

Economic Prosperity: A Global Imperative

Mary Fish

This paper received the Association for Bahá'í Studies 1995 Award for Excellence in Bahá'í Studies and was presented at the 19th Annual Conference of the Association for Bahá'í Studies, San Francisco, October 14, 1995. The author thanks Lt. Col. Jill S. Skelton and Dr. Jason M. Fish for their comments on the initial draft of this paper. The critiques by the three reviewers were appreciated, and the author thanks them for their valuable suggestions.

Abstract

Attempts to instigate the processes of economic development frustrate economists. Strategies effective in some geographic regions fail dismally in others. Economic growth, moreover, does not necessarily enhance human welfare. The realization that world economic wealth is an essential component to the development of humankind and a global society at peace begets even keener frustration. *The Prosperity of Humankind*, a 1995 statement by the Bahá'í International Community, recognizes the essential role of economics in igniting the capacity of humankind. Although for social scientists, many of the requisite values and principles called for in the statement are not new, the recognition of the "unity of humankind" and the vision of world prosperity underlying all plans for human interaction offer a blueprint for global prosperity that releases human potential, capacities, and choices. Since the late 1700s, economists have designed models that primarily reflect the socioeconomic and political framework of Western society. Religious teachings about the nature of humankind are not a part of modern economic theory, because past religious doctrines do not explain observed economic behavior. Western society demonstrates a materialistic orientation. Economists assume that economic decisions are based on rational self-interest. In *The Prosperity of Humankind*, a new concept of the reality of human nature presented by the Bahá'í writings opens a dialogue between religious thinkers and economists. The unity of humankind and the global activities triggered by this premise provide workable new hypotheses for designing economic strategies for prosperity.

Résumé

Les tentatives des économistes en vue d'enclencher des processus de développement économique sont source de déceptions. Ainsi, des stratégies pourtant efficaces dans certaines régions du globe ont échoué lamentablement ailleurs. De plus, la croissance économique n'est pas le gage d'un progrès humain. La prise de conscience que la richesse économique mondiale est une composante essentielle du progrès de l'humanité et du développement d'une société globale pacifique me fait qu'accroître ce sentiment de déception. Une déclaration récemment publiée par la Communauté internationale bahá'íe, intitulée *Vers une humanité prospère*, fait valoir que le rôle essentiel de l'économie est de stimuler les capacités de l'humanité. Bien que bon nombre des valeurs et principes auxquels cette déclaration fait appel ne sont pas nouveaux pour les chercheurs en sciences sociales, la reconnaissance du principe de l'«unité de l'humanité» et la vision d'une prospérité dont bénéficierait toute l'humanité, vus comme fondement à tout plan visant à régir les rapports humains, constituent un schéma permettant de réaliser cette prospérité globale qui pourra libérer le potentiel humain, ses capacités et ses choix. Depuis la fin du 18^e siècle, les modèles proposés par les économistes ont toujours reflété principalement la structure socio-économique et politique de la société occidentale. Les enseignements religieux sur la nature de l'humanité ne font pas partie des théories économiques modernes, les doctrines religieuses du passé ne fournissant pas d'explication aux comportements économiques actuellement observés. La société occidentale manifeste effectivement une orientation matérialiste. Les économistes supposent que les décisions économiques se fondent sur une recherche rationnelle de l'intérêt personnel. Les écrits bahá'ís présentés dans *Vers une humanité prospère* offrent toutefois un concept nouveau de la réalité de la nature humaine et permettent d'ouvrir le dialogue entre les penseurs religieux et les économistes. L'unité de l'humanité et les activités globales découlant de cette prémisses offrent de nouvelles perspectives pratiques pour l'élaboration de stratégies économiques visant la prospérité.

Resumen

Esfuerzos para fomentar los procesos de desarrollo económico frustran a los economistas. Estrategias que son efectivas en algunas regiones geográficas fallan desconsoladamente en otras. En más, el crecimiento económico no necesariamente realiza el bienestar humano. La comprensión de lo esencial que es la riqueza económica mundial para

el desarrollo de la humanidad y una sociedad global en paz, engendra aún mayor frustración. *La Prosperidad de la Humanidad*, una declaración presentada en 1995 por la Comunidad Mundial Bahá'í, reconoce el rol esencial de la ciencia de la economía en darle impulso al potencial humano. Aunque para los científicos sociales muchos de los valores y principios necesarios referidos en la declaración no son nuevos, la aceptación de la "unidad del género humano" y la visión de prosperidad mundial fundamental a todos los planes de interacción humana, ofrecen un programa de acción para lograr prosperidad mundial que desata el potencial humano junto con sus capacidades y opciones. Desde finales del siglo dieciocho los economistas han diseñado modelos que primordialmente reflejan las estructuras políticas y socioeconómicas de la sociedad occidental. Enseñanzas religiosas acerca del carácter de la humanidad no forman parte de la teoría económica moderna porque las doctrinas religiosas del pasado no dan explicación referente al comportamiento humano observado. La sociedad occidental demuestra una orientación materialista. Los economistas suponen que las decisiones económicas se basan en un interés propio racional. En *La Prosperidad de la Humanidad*, un nuevo concepto de la realidad del carácter humano según los escritos bahá'ís abre el diálogo entre los pensadores religiosos y los economistas. La unidad del género humano y las actividades impulsadas por esta premisa proveen nuevas hipótesis para el diseño de estrategias económicas conducentes a la prosperidad.

At the outset, *The Prosperity of Humankind* describes the status of world development. The statement emphasizes that peace is a cornerstone of world economic development and is thus a requisite for global progress. The statement is a blueprint for world economic development that outlines steps the international community as well as national governments must take in order to establish prosperity. Two points of particular concern to economists are (a) the need to recognize the value of melding scientific knowledge and religious teachings and thereby sparking far greater productivity for all individuals and (b) the need to reevaluate the basic assumptions of many economic models concerning human nature. This article's objective is simply to consider these two imperatives in juxtaposition to mainstream modern economic theory. The evolution of economic thought over the last two centuries is roughly traced. The development of economic theory that meets the needs of an integrated world society will be an ongoing challenge for future economists. Perhaps there is value in recognizing the divergence between religious and economic concepts, and in suggesting an alternative view presented by the Bahá'í Faith. Excerpts from the visionary writings of Shoghi Effendi, written over sixty years ago, end the body of the article with a glimpse of the invigorated economy of the future, a world economy evolved from a foundation of the principles established by Bahá'u'lláh.

The current global setting offers insight into the urgency of economic growth for the peoples of the world and the timeliness of the statement. Some general statistics for 1995 (using per capita 1992 U.S. dollars) paint a portrait of world poverty. Although income alone does not measure welfare or quality of life, national income statistics represent an approximation. Fifty-nine percent of the world's population lives in low-income economies, those with an annual income of less than \$675; lower-middle economies with annual incomes of \$676 to \$2,695 include 17 percent of humanity; while upper-middle economies, with annual incomes from \$2,696 to \$8,355, represent 9 percent of the population. High-income economies, those with annual incomes of over \$8,356, include only 15 percent of the world's inhabitants. The two countries with the largest populations, the People's Republic of China and India, have annual incomes of \$410 per person, while Japan has a comparable figure of \$31,490 (Vu et al., *Population Projections* 100–106; World Bank, *Tables* 9).

Within countries, particularly poor ones, the distribution of income is often skewed. Even in the United States, minority groups such as African Americans, Spanish-speaking peoples in the West, and American Indians have significantly lower incomes than the general population. Single parents and the elderly are also more apt to live on the margin of poverty.

Economists have been frustrated in deducing the universal root causes of poverty and maldistribution of wealth, although some development economists believe they now understand the causes. The issues currently focus on the appropriate policies to bring about sustained economic growth. Most of the various programs initiated have been fraught with disappointment. Strategies effective in some geographic regions fail in others. Once thought applicable to all countries, the stages-of-growth approach² may apply well in one region, but it does not provide a predictable growth pattern for another. A nation's development path may change abruptly. After several years of following an encouraging pattern of growth, an agricultural season ruined by drought can wipe out years of work. As we have seen in Africa, seeds intended for the next planting are instead eaten by the harvesters to survive. War, too, is a major disruption to patterns of growth. The destruction of human life is the greatest cost of war. Among untold other costs, the roads, buildings, and machinery comprising infrastructure painstakingly built can be wiped out by an internecine conflict that wreaks destruction across the region.

Recognizing the devastation sparked by continued conflict and natural disaster along with other endemic debilitating situations, Bahá'ís have awaited the best opportunity to make a significant and concrete contribution to solving the world's severe economic problems. Although offering specific relief programs and providing for assistance in emergencies, the religion had not proposed a plan for development on a scale that the world requires. Bahá'ís rejoiced when the first in a series of plans for socioeconomic programs was announced in 1983 and 1984 by the Universal House of Justice, followed by additional directives in the succeeding years.³ Now with the 1995 statement on *The Prosperity of Humankind*, it becomes clear why concrete plans were not activated until recently. They would have been temporary fixes, only feeding and clothing needy people, who would soon be needy again. After years of coordinated effort on the local and international levels, Bahá'ís now offer to the world community a blueprint to begin the resolution of the above-mentioned dilemmas. Bahá'ís now more clearly see that they are building the socioeconomic framework which will allow humankind to enhance capacities in all facets of living, including economic activity.⁴

Development

Now properly classified in the field of economic history, economic development was the principal subject of modern economics in the late 1700s, since all economies were undeveloped, so to speak, at the beginning of the Industrial Revolution. After the 1940s, the study of economic development became very popular in graduate schools throughout the country. Following World War II, the numerous new nations established across the globe offered an exciting challenge to economists. During the 1950s and 1960s, hopes were high that economic growth could be engineered in the newly emerging nations. Innovative development economists initially considered much of mainstream macro- and microeconomics as being inapplicable to newly developing economies. Development economists willingly investigated the applicability of a variety of sociopolitical organizations and economic theories.

A series of disappointments, generated both internationally and within burgeoning economies, rained down in the late 1970s and 1980s, somewhat dampening the continued interest of economists in development economics as the outlook for newly developing economies became far less bright. Simply put, development became a less interesting topic to many economists. At the same time that the field lost its popularity, according to Pranab Bardhan (“Development” 130–31), orthodox economics began making successful inroads into the field of development.

Development is generally taken to mean rising incomes or growth in a country's per capita income. Enlarging the concept, in the 1970s statistical measures of growth began to emphasize the distribution of incomes within countries, specifically, how equally income is distributed among households. In the 1980s, the availability of physical and social services was emphasized as another measure of welfare, particularly the extent of basic health facilities, sanitation, and education provided to the citizenry. Utilities and social services, however, are viewed mainly as instruments for raising the incomes of the poor by enabling them to become more productive (World Bank, *Report* 1980). Discussions of the goals of development now often emphasize the reduction of poverty by providing a list of public services and facilities, rather than the increase of average incomes (World Bank, *Report* 1990, *Strategy* 1991). These various approaches, while cosmetically different, are similar because each centers on the provision of more goods and services or higher incomes for households. All in all, growth in income, of one sort or another, is what generally constitutes development.

A dissimilar view, based on the approach of Amartya K. Sen, was presented in *Human Development Report* 1990 by the United Nations Development Programme. Sen views the overriding purpose of human development to be a change in what people can actually do. Underdevelopment, as viewed by Sen, is the lack of certain basic capabilities, rather than the lack of income per se.

Sen is critical of the use of both income (or measures of utility that are attempts to interpret happiness or satisfaction) and other measures that are intended to approximate well-being. “‘Well-being’ has to do with *being* well, which in the most elementary terms is about being able to live long, being well-nourished, being healthy, being literate, and so on” (qtd. in Anand and Ravallion, “Human Development” 134–35). According to Sen, goods and services have

‘derivative and varying relevance.’ What is valued intrinsically are people's achievements—their ‘beings’ and ‘doings’ or their ‘capabilities’ to function. Opulence can have importance as an instrument for expanding capabilities, while utility can provide evidence of achievement. (Qtd. in Anand and Ravallion, “Human Development” 134–35)

The income and quality of life approaches are basically different. The income approach to economic growth assesses the investment in human capital, including health, nutrition, and education, in terms of the extra income or output the investment generates. The question that is asked is, Does the rate of return exceed its costs? Taking a different view, the United Nations Development Programme's capabilities approach would argue that the enhancement of people's quality of life, for example, the ability to read and write, to be adequately housed, and to be healthy, should be considered ends in themselves, even if the itemized costs outweigh the monetary benefits (Anand and Ravallion, "Human Development" 133–34).

Religion and Science

Now it is time to turn to the need for science and religion to interact. *The Prosperity of Humankind* states: "Throughout recorded history, human consciousness has depended upon two basic knowledge systems through which its potentialities have progressively been expressed: science and religion" (12). The statement explains, "Through these two agencies, the race's experience has been organized, its environment interpreted, its latent powers explored, and its moral and intellectual life disciplined. They have acted as the real progenitors of civilization" (12).

Economics is an art and a science that is as dependent on political and social institutions and historical events as it is on its own box of tools. Since the beginning of modern economic theory, economists have designed models reflecting the framework of Western society, including its religious ideologies. Without a doubt, however, most economists are not very comfortable talking about religion and economics at the same time. In the past, religion has not explained economic behavior. Prevailing religious thought, until now, has not delineated a spiritual human nature or a pattern for collective economic action in Western institutions that differs from the assumptions of economic self-interest used by economists.

Economists

The role of economists in the emerging world community is far more significant than in the past because their discipline is concerned with the techniques for making decisions regarding how resources can be used to stimulate the progress of civilization (Colander, "Lost Art of Economics" 197–98). Because of the enhanced role that economics must play in providing for the overall welfare of humankind, *The Prosperity of Humankind* requests a reexamination of the orthodox models economists generally use with the following words:

The classical economic models of impersonal markets in which human beings act as autonomous makers of self-regarding choices will not serve the needs of a world motivated by ideals of unity and justice. Society will find itself increasingly challenged to develop new economic models.... Such an intellectual breakthrough ... must draw heavily on both the spiritual and scientific sensibilities of the race.... (16)

Now let us look at the present materialistic bent, enmeshed at one level or another in the work of economists, referred to in the statement. Generally, economists agree that Western society demonstrates a materialistic orientation. Wealth is regarded as power since it gives command over resources or at least a claim to their use. Economists realize that wealth does not make people happy. Yet, eating more food and wearing finer clothes may lessen one's state of misery. If it is 105 degrees Fahrenheit, air conditioning makes people more comfortable and productive.⁵

Although society's materialistic bent is embodied in their tools of analysis, for most economists, especially those working for governments and business sectors, discussions of materialism have little direct impact on their work. It is the work of the theoreticians (who craft models and theories to understand and forecast economic behavior) that is affected by the motivation assigned to humankind. As in other sciences, they build theoretical constructs based on assumptions or abstractions that represent the real world, while continually empirically testing their hypotheses over time. Those in this group are usually university professors or research associates at government or private research organizations. For these economists, assumptions regarding human nature are crucial, for they affect the development of economic models and the direction they take. To understand why many economists, to an important extent, regard humanity as materialistic in nature, a brief overview of the development of the concept may be insightful.

Adam Smith. Economic theory is oriented to the Western world where most theoretical economists live. Even in Asian schools like the fine Delhi School of Economics, the faculty's training by their British professors at Oxford and the London School of Economics has fostered a bent towards classical economics that regards Adam Smith as its founder. Pacific Rim students receiving graduate economics degrees in North America begin their study of the foundation of classical economics with a 1776 tome, *The Wealth of Nations*.

Clearly influenced by the natural law philosophers who were popular in England and the Continent in the seventeenth century, Smith and the other founders of political economy were looking for natural processes in economic affairs similar to those found in the physical realm. If there is a competitive balance in the physical world, they reasoned, there must be comparable tendencies that are applicable in the sociopolitical and economic environment.

The founders of political economy, reacting against the state's controlling role in mercantilism, maintained that a person motivated by self-interest in a *laissez-faire* setting would trigger the operation of the invisible laws of economics. Classicists discarded mercantilism, and the favors being given by the crown, for the ambitious new entrepreneurs emerging with the Industrial Revolution who saw their economic destiny best served by a capitalistic economy.

Although in his earlier works on moral sentiments, Smith writes about an ethical and moral culture, he concludes that the public interest was served and the revenue of society maximized by everyone's promoting self-interest.⁶ During the early part of the twentieth century, Edwin Cannon clearly restated the proposition: "... (T)he working of self-interest is generally beneficent, not because of some natural coincidence between the self-interest of each and the good of all, but because human institutions are arranged so as to compel self-interest to work in directions in which it will be beneficent"⁷ (qtd. in Persky, "Adam Smith" 201).

John Stuart Mill. Jumping forward three-quarters of a century and skipping over a number of classical economists to the last of these important scholars, it was John Stuart Mill's use of the term "economic man" in the mid-1800s that incited an outcry of disapproval and righteous indignation (*Principles*). His *homo economicus* (although the term itself was not in wide use at the time) had narrow and well-defined motives that made the concept a useful abstraction in economic analysis. Mill did not believe he was referring to the whole of human nature or behavior, but to a predominant component (Persky, "Homo Economicus" 223). As with Smith's recognition of several motivations, Mill thought humans were made up of a complex mixture of motives including "accumulation, leisure, luxury and procreation."⁸ It is important to note that both Mill's and Smith's behavioral constructs laid the foundation but differed somewhat from current interpretations of economic actions. The essence of "economic man" for today's theorists lies not in economic choices, but in rational method for making choices (Klamer, "Conversation" 141).

Marginalists. The marginalists' revolution in the late nineteenth century changed the focus of the study of economics from national economic growth and development (macroeconomics) to the consumer and the business firm (microeconomics). While the unit of study moved from the wealth of a nation to the revenue of a firm, the marginalists enthusiastically maintained that a human being was a rational being who balanced pleasure against pain. By using a rational person, marginalists developed the use of mathematical techniques and more rigorous deductive scientific analyses. Microeconomics became the central focus of mainstream economic analysis until the Great Depression of the 1930s threw the Western world into disarray. The operation of private enterprise economics described by classicists over a century earlier was in question as the economies of the Western world floundered. Economists again focused on national production (Monroe, "Political Economy" 5).

John Maynard Keynes. Keynesian economics, by concentrating on the worldwide Depression of the 1930s, refocused economic theory on the income of nations. While Lord John Maynard Keynes questioned the ability of the private enterprise system to self-adjust to a full employment, maximum output level, he accepted the materialistic orientation of his colleagues. In the concluding chapter of *The General Theory of Employment Interest and Money*, Keynes explains his thoughts on human nature:

There are valuable human activities which require the motive of money-making and the environment of private wealth-ownership for their full fruition. Moreover, dangerous human proclivities can be canalised into comparatively harmless channels by the existence of opportunities for money-making and private wealth, which, if they cannot be satisfied in this way, may find their outlet in cruelty, the reckless pursuit of personal power and authority, and other forms of self-aggrandisement. It is better that a man should tyrannise over his bank balance than over his fellow-citizens; and whilst the former is sometimes denounced as being but a means to the latter, sometimes at least it is an alternative. (374)

Since the 1930s, both micro- and macroeconomics have shared center stage in the economics arena. Today the classicists, Keynesians, rational expectationists, and other contemporary groups are all forecasting decisions by households, business firms, and the state with the same groups of models. While the decisions and self-adjustment processes are different and call for varied government actions, or none at all, their models have similar foundations that include the motivation of economic self-interest.

The underlying assumption of human behavior in economic models has been adjusted from the “self-interested being,” who will perennially decide in his or her own best interest, to the “economic man,” who is motivated to maximize personal materialistic gain, to the self-serving “rational person” now used in modern economics. If your choices are consistent, you are rational. It is clear that consistency allows theoreticians to simplify their models and to quantify their analyses (Klamer, “Conversation” 141–42).⁹

Other than allowing for additional assumptions involving constraints, mainstream economic theory has not used new behavioral assumptions except in unique situations. The pertinent question for economists is what descriptive assumption of human nature can be put in the place of “economic” or “self-serving” humankind that is closer to reality and is manageable within a model. Given appropriate logic, the tighter the assumptions, the cleaner the design of the model. It is important to note that among some economists, the assumptions of an economic model need only be useful for forecasting purposes. While economists recognize the need to establish assumptions that are as close to reality as feasible, they also regard assumptions as abstractions that only represent reality. Economic models of maximization are not wedded to a self interest driven person; other goals and objectives can be used. Sen maintains, however, that other motives can be incorporated in economic models, “but not completely, because of decision constraints that appear” (Klamer, “Conversation” 145).¹⁰

As noted in the beginning of this section, most economists probably would agree that Smith was correct when he noted that people have a number of motives that drive their behavior—for example, justice, generosity, and a public spirit—but that economic self-interest is fundamental. However, lusty voices are registering dissent.¹¹ For example, Herbert A. Simon maintains that “the dubious assumption that economic motives dominate must be reexamined. In several areas of economics, current doctrines will have to undergo severe revision as motives other than economic gain (and especially altruistic ones) assume their appropriate place in theory” (“Altruism” 159).

The individual and collective behavior found in Western society and its overall orientation are obviously evolving toward a global vision. The modern study of institutions found in economic history offers the potential for a dramatic new understanding of the economic change that is now taking place.¹² According to Douglass C. North, “The central issue of economic history and of economic development is to account for the evolution of political and economic institutions that create an economic environment that induces increasing productivity” (“Institutions” 98). North asks, “Under what conditions does a path get reversed ...?” (98). “What is it about informal constraints that gives them such a pervasive influence upon the long-run character of economies?” His questions about institutions continue, “What is the relationship between formal and informal constraints? How does an economy develop the informal constraints that make individuals constrain their behavior so that they make political and judicial systems effective forces for third party enforcement?” (111).

Statement

The Prosperity of Humankind, released by the Bahá’í International Community in the Spring of 1995, describes the importance of economics in concert with other institutional components in igniting the capacity of the human race. The statement declares that the “physical unification of the planet” (5) is complete. We are now one people: “... the earth’s inhabitants are now challenged to draw on their collective inheritance to take up, consciously and systematically, the responsibility for the design of their future” (5). For economists and other social scientists, this metaphor gives a basic conceptual structure to begin to address the ongoing battle of the inadequacies of present theories of economic development.

The statement begins with a vision of humanity as an organic whole. The foundation of this global community will be a code of justice. The spiritual dimensions of humanity have been responsible for the awe-inspiring and enduring gifts in law and the fine arts—the world’s wonders constructed by humans. The enhancement of the quality of human life requires “an ongoing and intensifying dialogue between science and religion” (13). Developing world prosperity requires an increase in human capacity through expanding access to education at a basic level and access to technological expertise on a more advanced level. Each of these concepts must be world embracing.

The statement specifies that the value of human abilities resides in “laying foundations for a new social order that can cultivate the limitless potentialities latent in human consciousness” (14). A new social order is emerging, which “constitutes a challenge to reshape fundamentally all the institutions of society” (18). In conclusion, the statement refers to this time as decisive in initiating a new stage in the history of humanity: the time for building a dynamic, peaceful, global society.

For social scientists and Bahá’ís, pieces of this statement are not new. World economic prosperity is integral to world peace, and peace among nations requires greater prosperity. The importance of justice, education, and the concept of a world order are recognized. With the recognition of the unity of humankind, contributing to the well-being of humankind becomes a superordinate goal. However, the statement’s design for global prosperity goes

beyond this initial vision of economic development by releasing human potential that will expand capacities and choices. This concept is unique. The process outlined is synergistic: as the apparatus to link individuals and peoples develops, a burst of creativity and energy will be released among all peoples. Economic growth, according to the statement, is the result of and a further stimulus to the new global society that is emerging on our planet.

The Prosperity of Humankind offers a spiritual human being with untold capacities who is linked to all of the human race. An ongoing dialogue between religion and science will allow a reconsideration of the nature of human beings and a redesigning of the institutions people choose to build. Religion provides an understanding of human motivation. The unity of humankind and global strategies that validate this, premise provide workable tenets for exploring economic strategies. Science supplies the tools and systems of evaluation. When religion and science are used in concert, economic growth will increase capacity and generate enhanced productivity. In the statement, it is religious teachings that offer science a fertile field for research and an opportunity to become part of an evolving community system that represents a unique giant step in history.

The world of tomorrow is being built in the emerging non-Western world and in the pockets of the Western world where economic growth has broken out of its assigned limitations. This is where the spiritual nature of humankind is being recognized and where the new socioeconomic structures have the best chance of being built. The newly emerging economic systems will be self-directed, open, and international in scope. Where applicable, modern science and technology will be eagerly accepted. Those local, regional, national, and global strategies that validate this premise will provide workable tenets for designing new economic theory. Development economists now understand the impact of institutions and appropriate technology, but putting all the pieces together and building the institutions that will trigger both spiritual and physical development and harness resources is an entirely different matter.

The economic breakthroughs in development will occur where the new institutional frameworks are being built, be it in South Chicago, in the so-called black belt in Alabama, or in isolated locales in Siberia. These areas will become the empirical basis for innovative development theory.

Bahá'ís sponsored socioeconomic development programs throughout the world as early as 1984, including the Anis Zunúzí Bahá'í School in Haiti; vocational training classes for rural women at the Faizi institute in Indore, Madhya Pradesh, India; tutorial schools in Uttar Pradesh, India; Radio Bahá'í in Ecuador; and a Radio News Service in Inupiaq language in Point Barrow, Alaska, to mention but a few. For example, the newly established Mottahedeh Foundation outside the Atlanta Metrocomplex, and the Louis Gregory Teaching Institute in Hemmingway, South Carolina, all include initial activities that spark local economy activity, be they programs to improve community health, education, and skills, or to provide capital investment to local areas.

Shoghi Effendi, in 1938, a year in which the ominous rumblings of World War II were heard across the European Continent, wrote the following:

The unity of the human race, as envisaged by Bahá'u'lláh, implies the establishment of a world commonwealth in which all nations, races, creeds and classes are closely and permanently united.... This commonwealth must... as the trustees of the whole of mankind, ultimately control the entire resources of all the component nations, and will enact such laws as shall be required to regulate the life, satisfy the needs and adjust the relationships of all races and peoples.... A world metropolis will act as the nerve center of a world civilization, the focus towards which the unifying forces of life will converge and from which its energizing influences will radiate.... In such a world society, science and religion, the two most potent forces in human life, will be reconciled, will cooperate, and will harmoniously develop... The economic resources of the world will be reorganized, its sources of raw materials will be tapped and fully utilized, its markets will be coordinated and developed, and the distribution of its products will be equitably regulated.... 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.... (*The World Order of Bahá'u'lláh* 203-4)

This vision of Shoghi Effendi depicts the intensity of the energizing force of science and religion when they begin to operate in concert.

Conclusion

For social scientists, parts of *The Prosperity of Humankind* are not new. What is unique and exciting in the statement is the guarantee of world peace and development and the blueprint of the process that will bring about world prosperity. We have a big map of how to do it, but now we must plot the topography. It is an adventure in which economists will play an important role in deciding how resources can be combined and in assessing the alternatives

available, as well as the tradeoffs. With the establishment of a judicial and social dynamic and the realization of a spiritual human nature, the on-going development of the globe will be triggered.

Specifically, this article investigates two imperatives in the statement from an economist's vantage point: The need to initiate a dialogue between science and religion and the need to reevaluate the use of a materialistic motivation. Historically, economic theorists have assumed an economically motivated person simply because it has appeared to be a dominant human motivation in Western society. The Bahá'í International Community statement, which presents a human being as a spiritual being, calls for an increase in productivity in order to increase the capacities and choices for humankind. The world's material needs demand the application of modern science and technology. The acceptance of humankind's spiritual nature triggers prosperity and creates a relationship in which the worth and contribution of both science and religion are recognized.

Notes

1. The national income accounting statistics used by the United Nations, World Bank, and International Monetary Fund are the most complete and internationally accepted statistics reflecting world income levels. Nonetheless, they are spotted with defects that economists and statisticians recognize and are trying to correct. References to work on this topic include Nordhaus and Tobin, "Is Growth Obsolete?" and Eisner, "Total Incomes System of Accounts" 24–48.

2. Rostow's doctrine in *The Stages of Economic Growth* focuses on the historical characteristics at the traditional society, the emergence of the preconditions for take-off, and the period of economic take-off. His theory was popular during the 1960s.

3. See Arbab, "Social Transformation"; Hanson, "Spiritual Framework of Development"; and Fish, "Spiritual Dimensions" for earlier discussions of this interrelationship.

4. Lord Keynes in "Concluding Notes" assigns an important role to theorists. He comments, "...the ideas of economists and political philosophers, both when they are right and when they are wrong, are more powerful than is commonly understood. Indeed (the world is ruled by) little else. Practical men, who believe themselves to be quite exempt from any intellectual influences, are usually the slaves of some defunct economist" (*General Theory* 383).

5. For additional reading in the history of economic thought, see Blaug, *Economic Theory*; Taylor, *Economic Thought*; and Oser, *Evolution of Economic Thought*.

6. In fairness to Smith, over time many readers and interpreters have simplified his concept of human nature. In *The Wealth of Nations* and *Theory of Moral Sentiments*, he indicates that human beings have a number of motives that are important to society; albeit self-interest is a predominant one. See Klamer, "Conversation" 141.

7. This clear statement is quoted by Persky. The passage was previously quoted by AC. Pigou in *The Economics of Welfare* 128, cited but not quoted in Cannon, *The History of Local Rates* 176.

8. Mill developed "economic ethology." He argued that economic ethology "would then construct a theory of the causes which determine the type of character belonging to a people or to an age." It becomes the causes underlying national character, in turn, the tastes and expectations of a period in history change with continual exposure to a particular set of institutions (Persky, "Home Economics" 226–27).

9. The case for economists expanding their concepts of human motivation is depicted by Sen in his interview with Klamer. "We are not only competitive with each other; much of the time we can be primarily cooperative with each other. If workers in a factory, for example, were to pursue their narrowly perceived interests or goals, I don't think that you would get a very high achievement of productivity. Many systems flourish precisely because people have codes of conduct; there are certain things to be done." Extending the concept, Sen says, "This may, of course, involve loyalties, influencing the goals they wish to promote, and thus violating self-welfare goals, at least to some extent. But in addition, people may not relentlessly pursue their own goals—whatever they are—and may be guided also by the recognition of the strategic interdependencies—the social instruments in the form of demands of fit and proper behavior. This involves practical recognition of the goals of others, of the enterprise of their colleagues, and the fact of living in situations of social interdependence" ("Conversations" 145).

10. Again, Sen summarizes the state of economic theory with the following comments: "There is a lot to be done. I hope very much that economics will move in this direction. Quite a lot of the highbrow economics, which is impressive and helpful in many respects, assumes that the basic problems have been understood in the central case; it accepts the appropriateness of the standard general equilibrium model, with everyone pursuing their self-interest, given tastes and technology. You then skillfully introduce imperfect competition, ignorance, uncertainty; you may bring in learning, signaling; you can do disequilibrium dynamics. It is assumed that there is no deep problem with the basic story. The extensions and variations may, thus, look like consolidating battles, the main war having been won, and the high ground already secured. But the high ground is not secure at all. The most basic element of such

modelling, namely the motivation of human beings, is not well addressed. Once we try to understand the challenging issue of human motivation, we enter one of the most neglected areas of economics” (Klamer “Conversations” 147).

11. Economics is an extremely controversial field, which has, as do other disciplines, apparent flaws. Criticism and lack of agreement is an accepted part of the discipline. Particularly in macroeconomics, there has historically been, and still exists, controversy over the question of how the system works. For example, Thomas Robert Malthus saw society faced with the omnipresent fear of disease, war, and famine. Karl Marx warned of an impending revolution owing to an unfair distribution of income between the working class and the owners of capital, and Keynes’s clear rejection of the self-adjusting processes of the classicists in the *General Theory* represents an unambiguous recognition that the system is out self-adjusting.

12. Douglass C. North, an economic historian, gives an informative description of institutions: “Institutions are the humanly devised constraints that structure political, economic and social interaction. They consist of both informal constraints (sanctions, taboos, customs, traditions, and codes of conduct), and formal roles (constitutions, laws, property rights). Throughout history, institutions have been devised by human beings to create order and reduce uncertainty in exchange. Together with the standard constraints of economics, they define the choice set and therefore determine transaction and production costs and hence the profitability and feasibility of engaging in economic activity. They evolve incrementally, connecting the past with the present and the future; history in consequence is largely a story of institutional evolution in which the historical performance of economies can only be understood as a part of a sequential story. Institutions provide the incentive structure of an economy; as that structure evolves, it shapes the direction of economic change towards growth, stagnation, or decline” (“Institutions” 97).

Works Cited

- Anand, Sudhir, and Martin Ravallion. “Human Development in Poor Countries: On the Role of Private Incomes and Public Services.” *Journal of Economic Perspectives* 7.1 (1993): 133–50.
- Arbab, Farzam. “The Process of Social Transformation.” *The Bahá’í Faith and Marxism, Proceedings of a Conference Held January 1986*. Ottawa, Canada: Bahá’í Studies Publications, 1987. 9–20.
- Bahá’í International Community–Office of Public Information. *The Prosperity of Humankind, A Statement Prepared by the Bahá’í International Community’s Office of Public Information*. Thornhill, Canada: National Spiritual Assembly of the Bahá’ís of Canada, 1995.
- Bardhan, Pranab. “Economics of Development and the Development of Economics.” *Journal of Economic Perspectives* 7.2 (1993): 129–42.
- Blaug, Mark. *Economic Theory in Retrospect*. Rev. ed. Homewood, Illinois: Richard D. Irwin, 1968.
- Colander, David. “Retrospectives: The Last Art of Economics.” *Journal of Economic Perspectives* 6.3 (1992): 191–98.
- Eisner, Robert. “Total Incomes System of Accounts.” *Survey of Current Business* 65.1 (1985): 24–48.
- Fish, Mary. “The Spiritual Dimension of Social Development.” *World Order* (Fall 1989/Winter 1989–90): 23–35.
- Hanson, Holly E. “The Spiritual Framework of Development.” *World Order* 23.1/2 (1988–89): 7–16.
- Keynes, John Maynard. *The General Theory of Employment Interest and Money*. New York: Harcourt, Brace and Company, 1935.
- Klamer, Arjo. “A Conversation with Amartya Sen.” *Journal of Economic Perspectives* 3.1 (1989): 135–50.

- Mill, John Stuart. *Principles of Political Economy*. Reprint. Ed. W. J. Ashley. London: Longmans, Green and Co., 1929.
- Monroe, Kristen R. "Introduction: The Development of Political Economy." *The Political Process and Economic Change*. Ed. Kristen R. Monroe. New York: Agathon Press, 1983. 1–16.
- Nordhaus, William, and James Tobin. "Is Growth Obsolete?" *Fiftieth Anniversary Colloquium V*. National Bureau of Economic Research. New York: Columbia University Press, 1972.
- North, Douglass C. "Institutions." *Journal of Economic Perspectives* 5.1 (1991): 97–112.
- Oser, Jacob. *The Evolution of Economic Thought*. New York: Harcourt, Brace & World, 1963.
- Persky, Joseph. "Retrospectives: Adam Smith's Invisible Hands." *Journal of Economic Perspectives* 3.4 (1989): 195–201.
- . "Retrospectives: The Ethology of *Homo Economicus*." *Journal of Economic Perspectives* 9.2 (1995): 221–31.
- Pigou, A. C. *The Economics of Welfare*. London: Macmillan, 1932.
- Rostow, W. W. *The Stages of Economic Growth*. Cambridge: Cambridge University Press, 1960.
- Sen, Amartya K. "Social Choice Theory: A Re-examination." *Econometrica* 44.1 (1977): 53–89.
- . "On Weights and Measures: Informational Constraints in Social Welfare Analysis." *Econometrica* 45.7 (1977): 1539–72.
- Shoghi Effendi. *The World Order of Bahá'u'lláh: Selected Letters*. Rev. ed. Wilmette, Ill.: Bahá'í Publishing Trust, 1974.
- Simon, Herbert A. "Altruism and Economics." *American Economic Review* 83.2 (1993): 156–61.
- Smith, Adam. *The Wealth of Nations*. Ed. with Introduction, Notes, Marginal Summary, and an Enlarged Index by Edwin Camian. New York: Random House, 1937.
- Taylor, Overton H. *A History of Economic Thought*. New York: McGraw-Hill, 1960. United Nations Development Programme. Human Development Report 1990. New York: Oxford University Press, 1990.
- Universal House of Justice. "Messages to the Bahá'ís of the World." Haifa, Israel: Bahá'í World Centre. Ridván, 1993; October 20, 1993; and January 2, 1984.
- Vu, My T., et al. *World Population Projections. 1994-95*. Baltimore: Johns Hopkins University Press (Published for the World Bank), 1995.
- World Bank. *Assistance Strategies to Reduce Poverty*. A World Bank Policy Paper. Washington, D.C.: World Bank, 1991.
- . *World Bank Development Report 1980*. New York: Oxford University Press, 1980.
- . *World Bank Development Report 1990: Poverty*. New York: Oxford University Press, 1990.
- . *World Bank Tables 1995*. Baltimore: Johns Hopkins University Press, 1995.