

A Bahá'í Perspective on Conscious Capitalism: Working for Individual, Organizational, and Systemic Transformation

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Abstract

This essay is a reflection on how core Bahá'í principles relate to the ideals of Conscious Capitalism. We begin with a brief discussion on how the features of modern capitalism have emerged in history, causing reactions, conflicts and challenges leading to the rise of Conscious Capitalism, and noting how this story intersects with the history of the Bahá'í Faith at several pivotal periods. We then outline the story of Conscious Capitalism since its inception and highlight where the Bahá'í teachings converge and diverge with the vision of Michael Strong, one of the initiators of the Conscious Capitalism movement, based on an interview we conducted with him. This sets the stage for our exploration of a Bahá'í approach to Conscious Capitalism, through a reflection on the experience of two Bahá'í business leaders whom we interviewed for this purpose. A Bahá'í approach, we suggest, involves redefining the meaning of capital to cover its social and spiritual dimensions, and sees the business organization as operating within both a micro-environment of individuals and a macro-environment defined by the socio-political system. Thus, building a “conscious capitalist enterprise” involves a dual process of spiritual transformation at the levels of the individual and of the social system.

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Ultimately, only rebuilding the social order on spiritual foundations will create the conditions for the full flourishing of a spiritually and socially conscious form of capitalism.

Keywords: Bahá'í faith, spirituality, consciousness, capitalism, conscious capitalism, ESG, economic freedom, corporate social responsibility, social capitalism, entrepreneurship, economic system, economic theory

16.1 Introduction

How can wealth be concentrated, invested, and deployed in a manner that is conscious and in harmony with, as opposed to being destructive of, the general social good? In this essay, we will reflect on these questions from the perspective of the writings and experience of the Bahá'í Faith, whose teachings are well known for their central focus on a spirituality oriented toward social transformation. How do these teachings relate to Conscious Capitalism?

Core Bahá'í principles include the free and independent search for truth; the spiritual essence of human nature; the oneness of humanity; the abolition of racial, ethnic, national and religious prejudices; the equality of women and men; the harmony of science and religion; service to humanity as our highest calling; promotion of agriculture and commerce; work in a spirit of service as a form of worship; the abolition of extremes of wealth and poverty; and consultative governance that releases the power of individual initiative while promoting the common good. The Bahá'í teachings envision the gradual emergence of a world commonwealth in which these principles will be realized.³

This essay is a reflection on how these principles relate to the ideals of Conscious Capitalism. We begin with a brief discussion on how the features of modern capitalism have emerged in history, causing reactions, conflicts and challenges leading to the rise of Conscious Capitalism, and noting how this story intersects with the history of the Bahá'í Faith at several pivotal periods. We then outline the story of Conscious Capitalism since its inception and discuss more recent insights of Michael Strong based on an interview we conducted with him in Jan. 2022, highlighting where the Bahá'í teachings converge and diverge with his vision. This sets the stage for our exploration of a Bahá'í approach to Conscious Capitalism, through a reflection on the experience of two Bahá'í business leaders whom we interviewed for this

³ The Bahá'í Faith is based upon the teachings of Bahá'u'lláh (1817-1892) and after his passing, his son 'Abdu'l-Bahá (1844-1921). Over his lifetime, Bahá'u'lláh revealed hundreds of tablets and dozens of volumes, among which the *Kitáb-i-Íqán* (*Book of Certitude*) and *Kitáb-i-Aqdas* (*Most Holy Book*) are the core sources of religious doctrine and law respectively. By the mid-20th century, the Bahá'í Faith had spread to virtually every country across the globe, from tribal communities to urban territories (Smith 1987). For Bahá'ís, the entirety of Bahá'u'lláh's revelation, along with 'Abdu'l-Bahá's writings and the guidance of Shoghi Effendi Rabbani (1897-1957, known as the Guardian) and, since 1963, the Universal House of Justice, the elected world governing council of the Faith, constitute the body of authoritative texts of the religion. In this chapter, the "Bahá'í teachings" or "Bahá'í writings" refer to these authoritative texts. Other than quotations from these writings and factual statements about the Bahá'í teachings, the ideas in this chapter represent the personal interpretation of the authors. For a compilation of authoritative Bahá'í texts related to economics, see Badee (2000).

purpose. A Bahá'í approach, we suggest, involves redefining the meaning of capital to cover its social and spiritual dimensions, and sees the business organization as operating within both a micro-environment of individuals and a macro-environment defined by the socio-political system. Thus, building a “conscious capitalist enterprise” involves a dual process of spiritual transformation at the levels of the individual and of the social system. Ultimately, only rebuilding the social order on spiritual foundations will create the conditions for the full flourishing of a spiritually and socially conscious form of capitalism.

16.2 The Rise of Conscious Capitalism

Michael Strong, who worked closely with John Mackey from the earliest stages of the Conscious Capitalism movement, defines conscious capitalism as “capitalism aware of its consequences” (Interview with the authors, 24 Dec. 2021). It may be helpful to begin by looking back in history to try to trace the evolution of the key features of capitalism. Prior to the Reformation, in the European context, concentration of wealth was governed largely by hereditary stewards of treasuries. These stewards themselves were governed by strict familial and social expectations all bound by the rigid morality of the Roman Catholic Church. After the Renaissance and Reformation, Church moral control began to wane. With the rise of the joint-stock trading corporation in Holland and England followed by the revolution of scientific and technical innovation, forms of social organization for extracting wealth from the concentration of human labor and for the transformation of natural resources allowed for the accumulation of riches to a degree unimaginable in previous eras.

Stewardship, or the responsibility for the consequences of the deployment of capital, began to be distributed to many “shareholders.” At first this small circle of shareholders appointed a general manager as steward. With the expansion of stock exchanges in the 19th century, shareholding in ventures expanded from small circles of individuals and families to numbers of shareholders in the hundreds and then thousands. Today the number of shareholders in many corporations is in the millions. This process of diluting individual moral responsibility for the consequences of deploying capital may be the largest contributing factor to the socially and ecologically destructive effects of capitalism.

The corporation, the primary vehicle used to deploy capital, is an old form of joint endeavor that creates a new body - *corpus*, corporate person - capable of fulfilling a chartered purpose. In older times this charter was granted by a sovereign or the Church and thus held to a moral standard for the conduct of the corpus. The corporation was thus accountable to the sovereign or Church. If the behavior became destructive the charter could be revoked and/or reissued on new terms. In other words, kings and Church leaders delegated part of their authority as trustees of the realm to the corporation, with the intention of closely governing these legal entities that had the capacity to disrupt their domain.

With the advent of the modern joint stock company form in the trading nations of England and Holland primarily, combined with the advent of exchanges for the trading of equities, and the growth of a commercial body of law that gave trading companies immunities and legal preferences not enjoyed by natural persons, the stage was set for the corporation to, in time, transcend moral constraint and abuse the power conferred on it by the state.

This abuse may best be exemplified by the East India Company (EIC), the prototype of the multinational corporation and primary architect of the British Empire. In its single-minded pursuit of “return on investment” the EIC, as one of the major actors in the tea and opium trade, actively promoted drug addiction in China, and drew British armies and fleets into wars of colonial conquest and punishment to protect the drug trade. Meanwhile the Royal African Company and similar companies enslaved tens of millions of Africans, powering the industrial revolution with forced labour on cotton plantations (Beckert 2014). Adam Smith himself wrote a scathing critique of the joint stock form in his *Wealth of Nations*, writing to his publisher of his intent to expose ‘the Absurdity and hurtfulness of almost all our chartered trading companies’ (quoted in Ross 1995, p. 353). According to the EIC historian Nick Robins, the rise and fall of the EIC “highlighted to contemporaries—notably Adam Smith and Edmund Burke—three fundamental flaws in the corporate metabolism: first, the corporate drive to market domination and monopoly; second, the inherent speculative dynamic of shareholder-owned businesses; and third, the absence of effective mechanisms for bringing companies to account for malpractice overseas.” (Robins 2007, p. 31).

The worst abuses of capitalism became evident by the second half of the 19th century - child labor, dangerous working conditions, company towns, commercial intelligence networks, war profiteering, monopolization, the strategic elimination of competition, the disruption of free markets, and extreme income disparities. The result was a general awakening of the need to more effectively protect society from the unconscious, socially irresponsible deployment of capital, exemplified by the work of Karl Marx in the second half of the 19th century.

It was during this period that the Bahá’í Faith was born and spread in Persia and the Ottoman empire through the teachings and persecutions of two prophetic figures, the Báb (1819-1850) and Bahá’u’lláh (1817-1892) (Smith 1987). This was a time when the middle East was just beginning its integration into the commercial markets of modern capitalism, leading to the unravelling and collapse of ancient empires. The Báb was himself a merchant, while Bahá’u’lláh hailed from a propertied aristocratic family. Bahá’u’lláh’s son and successor ‘Abdu’l-Bahá (1844-1921), in a treatise on civilization addressed to Persian intellectuals, advocated the adoption of modern science and industry, while at the same time criticizing the greed and materialism of the West (‘Abdu’l-Bahá 1875). When ‘Abdu’l-Bahá was released from Ottoman captivity in 1908, it was the peak of the conflict between the ideologies of socialism and capitalism.

Remarkably, the Bahá’í teachings were welcomed and embraced across the entire ideological spectrum in the West. On his 1912 tour of America ‘Abdu’l-Bahá not only met with leaders like Andrew Carnegie, was hosted by the Hearst family and spoke to the assembled body of Stanford University but was also invited to speak by socialist workers’ groups, the 4th Congress of the NAACP in Chicago, as well as religious congregations of many denominations. To all audiences, he emphasized the Bahá’í teachings of the oneness of humanity. He did not align himself with any of the competing ideological currents of the day and affirmed the contributions of rich and poor, labor and capital, man and woman, black and white to the development of civilization (Stockman 2012).

Over the 20th century, albeit in fits and starts, there was a gradual rise in awareness about the excesses of capitalism and the need to develop more socially conscious forms. Many of the abuses mentioned earlier were mitigated in the 1930s through more integrative mechanisms

between the government, labor unions, and capital. In the 1940's and '50's the corporate world pushed back, however, as it sought to build a world war, cold war and post war consumer economy. The 1960's and 70's saw yet another elevation as former "hippies" brought their social, environmental, and spiritual consciousness into business in a range of cultural, technical and organizational innovations. The 1980's, however, witnessed a new pushback in the form of removing protections against corporate consolidation and neutralizing unions through "right to work" laws. And then, since the 2000's, as the influence of large, consolidated enterprise on politics advanced unchecked, income disparities widened ever more, and free markets were further disrupted, there was growing doubt, even among many in America's heartland, that capitalism as we have known it could solve the severe economic, environmental, demographic and technological disruptions on the horizon.

In this context, in the early 2000's a number of confluences gave rise to what has become a Conscious Capitalism movement, or a movement from exclusively one-bottom line "shareholder capitalism" which optimizes the business only for one metric, profit, to "stakeholder capitalism" which adds two more bottom lines — people (employees, consumers, and communities) and planet. One segment of this movement in its early stages tended to identify with the values of the free market and individual liberty. Another segment tended to identify with communitarian social values and what have come to be known as green values. An exemplar of this latter segment is former Harvard Business School professor David Korten. In his books and articles about "The New Economy" he makes a clear distinction between "main street" values and "Wall Street" values (Korten 2009).

Some advocates within both segments were also exploring personal growth and various forms of spirituality, including Asian spiritualities. At some point these ideologically different, but not incompatible communities began to cross-pollinate, drawn together by a mutual interest in consciousness raising spiritual explorations. The exemplars of this seem to be Michael Strong and John Mackey, who each had integrated a libertarian perspective with a green communitarian perspective, the original founders of the movement with the publication of Strong's book, with foreword by Mackey, *Be the Solution: How Entrepreneurs and Conscious Capitalists Can Solve All the World's Problems* (2009).

In the foreword to *Be the Solution*, Mackey, the founder of Whole Foods Market, writes: "I first met Michael Strong through a mutual friend back in 2002. I liked him immediately. Michael was the first Libertarian I had met who was also idealistic and who shared my commitments to both economic and political freedom as well as personal growth, social responsibility, and environmental stewardship." After a meeting in New Mexico at a resort once known by the Native Americans and later Franciscans as "the place of the fire of the angels"—because of the afternoon light on the mountain peaks—they formed an organization called FLOW. FLOW was not only about "liberating the entrepreneurial spirit for good" but also about the consciousness achieved when you become spiritually "present", i.e. entering a "flow state." To be in flow is to be completely involved in an activity for its own sake, using your skills to the utmost. It's a state that opens doors to higher intelligence and creativity, an experience both men seemed to share. *Be the Solution* was their founding manifesto, their "most complete statement to date about what FLOW offers to the world." (Mackey, in Strong 2009: Foreword, XIV)

Michael Strong was a founding board member of Conscious Capitalism, Inc., the organization that emerged from FLOW, *Be the Solution*, and John Mackey's subsequent book *Conscious Capitalism* (2014). According to the Conscious Capitalism website (consciouscapitalism.org), this community "believes business is good because it creates value, it is ethical because it is based on voluntary exchange, it is noble because it can elevate our existence, and it is heroic because it lifts people out of poverty and creates prosperity. Free enterprise capitalism is the most powerful system for social cooperation and human progress ever conceived. It is one of the most compelling ideas we humans have ever had."

Fifteen years later, we asked Strong if the principles had evolved and what he had learned since writing the *Be the Solution* manifesto. We also wanted to get a sense of where he saw it all going. He offered a shorthand definition of Conscious Capitalism: "capitalism conscious of its consequences." He distinguished it from Corporate Social Responsibility which is more like "capitalism responding to its critics" and outlined a typology of three tiers of capitalism: predatory or "a** hole capitalism," "regular capitalism, and "Conscious Capitalism". He described a tension within the movement between "guilty leftists" and "do-gooder libertarians" that is a challenge to resolve. Strong emphasized the importance of virtues education as a foundation for Conscious Capitalism, in which schools, following the Socratic tradition, should inculcate the pursuit of life-long happiness and well-being in the Greek sense of *eudaemonia* which encompasses the moral life and living well with others. But, under state-run education, the souls of the young are being shaped by materialism, consumerism, pornography and so on. The solution, for Strong, is the full privatization of education: allow a diversity of educational approaches to flourish and trust parents to know what is best for their children: they will choose the schools that develop childrens' virtues, and which will out-compete other models. His views on Conscious Capitalism and virtues education reveal what he admits is his "zero trust in government," dismissing government as a system to reward special interests. This is a systemic flaw in the institutional framework of the state, leading to subsidizing the rich and big corporations.

Strong clearly believes externalities should be internalized, otherwise capitalism can be harmful. To accomplish this without relying solely on big government, there is a need for global, multilateral *ad hoc* governing structures of business, government, and civil society, so that businesses don't simply find the jurisdiction that allows them to externalize. He cited the example of the success of multilateral treaties to monitor deep sea fisheries and referred to a 1990 book by Elinor Ostrom called *Governing the Commons: The Evolution of Institutions for Collective Action* about how to create multilateral institutions to protect the commons. Another example he mentioned is environmental trusts in which trustees have a fiduciary duty to protect things like fisheries or even sectors of the sky. He also advocated using the principle of private property to protect the commons, such as by treating entities such as rivers as a legal person owning the resource. And he supported developing coalitions of "good actors" to minimize the possibility of the commons being captured by "bad actors."

Asked about how to coordinate decentralized initiatives in an increasingly interconnected world, Strong views *ad hoc* multilateral institutional arrangements and agreements designed to address specific problems as preferable to building a single world authority. Decentralization

and autonomy is vital to making these *ad hoc* governing structures effective. It is on this point that we find a tension between Strong's libertarianism and a Bahá'í approach. The Bahá'í faith emphasizes the importance of decentralization, local initiative, voluntary coordination, and subsidiarity, but within a planetary coordinating structure with legitimate, sovereign authority. The challenge within this framework is not an ideological polarization between advocacy of less or more government, but how to develop a unifying complementarity between localized autonomy and planetary coordination.

As we propose a Bahá'í perspective on Conscious Capitalism in the following sections, it is on the question of global governance that, it seems, a Bahá'í perspective may be different from the way Conscious Capitalism has been understood by its main initiators. That said, even though Strong personally disagrees with the Bahá'í vision of a future world commonwealth, he stressed, in an email response on March 30, 2022 to a final draft of this essay, that "Conscious Capitalism as a movement or an organization has never made any statement one way or another on the issue of global governance. Thus it would be misleading to represent my brief comments on the topic as a 'position' held by Conscious Capitalism. ...Conscious Capitalism as a movement and as an organization is perfectly silent on these issues."

Hence, as we discuss the emergence of a world commonwealth in the "systemic level" section below it should be clearly understood this is solely a Bahá'í perspective and is not in any way representative of the Conscious Capitalism movement.

16.3 Bahá'í Perspective: Individual and Organizational Level

The proposal for a Conscious Capitalism raises the issue of the relationship between human consciousness and humanity's economic system. More specifically, this raises the following questions: What is the purpose of human consciousness? What are the means for the development and expression of human consciousness? What economic system provides the best means for the development and application of human consciousness? From the onset, we should mention that the Bahá'í teachings do not include any comprehensive teachings on economic systems, capitalism or entrepreneurship. They do not formulate a detailed economic program or a blueprint of a future socio-economic system, nor do they endorse any specific socio-economic system whether capitalism, communism, or social democracy. That said, the Bahá'í writings state that "There is nothing in the teachings against some kind of capitalism; its present form, though, would require adjustments to be made." (Shoghi 1973, p. 21).

From a Bahá'í perspective, we might look at Conscious Capitalism from the angle of the relationship between the spiritual and material dimensions of reality. On this theme, the Bahá'í teachings contain a set of principles that all are invited to reflect on and to apply in the present circumstances of their lives. Many of these principles are directly relevant to the discussion of conscious capitalism. Some of them address the individual and can be applied by persons in any role or position in the current economic system. Others pertain to organizations and are especially relevant to the domains of organizational design, management, and leadership. And others concern the systemic frameworks of governance. These thus touch on three essential dimensions of conscious capitalism: the legal and institutional system within which economic

activity is embedded; the organizational actors of economic life; and the individuals who operate within these organizational and institutional systems.

Individual minds, organizations, and social systems can be conceived of as material containers and mirrors of the divine spirit in this world. However, these containers are distorted or even totally obscured by their imperfections. Given this reality, there are three approaches to proactively work on bringing the spirit into these material containers:

The first is to fill the existing container with spirituality, without changing it. For example, to be an ethical business leader within the existing corporate structure and economic system, without making any effort to change it. Without changing the system, one tries to be a good person within it.

The second is to improve the container. For example, as in the case studies we present below, to innovate aspects of the corporate design in order that it may become more “conscious”, aligned with spiritual principles. These improvements, however, don’t change the fundamental design of the container as a whole.

The third is to build a new container, based on a new design that allows for the full expression of our spiritual nature, individually and collectively. Here, the new container does not refer to a new style of business within the existing capitalist system, but to transform the entire system. At this level, there is consciousness that the issue is systemic, and demands a systemic response.

The Bahá’í teachings encompass all three levels, which are to be carried out simultaneously. Thus, Bahá’ís, even as they exert themselves at the first and second levels, are actively engaged at the third level, of building a new container - in other words, a new socio-economic system, by laying the foundations of a new world order, as discussed further below.

From this perspective, Conscious Capitalism can be seen as a way of designing processes to nurture the development of individuals, businesses, and systems of governance such that they may become be the most conducive to the flourishing of the noble expressions of the human spirit or consciousness. This involves nourishing the attitudes and dispositions of entrepreneurs and business leaders as individuals; nourishing a culture within the enterprise that encourages and facilitates the growth of these dispositions and capacities; and designing institutional forms of governance of a new world order that promote, rather than hamper, the creative expressions of this spirit.

16.3.1 Individual Level

At the level of the individual, the Bahá’í teachings conceive of human nature as combining a spiritual and a material nature, which can also be understood as our “higher self” and “lower self,” or our “spiritual nature” and “animal nature”. We learn in the Bahá’í teachings that worship is far more than ritualistic or congregational practices: to worship God means to become conscious of and to make manifest the divine attributes hidden within the human and material worlds.

“Upon the inmost reality of each and every created thing He hath shed the light of one of His names, and made it a recipient of the glory of one of His attributes. Upon the reality of man, however, He hath focused the radiance of all of His names and attributes, and made it a mirror of His own Self.”
(Bahá'u'lláh 1853-1892a)

These divine attributes constitute our true, spiritual wealth. Consciousness of this wealth enables us to become spiritually detached from greed and desire for material riches, resonating with similar teachings in the other major spiritual traditions. In these passages in the *Hidden Words*, channeling the Voice of God, Bahá'u'lláh writes:

“O Son of Man! Thou dost wish for gold and I desire thy freedom from it. Thou thinkest thyself rich in its possession, and I recognise thy wealth in thy sanctity therefrom” (Baha'u'llah 1858a).

“O Son of Being! Busy not thyself with this world, for with fire we test the gold, and with gold we test Our servants”. (Bahá'u'lláh 1858b).

This spiritual detachment is part of a broader set of virtues that we are enjoined to cultivate in our lives:

You must become distinguished for loving humanity, for unity and accord, for love and justice. In brief, you must become distinguished in all the virtues of the human world — for faithfulness and sincerity, for justice and fidelity, for firmness and steadfastness, for philanthropic deeds and service to the human world, for love toward every human being, for unity and accord with all people, for removing prejudices and promoting international peace. ('Abdu'l-Bahá 1912a)

But these virtues and spiritual attitudes cannot be cultivated by separating ourselves from the material world: Bahá'u'lláh mandates that all should, in practice, busy themselves in this world, engaging in productive work:

It is enjoined upon every one of you to engage in some form of occupation, such as crafts, trades, and the like. ...Waste not your time in idleness and sloth. Occupy yourselves with that which profiteth yourselves and others. Hold ye fast unto the cord of material means, placing your whole trust in God, the Provider of all means. When anyone occupieth himself in a craft or trade, such occupation itself is regarded in the estimation of God as an act of worship; and this is naught but a token of His infinite and all-pervasive bounty (Bahá'u'lláh 1891).

O My Servants! Ye are the trees of My garden; ye must give forth goodly and wondrous fruits, that ye yourselves and others may profit therefrom. Thus it is incumbent upon every one to engage in crafts and professions... Trees that yield no fruit have been and will ever be for the fire” (Baha'u'llah 1858c)

Thus, at the individual level, the Bahá'í teachings stress that the cultivation of the highest virtues, moral standards, and spiritual qualities - even the worship of God Himself - requires a hands-on, productive engagement with the world through occupations, crafts, trades, or professions.

Our purpose is to become conscious of the divine attributes concealed within ourselves and the world, and to transform ourselves and the world by developing these attributes and releasing their light and power in the world. This “worship” is at the same time spiritual, social and material, in a manner that extends far beyond the realm of religion as conventionally understood. As Bahá'u'lláh wrote:

“The purpose for which mortal men have, from utter nothingness, stepped into the realm of being, is that they may work for the betterment of the world and live together in concord and harmony”.
(Quoted in UHJ 2021)

Elsewhere, he stated,

“All men have been created to carry forward an ever-advancing civilization.” (Bahá'u'lláh 1853-1892b)

As we grow in maturity and wisdom, we learn to harmonize the material and spiritual sides of our nature. The body is the container and channel of the spirit in the material world; it is the lamp through which the light of the spirit shines. Thus, the goal of religion is not to avoid the world, but to live in the world; to illuminate the world through the action of our body — the manifestation of our virtues — in the world. Spiritual cultivation involves striving to consciously improve the transformative actions of the body in the world, in order that the world may become a better vessel of the spirit.

The ultimate end of this process is to build what Bahá'u'lláh has called the “Most Great Peace” envisioned by the prophets and poets of old, described in the Bahá'í writings as a “global commonwealth” governed by the consciousness of the oneness of humanity: “the earth is but one country, and mankind its citizens” (Bahá'u'lláh 1880-81). This “new world order”, envisioned as operating on principles of justice, will enjoy a level of material prosperity unimaginable to humanity today, but in which material and spiritual civilization will develop in a balanced and harmonious manner.

16.3.2 Organizational Level

Organizations can also be seen as containers or vessels through which the divine spirit flows into the world. The design of an organization, such as a business or system of governance, may help or hinder its capacity to be a vessel for the spirit. This depends not only on the ideals, motives, and moral qualities of the individuals in the organization, but also on the design of the system itself — how its structure and processes draw out the better or worse sides of our nature. What might a spiritually and morally grounded enterprise look like? The Bahá'í principles offer some insights on two dimensions of this question.

The first pertains to those aspects that can be applied within currently existing corporate structures, while the second pertains to aspects that require a transformation of the broader legal, financial, and governmental framework, which define the core template of the modern corporate structure and purpose. In this section, we will deal primarily with the first aspect, while the following section on systemic change will deal with the latter.

The organizational level of analysis is the primary focus of John Mackey's book *Conscious Capitalism*. He and business professor co-author Raj Sisodia outline four principles in this regard:

- (1) Focus the organization on a "Higher Purpose" beyond profits.
- (2) Orient on customers, employees, suppliers and community stakeholders in balance with shareholders.
- (3) Emphasize a "we" rather than a "me" mentality in driving the business.
- (4) Create "Conscious Culture" by fostering a spirit of trust and cooperation among all stakeholders.

There is a large field of organizational development—rooted in the study of group dynamics and organizational behavior that emerged from the 1960's counter-culture - that brings innovative and even enlightened tools for personal growth, trust building and distributed intelligence into business settings. Senior leadership must also embody these values and actively support this softer aspect of their corporate culture.

A business entrepreneur or manager seeking to apply Bahá'í principles in his or her enterprise might be concerned about the following dimensions: how can the enterprise become an environment within which a team of workers can grow spiritually, developing the spiritual qualities mentioned above, in terms of love, unity, justice, faithfulness, sincerity, serving humanity and advancing peace? How can it become a space within which the divine capacities and virtues of each person can be nurtured and find expression? How can it become a space within which, through their work, team members produce fruit that are beneficial to themselves and to humanity?

An organizational culture inspired by Bahá'í principles might seek to express the following characteristics:

- Unity and cooperation: how can the relationships between all members of the organization be nurtured so that they are characterized by unity and cooperation, minimizing competition, backbiting, and factionalism?
- Love and nurturing: how can the organization create the conditions for its members to support the development and expression of the God-given qualities and capacities of each individual?
- Humility and service: while the Bahá'í teachings recognize the need for functional hierarchies in organizations, they also stress that the highest station a leader can aspire to is one of humble, selfless service to others, with no regard for personal fame, status or power. Thus, how can leadership be exercised in a manner that is empowering to others, serving their growth and development, while minimizing rank and distinction?
- Learning: the Bahá'í teachings on community building emphasize a cycle of action, reflection, consultation and action, in which collective knowledge is gradually developed, with all members contributing with a "humble posture of learning".

All of these characteristics of a Bahá'í-inspired organizational culture rest on the practice of consultation, which is a highly salient principle within the Bahá'í teachings. Consultation, here,

refers to the collective exploration of all aspects of a problem, in which all members, coming from different backgrounds or experiences, contribute ideas and perspectives as gifts to the group rather than as adversarial debates, factional tactics or power play, and in which the ideas offered, and the final solution arrived at in deliberation, are owned by all. The decisions reached through this process take into account not only interest of the group in question, but the interest of humanity as a whole. As enjoined by Bahá'u'lláh,

Take ye counsel together in all matters, inasmuch as consultation is the lamp of guidance which leadeth the way and is the bestower of understanding. (Bahá'u'lláh 1880-81)

A Bahá'í-inspired organizational culture would also strive to implement the principles of the equality between women and men, and the abolition of prejudice and discrimination on the basis of race, ethnicity, nationality or religion, which are all strongly emphasized in the Bahá'í writings.

How these various principles might be applied in practice will vary from organization to organization and from individual to individual, depending on local circumstances and the unique talents and personalities of organizational leaders and members. For the purpose of illustration, we interviewed two Bahá'í business executives who, each in his own way, has striven to put the Bahá'í teachings into practice in the organizations they lead.

16.4 Putting Principles Into Practice: Two Case Studies

Sean⁴ is the recently retired former President of one of the largest divisions of a major multinational corporation. He was responsible for growing its operations in a major foreign market over thirteen-fold in about fifteen years, leading the company's growth worldwide, ultimately taking charge of all emerging markets, and contributing to an eight-fold increase in its stock market capitalization during this same period. His division's operations represented about 15,000 employees in a much larger global entity of over 150,000 employees with operations in over 100 countries. As a Bahá'í, throughout the entire period that Sean was growing this large division he was also engaged in service to the Bahá'í faith, both in terms of community building and through socio-economic development projects.

Given that he had taken control in a distant foreign market at a time when sales were nearly flat and morale low, corporate headquarters on the other side of the world was willing to empower him to create and execute a turn-around strategy in a way that he saw fit. He therefore tried to apply Bahá'í principles to the management of his division. He more fully localized operations, decentralized decision making to the greatest extent possible, and hired and grew a diverse team that reflected and honored the local culture. He commented that his team didn't just "parachute" in from headquarters in America for a couple of years then move on up their career ladder. They were, to as large an extent as possible, of, by, and for the communities that hosted their industrial operations.

⁴ Name anonymized. Data based on online interview conducted on January 4th, 2022.

He clearly valued people as much as profits. He says “the team was energized to think of fresh new ideas that would genuinely solve the problems facing their society at the grass roots.” Two strategies emerged as he progressed to guide his success: One was that they were organic to their home country and two that they were to become a market and innovation leader in their home country in the product categories in which they competed. He stated: “With these two strategies with our relentless focus on local empowerment and rigorous execution, we achieved our stellar growth without any acquisitions or the need for joint ventures. We set a goal to grow 20% annually from our anemic 4% growth, but with the changes we made, we surpassed this goal for many years.”

At the heart of these strategies may be the Bahá’í ideal of unity. Prior to his taking over, the operation seems to have been disjointed and internally mistrusting with invisible walls of social rank that created unnecessary division and inefficiency. With the abilities of a facilitator, one of the most important leadership skills in the Bahá’í faith, he set about removing the walls and repairing the bridges in a culturally sensitive way (speaking the local language fluently), allowing people to maintain their dignity as he made internal adjustments. He then oriented everyone on a high star, the aim of becoming the best in every product class in which they competed (the Bahá’í ideal: “work as worship.”) Much of what he accomplished could be attributed to what the Guardian of the Bahá’í faith, Shoghi Effendi, and designer of its Administrative Order as “organic structure,” an organization that integrates the pragmatic goal-oriented value of efficiency with the value of caring for the needs of people in the process.

However, Sean stressed that “results” are the leading drivers in a large corporation. He said that “capital is a coward,” meaning that it does not want to risk loss and thus naturally seeks the highest returns. At his former company returns were constantly scrutinized by Wall Street analysts and the most important metric of success was stock price (optimizing profit.) A myriad of institutions and an entire media culture has focused public attention on the measure of stock price: hence, as a corporate leader it is impossible to sidestep this metric regardless of how much “good” she or he would like to do. In other words, the corporate culture is such that if you don’t produce financial results, the enterprise will quickly find someone who will.

Our second case is Bruce,⁵ a Bahá’í businessman whose views and experience may point toward another perspective for understanding what it means to be a conscious capitalist. He is a successful entrepreneur having built a hotel chain with over 2000 employees. In preparing for our conversation we reviewed his company’s “Culture Statement.” It made explicit reference to the company being guided by three bottom lines -people, profit, planet - rather than just one. The Statement focuses on creating an internal business culture that reflects Bahá’í principles of unity, service, and personal growth.

This successful entrepreneur put great emphasis on creating the role of “Manager of Culture” which he entrusted to a Bahá’í community advisor whom he had met many years before, when this gentleman facilitated a weekend relationship-building retreat focused on bringing people together “on the personal and spiritual side.” Bruce recognized that this work could translate into organizational development, so he invited his future Culture Manager to enact the same experience for his, at the time, small company. For a while, the growing team came together

⁵ Name anonymized. Data based on online interview conducted on January 11th, 2022.

every year or two, sometimes twice a year, to go through the tools and exercises that would become a cooperative culture building toolkit for working together and doing business.

This toolkit became the heart of the business culture to which they later added another set of internal communications tools to further institutionalize—on a daily, shift by shift basis—a process among staff for building cooperation. Just as Sean had done in a completely different setting, Bruce found that time and effort building a healthy internal culture, the “people” bottom line (Bahá’í ideal: a culture of consultation) was the soil from which the eventual fruit of the “profit” bottom line emerged. Another example of “organic structure” that seems to consciously integrate the values of goal-oriented efficiency with those of process-oriented caring.

As Bruce eases into retirement, another aspect of our conversation was how to preserve this culture once ownership was transferred from the entrepreneur/founder who held a firm moral compass, to a hired CEO and a board of directors. The transmission of a founder’s original intent/dream has traditionally been difficult. If the company or its assets go public or are acquired by a public entity, these cultures tend towards the single bottom line (i.e. profit only). The larger systemic and social concern is the consolidation of ownership that results after these transfers. When medium-size enterprises like this chain of hotels governed by the heart and spirit of a conscious founder are later consolidated into much larger public enterprises loyal only to creating “shareholder value” they can lose their “soul.” Moreover, at a certain scale of consolidation such corporations become so big as to become too economically and politically influential to control. They become de facto ungovernable by the jurisdictions that charter them. Bruce’s solution was to create what he termed a “Legacy Corporation” as a container for preserving his unique organizational culture as control was eventually transferred to a CEO and Board of Directors. He admitted he was still working on exactly what this would look like, but it sounded similar, at least in spirit, and maybe in legal structure, to a B-Corp, or Benefit Corporation (<https://www.bcorporation.net/en-us/>). A B-corp is an emerging form of corporate person that seeks to bridge the for-profit motivation of providing return on investment with the non-profit motivation of doing social good. It is growing rapidly and has been adopted in the last couple of decades by over 4000 enterprises in 155 industries in nearly 80 countries.

16.5 Bahá’í Perspective: Systemic Level

The two cases we have provided represent only two examples of how individual business leaders have attempted to apply Bahá’í principles in their work within a capitalist context, building their business in a manner driven by their spiritual consciousness. And yet, as successful as they were within their local context at creating mutually empowering environments in an atmosphere of unity and consultation, if we expand our frame to look at the bigger picture, we might wonder about the broader effect of these efforts. The multinational corporation whose overseas division was led by Sean, for example, has a record, in America, of controversial practices in relation to the environment, occupational safety, the defense industry and political lobbying. While Sean led his own division in line with Bahá’í principles to the extent possible, the company as a whole could hardly be cited as an example

of “Conscious Capitalism”. The same might be said of some of the major brands whose franchises Bruce operated in his company.

The two cases we have discussed thus show both the possibilities and the limitations of what one individual can do to practice a spiritually inspired capitalism within a system that, overall, is based on principles sometimes radically opposed to spiritual values. While increasing the number of such individuals within the system and developing their capacities to apply spiritual principles will undoubtedly help, ultimately it is the foundations of the current capitalist system itself that need to be rebuilt.

The Bahá’í work ethic can be compared to the Calvinist work ethic famously identified as a core cultural root of capitalism in Max Weber’s *The Protestant Ethic and the Spirit of Capitalism*. Weber described a spirituality of “this-worldly asceticism” that enjoined a frugal life of hard work rather than depleting riches in the luxurious extravagance of Roman Catholic culture, leading to the accumulation of unspent earnings that could be rationally reinvested in ever profitable business ventures, forming the seeds of capitalism. But, argued Weber, over time, the calculative, rational accumulation and management of capital shifted from being a side effect of a spiritually oriented life to becoming the core concern and purpose of an increasingly materialistic socio-economic system known as capitalism.

Part of the paradox of the so-called “Protestant ethic of capitalism” is that hardworking, frugal, morally upright people who care for their families and communities generate wealth as a side product of a virtuous life, but this wealth is then concentrated and managed within corporate structures that are designed to accumulate wealth as their sole or primary purpose, all too often sidelining moral or spiritual concerns.

The problem with capitalism lies not at the individual but at the systemic level. This fact was notably stressed by Adam Smith himself, whose voice as the first critic of the corporate form as harming capitalism has been forgotten. As noted by corporate historian Nick Robins,

“Uniquely, Smith was emphatic in downplaying the actions of individuals as the root cause of the problems. ‘I mean not to throw any odious imputation upon the general character of the servants of the East India Company’, he wrote, stressing that ‘it is the system of government, the situation in which they are placed, that I mean to censure’ (Smith 1776: 692-93). The problem was one of corporate design.” (Robins 2007, p. 36).

When most of the economic activity and wealth production and management of a society takes place in and through such essentially amoral corporate structures rather than within the morally grounded lives of families and communities, instrumental, calculative corporate values become the dominant values of the entire society. And when the relationship between the state and society becomes predominantly mediated by the relationships between the state and corporate entities, be it through corporate controlled media and cultural enterprises, corporate sponsorship and influence on the electoral and policy making process, or state promotion or regulation of corporate entities, corporate values and issues risk becoming the dominant values of the state itself.

Thus, the nature of corporate organizations should be an essential concern for a Bahá'í-inspired discourse on Conscious Capitalism. In the Bahá'í teachings, the core concern is how to heal the world from the disease of the unbridled materialism of the current world order — a materialism which underpins all social systems prevalent in the world today, be they capitalist or socialist, and which has a corrosive effect on the spiritual lives and consciousness of all individuals.

To the extent that the corporate form and the legal and political structures that underpin it are designed around material self-interest as the sole or primary motivator, they violate core Bahá'í principles related to human nature and social organization. As stated by the Universal House of Justice:

“The time has come when those who preach the dogmas of materialism, whether of the east or the west, whether of capitalism or socialism, must give account of the moral stewardship they have presumed to exercise. [...] Why is the vast majority of the world's peoples sinking ever deeper into hunger and wretchedness when wealth on a scale undreamed of by the Pharaohs, the Caesars, or even the imperialist powers of the nineteenth century is at the disposal of the present arbiters of human affairs?” (UHJ 1985)

In the Bahá'í teachings, the spiritual cure lies neither in a spiritual escape from this world, nor in focusing exclusively on how to live a moral life within the system, nor in coercively engineering a different type of system through imposed morality or state control over work and economic life. Nor is self-righteous criticism or refusal to participate in the economy a solution. After all, other than, perhaps, people who move “off grid”, almost everyone, regardless of what they do or don't do to oppose, mitigate or improve the social and environmental effects of capitalism, have no choice but to contribute to the reproduction of the system through consuming corporate products, entrusting their assets to or borrowing from banks and financial managers, and drawing salaries from corporations or from public or non-profit entities which rely on corporate taxes or donations. There is no possible position entirely outside of the capitalist system from which one could claim moral superiority over those who are deeply engaged within the system.

Common responses to the systemic problem include confrontational activism against corporations, partisan politics aiming to produce legislative majorities to regulate corporations, or instigating violent revolution leading to the state nationalization of the economy. The Bahá'í teachings, however, do not condone any of these approaches. Since adversarial methods violate the Bahá'í principle of the oneness of humanity, Bahá'ís prefer to seek unifying approaches to social change (Palmer 2018). The experience of the past century shows that activism and partisan politics have been increasingly ineffective in restraining the power of corporations, and frequently lead to a counter-offensive, resulting in even greater corporate power (Karlberg 2004). And expanding the state as a substitute for business enterprises, without questioning materialist and domination-based assumptions about human nature, usually results in merely shifting the problem from private to state organizations.

“Most particularly, it is in the glorification of material pursuits, at once the progenitor and common feature of all such ideologies, that we find the roots which nourish the falsehood that human beings are incorrigibly selfish

and aggressive. It is here that the ground must be cleared for the building of a new world fit for our descendants.” (UHJ 1985).

The new civilization envisioned by Bahá'u'lláh is based on rethinking our basic assumptions about human nature and social relations. As mentioned above, we start with the assumption that human nature combines both worldly and divine, material and spiritual, self-interested and altruistic tendencies; that our higher nature can be cultivated and strengthened; and that humans seek relationships of companionship and cooperation, governed by virtues of honesty, dignity, truthfulness, love, and justice.

Building a Bahá'í civilization consists, in the first instance, in building relationships characterized by those qualities, and in the mutual nurturing and expression of our higher nature. This culture begins within the family, in relationships between friends, colleagues and acquaintances, and spiritual education and practice at all ages aims to foster this culture. A local Bahá'í community is a community engaged in a process of learning, through educational and consultative activities, how to strengthen and apply this culture in ever expanding domains of life, involving ever wider circles of participants of different backgrounds. It administers its affairs by means of a Local Spiritual Assembly, elected through a process in which all members are automatically candidates while banning nominations, campaigning and competing for power. Being elected entails an unsought duty to serve rather than a position, a rank or power to fight over. The Assembly operates following the principles of consultation described above, and only the Assembly as a body, rather than any of its members, possesses decision making authority.

As a local Bahá'í community grows in size, capacity and maturity, it becomes increasingly engaged in the affairs of its surrounding society. As an integral part of religious life, its members increasingly engage in acts of service to the broader community, some of which may evolve into longer-term initiatives or even development organizations managing complex projects. In the current stage of development of Bahá'í communities worldwide, most of these initiatives are forms of small-scale volunteer service and educational capacity building, and a growing number of NGOs whose projects are increasing in scope and complexity (OSD 2017). However, a small but growing number of economic enterprises have begun to arise out of these initiatives. A training course on social action currently being studied by Bahá'ís around the world includes examples of an agricultural enterprise, small scale retail operations, and a mutual savings and loan circle (Ruhi 2019). It is anticipated that, in the coming decades, the number and complexity of such initiatives will expand significantly (UHJ 2021). It is important to note that while these enterprises arise to meet specific economic needs in a community, they emerge out of a culture in which mutual service, learning and accompaniment are the defining characteristics of social relationships, while notions of self-interest, materialism and competition are downplayed. And yet, these are not utopian communes that enforce compulsory sharing and self-denial. Thus, it would be hard to categorize these enterprises as either “profit-making businesses” or “non-profit organizations”.

Local communities are united at the regional, national and international levels through the election of institutions following the electoral processes and principles of consultation described above. The Universal House of Justice, the supreme governing body of the Bahá'í Faith, is a world body elected at an International Convention every five years by the National Assembly members of over 180 countries and territories around the world, representing over

two thousand ethnic groups. The nine members of the Universal House of Justice are not internally differentiated by rank, hierarchy, or formal function.

The community and institutional structure outlined above is unique in the world. There is no international religious community, multinational corporation, non-governmental organization, or inter-governmental organization that institutionally connects, through an electoral and consultative system, the grassroots in villages and neighborhoods around the world into a single global community with an elected world authority. This institutional structure is seen as providing the shape and pattern for a new world order.

While this process is spearheaded by the Bahá'ís of the world and their collaborators, the Bahá'í writings envision a parallel process taking place independently of the Bahá'ís: the political unification of the world through the voluntary decision of its sovereign countries. This process is understood by Bahá'ís as taking place in fits and starts, through the establishment of institutions of global governance such as the League of Nations, the United Nations, and processes of regional integration. The Bahá'í International Community, as one of the most active nongovernmental organizations within the UN system, actively supports these efforts (Berger 2021). While these efforts advance at times and regress at others, the Bahá'í teachings foresee them leading to the eventual formation of a world federation, as states become exhausted by war and come to the realization of the incapacity of competing and uncoordinated nations to solve the pressing planetary challenges facing humanity without a world authority imbued with sovereign power. This world federation of states is to be characterized by:

“A world parliament whose members shall be elected by the people in their respective countries and whose election shall be confirmed by their respective governments; and a supreme tribunal whose judgment will have a binding effect even in such cases where the parties concerned did not voluntarily agree to submit their case to its consideration. A world community in which all economic barriers will have been permanently demolished and the interdependence of Capital and Labor definitely recognized; in which the clamor of religious fanaticism and strife will have been forever stilled; in which the flame of racial animosity will have been finally extinguished; in which a single code of international law—the product of the considered judgment of the world’s federated representatives—shall have as its sanction the instant and coercive intervention of the combined forces of the federated units; and finally a world community in which the fury of a capricious and militant nationalism will have been transmuted into an abiding consciousness of world citizenship—such indeed, appears, in its broadest outline, the Order anticipated by Bahá’u’lláh, an Order that shall come to be regarded as the fairest fruit of a slowly maturing age.” (Shoghi 1931)

This permanent world peace will have profound implications on the structure of the global economy. The war machine and the military-industrial complex – a profoundly corrupting relationship between governments and weapons corporations that have an intrinsic interest in global insecurity, will cease to absorb a large proportion of the world’s resources.

“... The enormous energy dissipated and wasted on war, whether economic or political, will be consecrated to such ends as will extend the range of human inventions and technical development, to the increase of the productivity of mankind, to the extermination of disease, to the extension of scientific research, to the raising of the standard of physical health, to the sharpening and refinement of the human brain, to the exploitation of the unused and unsuspected resources of the planet, to the prolongation of human life,

and to the furtherance of any other agency that can stimulate the intellectual, the moral, and spiritual life of the entire human race...” (Shoghi 1931).

World federation will presumably eliminate the unproductive and opaque parking of wealth in offshore tax havens and reduce the ability of multinational corporations to play countries against each other in the pursuit of preferential policies. To the extent that electoral systems adopt aspects of the Bahá'í electoral process that treats all citizens as candidates and bans campaigning and partisan politics, corporate and other actors will be unable to distort elections through campaign financing and other means.

The Bahá'í conception of world government, however, does not imply belief in centralization or in the unrestrained growth of the state. The Bahá'í World Centre, in its statement *The Prosperity of Humankind*,

calls for the promotion of human rights to be freed from the grip of the false dichotomies that have for so long held it hostage. Concern that each human being should enjoy the freedom of thought and action conducive to his or her personal growth does not justify devotion to the cult of individualism that so deeply corrupts many areas of contemporary life. Nor does concern to ensure the welfare of society as a whole require a deification of the state as the supposed source of humanity's well-being. (BWC 1995).

Avoidance of ideological dichotomies is also visible in the Bahá'í teachings on eliminating extreme disparities in wealth. The Bahá'í writings acknowledge that humans, having different abilities, will inevitably have differences in social and economic standing, and will have unequal wages (Shoghi 1973: 20). The means for reducing inequality can be found in Bahá'í teachings concerning worker compensation, taxation, and benevolence. ‘Abdu'l-Bahá has stated that labour should be compensated through both wages and profit-sharing, suggesting a proportion of 20-25% of profits being dedicated to workers (Abdu'l-Bahá 1904-06 [2014], p. 315-320). In 1912, speaking to an audience in New York, ‘Abdu'l-Bahá stated that income taxes should be levied only on income in excess of basic need, and those whose income is insufficient for basic needs should receive an income supplement to meet that level. “Therefore taxation will be proportionate to capacity and production, and there will be no poor in the community” (Abdu'l-Bahá 1912b). This teaching seems to suggest a form of guaranteed income, though it needs to be considered together with the Bahá'í obligation to work we mentioned earlier. Finally, the Bahá'í teachings enjoin benevolence and voluntary giving by the wealthy, as preferable to the coercive distribution of wealth.

The Bahá'í vision may seem utopian, impossible to realize at present, and far from the practical concerns that face us today. To be sure, the Bahá'í writings warn that it will be centuries before this vision comes into fruition, in a future so distant that it is beyond our capacity to imagine. Nonetheless, imagining this ideal society and putting it into practice is at the core of the Bahá'í life. This work of imagination has powerful and immediate practical effects. First, it provides a collective ideal to strive for, a process which motivates and empowers a growing community. Second, it provides a standard against which to critically assess the condition and features of the current global order and economic system, and opens lines of inquiry for the investigation of solutions to current problems. And third, it includes principles and guidelines that can be applied by individuals, organizations and institutions in the here and now – not only as the application of timeless spiritual, moral or ethical principles, but also as small steps toward the realisation of a progressively unfolding vision of our collective future.

16.6 Conclusion

Taken in isolation, the efforts of individuals to practice conscious capitalism have their limitations, but taken as a whole each of these experiences enriches the collective learning of the Bahá'í community as it engages more deeply with the life of society, learns about the potentialities and limitations of action in different social spheres, strives to develop ever more coherent and systematic approaches to applying spiritual principles in these spheres, and integrates this learning into its efforts to build the foundations of a new world order.

This learning is the subject of discussions in bodies such as the Association for Bahá'í Studies, the Ethical Business for a Better Future association (EBBF, previously known as the European Bahá'í Business Forum), and other more specialized groups and initiatives in which Bahá'ís play leading roles such as the Spiritual Capital and Moral Leadership Institute (www.scml.com) and developing a new Global Systems Accounting methodology that incorporates non-financial indicators to facilitate the process of internalizing social and environmental costs and benefits (Dahl 2021). These associations and networks include practitioners and scholars, and are still in the initial phases of systematically researching the relationship between the Bahá'í teachings and concepts in disciplines such as economics (Dahl 1996, Rassekh 2001, Dahl 2018) and in fields of application such as community currencies (Scoggin 2002), rural enterprises (Zahrai 1998), and building Bahá'í-inspired enterprises (Brown 2002), among others. As a contribution to those conversations, this essay has aimed to emphasize the organic connection between consciousness and action at three levels: the individual, the organizational, and the societal or systemic.

Michael Strong, in his original manifesto *Be the Solution* laid out the case for the social and systemic benefits of Conscious Capitalism. It is this fundamental faith in the power of entrepreneurship and economic freedom that drives the movement. This is clearly exemplified by people like Bruce, the hotel entrepreneur who had a dream of owning hotels as a young man, began with a job in the industry and through hard work, ambition, a willingness to grow personally and spiritually and the support of family, friends, and community fulfilled his American Dream.

We also looked at the systemic issues involved when medium sized enterprises get “rolled up” by Wall Street financing, the same pools of capital that invest in multinationals. They lose their “heart and soul” and the guiding consciousness of their founders. Moral responsibility gets distributed so widely among so many large and small shareholders as to become impotent as a guiding force. Maybe part of the systemic solution lies in something like the B-Corp, that makes social contribution a voluntary expansion of the chartered purpose of a business rather than leaving this vital community development work up to underfunded non-profit and charitable organizations. Although the B-Corp form has its critics for not going far enough, it at least has an established verification process and ensures companies explicitly integrate stakeholder commitments into their governing documents.

So what, therefore, may be the hope for a more conscious economic system? As this question was asked almost a century ago people like economist John Maynard Keynes (1936) responded by advocating for what he called “managed capitalism,” meeting social needs through a

transfer of power to the state. The results have been mixed at best: some social and environmental needs have been minimally met, but at the expense, many would argue, of freedom and innovation that could have otherwise already made strides toward addressing “all the world’s problems.” The consequence has been a destructive, distracting power struggle between the Keynesian and free market camps, leaving both unsatisfied and entirely leaving out other schools of economic thought that may have important contributions to make. A Bahá’í approach, for example, would involve redefining the meaning of capital to cover its social and spiritual dimensions. As we have argued in these pages, it entails viewing the business organization as operating within both a micro-environment of individuals and a macro-environment defined by the socio-political system. Building a conscious capitalism requires transformation at all three levels.

This transformation needs to be driven by the growing spiritual maturity of consumers, employees, investors, and leadership as well as the harmonizing of various economic points of view. The vehicle to integrate and operationalize this rising individual consciousness and harmonized economic understanding is a more enlightened institutional culture at both the organizational and systemic levels.

At the individual level, the question here becomes, how does an individual business leader raise his or her consciousness? We asked this of all the men we spoke to. They each had experiences that transformed them, but we don’t relate their personal stories here because the inexpressible truth at the heart of stories of personal transformation, when told or written, often gets lost in translation into words.

There are a thousand paths up the spiritual mountain but clearly people like Michael Strong and John Mackey were “on a spiritual path” as they began FLOW. They were looking within, cultivating self-awareness and beginning to take responsibility for amending and transforming their unconscious behavior, particularly, in their case, their inherited male attitudes. Men of previous generations had to shut down parts of themselves, like feelings and intuition and sensitivity, just to function in the harsh realities of life. They were often enculturated into industrial life that elevated obedience and loyalty to old patriarchal values and were often relatively numb to the damage their behavior did to others outside their family or community, not to mention future generations or the environment.

Strong and Mackey were committed, it seems, to changing these patriarchal behavior patterns, and so it seems were the other two men we spoke to, via a different path up the mountain, the Bahá’í Faith. All these men underwent a spiritual transformation.

What is transformation? Perhaps it can be compared to death and rebirth. In the context of Conscious Capitalism we are primarily referring to the transformation from a state of being unconscious and insensitive to the consequences of one’s behavior, to being conscious and sensitive. This transformation can take many forms, but it tends to take the form of a journey of maturation.

As a young man there is great ambition and maybe idealism. It could be to create something, or to offer a product or service that benefits the world, or maybe just to rise to the top of a professional field, or maybe just to “make a mark.” These are natural motivations but in

pursuing them inevitably men are tested, meet with setbacks and defeats, disillusionment, and failures. They often break their hearts in the pursuit of their dream or ideal. At some point, often at midlife, they hit a waiting place, a place, in Dr. Seuss' words, of "Waiting for a train to go or a bus to come, or a plane to go or the mail to come, or the rain to go or the phone to ring, or the snow to snow or waiting around for a Yes or No or waiting for their hair to grow."

Often from this place there is space for reflection, maybe even deep reflection. There's enough evidence now of the consequences of unconscious behavior to awaken their consciousness. From this void there is often a call to de-armor the heart from all the armors needed to protect it during the professional "ascent" of the previous decades. Once this armor is stripped away one feels vulnerable. Inevitably a new source of spiritual protection is sensed, one that teaches that true power emerges from our vulnerability. This is a phase some call "the return" when a man is softened enough to feel his feelings fully and consequently be sensitive to the pain and suffering around him.

This is the path of individual spiritual maturation. The Bahá'í teachings speak of this maturation also taking place at the collective level – humanity, as a whole, has advanced through states of collective infancy and childhood, and is currently at the threshold between the tumultuous phase of our collective adolescence and the balanced consciousness of maturity. How far have we advanced in the maturation of our collective body, our social system and collective consciousness?

The journey could still take some more descents and ascents, but to the extent we keep going, our heart and actions become slowly purified. We see ourselves increasingly as instruments of a higher power, which many call God, and cease to instrumentalize others or allow ourselves to be instrumentalized. In time, if we keep on, we become servants of God, dedicating our lives to the betterment of His creation.

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