sup> Arthur Dahl. 'Sustainable Consumption and True Prosperity', retrieved: <[http://bahai-library.com/dahl\\_sustainable\\_consumption\\_prosperity](http://bahai-library.com/dahl_sustainable_consumption_prosperity)>, [accessed: 12 February 2013].

section.

#### 4.7.1 The Bahá'í law of Fasting

Fasting (صيام - *siam*) 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...' <sup>83</sup>; this is a period that a Bahá'í '...must strive to make the necessary readjustments in his inner life...' <sup>84</sup> Thus, its significance and purpose are fundamentally spiritual in character. 'Fasting is symbolic, and a reminder of abstinence from selfish and carnal desires.' <sup>85</sup> 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

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<sup>83</sup> Shoghi Effendi. *Directives from the Guardian*, p. 28.

<sup>84</sup> Ibid.

<sup>85</sup> Ibid.

God.’<sup>86</sup>

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.

#### **4.7.2 The Bahá’í perspective on food and agriculture**

The Bahá’í writings consider agriculture (زراعت - *zirá‘at*) as a ‘vital and important matter.’<sup>87</sup> 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 topic.’<sup>88</sup> In one of his writings Bahá’u’lláh has paid ‘special regard’<sup>89</sup> to the matter of agriculture, acknowledging that agriculture ‘unquestionably precedeth’<sup>90</sup> in importance to some other Bahá’í principles, referring to ‘peace’, ‘one common language’, ‘unity’, and ‘education’.<sup>91</sup> Similar statements about the importance of agriculture are seen in the writings of ‘Abdu’l-Bahá. For example he refers to

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<sup>86</sup> Esslemont. *Bahá’u’lláh and the New Era*, p. 184.

<sup>87</sup> Bahá’u’lláh. *Tablets of Bahá’u’lláh*, p. 90.

<sup>88</sup> Hanley. *The Spirit of Agriculture*, Oxford, George Ronald Publisher, 2005, p. vii.

<sup>89</sup> Bahá’u’lláh states: ‘Special regards must be paid to agriculture.’ *Tablets of Bahá’u’lláh*, p. 90.

<sup>90</sup> Bahá’u’lláh. *Tablets of Bahá’u’lláh*, p. 90.

<sup>91</sup> For the full tablet, see: *Tablets of Bahá’u’lláh*, p. 89.

agriculture as ‘the fundamental basis of the community,’<sup>92</sup> and a noble science,<sup>93</sup> the practice of which is an ‘act of worship,’<sup>94</sup> and he encourages Bahá’ís to engage in ‘agricultural sciences.’<sup>95</sup> 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.’<sup>96</sup>

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?’<sup>97</sup> One comment by Hanley is that ‘food is the prerequisite of human development.’<sup>98</sup> 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. 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.

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<sup>92</sup> ‘Abdu’l-Bahá. *Conservation of the Earth’s Resources*, Compiled by the Research Department of the Universal House of Justice, Haifa: Bahá’í World Centre Publications, 1990, p. 12.

<sup>93</sup> Ibid.

<sup>94</sup> Ibid., *Selections from the Writings of ‘Abdu’l-Bahá*, p. 145.

<sup>95</sup> Ibid., *Promulgation of Universal Peace*, p. 283.

<sup>96</sup> Ibid., *Conservation of the Earth’s Resources*, p. 12.

<sup>97</sup> Hanley. *The Spirit of Agriculture*, p. vii.

<sup>98</sup> Ibid.



Hence, it will be difficult to see any resemblance between agriculture in the time of Bahá'u'lláh in the 19<sup>th</sup> 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.'<sup>99</sup> The success of the role of modern technology and advanced transportation systems cannot be disregarded when discussing agriculture and food production and distribution.

While there is great success in the modernisation of agriculture and food production in recent times, there are also tragic failures. Paul Hanley, argues 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.'<sup>100</sup> Most of the human population explosion has occurred in the past one hundred years. Population has almost

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<sup>99</sup> Universal House of Justice. Letter dated 27 July 1976, Haifa: Bahá'í World Centre Publication, 1976.

<sup>100</sup> Stanley Wood. Quoted in Hanley, *The Spirit of Agriculture*, p. ix.

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. Some 792 million people in developing countries – 18% of their population – are chronically undernourished.<sup>101</sup> According to the Food and Agricultural Organisation 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.’<sup>102</sup>

Food plays a vital role not only in physical and intellectual development, but also in maintaining good health. 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.’<sup>103</sup> 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 the harmony of science and religion, the Bahá’í writings suggest a kind of food discourse that invokes the virtues of naturalness,

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<sup>101</sup> Food and Agricultural Organisation 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.

<sup>102</sup> Food and Agricultural Organisation of the United Nations. 2001.

<sup>103</sup> Bahá’u’lláh. *Gleanings from the Writings of Bahá’u’lláh*, p. 275.

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.<sup>104</sup>

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 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.'<sup>105</sup> 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

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<sup>104</sup> Bahá'u'lláh. Quoted in *Lights of Guidance*, p. 294.

<sup>105</sup> Bahá'u'lláh. Quoted in *Star of the West*, vol. 13, no. 9, December 1922, p. 252. Tablet to Physician (Lawh-i-Tibb)

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 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.<sup>106</sup> '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.'<sup>107</sup> The purpose of this research 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.

Bahá'í scholars studied the subject of food and agriculture from different perspectives. The concern of Arthur Dahl is on the preservation of the ecosystem. He provides an optimistic view that humanity is mature enough to take

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<sup>106</sup> 'Abdu'l-Bahá. Quoted in *Lights of Guidance*, no. 1006 and 1007.

<sup>107</sup> Ibid., Quoted in *Bahá'u'lláh and the New Era*, p. 102.

responsibility for protecting the planet. Referring to agriculture, he writes, '[agriculture] fits well with the importance of renewable resources for any kind of sustainable civilisation.'<sup>108</sup> And in regard to agriculture in the future he maintains that:

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.<sup>109</sup>

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,<sup>110</sup> 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. In doing so, they would incorporate

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<sup>108</sup> 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. Retrieved: <<http://iefworld.org/ddahl99a.htm>>, [accessed: 12 March 2010].

<sup>109</sup> Ibid.

<sup>110</sup> According to Rural Poverty Report 2011, published by the International Fund for Agricultural Development (IFAD), an agency of the United Nations, '70% of the developing world's 1.4 billion extremely poor people living in rural areas.' Retrieved: <<http://web.ifad.org/rpr2011/report/e/rpr2011.pdf>>, [accessed: 12 March 2012].

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.<sup>111</sup>

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<sup>112</sup> 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.<sup>113</sup> There is still a need for more research in identifying different elements of a new village economy as suggested by Arbab. The view presented in this research 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'<sup>114</sup> and the 'free market economy.'<sup>115</sup>

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<sup>111</sup> Farzam Arbab. 'The Process of Social Transformation', Association for Bahá'í Studies for North America, *Bahá'í Studies Review*, 1987, pp. 9-20, at p. 19.

<sup>112</sup> '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.

<sup>113</sup> Farzam Arbab. 'The Process of Social Transformation', p. 19.

<sup>114</sup> A 'command economy' or planned economy is one that all economic decisions are taken by the government. See: John Sloman, *Economics*, 6<sup>th</sup> ed., London: Prentice Hall, 2006, p. 16.

<sup>115</sup> 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.

#### **4.8 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, 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 claims<sup>116</sup> prior to the market process itself, rather than on some final distribution of the product.<sup>117</sup> 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.<sup>118</sup> 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.<sup>119</sup> 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.<sup>120</sup> 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

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<sup>116</sup> James Buchanan. *New Directions in Economic Justice*, Roger Skurski (ed.), Indiana: University of Notre Dame Press, 1983, pp. 53-89, at p. 53.

<sup>117</sup> *Ibid.*

<sup>118</sup> Buchanan. pp. 63-64.

<sup>119</sup> Annette Baier. 'The Need for More than Justice,' *Moral Prejudices: Essays on Ethics*, Cambridge: Harvard University Press, 1994, pp. 19-32, at p. 19.

<sup>120</sup> *Ibid.*, pp. 20-23.



responsibility.<sup>121</sup> While Baier's reasoning is not directly economic, she is suggesting a normative framework of care that essentially influences the individual's preferences. Therefore, according to Baier, morality must be for all people regardless of choice.<sup>122</sup> 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'. 'Abdu'l-Bahá has confirmed that,

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.<sup>123</sup>

Another argument for merit goods put forth by 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.<sup>124</sup> Sen's explanation is that women are viewed as inferior due to their lack of productivity, useful employment or lack of education.<sup>125</sup> 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.<sup>126</sup> Sen does not want to leave this situation to market mechanisms because the market may fail to rectify effectively. Therefore, he prescribes the

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<sup>121</sup> Annette Baier. 'The Need for More than Justice,' *Moral Prejudices: Essays on Ethics*, p. 29.

<sup>122</sup> *Ibid.*, p. 31.

<sup>123</sup> 'Abdu'l-Bahá. Quoted in *Star of the West*, vol. viii, no. 1, p. 231.

<sup>124</sup> Amartya Sen. 'One Hundred Million Women Are Missing,' *New York Review of Books*, 20 December 1990, p. 60-66, at p. 61.

<sup>125</sup> *Ibid.*, p. 64.

<sup>126</sup> *Ibid.*, p. 66.

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, which at first does not 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.<sup>127</sup>

In this passage, equal opportunity and women empowerment is considered by 'Abdu'l-Bahá as a merit phenomenon with positive externality. Economist and Nobel Prize laureate, Joseph E. 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.<sup>128</sup> 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

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<sup>127</sup> 'Abdu'l-Bahá. *Promulgation of Universal Peace*, pp. 76-77.

<sup>128</sup> Joseph Stiglitz. 'Whither Reform? Ten Years of the Transition,' *World Bank Annual Conference on Development Economics*. Washington, DC. 28-30 April 1999, p. 5.

and support from its financial, social, and organizational institutions.<sup>129</sup> According to Stiglitz the free market system cannot function alone on the basis of self-interest.<sup>130</sup> 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.<sup>131</sup> Again, here the Bahá'í writings are specific in relation to the regulation of the free market economy.

#### **4.9 Chapter conclusion**

This chapter has attempted to do a survey of Bahá'í writings in understanding the notion of sustainable consumption. In doing this research the Bahá'í and non-Bahá'í authors' views on a number of topics associated closely with the Bahá'í belief are considered. The argument is 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, organisations, 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

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<sup>129</sup> Joseph Stiglitz. 'Whither Reform? Ten Years of the Transition,' pp. 4-8.

<sup>130</sup> Ibid., p. 8.

<sup>131</sup> Ibid., p. 19.

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 for this research is concluded. In the next chapter, the macroeconomic part of Bahá'í teachings will be discussed under the main heading of 'globalisation' from a Bahá'í perspective.

## Chapter 5: The Bahá'í Perspective on Globalisation

The earth is but one country, and mankind its citizens.<sup>1</sup>  
Bahá'u'lláh

### 5.1 Introduction

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 globalisation and development. The subject of globalisation has expanded considerably in 20<sup>th</sup> century and it now covers a wide range of topics. The process of the globalisation of the Bahá'í community started at its inception. The concept of 'globalisation' in the Bahá'í literature began with Bahá'u'lláh, the founder of this faith. The phrases closely associated with the concept of globalisation, which signify a holistic view of humanity and organisation of human society, have been used repeatedly in the primary Bahá'í scriptures. Examples include: 'world order' (نظم جهانی - *Nazm-i-Jihání*), 'human race' (اهل عالم - *Ahl-i-'álam*), 'civilisation' (مدنیت - *madaniyat*), and 'universal' (عمومی - *Umúmtí*).

In this chapter, an interpretation of the concept of 'meaningful and enlightened globalisation' will be provided. The study of primary Bahá'í writings indicates a positive outlook towards a meaningful globalisation. The aim is to explore the concept of globalisation 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

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<sup>1</sup> Bahá'u'lláh. *Gleanings from the Writings of Bahá'u'lláh*, p. 250.

globalisation. The view that the current process of globalisation has generated unbalanced outcomes, both between and within countries, will be explored. It will be argued that problems associated with the current form of globalisation are due to the negative methods and processes adopted. It will be argued that there are challenges and inconsistencies in human affairs in the current process of globalisation. I will discuss the research question of how does the Bahá'í view on globalisation differ from the one currently emerging? Also, there will be a discussion on the distinctiveness of the Bahá'í approach on development as a positive process towards globalisation.

## **5.2 Unity of humankind – a prerequisite for Bahá'í globalisation**

For Bahá'ís, an enlightened globalisation involves a firm belief in the principle of unity of humankind (وحدت عالم انسانی - *Vahdat Álam Insani*). Unity of humankind is, therefore, a key characteristic of this faith and is placed at the centre of the Bahá'í inspired model of economic sustainability in chapter 7. Bahá'u'lláh proclaims 'The tabernacle of unity hath been raised; regard ye not one another as strangers...' <sup>2</sup> 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

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<sup>2</sup> Bahá'u'lláh. *Gleanings from the Writings of Bahá'u'lláh*, p. 218.

units.<sup>3</sup>

A number of statements clearly emphasise the meaning and significance of globalisation in relation to unity of humankind, including phrases such as ‘the well-being of mankind’<sup>4</sup>, ‘betterment of the world’<sup>5</sup>, ‘Let your vision be world-embracing’<sup>6</sup>, and ‘The interdependence of the peoples and nations of the earth.’<sup>7</sup> Similarly, Bahá’u’lláh uses metaphorical expressions such as ‘the entire human race as one soul and one body’<sup>8</sup>, and ‘ye are the flowers of one garden.’<sup>9</sup> He also refers to the calamitous condition of the world, stating, ‘The world is encompassed with misery and distress,’<sup>10</sup> and ‘The world is in great turmoil.’<sup>11</sup>

A significant subject pertinent to globalisation 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.’<sup>12</sup> 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.’<sup>13</sup> In light of above discussion, the following definition given by Suheil Bushrui, a Bahá’í scholar who holds Chair for World Peace at the Center for

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<sup>3</sup> Shoghi Effendi. *The World Order of Bahá’u’lláh*, pp. 42-43.

<sup>4</sup> Bahá’u’lláh. *Gleanings from the Writings of Bahá’u’lláh*, p. 286.

<sup>5</sup> Ibid., *Trustworthiness*, p. 5.

<sup>6</sup> Ibid., *Gleanings from the Writings of Bahá’u’lláh*, p. 94.

<sup>7</sup> Shoghi Effendi. *Promised Day is Come*, p. 122.

<sup>8</sup> Bahá’u’lláh. *Gleanings from the Writings of Bahá’u’lláh*, p. 214.

<sup>9</sup> Ibid., *Bahá’u’lláh and the New Era*, p. 209.

<sup>10</sup> Ibid., *Tablets of Bahá’u’lláh*, p. 163.

<sup>11</sup> Ibid., *Gleanings from the Writings of Bahá’u’lláh*, p. 97.

<sup>12</sup> ‘Abdu’l-Bahá. *Selections from the Writings of ‘Abdu’l-Bahá*, pp. 31-32.

<sup>13</sup> Ibid., p. 32.

International Development at University of Maryland, delivers an appropriate description of globalisation from a Bahá'í perspective:

Globalisation 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 globalisation 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.<sup>14</sup>

Bushrui refers to the fundamental Bahá'í principle of 'world unity'<sup>15</sup>, and 'unity in diversity'<sup>16</sup> as practical approaches to globalisation.

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.<sup>17</sup> The scriptures of major religions such as Judaism, Christianity, and Islam have a vision of unity, which will be achieved through acts of eschatological warfare and divine judgement.<sup>18</sup>

The analogy of family (chapter 1, section 1.4.5) has much wider implication in the

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<sup>14</sup> Suheil Bushrui. 'Bahá'í Perspective on Globalisation', retrieved at:

<[http://www.onecountry.org/e151/e15102as\\_Perspective\\_.htm](http://www.onecountry.org/e151/e15102as_Perspective_.htm)>, [accessed: 12 January 2010].

<sup>15</sup> For the concept of 'world unity' in the Bahá'í writings, see: Bahá'u'lláh, the *Kitáb-i-Iqán*, p. 106. The Bab, *Selections from the Writings of the Bab*, p. 173. 'Abdu'l-Bahá, *Tablets of Divine Plan*, p. 78. Shoghi Effendi, *Dawn of a New Day*, p. 122.

<sup>16</sup> For the concept of 'unity in diversity' in the Bahá'í writings, see: Bahá'u'lláh, *Kitáb-i-Iqán* (the Book of Certitude), p. 160. 'Abdu'l-Bahá, *Selections from the writings of 'Abdu'l-Bahá*, p. 292. Shoghi Effendi, *Dawn of a New Day*, p. 48.

<sup>17</sup> Joseph Kitagawa. Quoted in Stephen Lambden, 'The Messianic Roots of Babi-Bahá'í Globalism', *Bahá'í and Globalisation*, ed., p. 17.

<sup>18</sup> See: Joseph Klausner. 'The Messianic Idea in Israel,' London: George Allen and Unwin Publication. Also, see: Lambden, *Bahá'í and Globalisation*, ed., p. 21.



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,'<sup>19</sup> because the means of coming into contact that are currently available, were not within reach during the past dispensation, thus, '...association and interchange of thought were well-nigh impossible.'<sup>20</sup> It is therefore clear that the features of meaningful globalisation, 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.

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<sup>19</sup> 'Abdu'l-Bahá. *Selections from the Writings of 'Abdu'l-Bahá*, p. 31.

<sup>20</sup> Ibid.

The question arises here that in what way are unity, economics, and globalisation linked? Shoghi Effendi stated that: ‘...the oneness and wholeness of the entire human race ... eliminates extremes of poverty and wealth.’<sup>21</sup> 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 organisations 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 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.<sup>22</sup> It is of course naive to think

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<sup>21</sup> Shoghi Effendi. *Promised Day is Come*, p. v.

<sup>22</sup> Universal House of Justice, *The Promise of World Peace*, part IV. It is stated: ‘If the Bahá’í experience can contribute in whatever measure to reinforcing hope in the unity of the human race,

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, organisations 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 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 globalisation that is based on unity and love of humanity rather than factors such as economic and political gain. Elaborating 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

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we are happy to offer it as a model for study.'

diversity itself, which is deemed the cause of conflict, but rather our immature attitude towards it, our intolerance and prejudice.<sup>23</sup>

The concept of ‘unity in diversity’ is the practical demonstration of unity that will protect Bahá’í globalisation 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 globalisation, is the statement of ‘It is not his to boast who loveth his country, but it is his who loveth the world.’<sup>24</sup> 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. 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.’<sup>25</sup> Shoghi Effendi further considers the love of one’s country as ‘lesser loyalty’<sup>26</sup> and love of humanity as ‘wider loyalty’<sup>27</sup>, and

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<sup>23</sup> Hatcher and Martin. *The Bahá’í Faith*, p. 78.

<sup>24</sup> Bahá’u’lláh. *Gleanings from the Writings of Bahá’u’lláh*, p. 95. Also, Shoghi Effendi. *Promised Day is Come*, p. 122.

<sup>25</sup> Shoghi Effendi. *Promised Day is Come*, p. 122.

<sup>26</sup> Ibid.

<sup>27</sup> Ibid.

states that ‘...a wider loyalty, should not ... conflict with lesser loyalties.’<sup>28</sup> 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, Momen writes:

Bahá’u’lláh had laid down the necessary groundwork for the globalisation 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.’<sup>29</sup>

When one supports unity, then it is easy to realise that an enlightened globalisation involves a belief that the globalised world is indeed the norm, and should be the reality of the 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 great barriers for establishing unity. There is a need to acquire certain attitudes and behaviours that are necessary to promote unity. Members of

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<sup>28</sup> Ibid.

<sup>29</sup> Momen. *Bahá’í and globalisation*, ed., p. 81.

the Bahá'í community individually and collectively explore the actions essential for fostering unity in the community, which are service orientated.

An enlightened globalisation for Jeffrey Sachs,<sup>30</sup> 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. It is the kind of globalisation championed by the enlightenment – globalisation democracies, multilateralism, science and technology, and a global economic system designed to meet human needs.<sup>31</sup>

Sachs called this kind of globalisation as ‘an enlightened globalisation.’<sup>32</sup> For Joseph Stiglitz, an effective globalisation requires ‘new social contracts,’<sup>33</sup> which will be considered when ‘The well-being of the developed and developing countries are better balanced.’<sup>34</sup> If we define progressive civilisation as an advancing social development and organisation, 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, organisation and civilisation. Consequently, from a Bahá'í perspective, a meaningful globalisation refers to the elimination of those ‘social ills’<sup>35</sup> and hindrances, which ‘Abdu'l-

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<sup>30</sup> Jeffrey Sachs is the co-founder and Chief Strategist of Millennium Promise Alliance, and is director of the Millennium Villages Project. He has authored three New York Times bestsellers in the past seven years: *The End of Poverty* (2005), *Common Wealth: Economics for a Crowded Planet* (2008), and *The Price of Civilization* (2011). His most recent books are *To Move the World: JFK's Quest for Peace* (2013) and *The Age of Sustainable Development* (2015). Retrieved: <<http://www.earthinstitute.columbia.edu/articles/view/1804>>, [accessed: 12 May 2015].

<sup>31</sup> Jeffrey Sachs. *The End of Poverty*, London: Penguin Books, 2005, p. 358.

<sup>32</sup> Ibid.

<sup>33</sup> Stiglitz. *Making Globalisation Work*, London: Penguin Books, 2006, p. 285.

<sup>34</sup> Ibid., p. 285.

<sup>35</sup> For the phrase ‘social ills’ see: Statement by the Universal House of Justice, 2 April 2010.

Bahá suggested ‘the immediate remedy for all the ills of social life.’<sup>36</sup> Shoghi Effendi describes these social ills as a world ‘spiritually destitute, morally bankrupt, politically disrupted, socially convulsed, economically paralysed’<sup>37</sup> 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.<sup>38</sup> 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.’<sup>39</sup> 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 globalisation. Speaking on this, Stiglitz points out that reforming globalisation 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 globalisation 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.

### **5.3 The multi-dimensional aspect of globalisation**

Globalisation is much more than internationalisation. It has a multi-dimensional

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<sup>36</sup> ‘Abdu’l-Bahá. *Tablet to August Forel*, p. 80.

<sup>37</sup> Shoghi Effendi. *The Promised Day is Come*, p. 16.

<sup>38</sup> Bahá’í International Community. Statement on ‘Global Action Plan for Social Development,’ New York: United Nations Office, 1994.

<sup>39</sup> Joseph Stiglitz. *Freefall: America, Free Markets, and the Sinking of the World Economy*, New York: W. W. Norton and Company, 2010, p. 21.

concept. Usually, internationalisation refers to trade activities that take place with more than one country.<sup>40</sup> In contrast globalisation include all matters that affect the planet earth. Simon Reich identifies four perspectives on globalisation: historical/political; cultural/sociological; technological/spatial; and finally an economic phenomenon.<sup>41</sup> For Joseph Stiglitz globalisation is also multi-dimensional and encompasses the international flow of ideas and knowledge, the sharing of cultures, global civil society, and global environmental movements.<sup>42</sup> Moojan Momen has named five groupings of globalisation: normative, psychological, financial, institutional and universalism.<sup>43</sup> For Shapour Rassekh the multi-dimension of globalisation includes: geographical, demographic, technological, educational, cultural, economics, and environmental.<sup>44</sup> The author of this research upholds the view that the more detailed the dimensions, the more successful is the process of establishing a meaningful globalisation in the long run. Therefore, I have identified the following twenty two dimensions of globalisation: 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 globalisation are closely connected

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<sup>40</sup> For the concept of internationalization see: Krugman, *International Economics: Theory and Policy*, p. 33.

<sup>41</sup> Simon Reich. 'What is globalization? Four possible answers', working Paper # 261, Pittsburgh: University of Pittsburgh press, 1998, p. 3.

<sup>42</sup> Stiglitz. *Making globalization work*, p. 4.

<sup>43</sup> See Momen. 'The Globalisation of the Bahá'í Community: 1982-1921', *Bahá'í and Globalisation*, ed., pp. 76-93.

<sup>44</sup> Shapour Rassekh. *Dunya Niyazmand-I Yik Tamaddun-I Jahani Ast* (دنيا نیازمند یک تمدن جهانی است), (author's translation: The world is in need of a global civilisation), Spain: Foundation Nehal, 2010, pp. 23-24.



to each other and intertwined with the question of values.

There is a great emphasis by some religious and social movements toward globalisation and global issues. For Juan Cole, the religious movements concerned with globalisation have tended to be either liberal or conservative. Cole argues that ‘Liberal religious groups often attempt to accommodate the social changes provoked by globalisation as far as possible in the framework of their traditions, concentrating on charitable work and social justice.’<sup>45</sup> Hence, there is a great effort by religious and social movements to associate themselves with globalisation 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.<sup>46</sup> Non-economist scholars, however, have a broader view of the term. For example, David Held argues that globalisation ‘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.’<sup>47</sup> Similarly, Anthony Giddens argues that globalisation 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

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<sup>45</sup> Juan Cole. ‘Globalisation and Religion in the Thought of ‘Abdu’l-Bahá’, *Bahá’í and Globalisation*, ed., pp. 55-75, at p. 56.

<sup>46</sup> 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. Also see: Wolf, Martin. *Why globalization works?* New Haven, CT: Yale University, 2004, p. 13.

<sup>47</sup> David Held, Anthony Barnett and Caspar Henderson. *Debating globalization*, Cambridge: Polity Press, 2005, p. 2.

transportation.’<sup>48</sup> For Frank Lechner and John Boli globalisation refers to ‘the processes by which more people across large distances become connected in more and different ways.’<sup>49</sup> Similarly, Ronald Robertson, who was the first author to use the term globalisation in the title of a sociological article in 1985, describes globalisation 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.’<sup>50</sup> These writers and scholars are in agreement that globalisation 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 marvellous progress achieved in the realm of physical science, by the worldwide expansion of commerce and industry.’<sup>51</sup> He also said, ‘The world is contracted into a neighbourhood’<sup>52</sup> Similarly, 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.’<sup>53</sup> Similarly, 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.’<sup>54</sup> Consequently, as Zaid Lundberg points out, although Shoghi Effendi did not use the term globalisation, he described it as a multi-dimensional phenomenon; contraction or compression of

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<sup>48</sup> Anthony Giddens. *Beyond Left and Right*, California: Stanford University Press, 1994, pp.4-5.

<sup>49</sup> Frank Lechner, and John Boli. *The Globalisation Reader*, 5<sup>th</sup>. ed., London: Wiley Blackwell, 2008, p. 2.

<sup>50</sup> Ronald Robertson. *The Professoriate: Profile of a Profession*, Springer, 2005, p. 21.

<sup>51</sup> Shoghi Effendi. *The World Order of Bahá'u'lláh*, p. 47.

<sup>52</sup> Ibid., *Advent of Divine Justice*, p. 87.

<sup>53</sup> Malcolm Waters. *Globalisation*, London: Penguin Books, 1995, p. 9.

<sup>54</sup> Shoghi Effendi. *The World Order of Bahá'u'lláh*, pp. 42-43.

the world; major transition or transformation; moving towards a single world society, yet diversified; co-dependent or interdependent society.<sup>55</sup> Hence, the modern scholars appear to be in agreement with Shoghi Effendi's description.

Robertson, also, proposed four basic dimensions of globalisation: 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 globalisation described by Robertson: 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 (chapter 1 section 1.7) into a 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'<sup>56</sup> to which he believed Iran must aspire. He also argued that society is in need of practical steps such as the implementation of the law, parliamentary democracy, separation of religion and state, and religious tolerance.<sup>57</sup> II) The individual: The construction of the individual as a person in the context of globalism is a central concern of 'Abdu'l-Bahá. He said '...by man is meant the perfect individual, who is like unto a mirror in which the divine perfections are manifested and reflected.'<sup>58</sup> 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

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<sup>55</sup> Zaid Lundberg. *Bahá'í and globalisation*, ed., pp. 121-125.

<sup>56</sup> 'Abdu'l-Bahá. *The Secret of Divine Civilisation*, p. 10.

<sup>57</sup> For the role of government and parliamentary democracy see: 'Abdu'l-Bahá, *The Secret of Divine Civilisation*, pp. 23-26.

<sup>58</sup> 'Abdu'l-Bahá. *Selections from the Writings of 'Abdu'l-Bahá*, p. 61.

to see in an era of globalisation. He began discoursing on these matters in his *The Secret of 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 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.'<sup>59</sup>

In all the above concepts and definitions of globalisation there is an association 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.

#### **5.4 Principles for advancing meaningful globalisation**

The Bahá'í teachings on globalisation are numerous. A limited number of these principles are discussed here. These principles directly and indirectly facilitate the process of a meaningful globalisation. It is important to note that Bahá'í teachings are interdependent, and in any Bahá'í discussion, including globalisation, the totality of the Bahá'í faith needs to be considered.

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<sup>59</sup> Juan Cole. 'Globalisation and Religion in the thought of 'Abdu'l-Bahá', *Bahá'í globalisation*, ed., pp. 58-68, at p. 62.

#### 5.4.1 Universal and compulsory education

One of the social teachings that can have a positive effect in the process of forming a meaningful globalisation is the application of ‘universal and compulsory education’ (تعلیم و تربیت عمومی و اجباری - *ta'lím va tarbíyat-i-umumi va ijbári*). 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 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 similar education, both quantitative and qualitative.’<sup>60</sup> 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.<sup>61</sup> In a global market economy in which countries and organisations 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

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<sup>60</sup> Education in the Bahá’í writings is seen as being of three kinds: moral, intellectual and spiritual. For the full discussion of three different types of education see: ‘Abdu’l-Bahá, *Some Answered Questions*, pp. 8-13.

<sup>61</sup> Todaro, *Economic Development*, 7<sup>th</sup> ed., New York: Addison Wesley Ltd., 2000, p. 343.

decline in poverty, and an increase in productivity.<sup>62</sup> The argument given by Todaro is that the marginal social benefit of providing compulsory basic education is more than a marginal social cost.<sup>63</sup> 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 globalisation. The argument in the Bahá'í writings is that 'prejudices of any kind are the destroyers of human happiness and welfare.'<sup>64</sup> Hence the spread of universal and compulsory education eliminates all kinds of prejudices and creates a smooth process for reforming current globalisation.

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.<sup>65</sup>

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,

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<sup>62</sup> 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.

<sup>63</sup> For a description of 'marginal social benefit of education' see: Todaro, *Economic Development*, pp. 339-341.

<sup>64</sup> 'Abdu'l-Bahá. Cited in *Bahá'í World Faith*, p. 240.

<sup>65</sup> Momen. 'Iran: History of the Bahá'í Faith,' *Bahá'í World*, 1994, vol. 15, p. 248.

which measures the level of economic growth and standard of living of a country. Education, apart from affecting the national 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 globalisation.

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.'<sup>66</sup> 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

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<sup>66</sup> Todaro. *Economic Development*, p. 342.

of the human resources necessary for growth and the advancement of the community and the nation.<sup>67</sup> For example, the absence of equality, opportunity and human rights in Iran are barriers for Bahá'í youths to have access to education. Since 1979, the government of Iran has created barriers for Bahá'í pupils to enter higher educational institutions.<sup>68</sup> Such government actions may cause young Bahá'ís to lack the necessary schooling and training to be able to contribute to the advancement of their communities and development of the country.<sup>69</sup>

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 globalisation. Active participation in community life is highly valued and is one of the components of a meaningful globalisation. Social exclusions related to poverty, unemployment, education, and different kinds of discrimination are obvious barriers to participating in community activities.<sup>70</sup> 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

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<sup>67</sup> Amartya Sen, *The Idea of Justice*, Penguin Books, 2009, pp. 303-304, and pp. 353-354.

<sup>68</sup> An example of excludability of Bahá'í student from higher education in Iran: 'Bahá'í youths must be expelled from universities, either in the admission process or during the course of their studies, once it becomes known that they are Bahá'í.' Bahá'í International Community, 'The Bahá'í Question: Cultural Cleansing in Iran,' New York: United Nations Office, 2008.

<sup>69</sup> On the expulsion of Bahá'ís from public employment 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. Momen: 'The economic strangulation of the Bahá'í community of Iran', 2009, retrieved: <<http://onecommonplanet.blogspot.co.uk/2009/03/economic-strangulation-of-bahai.html>>, [accessed: 10 September 2012].

<sup>70</sup> For a discussion of 'multiple social deprivation' see: 'Material Well-Being and Human Well-Being', by Peter Travers and Sue Richardson, published in Frank Ackerman, *Human Well-Being and Economic Goals*, ed., Washington D.C.: Island Press, 1997, p. 29.



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.<sup>71</sup>

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.

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<sup>71</sup> John Simmons. 'Education, poverty and development', World Bank paper no. 188, Washington, D.C.: World Bank, 1974, p. 32.

### 5.4.2 The view on world citizenship

The concept of ‘world citizen’<sup>72</sup> (اهل عالم - *ahl-i-‘álam*) appears in the Bahá’í writings frequently and gives a clearer understanding of the Bahá’í approach to attaining a meaningful globalisation. 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.’<sup>73</sup> 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.’<sup>74</sup>

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...’<sup>75</sup> The Bahá’í community is learning how to practice and promote ‘world citizenship’ effectively. Several factors must be considered by individual Bahá’ís, such as the responsibility of putting the interests of the world before

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<sup>72</sup> 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 entitled ‘World Citizenship: A Global Ethic for Sustainable Development,’ New York: United Nations Office, dated 14 June 1993.

<sup>73</sup> Universal House of Justice. *The Promise of World Peace*, part II.

<sup>74</sup> Bahá’í International Community. ‘World Citizenship: A Global Ethic for Sustainable Development,’ New York: United Nations Office, 14 June 1993.

<sup>75</sup> Ibid.

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.

### **5.4.3 The institution of the Nineteen-Day Feast**

As discussed earlier, Bahá'í globalisation 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,<sup>76</sup> held every nineteen days. The Local Spiritual Assembly<sup>77</sup> 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 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

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<sup>76</sup> 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].

<sup>77</sup> For the Bahá'í Administration and the functions of local Spiritual Assembly see: *The Kitáb-i-Aqdas* verse 30, *The Bahá'í Faith*: Hatcher and Martin, pp. 133-137, *Understanding the Bahá'í Faith*, Wendi Momen and Moojan Momen, pp. 109-120.

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.'<sup>78</sup> 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 globalisation.

#### **5.4.4 The institution of Bahá'í marriage**

This is another principle that helps maintain unity within the Bahá'í community. As discussed earlier (chapter 1, section 1.4.5), family is the basic unit of society. Unless this all-important building block is healthy and cohesive, society cannot be

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<sup>78</sup> Shoghi Effendi. *Bahá'í World Journal*, vol. 5, 1976, p. 74.

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.'<sup>79</sup> 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 globalisation. 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 globalisation. The exploration of the following four principles is of special interest to this topic.

#### **5.4.5 A universal language and script**

Having effective communication among citizens of the world is a necessary

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<sup>79</sup> Bahá'u'lláh. *The Kitáb-i-Aqdas*, note 88.

requirement for achieving a meaningful globalisation. 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.<sup>80</sup> 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.'<sup>81</sup> The Bahá'í writings have not suggested any specific language. The proposition is that representatives of all nations will make a decision 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

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<sup>80</sup> 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: *The Kitáb-i-Aqdas*, note 193.)

<sup>81</sup> Bahá'u'lláh. *The Kitáb-i-Aqdas*, verse 189.

without a need 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.’<sup>82</sup> 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 globalisation makes it necessary for people to become multilingual.

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<sup>82</sup> Pravda.ru, science, 2007. Retrieved: <<http://english.pravda.ru/science/earth/29-11-2007/101929-language-0/>>, [accessed: 12 July 2011].

#### 5.4.6 Universal peace

A key barrier to a meaningful globalisation 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 his writings addressed to 'Rulers and Monarchs'<sup>83</sup> of the world Bahá'u'lláh said, 'They [sovereigns] must put away the weapons of war, and turn to the instruments of universal reconstruction.'<sup>84</sup> 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 progress 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

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<sup>83</sup> 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, 2<sup>nd</sup> ed., 1972.

<sup>84</sup> Bahá'u'lláh. *Epistle to the son of the wolf*, pp. 30-31.



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 well 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 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.<sup>85</sup>

The economic implications of this statement are the inherent opportunity costs for government spending on defence. Considering resource scarcity, money that is spent in one area cannot be spent in another.

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<sup>85</sup> Shoghi Effendi. *The World Order of Bahá'u'lláh*, p. 204.

The establishment of universal peace (صلح عمومي - *sulh-i-'umúmi*) 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 globalisation. 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.'<sup>86</sup> 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.

#### **5.4.7 Free and fair international trade**

Although globalisation 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.<sup>87</sup> 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

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<sup>86</sup> Bahá'u'lláh. *Gleanings from the Writings of Bahá'u'lláh*, pp. 250-251.

<sup>87</sup> The global trade association for stock exchanges stated the total market capitalisation of companies listed on its 54 member bourses reached \$51.225 trillion at the end of January 2005, up from \$49.924 trillion a month before. By comparison, world gross domestic product was around \$44 trillion in 2005, according to the International Monetary Fund. Retrieved: <<http://www.reuters.com>>, [accessed: 15 March 2010].

widely described with the term ‘The rich get richer and the poor get poorer.’<sup>88</sup> Hence, previously it was mainly ‘poor get poorer, rich get richer’, and now it is ‘the increasing gap between the rich and the poor.’<sup>89</sup> 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.’<sup>90</sup>

The Bahá’í teachings on economics are consistent with the belief that ‘The earth is but one country, and mankind its citizens.’<sup>91</sup> This statement supports international trade. The establishment of a free and fair trade among nations is an important pillar of globalisation. A meaningful globalisation, 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:

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.<sup>92</sup>

The success of a fair and sustained international trade would depend on how

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<sup>88</sup> ‘The rich get richer and the poor get poorer’ is an expression, and perhaps a true expression sometimes evoked, with variations in wording, when discussing economic inequality. Karl Marx called it the ‘law of Increasing Poverty’ in criticising the Free Market Economy and capitalism. See: Hun Lee (1973), *Communism: A New Critique And Counterproposal*. Also, William Henry Harrison, the ninth President of the U.S. (1841), said in an October 1, 1840 speech said, ‘all the measures of the government are directed to the purpose of making the rich richer and the poor poorer.’ See: Arthur Schlesinger (1946). *The Age of Jackson*, Boston: Little Brown, 2012, p. 292.

<sup>89</sup> World Bank. Retrieved: <[http://www.millennium-project.org/millennium/Global\\_Challenges/chall-07.html](http://www.millennium-project.org/millennium/Global_Challenges/chall-07.html)>, [accessed: 16 December 2013]. Also see: United Nations Report’, 16 December 2013.

<sup>90</sup> Bahá’u’lláh. *Gleanings from the Writings of Bahá’u’lláh*, p. 235.

<sup>91</sup> Bahá’u’lláh. *Gleanings from the Writings of Bahá’u’lláh*, p. 250.

<sup>92</sup> ‘Abdu’l-Bahá. *Selections from the Writings of ‘Abdu’l-Bahá*, p. 301.

realistic is such mutual exchange. For examples, issues related to protectionism<sup>93</sup>, 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.<sup>94</sup>

A number of references in the Bahá'í writings have favoured the free market economy, though it is suggested that such a system needs to be adjusted, regulated and even restricted. Nevertheless, any arrangement for the economics of the future associated with a meaningful globalisation must incorporate justice and fairness for all humanity. 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.'<sup>95</sup> He also approves of profit sharing (chapter 3, section 3.7.3), 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 apart of a normal business transaction, provided that this is done 'with fairness and moderation'<sup>96</sup> 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

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<sup>93</sup> For the concept of protectionism see: Anderton, *Economics*, pp. 471-474. (Governments use protectionism in order to protect newly and vulnerable firms.)

<sup>94</sup> Shoghi Effendi. *The World Order of Bahá'u'lláh*, p. 204.

<sup>95</sup> 'Abdu'l-Bahá. *Scholarship*, p.1.

<sup>96</sup> Bahá'u'lláh. *Tablets of Bahá'u'lláh*, p. 132.

systems<sup>97</sup> 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.<sup>98</sup>

Therefore, the Bahá'í economic system of the future will consider the advantages of both a 'free market economy' and socialism,<sup>99</sup>

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.'<sup>100</sup> 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<sup>101</sup> and attain a relative prosperity. 'Abdu'l-Bahá also called upon the Iranians to learn '...modern concepts, ...new systems and procedures,

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<sup>97</sup> Ibid., p. 170.

<sup>98</sup> Shoghi Effendi. 'Letter dated 25 August 1939,' *True Foundation of All Economics*, p. 169.

<sup>99</sup> For advantages and disadvantages of Market Economy see: Richard Lipsey and Alec Chrystal. *Positive Economics*, 9<sup>th</sup> ed., Oxford, Oxford University Press, 1995, pp. 400-407. For planned or command economy, see: pp. 12-14.

<sup>100</sup> 'Abdu'l-Bahá. *The Secret of Divine Civilisation*, p. 15.

<sup>101</sup> For the theory of comparative advantage, see: Krugman, *International Economics, Theory and policy*, pp. 10-12. (It states that countries will find it mutually advantageous to trade if comparative cost of production differs. The theory was developed by David Ricardo in early 19<sup>th</sup> century).

...progressive enterprises...' [from] 'the people of Europe.'<sup>102</sup> Moreover, He urged them to follow Japan because 'Japan has opened its eyes and adopted the techniques of contemporary progress and civilisation.'<sup>103</sup> 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 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...<sup>104</sup>

Therefore, it is argued that globalisation 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.'<sup>105</sup>

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<sup>102</sup> 'Abdu'l-Bahá. *The Secret of Divine Civilisation*, p. 13.

<sup>103</sup> *Ibid.*, p. 111.

<sup>104</sup> Shoghi Effendi. *The World Order of Bahá'u'lláh*, p. 35, and p. 204.

<sup>105</sup> *Ibid.*, p. 204.

So far we have established that from a purely economic perspective, a sustainable, fair and free international trade is essential for a meaningful globalisation. 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.<sup>106</sup>

Such an arrangement becomes possible when, according to Jeffrey Sachs ‘the economic benefits of globalisation are distributed fairly and justly among the citizens of the world.’<sup>107</sup> Thus, morality plays an important role in establishing a meaningful globalisation. Rassekh and Speir specify that ‘Since economic globalisation affects the economic lives of people, it has moral implications that often take centre stage in any discussion on globalisation.’<sup>108</sup> 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.’<sup>109</sup> 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 a

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<sup>106</sup> Sen. *The Idea of Justice*, p. 409.

<sup>107</sup> Jeffrey Sachs. *The End of Poverty*, Penguin Books, 2005, p. 358.

<sup>108</sup> Rassekh and Speir. *Journal of Global Ethics*, p. 27.

<sup>109</sup> Bahá’u’lláh. *Trustworthiness*, p. 9.

cohesive co-operative community, to the benefit of all.’<sup>110</sup> 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 necessary adjustment of the current form of free market economy.

#### **5.4.8 An international single currency**

In 1936, Shoghi Effendi wrote about the universal single currency in *The world order of Bahá’u’lláh*, ‘...a uniform and universal system of currency...will simplify and facilitate intercourse and understanding among the nations and races of mankind.’<sup>111</sup> 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 financial crisis in Europe from 2008 and particularly 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

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<sup>110</sup> Richard Wilkinson and Kate Pickett. *The Spirit Level*, p. 62.

<sup>111</sup> Shoghi Effendi. *The World Order of Bahá’u’lláh*, p. 204.



government, for example, oppose the European single currency on the basis on the separation of monetary<sup>112</sup> and fiscal<sup>113</sup> 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 organisational skills of those who are operating it. This dissertation supports 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 can not go on forever.’<sup>114</sup> 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.’<sup>115</sup> 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.’<sup>116</sup>

One lesson learned from the current global financial crisis is that due to increased capital mobility and economic interdependency, the occurrence of one financial

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<sup>112</sup> Monetary instruments are: interest rate, exchange rate and money supply. In the United Kingdom the Bank of England is in charge of these policies. See: Begg, Fischer and Dornbusch, p. 458.

<sup>113</sup> Fiscal policy is government policies on spending and taxation. See: Begg, Fischer and Dornbusch, *Economics*, p. 412.

<sup>114</sup> Stiglitz. Cited in Morrison Bonpasse, *The Single Global Currency*, Newcastle: Maine, 2006, p. 433.

<sup>115</sup> Stiglitz. Cited in *The Single Global Currency*, p. 433.

<sup>116</sup> *Ibid.*, p. 268.

crisis in one part of the world can have devastating effect on other parts of the world. Following the crisis we see more coordinated action between Central Banks, and this will increase in the coming year, the reason of the structure of our economies. According to international financial economists Charles Wyplosz and Richard Maldwin in an Optimal Currency Area,<sup>117</sup> 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 the 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 more easy and transparent.<sup>118</sup>

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

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<sup>117</sup> Begg, Fischer, and Dornbusch. *Economics*, p. 678.

<sup>118</sup> Charles Wyplosz and Richard Maldwin. *The economics of European Integration, London: McGraw – Hill Education*, 2004, p. 16.

replaced with a Single Global Currency.<sup>119</sup>

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.’<sup>120</sup>

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’).’<sup>121</sup> Stiglitz called them ‘global greenbacks’, which are similar to the Special Drawing Rights (SDR)<sup>122</sup> 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.<sup>123</sup>

Today, there are 143 different currencies in circulation serving 191 member countries of the United Nations.<sup>124</sup> It is estimated that transaction costs related to currency exchanges are in the region of 400 billion dollars annually.<sup>125</sup> Of course, such a transaction method would be beneficial to certain groups such as banks and

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<sup>119</sup> Bonpasse. *The Single Global Currency*, p. 418.

<sup>120</sup> Stiglitz. *Making Globalisation work*, p. 259.

<sup>121</sup> Stiglitz. *Making Globalisation work*, p. 260.

<sup>122</sup> The SDR is an international reserve asset, created by the IMF in 1969 to supplement its member countries’ official reserves. Its value is based on a basket of four key international currencies, and SDRs can be exchanged for freely usable currencies. Retrieved: <<https://www.imf.org/external/np/exr/facts/sdr.htm>>, [accessed: 26 October 2011].

<sup>123</sup> Stiglitz. *Making Globalisation work*, p. 261.

<sup>124</sup> Bonpasse. *The Single Global Currency*, p. 483.

<sup>125</sup> *Ibid.*, p. 33.

other financial institutions, and no doubt create employment opportunities. Countries are 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'<sup>126</sup> and 'West African Franc – CFA'<sup>127</sup> 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

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<sup>126</sup> 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. Retrieved: <<http://web.gocurrency.com>>, [accessed: 19 April 2009].

<sup>127</sup> Eight West African countries using CFA currency: Benin, Cote d'Ivoire, Gabon, Guinea-Bissau, Mali, Niger, Senegal and Togo. Retrieved: <<http://web.ranker.com>>, [accessed: 19 April 2009].

circulation in the world. Among the factors that facilitate economic transactions on a global stage is the benefit of rendering a central bank independency, transparency and accountability. Commenting on this Artis and Nixon 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.’<sup>128</sup> 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.’<sup>129</sup> 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.<sup>130</sup> 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

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<sup>128</sup> Mike Artis, and Frederick Nixon. *The Economics of the European Union: Policy and Analysis*, 4<sup>th</sup> ed., Oxford: Oxford University Press, 2007, p. 266.

<sup>129</sup> Artis and Nixon. *The Economics of the European Union*, p. 267.

<sup>130</sup> Beardshaw. *Economics*, p. 47.

one of the reasons for global economic imbalances. Moreover, multinational companies that have invested heavily in 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<sup>131</sup>, 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

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<sup>131</sup> The seven most popular currencies in the world are: US dollar, Euro, British Pound Sterling, Japanese Yen, Swiss Franc, Canadian dollar, and Australian dollar. Retrieved: <<http://web.xe.com>>, [accessed: 19 April 2009].

confidence, and the price level.

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 globalisation 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.'<sup>132</sup> The Bahá'í scriptures advocate a change in lifestyle and the adoption of a demand management attitude, such as

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<sup>132</sup> Sloman. *Economics*, p. 713.

implementing the moral principle of moderation. Also, according to Sloman ‘many of the shocks that face economies today are global and have similar effects on all countries. Adjustment to such shocks would often be better with a single coordinated policy.’<sup>133</sup>

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 Nixon, 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.’<sup>134</sup> According to Artis and Nixon, 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).<sup>135</sup>

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 a Optimal Currency Area, it removes the advantages enjoyed by a few favoured countries, whose currency is seen as strong

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<sup>133</sup> Ibid., p. 714.

<sup>134</sup> Artis and Nixon. *The Economics of the European Union*, p. 283.

<sup>135</sup> Ibid., p. 394.



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 globalisation may cause at the local 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.

### **5.5 The Bahá'í World Commonwealth**

The phrase 'Bahá'í World Commonwealth' is plausibly the closest expression to the concept of 'globalisation' stated in the Bahá'í writings.<sup>136</sup> 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.'<sup>137</sup> Thus, the Bahá'í writings envisage that humanity, and as a subset within it the Bahá'í community

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<sup>136</sup>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.

<sup>137</sup> Shoghi Effendi. *Bahá'í Administration*, p. 134.

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 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 Peace'<sup>138</sup>, and striving generally to acquire moral and ethical values. However, it is only during the 'Golden Age'<sup>139</sup> of the Bahá'í faith that the world peace in its truest sense as the 'Most Great Peace'<sup>140</sup> will be established, although its exact nature is not known. And the author of this research was not able to find relevant materials from the primary Bahá'í writings.

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<sup>138</sup> 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.

<sup>139</sup> '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.

<sup>140</sup> 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.

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 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.<sup>141</sup>

These propositions for the Bahá'í World Commonwealth are good illustrations of essentials of a meaningful globalisation anticipated in the Bahá'í writings.

## **5.6 The opportunities and challenges of globalisation**

There are two paradoxical conditions that are shaping the current process of globalisation. On the one hand, and positively, the economic performance and the wealth of nations have increased substantially.<sup>142</sup> 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 globalisation has produced both opportunities and challenges.

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<sup>141</sup> Bahá'í International Community. *The Bahá'ís*, 2005, p. 82.

<sup>142</sup> See Galbraith. *A History of economics*, pp. 1-3.

Currently most developing countries enjoy greater trade in goods and services; greater transfer of financial capital; greater transfer of technology and information, greater specialization in production, and greater labor 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.’<sup>143</sup> We are witnessing encouraging signs of acceleration in the process of globalisation, in particular, with the interest shown to global economic integration caused by economic liberalisation. The process of globalisation is facilitated through removing trade barriers, democratisation in many parts of the world and the 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 Organisation.

The Bahá’í writings also affirm that important components of a meaningful globalisation are the political, environmental, social, moral, and economic

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<sup>143</sup> 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. See: Krugman, *International Economics*, pp. 652-653.

interdependency of people and nations. ‘Abdu’l-Bahá has identified a number of necessary elements for globalisation, some of which became available during his own lifetime, including travelling, availability of information through different publications, effective communication and exchange of views.<sup>144</sup> 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 globalisation 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.

Globalisation 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.<sup>145</sup> Increasing the level of output for a world market creates more employment in developing countries. ‘Abdu’l-Bahá explains that trade multiplies output.<sup>146</sup> 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

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<sup>144</sup> For a discussion of globalisation in ‘Abdu’l-Bahá’s own life-time see: Momen. ‘The Globalisation of the Bahá’í Community: 1892-1921’, *Bahá’í and Globalisation*, pp. 81-85.

<sup>145</sup> 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. See: Begg, Fischer, and Dornbusch. *Economics*, p. 123. Also: Don Waldman and Elizabeth Jensen. *Industrial Organisation, Theory and Practice*, 2<sup>nd</sup> ed., London: Addison Wesley Publication, 2001. pp. 22-26.

<sup>146</sup> For expansion of trade and issues related to free and fair international trade see: ‘Abdu’l-Bahá, *The Secret of Divine Civilisation*, pp. 5-36.

come out of poverty by earning additional revenue, which is needed for improving public services such as education, health and other welfare programs.

A positive occurrence that helps reform the current process of globalisation 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 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 globalisation.

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.<sup>147</sup> 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 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 globalisation but with how it has been managed.'<sup>148</sup> For Sen the Universal Declaration of Human Rights in 1948 is a positive step towards achieving the conditions of a meaningful globalisation. For him, globalisation 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.<sup>149</sup> For Shapour Rassekh the benefits of globalization surpass its cost. He raised a question that how can we stop the negative attitudes

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<sup>147</sup> See Muhammad Yunus. *Creating a World Without Poverty*,

<sup>148</sup> Joseph Stiglitz. *Globalism's Discontents*, Oxford: Blackwell, 2002, pp.200-207.

<sup>149</sup> For a discussion of Human Rights and globalization see: Sen, *The Idea of Justice*, pp. 379-381.

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.<sup>150</sup> Hence, for Sen, Stiglitz, Saxe, Rassekh and many more there is nothing wrong with the creation and development of globalisation, the problem is the negative processes adopted to achieve it. The view in this dissertation is that a fair distribution of the benefits of globalisation among citizens of the world is an important aspect of a meaningful globalisation.

Despite the benefits of globalisation, we are still facing many serious challenges in establishing a meaningful globalisation. 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 globalisation. World Commission on the Social Dimension of Globalisation has condemned the current process of globalisation in a sense that the current process of globalisation 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, globalisation has not met their simple and legitimate aspirations for decent

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<sup>150</sup> Shapour Rassekh. *Dunya Niyazmand-I Yik Tamaddun-I Jahani Ast* [author's translation from the Persian language: *The world is in need of a global civilisation*], Madrid: Foundation Nehal, 2010, pp. 71-75.



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 globalisation. Meanwhile the revolution in global communications heightens awareness of these disparities... these global imbalances are morally unacceptable and politically unsustainable.<sup>151</sup>

There is also the danger of moral crisis associated with the current form of globalisation 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’<sup>152</sup> 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

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<sup>151</sup> World Commission on the Social Dimension of Globalisation. *A Fair Globalisation: Creating Opportunities For All*, Geneva: International Labour Office, 2004, p. x.

<sup>152</sup> Sen. *The Idea of Justice*, p. 381.

opportunity that these women could ever have imagined, and that their employment had changed their lives for the better.<sup>153</sup>

The self-explanatory character of this story indicate that although the existence of multinational corporations in 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 globalisation, 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 (chapter 4, section 4.3). 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, globalisation is expected to bring unprecedented benefits to all countries, however as Stiglitz argues:

[Globalisation] 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

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<sup>153</sup> Sachs. *The End of Poverty*, p. 12.

values.<sup>154</sup>

Henceforth, purely national interests often shape debates on globalisation, especially in policy-making circles, whether social, economic, or political. Therefore, discussions of the subject should be properly broadened to take into account all aspects 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.’<sup>155</sup> 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 globalisation. From the above discussion, it is evident that the

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<sup>154</sup> Stiglitz. *Making Globalisation Work*, p. 269.

<sup>155</sup> Bahá’u’lláh, *Tablets of Bahá’u’lláh*, p. 163.

process of globalisation has already begun; however, a central view discussed and presented in this dissertation 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.

### 5.7 Chapter conclusion

Globalisation is defined as the process by which more people across nations become interconnected in different ways. Globalisation from an economic perspective is expressed as a borderless market. The Bahá'í view is 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. Hence, in this chapter, studying the Bahá'í writings, some of the components of creating a meaningful globalisation are examined. Some popular statements from the writings such 'the well-being of mankind,'<sup>156</sup> and 'betterment of the world,'<sup>157</sup> and 'We must all be in the greatest happiness and comfort'<sup>158</sup> confirm the Bahá'í vision of globalisation. Addressing Bahá'ís the founder of this faith instructs them to 'Let your vision be world-embracing.'<sup>159</sup> To establish such a vision, Bahá'ís not only work to build a community as a model for a meaningful globalisation, but also for the common good. For example, there are specific guidelines and

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<sup>156</sup> Bahá'u'lláh. *Gleanings from the Writings of Bahá'u'lláh*, p. 286.

<sup>157</sup> *Ibid.*, *Trustworthiness*, p. 5.

<sup>158</sup> 'Abdu'l-Bahá. *Foundation of World Unity*, p. 41.

<sup>159</sup> Bahá'u'lláh. *Gleanings from the Writings of Bahá'u'lláh*, p. 94.

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 globalisation.

However, the current process of globalisation does not march forward along a smooth path. It is argued in this chapter that there is nothing wrong with the idea or the concept of globalisation; the challenges are in the processes adopted. For example, the development of the current modelling of globalisation has created winners and losers, problems associated with the eco-system, and unbalance growth and expansion of organisations. The most worrying consequence is the creation of extremes of wealth and poverty. Therefore, this form of globalisation is not in agreement with the Bahá'í perspective of creating a meaningful global society. Both Bahá'í and non-Bahá'í writers and scholars have suggested that the benefits of globalisation should be distributed fairly and justly among citizens of the world. It was also suggested that the current form of globalisation needs to be reformed, and 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 globalisation.

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 globalisation 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. An example of Bahá'í community involvement in the process of achieving an ideal globalisation will be discussed in the next chapter. It is a Bahá'í inspired social and economic development project in the city of Rajshahi in Bangladesh involving grassroots population.

## Chapter 6: 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.<sup>1</sup>

Universal House of Justice

### 6.1 Introduction

There is a great deal of correlation between globalisation (previous chapter) and economic development (this chapter). 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'<sup>2</sup> then, as Jeffrey Williamson writes, 'It started about the same time as globalisation, in the early 19<sup>th</sup> century.'<sup>3</sup> Considering these observations, it can be argued that globalisation and development are mainly 19<sup>th</sup> and 20<sup>th</sup> century phenomenon and go hand in hand. The question of which one comes first, the response is that globalisation requires the means, and the means

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<sup>1</sup> Universal House of Justice, The Six Year Plan, summary of achievements, p. 72.

<sup>2</sup> Todaro. *Economic Development*, p. 739.

<sup>3</sup> Jeffrey Williamson. 'When Did Globalisation Begin?,' *European Review of Economic History*, vol. 6:01, April 2002, pp. 23-50, at p. 23.

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 or to an organisation to carry out 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.

This chapter will focus on mainly two aspects of development for this dissertation. 1) The Bahá'í view on development based on the study of Bahá'í literatures. 2) The application of Bahá'í teachings on development based on a field trip to Bangladesh and observing a Bahá'í inspired social and economic development project in the city of Rajshahi.

## **6.2 The Bahá'í 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 20<sup>th</sup> September asked for 'systematic attention'<sup>4</sup> to be given to the above area of activities following the rapid expansion of the Bahá'í community during the 1970s,<sup>5</sup> 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 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'<sup>6</sup> to Bahá'ís engaged in development activities by 'coordinating the flow of human and financial resources to projects'<sup>7</sup> and to nurture them by 'providing general advice, technical and otherwise, in response to the questions that naturally arise in carrying on such endeavours.'<sup>8</sup> Therefore, the work of OSED according to Universal House of Justice should be organised 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.'<sup>9</sup>

### **6.3 The Bahá'í view on development**

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<sup>4</sup> Universal House of Justice. 'Message dated 20 October 1983,' Haifa: Bahá'í World Centre Publications, 1983.

<sup>5</sup> Holly Hanson Vick. *Social and Economic Development: A Bahá'í Approach*, Oxford: George Ronald, 1989, p. 8.

<sup>6</sup> Office of Social and Economic Development. Haifa: Bahá'í World Centre Publications, 1999.

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

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 economist and philosopher Adam Smith, the founder of modern scientific economics, presented his view of economics and development in his two major publications, *The Wealth of Nations* and *The theory of moral sentiment*. Also, German economist, socialist and politician Max Weber put forward his now-famous theory of '*The Protestant ethic and the spirit of capitalism*,'<sup>10</sup> arguing that economic development in Northern Europe could be explained by developments associated with the 'Protestant ethics,' which was interested in savings, entrepreneurial activity, the frugality which 'Puritanism' demanded, and literacy to read the scriptures.<sup>11</sup> Hence, economists and philosophers recognise these factors as necessary components of the theories and models associated with sustained economic growth and development.

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.'<sup>12</sup> 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

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<sup>10</sup> *The Protestant ethic and the spirit of capitalism* is a series of essays, the original German text was composed in 1904 and 1905, and was translated into English for the first time by Talcott Parsons in 1930.

<sup>11</sup> For Protestant ethics and Puritanism belief on 'development' see: Stackhouse, *On Moral Business*, pp. 749-750.

<sup>12</sup> 'Abdu'l-Bahá. *Promulgation of Universal Peace*, p. 361.

and it promotes for all creatures and plants and the conservation of the earth's resources (chapter 5). Religion also encourages sharing and caring and hence influences wealth redistribution (chapter 4). Many of the important decisions about family, work and savings have been rooted in religious beliefs (chapter 2). Religion emphasises the human resource development that constitutes the ultimate basis for wealth of nations (chapter 3). 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.'<sup>13</sup> 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.

It is the right time for the Bahá'í community to be involved in social and economic development activities on a global scale because 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).'<sup>14</sup> 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

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<sup>13</sup> Bahá'í International Community. 'Statement on Sustainable Development,' World Summit on Sustainable Development, Johannesburg, South Africa, August 26, 2002.

<sup>14</sup> Vick. *Social and Economic Development: A Bahá'í Approach*, p. 8.

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.<sup>15</sup>

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 race unity and the advancement of women are also organised 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.'<sup>16</sup> 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

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<sup>15</sup> Bahá'í International Community. 'Bahá'í Development Projects: A Global Process of Learning – 1999.

<sup>16</sup> Vick. 'Overview of Bahá'í Social and Economic Development,' *Bahá'í World*, Vol. 21, 1992-1993, pp. 229-245, at p. 233.

consultation in an effort to seek input from, and empower, those whom the projects attempt to serve.<sup>17</sup>

In spite of considerable progress in the expansion of development activities in the Bahá'í community, there are still challenges to be faced. For example, most development projects in the Bahá'í community are based on spiritual principles and character building. Also, projects aim to increase people's self-reliance, communal cooperation and unity, giving access to knowledge, and where possible, removing sources of injustice and prejudices. These are fundamental and necessary for the success of projects in the long term plans. However, 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.

#### **6.4 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:

##### **6.4.1 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.'<sup>18</sup> 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

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<sup>17</sup> For an in depth discussion of Bahá'í Development programs see: Bahá'í International Community, 'Bahá'í Development Projects: A Global Process of Learning,' 1999.

<sup>18</sup> 'Abdu'l-Bahá. *Paris Talks*, p 9.

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.’<sup>19</sup> Hence, Bahá’í inspired development projects incorporate this basic requirement.

#### **6.4.2 The 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. Collaboration with organisations 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.’<sup>20</sup> 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 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.

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<sup>19</sup> ‘Abdu’l-Bahá. *Bahá’í World Faith*, p. 289.

<sup>20</sup> Bahá’u’lláh. *Gleanings from the Writings of Bahá’u’lláh*, p. 215.

### **6.4.3 Grassroots population are at the centre of Bahá'í development**

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, as commented by Ron Price 'very few can be compared with the kind of complex development projects promoted and funded by government agencies and large multilateral organisations.'<sup>21</sup> 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.

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<sup>21</sup> Ron Price. 'Reflection on a culture of Learning and Growth: Community and Individual Paradigm Shift: A Contemporary, Historical and Futuristic and Personal Context.' Retrieved: <[http://bahai-library.com/?file=price\\_culture\\_learning\\_paradigm&language=>](http://bahai-library.com/?file=price_culture_learning_paradigm&language=>)>, [accessed: 25 February 2013.]

#### **6.4.4 The focus of a considerable number of Bahá'í development projects is in the field of education**

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.

#### **6.5 Rahmanian Foundation: A Bahá'í inspired development project, Rajshahi - Bangladesh**

In February 2011, a field trip was undertaken for the purpose of examining the visible contribution of Bahá'í community in rural development. For this purpose,



Rahmanian Foundation, a Bahá'í inspired social and economic development project in Rajshahi - Bangladesh was selected and visited.

Bangladesh has a population of 160.4 million<sup>22</sup> (2015). It is one of the most densely populated areas in the world. The population density is 3200 people per square mile. A significant percentage of the population are children and youth. Child labour is still a serious problem. However, the youth population of Bangladesh show great interest in learning and positively changing their own way of life and of those around them. The city of Rajshahi, which is located in Western Bangladesh, has a population of over one million (2015). Formerly, the development activities began in the form of small-scale '*tutorial schools*' in the main city of 'Rajshahi' and a nearby village called 'Godagari' in 1979 by the candidate of this research. Godagari has a population of over two hundred thousand. As the community resources were limited, most of these efforts were modest and traditional, serving their immediate locality. At the time, the main purpose was to improve literacy among the rural population. Therefore a few local people were trained to begin teaching the children in their own village in Godagari and in the city of Rajshahi. They were also involved in organising the infrastructure for the classes, by working together to build a modest and traditional place for holding the classes. In 1999 the Rajshahi project was advanced to a full-time academy called 'Rahmanian Foundation'. Mahmood Rahmanian is supporting the Foundation financially. Currently, the Foundation's main purpose is uplifting the life of rural and tribal children aged 11-16 who have

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<sup>22</sup> Retrieved: <<http://worldpopulationreview.com/countries/bangladesh-population/>>, accessed: 15 June 2015.

no or little access to education. This Foundation like many other Bahá'í inspired social and economic development projects is working in a more systematic manner. The components for the application of a systematic approach towards development includes a process of study of the Bahá'í writings, setting a clear objective for development, first-hand information of the population they serve, the gathering of necessary resources, actions taken in unity, the review and analysis of the results of their efforts, and reflection on the reasons for their successes and failures.

Followings are the main doctrines of Rahmanian Foundation:

It is the human right of every child to have a goal in life and make every effort for the betterment of the world.

Development must take place from within the communities and at the grassroots rather than being imposed from outside.

Every member of the community needs to actively improve her/his own condition through learning and consultation.

A socio-economic development must be able to increase the capacity of people in order to plan and to put it in to action.

The success of Rahmanian Foundation depends on the unity of thoughts of those involved and their commitment to their responsibilities.

The Project is a dynamic process that addresses the need of the community.

Any program should be conducive to both the material and

spiritual development of individuals and the community.<sup>23</sup>

### **6.5.1 The Interviews**

Three separate interviews took place with the director of the Foundation Jabbar Edelkhani and five members of the staff during my three days visit (24-27 February 2011) to Rajshahi. Everyone participated in the discussion with great cooperation and enthusiasm, obliging of the questions asked of them. The interview was conducted quite informal. A number of students were also interviewed as well. A summary of the discussion is provided below:

On the question about the main focus of the Rahmanian Foundation, they explained that one important channel to increase prosperity in rural Bangladesh is through the education of rural children. To contribute to their societies, children not only require knowledge, experience and skills but also moral incentives and spiritual principles to develop a variety of capacities and become effective human resource for the society. Reference was given to a statement by the Universal House of Justice, which states ‘At the heart of all activities, the spiritual, intellectual and community life of the believers must be developed and fostered.’<sup>24</sup> Thus, the focus of the Foundation is to provide necessary education not only to develop the moral incentives in students but also to increase their income-earning capacity. According to the director of the Foundation ‘although literacy, vocational and health training are essential, however one of the most important things this Foundation can do to help children is to empower them to recognise

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<sup>23</sup> The doctrines are adopted and translated from the Persian language, Rahmanian Foundation directory, 2000.

<sup>24</sup> Universal House of Justice. ‘Message to the Bahá’ís of the world,’ Naw-Ruz 1979, Haifa: Bahá’í World Centre Publications, 1979.

their full potential as human beings.’<sup>25</sup> Thus, the organisers of the Foundation believe that moral and spiritual education is the basis for any successful development strategy, a focus that contributes greatly to the project’s overall effectiveness and success.<sup>26</sup> The primary objective of the Foundation is to train children and thereby empower them with the knowledge of their true selves and to give them the skills and knowledge needed to improve the quality of life for themselves, their families and their communities.

There was also a discussion about subjects taught at the Foundation. Apart from normal academic subjects, the Foundation conducts residential courses to empower children through training in overall life skills on subjects such as rural health, hygiene and sustainable development. Personality development is a combined effect of the academic development, and learning how to conduct themselves during their time at the Foundation, through role modelling by the staff and volunteers, and exposure to a learning setting. The program of personality development also includes empowering the junior youth to plan, organise, become conscious decision-makers, implement and share their successes with others while respecting and reinforcing the value of their culture. Also, they are trained to be mindful of social development issues such as gender equality, work as worship and service as prayer, the importance of love, peace and unity; and to discuss social issues and act to solve them. The Foundation also focuses on health and hygiene and it is designed to provide the skills and develop the potential of the trainees and their communities to deal with health problems.

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<sup>25</sup> Jabbar Edelkhani. Face-to-face interview, Rajshahi, 25 February 2011.

<sup>26</sup> Jabbar Edelkhani. Face-to-face interview, Rajshahi, 25 February 2011.

Students learn to replace superstitious practices with scientific ones.

Who benefits from the Foundation? The immediate beneficiaries of the Foundation are the young people from all communities, not only Bahá'ís. Also, parents and family members, the community in the city of Rajshahi, the local council, and business organisations directly or indirectly benefit from the operation of the Foundation in the area. Students learn and experience how to be of service to others, bring positive change and ensure respect for all cultures and religions within their families and communities. Through these, they develop self-confidence, and better self-esteem and emotional maturity. Development of communication skills, such as public speaking, is another activity that empowers both genders. Considering that Bahá'í development projects are mostly small scale, with modest financial resources and mainly targeting rural communities, Hanson believes that 'the Bahá'í community's contributions to social and economic development are quite remarkable.'<sup>27</sup> The Foundation has liberally and unconditionally provided their services to the individuals and communities who otherwise would not have the opportunity for development. In their dealings with society at large, the Foundation is transparent in their philosophy. For example, they organise public meetings with the people of the town to discuss their progress and future development programs. According to its director, the Foundation has created an effective relation with educational institutions and other NGOs operating in the city of Rajshahi. There are also regular staff meetings to discuss the progress of the project. The participants in the Foundation are not expected to be Bahá'ís or to be converted to the Bahá'í faith. The

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<sup>27</sup> Vick. *Bahá'í World*, Vol. 21 (1992-1993), pp. 229-245, at p. 232.

organisers strongly believe that the success of their project depends on focussing on the needs of the local community. To be able to practically achieve its aims, the Foundation has organised small size projects, currently providing training to one hundred full-time students from diverse backgrounds in its program. A number of students are from the Santhal tribe,<sup>28</sup> an out-casted community. This has been particularly significant because it has previously been most difficult to get people from other tribes and parts of Bangladesh to agree to remain in the same building together with the members of Santhal tribe.

During my three days visit a high level of cleanliness and hygiene was quite noticeable at the Foundation. Hence, there was some discussion about the approach taken to create such an environment with outstanding discipline. It was stated that one of the significant components of the Foundation is caring for the environment as a spiritual responsibility. Students learn to care for the environment as service to the whole community and the importance of healthy environment and to care for land, water, and animals. Cleanliness and hygiene were practiced and noticed in all parts of the institution.

At the heart of the Foundation's vision is the recognition of a deep and inseparable connection between the practical and spiritual aspects of daily life. Creating a desire for social change and instilling confidence that it can be achieved must ultimately come from an awakening of the human spirit. While

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<sup>28</sup> Santhal ethnic group of eastern India, numbering well over five million at the turn of the 21st century. Their greatest concentration is in the states of Bihar, West Bengal, and Orissa, in the eastern part of the country. Some 200,000 also live in Bangladesh and more than 10,000 in Nepal. Retrieved: <<http://www.britannica.com/EBchecked/topic/523210/Santhal>>, [accessed: 16 March 2012].

pragmatic approaches to problem solving play a key role in development initiatives, tapping the spiritual roots of human motivation provides the essential impulse that ensures genuine social advancement. In addition to directly addressing some of the major issues in Bangladesh, such as agriculture, poverty, education, health, and social exclusion, the Foundation seeks above all else to revitalise the human spirit and to break down the barriers that limit fruitful and harmonious cooperation among men and women, whatever their religious, racial and cultural background.

Staff and volunteers at the Foundation believe that the creation and diffusion of knowledge lie at the heart of social progress. It, therefore, focuses on increasing the capacity of individuals, communities, and institutions to take concrete steps that promote their own spiritual and material well-being. The staff's views on capacity building were highly encouraging. Reference was given to a passage from Bahá'u'lláh, which refers to human beings 'as a mine rich in gems of inestimable value,'<sup>29</sup> 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, the community around them is transformed, and impetus is given to 'an ever-advancing civilization.'<sup>30</sup> The Bahá'í experience of development projects carried out in systematic manner by many other Bahá'í development projects around the world confirms this understanding. The Foundation, therefore, is focusing on increasing the capacity of individuals and the rural community to take concrete steps for promoting their

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<sup>29</sup> Bahá'u'lláh, *Gleanings from the Writings of Bahá'u'lláh*, p. 259.

<sup>30</sup> *Ibid.*, p. 215.

spiritual and material well-being. An important goal at the heart of the Foundation is to help students to recognise their full potential as human beings. This process of capacity building involves a global enterprise of learning in which Bahá'ís from virtually every cultural and ethnic background apply the sciences and their moral and spiritual insights to their local conditions with the hope of improving their communities. It is a process of action, evaluation, and adjustment, one in which local communities gradually improves their ability to define, analyse, and meet their own needs.

A fundamental and vital contribution of the Foundation is to combat poverty. Eradication of poverty is at the core of Bahá'í teachings on economics. As development agencies, religions are, not only major actors in education, but also, provide significant humanitarian relief, such as support for orphans, and disabled people.

Another area of contribution is the extent and depth of presence at the community level and therefore the ability to reach people. Faith organisations are widely present almost throughout the world, and they are, in a sense, the ultimate community organisations, particularly in places with weak government structure. This is another opportunity where the presence of Rahmanian Foundation can greatly improve people's lives in Bangladesh.

Also, an advantage that faith-based institutions such as Rahmanian Foundation have is their familiarity with local conditions. Illustrations of broad strategy issues might include whether enough attention is given to rural areas, whether there is a



tendency to focus too much on urban areas, whether there is enough money going to education and health programs, whether the programs for youth and youth employment are working, whether the curriculum in education is adapted to the needs of the local society, and what more needs to be done. Faith institutions are likely to have productive views and relevant experiences on these issues if they are well framed.

The organisers of the Foundation described some challenges that they are facing, mainly due to limited resources. Currently, external educational institutions are used for its academic requirements such as English language and mathematics. However, as expressed by its director, as the resources of the Foundation increase, further expansion and new areas of social and economic development will be explored.

The organisers are also aware that becoming self-sufficient is important for the Foundation. However, currently this is not possible. The Foundation is not able to carry on its functions without external support. There is a need for better community awareness so that gradually the Foundation becomes self-sufficient. Increased capacity depends on the degree and dimension of the local contributions and participation in terms of human resources, finances and other resources. Encouragingly, there is a strong local initiative to support its activities. Also, there is the presence of able individuals in the fields of medicine and management who support the Foundation on a voluntary basis.

Another challenge described by a number of staff was that currently the

Foundation's focus is mainly on education (spiritual education in particular). However, the Foundation need to be engaged in other areas such as small and medium size agriculture, which is of great importance to the local needs. The success of the Foundation in the future depends on the integration of spiritual and practical aspects of life. Apart from self-discipline and personal development, students need to improve the material well-being of themselves and their communities. This way, students are prepared and experience the joy of serving their communities, and creating positive changes in their families and the wider society.

### **6.5.2 Other examples of Bahá'í inspired social and economic development projects with a systematic approach**

By investigating a number of Bahá'í social and economic development 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.<sup>31</sup>

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<sup>31</sup> Bahá'í International Community. 'Bahá'í Development Projects: A Global Process of Learning.'

The components for the application of a systematic approach towards development stated before. The Ruhi Institute<sup>32</sup> is a good example of a successful Bahá'í project carried on in a systematic way. In regard to the aim of Ruhi Project, 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.<sup>33</sup>

These projects 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. Few other examples of Bahá'í inspired social and economic development projects with application of systematic approach towards development are stated below to end this chapter:

FUNDAEC (Fundacion para la Aplicacion y Ensenanza de las Ciencias): FUNDAEC was created in 1974 by a group of scientists and professionals who were trying to find a more appropriate role for science, technology, and education in the development of rural areas.<sup>34</sup>

Mona Foundation: Mona Foundation has been working in one of the poorest areas of Panama since 1992. It started as a kindergarten in the carport of a family that

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<sup>32</sup> '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.

<sup>33</sup> Universal House of Justice. 'Ridvan Message,' 21 April 2008.

<sup>34</sup> FUNDAEC. Retrieved: <<http://www.bcca.org/services/lists/noble-creation/fundaec1.html>>, [accessed: 10 March 2008].

wanted to serve the community. Over the years, it's grown into an institution offering classes through 12th grade, recognised for excellent academics and moral leadership training. The underlying basis for all the activities of the Mona Foundation is the belief that the key to poverty reduction and the development of human resources lies in universal education and gender equality. The belief is that the individuals most affected are those most ready to affect change. They are the most capable of promoting tolerance, respecting cultural values, and engaging in collaboration.<sup>35</sup>

**Badi Foundation:** The Foundation was established in Macau in 1990, where it is registered as a non-profit charitable organisation. It facilitates the establishment of community-based organisations and strengthen their institutional capacity to work with local governments and communities to design and implement education and training programs that release the potential of women and youth living in China's rural areas. The Foundation also operates the School of the Nations, an internationally oriented school in Macau that seeks to foster the intellectual and moral development of its students in an integrated manner, while developing their commitment to service to the broader community.<sup>36</sup>

**Barli Development Institute for Rural Women:** This Institute is located in Indore, Madhya Pradesh, India: It offers a six-month residential program for tribal women at its facilities. The program combines practical skills training with consciousness

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<sup>35</sup> Mona Foundation. 'Bahá'í Social and Economic Development Programs,' *Bahá'í News* (668), November 1986, p. 13.

<sup>36</sup> Bahá'í Social and Economic Development Programs". *Bahá'í News* (668), November 1986, p. 13.

raising and the development of spiritual qualities. Recognising that attitudinal change on the part of husbands, parents, and children is equally essential. The Institute continues to work with the women after they return home and conducts conferences and meetings in their villages. More than 1,000 women in some 200 villages have taken part in the program since the Institute's inception in 1985.<sup>37</sup>

**New Era High School:** This school is located in Panchgani, a modern hill station town well-known as an educational centre containing well-established schools, in the state of Maharashtra. Founded in August 1945, this school was one of the first Bahá'í education projects in India. In addition to academic excellence, the school has long given a high priority to moral education and the promotion of values for world citizenship. Of equal significance, it has been a proving ground for early Bahá'í efforts at promoting social and economic development in rural areas.<sup>38</sup>

**Rabbani School:** This school is located in Susera, Gwalior, and Madhya Pradesh. The Rabbani School was established in 1977. Its objective is to provide rural youth with academic and practical skills for development, combining the teaching of moral principles with a love for service.<sup>39</sup>

**Ruhiyyih School:** It is situated in Darjeeling, West Bengal. The school is a Bahá'í inspired school that was established in 1985. The school endeavours to help each

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<sup>37</sup> Barli Development Institute for Rural Women Retrieved: <<http://www.bahai.in/social-and-economic-development/advancement-of-women/barli-development-institute-for-rural-women.html>>, [accessed: 10 March 2015].

<sup>38</sup> New Era High School. Retrieved: <<http://www.bahai.in/social-action/education/new-era-high-school.html>>, [accessed: 10 March 2015].

<sup>39</sup> Rabbani School. Retrieved: <<http://www.bahai.in/social-action/education/rabbani-school.html>>, [accessed: 10 March 2015].

student fully develop his or her personality in an atmosphere of love and unity. The students and well-qualified faculty come from a wide variety of religions, races, castes and creeds. Ruhiyyih School offers a non-sectarian and multi racial education for children from all races and creeds. The educational philosophy of the school seeks to provide a balance between academic, spiritual, intellectual, social and physical training.<sup>40</sup>

## **6.6 Chapter Conclusion**

We need to keep in mind that development agencies, NGOs and faith-based institutions such as RF are still in 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 work on building stronger partnerships and alliances between development agencies and faith based organisations and better understand how the two work 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

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<sup>40</sup> Ruhiyyih School. Retrieved: <<http://www.bahai.in/social-action/education/ruhiyyih-school.html>>, [accessed: 10 March 2015].

governments receiving the funding must show a genuine commitment to allocate resources to a specific requirement. The 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 organisations, 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 the Foundation as a faith-based institution puts it in a strong position to be engaged in community development successfully.<sup>41</sup> As evidenced by the number of attendees at the RF, and the involvement of the local people in the project, it is obvious that the project has succeeded in earning the trust of the community.

As a result of investigative and exploring the Bahá'í teaching on microeconomics (sustainable production, distributive justice and sustainable consumption) and macroeconomics (the Bahá'í perspective of globalisation), and Bahá'í understanding of the concept of development and their implication for the Bahá'í community and the wider society, the next chapter will introduce a Bahá'í-inspired model of economic sustainability. This will be a theoretical model based on the previous five chapters and joining them as different components of the market.

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<sup>41</sup> For an in depth discussion of the role of religion in development see: Brian J. Grim. 'Is Religious Freedom Good for Business?: A Conceptual and Empirical Analysis,' *Interdisciplinary Journal of Research on Religion*, vol. 10, 2014, p. 5.





## Chapter 7: The Bahá'í-Inspired Model of Economic

### Sustainability

Creation reflects the names and attributes of God, and mankind has a profound responsibility to protect the natural environment and preserve its ecological balance.<sup>1</sup>

Universal House of Justice

#### 7.1 Introduction

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. Just as consumers attempt to maximise utility and workers attempt to maximise their rewards from working, shareholders will be motivated solely by maximising their gain from the company, suppliers are interested to deal with larger companies, and government is addicted and dependent on taxes.<sup>2</sup> 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'<sup>3</sup> is absent in the market, the challenges of the market will not be resolved. Having identified some of the challenges and inconsistencies of the

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<sup>1</sup> Universal House of Justice, *The Six Year Plan*, summary of achievements, p. 75.

<sup>2</sup> Anderton. *Economics*, p. 309.

<sup>3</sup> 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.'

market, this theoretical description of economic variables provide 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 equilibrium. The model is a simplified representation of the application of Bahá'í teachings on economics in balancing the market in a sustainable way, or the eco well-being.

## **7.2 The rational for the model of economic sustainability**

The modern market is a complex system of organisation. 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, negative externality, underproduction of public goods, poverty, and an increasing gap between the rich and the poor, are indications that the market is not self-correcting. The 2008 global financial crisis led to the entire market to have extreme fluctuation for a long period of time. 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 sustainability and achieving equilibrium. A market requires participants to interact with each other for the

exchange of commodities. The moral incentives are important 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.'<sup>4</sup> 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.'<sup>5</sup> Sustainability therefore requires that the activities within the market be in harmony with the laws of nature, otherwise we may face severe consequences.

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<sup>4</sup> 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.

<sup>5</sup> Shoghi Effendi. *Conservation of the Earth's Resources*, p. iii.

This view provides the very basis for a vigorous system of global 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.’<sup>6</sup> 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.’<sup>7</sup> 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.<sup>8</sup>

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

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<sup>6</sup> William Rees. Cited in Tom Tietenberg. *Environmental And Natural Resource Economics*, 9<sup>th</sup> ed., Pearson Education Inc., 2012, p. 557.

<sup>7</sup> Tom Tietenberg. *Environmental And Natural Resource Economics*, 9<sup>th</sup> ed., Pearson Education Inc., 2012, pp. 557-558.

<sup>8</sup> William Rees. Quoted in Hanley, *Eleven*, p. 135.

expression of collective intelligence on both the local and global scales, humanity can become sustainable.<sup>9</sup>

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. The Bahá'í writings assert 'The trouble with our economics [is that] ...its system and application have been purely material, instead of material and spiritual.'<sup>10</sup> 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,'<sup>11</sup> 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:

Sustainable development is development that meets the needs of the present without compromising the ability of the future generations to meet their own needs.<sup>12</sup>

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<sup>9</sup> William Rees. Quoted in Hanley, *Eleven*, p. 135.

<sup>10</sup> Quoted by Mary Hanford Ford, 'The Economic Teaching of 'Abdu'l-Bahá', *Star of the West*, vol. viii: 1, 21 March 1917, p. 5.

<sup>11</sup> 'Abdu'l-Bahá. *Promulgation of Universal Peace*, p. 216.

<sup>12</sup> Report from the World Commission on Environment and Development (Brundtland Commission) published in 1987, it presented a new concept - sustainable development.

### 7.3 The illustration of the model

Figure 1 demonstrates the different parts of the Bahá'í-inspired model of economic sustainability, with unity as the nucleus. The pillars 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, organisations, sustainable production, the market, distributive justice, and sustainable consumption. The close and inseparable connection between the spiritual principles, the efficiency of resources, and the 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.

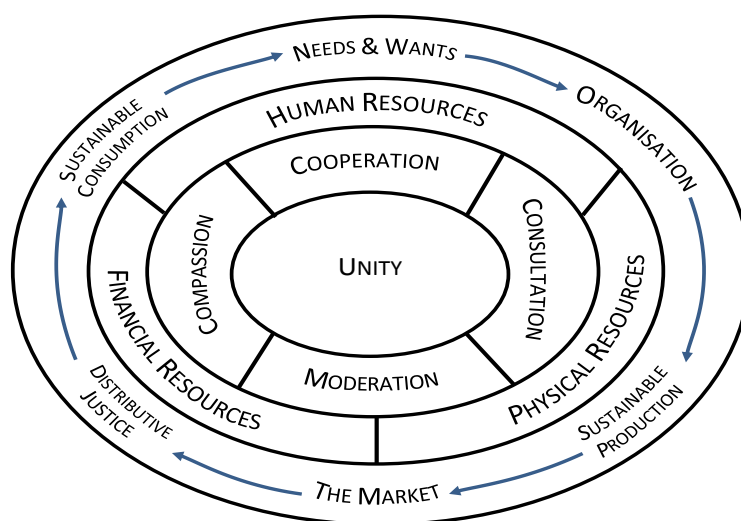


Figure 1: The Bahá'í inspired model of economic sustainability

#### **7.4 Unity as the nucleus of the model in the market**

At the centre of this model is the core principle of unity of thoughts and actions for maintaining reciprocity and acting responsibly by all participants in the market towards each other. By unity means ‘the spirit of unity.’<sup>13</sup> 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 the micro and macro- economics when the attitude is shifted from individual self-interest to the

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<sup>13</sup> Shoghi Effendi, letter written on his behalf dated 10 August 1933, quoted in *True Foundation of All Economics*, p. 56.

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.

### **7.5 The spiritual principles and moral incentives**

The application and understanding of the working definition of ‘spirituality’ as a ‘unifying factor’ and as a relational factor, discussed in chapter 1 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. By ‘moral incentives’ I mean incentives based on the desire to serve society or to perform one’s duty to society. Hence, supporting the Bahá’í work ethic principle (chapter 2) of ‘work done in a spirit of service is considered as worship.’

The spiritual principles of moderation, compassion, consultation, and cooperation are considered vital for the application of the ‘unifying factor’, and for the effective functioning of this model. 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 organisation. The result is less wastage, less absenteeism, higher productivity, and more revenue for an organisation, all of which are measurable and help in achieving organisational objectives such as growth and increased profit. All these factors are quantifiable.

Moderation (chapter 4, section 4.5) is another 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.

Another spiritual basis for this model is the principle of compassion. The use of the analogy of family is particularly relevant to elaborate 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 shows 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 emphasise 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.<sup>14</sup>

There is a growing scholarly literature that argues for the validity of the analogy of family. Burr, Marks and Day 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.

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<sup>14</sup> Burr, Marks, and Day. *Sacred Matters: Religion and Spirituality in Families*, p. 112.

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 (chapter 3), and sustainable consumption in the cycle of production.

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 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 organisations 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 organisation 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 (chapter 2 section 2.5.7) 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.’<sup>15</sup> 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.’<sup>16</sup>

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<sup>15</sup> ‘Abdu’l-Bahá. *Huququ’lláh*, p. 21.

<sup>16</sup> ‘Abdu’l-Bahá. *Bahá’í World*, vol. 3, p. 154.

To summarise, these four spiritual 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.

### **7.6 The 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.’<sup>17</sup> 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

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<sup>17</sup> Torrington, Hall and Taylor. *Human Resource Management*, p. 5.

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 require 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.'<sup>18</sup> 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 organisations, produce goods and services, and carry out innovations and other development activities.

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.

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<sup>18</sup> Torrington, Hall and Taylor. *Human Resource Management*, p. 6.

### **7.7 The cycle of production**

Using the four key spiritual principles as the foundation, and the three types of resources, we are now 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.

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.

In the next phase, organisations 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. Organisations, to a great extent, respond to consumer demand. At the same time, using their own innovative ideas, with or without consideration of 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 organisational behaviour. Organisational 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 organisations. Disproportionate expansion of the scale of an organisation may become a problem for the market, for the environment, and even a disadvantage to the organisation 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.

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 fundamental



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 organisation 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 organisational leadership.

The product produced by organisations 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, organised, 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 globalisation 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 of various markets. There is a close connection between the market and the allocation of resources. 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.

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.

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 globalisation 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. 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 influences 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.

### **7.8 The 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 narrow self-interest. Such challenges require the society to '... change its attitudes before a solution to social

problems can be found.’<sup>19</sup> 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 exist 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.<sup>20</sup> 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

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<sup>19</sup> Universal House of Justice. Statement dated 27 April 1988.

<sup>20</sup> Burr, Marks and Day, *Sacred Matters: religion and spirituality in families*, p. 112.

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.<sup>21</sup>

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 is a reflection of the spiritual world promotes various components of goods and services that are befitting human dignity. Figure 2 shows a summary of the interrelation of the spiritual and material means in the cycle of production.

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<sup>21</sup> Burr, Marks and Day, *Sacred Matters: religion and spirituality in families*, p. 112.

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.’<sup>22</sup> 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.’<sup>23</sup> Political theorist, Joseph Carens argues that ‘The term “moral incentives” may suggest a type of motivation which is essentially altruistic. By contrast, income incentives in a market system are often regarded as the archetype of motivation through appeal to self-interest.’<sup>24</sup> The Bahá’í inspired model, however includes moral incentive and material incentive as essential part of the market to function effectively.

Furthermore, the model suggests the need for a combination of quantitative and qualitative factors to achieve sustainability. However, the scales for social

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<sup>22</sup> Lambert. *The Distribution And Redistribution of Income*, p. 15.

<sup>23</sup> Lambert. p. 15.

<sup>24</sup> Carens. *Equality, Moral Incentives, and the Market*, p. 120.

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 do 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 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 measure and assess output, and it becomes the mathematics device of social sciences. As John Maynard Keynes writes: ‘...economics is a moral science... It deals with introspection and with values.’<sup>25</sup> The Universal House of Justice refers

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<sup>25</sup> John M. Keynes. The Collected Writings of John Maynard Keynes XIV, *The General Theory*,



to the practicality and measurability of spiritual principles:

The essential merit of spiritual principle is that it not only presents a perspective which harmonises 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.<sup>26</sup>

In conclusion: The development of this model with its suggested components for the cycle production shown in figure 2 suggests a smooth process in the creation of a sustainable market. The ideas of this model is available for those who wish to construct ‘a more stable, prosperous, and equitable economy.’<sup>27</sup> This model, therefore, is a means to an end rather than an end in itself.

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Part II, London: Macmillan, 1938.

<sup>26</sup> Universal House of Justice. *The Promise of World Peace*, part II.

<sup>27</sup> Stiglitz. *Freefall*, p. 274.

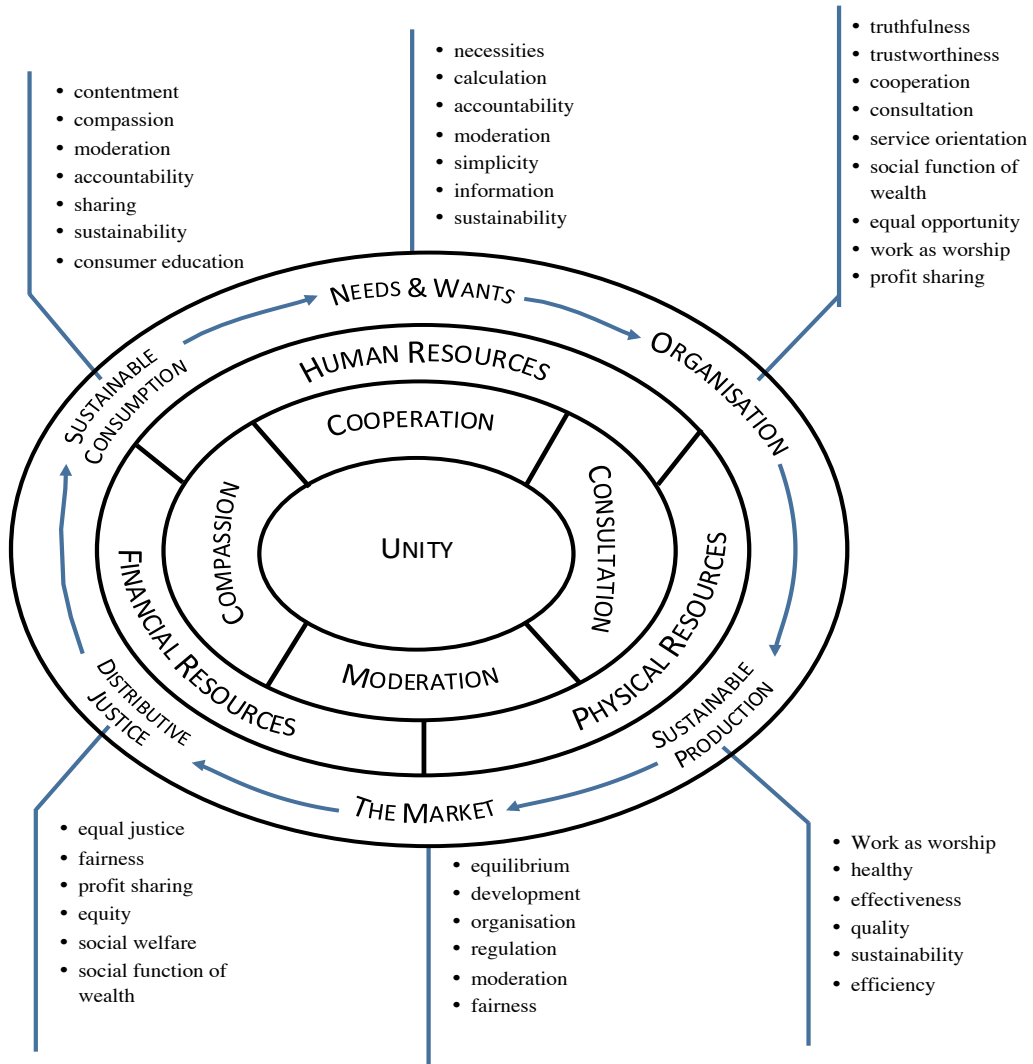


Figure 2: The Bahá'í-inspired model of economic sustainability with various components of the cycle of production.

## **Chapter 8: Thesis Conclusion**

This research attempted to ascertain the relationship between the spiritual, moral and economic teachings of the Bahá'í faith. The proposition was, that despite the conventional and contemporary economic thinking that economic problems could be resolved through purely economic policies, the Bahá'í writings emphasise the need for spirituality and morality as part of the solution. The findings of this research, which was mainly from studying Bahá'í writings and the relevant literature by non-Bahá'í scholars, philosophers and writers indicated that there is not enough academic theological and economic research carried out on this subject. Consequently, extensive explanation, interpretation and analysis of Bahá'í teachings on economics provided in this work, make the current dissertation the first of its kind.

This research systematically explored and classified the Bahá'í teachings on economics into four groupings: sustainable production, distributive justice, sustainable consumption, and globalisation. This combination is noted in Bahá'í writings and is acceptable to academia. In addition, a Bahá'í-inspired model of economic sustainability is devised and recommended as an alternative to the existing approaches currently prevalent in the market for establishing market equilibrium. The proposed model is a theoretical representation of Bahá'í teachings through a network of human actions. The investigation of Bahá'í teachings on economics will not be adequate without consideration of the Bahá'í approach towards development. For this, a field trip was undertaken to investigate a Bahá'í-inspired social and economic development project in Bangladesh, which

originally began by the author of this research in early 1979. The purpose was to see the contribution of Bahá'í community towards rural development.

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 research 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 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 research 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,’<sup>1</sup> 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 incentives should be part of modern scientific economics. It is argued 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 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, good character and. On the other hand, economic literatures and academic textbooks

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<sup>1</sup> 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.

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.

My findings indicate that although a number of Bahá'í teachings are currently practised at various levels, bringing a fundamental change to the life of individual Bahá'ís, the families, the Bahá'í community and the wider society, but it 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. In the current research, 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 organisations 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 dissertation, hopefully, would be of great assistance to the Bahá'í community.

Several distinctive Bahá'í principles were identified and discussed. 'Work as worship' was recognised and explored as one of the distinctive principle on

Bahá'í work ethics. The study of Bahá'í and non-Bahá'í literature indicates that there is a close relationship between work ethics and the level of production, both quantitatively and qualitatively. Among moral teachings discussed in relation to work ethics is the statement of the founder of this faith, Bahá'u'lláh, 'noble have I created thee.' The word noble described as being noble in character such as honesty, trustworthiness, truthfulness and more. This inspires Bahá'ís to engage in practising and promoting those values necessary for moral leadership and a more effective operation of business enterprise. A number of Bahá'í scholars recommended that this way of thinking may lead to the production of those goods and services that are befitting human dignity. It was argued that the reason for producing harmful and unnecessary products is that there is a high demand for them, or consumers are deceived with misleading advertisement. Hence, it is suggested that with an adequate consumer education there would not be a demand for harmful products.

I also discussed a number of Bahá'í moral, spiritual and social teachings that affect the level of output and hence the supply of workforce in the labour market. A significant moral principle discussed was that Bahá'ís are forbidden to remain idle. However, the Bahá'í writings have not suggested alternatives where there is nonexistence or shortage of work for everyone. It was indicated that Bahá'ís are forbidden to beg under any circumstances, which would have an indirect effect on the size of the workforce in the labour market. A distinction was made, however, between assisting those who beg professionally and those who are poor because they are incapable of working, or their earnings are not sufficient for adequate living.

Among the social teachings, the one that was singled out in this research was investment in the development of human resources. In any line of work and in a competitive labour market, it is essential to adopt a program of continued training and professional development. This feature is highly encouraged, valued and practised in the Bahá'í community and in most business organisations operating in a modern working environment. According to Bahá'í writing and observing the Bahá'í community, two unique principles that contribute greatly to human resource development were discussed in this dissertation. First is the principle of 'universal and compulsory education', with particular emphasis on the education of girls. These principles have inspired the Bahá'í community to embrace a culture of learning. Second is the application of the principle of 'equal opportunity for women and men.' The Bahá'í view presented in this research is that an astounding capacity is latent in women, and this must be discovered, developed and utilised. I maintained that creating opportunities for women in social and economic activities may greatly affect the level of output produced and as a result increase the supply of the workforce and as a result the level of production of commodities.

One aspect of this research was related to sustainable production and the issue related to out of proportion of the growth of organisations. An argument was presented that in modern times, some organisations are involved in misleading marketing activities for survival, growth and increasing profit without consideration of the consumers' actual needs. Also, some business organisations have been grown up so large that as they failed, the entire market has suffered.



Therefore, the need for organisational restructuring was recommended. Accepting moral leadership on the one hand and consumer education on the other hand will make it possible to create a more balanced and sustainable market with fewer fluctuations in the economic cycle. In such a market, those goods and services will be produced that are made by trustworthy businesses and demanded by informed and responsible consumers. To deal with such situations, reference was made to a number of Bahá'í teachings that are valuable for consumer and producer education and consequently affecting people's life-style and limiting organisational growth, including moderation, compassion, cooperation, and consultation. These spiritual principles are used as the basis for a proposed Bahá'í-inspired model of economic sustainability to achieve a more balanced market.

The research of Bahá'í sacred scriptures, and those of Bahá'í and non-Bahá'í scholars and well-known organisations such as the World Bank and International Monetary Fund, indicated that increasing the gap between the rich and the poor is a fundamental economic issue, and can be considered as the most challenging social and economic problem at the present time. Based on this observation, the author recommended applying distributive justice as an effective solution to deal with this matter. This means that a universal standard of justice and fairness should be incorporated in all stages of the market, so to provide an opportunity for all to enjoy the benefits of goods and services produced globally. Several Bahá'í principles related to this subject were identified and discussed, for example issues related to the creation of wealth. The Bahá'í writings do not consider acquiring wealth as immoral. However, when dealing with the question of wealth, two

conditions were endorsed: First, wealth has to be acquired by an individual's own efforts through an economic activity. Second, the income earned should be spent not only for one's own well-being but also for the purpose of philanthropic activities and for the common good. Currently, the scope of the discussion of distributive justice within the Bahá'í community is limited to wealth redistribution on a voluntary basis as a spiritual obligation. For elaboration of the discussion on wealth, a distinction has been made between 'means' and 'ends'. The morally right 'means' must be chosen for achieving the 'ends'. Consequently, the legitimacy of wealth for a Bahá'í depends on how it is earned and on what it is expended. To appreciate the scope of Bahá'í teachings on wealth distribution and distributive justice a number of relevant teachings were discussed.

Another branch of the Bahá'í writings on economics considered in this research was sustainable consumption, or a 'living-well-life-style' program. It is suggested that the social science of economics must be reoriented towards the genuine development of human well-being in balance with protecting the nature and the well-being of future generations, and it should not only be for the sake of economic growth and its measurement. One crucial issue discussed, which causes imbalance in life-style, is consumerism. I made a distinction between consumerism and living well. With reference to Bahá'í writings it was emphasised that living well is considered appropriate, but with moderation in all aspects, including life-style and trade.

Any discussion about a future economic order must include the concept of globalisation. The view presented in this research was that the process of

globalisation has begun and is already on its way. Consequently, I have recommended adopting hopeful and more positive processes towards an enlightened globalisation, including fair international trade. I identified and explored a number of principles from the Bahá'í scriptures related to the issue of globalisation. The challenge is, however, to create an environment based on mutual trust so that the benefits of globalisation can be distributed fairly and justly among citizens of the globe.

It is clear that the increasing complexity of the debate in the fields of economics and religion requires scholarly attempts to create a systematic framework. It is hoped that by arranging and exploring the Bahá'í teachings on economics, this research will contribute to the on-going discussions and research in the Bahá'í community and the wider society. An issue that needs to be addressed in any future work is that Bahá'ís should consider the work of the scholars and researchers outside of their own faith while studying the Bahá'í scriptures. Therefore, it is imperative that further studies and dialogue in this field to be continued from both within and outside the Bahá'í community. At this time, most published articles and books reviewed are introductory and primarily speculative in nature. Therefore, further development of Bahá'í economics needs to be through dialogue and consultative process.

My final thought and reflection is that although a number of Bahá'í teachings on economics are working within this community and to some extent 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 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.

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