

Problem: The concepts of prosperity as wealth and utility are inadequate in the globalized world.

Solution: The concept of prosperity based on the principles of unity and cooperation needs to be considered.

THE CONCEPT OF PROSPERITY

Farhad Sabetan

This article attempts to present different concepts of prosperity that have formed the foundations of political economic thought and to identify the strengths and shortcomings of each in terms of theoretical structure and practical applicability.

1. Prosperity as Wealth:

Prosperity as wealth goes back at least to Adam Smith. Smith considered the accumulation of aggregate wealth to be the cause of economic prosperity, especially if left to its own natural operation without the interference of the government. Thus "laissez-faire" economics grew as a response to mercantilist restrictions on trade and, combined with the popular Calvinist belief that wealth was a sign of divine election to religious salvation, stimulated the production of basic goods and luxury items for an ever greater proportion of the European population.

Does higher aggregate income bring happiness and prosperity? Can we define the prosperity of a population in terms of aggregate level wealth of population? Does the pursuit of happiness and the pursuit of wealth amount to the identical concept? Can wealth be nothing more than a means to achieving happiness? Are the answers to these questions the same whether they are applied to individuals or the population at large?

The results of an experiment show that at the individual level, the greater happiness is closely correlated with higher income. The factors contributing to happiness in order of importance were considered to be economic, health, family, personal values, and the condition of the world, social values, and political issues. The concepts of happiness used in this survey were purely subjective, and the respondents were asked what they meant by happiness.

The response was described in instrumental terms, that is, more money means more goods, which means one can command more material benefits of life. The respondents did not identify wealth with happiness and prosperity. In general, making such a generalization would imply that no rich person should be unhappy and that no poor person should experience any happiness. At the aggregate level, however, the correlation between wealth and prosperity is not nearly as strong as at the individual level. As stated previously, the classical economists believed that more wealth or steady rise in the aggregate income of a country leads to greater well-being and a happier society.

2. The Utilitarian Perspective

Much of modern welfare economics is oriented towards the utilitarian view of prosperity, a view that has dominated the foundation of neoclassical economic theory and debates of moral philosophy. In its most basic structure, utilitarianism views an individual as the seat of utility, satisfaction, pleasure, happiness, or desire fulfillment. An action is taken (whether consuming a particular good, contributing to charity, voting for a candidate, or deciding whether to have children, and if so, how many) if it increases happiness, satisfaction, and, in one word, utility. In essence, utility becomes the metric of our desire fulfillment, the common denominator of all our wants. The utilitarian perspective identifies desire fulfillment with prosperity. The utilitarian perspective seems to be very persuasive in defining the prosperity of humankind. After all, how could any state of affairs be considered prosperous, if the members of such a state are not happy or do not have their desires fulfilled in utilitarian sense? Utilitarianism can not provide a consistent and coherent basis for prosperity. Individuals may prefer a certain amount of pain and misery in achieving a higher goal, something of value that goes above and beyond immediate pleasures and desires. Examples abound of personal sufferings for the achievement of a higher objective: the sleepless student struggling to pass a critical exam; the researcher, the artist, the athlete, all foregoing short-term pleasure and comfort to achieve a long-term goal. One can maximize one's overall utility by enduring some inutility in the short run in exchange for global prosperity in the long run.

Utilitarianism does not offer a mechanism whereby we can differentiate between the set of actions that leads to prosperity and that which does not. If we observe peace, it is because it increases social welfare. If we wage wars, that too is perhaps because the warring parties get more utility out of war to maintain national security than from either negotiation or surrender to opposition. In this scenario, potentially any action is justifiable on the grounds that it increases the utility of the involved parties.

3. Baha'í Concept of Prosperity

The starting point of a vision of global prosperity must include in its core the concept of unity. The concept of unity can be viewed as the basic building block of existence where, for anything to exist, certain elements must combine in certain necessary proportions to form the item of existence.

The state of "being" is dependent upon this concept of unity: on the one hand, in order to "be," diverse elements need to unite in specific degrees of proportionality. The state of "well-being" on the other hand, is more than just "being". It requires the same constituents of "being" with the addition of the condition of stability. Thus, an item of existence may hardly be considered in the state of well-being if its "being" lacks any permanence or stability. Unity embodies the dual condition of "being" and "stability". Well-being requires not only the satisfaction of basic needs but also certain environmental and internal conditions that endow life with relative permanence and that render it sustainable and stable. These environmental conditions include, among other things, the degree to which individuals can participate in the determination of their own destiny, their access to knowledge, their adoption of ideals, and enjoyment of freedom to pursue these ideals. The internal conditions include, the willingness of individual entities to adopt and pursue the ideals and actively participate in the promotion, maintenance, and stability of the ideal system. These conditions are termed

EDUCATION. These conditions can be summarized as " the necessary relationships that proceed from the realities of things" . Specifically, the nature and the quality of relationships among individual entities define the stability that is required to establish unity.

It is this nature and quality of relationships that sharply differentiates the Baha'í orientation from utilitarianism. From a utilitarian perspective, the individual (whether as a consumer in the consumption theory or a produce in the production theory) is assumed to have unlimited wants and acts selfishly to satisfy these wants. Wants are anything that increases utility. The self-interest motivation behind human action is the operating assumption that is supposed to ensure everyone's well-being. Thus, the nature of human relationships is based on self-interest. Customers and producers come to the marketplace and engage in "exchange relationships", not because they love each other or want to serve each other, not because they want to create harmony, stability, and solidarity, but for the pure and simple reason the customer wants something that the producer has, and the producer has something that the customer has. Neither one cares what the other party may want to do with the objects being exchanged. Since they got what they wanted (presumably at or lower than the maximum price they were willing to pay) without coercion, or both parties are made better off, and therefore the society is better off (especially if this type of exchange relationship is allowed to operate freely and extensively).

Self-interest is the antithesis of the concept of unity and therefore well-being. Social integration requires that the individual contributors give high highest priority to the integration process by their willingness to forego their self-interest motives for the interest and preservation of the whole we call society. Global integration requires a re-ranking of social priorities giving the highest value to the maintenance of the whole.

The fundamental issue is that the moral and ethical considerations that can be exercised by customers and producers in the marketplace are left to the two forces of competition and regulation. The Baha'í faith offers a third alternative, which is the role that moral, ethical, and spiritual education plays in promoting and building an environment that continually fosters the maturity of the individual, who becomes less dependent on competition or regulation to monitor his or her behavior and becomes motivated by the concept of service to humanity. Unlike the internal inconsistency of the perfectly competitive model of self-interest, selflessness and cooperation are two aspects of the same concept - unity. The selfless cooperation for the service of the generality of humankind is the guarantor of not only " being" but, more important, " well-being".

Farhad Sabetan has a Ph.D. in economics from the University of California-Davis. He has lectured in economics at several universities, worked as an energy specialist for the California Public Utilities Commission, and is now director of strategic pricing and analysis at Pacific Bell. This is a summary extracted by Farhang Sefidvash from his article entitled, "An Exploration into the Political Economy of Global Prosperity" published in the

