Growth and development
Beyond the GDP theory
Spiritual Indexes

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The subject of growth is of great importance in economic studies. Universities, national statistical agencies, economic institutions studying the advancement of countries' domestic economy, large banking and financial institutions deciding where and how to invest poples' savings. National governments competing against each other for economic growth and higher progress, international agencies such as the World Bank, the International Monetary Fund and the World Trade Organization: all of them involved in reaching the objectives of assisting development and reducing poverty across the world.

The same applies to industrialists and entrepreneurs, who plan the future expansion of their companies, investigating and deciding where to set up new plants or which new markets to conquer often study the phenomenon of growth.
All of us, to a lesser degree, are curious and wanting to better understand the concept of growth in order to decide, more wisely, where to invest our savings or where to move, one day, in order to live "in a better world".

Traditionally, the study of growth phenomena starts from the observation of the economic market and goes through the detailed analysis of the desires of individuals, of their earnings, what they produce and consume and is then summarized into small percentage numbers, called "indicators" or "indexes of development" comparing the growth from one year to the next in various economical areas.

The result is simple and easy to read, but we all know that behind those concise figures lies a thorough investigation and a long and meticulous analysis including the study of surveys filled out by individuals, families, entrepreneurs, companies, institutions, professional associations, unions, universities, local and national business agencies, the scrutiny of reports released by ministries, statistical agencies and national banks, who are experts in the subject.
Widening the analysis moving from the local to the national and international levels, the number of agencies and people involved increases and so does the time spent on these investigations.
I would like to examine with the reader the current approach of these researches and understand if the analytical methodology employed can be considered as satisfactory and if the summarized numerical result of the analysis does provide a "fair and true" picture.

The national growth index: GDP (Gross Domestic Product)

In economic terms the Gross Domestic Product (GDP) is "The total market value of all final goods and services produced in a country in a given year, equal to total consumer, investment and government spending, plus the value of exports, minus the value of imports"[1]. In other words the GPD is the total amount of incomes generated by all the people producing goods and services in a given country.
The economic growth of any country is measured by comparing the GPD of the current year with the one of the year before. The difference generates the percentage index, which indicates how much the GDP has grown over the previous year in real terms.

[1] http://www.investorwords.com/2153/GDP.html

For example, in 2007 Italy has grown by 1,5% compared to 2006. This means that the economic development has increased 1,5% more than the previous year, thus the average wealth of people has grown. If the index had been negative, it would have meant the country not only stopped growing, but was actually in recession compared to the previous year.

As all countries use this system, it is possible to make comparisons and draw tables.
One of these listings shows the top nations in the world, which, on the basis of economic development indexes, have leaped ahead of others: China, averaging 12,5%, India 7%, the U.S. 2,5% etc…
According to this figure China grew 9 to 10 times more than Italy and if it maintains this trend, in the next ten years it could become the country with the highest economic growth, followed by India.

On the contrary, many other countries in the world have a negative GDP, more specifically some nations in Africa and Asia, which have experienced this condition for many years and therefore are called "developing" of "underdeveloped" countries.

The Stock index

The stock market is the place where the value of companies is defined. Companies who decide how much of their profits to share among thousands of savers, the shareholders, who bought through the stock market small portions of the company (shares), but who despite this ownership have no say in the way the company is run or the strategic decisions it takes.
The value of these shares fluctuates depending on the law of supply and demand which are influenced by the results of quarterly financial reports. Transactions made by sellers and buyers are carefully monitored and the value of each company´s shares, the amount of stocks purchased or sold are constantly updated every minute of the day.

Buyers and sellers gain the necessary knowledge to decide what to do next: all of this generates the "ups and downs" of the stock market. Fluctuations are indicated by figures which show in an exhaustive and statistically precise way what trends companies' shares are following hourly, daily, monthly, yearly or over a decade and allow us to see whether any given company has increased or lost in revenues, share value and profits.

If at the end of any stock market cycle (daily, monthly, quartely or yearly), the general index summarizing the average value of all companies included in that stock market is positive, it means there has been growth and companies have increased the nominal value of shares and of shareholders' nominal profits. On the contrary, if the average index is negative, it means there hasn't been expansion and that the shareholders have nominally lost money.

This index is often used to measure any given nation's growth, because it shows the potential for industrial and financial development of that country and its economic stability. Some examples of indexes are the Dow Jones in Wall Street (New York), Mib in Milan, Nikkei in Tokyo, etc…other types of indexes exist for specific industrial, high tech or banking sectors etc...

Import and export index

Goods made in any given country can be used in the same country or sold to other nations, therefore exported. Goods that cannot be found or produced in a country, as in the case of some natural resources, are imported from the countries who possess them. Exports represent the national revenues in the trade balance of a country while imports add to the trade balance's expenditures.

It is self-explanatory that if the value of exports is greater than the value of imports the nation will enjoy a positive trade balance.
If the difference is negative then the country pays more than it gains, and therefore needs to find ways to fund its debt. This is for example the current situation of the USA that has issued bonds to fund its trade deficit. China on the contrary, thanks to its very positive trade balance is using part of its surplus to buy those US bonds and owns a large part of the US debt.
In economic terms, a positive index means growth and more wealth.

Currency reserves index

The central bank of every country has a gold reserve, whose value is close to the total value of its national circulating currency constituted of paper bills, which by themselves would not have any worth.
Many countries have politicians, who, for reasons of personal "ethics" or power, often "forget" this connection and reduce the country to bankruptcy, after using up the gold reserve or circulating more paper bills than the number allowed by the quantity of gold in the reserve.
This correlation is indicated by an index, positive or negative, which has some consequences on the development of countries. Several times in history many countries have experienced bankruptcy because they did not keep this index into account.

Birth Rate Index

This index measures the difference between birth and death rates in a given country. It implies, although not explicitly, a problem related to development.
The index is negative when the number of births is lower than the number of deaths. If the population decreases and the life expectancy rises then the working population decreases and the number of people in pension age increases creating an important strain on that nation´s economy. For example welfare agencies may not be able to pay pensions, due to the smaller number of employed people contributing to the pension funds.
Another example is that there be less people available in the labour market, an insufficient number compared to the needs of the industry thus forcing companies to close or to accept immigrants.
On the other hand, if the birth rate is too high and the national economy cannot cope with the surplus of work force this can create lower wages an economic involution, and forcing masses of unemployed to emigrate.

We could continue in this direction, but that would make us diverge from the purpose of this article. Here, the question is the following: growth and development constitute only one feature of economic progress. Should we then broaden our vision and re-define the meaning of "development", thus examining issues, which are not necessarily economic?

We could continue to list these current economic indexes but it would take us away from the objective of this article which asks the question: should the measurement of growth be limited to the evaluation of economic parameters or should we widen the vision to redefine the meaning of development and growth taking into account other items?

For example, let's take into account the ten most developed and wealthy nations in the world, would they still be in the "top ten" chart if we considered other non-economic aspects such as the environment, human rights protection, equal opportunities between men and women, the protection of children, the opportunities of ethnic minorities and individual freedoms, the right to free press, the right to have access to higher education etc..? Would the ten most economically developed nations in the world then lose their positions?

We would probably find out how these countries exploit child labour in factories, discriminate women at work, have prejudices towards ethnic minorities, break fundamental human rights, persecute people for their ideologies, religious affiliation or background, which differ from the ones of the dominating class.

Perhaps, looking at the rest of the planet we would also find how the economy is collapsing, we would see that social injustice has become the "norm", that one quarter of the world population we call "children" is exploited, sexually abused, sold and purchased as cattle, let die from hunger or disease, deprived of the affection of their parents who care only about themselves, that power hungry politicians focus their efforts to obtain and maintain personal privileges, that our environment has reached the last stage before implosion, that education- emptied of its values- has been forgotten, undervalued and has only focused on generating a mass of unconscious consumers; that the working place and the world of business have turned into a frenzied system of production where only a few profit; that the majority of the world population is barely coping with the daily struggle for survival, that we there is hatred for whatever is not like us.

We would find out this is the planet we live in, a planet that seems to have been forgotten by Its Creator, hungry for material richness, abandoning its inhabitants to a cruel destiny. We would discover this is "the system", the monochromatic system exclusively orientated to benefit a minority who controls economic indexes.

A distorted development in which **"…the vast majority of the world's peoples sinking ever deeper into hunger and wretchedness when wealth on a scale undreamed of by the Pharaohs, the Caesars, or even the imperialist powers of the nineteenth century is at the disposal of the present arbiters of human affairs**"[2]

As a result, it is necessary to add new indicators that we can define as " human conscience indexes", which, along with the ones measuring economic development and growth, keep into account the needs of people, who act as creators and receivers of development itself.
Are we talking about re-defining the meaning of the human being in order to understand his most inner and intimate needs?

According to Baha'u'llah's Writings the human being is "essentially spiritual" and after attending his primary duties in life he must develop his inner being: "**Man is the supreme Talisman. Lack of a proper education hath, however, deprived him of that which he doth inherently possess. Through a word proceeding out of the mouth of God he was called into being; by one word more he was guided to recognize the Source of his education; by yet another word his station and destiny were safeguarded. The Great Being saith: Regard man as a mine rich in gems of inestimable value. Education can, alone, cause it to reveal its treasures, and enable mankind to benefit therefrom**"[3].

Therefore, we could state that: "**The most important role that economic efforts must play in development lies, therefore, in equipping people and institutions with the means through which they can achieve the real purpose of development: that is, laying foundations for a new social order that can cultivate the limitless potentialities latent in human consciousness**".[4]

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[2] The Universal House of Justice, 1985 Oct, The Promise of World Peace
[3] Baha'u'llah, Gleanings from the Writings of Baha'u'llah, p. 259
[4] Baha'i International Community, 1995 Jul 16, Realization of Economic, Social Cultural Rights

This statement implies the creation of a double scale of indicators which help us not only to re-define rules and goals of development, but also to control its performance: on one hand, the economic indexes which measure the economic growth and the available resources, on the other, “spiritual indexes” which help the development of “**the limitless potentialities latent in human consciousness**”. The integration of the two scales will give an innovative vision of development and, at the same time, a balanced and sustainable measurement and control system, **“laying the foundations for a new social order”,** in which the economic growth and the dignity of those included in the process will both be guaranteed.

This re-definition brings “man” and “human being” to the center of development; not only on an international level, but also in the corporate world, in families, in education, in life generally.

“Human being is the central part of development”. His happiness, his love for life, his dignity, the chance for all of the six billion people on this planet to develop their inner gems, should be guaranteed within the context of development.

That’s why we must work, using our wisdom, introducing into every sector the integration of the two scales of indexes so that a new kind of development can ensure that the earth become one country and its citizens, equal in dignity, the inhabitants of a common home.

Perhaps there will come a time, in the not too close future, when measuring development exclusively through the GDP index and only in terms of economic growth will be looked at as a tool fit for a society still at the dawn of human advancement.