

# What is sustainable wealth?

Arthur Lyon Dahl

**International Environment Forum**

<http://iefworld.org>

and

**ebbf**

<http://www.ebbf.org>

# SUSTAINABLE

# ... WEALTH

- **ECOLOGY**
- dynamic process
- complex planetary system
- threatened by economy

- **ECONOMY**
- dynamic process
- complex human system
- threatened by unsustainability



# Sustain

keep up, maintain, cause to continue

# Sustainable

Characteristic of dynamic systems that continue to function, perform essential processes, maintain dynamic balance, and can change to adapt to changing conditions

# Sustain What?

- any system
- organism
- machine
- technology
- business
- corporation
- institution
- scientific theory
- community
- government
- nation
- economy
- civilization
- human species
- planetary biosphere
- etc.

# Time

Sustainable over what time frame?

- Individual, max. 100, exceptionally 120 years
- Species reproducing: thousands to millions of years: Homo sapiens 200,000 years
- Civilization: hundreds, maybe thousands of years
- Ever-advancing civilization: 500,000 years
- Planet Earth (linked to sun) another billion years
- The Universe: big bang, big crunch, big bang...

# Wealth

- Perhaps a Maslow's pyramid of concepts of wealth? Material, social, intellectual, spiritual
- Distinction between individual wealth and collective wealth
- War, revolution, violence are the destruction of wealth, cycles of creation and destruction

# Material Wealth

- Wealth as lucre: world's richest men/women
- Luxury goods: "If you have to ask the price, you can't afford it"
- Purpose in life is to get rich
- Does wealth = happiness?
- Plateau in wealth per capita and happiness - other things become important



# Material Wealth

- Wealth as morally suspect - warning about riches and spirituality

*Know ye in truth that wealth is a mighty barrier between the seeker and his desire, the lover and his beloved. The rich, but for a few, shall in no wise attain the court of His presence nor enter the city of content and resignation.*

(Bahá'u'lláh)

# Wealth as capital

- Means to invest
- Essential economic component along with labour
- Empowering development
- Savings for future

# Corporate Wealth

- Corporate purpose is to create wealth for shareholders - goal of making a profit.
- Is this sufficient, or an invitation to abuse?
- Is profitability an end in itself, or only a fundamental constraint?
- Is wealth a means or an end?
- Does the end justify the means?

# Purpose of Wealth

- What should be the purpose of the economy, if not to generate material wealth?

*"The ultimate function of economic systems should be to equip the peoples and institutions of the world with the means to achieve the real purpose of development: that is, the cultivation of the limitless potentialities latent in human consciousness."* (Bahá'í International Community)

# Wealth and Poverty

- Poverty - the absence of wealth - unable to meet basic needs, cannot feed or educate your children, homeless
- Extremes of wealth and poverty destabilizing
- Problem of the distribution of wealth, presently going in the wrong direction

# Unsustainable Wealth

Some examples of unsustainable wealth:

- fossil fuels
- derivatives in financial markets
- debt, growth and interest
- biggest multinationals

# The Origin of Wealth

## **Eric Beinhocker: rethinking the economy in a systems perspective**

- Complexity Economics with agents using market mechanisms and government leadership to co-evolve fit order
- In such non-zero-sum systems, there is an incentive to cooperate in a culture of learning and adaptive management

Beinhocker, Eric D. 2006. *The Origin of Wealth: Evolution, Complexity, and the Radical Remaking of Economics*. Harvard Business School Press

# True Wealth

A system with:

- low entropy
- high information/knowledge content

Knowledge is the true wealth



# The Origin of Wealth

A successful business has the right social architecture, including:

- the behavior of people
- the structures and processes in which they operate
- the culture that emerges

# The Origin of Wealth

- Most important is the micro level
- Rules and norms (or values) of individual behaviour
- Trust is essential to build social cohesion

# Norms for Wealth Creation

## Individual values:

- a strong work ethic
- individual accountability
- a belief that you are the protagonist of your own life, with benefits from a moral life in this world
- being realistic about the present situation but optimistic about the future

# Norms for Wealth Creation

Norms that favour **cooperative behavior**: a belief

- that life is not a zero-sum game
- that cooperation has benefits
- that generosity and fairness have value
- that free-riding and cheating are sanctioned

# Norms for Wealth Creation

- Norms to favor **innovation**:
- valuing rational scientific explanations of the world
- tolerating heresy and experimentation
- supporting competition
- celebrating achievement

# Norms for Wealth Creation

Cross-cutting norms:

- an ethic of investing for tomorrow
- saving for future generations
- willingness to sacrifice short-term pleasures for long-term gain
- enjoying high levels of cooperation

# Social Wealth

For the **individual**:

- family
- community
- social relationships
- dignity
- belonging to a group

# Social Wealth

## **Collectively:**

- institutions of governance
- laws
- a system of justice
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# Social Wealth

- In the **economy**:
- Business entities, corporations
- structures of the economic system
- markets
- a financial system and banks

# Intellectual Wealth

- Knowledge
- Science
- Arts and crafts
- Technologies
- Religion

# Intellectual Wealth

- Increases in value the more it is shared (inverse of intellectual property regime)
- Includes information storage, communications, reading and implementation
- Accumulation of knowledge is the real wealth of a civilization

# Spiritual Wealth

- What is the ultimate wealth?
- "You can't take it with you"
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- Even those who believe in an afterlife do not know what it is like
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# Spiritual Wealth

- Spiritual qualities acquired
- Love for others and others' love for you (will pray for you)
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*“Man's merit lieth in service and virtue and not in the pageantry of wealth and riches”*

# Pathway to sustainability

...the pathway to sustainability will be one of empowerment, collaboration and continual processes of questioning, learning and action in all regions of the world.... As the sweeping tides of consumerism, unfettered consumption, extreme poverty and marginalization recede, they will reveal the human capacities for justice, reciprocity and happiness.

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how we can

**CO-CREATE SUSTAINABLE WEALTH**

combining **ECOLOGY** and **ECONOMY**  
to lead the transition to a more just and  
sustainable world society



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9

(Bahá'u'lláh, The Hidden Words (Persian) 53)



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(Bahá'í International Community, Valuing Spirituality in Development: Initial Considerations Regarding the Creation of Spiritually Based Indicators for Development. A concept paper written for the World Faiths and Development Dialogue, Lambeth Palace, London, 18-19 February 1998)

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18

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(Bahá'í International Community, 2010)<sup>30</sup>

(Bahá'í International Community, Rethinking Prosperity: Forging Alternatives to a Culture of Consumerism, 2010)

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