

Addressing the Rising Tide of Globalization and Amorality in the Present World Order and Its Implications on Extremes of Wealth and Poverty¹

Rama Ayman

Over the past few decades, we have witnessed a simultaneous rise in “Globalization” and “amorality” in the world—the combination of these two trends has been the principal contributor to the extreme inequality of wealth distribution we witness in most regions of the world.

Bahá'u'lláh, in one of his Tablets, calls upon us to “*Be anxiously concerned with the needs of the age ye live in, and center your deliberations in its exigencies and requirements.*”² Although the history of wealth inequality and poverty can be traced back throughout much of human history as witnessed in patterns of colonialism, conquests of nations and oppression of peoples, and dominion of tyrannical governments dating back to the early civilizations that arose in Mesopotamia over 4000 BC and perhaps ever since early societies were formed, near river banks, over 10,000 years ago, we shall focus here on developments in the past few decades as the extreme level of inequality in wealth distribution has now emerged as one of the key concerns of 21st century, and it will be our duty to center

our deliberations in understanding its causes and identify potential remedies.

We shall examine the state of globalization and its darker side, the concept of amorality and its hold on our physical reality, the extent of inequality in the world, and the potential remedies that we need to seriously consider in order to eventually eliminate extreme poverty and wealth. These topics, as we shall see, are quite complex and inter-connected, and require a multi-disciplinary approach, including sociology, political and behavioral economics and finance, technology and ethics, to be adequately examined, which render simple conclusions largely erroneous.

Our thesis, explored herein, is that in the absence of a strong moral foundation, globalization, largely driven by profit maximization, could further lead to increased extremes of wealth and poverty regardless of regulatory framework.

This is not an academic research paper, but a practitioner's viewpoint focused on the inter-play between globalization and amorality, and on formulating a thesis based on an understanding of the Bahá'í Writings, which would subsequently require much needed in-depth academic research, and detailed statistical studies to test our thesis and substantiate potential causalities among concepts discussed herein. Moreover, this article does not attempt to provide a formal Bahá'í point of view, but should be considered an attempt to explore some of the manifold layers of a very complex issue based on the author's experience in the fields of international business and economics and his understanding of the writings of the Bahá'í Faith.

Globalization

Globalization, according to the Universal House of Justice (the International governing body of the Bahá'í Faith), "itself is an intrinsic feature of the evolution of human society. It has brought into existence a socio-economic culture that, at the

practical level, constitutes the world in which the aspirations of the human race will be pursued in the century now opening” [CL 134].

Globalization is complex and not easily packaged in one definition, but it encompasses the trend of businesses and technologies to spread beyond national borders and across the time zones—this trend often creates opportunities for further integration and attainment of economies of scale, previously unimaginable, limited only by the extend regulations allow for free flow of trade, labor and capital. This “free” flow of goods and services and labor around the world could be positive for the global economy, but its impact on wealth distribution could be adverse if exploitation of either labor or capital by business enterprises takes hold as a sacrifice for profit maximization as their only objective.

It is no longer possible to compartmentalize globalization outside of our lives, in fact, globalization today impacts most aspects of our life—it is front and center in our lives; from being a fringe topic only 30-40 years ago, it has entered popular discourse on mainstream media and has penetrated our collective psyche.

Globalization has enhanced cross border integration of value added economic activity through increased super-mobility of labor, capital, goods, and services which, in turn, have made them widely accessible. Consequently, globalization has increased our economic interdependence, which in turn, might have helped avert WWII. Global trade is now a necessity for most countries, and for existential reasons, countries have come to rely more on globalization to facilitate their commerce and ensure their economic survival. Nations around the world witnessed the harmful effects of isolationism that had devastating impact on economies of Eastern Europe an Former Soviet Union until 1990s, and continued to destroy the economies North Korea, Iran and Cuba where global sanctions have isolated them from much of global trade until presently

when many of these sanctions are being removed presently in the case of the latter two countries.

The best example of the positive impact of globalization can be clearly seen in terms of physical progress made in China over the past two decades. China's population today is 1.3 billion, which equals the world population of 200 years ago. Since early 1990s, with the help of globalization, China was able to build effectively mega cities (2 of the world's top 10 cities are in China) as well as over 40 cities of over 1 million in population, with related infrastructure, benefiting *inter alia* from iron ore and coking coal imports from Australia and other needed natural resources from Africa and Latin America to build out. Over the past two decades, China has also emerged as number 2 manufacturer in the world with market share of over \$3 trillion. Share of China's global exports grew from 6% to 18%, while during the same period, US's share went from 18% to 9%. China, in December 2014, surpassed the US, as the Number 1 economy in the world on a purchasing power parity basis at \$17.6 trillion versus the US at \$17.4 trillion, and in the process, it brought over 800 million people out of poverty.

Another well-known example of globalization is how the US is financed. The US National Debt is \$19 trillion: \$6 trillion is inter-governmental debt, \$13 trillion is outstanding debt, 50% of which is owned by foreigners. Namely, as a result of globalization, foreign lenders provide funds to the US so it can rebuild its roads, telecom infrastructure, and finance its social security and healthcare. Without Globalization, these funds would likely not be available.

Many tools have helped increase the rate of globalization, including: Internet, travel, communication, technologies, which when considered together, often generate a mood which is one of ebullience and a sense of "shared community", but much of globalization we observe on a daily basis is actually an illusionary material uniformity, especially as promoted by fashion, tourism and entertainment industries that have

encouraged people to wear similar clothes, play with the similar toys (PlayStation or Xbox), drive similar cars, go to similar vacation destinations, enjoy similar foods, utilize similar mobile phones and social networking applications—materially, it certainly appears as though we have emerged united as “consumers of one country”.

Amorality

Although globalization can facilitate equity, global peace and eventually world unity, our thesis is that without strong moral fabric, Globalization can yield global crises and ever increasing inequality. Conversely, globalization can not be sustained if amorality dominates social and commercial relationships.

Here, we have defined “amorality” as acting under strict rules of law but without any moral considerations; acting morally is not the objective as long as legally the act is legally allowed in a given jurisdiction. By extension, acting without moral consideration, or acting amorally, is to act only out of self-interest as long as the act complies with legal framework—the key word here is “only”, i.e. if benefitting the self is the only objective, the associated act could be considered as amoral³.

One can distinguish an amoral act from a moral act if the act has been done completely out of self-interest and without any consideration for others (amoral), instead of an act, which has been centered on the interest of others (moral). Defining sole pursuit of self-interest as amoral may go against the grain for many economists who have long held the belief that pursuing self-interest generates economic benefits in the broader context, and in fact, legitimizes selfish behaviour—a theoretical notion which has formulated our economic thought since Adam Smith linked self-interest to economic activity in the 18th century.

Although it is empirically challenging to embark on gathering statistical data to measure the trends of amorality over the course of human history, we can certainly witness its

prominence in global business and finance evidenced by most global companies which hold maximization of shareholder value as their primary objective—an objective that is deemed not only legitimate but thought in business schools as a core virtue, in managing a business, throughout the world. This objective is based on a fundamental belief, prevalent in many societies, that acting in self-interest is a necessity and a sufficient goal, and by extension this belief is applied by executives and businesses alike. The result has been manifold and omnipresent: the spread of tax haven jurisdictions around the world, the movement of capital to jurisdictions that facilitate tax avoidance, the smallness of corporate contributions to social improvement causes, the exploitative rush of global corporations to regions that have cheaper labor force are among a few of the examples that can be considered. While these trends are not necessarily illegal, they are driven largely out of self interest of companies on behalf of their shareholders.

It is over the past century that trends in globalization and amorality, for the first time in history, have coincided and have jointly become so prominent, leading to the disastrous effect on inequality of wealth we witness in most countries. The intriguing moral question remains, if within the current rapid rise of globalization, would acting in “self-interest” for short term gains dissipate as the benefits of longer term global interdependence become apparent.

Extreme Inequality

World population today is 6 times larger than the world population in the middle of 19th century; i.e. the past century has seen an unprecedented rise of human population—it took over 3 million years for human population to grow to 1 billion, and in a space of less than 200 years, the world population surpassed 7 billion. However, the fast growth of population, especially since WWII, has now slowed down, and with it the world economic growth rate may continue to be more limited,

contributing further to the severity of wealth inequality in the world in the coming years.

Today, without any exaggeration, we witness extreme inequality of wealth across the world, both in wealthy countries like the US (the richest nation) and in the poorest countries. The numbers are staggering: Top 5% of the population in the US own 63% of national wealth; The top 1% now own over 41 percent of all the wealth in the country⁴—during post WWII years, partly due to rise in population and high rate of economic growth, the top 20% of the population's wealth was 3x the bottom 20% in 1970s; this ratio has risen to 8x today.

1800 individuals in the world have a wealth of \$7 trillion or about 10% of world GDP⁵—this number represents a record 1,826 billionaires with an aggregate net worth of \$7.05 trillion, up from \$6.4 trillion a year ago.

The richest 85 individuals in the world control as much wealth as the lowest 3.5bn people (bottom half of the world population)⁶.

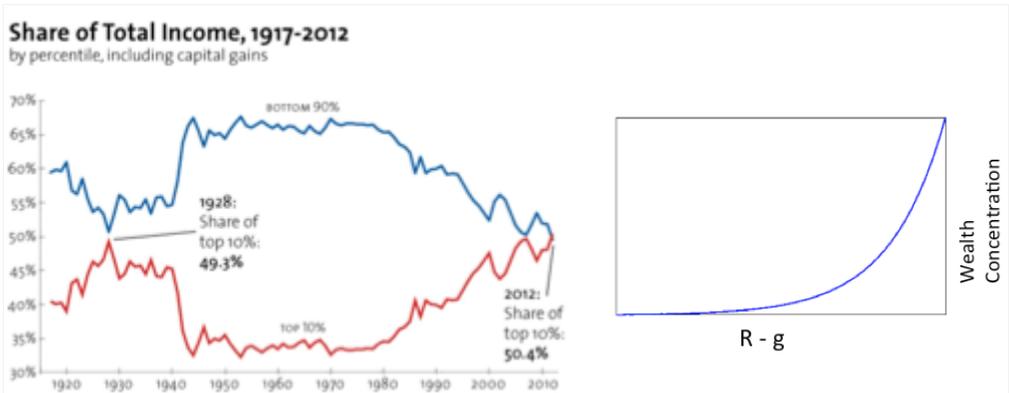
These extremes of wealth and poverty have created unequal societies around the world, with devastating results across a broad range of vital indicators—the link between extremes of wealth inequality and these indicators has been substantiated by many, including research by Richard Wilkinson⁷, who has shown that unequal societies rank lowest on multiple factors that can directly contribute to extreme poverty:

- Life expectancy
- Infant mortality
- Homicide
- Trust
- Imprisonment
- Obesity
- Addiction
- Health issues

- Social mobility
- Intergenerational mobility

Unequal societies rank worse on psycho-social values, and as such will be a threat to globalization itself and in turn to durability of growth in the long term. When these values worsen to alarming degrees⁸, sustaining peace within or without the countries becomes far more challenging, and achieving unity of humankind becomes a distant goal until these great disparities in wealth dissipate.

Since 1980s, free flow of capital, increasing competition between nations to attract investments, declining population growth, technological revolution and increase in productivity have increased concentration of wealth. Thomas Piketty, a well-known French economist, has studied 20 countries, income and wealth distribution in the past 200 years and has demonstrated that when rate of return (“r”) exceeds growth rate (“g”), wealth concentration increases⁹:



Seeking $r > g$; result in accelerated wealth concentration

There has been much debate on how to reduce inequality—current debate revolves around:

- Progressive global wealth tax
- Authoritarian capital controls: expropriation
- Multilateral and Bilateral Grants

- Role of multi-lateral financial institutions: World Bank, International Monetary Fund, International Finance Corporation, European Bank for Reconstruction and Development, European Investment Bank, Asian Development Bank and numerous others, as well as the newly established Asian Infrastructure Investment Bank
- Philanthropic wealth distribution

Although there has been some success in increasing transparency, and reducing inequality through progressive taxation and eliminating tax havens and tax avoidance by the wealthier sections of society, in general, there has been little impact on extreme inequality of wealth we see today in the society. Given the stance of amorality, taxes will be avoided as long as a legal solution can be found, and legal solutions have always been in abundance. As taxes are raised, new financial and tax innovations are developed to assist tax avoidance. As long as taxes are forced on people, tax avoidance can not be prevented. Thomas Picketty's own solution to establish a Global net worth tax will likely end with the same tax avoidance issues.

Jeffrey Sachs, another renowned economist and specialist on poverty, in his book *End of Poverty 2005*, outlined 10 action plans to raise 0.7% of global GDP and reduce poverty; this plan was partially adopted in the UN Millennium Plan whose goal was to reduce extreme poverty by 50% by 2015¹⁰:

- Improve agriculture
- Improve basic health
- Invest in education
- Bring power
- Provide clean water and sanitation

To achieve these lines of action, the Plan called for:

- Unified plan of action
- Promote sustainable development
- Improve science

- Make personal commitments
- Gain public acceptance
- Strengthen UN and global agencies

However, Sachs is silent on necessity for spiritual and moral education, and without a moral grounding, personal commitments, public acceptance and unified plan of action would not be possible. Nothing short of a moral education that would help the individual combat acting only on self interest, transforming of hearts of men one by one, can adequately address the prerequisites for such global plans to eradicate poverty.

The Dark Side of Trends in Globalization and Amorality

Acting only in self-interest, instead of then striving towards helping others, eradicating poverty, and eventually achieving greater degrees of world unity, promotes actions that only see profit maximization (or “creating shareholder value”), as the only existential goal, which under the framework of globalization effectively means:

- Access to cheaper labor / cheaper sources of raw materials / cheaper feedstocks for their companies to maximize profits
- Access to more markets for their products to maximize profits
- Access to jurisdictions with more favorable tax policies to maximize profits

This is the effect of the convergence of globalization and amorality that allows actions, which are legal but not necessarily always “moral” (as defined by acting in the interest of others), with respect to equity and justice, on a global scale.

The now omnipresent mantra of many businesses “go global” has gained acceptance, because from their respective personal standpoint, “going global” benefits “me”, not because of

embracing some utopian ideology of global unity. In aggregate, acting in self interest (at individual level) or for companies (acting for their shareholders) or for governments (acting in their national interest) lead to a vicious cycle of zero:sum game, creating and perpetuating strategies that are in contradiction towards working for global equity, and instead we are on a downward trajectory that will lead to more inequality and human suffering.

To address the amorality of acting only in self interest, a fundamental transformation, at individual and at collective levels, is required—at the individual level, moral conviction is needed that acting on self interest is wrong, and in turn, this conviction at aggregate would transform shareholders of companies, members of unions, technocrats in governments, leading to policies that would consider interest of others as priority. In such a context, this transformation would lead to:

- Stronger global institutions who are empowered
- More effective global security that can be relied upon

Given the vital importance of this individual conviction and its subsequent implications on world order, globalization brings us face to face with very existential questions about the assumptions we have regarding human nature and whether humans are inherently “Selfish” and “Material”, seeking material accumulation as the ultimate goal in life, or whether humans are inherently “Selfless” and “Spiritual”, seeking higher virtues of love and fellowship and helping humanity as their ultimate goal in life. Depending on which set of assumptions we subscribe, in aggregate, societies are either doomed to be driven towards competition and ultimately mutual destruction if the former set of assumptions prevail, or can learn to work in cooperation if individuals are inherently orientated not towards self but towards helping others.

According to the Bahá’í belief system, human nature is inherently spiritual. Any human has the capacity for turning

towards God or turning away from Him. During this physical life, any human being can acquire spiritual qualities, and this stands in contrast to the perspective that human nature is inherently and essentially selfish. Therefore, human beings have the capacity to be selfless in character, and ultimately be capable of having the conviction to act in others' interests, and subsequently, work towards mutually beneficial goals of the Unity of Humankind and the Most Great Peace.¹¹ The Bahá'í Faith's principles of a united world order stand in contrast to today's world order where there is:

- No global leadership, no legitimacy for any one country or a small group of countries to lead (failure of G7 or even G20 to act definitively on any global decision regarding security, environment, distribution of resources etc.).
- No global vision regarding how to bring the diverse nations together to solve complex economic and financial issues facing most countries.
- No truly empowered global executive, legislative, or judiciary bodies for implementing authoritatively and with legitimacy equitable global laws (e.g. global welfare tax, standardization of policies, criminality, human rights violations).
- Inadequacy of existing global institutions to effectively confront global challenges facing humankind—World Bank and its affiliates, United Nations, International Monetary Fund, World Court in Hague, though having been major steps in humanity's progress towards global governance, nevertheless, have not yet eradicated poverty.
- No will to unify and coordinate response and adequately address global challenges:
 - environment,
 - resource management,

- Infrastructure demand: \$57 trillion needed by 2030 (energy, water, transport, social projects),
- health,
- immigration,
- poverty,
- corruption

We can clearly witness the lack of fundamental spiritual values of Trust, Truthfulness, Justice in both economic and political circles, in the current global world order, and understand that various forms of adherence to “Game Theory”: if “I” act selflessly, and others don’t, “I” will lose, so “I” have to act selfishly to get a minimum prosperity, is structurally deficient to institute the necessary principles and governing institutions that would eventually bring about the desired world unity, which in turn is a pre-requisite to eliminate extremes of wealth and poverty.

Furthermore, we can also witness that the “Rule of Fear” and a deep sense of insecurity underlie the current global world order, which inherently perpetuates the existing animalistic behavior towards self-preservation, rather than addressing first the needs of others. The effect of this “Fear” has only deepened the darkness of a globalized world, where sovereign self interest would not allow for fiscal and eventually political union in Europe while their monetary union has been inadequate to solve their economic problems, where self interest of nations would not allow for equitable global distribution of natural resources to eradicate poverty; where the search for super profits, as opposed to responsible use of technological and scientific discoveries has diminished positive impact that science could have on society.

Globalization has been in fact moving in a trajectory that is in many ways counter-productive to the realization of a more united world order. Relative absence of moral and spiritual values and lack of any consultative framework has weakened the

efficacy of today's global institutions to adequately address its concerns—a state of existence that has frustrated many political leaders. For example, interestingly, President Putin made the following statement during his speech in Sochi in October 2014:

Sadly there is no guarantee and no certainty that the current system of global and regional security is able to protect us from upheavals. This system has become seriously weakened, fragmented and deformed.

The Response of the Bahá'í Faith

The Bahá'í Faith addresses the issue of extremes of wealth and poverty, in the context of globalization and morality, in a comprehensive fashion with allocated responsibilities for the Wealthy, the Poor, the Society and the Global Institutions. All responsible stakeholders must do their part. Any one stakeholder acting in isolation will not yield satisfactory results. It is the integrated action of all these stakeholders, benefiting from positive global forces, under a moral umbrella, that will ultimately eradicate poverty.

1. Transformation of the Individual

For effects of Globalization to be more equitable in terms of wealth distribution, and lead to the eradication of poverty, the Bahá'í Faith calls for transformation of individuals to act morally (i.e. act in the interest of others) instead of acting amorally (i.e. act in the interest of self)—according to Bahá'u'lláh:

That one indeed is a man who, today, dedicateth himself to the service of the entire human race. The Great Being saith: Blessed and happy is he that ariseth to promote the best interests of the peoples and kindreds of the earth. In another passage He hath proclaimed: It is not for him to pride himself who loveth his own country, but rather

for him who loveth the whole world. The earth is but one country, and mankind its citizens. [GWB 249-250]

The call for service and its importance to derive universal benefits, was again discussed by ‘Abdu’l-Bahá:

Universal benefits derive from the grace of the Divine religions, for they lead their true followers to sincerity of intent, to high purpose, to purity and spotless honor, to surpassing kindness and compassion, to the keeping of their covenants when they have covenanted, to concern for the rights of others, to liberality, to justice in every aspect of life, to humanity and philanthropy, to valor and to unflagging efforts in the service of mankind. [SDC 98]

In fact, to pursue one’s own interest ahead of others is likened to the behavior of animals and not worthy of human nature:

If man were to care for himself only he would be nothing but an animal for only the animals are thus egoistic. If you bring a thousand sheep to a well to kill nine hundred and ninety-nine the one remaining sheep would go on grazing, not thinking of the others and worrying not at all about the lost, never bothering that its own kind had passed away, or had perished or been killed. To look after one's self only is therefore an animal propensity. It is the animal propensity to live solitary and alone. It is the animal proclivity to look after one's own comfort. But man was created to be a man—to be fair, to be just, to be merciful, to be kind to all his species, never to be willing that he himself be well off while others are in misery and distress—this is an attribute of the animal and not of man. 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. [FWU 42]

This elevated status of human nature, the purpose of human beings in this life, and in fact the purpose or goal of his creation in general is core to the Bahá'í Faith's theological and existential beliefs and centers squarely around service to humanity.

All men have been created to carry forward an ever-advancing civilization. [GWB 215]

Given the centrality of placing the individual's conviction in "service to humanity" and considering interests of others above self-interest, as the very purpose/goal of creation, in Bahá'í theology, the transition from self-centeredness towards human society-centeredness is an outcome that is self evident. The implications of this belief system are enormous, and in stark contrast against the belief system prevalent in modern society where the basic assumption about the human nature is in fact that individuals act selfishly, and in this context, individuals in aggregate would feel insecure about their future as they believe no one would consider their interest—this feeling of insecurity about their well-being, leads to self-accumulation of wealth and power as means for safeguarding security, and in turn, on aggregate, such acting in self-interest leads to harmful competition and lack of true cooperation—seeking super returns above economic growth, as discussed previously, would lead to extremes in distribution of wealth and poverty. Thomas Piketty stated that "there is no natural force that would bring inequality under control". As such, concentration of wealth grows till it is unacceptable, but in the meantime such extremes of wealth and poverty shall undermine institutions and democracies around the globe.

On the other hand, under the world view of the Bahá'í Faith, where individuals act out of interest for others, each individual, in turn, becomes a recipient of selfless acts, which on aggregate

shall result of feelings of security rather than insecurity, thus creating a virtuous cycle of everyone behaving selflessly in service of others and enhancing social security at large and eliminating extremes of wealth and poverty.

On the other hand, if we see ourselves as alone and view the world as hostile, we see lack of social security, become fearful, and only consider self-interest. To act selflessly today takes courage and an enormous Faith in spiritual character of humanity and a single-minded purpose to fearlessly act—any slight giving to fear would accelerate our behavior towards acting out of self-interest.

The implication of this core issue regarding morality and amorality in a global context can be realized when Globalization is viewed as an opportunity to help less materially fortunate communities—in the longer term these communities will develop and become significant markets by themselves: 6 countries of Brazil, Nigeria, Indonesia, Pakistan, Ethiopia and Bangladesh, with a total population of 1bn (equaling world population of less than 200 years ago), and incomes of \$500-3000 per year, once empowered, these countries, as we have seen much progress over the past 2 decades, develop businesses and contribute to science and education. The “game” changes from “zero:sum” to “win:win”¹², and the trend shifts towards having less inequalities in the world.

In order to achieve this “win-win” scenario, we need to achieve a proper balance between material progress and corresponding emphasis on morality. Without observing moral standards of Justice and Equality, globalization can have perverse outcomes—“spiritual” and “moral” forces must play an essential role in achieving solutions to such urgent problems [CL 59].

When morality is compromised or neglected, regardless of the legal framework, the dark side of globalization looms ever larger and in extreme cases globalization, when unchecked, will grow and transfer economic activity out of accountable

institutions into the hands of those with no moral compass. Examples of these situations have been outlined in a recently published book “Deviant Globalization”¹³:

- Illegal smuggling of labor
- Sex trade reaching 10s of millions, creating multi-billion dollar global industry
- Black market for human organs—kidney
- Semi-slave labor
- Waste Trade
- Drug trade—the failed US war on drugs since 1970s has costed \$2.5T
- Weapon Trade
- Global criminal organizations
- Global terrorism

Another major pre-requisite for the transformation of the individual is the leap from nationalism to world-citizenship—a true belief in world citizenship, rather than seeking only national interest, is a core and uncompromising precondition without which a balanced globalization would not be possible. The founding principle of world citizenship is real belief in Oneness of Humankind:

The principle of the Oneness of Mankind—the pivot round which all the teachings of Bahá’u’lláh revolve—is no mere outburst of ignorant emotionalism or an expression of vague and pious hope. Its appeal is not to be merely identified with a reawakening of the spirit of brotherhood and good-will among men, nor does it aim solely at the fostering of harmonious cooperation among individual peoples and nations. Its implications are deeper, its claims greater than any which the Prophets of old were allowed to advance. Its message is applicable not only to the individual, but concerns itself primarily with the nature of those essential relationships that must

bind all the states and nations as members of one human family.... It implies an organic change in the structure of present-day society, a change such as the world has not experienced.... It calls for no less than the reconstruction and the demilitarization of the whole civilized world—a world organically unified in all the essential aspects of its life, its political machinery, its spiritual aspiration, its trade and finance, its script and language, and yet infinite in the diversity of the national characteristics of its federated units. [WOB 42-43]

2. Responsibility of the Wealthy

Bahá'u'lláh on numerous occasions discusses the status and importance of taking care of the poor “*Bestow wealth upon the poor*”; the “*Poor are My Trust*”. ‘Abdu’l-Bahá also encouraged the wealthy to provide for the poor, exulting them to “*not be intent on your own ease*”; “*expend on philanthropic purposes*” [SDC 24].

This willingness to help those less fortunate should become an innate desire. The wealthy are to expend on the poor out of their own volition, without being pressured legally or forcefully to do so; otherwise, they would spend their wealth trying to find loopholes to avoid giving.

‘Abdu’l-Bahá himself states that one should not imagine that his remarks

constitute a denunciation of wealth or a commendation of poverty. Wealth is praiseworthy in the highest degree, if it is acquired by an individual's own efforts and the grace of God, in commerce, agriculture, art and industry, and if it be expended for philanthropic purposes. Above all, if a judicious and resourceful individual should initiate measures which would universally enrich the masses of the people, there could be no undertaking greater than this, and it would rank in

the sight of God as the supreme achievement, for such a benefactor would supply the needs and insure the comfort and well-being of a great multitude. Wealth is most commendable, provided the entire population is wealthy. If, however, a few have inordinate riches while the rest are impoverished, and no fruit or benefit accrues from that wealth, then it is only a liability... [SDC 24]

The “giving” of the wealthy would come naturally as the fundamental thesis of society would be transformed from being self centered towards considering the interests of others before self as previously explained. As mentioned before, this requires a spiritual transformation of individuals.

3. Responsibility of the Poor

Within the larger context of the responsibility of society and the wealthy to ensure that all have the opportunity to do useful work, there is a complementary obligation to work and the prohibition of begging in the Bahá’í Writings where it does discuss how we are forbidden to idly “*sit and beg*” [KA 30]. These teachings of the Bahá’í Faith should not be taken out of context, and must be treated as part of the more global solution of eliminating poverty—the obligation to work and the prohibition of begging are not meant to blame the poor for their own fate because they chose to beg (or, in countries with social safety nets, receive welfare) rather consider their responsibility, in relation to their capacity, to be productive members of society. Bahá’u’lláh, thus, proclaims that it is “*incumbent to engage in crafts and profession*”¹⁴. In fact, in the same paragraph, Bahá’u’lláh further elaborates that work is elevated to the status of worship if done in the spirit of service.

In this regard, society also has direct responsibility for the poor, especially in the case of those who cannot take care of themselves—here, Bahá’u’lláh in the *Kitáb-i-Aqdas*, further

clarifies: “*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*¹⁵ and on the wealthy to make adequate provision for them.” This is further elaborated upon in note 62 of the *Kitáb-i-Aqdas*: ‘Abdu’l-Bahá explained that “*The object is to uproot mendicancy altogether. However, if a person is incapable of earning a living, and is stricken by dire poverty or becometh helpless, then it is incumbent on the wealthy or the Deputies to provide him with a monthly allowance for his subsistence....*” The note continues, “The prohibition against giving charity to people who beg does not preclude individuals and Spiritual Assemblies from extending financial assistance to the poor and needy or from providing them with opportunities to acquire such skills as would enable them to earn a livelihood.” Note 56 of the *Kitáb-i-Aqdas* elaborates further on the duty to engage in a trade or profession, and quotes a letter written on behalf of the Guardian stating: “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.”

As such, one can study the responsibility of the poor in eradication of poverty is equally important and goes hand in hand with the responsibilities of the wealthy and of the society.

4. Responsibility of the Society

The role of Huqúqu’lláh

The society, and the wealthy, as ‘Abdul-Bahá advised, should “*initiate measures that would universally enrich the masses*”. One important instrument founded by Bahá’u’lláh exactly to improve distribution of wealth and eradicate poverty is the institution of Huqúqu’lláh,¹⁶ which would be an important source of funds for enriching the masses.

The key distinguishing factor between Huqúqu'lláh and the Global Net Worth Tax suggested by economists and policy makers is the spiritual and voluntary nature of Huqúqu'lláh, unique in the annals of history, and its spiritual obligation on the individual without any one or any institution having the right to police its compliance—although it is calculated as 19% of a person's increase in wealth or assets after necessary expenses are deducted, it is deemed to be a spiritual exercise since what constitutes as “necessary” is left to the consciousness of the individual, and furthermore the very fact that its compliance can not to be imposed or scrutinized by anyone means that avoidance, unlike the case of taxation which is imposed and heavily scrutinized, is a non-issue.

Along with the important institution of Huqúqu'lláh, Shoghi Effendi, the Guardian of the Bahá'í Faith, called for coordination of economic resources of the world: “The economic resources of the world will be organized, 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” [WOB 203-204]. Clearly, this would require striking the balance between national ownership and utilization of natural resources globally. However, in the context of the universally accepted principles of world citizenship, striking this balance would not be as challenging.

The role of laws, regulations, taxation

As part of the role of Society and its responsibilities, fundamental changes in laws, regulations and economic structures must take place that would directly address the relationship between capital and labor. In a statement of the Bahá'í International Community, February 12, 1993, “Human Rights and Extreme Poverty” it is noted that the economic system shall evolve to adequately address the issues of wealth distribution: “Although it will resemble the present system in many ways, the evolving economic system which Bahá'ís

envision will have significant points of distinction.” One of the key points of distinction is the Bahá’í view on income distribution, which allows for differences in wealth between individuals, but would also allow for societies to eliminate both extreme wealth and extreme poverty.

The accumulation of excessive fortunes by a small number of individuals, while the masses are in need, is, according to Bahá’í teachings, an inequity and an injustice. Moderation should, therefore, be established by means of laws and regulations that would hinder the accumulation of excessive fortunes by a few individuals and provide for the essential needs of the masses. Among the methods that future societies may adopt in order to achieve this objective is a modification in the taxation system—‘Abdu’l-Bahá spoke about an innovative and revolutionary method of taxation to eliminate extremes of wealth and poverty:

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 equalize or adjust. Therefore, taxation will be proportionate to capacity and production, and there will be no poor in the community. [PUP 217]

Clearly, future generations of economists, lawyers, tax accountants, and policy makers would have to devise a fair regulatory regime that would consider needs of individuals as well as their capacity for income generation. This is another example of how legal or structural solutions must be developed as part of a society’s responsibility to eliminate extremes of wealth and poverty.

5. Role of Global Institutions and their responsibilities

In addition to detailing the responsibilities at the individual and societal levels, Shoghi Effendi, the Guardian of the Bahá'í Faith, called upon the creation of world institutions with powers far surpassing the present day international institutions:

- A world legislature, whose members will, 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 executive, backed by an international Force, will carry out the decisions arrived at, and apply the laws enacted by, this world legislature, and will safeguard the organic unity of the whole commonwealth.
- A world tribunal will adjudicate and deliver its compulsory and final verdict in all and any disputes that may arise between the various elements constituting this universal system....
- Strong globally-empowered world institutions that can coordinate universal ownership of resources and their fair distribution internationally [*Call to Nations*]

It is now universally accepted that the current global institutions do not have the mandate or the resources to be effective in addressing global problems like poverty. Much stronger empowered institutions are needed to adequately address global issues and eradicate arbitrage opportunities. Without adequately empowered global institutions, the economic resources of the world cannot be organized and managed in a manner that shall be conducive to the realization of the unity of human race.

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, and in which the autonomy of its state members and the personal freedom and initiative of the individuals that compose them are definitely and completely safeguarded. [WOB 203]

The economic resources of the world will be organized, 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. [WOB 203-204]

According to a statement prepared under the supervision of the Universal House of Justice:

Yet, the unification of humankind under a system of governance that can release the full potentialities latent in human nature, and allow their expression in programs for the benefit of all, is clearly the next stage in the evolution of civilization. The physical unification of the planet in our time and the awakening aspirations of the mass of its inhabitants have at last produced the conditions that permit achievement of the ideal, although in a manner far different from that imagined by imperial dreamers of the past. To this effort the governments of the world have contributed the founding of the United Nations Organization, with all its great blessings, all its regrettable shortcomings....Somewhere ahead lie the further great changes that will eventually impel acceptance of the principle of world government itself. The United Nations does not possess such a mandate, nor is there anything in the current discourse of political leaders that seriously envisions so radical a restructuring of the administration of the affairs of the

planet. That it will come about in due course Bahá'u'lláh has made unmistakably clear. That yet greater suffering and disillusionment will be required to impel humanity to this great leap forward appears, alas, equally clear. Its establishment will require national governments and other centers of power to surrender to international determination, unconditionally and irreversibly, the full measure of overriding authority implicit in the word “government.” [CL 91-92]

Present day attempts by policy makers to address extremes of wealth and poverty lack a coherent approach and have been short on results. It is the integrated holistic approach of the Bahá'í Faith, providing, at once, (i) a robust set of core principles for individuals to transform, (ii) an exacting set of directives for the rich and the poor, (iii) a just allocation of responsibilities at individual and societal levels, and (iv) the creation of empowered global institutions, that collectively can adequately reverse the rise of amorality, and in turn, effectively address the complexities surrounding our trajectory towards extremes of wealth and poverty in a world that is rapidly becoming globalized and in want of equitable distribution of resources.

NOTES

¹ This presentation is based on my experience and information gained from working in the field of international finance, capital markets, and mergers and acquisitions for the past 25 years.

² “*The All-Knowing Physician hath His finger on the pulse of mankind. He perceiveth the disease, and prescribeth, in His unerring wisdom, the remedy. Every age hath its own problem, and every soul its particular aspiration. The remedy the world needeth in its present-day afflictions can never be the same as that which a subsequent age may require. Be anxiously concerned with the needs of the age ye live in, and center your deliberations on its exigencies and requirements.*” [GWB 213]

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- ³ Acting “only out of self-interest as long as the act complies with legal framework” refers mainly to global business and finance and individual actions. For government actions, and even much of individual/corporate action, there is little or no enforceable legal framework, and to the extent it exists it is heavily skewed in favor of the status quo of inequality. Further legal studies are needed to institute remedies within the relevant national and international legal and institutional framework, as the problem lies not just with private actors’ amorality while abiding by the letter of the law. It is beyond the scope of this article to examine these legal aspects within the wider public sector as well.
- ⁴ Yellen Report at the Federal Reserve Bank of Boston Economic Conference on Inequality of Economic Opportunity, 2015
- ⁵ Forbes (15.03.15)
- ⁶ IMF REPORT, April 2015
- ⁷ Richard Wilkinson, Kate Pickett and Allen Lane, *The Spirit Level: Why More Equal Societies Almost Always Do Better*, March 2009, ISBN 978 1 84614 039 6
- ⁸ In US alone close to 1% of the population lives in prisons and jails, and if we add the total number of those on probation, it reaches 7 million out of the total population of 319 million or 2.2% of the US population—source: Bureau of Justice Statistics, www.bjs.gov
- ⁹ topincomes.parisschoolofeconomics.eu; Thomas Piketty, *Capital in the Twenty-First Century*, 2014, Belknap Press
- ¹⁰ Jeffrey D. Sachs, *The End of Poverty*, 2006, Penguin Books; also reported by *Time magazine*, 14 March 2005, p. 36, in an interview with Jeffrey Sachs as Director of the UN Millenium Project
- ¹¹ One of the central beliefs of the Bahá’í Faith is the unity of humankind—that there are no differences among races, colors, sexes, nationalities, ethnicities, and that the ultimate goal of human civilization is to arrive at the Most Great Peace when the world is united as one country and mankind as its citizens. The Bahá’í Writings include details of principal requirements at individual and societal levels to achieve this objective.
- ¹² In Game Theory, zero:sum means that if one party wins the other must lose; however, under a win:win scenario, both parties can win.
- ¹³ *Deviant Globalization: Black Market Economy in the 21st Century*; edited by Nils Gilman, 2011
- ¹⁴ Bahá’u’lláh, *The Kitáb-i-Aqdas*, paragraph 33: “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. Reflect, O people, on the grace and blessings of your Lord, and yield Him thanks at eventide and dawn. Waste not your hours in idleness and sloth, but occupy yourselves

with what will profit you and others. Thus hath it been decreed in this Tablet from whose horizon hath shone the day-star of wisdom and utterance. The most despised of men in the sight of God are they who sit and beg.”

- ¹⁵ Deputies of God are members of Houses of Justice, which are administrative governing bodies of society at local, national and international levels.
- ¹⁶ Huqúqu’lláh is an Arabic word meaning the Right of God—it is a law instituted by Bahá’u’lláh (the founder of the Bahá’í Faith) as one of the fundamental spiritual ordinances of the Bahá’í Faith, requiring each Bahá’í to give 19% of the increase in wealth or assets, after deducting “necessary” expenses. The definition of what constitutes as a “necessary” expense is left to the conscious of each individual. Furthermore, no one can police the individuals for calculating and giving of Huqúqu’lláh; abiding this law is left wholly to the individual as a spiritual obligation. Source: *Huqúqu’lláh, The Right of God, compilation of extracts from the Bahá’í writings*, compiled by the Research Department of the Universal House of Justice, Bahá’í World Center, 1989.