

Forging the Divine Economy

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2002-12

I. Introduction

Establishing a civilization that accurately reflects the basic spiritual and material teachings necessary for the maturing of humanity at the time of their revelation has been the principle occupation of all of the Founders of the world's great religions. However, not until the inauguration of the Bahá'í Faith through the Revelation of its Prophet Founder Bahá'u'lláh, has the goal of establishing a Divine Civilization as envisioned by all of the great Founders come within the possibility of humanity.

For Bahá'u'lláh, we should readily recognize, has not only imbued mankind with a new and regenerating Spirit. He has not merely enunciated certain universal principles, or propounded a particular philosophy, however potent, sound and universal these may be. In addition to these He, as well as `Abdu'l-Bahá after Him, has, unlike the Dispensations of the past, clearly and specifically laid down a set of Laws, established definite institutions, and provided for the essentials of a Divine Economy. These are destined to be a pattern for future society, a supreme instrument for the establishment of the Most Great Peace, and the one agency for the unification of the world, and the proclamation of the reign of righteousness and justice upon the earth.^[1]

It is clear, however, that the Divine Economy referred to in this passage utilizes the term "economy" in its broadest sense as "The fundamental purpose animating the Faith of God and His Religion is to safeguard the interests and promote the unity of the human race, and to foster the spirit of love and fellowship amongst men."^[2] The Prophets of God shared their divine wisdom in order to bring forth a continuously progressing civilization that to a full extent would "ensure the happiness of the human world..." and at the same time "ensure the happiness and eternal continuance of the soul." These "Prophets of God have founded the laws of divine civilization."^[3]

The laws referred to above have been principally spiritual in nature, although the material aspect of human life has been increasingly addressed in each successive established religious system. However, until the Revelation of Bahá'u'lláh, the world's religious systems did not include specific guidance about economic behavior or organization. Even here we can only find "certain guiding principles... on the subject of economics..." as the Faith of Bahá'u'lláh "is not an economic system, nor can its Founders be considered as having been technical economists."^[4] This, we can safely assume, results from the fact that "religion alone can, in the last resort, bring in man's nature such a fundamental change as to enable him to adjust the economic relationships of society." It is thus to the extent that the Bahá'ís demonstrate spiritual maturity in their individual behavior and in their use of this "supreme instrument", this "one agency", that their efforts to "evolve an economic system which would function in full conformity with the spirit, and the exact provisions of the Cause on this... subject" will meet with success.^[5]

The intention of this paper is to contribute towards defining certain economic aspects of the Divine Economy as envisioned by Bahá'u'lláh and to suggest specific strategies to further its establishment. I will analyze these economic aspects in the light of one specific approach, a community currency system. It is clear to the writer that Bahá'u'lláh advocates "A world script, a world literature, a uniform and universal system of currency, of weights and measures..." in order to "simplify and facilitate intercourse and understanding among the nations and races of mankind."^[6] I propose that the Divine Economy as established by Bahá'u'lláh and further articulated by `Abdu'l-Bahá, Shoghi Effendi and the Universal House of Justice, with all of its component parts harmonized and in full functioning mode, which, to the best of my understanding would take place in the distant future, will depend upon "a uniform and universal system of currency" at the global level and concurrently functioning currencies issued and regulated at the bioregional level. The period of transition between the present time and the full establishment of the Divine Economy, must, as well, depend on parallel local currency strategies that counter the harmful elements of the globalization trend and foster the institution of certain principles identified with Bahá'u'lláh's Divine Economy.

II. Current Economic Situation

At this point a brief description of the nature of the general trend towards globalization as well as the current protagonist role of currency (money) in this trend will set a frame of reference for the development of the thesis of

this paper.

General Trend towards Globalization

A trend towards globalizing the world economy initiated in July, 1944 with the establishment of what are now known as the Bretton Woods institutions, the International Bank for Reconstruction and Development (commonly known as the World Bank), the International Monetary Fund (IMF), and the General Agreement of Tariffs and Trade (GATT). The collective public purpose of these institutions was to "unite the world in a web of economic prosperity and interdependence that would preclude nations' taking up arms."^[7] When the policies of these institutions took effect on a global scale, the system worked, though not in the way originally predicted or intended. Thus from the 1960's on, an "increasingly *transnational* economy began to emerge", replacing the *international* order set up after the Second World War. This new economy had three characteristic components that distinguished it from its predecessor, "transnational firms, the new international division of labour and the rise of offshore finance."^[8] The collective effect of these three components led to the impossibility of fulfilling the public purpose of the Bretton Woods institutions as stated above, and created the conditions necessary for the covert purpose to take full effect: "to create an open world economy unified under U.S. leadership that would ensure unchallenged U.S. access to the world's markets and raw materials."^[9]

During the 1960's "dollars held on deposit in non-U.S. banks and not repatriated, mainly to avoid the restrictions of U.S. banking law, became a negotiable financial instrument. These free-floating dollars, accumulating in huge quantities thanks to the growing American investments abroad and the enormous political and military expenditures of the U.S. government, became the foundation of an entirely uncontrolled global market, mainly in short-term loans." The volume of offshore finance exploded during the early 1970's, and ironically, "the U.S.A. was the first country to find itself at the mercy of these vast, multiplying floods of unattached capital that washed round the globe from currency to currency, looking for quick profits. Eventually all governments were to be its victims, since they lost control over exchange rates and the world money supply. By the early 1990's even joint action by leading central banks proved impotent."^[10]

Steadily deteriorating since this time, the global financial situation has been a source of a generalized values crisis initiating simultaneously at the societal and individual levels and colliding to undermine the family unit. To understand this process from a Bahá'í perspective, the following paragraphs from "Century of Light" will be instructive:

In the perspective of Bahá'u'lláh's teachings, the greatest danger of both the moral crisis and the inequities associated with globalization in its current form is an entrenched philosophical attitude that seeks to justify and excuse these failures. The overthrow of the twentieth century's totalitarian systems has not meant the end of ideology. On the contrary. There has not been a society in the history of the world, no matter how pragmatic, experimentalist and multiform it may have been, that did not derive its thrust from some foundational interpretation of reality. Such a system of thought reigns today virtually unchallenged across the planet, under the nominal designation 'Western civilization'. Philosophically and politically, it presents itself as a kind of liberal relativism; economically and socially, as capitalism -- two value systems that have now so adjusted to each other and become so mutually reinforcing as to constitute virtually a single, comprehensive world-view.

Appreciation of the benefits [of globalization] -- in terms of the personal freedom, social prosperity and scientific progress enjoyed by a significant minority of the Earth's people -- cannot withhold a thinking person from recognizing that the system is morally and intellectually bankrupt. It has contributed its best to the advancement of civilization, as did all its predecessors, and, like them, is impotent to deal with the needs of a world never imagined by the eighteenth century prophets who conceived most of its component elements. Shoghi Effendi did not limit his attention to divine right monarchies, established churches or totalitarian ideologies when he posed the searching question: 'Why should these, in a world subject to the immutable law of change and decay, be exempt from the deterioration that must needs overtake every human institution?'

Bahá'u'lláh urges those who believe in Him to 'see with thine own eyes and not through the eyes of others', to 'know of thine own knowledge and not through the knowledge of thy neighbour'. Tragically, what Bahá'ís see in present-day society is unbridled exploitation of the masses of humanity by greed that excuses itself as the operation of 'impersonal market forces'. What meets their eyes everywhere is the destruction of moral foundations vital to humanity's future, through gross self-indulgence masquerading as 'freedom of speech'. What they find themselves

struggling against daily is the pressure of a dogmatic materialism, claiming to be the voice of 'science', that seeks systematically to exclude from intellectual life all impulses arising from the spiritual level of human consciousness.^[11]

The economic model proposed by the Bretton Woods institutions is no longer credible. "Even though up to recently there were theorists who believed that economic growth would inevitably spill over to the more marginalized groups, it has been amply demonstrated that this will simply not take place: during the last forty years the world's Gross National Product grew by five times and in the same period the number of poor doubled."^[12]

The moral bankruptcy of this system is further evidenced in its efforts to win new adherents to its precepts through large-scale deceptive propaganda. "Although the culture of materialism has been created by the most sophisticated and highly paid propagandists, it is at its core a falsified, manufactured, and non-consensual culture. If material acquisition were truly the dominant value of the human species, then surely capitalism would find it unnecessary to spend \$450 billion a year to propagate it throughout the world. Nor would so many of the advertising messages and images that promote these desires be designed to appeal to our longing for acceptance, love, and contact with nature. Successful as capitalism has been in creating a mass consumer culture, the fact remains that its values are largely alien to our basic nature."^[13]

In spite of all of the evidence to the contrary, no effort can be spared to understand all of the consequences of the globalizing trend, even the positive ones. Clearly, viewing the world as one nation, more united every day is an undeniable facet of modern life. This unifying trend teaches us the value of unity in human endeavors, whereas the increasing cries to infuse the global financial system with justice draws upon the deepest yearnings of mankind and etches upon the heart the importance of these two pillars of human society, unity and justice.

The Nature of Money

The principle instrument of the "impersonal market forces," so-called "science," and "freedom of speech" that undermine the human spirit to create a consumer culture is money. The purpose, use, issuance and meaning of money have therefore undergone a profound transformation that has allowed it to be used towards the construction and maintenance of the globalization process. Without delving too deep into the evolution of the concept of money, let it suffice to state that money served humanity principally as a means of exchange until the globalizing, and especially the speculative, process gave it new roles to play.

In the U.S. up until the Great Slump money was generally issued by local banks at rates necessary to facilitate exchange. However, as the Depression deepened, "...with problems caused by over-issuance and speculation, governments stepped in to regulate the issuing of money, creating the first central banks and issuing money ... by printing it, selling government bonds to commercial banks and the public, [and] by borrowing it from the bank at interest. Thus, in order to ensure an expanding money supply, money is issued as interest-bearing debt."^[14] However, as the years passed, governments discovered that a particular difficulty with this system existed because "at any given moment in time, the total amount of debt in a conventional money system always exceeds the total amount of money available in the system. The money needed to pay the interest over these loans can only come from some other similar circuits, i.e. money issued by some other borrower. If that happens, the second borrower will not be able to earn back enough money to pay his debt. In order to prevent an economic stagnation, the money supply must be continuously expanded: there is need of a perpetual borrower that can never go bankrupt despite the fact that he never pays his debt. Since the 1950s, governments have assumed this role. In order to stay above this debt, economic growth must exceed the growth of debt. However, in reality the global economy is not catching up with the exponential growth of interest bearing debt."^[15]

Scarcity is then a central component of the current economic system. This brings up several issues each of which merits attention. First, scarcity of money has a double effect. First, it motivates people to work harder to earn money out of fear of falling into poverty. This is a major source of deterioration of society as people are driven towards a profit motive and often forced to work for unsatisfying and often socially and ecologically destructive jobs. Second, we can see that "businesses and individuals are forced to compete for markets and scarce money in a futile attempt to avoid defaulting on their debts. The system requires that some must fail. Capital wealth becomes ever more concentrated in giant corporate conglomerates, which must seek higher returns on their investments. They are driven to expand their markets and dominate economies, often through government's application of military power and

'covert operations' to assure the continued flow of low-priced raw materials and the availability of low-cost labor."^[16]

In order to increasingly expand the money supply, currency is used as a store of value. "Using currency as a store of value, to generate interest or for expected profits at a later time means that others cannot use it as a medium of exchange, which works against the interests of the economy" as less transactions can take place causing a downturn in the economy and recession.^[17] Of course, when signs of recession appear, more money is issued or interest rates are lowered, enabling more transactions to take place at the risk of rising interest rates. This give and take of the money supply keeps people fluctuating with the system, a perpetual scarcity-abundance, boom-bust uncertainty. "Providing incentives to ensure that the medium of exchange does not also incorporate the store of value function would therefore automatically dampen this boom-bust tendency of the current system."^[18]

Giving money the function of a store of value also motivates people to search for short-term profits at the expense of long-term growth, creating conflicting moral and economic incentives. "Consider as metaphor, for example, the life of a tree (or any other living resource). Because of interest, the net present value of any income far away in the future is negligible. So, it literally pays to cut down a tree and put the proceeds in a savings account instead of letting it grow for another decade or century. Similarly, the only types of trees worth planting commercially are the fastest-growing varieties such as pine. (Nobody plants redwoods for commercial reasons.) So even when we plant trees, we are systematically losing biodiversity."^[19]

Another way to expand the money supply is through speculation. Over the last five or six decades money increasingly developed into a tool for speculative profit until it became the dominant use for money today. "Today more than 95% of all currency transactions are motivated by speculation; less than 5% are for trades of goods and services."^[20] Able to generate spectacular profits within increasingly short periods of time, money acquired a new purpose: reproduce. It searches for the scheme that will offer it the largest profits within the shortest amount of time, blind to real human needs and ecological concerns.

In this way money has become confused with wealth. "Wealth is something that has real value in meeting our needs and fulfilling our wants. Modern money is only a number on a piece of paper or an electronic trace in a computer that by social convention gives its holder a *claim* on real wealth. In our confusion we concentrate on the money to the neglect of those things that actually sustain a good life."^[21] Even those who understand the difference between money and wealth often acquire money thinking it will bring real wealth, an illusion that becomes reality for increasingly few people.

III. Introduction to Community Currency Theory

Community currencies are reversing the trend towards globalization at the local level, valuing money exclusively as a means of exchange and redefining real wealth for spiritually, socially and ecologically healthy societies. A brief mention of them in the Declaration and Agenda for Action of the "We the Peoples" Millennium Forum was sufficient to demonstrate their potential strength: "Objective: To make serious commitments to restructure the global financial architecture based on principles of equity, transparency, accountability, and democracy, and to balance, with the participation of civil society organizations, the monetary means to favor human endeavor and ecology, such as an alternative time-based currency."^[22]

These systems arise out of a critique of the dominant debt-based economy, and are designed in contrast to it. The dominant economy is one in which money is owned by Banks, issued as debt to Governments, in scarce supply in order to maintain its value, and which can go anywhere. As this currency can circulate inside and outside national borders, a contradiction arises: the currency must be scarce to maintain its value on foreign markets, but there must be enough in the country to facilitate exchange. In times of economic crisis, this contradiction can reach disastrous proportions. Thus, community currencies can fill an important role, holding the domestic economy together while the national currency is being battered on international money markets.^[23]

Briefly, community currencies are issued by local entities as a medium of exchange within the locality. "Their natural niche is linking unused resources to otherwise unmet needs," due to scarcity of money.^[24] Eliminating the scarcity of money and meeting real human and community needs reverses the operation of the entire economic system as the number of financial transactions that take place no longer depends on the amount of money in

circulation, rather the number of financial transactions that take place dictates the money supply. This is true because local currencies are meant to function parallel with the national currency to expand the money supply while avoiding the normal pattern of inflationary pressure.^[25] As the money supply expands for local products and services, more financial transactions take place, creating jobs that use local commodities to create welfare for local residents.

For example, if a purchase of \$10 takes place using only national currency, then 10 dollars is transferred to the seller in exchange for a product. If the transaction takes place using 70% dollars and 30% local currency, then \$7 dollars with \$3 dollars worth of local currency are transferred to the seller, leaving \$3 dollars to be spent on something else. This expansion of the economy directly benefits socially and ecologically constructive businesses and related initiatives as locally produced products and services can receive and spend the local currency, whereas foreign or at least non-local businesses that do not normally treat their products with the environment or local social circumstances in mind, will only benefit indirectly from the expansion of the money supply.

No interest is charged on negative balances of local currencies, although several economists have proposed charging interest on positive balances to encourage circulation. In fact, accumulating community currency only decreases circulation and impedes others from benefiting from the system. Without using money as a store of value, people will be encouraged to invest in products and services that create general welfare over the medium and long term eliminating financial speculation.

"Local currencies are issued in quantities sufficient to meet the needs of the users of the locality. Although there are different methods for issuing local and/or community currency, the idea is to have enough in circulation and supply as needed, with no more and no less. Otherwise, the up-and-down cycles of the conventional economy are merely replicated."^[26] Determining the correct amount of currency ranges in difficulty according to the type of community currency scheme employed. However, even at its most difficult, the size of the economy and the personal contact that the administrators have with the members of the community facilitate this process enormously.

In addition to the multiple benefits to the financial sector, perhaps the greatest advantage the system offers is the creation of community as illustrated in the following testimony: "The majority of the local currencies I know about have been started for the purpose of creating employment, but there is a growing group of people who are starting local currencies specifically to create community. For example, I would feel funny calling my neighbor in the valley and saying, 'I notice you have a lot of pears on your tree. Can I have them?' I would feel I needed to offer something in return. But if I'm going to offer scarce dollars, I might just as well go to the supermarket, so we end up not using the pears [or interacting]. If I have local currency, there's no scarcity in the medium of exchange, so buying the pears becomes an excuse to interact."^[27]

Personal interaction reverses the monetization of the social economy, one of the most harmful aspects of globalization. People used to ask their neighbor to watch their house during a vacation whereas now some service is hired, situation that decreases interaction and trust among neighbors and increases dependency on the formal economy. A community currency - or any other for that matter - "is only as strong as the confidence that people have in one another to produce something of value," confidence that needs to be rebuilt by encouraging people to use their capacities to benefit the community and supporting initiatives that train people to meet the real human needs of their own community.^[28] The role of a community currency comes into play when people arise to serve the community knowing that they are participating in a scheme that is equally beneficial to him or her as well as to the community at large.

"In designing the LETS (the first form of modern community currency), Michael Linton sought to disconnect the contradictory roles of conventional money as a store of value and a medium of exchange into separate parts. He saw money as 'an information system for recording human effort', and saw no difference between money mediating an exchange, and inches mediating the length of a piece of wood. Using the analogy of a home builder, what if the home builder were to go to the Building Supply Store, only to be told that he could not have any wood because there were not enough inches to measure them with? If the materials and human resources are in place, why do we accept that there is not enough money to move them? Money, then is simply information and need not also represent a store of value at the same time."^[29]

"If money is simply information, then it need never be scarce. That's not to say that the supply is unlimited, it is

limited by various realities. However, it is always there when needed. The responsibility for maintaining the value of the money was given to the person who issued it. Thus, LETS currency is identified as 'personal money'.^[30]

"The fact that the LETS currency is always sufficient in supply, that it remains within the locality or community into which it is issued, that it is issued by the members themselves and that no interest is charged on it, complements perfectly what the conventional economy is lacking."^[31]

Using a community currency is not a new idea, in fact they were the norm up until central banks were created. Stephen DeMeulenaere illustrates how crises were resolved time and again through the issuance of and local control over currencies.^[32], ^[33],³⁴ "During the Great Depression many cities had few dollars to pay employees. Therefore, some cities printed their own local money. City employees could spend it at local stores. Anyone who accepted the city's money could use it to pay taxes. The local money benefited everybody: city employees got paid instead of fired, local stores got more customers, city government got more sales tax, and taxpayers retained city services without paying higher taxes."

Paul Glover, Hometown Money. ^[35]

At present, several thousand community currency initiatives are gaining momentum around the world, including several in China, using a variety of approaches and techniques. The two most successful are similar systems that have been adapted to specific conditions, one in the "developed" North, and the other in the "developing" South. The system created in Ithaca, New York by Paul Glover called the Ithaca HOUR has proven to be an effective response to the globalization process in the United States. "They are called HOURS to remind us that the real source of money's value is created by people--our time, skills, and energy. The one HOUR to \$10 equivalence is based on the average hourly income in Tompkins County when HOURS were developed in 1991. By encouraging people to think about the value of everyone's time, HOURS help bring equity to work."^[36] In Ithaca over 400 storefront businesses and several thousand individuals participate in the system which has issued approximately \$10,000 worth of HOURS over the last ten years and generated "several million" dollars worth of trading in HOURS.

Additionally, "Ithaca HOURS are backed by thousands of goods and services listed in the local currency directory HOUR Town. Since the correlation between the HOUR supply and commodity backing is direct (food is Ithaca's largest category), we call HOURS real money. HOURS are also backed by labor, a measure of value as steady as the clock."^[37]

The following quotes from participants in the system illustrate the power community currencies have to humanize the economy and empower people to create general welfare for themselves and their neighbors: "HOURS are a very creative social support network, a good model for preserving kindness and compassion in the economy. They avoid the mass business focus and remind us that we're serving other human beings."^[38] "We have a growing Ithaca HOUR community. We can see and feel that we're part of doing this. I don't feel that way about the national economy, which is so dependent on centralized, impersonal government and business that we've become alienated. HOURS show us that we don't need somebody far away to allow us to do things; we have the power here."^[39]

The growth of the community currency system denominated Global Barter Network in Argentina and several surrounding countries has caught the attention of even the most skeptical. As of August, 2002, the Network estimates that approximately 4,500 district clubs exist throughout the country in which approximately 2.5 million people participate regularly. In Buenos Aires alone, 75 new clubs opened during the first 6 months of 2002, and they calculate that approximately 5,000 people join their ranks each day.^[40]

The system is based upon participation in weekly barter fairs in which members set up stands to buy and sell everything from the most essential items to cars and houses. Because participation requires a complete paradigm shift (they call it reinventing the market), members are trained to understand basic economic principles and to develop capacities that render them agents of positive change.

The rapid growth of this system has presented the founders with multiple challenges that are resolved through a constant learning process. Their experience has been amply documented which provides a useful body of literature for other regions passing through similar economic and moral crises.

IV. Introduction to the Divine Economy

It is evident from the previous section that adjusting certain elements of the current economic structure can cause significant positive change for involved communities. However, as we have stated previously, a basic principle enunciated by Bahá'u'lláh is that "religion alone can, in the last resort, bring in man's nature such a fundamental change as to enable him to adjust the economic relationships of society."^[41] Comprehension of the significance and implications of this concept are crucial at this point in time as the world's citizens search for permanent solutions to the multifaceted problems that envelop all of humanity.

First and foremost, all of the problems that humanity suffers are essentially spiritual in nature. In other words, the perfect administrative and economic structures, either at the macro or micro level, would in time deteriorate if they were not based upon fundamental spiritual truths that inspire individuals to act selflessly. Any transformation of society and its structures must be accompanied by a simultaneous transformation in the individuals that make up this society, otherwise this process will not be complete nor will it last. The following quotes help illuminate this idea: The fundamentals of the whole economic condition are divine in nature and are associated with the world of the heart and spirit... Hearts must be so cemented together, love must become so dominant that the rich shall most willingly extend assistance to the poor and take steps to establish these economic adjustments permanently. If it is accomplished in this way, it will be most praiseworthy because then it will be for the sake of God and in the pathway of His service... Strive, therefore, to create love in the hearts in order that they may become glowing and radiant. When that love is shining, it will permeate other hearts even as this electric light illumines its surroundings. When the love of God is established, everything else will be realized. This is the true foundation of all economics... Economic questions are most interesting, but the power which moves, controls and attracts the hearts of men is the love of God.^[42]

Manifest true economics to the people. Show what love is, what kindness is, what true severance is and generosity....^[43]

It must be accomplished solely through the divine bounties and spiritual bestowals which have descended from God in this day for that purpose. This is an exigency of the times, and the divine remedy has been provided. The spiritual teachings of the religion of God can alone create this love, unity and accord in human hearts.^[44]

And for a Bahá'í the ultimate issues *are* spiritual. The Cause is not a political party nor an ideology, much less an engine for political agitation against this or that social wrong. The process of transformation it has set in motion advances by inducing a fundamental change of consciousness, and the challenge it poses to everyone who would serve it is to free oneself from attachment to inherited assumptions and preferences that are irreconcilable with the Will of God for humanity's coming of age. Paradoxically, even the distress caused by prevailing conditions that violate one's conscience aids in this process of spiritual liberation. In the final analysis, such disillusionment drives a Bahá'í to confront a truth emphasized over and over again in the Writings of the Faith: *'He hath chosen out of the whole world the hearts of His servants, and made them each a seat for the revelation of His glory. Wherefore, sanctify them from every defilement, that the things for which they were created may be engraven upon them.'*⁴⁵

"'Love of God is the true foundation of all economics.' This may be hard for us to comprehend if we have been raised to think that economic activity means efficient selfishness. Yet it is not so. Nor is the alternative that complicated. We love God, therefore we love God's people. Every economic activity we engage in, when we are producing things, adding value to things, or exchanging things, creates opportunities to express love, concern, and respect for other people. The more this happens, the more vital the connections will be, and also, the more prosperous."^{[46],47}

True religion, however, cannot be confused with religious fanaticism that rejects scientific interpretation of creation. Scientific discoveries are fundamental to human progress, and religious belief is only complete when this aspect of God's Revelation is incorporated. "If religion were contrary to logical reason then it would cease to be a religion and be merely a tradition. Religion and science are the two wings upon which man's intelligence can soar into the heights, with which the human soul can progress. It is not possible to fly with one wing alone! Should a man try to fly with the wing of religion alone he would quickly fall into the quagmire of superstition, whilst on the other hand, with the wing of science alone he would also make no progress, but fall into the despairing slough of

materialism."^[48]

It is for these reasons that a search for solutions to current economic crises is to be based upon the most advanced economic thought developed by mankind in light of universal spiritual principles. One of the central concepts in the Bahá'í Faith is the idea that the social structure of humanity is constantly changing and so no economic theory is always going to be right for the whole world. Instead, in the Bahá'í scriptures, a number of principles are put forward which must be the foundation upon which any specific economic plans are based.^[49]

As stated previously, the Divine Economy is defined as the workings that "are destined to be a pattern for future society, a supreme instrument for the establishment of the Most Great Peace, and the one agency for the unification of the world, and the proclamation of the reign of righteousness and justice upon the earth."^[50] Righteousness and justice are concepts that must be approached, understood and applied from a deeply spiritual perspective in order that their true significance be revealed. "Only those who have already recognized the supreme station of Bahá'u'lláh, only those whose hearts have been touched by His love, and have become familiar with the potency of His spirit, can adequately appreciate the value of this Divine Economy - His inestimable gift to mankind."^[51] This "social code ...which must guide humanity's concerted efforts in establishing that all-embracing federation which is to signalize the advent of the Kingdom of God on this earth..." is essentially a commitment to fulfill the individual soul's purpose given to it by its Creator. This same purpose can only be fulfilled by developing the civilization promised to humanity that is nothing short of the Kingdom of God on earth.^[52]

The guidance provided in the Bahá'í Writings is complete enough for its foundations to be clearly understood and for it to evolve according to the exigencies of humanity's quest for spiritual and material fulfillment: Not only have they revealed all the directions required for the practical realization of those ideals which the Prophets of God have visualized, and which from time immemorial have inflamed the imagination of seers and poets in every age. They have also, in unequivocal and emphatic language, appointed those twin institutions of the House of Justice and of the Guardianship as their chosen Successors, destined to apply the principles, promulgate the laws, protect the institutions, adapt loyally and intelligently the Faith to the requirements of progressive society, and consummate the incorruptible inheritance which the Founders of the Faith have bequeathed to the world.^[53]

V. Community Currency Theory Applied to Bahá'í Economic Principles

This section is dedicated to identifying the principles expressed in the Bahá'í Faith specifically related to economic practice and demonstrating ways which community currency theory can be instrumental in putting them into practice. Because no specific economic system is advocated for the development of the Divine Economy, there are benefits of community currency systems that fall more conveniently under the general Bahá'í principles than under the economic principles identified below. Examples of these include independent investigation of the truth, cultural preservation and integrity, ecological sustainability and unity in diversity, all central themes expressed in the Bahá'í Writings as fundamental to establishing the Divine Economy.

The following principles of economic thought have been identified and expressed according to the author's discretion as this list is in no way official or final. They will be identified in no particular order at the beginning of each section in italics. The principle shall then be elaborated through the use of quotes from the Bahá'í Sacred Writings and other Bahá'í authors and then the symbiotic relationship between the principle and community currency strategy shall be illustrated.

V.1 Voluntary Sharing

Willing identification of one's own needs combined with recognition of the harmful effects of living with excess and the realization of the organic oneness of humanity, leads to voluntary sharing and general prosperity.

This principle is embodied in three specific ways within the Bahá'í Faith. First, all Bahá'ís have the spiritual obligation to sacrifice their own money or goods as donations to the Bahá'í Fund. The Fund is voluntary, it is secret and the spiritual benefits derived from participating in the Fund depend on the level of sacrifice of each donation.

Second, this principle is put into action through the law of Huqúqu'lláh, which in Farsi means the Right of God. Although Huqúqu'lláh is a law for all adult Bahá'ís, its nature is essentially spiritual, which means that obedience to

the law and receiving benefits from participating in it, are entirely dependant upon the will of the individual and his or her spiritual maturity. "The payment of Huqúqu'lláh is based on the calculation of the value of the individual's possessions. If a person has possessions equal in value to at least nineteen mithqals of gold,^[54] it is a spiritual obligation to pay nineteen percent of the total amount, once only, as Huqúqu'lláh. Thereafter, whenever one's income, after all expenses have been paid, increases the value of one's possessions by the amount of at least nineteen mithqals of gold, one is to pay nineteen percent of this increase, and so on for each further increase."^[55] As determining the amount of one's necessary expenses depends upon the spiritual maturity of each individual, the amount of Huqúq paid is ultimately voluntary. Huqúq is paid only to the highest world body of the Bahá'í Faith, which redistributes it as need be throughout the world towards worthy projects.

Third, local Bahá'í economies in the future will be based upon a village storehouse as detailed by `Abdu'l-Bahá. It is stipulated that any excess resources of the storehouse are to be directed to the national Bahá'í administrative body, which in turn directs excess resources to the Universal House of Justice at the international level. These resources are to be redirected back down to other countries or localities where scarcity exists.

These three provisions for raising consciousness of the harmful effects of living with excess, identifying one's real needs and for voluntarily sharing to create general welfare are based not upon a principle of equality, but rather upon the act of sharing itself.

...among the teachings of Bahá'u'lláh is voluntary sharing of one's property with others among mankind. This voluntary sharing is greater than equality, and consists in this: that man should not prefer himself to others, but rather should sacrifice his life and property for others. But this should not be introduced by coercion so that it becomes a law and man is compelled to follow it. Nay, rather should man voluntarily and of his own choice sacrifice his property and life for others, and spend willingly for the poor, just as is done in Persia among the Bahá'ís.^[56]

Man reacheth perfection through good deeds, voluntarily performed, not through good deeds the doing of which was forced upon him. And sharing is a personally chosen righteous act: that is, the rich should extend assistance to the poor, they should expend their substance for the poor, but of their own free will, and not because the poor have gained this end by force. For the harvest of force is turmoil and the ruin of the social order. On the other hand voluntary sharing, the freely-chosen expending of one's substance, leadeth to society's comfort and peace. It lighteth up the world; it bestoweth honour upon humankind.^[57]

True sharing requires purity of intention, in which one does not expect to be rewarded for having shared one's possessions. Rather, sharing is done for the sake of sharing, with the desire of bringing about general prosperity. This is the reward for sharing, and if any other reward is expected, the act loses meaning. It is this reward that this participant in the Ithaca HOURS local currency system refers to here, "Everybody is out to get as much as they can for doing as little as possible, instead of doing as much as we can and know we'll be rewarded for it."^[58] Just as selfishness and hoarding are contagious, so is sharing when the benefits can be seen and felt on both individual and community levels.

Another participant in a Time Dollars community currency scheme describes this same effect in a different way: "When Vincent gives Jean a ride to the store, for example, he gets a credit in a computer bank that he can draw on when he needs help himself. At first it might sound crass - getting credit for helping others, which we ought to do for free. But in practice the system replicates the collective memory bank of small towns and stable inner-city neighborhoods, in which good deeds were remembered and returned in due time."^[59] Although Vincent does not expect his good deed to be returned to him, he knows that it will have a positive effect upon the entire community in which he actively participates, which directly increases his own well-being.

In a healthy economy, money is not the dominant value, nor is it the sole or even dominant medium of exchange. Indeed, one of the most important indicators of economic health is the presence of an active economy of affection and reciprocity in which people do a great many useful things for one another with no expectation of financial gain. Such voluntary sharing creates and maintains the fabric of trust and mutual caring of which the social capital of any healthy family, community, or society is comprised.

V.2 "ye must give forth goodly and wondrous fruits..."

Engaging in a productive livelihood develops individual capacities and creates general welfare.

This principle is manifested in the law for all Bahá'ís to engage in some occupation. Specifically, Bahá'u'lláh calls upon all people to engage in "what will profit you and others," because "ye must give forth goodly and wondrous fruits, that ye yourselves and others may profit therefrom." This is made a law so that "the poor may exert themselves and strive to earn the means of livelihood." It is encouraged that all "earn a livelihood by their calling" because "[t]rue reliance is for the servant to pursue his profession and calling in this world..."^[60] Shoghi Effendi adds, "As a corollary of this principle, Bahá'u'lláh further states that mendacity should not only be discouraged but entirely wiped out from the face of society. 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. Every individual, no matter how handicapped and limited he may be, is under the obligation of engaging in some work or profession, for work, especially when performed in the spirit of service, is according to Bahá'u'lláh a form of worship. It has not only a utilitarian purpose, but has a value in itself, because it draws us nearer to God, and enables us to better grasp His purpose for us in this world."^[61]

Several points from the above paragraph can be analyzed in light of a community currency scheme. First, the injunction that all "must give forth goodly and wondrous fruits, that ye yourselves and others may profit therefrom," gives direction to human productive activity. The majority of jobs currently available in any given city or region that pay enough for one to earn a decent living, do not contribute towards the general welfare of the population. The reason behind this is that society values financial return over social return and forces the individual to uphold the same value in order to avoid financial impoverishment. This encourages idleness or unethical means of earning a living on one extreme, or participating in financially profitable but socially or ecologically destructive processes on the other. Community currency schemes offer the possibility to its participants of producing goods and services that are valued by the community because they contribute towards the general welfare of the community at large but are not able to afford normally with scarce dollars. Community currency schemes dictate purchasing power by the amount of transactions that take place and not by the scarcity of dollars. Thus, at least in the initial stages of a community currency scheme, purchasing power must be expanded to give people the opportunity to produce and buy what they really value and not only what produces the most financial return or is least expensive. Many success stories from community currency participants testify to this idea:

As a tradesman I like the idea of people trading things we make, rather than just earning dollars and buying stuff. These days we're all caught up with going really fast. Trading gives more value to handmade, over mass-produced goods. It puts more quality and personality back into commerce.^[62]

HOURS are cool because they reflect my own philosophy that we need to localize our agriculture and economy, and take responsibility for our own lives.^[63]

The second point is intimately related to the first. In our current economic system, "those who are unable to borrow must work for those who are able to borrow in order to earn the money they need, to purchase the things they need that they cannot make themselves. This puts the working person in competition with others for limited amounts of money and for the collateral needed to be given the opportunity to borrow."^[64] This system thus effectively ignores the fact that all human beings are inherently provided with productive capabilities that he or she enjoys practicing and which add to the general prosperity of the community. It is, therefore, logical that everybody should earn his or her living by exploiting these capabilities, by answering one's "calling". Making this possible assures a wide variety of products and services as well as the general felicity of people and a higher quality standard for these products and services as they are produced with natural talent and desire. By expanding purchasing power, a community currency scheme provides a new market for goods and services and "allows the participants to offer what they want, rather than being forced to perform work that they would prefer not to do if they had the choice. As well as discouraging harmful activities simply for the money, local currencies give their participants a safe way of trying out their new employment choices."^[65]

Third, Shoghi Effendi's point that "it is the duty of those who are in charge of the organization of society to give every individual the opportunity of acquiring the necessary talent in some kind of profession, and also the means of utilizing such a talent, both for its own sake and for the sake of earning the means of his livelihood," gives direction to community management efforts. Given the opportunity to produce goods and services that are useful to the community according to one's "calling" would give "billions of workers now underemployed... (the possibility for finding) their creativity engaged. Reliance on unemployment as a tool of labor control would be overridden by

realizing that *idle labor is idle capital*, as the world approached universal sufficiency."^[66] Further, "the more direct relation between community currency supply and local commodity backing (labor) can provide stability to federal dollars. Moreover, supplemental local cash, targeted to small businesses and under/unemployed sectors, enables more local trading to take place, which expands formal business activity and improves creditworthiness. Community currency is a powerful way to bring underutilized labor and talent into local markets, which then feed regional and global trade."^[67]

Although expanding purchasing power is a powerful tool for eliminating under / unemployment, community organizers must take into account the importance of training towards this end as well. This is particularly important in the initial stages of a community currency scheme as "with the Toctiuco SINTRAL system (Mexico) in which the range of goods and services offered is very small. Therefore, efforts must be made to encourage trade creation through skills development and capacity building. This requires a detailed social survey to assess these needs."^[68] The experience in Dakar, Senegal offers further insights into this idea:

As the system in Dakar, Senegal discovered, parallel currency systems are significant in their ability to identify specific education and training needs and meeting them within a market framework. They discovered an immediate need for training in skills that could be marketed, as well as general education for those that may not be directly marketed but could provide the foundation for future skills development.

The need for marketable skills development is immediately identified through the use of a notice board (or bulletin, newspaper) of Offers and Requests. Individuals willing to provide training (mentors) may be found in the Offers section who would benefit by having an apprentice. The trade creation effects of the local currency may also open up new areas for which there is no local expertise, requiring outside educators. If skills are imported then some national currency funds will be required, so a better option may be to seek out local expertise. Skills that cannot be directly marketed can be identified through the community markets. Some education, such as mathematics, construction, agriculture, and computer skills can be learned in productive activity, again providing an outlet for expected trade creation or cooperative development activities.

The experience in Senegal suggests that the demand for training in marketable and non-marketable skills is high, along with the willingness to pay for it in local currency. This is because training offered by private institutions is often too expensive for low-income people to be able to attend, and because they don't have time to devote entirely to study. Tying skills and basic education into productive activity would be very beneficial for the people in the community. The initiative to set up a Popular University will be of extreme interest in this respect.^[69]

Identifying existing local capacities as well as skill needs and providing a means to create more capacity according to these identified needs is thus an integral part of any community currency scheme.

Fourth and lastly, work performed with excellence in a spirit of service is a form of worship and has value in and of itself. Applying this principle alone would cause a true revolution within the economic structure. When the spirit and intention of work is considered as important as the work itself, its value is elevated, enjoyment is taken from it and quality is the result. Providing the possibility and means for this attitude to develop and the avenues for its consequences to be both socially and financially productive would be the basis for a community-based, ecologically sustainable, spiritually healthy society.

V.3 Eliminate extreme poverty and wealth through justice.

...poverty shall disappear, [and] everyone, as far as possible, according to his rank and position, shall share in comfort and well-being.^[70]

This issue in general is also of great concern for community currency theorists as the following two quotes from Paul Glover of the Ithaca HOUR demonstrate:

More local money among the poor enables more national money to trickle up and down, and reduces the explosive disparity of wealth.^[71]

Such a world could still accommodate singularly wealthy people in beautiful homes, proud of investments that have made everyone's life easier. But they would be less pressured to consume conspicuously. They and their children would enjoy wealth even more fundamental than their bank accounts, and be far more secure from social upheaval.^[72]

In contrast to other suggested solutions to this problem, justice is the animating principle behind these laws put forward by Bahá'u'lláh, and not equality:

The government of the countries should conform to the Divine Law which gives equal justice to all. This is the only way in which the deplorable superfluity of great wealth and miserable, demoralizing, degrading poverty can be abolished.

...absolute equality is just as impossible, for absolute equality in fortunes, honors, commerce, agriculture, industry would end in disorderliness, in chaos, in disorganization of the means of existence, and in universal disappointment: the order of the community would be quite destroyed. Thus difficulties will also arise when unjustified equality is imposed. It is, therefore, preferable for moderation to be established by means of laws and regulations to hinder the constitution of the excessive fortunes of certain individuals, and to protect the essential needs of the masses.^[73]

Justice in this context is carried out through two principle means. First, a definitive standard linking capital and labor, or wages and productivity, is required to ensure continuing participation in the activities necessary to the general welfare. Second, systems must be enacted that redistribute wealth voluntarily (as explained above) and obligatorily.

As to the first measure, Shoghi Effendi explained, "Social inequality is the inevitable outcome of the natural inequality of man. Human beings are different in ability and should, therefore, be different in their social and economic standing. Extremes of wealth and poverty should, however, be abolished... The Master (‘Abdu’l-Bahá) has definitely stated that wages should be unequal, simply because that men are unequal in their ability and hence should receive wages that would correspond to their varying capacities and resources."^[74] A definitive relationship between capital and labor can therefore only be established when the most beneficial professional livelihoods to a spiritually and ecologically sustainable society coincide with those which are most lucrative, or in other words when true contribution is adequately rewarded.

‘Abdu’l-Bahá explains:

The question of socialization is very important. It will not be solved by strikes for wages. All the governments of the world must be united and organize an assembly the members of which should be elected from the parliaments and the nobles of the nations. These must plan with utmost wisdom and power so that neither the capitalist suffer from enormous losses nor the laborers become needy. In the utmost moderation they should make the law; then announce to the public that the rights of the working people are to be strongly preserved. Also the rights of the capitalists are to be protected. When such a general plan is adopted by the will of both sides, should a strike occur, all the governments of the world collectively should resist it. Otherwise, the labor problem will lead to much destruction, especially in Europe.^[75]

The general plan referred to above implies the existence of just salaries, which will be defined by principle. The only way this principle can be established is through a thorough examination of the Sacred Writings and a process of trial and error, based upon our understanding of the Writings. This trial and error process can only begin to occur when people are given the possibility to develop their capacities through their work, work that will be highly valued both by the worker and the capital owner. The more this work is valued, the closer the relationship between capital and labor can be established through cooperation and mutual understanding.

In a community currency scheme, the community members themselves (instead of large corporations) decide the value of such things as childcare, artisan skills or community organizing. In particular, this gives them the opportunity to reassess, for example, the value of women's work, either undervalued or unvalued in the larger market economy while at the same time discourage environmentally, socially and spiritually destructive activities.

The following quote by ‘Abdu’l-Bahá illustrates why reassessing the value of women's work will only gain importance as time passes:

The world in the past has been ruled by force, and man has dominated over woman by reason of his more forceful and aggressive qualities both of body and mind. But the balance is already shifting; force is losing its dominance, and mental alertness, intuition, and the spiritual qualities of love and service, in which woman is strong, are gaining ascendancy. Hence the new age will be an age less masculine and more permeated with the feminine ideals, or, to

speak more exactly, will be an age in which the masculine and feminine elements of civilization will be more evenly balanced.^[76]

The second measure involves obligatory wealth redistribution. Doing this principally assures basic welfare for those unable to be economically productive and for those who have suffered disasters while it also provides general income tax and support for educational institutions. In the Bahá'í administrative system, this is carried out through a community storehouse as stipulated by `Abdu'l-Bahá with its seven specific revenues and seven expenditures as well as specific tax and inheritance laws.

The seven revenues for each community storehouse are the following:

The first revenue will be that of the tenth or tithes. The second revenue (will be derived) from the animals. The third revenue, from the minerals, that is to say, every mine prospected or discovered, a third thereof will go to this vast storehouse. The fourth is this: whosoever dies without leaving any heirs all his heritage will go to the general storehouse. Fifth, if any treasures shall be found on the land they should be devoted to this storehouse.^[77]

The last two revenues are to be derived from all things discovered whose owners cannot be found and voluntary contributions.

The tithe, or income tax, referred to above will be calculated on a sliding scale:

From such an one a tenth will be required, because he has a surplus. But if his income be ten thousand dollars and his expenses one thousand dollars or his income twenty thousand dollars, he will have to pay as taxes, one-fourth. If his income be one hundred thousand dollars and his expenses five thousand, one-third will he have to pay because he has still a surplus since his expenses are five thousand and his income one hundred thousand. If he pays, say, thirty-five thousand dollars, in addition to the expenditure of five thousand he still has sixty thousand left. But if his expenses be ten thousand and his income two hundred thousand then he must give an even half because ninety thousand will be in that case the sum remaining. Such a scale as this will determine allotment of taxes. All the income from such revenues will go to this general storehouse.^[78]

"Citizens will be encouraged to assume greater conscientiousness in paying their taxes, because they will not pay them to national institutions, as they do today, but directly to local bodies. Likewise, each locality will pay its taxes to a national institution, according to the same system which applies to individuals. In other words, each locality will pay its taxes, according to what remains of its income, after all necessary local expenses have been deducted. Citizens therefore will be able to see how their money is being used in the same locality where they live, and not -as happens today- very far from them. Local institutions will defray -by means of the taxes paid by their citizens- the following expenditures: `support of local educational institutions'; `supplying any deficiency in the expenses of the poor' -i.e. anyone whose income was not enough to cover their expenses, although they worked hard; `support of orphans', `of cripples and incurables', of `those incapacitated' (the blind the old, the deaf) or unfit for work; `general running expenses of the institution -salaries, etc.; and the administration of public safety, including the hygiene department'; local public safety; local public health, drainage, investments in favor of institutions which may be required for each local citizen to be accorded a dignified standard of life."^[79]

There are additional laws with this same purpose as well. There is a series of laws dictating inheritance procedure that benefits the generality of the community and especially workers. There is also the law of Zakat that aims to contribute to the general welfare of the community. This law will be further defined in the future.^[80]

Community currency theory does not contemplate laws directed towards wealth redistribution. However, the very nature of the system involves a natural obligatory wealth redistribution process.

Trade creation involves a transaction that would not have taken place without the parallel currency. The economic benefits of parallel currency systems (in terms of extra revenues and employment) are expected to derive from this effect. Excess production capacity that is left idle within the present monetary system is employed within the parallel system: restaurants accept local currency during low activity hours, under and un-employed people are hired for gardening services, excess stock is sold at `regular' prices (parallel + conventional currency) in addition to other multiplier effects. These are clear cases of local demand creation: transactions that would not have taken place without the parallel currency.^[81]

HOURS keep people in our community employed better than dollars that leave the community. Dollars that go to

large corporations do not really trickle back down, they concentrate capital, making the rich richer and the poor poorer. We see America's inner cities becoming Third World countries as a result. What's better about HOURS is that since you can't bank them, you have to spend them to benefit, so you don't get that concentration of capital.^[82]

This natural wealth redistribution process is not, however, comprehensive enough to avoid the need for the laws described above. Rather, they seem to be complimentary to each other and would, together with a spiritually and ecologically based reassessment of the value to the general community of each productive activity, create a solid foundation for a socially just society.

V.4

Industrial relations must be based upon profit-sharing, consultative decision making processes and a service motive for the worker-manager.

The past two centuries have witnessed a profound differentiation between the worker and the capitalist. Control over resources as well as banking policies are what distinguish the capitalist, whereas the laborer must conform himself to what is dictated by the capitalist. Each side is trained to demand respect for its rights often to the detriment of society as a whole.

This issue is addressed by the Bahá'í Writings in several different ways. First, `Abdu'l-Bahá asserts that the structure that must be given to the relationship between laborer and capitalist is to be based primarily upon profit-sharing as illustrated in the following quote:

For instance, the owners of properties, mines and factories should share their incomes with their employees and give a fairly certain percentage of their products to their workingmen in order that the employees may receive, beside their wages, some of the general income of the factory so that the employee may strive with his soul in the work.

...Also, every factory that has ten thousand shares will give two thousand shares of these ten thousand to its employees and will write the shares in their names, so that they may have them, and the rest will belong to the capitalists. Then at the end of the month or year whatever they may earn after the expenses and wages are paid, according to the number of shares, should be divided among both. In reality, so far great injustice has befallen the common people. Laws must be made because it is impossible for the laborers to be satisfied with the present system.

It is impossible for a country to live properly without laws. To solve this problem rigorous laws must be made, so that all the governments of the world will be the protectors thereof.^[83]

Second, an inclusive, consultative decision-making process about economic policy is essential to defining industrial relations. It will be argued later in this paper that currency issue and control should be undertaken at the bioregional level as a certain level of democratic autonomy is crucial to gaining control over economic activity, but for now we will concentrate on the nature of the governing structure that would make these decisions.

When policies concerning currency issue and control and other related economic issues like laws about profit-sharing or policies about the functioning of the community storehouse are motivated by politics, by a desire to maintain economic or political power or by special interest groups, the gulf between the benefits society offers to the laborer and the capitalist widen. When one sector of society benefits at the expense of another, the entire society suffers as a consequence of the conflict that is inevitably generated. If, however, policies about currency issue and control are made by a diverse body of informed citizens whose only interest is the general welfare of the region, and the general electorate is educated to understand that criticizing these policies will only result in further disunion, conflict will then be avoided and consensus built.

The first step towards achieving this governing body is an annual election in which all of the people of voting age participate and in which there are no candidates or campaigns. Rather, people, in a prayerful attitude, secretly elect the nine or so people who have demonstrated capability, loyalty to the principles set down for the governing body, and desire to serve the general populace and not be served by it regardless of their age, race, education level, creed or gender. Regardless of whether it is composed of laborers, capitalists or both, each member will yield his or her personal interests to the interests of the whole community as dictated by the governing universal principles. This

body will set policies and make final decisions either by itself or by appointing a group of experts to advise it.

Local and bioregional governing bodies that dictate policies about community currencies are essential elements in the establishment of the Divine Economy. Both the Ithaca and the Argentinian systems employ local governing models to regulate currency and train participants, although neither are as purely democratic as the one described above. Results from the functioning of these bodies are predictable as those affected by them feel included in the economic system, feel constructive, feel that their opinions are important to the correct functioning of the system and feel that they are important actors in the process of building a spiritually and ecologically healthy society. One member even suggests that "Control of money is more important to democracy than voting."^[84]

Here are some other comments:

If more of our wealth stays here to strengthen locally-owned or controlled businesses, our community as a whole becomes more self-reliant. And with self-reliance comes the power to make the decisions affecting our future, including the possibility of changing economic patterns to build sustainability.^[85]

Regular money is dehumanizing and anti-community, sending wealth to big banks. With HOURS, we're bound together, showing how unique our town is and supporting one another. The wealth of the community stays here, more wealth is controlled locally, and that gives us more democratic control over local issues.^[86]

Lastly, when both capitalist and laborer are motivated by their desire to serve and better the larger community, a common goal will be set and worked towards in unison. In this process the role of the laborer will be highly valued and compensated justly, releasing all of the involved from the prejudices generated towards "menial" jobs.

V.5

A sustainable and healthy economic order rests on the organizing principle that each human being on earth must learn to accept responsibility for the welfare of the entire human family.

Loyalty to being a responsible world citizen takes precedence over other lesser loyalties for constructors of the Divine Economy. Being a world citizen implies being conscious of the economic and social situations of others throughout the world, of the causes of these situations and having an attitude of applying all of one's actions to their enhancement. This attitude puts one's own situation in perspective, allows one to appreciate opportunities and, most importantly, acts as a compelling motor behind empowering people to change.

Bahá'u'lláh and `Abdu'l-Bahá have drawn our attention to the spiritual unity that characterizes all of humanity by comparing it to the human body. Bahá'u'lláh says:

Regard the world as the human body which, though at its creation whole and perfect, hath been afflicted, through various causes, with grave disorders and maladies. Not for one day did it gain ease, nay, its sickness waxed more severe, as it fell under the treatment of ignorant physicians, who gave full rein to their personal desires, and have erred grievously.^[87]

`Abdu'l-Bahá adds:

It means to consider the welfare of the community as one's own. It means, in brief, to regard humanity as a single individual.^[88]

The Universal House of Justice gives us an idea of the power this principle has:

Commitment to this revolutionizing principle will increasingly empower individual believers and Bahá'í institutions alike in awakening others to the Day of God and to the latent spiritual and moral capacities that can change this world into another world.^[89]

And again:

Humanity's crying need will not be met by a struggle among competing ambitions or by protest against one or another of the countless wrongs afflicting a desperate age. It calls, rather, for a fundamental change of consciousness, for a wholehearted embrace of Bahá'u'lláh's teaching that the time has come when each human being on earth must learn to accept responsibility for the welfare of the entire human family.^[90]

The Global Barter Network stresses the importance of this principle, which they have denominated solidarity, through regular training sessions of the "prosumers". The current market economy teaches people that the underlying value for making decisions is personal satisfaction. This value must be replaced by solidarity for the community currency to function effectively. They call it living in "network", a market structure that promotes solidarity.

Within a depersonalized and fragmented society, the Network rescues traditional values through cooperation, service and personal contact. This Network is an open system where everything flows freely: information, capacities, materials and energy. These are reorganized and adapted to each situation in the most optimum and flexible way. Because these elements have the exclusive purpose of benefiting the community, there are no hidden agendas or barriers to change supply or demand. The ultimate purpose of the Network is, on one hand, that people do not feel isolated or excluded from the system, and on the other, that they are less vulnerable to conflicts, changes, disasters...

Living in Network generates a progressive change in the quality of the economy when the concept of solidarity becomes more concrete. The Global Network proposes that living in Network with the concept of solidarity as its foundation is the logical evolution of the natural desire of each human being to serve others. Charity has left beneficence while solidarity produces social service which is defined as fomenting development of productive capacities that are spiritually and ecologically beneficial to the entire community.

We must recognize that money and material goods do not satisfy the human spirit. Human needs are the same independently of the place and of the stage of scientific evolution of the culture.

Our current crisis is caused by losing our sense of community and by losing contact with the earth. Contact with these elements generates a sense of simplicity and of what is natural, sense that is contradicted by the models of accumulation at the root of the current formal economy. Introducing the concept of Network (solidarity) into the various aspects of our lives like politics, production, economy and science gives them a human orientation, which means they work together towards a common goal and not separately for their own interest.^[91]

Constructing this Network offers us the opportunity to identify universal principles that serve as a foundation to put into action our natural inclination towards solidarity, which we use as a guiding light to recreate or reinvent the economy so that it encourages the maximum use of human productive capacities towards the general well being of the community. "This economy promotes the joy of sharing, the joy of quality and not quantity, and the joy of relating to one another instead of possession. This new economy is a creative process."^[92]

Although the Ithaca HOUR participants do not receive specific training on the meaning of solidarity and how to apply it to their daily lives, they have gained awareness of the functioning of the global market system and the responsibilities they have towards it through participation in the HOUR system. HOURS are a very creative social support network, a good model for preserving kindness and compassion in the economy. They avoid the mass business focus and remind us that we're serving other human beings.^[93]

I've become aware of global economic order, and the need to foster the sense of community that's lacking in our country.^[94]

One of the most important benefits of participating in an economy that is based upon solidarity is becoming aware of the consequences involved in buying certain products and services. Informed consumers buy only what is beneficial spiritually and ecologically to the bioregion where it was fabricated and where it will be consumed. This is especially possible when people consume local products made by cottage industries that also value what is beneficial to the community in the long term, a practice that is encouraged by the use of community currencies. Consuming local products significantly raises the possibility that the consumer is informed of the nature and origin of the product. This "information, its accuracy and flow, is a critical determinant of market efficiency. Therefore the quality of information we use to make our decisions directly affects the ability of the market to meet society's collective material needs."^[95]

Barbara sells and repairs shoes. She's spent HOURS for gifts and advertisements. "This is really starting to take off. I wouldn't have bought gifts where I did, except that I had HOURS. This money makes everybody more aware of what's available in the community. So it helps community development by keeping money local."^[96]

I enjoy barter. **HOURS cause people to consider whether they could get something locally**, and we need as much action as we can get locally, to produce jobs and economic vitality.^[97]

Another benefit that comes from living in solidarity as defined in the Bahá'í Writings is that the principles that guide one's life will be universal in nature, and the actions that result from practicing these principles are the definition of morality. The advantages of raising the moral standards of society are enormous, both spiritually and materially. According to Bryan Graham, "the close relationship between the material and spiritual worlds suggests that there are significant material gains to improvements in the moral fabric of society; reciprocally, moral decadence is costly."

The Bahá'í Faith and economics: a review and synthesis Bryan Graham. http://bahai-library.com/articles/#N_1^[98]

As things stand today, "money has no heart, no soul, no conscience, no homeland. It knows only profit." It's time for money to have a home, and a heart. Money must be an instrument in the building of the Divine Economy otherwise it is useless. Therefore, the money that is used must reflect the true nature of man and of creation, it must have a soul, it must be created to encourage generosity, kindness, satisfaction of needs and above all solidarity with all of humankind. A community currency is an important step towards achieving this goal.

V.6

"economic barriers and restrictions will be completely abolished..."

Bahá'u'lláh envisioned the evolution of mankind leading to the creation of "a world community in which all economic barriers will have been permanently demolished..."^[99] This community is called a Commonwealth of nations and, as further explained below, will have an international executive, a world parliament, and a supreme tribunal that will regulate the economic, political and social state of affairs throughout the world for the benefit of every human being.

An apparent contradiction arises when comparing this principle to anti-globalization policies that advocate the Tobin and other taxes on the movement of capital. Because the current economic order permits extreme poverty and undignified wages to exist, limiting the movement of capital would be a justifiable step towards amending these wrongs. Further, "conventional money has unlimited mobility. It can go anywhere, and it goes to where it can earn the greatest return of profit. This interferes with the ability of a currency within a specific area to function with enough money in circulation. As stated previously, if the currency of an area does not have enough in reserves to offset the fluctuations in liquidity, then the currency may devalue, causing a recession."^[100] Thus the nature of money within the current economic order including its ability to multiply passing through exchange rates, its natural movement towards the greatest profit and its ability to multiply through interest by being stored, justifies limiting the mobility of currency so that it stays local to fulfill its function as a unit of exchange.

However, it is understood that this principle would come into effect only when wages and capital have been definitely linked by law, when voluntary and obligatory wealth redistribution measures have been set in motion and when money is defined as information that exclusively functions as a unit of exchange.

Even under these circumstances, money, defined as a unit of exchange, is optimally regulated at the bioregional level, which implies that currencies should be issued and managed within this restricted area. This restrictive nature of bioregional currencies does not exclude the existence of a supranational, world-embracing currency backed by the strength of thousands of bioregional currencies. Eliminating exchange rates and strengthening bioregional economies to be as self-regulating and self-sufficient as possible would permit the demolition of all economic barriers, releasing the flow of this supranational currency from any restriction.

V.7

The foundation of society and its economy must rest upon the peasant class and the farmer as their contribution to society is greatest among all livelihoods.

In one of His Tablets, Bahá'u'lláh listed and explained the "fundamental principles for the administration of the affairs of men."^[101] Among these principles, He mentions: "special regard must be paid to agriculture. Although it

hath been mentioned in the fifth place, unquestionably it precedeth the others."^[102]

In a variety of Writings, `Abdu'l-Bahá confirms that the foundation of a healthy society is agriculture: To solve this problem we must begin with the farmer; there will we lay a foundation for system and order because the peasant class and the agricultural class exceed other classes in the importance of their service.

The question of economics must commence with the farmer and then be extended to the other classes... ..it is fitting that the economic problem be first solved with the farmer, for the farmer is the first active agent in the body politic.^[103]

`Abdu'l-Bahá even likens the Kingdom of God itself to a farmer:

The Kingdom of God is like unto a farmer who comes into possession of a piece of pure and virgin soil. Heavenly seeds are scattered therein, the clouds of divine providence pour down and the rays of the Sun of Reality shine forth.^[104]

The farmer and his work have only lost value in the current economic order. Even large-scale farming is too often seen as antiquated, boring and reserved for poor people. Farmers and their children migrate to cities looking for better opportunities to integrate themselves in the current economic order.

The world market encourages profit above all other motives, which rewards increasing specialization in certain exportable products. In search of money, corporations acquire traditional small farmland and plant non-edible, monoculture export goods and hire the former owners of the land as peasant workers for unsuitable wages. Farmers must then depend upon these wages to pay for food they used to grow creating a dangerous dependency upon money. In this way farmers lose their livelihood, farming loses its meaning as a necessary benefit for the community, local economies become dependant upon the world economy for foreign currency, communities lose their biodiversity and become increasingly dependant upon unnatural agents to maintain or raise productivity and quality levels.

The following quote illustrates the importance of striking a balance between specializing in certain productive areas and building diverse capacities for healthy agricultural and stewardship practices:

A degree of specialization is beneficial and community currency systems do not pretend to make communities entirely self-sufficient: products which demand a high degree of specialization and in which scale advantages play an important role are simply not traded within the parallel system. New computers, cars, and other highly specialized products consist of so many specialized elements that they cannot possibly be developed and produced at the level of a community unless all the various factors of production are in place at a cost which is competitive with other sources.

As said earlier, parallel currencies are not intended as an alternative to the national currency. However as a result of specialization, communities have lost a great deal of their skills diversity, making them more vulnerable to outside shocks. If skills in such essential areas as agriculture, housing and clothing are lost because many people specialize in tasks that are only of value in the world market, the community degrades from an economically productive unity into a subsidized collection of individual households that have no viability on their own. A new balance has to be found between the dependence on outside markets and self-reliance at community level. It is easy to lose a skill; it is much more difficult to acquire one. Parallel systems can help to employ and retain skills within the community, thus contributing to their very right of existence.^[105]

This issue gains importance given that "three-quarters of the world's poorest people live in rural areas. [Thus], pro-poor growth means raising agricultural production and income. This is achieved by creating an environment for small-scale agriculture, microenterprise and the informal sector, which in turn generates economic activity, employment and the meeting of basic needs."^[106]

For all of these reasons, and because agriculture is in itself the most noble and useful skill, creating and supporting small-scale farms that provide a living wage for the farmer gains considerable importance. Paul Glover asserts that "creating fresh clean food for local sale, while enriching the soil, is the most essential work being done hereabouts. Without these farms, and their expanding regional market, future generations of Ithacans will be hungrier, and less healthy. All other work is important, but less fundamental."^[107]

Neal sells organic food at the Farmer's market and has spent HOURS for many needs. As a farmer, he believes HOURS help support local agriculture. `Every community needs to grow as much local food as possible. It's absurd when more calories are used to transport food than the food contains.^[108]

It is key to this discussion that small-scale, organic agricultural activity is compensated adequately through the use of a community currency. "The many Ithacans who earn below \$6.00 per hour can't afford local organic food. We're forced to buy poisoned food from California and Mexico. When we earn an HOUR per hour, which can only be spent locally, we can afford local organic food. Thus HOURS expand the market for locally-grown."^[109] This fact alone is sufficient foundation for the functioning of a community currency scheme as the source of spiritual, ecological and economic health depends upon the well-being of the farmer and local farms.

V.8

A proper equilibrium must be found between globalization and decentralization, between cooperation and competition, so that basic market principles are allowed to function in a way that permit both the spiritual and material faculties of man to be expressed in benefit of every human being.

It is perhaps striking to note that the economic, political and social balance advocated in the Bahá'í Writings to create healthy societies both at the local and global level is exactly the balance that the world is inadvertently searching for through the globalization process. Harmonizing unity on the one hand and justice on the other will characterize the next century of human activity as the following quote from Century of Light so eloquently illustrates:

Globalization 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. No objective observer, if he is fair-minded in his judgment, will deny that both of the two contradictory reactions it is arousing are, in large measure, well justified. The unification of human society, forged by the fires of the twentieth century, is a reality that with every passing day opens breath-taking new possibilities. A reality also being forced on serious minds everywhere, is the claim of justice to be the one means capable of harnessing these great potentialities to the advancement of civilization. It no longer requires the gift of prophecy to realize that the fate of humanity in the century now opening will be determined by the relationship established between these two fundamental forces of the historical process, the inseparable principles of unity and justice.^[110]

Economic and social justice implies increasing regional autonomy to control resources and maintain the wealth generated there and at the same time it implies equilibrium of the satisfaction of interests among regions in the spirit of solidarity at national and global levels. The importance of the principle of unity in diversity in this context cannot be overstated as it will be the light that guides humanity to find the harmony it needs between unity and justice. Paul Glover illustrates this concept by asserting that the "health of the macro-economy depends ultimately on the vigor of city and village economies, just as healthy lungs depend on tiny air sacs."^[111]

The subject of regional economies must be handled with the utmost caution. If the tiny air sacs in the example above are healthy, the entire respiratory system can function normally. In the same way, the most stable and fundamental level to issue and manage currency is at the bioregion. First, I will define the term bioregion and then explain why this level of administration is the most appropriate for currency regulation and how this could function concurrently with a world currency.

Quoting a dictionary, a bioregion is "An area constituting a natural ecological community with characteristic flora, fauna, and environmental conditions and bounded by natural rather than artificial borders."^[112]

It is worthy to note that as of January 2001, the Universal House of Justice (the supreme administrative body of the Bahá'í Faith) began a process of defining manageable administrative areas denominated clusters into which the entire world would soon be partitioned that closely resemble the above-mentioned definition of bioregion. The Universal House of Justice facilitated this process by indicating to the Bahá'í world that "Among the factors that determine the boundaries of a cluster are culture, language, patterns of transport, infrastructure, and the social and economic life of the inhabitants." Thus, instead of focusing entirely on natural geographic boundaries, clusters were

defined by social patterns that naturally identify a cultural group.

These clusters into which a region divides will fall into various categories of development defined by specific criteria. The national administrative body is to "identify patterns of growth on the regional and local level which can be systematized and used in other regions," so that it can "Launch plans of systematic growth in region after region." "Programs initiated in such areas should aim at fostering sustainable growth by building the necessary capacity at the levels of the individual, the institution, and the community. ... Success will depend on the manner in which lines of action are integrated and on the attitude of learning that is adopted."

"Throughout the endeavor, periodic meetings of consultation in the area need to reflect on issues, consider adjustments, and maintain enthusiasm and unity of thought. The best approach is to formulate plans for a few months at a time, beginning with one or two lines of action and gradually growing in complexity."^[113]

Among the multiple advantages this model of administration and growth offers is the social cohesion that provides a natural forum to observe and monitor economic activity.

Every region has its own distinct character that makes it different in very critical ways from other bioregions. It has its own resources, both natural and human, particular to the kind of land there and the people who live on it. Therefore each bioregion has its own unique productive capacity. Since the creation of money, in order to avoid inflation or deflation, should increase or decrease with the amount of production at any time, it is essential that the supply is created at the local or regional level by institutions which are focused on their own regions.^[114]

The self-regulating possibilities this model offers provide significant advantages:

A very significant part of any region's economy is governed by a monetary and banking system over which members of a community have little or no control. The dependency on national currencies actually deprives regions of a very useful self-regulating tool and allows stagnant economic pockets to go unaided in a seemingly prosperous nation. What we propose instead is the establishment of a system with community accountability.^[115]

Communities and banks in the past had this advantage.

How were these banks different from banks today? Because they were located in small towns, the bankers knew the people they were dealing with in a personal way and could make loans on the basis of "character," not strictly on the basis of how much collateral an individual had to secure the loan. A more striking difference is that each bank could issue a local scrip. Unlike a national currency, which easily leaves the region in which its value is created, the local currency could circulate only in a limited regional area; local currencies and local capital could not travel to the money centers to finance the operations of multinational corporations or interest payments on debt. *Credit decisions were made by local bankers with particular personal knowledge not only of the borrowers but also of the needs of the region as a whole.*^[116]

Just like a nation, a region which does not produce enough of the goods it consumes, comes to rely heavily on imports and finds that its currency is devalued. Import costs increase, the exchange of goods is reduced, and the region has to 'borrow,' which means that it exports its capital - dollars, not goods - and ends up importing nearly everything it needs. But if the region is supplying its own needs, then its currency 'hardens' and holds its value relative to other currencies. Imports are cheaper, and trade is more equitable - or even skewed in favor of the self-reliant or 'import-replacing' region.^[117]

Local currencies can play a vital role in the development of stable, diversified regional economies, giving definition and identity to regions, encouraging face-to-face transactions between neighbors, and helping to revitalize local cultures. A local currency is not simply an economic tool; it is also a cultural tool.^[118]

E. F. Schumacher argued in *Small is Beautiful: Economics as if People Mattered* that from a truly economic point of view the most rational way to produce is "from local resources, for local needs." Jane Jacobs, one of today's foremost scholars on regional economies, emphasizes Schumacher's point through her analysis of a healthy region as one creating "import-replacing" industries on a continuing basis. A well-developed regional economy which produces for its own needs is possible only when control of its resources and finances lies within the region itself. At present, the ownership of land, natural resources, and industry and the determination of conditions for receiving credit have become increasingly centralized at the national level. Now all but a few large urban areas find that their economic resources are controlled from outside the area.

The banking system is one of the most centralized institutions of our economy and one of the major obstacles to strengthening regional economies and the communities within them.^[119]

A planet of such communities, linked by national and supranational currencies which are themselves backed by hundreds of thousands of local currencies (whose integrity is credentialed), will likelier maintain stable, well-fed populations.^[120]

The necessity of the "uniform and universal system of currency" advocated by Bahá'u'lláh must now be determined. "The need to promote the adoption of a global currency as a vital element in the integration of the global economy is self-evident. Among other benefits, economists believe that a single currency will curb unproductive speculation and unpredictable market swings, promote a leveling of incomes and prices worldwide, and thereby result in significant savings."^[121] This currency could conceivably be electronic in nature. In fact, a somewhat popular and effective local currency system called LETS could very well be transformed into a world-wide system of currency. In a LETS system, all accounts start at zero, so that when one person buys a good or service from another, the buyer's account decreases by the same amount credited to the seller's account. All transactions depend upon both the buyer and the seller reporting the transaction which is recorded in electronic form in a central computer system. Thus the bioregional currencies would be hard currencies to facilitate exchange, and well managed to give strength to the world currency.

In this way, capital would be free to flow. However, because the consumer would pay the entirety of production costs, there would be tremendous material advantages gained by buying environmentally and socially sound, locally produced goods and services. Externalizing production costs in the name of maximum financial profit is possibly the most destructive characteristic of the globalization process, and an element that the transition period towards establishing the Divine Economy should no longer tolerate. Thus if money is going to continue to be the standard with which value is measured, then money must reflect factual ecological and social consequences of production, consumption and disposal.

The economic system advocated in this essay bears no relation with any specific ideology that has been or is still practiced. There are certain elements of different systems that are useful even if the entirety of that system fails to achieve its purpose. "It is important to analytically separate, for example, the "concept of a `market system' from that of a `consumer society.' Capitalism is necessarily a system where the market is the principal allocative mechanism. It does not follow, however, that consumerism is an inevitable by-product of the capitalist system."

Bryan Graham, *The Bahá'í Faith and economics: a review and synthesis*. http://bahai-library.com/articles/#N_1_^[122]

Nor should we equate modern capitalism with competition and write competition off as destructive. A community currency system does not eliminate competition as a means to raise efficiency. ...rather than replacing the national currency with the parallel currency, consumers generally trade using a portion of the parallel currency in combination with the national currency, therefore producers taking part in the parallel currency systems are not insulated from outside competition. Because usually only a portion of the purchase is made using the parallel currency, producers are not dependent upon the parallel currency system for their income; it is often only the excess capacity that is sold through this system. By making use of this idle capacity, producers actually see their unit price decrease, thus increasing their efficiency.^[123]

Even if service to humanity replaces profit as the primary motivation for commerce, business people still have to earn their niche in the market. Increasingly, however, people will prefer to produce quality, unique goods and services that build product diversity, a situation that will reduce competition and foster cooperation among business people. Demand will more purely determine supply so that the consumer actually gains freedom of choice, given, of course, that his choice would be an intelligent one.

V.9

A healthy and sustainable economy must be based upon small, locally-owned and operated businesses that provide real beneficial goods for the community.

This principle is manifested in `Abdu'l-Bahá's statement that "No more trusts will remain in the future. The question of the trusts will be wiped away entirely"^[124] and from an excerpt of a letter written on Shoghi Effendi's behalf regarding: "the problem of trusts and monopolies..." , putting them essentially on the same level.^[125]

Modern capitalism prohibits monopolies just as Adam Smith and other theorists advised. They saw the importance of real competition among small industries for a healthy economy. Although prohibited in theory, the trend towards globalization encourages large industries to take over other large industries to control supply and prices and thus manipulate demand. Capital is increasingly concentrated in large industrial centers and communities and regions lose control over their economy. This situation causes products to have a mass-produced quality that alienates the consumer and excludes the artisan.

The globalization process is a natural consequence of the nature of the economic system and of the characteristics given to money. Of course, this process has had its advantages, but they are short term and limited to a diminutive group. For example, "a national currency facilitated the industrialization of the United States, which in turn created many jobs; however, the centralization of the monetary system has served to centralize the benefits of the system as well."^[126]

Large-scale disasters have ensued as the following quote explains:

The local and decentralized banking systems of a hundred and fifty years ago had the advantage of diversity. The failure of a local bank - even a New York bank - was still a local failure, and its costs were internalized. But today we are facing the failure of an entire system. Consider the billions of tax dollars spent by the national deposit insurance system to bail out the Savings and Loan industry. And recall that billions were added to the national debt in order to bail out large banks when developing countries defaulted on their loans. These systemic failures are bound to occur if local economic control of banking customs and money supply is compromised by centralization and sacrificed to serve the heedless demands of growth.^[127]

This system survives for the exclusive reason that it receives sufficient support from the general populace; it is viewed as a permanent fixture, a necessary evil, or a natural consequence of the innate human desire for well-being. A community currency scheme cannot entirely resolve these difficulties by changing the nature of the current economic system. Rather, its greatest strength lies in its ability to raise awareness about the current economic system, its goals, functioning and the outcomes resulting from it, and in providing an opportunity for those who find deeper meaning in living simply than in conspicuous consumerism. The goal, however, is not to encourage the functioning of community currency systems for their own sake as they are designed as a means and not an end. A much broader vision must replace narrow reactionary strategies so that people know that they are laying the foundations for the establishment of the Divine Economy. The results will be a faithful reflection of the goals over the long run and for this reason the goals set must express humanities' innermost desires.

The following testimonies illustrate how awareness is raised through participating in a community currency scheme: When you have local currency, it quickly becomes clear what's local and what's not. K-Mart will accept dollars only; their suppliers are in Hong Kong or Singapore or Kansas City. But Ithaca's local supermarket accepts Hours as well as dollars. By using local currencies, you create a bias toward local sustainability.

Ithaca HOURS are earned, spent and re-invested here in our community, so it's easier to see what your money is up to. You can better determine if a product is being made in an environmentally sound way, or if the service contributes to a healthy environment.

Ithaca HOURS also help build direct economic relationships between producer and customer. If you know the person growing your food, making the materials for your new house, etc... you stand a greater chance of affecting that person's environmental standards.

HOURS stabilize the livelihood of small-scale, freelance cottage industries.^[128]

It is significant that "smaller firms in general are less likely to close than big firms (6.1% vs. 7.6% US failure rate). Smallest firms (1-19 employees) provide 25.2% of US jobs and are likeliest to produce most new jobs here. They are more accountable to the community. They are better able to innovate." Further, "every dollar spent with a

locally-owned business gets spent here (in town) an estimated 2.3 more times than when spent with a company which takes its profits out of town."^[129]

There are lots of jobs leaving the country that are never coming back. New jobs will mainly come from little companies like mine, with two employees, not from IBM. That means a healthier economy-- not all our eggs in one basket. And local businesses circulate money within the community better. Wal-Mart's profits go to Arkansas.^[130]

V.10

A central, democratically elected international authority will assure that the "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."^[131]

This principle is a logical consequence of the creation of a world Commonwealth as the Commonwealth would have no foundation if not for the functioning of this principle.

Shoghi Effendi elaborated the details of this principle in the following paragraphs (highlights were added):
...all the nations of the world will have willingly ceded every claim to make war, certain rights to impose taxation and all rights to maintain armaments, except for purposes of maintaining internal order within their respective dominions.

Such a state will have to include within its orbit an international executive adequate to enforce supreme and unchallengeable authority on every recalcitrant member of the commonwealth; 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.

This supreme body will have as its animating principle to forge ...a world community in which the fury of a capricious and militant nationalism will have been transmuted into an abiding consciousness of world citizenship...

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.

This commonwealth must, as far as we can visualize it, consist of 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.^[132]

The paradigm shift required to establish this administrative order is enormous. At the most essential level it requires, as mentioned earlier, loyalties to shift from individual to collective welfare, from national pride to world citizenship. Experience has shown that people will never be willing to moderate their needs for the benefit of others until they feel satisfied with their lives and have no need to fill a spiritual void with material comforts, something that a more cooperative society based upon creating community with meaningful work can bring about. The highest expression of this world-embracing loyalty is relinquishing resources formerly consumed in a certain region for their international control. Obviously this control would be coordinated with regional needs so that excess resources are delivered through the international body to a needier region.

Participating in a community currency scheme helps bring this paradigm shift about as illustrated in the following quote by Paul Glover:

There is now far more money to be made, for far longer, by replenishing the earth and its cities than by exploiting dysfunctions. Investment in community currency systems brings such choices alive and helps establish the conditions for unlimited growth of a global economy.^[133]

VII. Conclusions

O SON OF SPIRIT!

Noble have I created thee, yet thou hast abased thyself.

Rise then unto that for which thou wast created.^[134]

With this single phrase, Bahá'u'lláh revolutionized the human concept of self and redefined human endeavor. People are created noble so they may accurately reflect those divine attributes that give meaning and joy to life. All human endeavor must, therefore provide a suitable framework in which meaning can be found and joy expressed. The Revelation of Bahá'u'lláh liberates the creative human spirit, which permits each person to rise, as Bahá'u'lláh Himself pronounces, to achieve that for which the soul was created.

The principles, concepts and vision revealed as defining elements of Bahá'u'lláh's Divine Economy are faithful expressions of the human spirit in this material realm. This is the key to its success, an accurate analysis of human nature and a suitable avenue for its expression. Any economic system that fosters demonstrations of less noble human qualities will inevitably result in degrading the level of behavior people are capable of exemplifying.

Social structures and purpose can be accordingly characterized, and human interaction involving economic exchange is no exception. As mentioned above, every economic activity we engage in, when we are producing, adding value, or exchanging things, creates opportunities to express love, concern, and respect for other people. The more this happens, the more vital the connections will be, and also, the more prosperous. Defining the details and daily functioning of this social economy thus becomes one of the most important challenges faced at this time in human evolution.

There are certain defining principles for social economy that can be universally employed like those contained in `Abdu'l-Bahá's instructions above as well as those associated with the Divine Economy identified throughout this essay. Many of these principles can be put into action during the first stages of a project, and others can be included little by little as the situation permits. The majority of the elements of a project aiming at establishing a social economy, however, must be sought through grassroots involvement in an active learning process that aims to understand and respect existing patterns of interaction, power dynamics, habits and structures regarding who has a voice and who does not have a voice in the region. This way, the projects chosen and the details of their functioning will be coherent with the lives of those affected by it.

It has been demonstrated throughout this essay that a central element in establishing a social economy that fosters human prosperity is a community currency scheme. These currencies aim to connect unused resources with real needs and are directed towards anybody who has needs and has the possibility of offering goods, services or training to the community. The main outcome of this type of project is a market that has been reinvented. This new market fosters reciprocity, solidarity, equitable distribution, encourages local democratic control over the economy, enriches community life, educates participants to practice healthy economic principles, promotes social justice, permits accepting new and innovative initiatives as a normal part of life, invites the participants to cultivate the joy of sharing, the joy of quality and not quantity, the joy of relating to one another and not possession. It also builds the most important kind of capital, human capital. Trained, conscientious, motivated and ethical human beings are the only hope for challenging the social, political and economic structures at the root of the endemic poverty and misery that afflicts our world.

Success of a community currency project depends, however, upon the nature of the project itself. Analogous to the essence of each human being, the social economy must be essentially defined as spiritual in nature so that it may address the deepest human yearnings of love, unity and understanding. A central theme of this essay is that the most prominent motivating forces for active participation in a community currency scheme depends on the extent to which the spiritual principles associated with the Divine Economy are incorporated into the functioning of the project. If these principles are not incorporated and the project fosters a vision of material benefits, it will not last. People can influence the patterns of productive life in their communities and regions by making a deliberate effort to follow Abdu'l-Bahá's instructions to "Manifest true economics to the people. Show what love is, what kindness is, what true severance is and generosity...."^[135]

Community currency schemes can be as simple or complex as the situation requires and can evolve with the

capacities of the participants to administer and contribute to its growth. Parallel to the community currency, other supportive elements must exist that aim to foster economic and productive self-sufficiency at the cluster, or bioregional, level. Recycling waste, building productive capacity, fostering structural solidarity, and replenishing natural resources are some of these supportive elements. Further, organizers work with area businesses by tracking the goods that these businesses buy from outside the region and then connecting them with local producers of the same goods. This is the substance of an import-replacement program that will create sustainable jobs.^[136]

The purpose of fostering self-sufficiency at the cluster level, however, cannot be lost upon itself. If the vision of prosperity is global, as one of the principles of the Divine Economy suggests, then every action at the cluster level must contribute towards fulfilling this vision. Localities contribute to the prosperity of the cluster according to their possibilities, clusters to the nation and the nation to the world commonwealth.

This kind of organization has, over the present one, the advantage of promoting an equitable distribution of wealth between individuals, localities, villages, cities and nations as well as of protecting whoever may run into financial difficulties, although he worked hard, and of guaranteeing the most important services.^[137]

Payment of surplus at the cluster level must be made in a standard international currency, so currencies used by the clusters and the international currency must be interchangeable at all times, but only by authorized entities and only for specified objectives, otherwise many of the difficulties currently experienced with currencies will be repeated. In this way local governments may be able to fulfill their obligations of paying surplus to the national government, or of receiving funds to fill needs caused from a local deficit.

Initial stirrings of the processes proposed by this essay can already be perceived in many parts of the world. The infusion of Divine Revelation has awaked and heightened the spiritual and material capacities of human beings to fulfill their purpose in life, both at an individual and at a collective level. The process described so eloquently by `Abdu'l-Bahá in the following quote can also be strongly perceived, and the level to which this vision will be articulated in our time depends on the capacity we humans have of carrying it out.

When, through the Divine bestowals, three things appear on earth, this world of dust will come alive, and stand forth wondrously adorned and full of grace. These are first, the fruitful winds of spring; second, the welling plenty of spring clouds; and third, the heat of the bright sun. When, out of the endless bounty of God, these three have been vouchsafed, then slowly, by His leave, dry trees and branches turn fresh and green again, and array themselves with many kinds of blossoms and fruits. It is the same when the pure intentions and the justice of the ruler, the wisdom and consummate skill and statecraft of the governing authorities, and the determination and unstinted efforts of the people, are all combined: then day by day the effects of the far-reaching reforms, of the pride and prosperity of government and people alike, will become clearly manifest.^[138]

Appendix

Principles of the Global Barter Network

1. Our fulfillment as human beings need not be conditioned by money.
2. We aim not to promote products or services, rather we aim to foster mutual help in accomplishing a better way of life, through work, solidarity and fair trade.
3. We believe in the possibility of replacing competition, profit and speculation by reciprocity among people.
4. We assume that our actions, products and services respond to ethical and ecological standards more than to the will of the market, to consumerism and short-term profit.
5. The only conditions for being a member of the Global Barter Network are: participating in weekly group trade meetings, being trained permanently and being "prosumers" (both producer and consumer) of goods, services and knowledge, as recommended by Quality and Self-sufficiency Groups.
6. We assume that every member is responsible for her/his actions, goods or services bartered in the Network.

7. Group membership does not imply a dependence upon it since individual participation is free and common to every member of the Network.
8. We claim that groups do not necessarily need to be formally organized in a permanent way, since the network model implies constant change of roles and functions among its members.
9. We believe it is possible to combine the autonomy of groups (Clubs), in the management of internal affairs with all the principles of the Network.
10. We recommend not supporting, as members of the Network, moral or materially, any activity that might deviate us from the main goals of our Network.
11. We believe that the best example we can provide is our behavior both within and outside of the Network. We keep confidentiality about our private lives and prudence in the public treatment of those matters that might alter the growth of the Network.
12. We deeply believe that progress is a consequence of sustainable welfare of the great majority of people of all societies.

ENDNOTES

[1] Shoghi Effendi: World Order of Bahá'u'lláh, Pages: 19-20.

[2] Bahá'u'lláh: Gleanings, Page: 215.

[3] `Abdu'l-Bahá: Promulgation of Universal Peace, Page: 142.

[4] Shoghi Effendi, Principles of Bahá'í Administration, pp. 27-28.

[5] From a letter written on behalf of Shoghi Effendi to an individual believer, June 10, 1930, Lights of Guidance Page: 550 #1862.

[6] Shoghi Effendi: World Order of Bahá'u'lláh, Page: 203.

[7] David Korten, When Corporations Rule the World, Pages 159-160.

[8] Eric Hobsbawm, The Age of Extremes: A Short History of the World, 1914 - 1991, Page 277.

[9] David Korten, When Corporations Rule the World, Page 160.

[10] Eric Hobsbawm, The Age of Extremes: A Short History of the World, 1914 - 1991, Page 278.

[11] Century of Light, Document prepared under the supervision of the Universal House of Justice, Bahá'í World Centre, 2001. Pages 135 - 136.

[12] Reinventando el Mercado, La Experiencia de la Red Global de Trueque en Argentina, Heloisa Primavera, Horacio Covas y Carlos de Sanzo. Abril 1998.

[13] David Korten, *The Post Corporate World*, Chapter 11. Culture Shift

[14] Towards an Economy in the Hands of the People: "Parallel Currencies in the Majority World" Study of the Tianguis Tlaloc Local Currency System in Mexico City. Prepared by Stephen DeMeulenaere (VIDEA) and Luis Lopezllera-Mendez (PdP), with the assistance of Thomas Greco (CIRC) and funding provided by the International Development Research Centre (IDRC). October 30, 1999. http://ccdev.lets.net/materiales/Towards_An_Economy_in_the_hands_of_the_People.pdf

[15] Ibid.

[16] The Trouble with Money, Thomas Greco, Yes! Magazine, Spring, 1997.

[17] Towards an Economy in the Hands of the People: "Parallel Currencies in the Majority World" Study of the Tianguis Tlaloc Local Currency System in Mexico City. Prepared by Stephen DeMeulenaere (VIDEA) and Luis Lopezllera-Mendez (PdP), with the assistance of Thomas Greco (CIRC) and funding provided by the International Development Research Centre (IDRC). October 30, 1999.

[18] Community Currencies: A New Tool for the 21st Century, Bernard A. Lietaer. <http://ccdev.lets.net/materials/21stcent.html>

[19] Ibid.

[20] Towards an Economy in the Hands of the People: "Parallel Currencies in the Majority World" Study of the Tianguis Tlaloc Local Currency System in Mexico City. Prepared by Stephen DeMeulenaere (VIDEA) and Luis Lopezllera-Mendez (PdP), with the assistance of Thomas Greco (CIRC) and funding provided by the International

Development Research Centre (IDRC). October 30, 1999.

^[21] David Korten, Money vs. Wealth, Yes! Magazine, Spring, 1997. <http://www.futurenet.org/2Money/Korten.html>

^[22] We the Peoples Millennium Forum, Declaration and Agenda for Action.

^[23] A Pictorial History of Community Currency Systems by Stephen DeMeulenaere, 2000. http://ccdev.lets.net/materials/pictorial_history_of_CCS.pdf

^[24] Community Currencies: A New Tool for the 21st Century, Bernard A. Lietaer,

^[25] "A common reaction to the concept of a local currency is that it will increase the money supply and therefore fuel inflation. This reaction is further reinforced by the observation that the built-in incentive to get rid of a booster or demurrage currency reflects behavior observed in an inflationary environment. What happens beyond these first impressions?"

Consider the issue of increased money supply: Do airline frequent flyer programs increase total airline flying? The answer is obviously yes. But does a frequent flyer ticket create inflationary pressures on airfares? The answer is no, because the airline will readjust as needed the constraints on frequent flyer usage (by, for example, having frequent flyer seats available only on weekends or in off seasons, or only for red eye flights, or only for a certain percentage of the seats). In other words, the airlines will ensure that only otherwise empty seats will be used by frequent flyers.

The same is true for community currencies: their natural niche is linking unused resources to otherwise unmet needs. The more sophisticated community currencies even specifically target this application. The local businesses participating in the Commonweal experiment in Minneapolis accept the community currency only for otherwise unused resources, as when, for example, a restaurant accepts community currency from early diners. Even the quantity of local currency issued is only 75 percent of the discounts of goods or services made available to the system by participating merchants. So long as community currencies are issued specifically to ensure the use of otherwise idle resources, inflationary pressures cannot be generated.

In summary, while the behavior patterns generated by the booster concept may look similar to what is observed under inflation, the cause is different. More importantly, the consequences of spending are diametrically opposed: Under hyperinflation, society collapses, while with community currencies the fabric of society is reinforced." (Community Currencies: A New Tool for the 21st Century, Bernard A. Lietaer.)

It is important to realize that "normal" national currencies and community currencies play different roles.

Nonetheless, theory and practice show that it is possible to design a truly symbiotic relationship between them.

^[26] Towards an Economy in the Hands of the People: "Parallel Currencies in the Majority World" Study of the Tianguis Tlaloc Local Currency System in Mexico City. Prepared by Stephen DeMeulenaere (VIDEA) and Luis Lopezllera-Mendez (PdP), with the assistance of Thomas Greco (CIRC) and funding provided by the International Development Research Centre (IDRC). October 30,

1999. http://ccdev.lets.net/materiales/Towards_An_Economy_in_the_hands_of_the_People.pdf

^[27] Ithaca HOURS website. www.ithacahours.com/successes.html

^[28] Local Currencies: Catalysts for Sustainable Regional Economies by Robert Swann and Susan Witt February 1995 Shumacher Society Web Page. www.shumachersociety.org

^[29] A Pictorial History of Community Currency Systems by Stephen DeMeulenaere,

2000 http://ccdev.lets.net/materials/pictorial_history_of_CCS.pdf

^[30] Ibid.

^[31] Ibid.

^[32] "In 1930, Herr Hebecker, owner of a small bankrupt coal mine in Schwanenkirchen, Bavaria, decided in a desperate effort to pay his workers in coal instead of *Reichsmark*. He issued a local scrip -- which he called "*Wara*" - - redeemable in coal. On the back were small squares where stamps could be applied. A bill would remain valid only if the stamp for the current month had been applied. This negative interest charge was justified as a "storage cost." The workers paid for their food and local services with these *Wara*. For example, the baker had no real choice but to accept them, and convinced his wheat suppliers to accept them in turn. The process was so successful that by 1931 this *Freiwirtschaft* (free economy) movement had spread through all of Germany, involving more than 2,000 corporations and a variety of commodities as backing for the *Wara*. But in November 1931, the German Central Bank, on the basis of its monopoly on currency creation, prohibited the entire experiment." (A Pictorial History of Community Currency Systems by Stephen DeMeulenaere, 2000)

^[33] "In 1816, England's Channel Islands of Guernsey and Jersey issued their own currency. During the war against Napoleon, the British government was basically bankrupt, with 80% of all tax revenue going towards debt payments

to the banks who had issued the currency. The people and the materials were there, but there was no money (as a medium of exchange) to move their resources. They issued their own currency and, eighteen months later, they repaid their bank debts, repaired the civil infrastructure, built a church and a monument. Today, there are \$36 million dollars of local currency in circulation for a population of 60,000." (A Pictorial History of Community Currency Systems by Stephen DeMeulenaere, 2000)

^[34] In 1932 the mayor of the town - confronted with a 35% unemployment rate - convinced the town hall to issue 5.000 Austrian Shillings worth of stamp scrip, which were covered by exactly the same amount of national currency deposited in a local bank. Within a year, the 5.000 local Shillings had circulated 463 times, which was 14 times more than the national currency. In other words, on average, the same amount of money created 14 times more jobs. Local employment had fallen by 25% after one year and after two years Wîrgl became the first Austrian town to achieve full employment and major improvements to the town were implemented. When more than 200 other Austrian communities decided to follow the example set by Wîrgl, the Austrian State Bank stepped in and blocked the experiment. A legal appeal was made all the way to the Supreme Court, where it was lost.

Scrip has also been used by local governments as a creative solution for structural budget problems. In the beginning of the 1970s, the mayor of the Brazilian city of Curitiba (500,000 inhabitants) became concerned with the serious waste problem in the city's slum areas: garbage cars were unable to enter the narrow streets and the garbage was left in the streets. This attracted rats, flies and other vermin that spread diseases. The health situation was clearly deteriorating.

Lacking the funds to clean the slum areas, the city's mayor elaborated a low-cost plan to alleviate the problem in a sustainable way. Residents could exchange one bag of selected waste for one public transport token. Soon the tokens became an accepted exchange medium also for transactions between residents themselves and economic activity increased. In a similar program, the city government bought organic waste from the slum dwellers in exchange for tickets. These tickets could be used to buy food that the city government had bought from farms around the state. The organic waste was composted and sold to farms. Also these tickets have begun to live their own life and have become a generally accepted exchange medium. (Community Currency Systems: A Co-operative Option for the Developing World. Peter Moers, 1998)

^[35(?)] HOURS website FAQ. www.ithacahours.org/allabouthours.html

^[37] Paul Glover, INSTEAD OF WAR: Localizing while Globalizing with Community Paper Money, October, 2001 Ithaca Community News. <http://www.ithacahours.com/0110.html>

^[38] Success stories from the Ithaca HOURS web site. www.ithacahours.com/successes.html

^[39] Ibid.

^[40] <http://www.550m.com/usuarios/oestenoticias/trueque/quees.htm>

^[41] From a letter written on behalf of Shoghi Effendi to an individual believer, June 10, 1930, Lights of Guidance #1871.

^[42] `Abdu'l-Bahá: Promulgation of Universal Peace, Page: 239

^[43] Ibid.

^[44] `Abdu'l-Bahá: Promulgation of Universal Peace, Page: 171

⁴⁵ Century of Light, Document prepared under the supervision of the Universal House of Justice, Bahá'í World Centre, 2001. Page 136.

^[46] "This is significant considering that economy is not an isolated collection of theories about money management, nor should it propose money or lack thereof as an exclusive indicator for well-being, which leads people to maximize their return on their money rather than using money to maximize their return on life. Its purpose, rather, is to understand and regulate the economic aspect of general welfare. This leads people to ask themselves "which among a number of financially viable options will yield the highest anticipated contribution to improving our lives and the health of the planet." (David Korten, The Post Corporate World, pg. 156)

⁴⁷ Holly Hansen, speech at the Conference for Development, Florida, USA, December 2001.

^[48] `Abdu'l-Bahá: Paris Talks, Page: 143

^[49] The Eleven Principles out of the Teaching of Bahá'u'lláh, Explained by Abdu'l-Bahá in Paris. The Search after Truth, The Unity of Mankind, Religion ought to be the Cause of Love and Affection, The Unity of Religion and Science, Abolition of Prejudices, Equalization of Means of Existence, Equality of Men before the Law, Universal Peace, Non-Interference of Religion and Politics, Equality of Sex - Education of Women, The Power of the Holy Spirit. (`Abdu'l-Bahá: Paris Talks, Page: 127).

^[50] Shoghi Effendi: World Order of Bahá'u'lláh, Page: 19

^[51] Ibid, Pages: 23-24.

- [52] Ibid, Page: 61.
- [53] Ibid, Pages: 19-20.
- [54] 19 mithqals in gold is equivalent to 2.22456 ounces or 69.19112 grams.
- [55] Huqúq'u'lláh. A Compilation. Questions and Answers #8, 89, 90.
- [56] `Abdu'l-Bahá, Foundations of World Unity, pg. 43
- [57] `Abdu'l-Bahá, *Selections from the Writings of `Abdu'l-Bahá*, p. 115.
- [58] Success stories from the Ithaca HOURS web site. www.ithacahours.com/successes.html
- [59] Jonathan Rowe, Money with Care Built In, Yes! Magazine, Spring 1997. <http://www.futurenet.org/2Money/Money%20with%20care%20built%20in.htm>
- [60] Bahá'u'lláh: Tablets of Bahá'u'lláh, Page: 155
- [61] Shoghi Effendi: Directives of the Guardian, Page: 83
- [62] Success stories from the Ithaca HOURS web site. www.ithacahours.com/successes.html
- [63] Ibid.
- [64] Towards an Economy in the Hands of the People: "Parallel Currencies in the Majority World" Study of the Tianguis Tlaloc Local Currency System in Mexico City. Prepared by Stephen DeMeulenaere (VIDEA) and Luis Lopezllera-Mendez (PdP), with the assistance of Thomas Greco (CIRC) and funding provided by the International Development Research Centre (IDRC). October 30, 1999.
- [65] Paul Glover, Hometown Money, 1995.
- [66] Paul Glover, INSTEAD OF WAR: Localizing while Globalizing with Community Paper Money, October, 2001 Ithaca Community News.
- [67] Ibid.
- [68] Towards an Economy in the Hands of the People: "Parallel Currencies in the Majority World" Study of the Tianguis Tlaloc Local Currency System in Mexico City. Prepared by Stephen DeMeulenaere (VIDEA) and Luis Lopezllera-Mendez (PdP), with the assistance of Thomas Greco (CIRC) and funding provided by the International Development Research Centre (IDRC). October 30, 1999.
- [69] Ibid, Page 83.
- [70] `Abdu'l-Bahá: Paris Talks, Page: 151
- [71] Paul Glover, INSTEAD OF WAR: Localizing while Globalizing with Community Paper Money, October, 2001 Ithaca Community News.
- [72] Ibid.
- [73] `Abdu'l-Bahá: Some Answered Questions, Page: 274.
- [74] Shoghi Effendi, Directives From the Guardian pages 20-21.
- [75] `Abdu'l-Bahá, Foundations of World Unity, Page 43.
- [76] `Abdu'l-Bahá, Star of the West, viii, No. 3, p. 4.
- [77] `Abdu'l-Bahá: Foundations of World Unity, Page: 39.
- [78] Ibid, Page: 40.
- [79] Guiseppa Robiati "Faith & World Economy, A Joint Venture, A Bahá'í Perspective." Pg. 94 - 95.
- [80] "Zakat is referred to in the Qur'an as a regular charity binding upon Muslims. In due course the concept evolved into a form of alms-tax which imposed the obligation to give a fixed portion of certain categories of income, beyond specified limits, for the relief of the poor, for various charitable purposes, and to aid the Faith of God... Since such issues as the limits for exemption, the categories of income concerned, the frequency of payments, and the scale of rates for the various categories of Zakat are not mentioned in the Qur'an, these matters will have to be set forth in the future by the Universal House of Justice." (The Kitáb-i-Aqdas: Notes, Page: 234 - 5)
- [81] Towards an Economy in the Hands of the People: "Parallel Currencies in the Majority World" Study of the Tianguis Tlaloc Local Currency System in Mexico City. Prepared by Stephen DeMeulenaere (VIDEA) and Luis Lopezllera-Mendez (PdP), with the assistance of Thomas Greco (CIRC) and funding provided by the International Development Research Centre (IDRC). October 30, 1999.
- [82] Success stories from the Ithaca HOURS web site. www.ithacahours.com/successes.html
- [83] `Abdu'l-Bahá: Foundations of World Unity, Pages: 43-44.
- [84] Success stories from the Ithaca HOURS web site. www.ithacahours.com/successes.html
- [85] Ibid.
- [86] Ibid.
- [87] Bahá'u'lláh: Epistle to the Son of the Wolf, Page: 62.
- [88] `Abdu'l-Bahá, The Secret of Divine Civilization, pg. 39.
- [89] The Universal House of Justice, 23 May, 2001.
- [90] The Universal House of Justice, Letter to the Bahá'ís of the World, 24 May, 2001.

[91] Reinventando el Mercado, La Experiencia de la Red Global de Trueque en Argentina, Heloisa Primavera, Horacio Covas y Carlos de Sanzo. Abril 1998. translation by the author.

[92] Ibid.

[93] Success stories from the Ithaca HOURS web site. www.ithacahours.com/successes.html

[94] Ibid.

[95]

The Bahá'í Faith and economics: a review and synthesis Bryan Graham. http://bahai-library.com/articles/#N_1_

[96]

Success stories from the Ithaca HOURS web site. www.ithacahours.com/successes.html

[97] Ibid.

[98]

[99] Shoghi Effendi: World Order of Bahá'u'lláh, Page: 41

[100] Towards an Economy in the Hands of the People: "Parallel Currencies in the Majority World" Study of the Tianguis Tlaloc Local Currency System in Mexico City. Prepared by Stephen DeMeulenaere (VIDEA) and Luis Lopezllera-Mendez (PdP), with the assistance of Thomas Greco (CIRC) and funding provided by the International Development Research Centre (IDRC). October 30, 1999

[101] Bahá'u'lláh: Tablets of Bahá'u'lláh, Page: 89

[102] Ibid, Page: 90

[103] `Abdu'l-Bahá: Extract from a Tablet to an individual believer, October 4, 1912, translation corrected in the World Centre, December 1985. Multiple Authors: Lights of Guidance, Page: 548.

[104] `Abdu'l-Bahá: Tablets of the Divine Plan, Page: 63

[105] Towards an Economy in the Hands of the People: "Parallel Currencies in the Majority World" Study of the Tianguis Tlaloc Local Currency System in Mexico City. Prepared by Stephen DeMeulenaere (VIDEA) and Luis Lopezllera-Mendez (PdP), with the assistance of Thomas Greco (CIRC) and funding provided by the International Development Research Centre (IDRC). October 30, 1999.

[106] Ibid.

[107] Paul Glover, Hometown Money.

[108] Success stories from the Ithaca HOURS web site. www.ithacahours.com/successes.html

[109] Paul Glover, Hometown Money.

[110] Century of Light, Document prepared under the supervision of the Universal House of Justice, Bahá'í World Centre, 2001. Pages 134-135.

[111] Paul Glover, INSTEAD OF WAR: Localizing while Globalizing with Community Paper Money October, 2001 Ithaca Community News.

[112] <http://www.dictionary.com/search?q=bioregion>

[113] Universal House of Justice, Letter to the Continental Boards of Counselors, 9 January 2001.

[114] Success stories from the Ithaca HOURS web site. www.ithacahours.com/successes.html

[115] Local Currencies: Catalysts for Sustainable Regional Economies by Robert Swann and Susan Witt February 1995 Shumacher Society Web Page.

[116] Ibid.

[117] Ibid.

[118] Ibid.

[119] Ibid.

[120] Paul Glover, INSTEAD OF WAR: Localizing while Globalizing with Community Paper Money October, 2001 Ithaca Community News.

[121] Turning Point For All Nations A Statement of the Bahá'í International Community on the Occasion of the 50th Anniversary of the United Nations", Point III A 5, New York, USA October 1995.

[122]

[123] Towards an Economy in the Hands of the People: "Parallel Currencies in the Majority World" Study of the Tianguis Tlaloc Local Currency System in Mexico City. Prepared by Stephen DeMeulenaere (VIDEA) and Luis Lopezllera-Mendez (PdP), with the assistance of Thomas Greco (CIRC) and funding provided by the International Development Research Centre (IDRC). October 30, 1999.

[124] `Abdu'l-Bahá, Foundations of World Unity, pg. 43

[125] Shoghi Effendi, Lights of Guidance, #1862

[126] Local Currencies: Catalysts for Sustainable Regional Economies by Robert Swann and Susan Witt February 1995 Shumacher Society Web Page.

[127] Ibid.

- [128] Success stories from the Ithaca HOURS web site. www.ithacahours.com/successes.html
- [129] Paul Glover, Hometown Money.
- [130] Success stories from the Ithaca HOURS web site. www.ithacahours.com/successes.html
- [131] Shoghi Effendi: World Order of Bahá'u'lláh, Page: 204.
- [132] Ibid, Page: 203.
- [133] Paul Glover, INSTEAD OF WAR: Localizing while Globalizing with Community Paper Money October, 2001 Ithaca Community News.
- [134] Bahá'u'lláh, The Hidden Words, #22 Arabic.
- [135] Holly Hansen, speech at the Conference for Development, Florida, USA, December 2001.
- [136] Local Currencies: Catalysts for Sustainable Regional Economies by Robert Swann and Susan Witt February 1995 Shumacher Society Web Page.
- [137] Guiseppe Robiati "Faith & World Economy, A Joint Venture, A Bahá'í Perspective." pg. 95 - 96.
- [138] Abdu'l-Bahá: Secret of Divine Civilization, Page: 108