



# Economy

## Rethinking the Economic System

Issues for Discourse with Youth

Bahá'í Discourse – Economy - System

# Sustainable Development Goal 8

8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

**8** DECENT WORK AND  
ECONOMIC GROWTH



# Organic Change in Society

...the principle of the oneness of humankind... asks not merely for cooperation among people and nations. It calls for a complete reconceptualization of the relationships that sustain society.

[It] implies, then, an organic change in the very structure of society.

(The Universal House of Justice, to the Bahá'ís of Iran, 2 March 2013)

# Materialism

*Having penetrated and captured all significant centres of power and information at the global level, dogmatic materialism ensured that no competing voices would retain the ability to challenge projects of world wide economic exploitation.*

(Universal House of Justice, *One Common Faith*, 2005, p. 5)

# Examples of injustice in the present economic system

- founded on greed (endless profit, endless growth, endless wealth, endless power)
- everything of material value is monetised, and what cannot be monetised is ignored
- the only corporate legal charter obligation is profits for the shareholders (fiduciary responsibility)
- values are set by the market, or by monopolies, excluding the poor who cannot pay

# Moral Failures in Business

- Transfer pricing, “creative” accounting, offshore tax havens allow escaping taxation
- Widespread organized crime and corruption
- Exorbitant salaries of corporate leaders and bonuses of bankers
- Corporate funding of disinformation
- Powerful lobbies influence “democratic” processes

# Corporate Values

Corporations ignore their social and environmental impacts on the global system, with a narrowly defined material purpose to accumulate wealth and power, pursuing short-term profit.

The end of profit justifies any means:

- arms and weapons
- addictive drugs/chemicals (caffeine, nicotine, narcotics, alcohol, etc.)
- addictive technologies
- violence and sex entertainment, gambling, etc.
- intensive advertising, consumer marketing



Monte Carlo Casino



# Greed Institutionalized

- traditional corporations are greed institutionalized
- corporate lobbies and corruption now control most governments
- there is no global governance for non-state entities like corporations
- no influence over those with real power today in the economic system

# New economic models

The classical economic models of impersonal markets in which individuals make self-centred choices will not serve the needs of a world seeking unity and justice. Society must develop new economic models that reflect our shared experience, the importance of human relationships, and the central place of the family and community in social well-being.

(based on Bahá'í International Community, *The Prosperity of Humankind*, 1995)

# New economic models

Such an intellectual breakthrough will be strongly altruistic rather than self-centred, and must draw heavily on both our spiritual and scientific sensibilities, with women making essential contributions to the common effort.

(based on Bahá'í International Community, *The Prosperity of Humankind*, 1995)

# UN Our Common Agenda

**...now is the time to correct a glaring blind spot in how we measure economic prosperity and progress.** When profits come at the expense of people and our planet, we are left with an incomplete picture of the true cost of economic growth. As currently measured, gross domestic product (GDP) fails to capture the human and environmental destruction of some business activities. I call for new measures to complement GDP, so that people can gain a full understanding of the impacts of business activities and how we can and must do better to support people and our planet.

(UN Secretary-General, 2021, *Our Common Agenda*, Summary,  
<https://www.un.org/en/content/common-agenda-report/summary.shtml>)



# There are both outer and inner boundaries of sustainability

The Doughnut of social and planetary boundaries (Raworth 2017)



# Earth for All

***Earth for All*** <https://www.earth4all.life/>

<https://iefworld.org/index.php/node/1343>

***Earth for All: A survival guide for humanity***, by Sandrine Dixson-Declève, Owen Gaffney, Jayati Ghosh, Jørgen Randers, Johan Rockström, and Per Espen Stocknes, a Report to the Club of Rome, September 2022

Essential reading on our long journey toward an "Earth for All" society.

—THOMAS PIKETTY, author, *Capital in the Twenty-First Century*



## Earth for All

A SURVIVAL GUIDE for Humanity

Sandrine Dixson-Declève | Owen Gaffney  
Jayati Ghosh | Jørgen Randers  
Johan Rockström | Per Espen Stocknes  
Forewords by Christiana Figueres and Elizabeth Wathuti

A REPORT TO THE CLUB OF ROME

# Transformational Economics

Our current economic systems create ever more inequalities and fail the planet. The *Earth4All* team developed new paradigms for our economic and societal operating system, to work towards wellbeing of all instead of working towards maximising GDP at the expense of ecosystems, climate and societal trust. They present five extraordinary turnarounds to achieve prosperity for all within planetary limits in a single generation: eliminate poverty, reduce inequality, empower women, transform food systems, and the energy turnaround .



# The Earth4All Model

The modelling looks at the quantitative and causal interactions between environmental variables and socio-economic variables, such as investments, energy use, taxes, savings, education, inequality and social trust. The figure illustrates a simplified version of over 700 variables triangulated in the global model and over 2000 in the regional models.



# Wellbeing Economy Alliance

The Wellbeing Economy Alliance (WEAll) is the leading collaboration of changemakers working together to transform the economic system.

WeAll describes the core needs for human beings as:

- **Dignity:** Everyone has enough to live in comfort, health, safety, and happiness.
- **Nature:** A restored and safe natural world for all life.
- **Connection:** A sense of belonging and institutions that serve the common good.
- **Fairness:** Justice in all its dimensions is at the heart of economic systems, and the gap between the richest and poorest is greatly reduced.
- **Participation:** Citizens are actively engaged in their communities and locally rooted economies.

# Rethinking Economic Arrangements

Putting the world on more ecologically sustainable foundations requires a recasting of the global economic order. People and the planet need to be valued as explicitly today as profit and economic gain have been in the past.

Concepts of contentment, sufficiency, and simplicity, which find little place in growth-driven paradigms, will have to be reclaimed and expanded.

(Bahá'í International Community. *One Planet, One Habitation: A Bahá'í Perspective on Recasting Humanity's Relationship with the Natural World*, 1 June 2022, [Rethinking Economic Arrangements](#))

# Values for the economic system

We require new values-based economic models

The aim should be a dynamic, just and thriving social order:

- Strongly altruistic and cooperative in nature
- Providing meaningful employment
- Helping to eradicate poverty in the world.

# Ends and Means

The acquisition of wealth is acceptable and praiseworthy to the extent that it serves as a means for achieving higher ends:

- providing people with basic necessities
- fostering social progress
- promoting the welfare of society
- contributing to the establishment of a world civilization.

To make the accumulation of wealth the central purpose is unworthy.

# Just wealth creation

Other preconditions to the legitimate acquisition of wealth must be taken into account, and prevailing norms reassessed in their light:

- the relationship between minimum wage and the cost of living, especially in light of the contribution workers make to a company's success and their entitlement to a fair share of the profits.
- the wide margin, often unjustifiable, between the production costs of certain goods and the price at which they are sold.
- the question of the generation of wealth through measures that enrich the generality of the people.

# Executive Salaries

*Overstep not the bounds of **moderation**, and deal justly with them that serve thee. Bestow upon them according to their **needs**, and not to the extent that will enable them to lay up riches for themselves, to deck their persons, to embellish their homes, to acquire the things that are of no benefit to them, and to be numbered with the extravagant. Deal with them with undeviating justice, so that none among them may either suffer want, or be pampered with luxuries.*

*(Bahá'u'lláh [to the Sultan of Turkey], [Gleanings from the Writings of Bahá'u'lláh](#), CXIV, pp. 235-236)*



# Business Companies

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

# Business Companies

*However, every business company should be established on divine principles. Its foundations should be trustworthiness, piety, and truthfulness, in order to protect the rights of the people.... Moreover, a legitimate company must needs exert all within its power to safeguard the rights of the people in all matters, whether great or small, and to administer the affairs of the company with the utmost perfection, uprightness, and care.*



# Capital and Labour

*The owners of properties, mines and factories should **share their incomes** with their employees and give a fairly certain percentage of their products to their workingmen in order that the employees may receive, beside their wages, some of the general income of the factory....*

*(‘Abdu’l-Bahá, 1912, [Foundations of World Unity](#), p. 43-44)*

# Owners and Workers

*The factory owners reap a fortune every day, but the wage the poor workers are paid cannot even meet their daily needs: This is most unfair, and assuredly no just man can accept it. Therefore, laws and regulations should be enacted which would grant the workers both a daily wage and a share in a fourth or fifth of the profits of the factory in accordance with its means, or which would have the workers equitably share in some other way in the profits with the owners.*

# Owners and Workers

*For the capital and the management come from the latter and the toil and labour from the former. The workers could either be granted a wage that adequately meets their daily needs, as well as a right to a share in the revenues of the factory when they are injured, incapacitated, or unable to work, or else a wage could be set that allows the workers to both satisfy their daily needs and save a little for times of weakness and incapacity.*

# Owners and Workers

*The appropriation of excessive wealth by a few individuals, notwithstanding the needs of the masses, is unfair and unjust, and that, conversely, absolute equality would also disrupt the existence, welfare, comfort, peace, and orderly life of the human race. Such being the case, the best course is therefore to seek moderation, which is for the wealthy to recognize the advantages of moderation in the acquisition of profits and to show regard for the welfare of the poor and the needy, that is, to fix a daily wage for the workers and also to allot them a share of the total profits of the factory.*

*(‘Abdu’l-Bahá, Some Answered Questions, §78)*

# Monopolies (Trusts)

*No more **trusts** will remain in the future. The question of the trusts will be wiped away entirely.... Laws must be made because it is impossible for the laborers to be satisfied with the present system.... Finally, the capitalists will lose.*

*(‘Abdu’l-Bahá, [Foundations of World Unity](#), p. 43-44)*



# Questioning Assumptions

To elevate business and the economy, we must question their basic assumptions.

Are we really inherently selfish, aggressive and competitive?

What difference would it make if companies cooperated rather than competed?

# The cooperation alternative

How can a cooperation economy change things?

Can it even increase economic productivity and human well-being?

From a systems perspective, cooperation and reciprocity are more productive than competition.

What values are needed to accompany such a fundamental transition?

# Civilization from Cooperation

Cooperation is the principle that governs the functioning of [a] system.

...so can civilization be seen as the outcome of a set of interactions among closely integrated, diverse components which have transcended the narrow purpose of tending to their own existence.

# Cooperation

*“The supreme need of humanity is cooperation and reciprocity”*

*“The stronger the ties of fellowship and solidarity amongst men, the greater will be the power of constructiveness and accomplishment in all the planes of human activity.”*

(‘Abdu’l-Bahá, quoted in The Universal House of Justice, to the Bahá’ís of Iran, 2 March 2013)

# Cooperation

The individual, the community, and the institutions of society... have been locked in a struggle for power throughout time.

...the assumption that relations among them will inevitably conform to the dictates of competition, a notion that ignores the extraordinary potential of the human spirit, has been set aside in favour of the more likely premise that their harmonious interactions can foster a civilization befitting a mature humanity.

# Linking Material and Spiritual

*No matter how far the material world advances, it cannot establish the happiness of mankind. Only when material and spiritual civilization are linked and coordinated will happiness be assured. Then material civilization will not contribute its energies to the forces of evil in destroying the oneness of humanity, for in material civilization good and evil advance together and maintain the same pace.*

*(‘Abdu’l-Bahá, [The Promulgation of Universal Peace](#), pp. 151–152)*