

# Globalization from a Baha'i Perspective

Mike Kuehlwein

June 9, 2010



# Perspectives on Globalization

- Economists stress benefits in terms of growth
- Serious concerns involving the environment, workers, indigenous culture, developing nations, income inequality, agglomeration of power
- My interpretation: Baha'is believe there is tremendous potential for good
- Not all current aspects consistent with Baha'i principles
- Process benefit from moral/spiritual input

# Effects of globalized trade

- World Bank study in 2002: 24 trade globalizers vs. 49 non-globalizers during 1980-1997.
- Income per person in globalizers grew 67% vs. 10% growth among non-globalizers.
- Number of people living in absolute poverty (<\$1 a day) fell 200 million from 1980-1997.
- Average years of schooling and life expectancy both rose.

# How to isolate its effects?

- Big simultaneity problems: lots of things changing along with more open trade
- Study by Jeff Frankel and David Romer (1999): uses geography as an “instrument” for trade
- Their conclusion: trade raises living standards
- Why? Many possibilities: access to technology, loans, machines and equipment, and managerial skills; outlets for production; incentives to be efficient; benefits of specialization.



# Issues: income inequality

- Growing global income inequality: 50 to 1 ratio today vs. 9 to 1 in 1870
- Faith stresses elimination of extremes in poverty and wealth
- Means
  - Individual donations of money and time
  - Special Baha'i fund
  - Legislation

# The environment

- Water and air pollution, clear-cut forests, strip-mines, dammed rivers, global warming
- Faith: emphasis on justice, the indivisibility of humankind, and treating each person “as a trust of the whole”
- Need to consider effects on future generations
- Species extinction: up to 25,000 a year
- Faith: “every created thing is a sign of the revelation of God” and a “token of the Almighty”
- Need to consider effects on all living things

# Indigenous culture

- Concerns that Western ways will steamroll traditional culture
- Faith: celebrates diversity of “language and tradition, of thought and habit”
- Watchword: unity in diversity
- Cultural diversity “vital to the social and economic development of the human race” and it represents a “heritage that must be permitted to bear its fruit in a global civilization”

# Treatment of workers

- Worries that powerful corporations will exploit workers, especially in poor countries
- Probably not main reason wages are low in developing countries
- But with little competition for workers, firms can pay workers less than their “marginal product”
- Two safeguards against this in the Faith
  - Golden Rule
  - Profit-sharing

# Foreign aid

- Joseph Stiglitz very critical of IMF policies
  - one size fits all
  - display little awareness of local conditions
- Faith: development can't be “created outside of a region or a people and then delivered to them”
- Requires participation of “people and their institutions”

# Trade agreements

- Stiglitz: agreements often force developing nations to open their borders, while keeping trade barriers high in rich countries
- Examples: US and EU agricultural policies
- Faith: exhorted to think globally, not nationally
- “The world is but one country, and mankind its citizens.”
- National interests secondary to global interests

# Financial liberalization

- Capital flows can benefit poor nations with limited savings
- Also potential to destabilize their economies
- Example: East Asia crisis in late 90s
- Faith: goal of the ultimate establishment of single world currency

# Conclusions

- Globalization largely inevitable
- We can shape and mold that process
- Faith provides principles germane to the process
- Help guide policies relating to income inequality, the environment, indigenous culture, treatment of workers, international aid, and trade agreements.
- Ultimate goal: “to safeguard the interests and promote the unity of the human race, and to foster the spirit of love and fellowship amongst men.”
- Hope: common ground here among different faiths.





# Beginning the Journey: Building an Integrity-Based Model of Management Education

Peggy Cunningham

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# Dalhousie Faculty of Management ...

## Who we are

- Four schools with a shared mission of training managers (for all sectors) who can lead with integrity and get things done



# New model of management education needed!

- Demands of employees, customers, regulators, media for business to serve a greater good and take responsibility for the impact of business decisions and operations
- Growing complexity
  - Complex, long-term multi-stakeholder problems that can't be addressed using functional thinking and a bottom line focus
  - Organizations are increasingly complex – thousands of products and services, operate in different geographies
    - employ diverse workforce
    - have multiple bottom lines
    - decisions impact multiple stakeholders
    - change is unforeseen and rapid and ambiguity is the norm
- Interdependent markets and financial systems: mortgage crisis, financial meltdown of 2009
- Crisis of sustainability:
  - Decline in biological diversity
  - Global warming
  - Limitations on non-renewable and renewable resources
  - Giant spill in the gulf

# New organizational form – Syncretic Stewards

- New types of organizations are emerging:
  - Serve and create value for multiple stakeholders
  - Have multiple bottom lines
  - Humanistic culture
  - Participative leader/managers
  - We label these syncretic stewards
- Syncretic Defined:
  - Reconciliation or fusion of differing systems of belief, as in philosophy or religion, especially when success is partial or the result is heterogeneous

# Leadership skills alone are not enough

- Further criticism of MBA programs is their focus on leadership to the exclusion of developing introspection skills, interpersonal skills, and management skills

# Leadership skills alone are not enough

- Half a league, half a league,  
Half a league onward,  
All in the valley of Death  
Rode the six hundred.  
"Forward, the Light Brigade!  
"Charge for the guns!" he said:  
Into the valley of Death  
Rode the six hundred.
- "Forward, the Light Brigade!"  
Was there a man dismay'd?  
Not tho' the soldier knew  
Someone had blunder'd:  
Their's not to make reply,  
Their's not to reason why,  
Their's but to do and die:  
Into the valley of Death  
Rode the six hundred.  
— Alfred, Lord Tennyson, 1854



# The paradoxes of such leader/managers

## Decathlete versus the sprinter

- Vision to see alternative solutions
  - Innovative: question the status quo
  - Courage to take the unknown path
- Surprising humbleness
  - Beyond ego: Servant leaders / transformative leaders
  - Sense of insecurity
  - recognize they need others to overcome their own shortcomings
  - Encourage constructive disagreement
- Transparent, visible, authentic integrity
- Inspire others and empower them to be their best versus control through fear and hierarchy
- Broad knowledge and awareness
  - Social impacts not just business impacts
  - Confidence to accept constructive criticism



# The paradoxes of such leader/managers

## Decathlete versus the sprinter

- Collaborative versus competitive
- Big picture thinking and desire to create something greater than their own well being
  - Desire to create value for all stakeholders – employees, suppliers, customers, community
  - Respect for diversity
  - Empathetic and inclusive: able to see the world through other's eyes, appreciate different points of view
  - Skill to listen to divergent points of view
- Lead from the heart as well as the head (whole person in the workplace)
- Focus on a people first culture
- Have a sense of community and see business as part of, not separate from, the community





# Vision for the Faculty Our Graduates

Use multiple perspectives  
Think holistically  
and integratively

Exceptional  
Functional  
Competencies  
Leadership and  
Interpersonal  
skills

**Internationally acknowledged  
centre of 'values based  
management' whose  
graduates become private  
sector, public sector and civil  
society leaders who manage  
with integrity , focus on  
sustainability, and get things  
done.**

Ethics  
Courage  
Character  
Respect  
Collaboration

Manage change  
and complexity

Innovative  
Entrepreneurial

# The big question: How do we help develop such leaders/managers?

## An Integrated set of activities

- Dalhousie University: sustainability a major thrust
- Faculty of Management
  - Mission and Leadership
  - Strategy
    - Distinguish ourselves through our focus on integrity-led business
    - Values of individual, business and society treated equally
  - Operations
    - Building and Other Symbols
    - Hiring Policy
    - Research



# The big question: How do we help develop such leaders/managers?

- Co-created learning vs teaching
  - Unpacking student and faculty stereotypes and old ways of thinking
  - Provision of positive, alternative models
  - Integrative, problem-based - MWB
  - Internal and External measurement (work-term assessments) to verify AOL
  - Focus on service-based learning
    - » Students, staff and faculty



# Globalization for the Common Good

In Search of a Virtuous Economy

California Lutheran University

June 6, 2010



A photograph of a forest with tall trees and sunlight filtering through the canopy. The text is overlaid on the image.

# Forging an Ecological Political Economy

**Can we find a footing?**

# Schweitzer's warning to the 20<sup>th</sup> century (+/-1920)

- We lack an ethics—a way to decide to what to do and how to do it.
- Any successful ethic to guide civilization must be connected with a theory of the universe—and in Schweitzer's time we did not have one.
- Schweitzer was caught between Darwin and Aquinas

# Outline

- 1. Grounding an ecological political economy in a theory of the universe.
- 2. Five elements of an ecological political economy.

# Part I: A Contemporary Theory of the Universe

An Evolutionary and Systems (etc) Theory  
Perspective

(The scientific poverty of the neo-classical  
model.)



# Re-envisioning Our Place in the Universe

- A. Vast creative processes
- B. Contemporary thermodynamics
- C. Mind and nature.
- D. We need to change our metaphysics to one of The Commonwealth of Life

# A. Continuous Creation



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# Some features of a universe ever advancing into novelty.

- Beginning 13.8 billion years ago it is evolutionary in which *biological evolution is a special case.* (Chaisson)
- The principal descriptor of the process is the second law of thermodynamics. *The law of laws—why everything is not the same as everything else.*
- The law describes the processes that reduce temperature and other gradients. Entropy.
- To do this the universe uses *dissipative* structures, and *self organizing* entities—wind, currents, life. It both creates and destroys complexity.

# Mind and Spirit

- This universe has direction but no destination. It is an optimizing process trying to be as cool as it can be. Tropical forest.
- Human mind and spirit are *emergent* properties implicit from the beginning. Chardin.
- But mind is widespread. As Henry Beston says of the other animals in *The Outermost House, 1928*.
- (By the way--plants also learn.)

from the outmost house by Henry Beston 1928

“We need another and a wiser and perhaps  
a more mystical concept of animals.

Remote from universal nature,  
and living by complicated artifice,  
man in civilization surveys the creature  
through the glass of his knowledge  
and sees thereby a feather magnified  
and the whole image in distortion.

We patronize them for their incompleteness,  
for their tragic fate of having taken form  
so far below ourselves.

And therein we err, and greatly err.  
For the animal shall not be measured by man.

In a world older and more complete than ours  
they move finished and complete,  
gifted with extensions of the senses  
we have lost or never attained,

living by voices we shall never hear.  
They are not brethren,  
they are not underlings;  
they are other nations, caught with ourselves  
in the net of life and time, fellow prisoners  
of the splendour and travail of the earth.”



image: Mike Lowery 2006

# How is order maintained?

- *"the only way a living system stays alive, away from maximum entropy or death is to be continually drawing from its environment negative entropy. Thus the device by which an organism maintains itself stationary at a fairly high level of orderliness (= fairly low level of entropy) really consists in continually sucking orderliness from its environment. ...plants of course have their most powerful supply in negative entropy in sunlight," (Schrödinger,1944). From Schneider and Kay*

# How does order arise from disorder?

- The origin of life is the development of another route for the dissipation of induced energy gradients. Life ensures that these dissipative pathways continue and has evolved strategies to maintain these dissipative structures in the face of a fluctuating physical environment. We suggest that living systems are dynamic dissipative systems with encoded memories, the genes, that allows dissipative processes to continue. From S and K.

# What is earth, life and ecosystems?

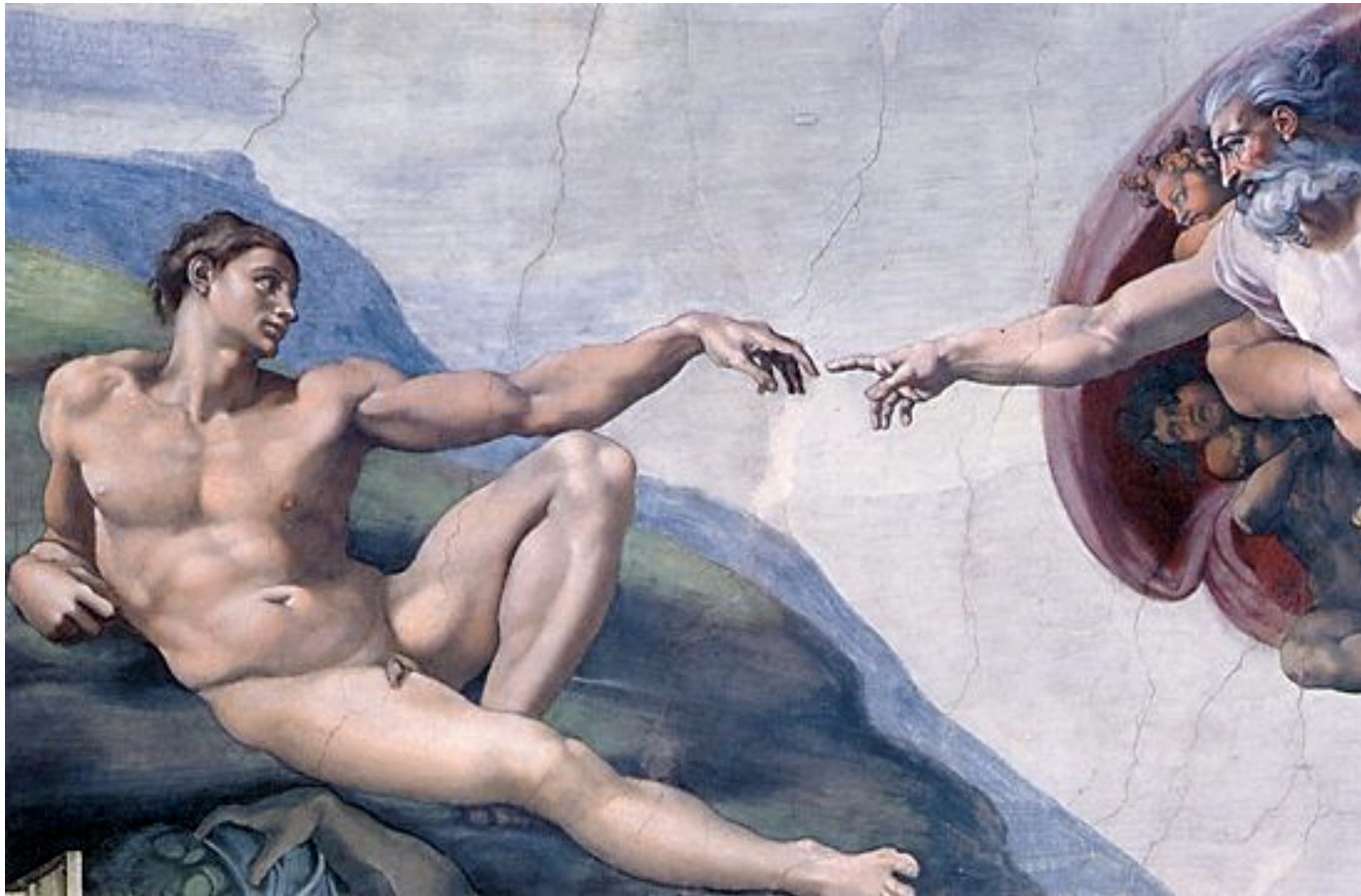
- An island of complexity in an entropic universe.
- Life on earth are the encoded dissipative structures which handle the massive amounts of sunlight that continuously arrive.
- What are ecosystems? Ecosystems are the biotic, physical, and chemical components of nature acting together as non-equilibrium dissipative processes. Ecosystem development should increase energy degradation.



# What characterizes, for example, a forest in Sand County, Wisconsin?

- Our study of the energetics of ecosystems treats them as open systems with high quality energy pumped into them. An open system with high quality energy pumped into it can be moved away from equilibrium. But nature resists movement away from equilibrium. So ecosystems, as open system, respond, whenever possible, with the spontaneous emergence of organized behaviour that consumes the high quality energy in building and maintaining the newly emerged structure. This dissipates the ability of the high quality energy to move the system further away from equilibrium. This self-organization process is characterized by abrupt changes that occur as a new set of interactions and activities by components and the whole system, emerge. **This emergence of organized behaviour, the essence of life, is now understood to be expected by thermodynamics. As more high quality energy is pumped into an ecosystem, more organization emerges to dissipate the energy. Thus we have *order* emerging from *disorder* in the service of causing even more disorder.** (Quoted from S and K.) Emphasis added.

God made man in his image and gave  
the world to him.



But co-evolution suggests:  
The Commonwealth of Life



# What we teach

What is urgently needed is a reconstruction of our curricula in terms of the evolutionary narrative. The subjects from which we derive our norms have not systematically connected with this narrative: law, ethics, economics, politics, and most theology. We have 19<sup>th</sup> century curricula for 21<sup>st</sup> problems.

The Magic Christian

## Part II: *Some* Elements of an Ecological Political Economy

# Elements

- Who we are
- What we know.
- What we should do
- A Virtuous Economy
- Religion in a learning universe.

# 1. Rethinking who we are

# The early 20<sup>th</sup> century “person” in the 21<sup>st</sup> century world

- The operating ethic within EE is *derived* from the utilitarianism of the J.S. Mill.
- But Mill’s concern with the common good has been removed—or is allegedly resolved by the market. Empathy is folly.
- The neo-classical “rational” person is the deliberator seeking his/her happiness.
- All choices are “at the margin,” (yet many choices are structural.)



# Who we are (Wheeler)

- A complex systems view of the human self—sensitive to initial conditions, wide variation in outcome, holistic, multiple feedback loops.
- These self organizing systems are dissipative structures giving rise to the *emergent*, entangled in brain/body/environment/culture/cosmos.
- Conscious reasoning is not the primary motivator of action. Much knowledge is tacit and creaturely.
- We are basically relational and semiotically (through shared meanings) inter-subjective.

2. What we know about what  
we know

# From Newton to Pirogine

- A view of the world as made up of parts has been replaced by a complex systems view.
- Complex systems have multiple, interactive feedback loops, and fragile initial conditions.
- Knowledge of the system is typically incomplete. Surprise should not surprise us.
- The universe is itself a complex adaptive system giving rise to increasing complexity—of which we are a VERY small part.

## 4. What we should do and not do

An account of the virtues for an  
ecological political economy

# Some Consequences of Complex Systems for Ethics

- *Any* single moral principle will bring ruin; e.g GNP maximization.
- Management and its cognate concepts should be viewed with caution, but cannot be abandoned.
- We are faced with a profound paradox. Having overshot the Earth's systems we have to reduce the overall human impact dramatically and urgently, but we not good at this.
- In many senses there is no "other." All things great and small should be regarded with respect.
- Our ethical stance should be compassionate retreat

# Toward a Vocabulary for Citizenship in an Awakening Universe.

- The basic good for life is self organizational capacity for dealing with exogenous energy. E.g. sunlight for photo synthesis, temperature gradients, geothermal energy, tides and the like.
- Distributive justice includes, at a minimum a concern with shares *of this capacity* within *and* between generations *and* species.
- Atonement is the quest for forgiveness for imperialisms past; prophesy a voice against imperialisms yet to come.
- Consider the first law. The collapse of the consumer society!?

## 4. Economics in an Ecological Political Economy

# Economics in an Evolutionary World (Galiussi)

- The human economy is an open system whose processes can be described in terms of energy and matter.
- The ecosphere stays in a far from equilibrium condition maintained by sunlight with slow rates of growth. Yet, capitalist economic systems have a growth imperative that destroys the systems on which it depends.
- The ecosphere is cyclical, while most economic production is linear—wastes are often toxic to biological systems.



# Economics in complex systems II

- The economy should be *for* a flourishing Earth and hence the complex adaptive systems that support emergence.
- The economy is an embedded integrated system of energy and materials flows. Financial concepts and instruments play a large role in the scale, character and direction of these flows. Yet like economics finance is NOT connected to a scientific understanding.
- The economy must be *scaled* to be supportive of the operation of those systems of which it is a part; and *composed* of digestibles.

# Eozoic Politics: Democracy?

- Democracy is old, but mass democracy is new. Some of the grounding rests on the Enlightenment view of the rational person.
- But we now know from cognitive neuro-science that this is a construct that is never attained.
- While societies can *aim* to achieve rational persons ours has chosen to emphasize the mass passions not deliberation. Hence we are undemocratic by design.
- Our institutions do not match our problems.

# 5. Religion in a Learning Universe

# The Learning Universe

(The Dream—Rousseau 1910)



# An implicit theology?

- We are in the presence of, and also are a part of, a vast intelligence.
- It is far older and wiser than we are.
- It is immensely more powerful than we are.
- It's power and glory cannot be fully grasped.
- Wisdom is to be found in respect and reverence for all that is.
- A human place in the cosmic drama has been restored.

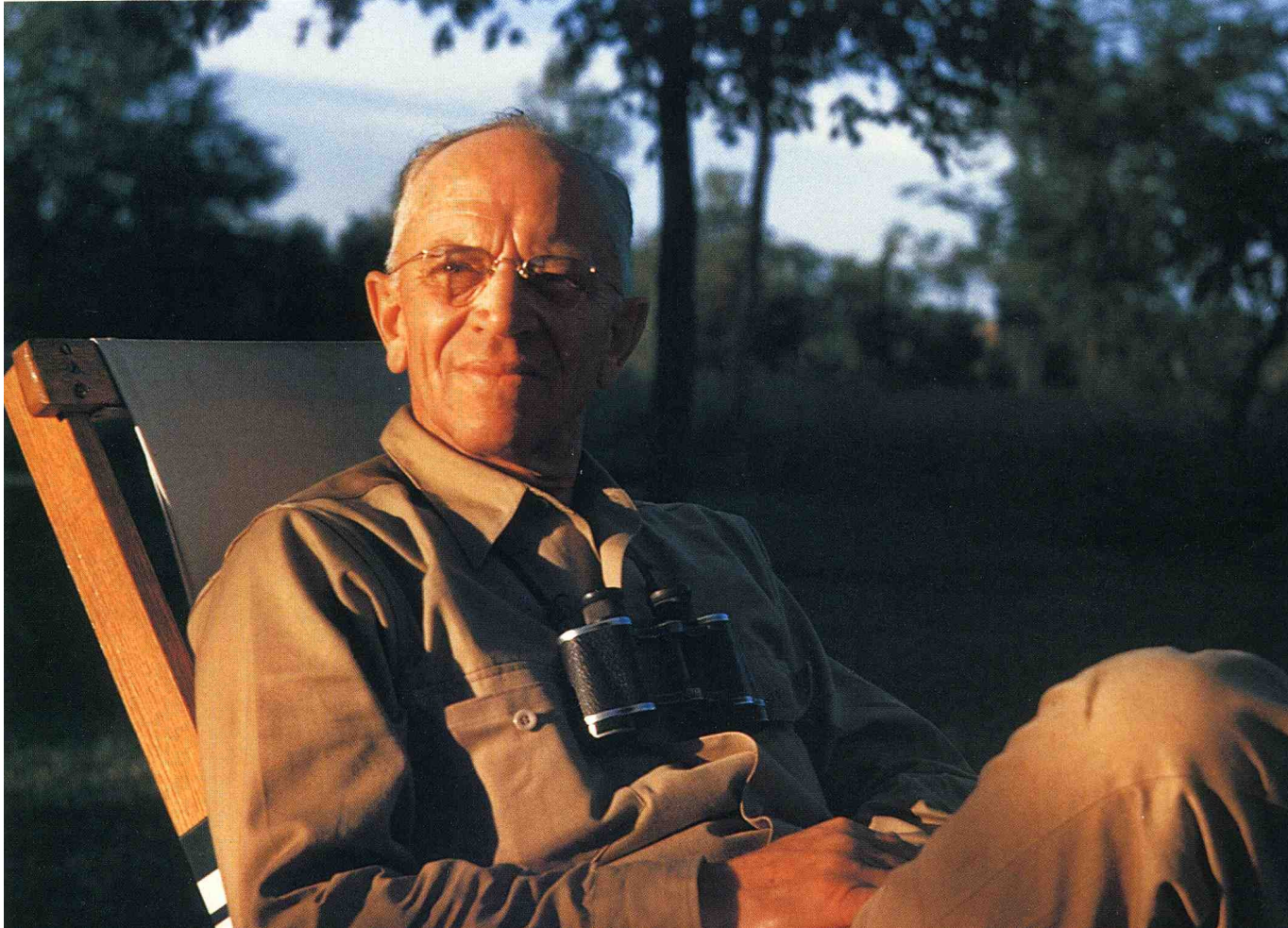


# Communion

- Humans can “become a mutually beneficial presence on the Earth...only when we understand the universe as composed of subjects to be communed with, not as objects to be exploited. Use as our primary relationship with the planet must be abandoned.” (Thomas Berry, *The Great Work*, pp. x-xi.)



# C. Aldo Leopold



# Leopold's challenge

- “If there be ...a special nobility inherent in the human race—a special cosmic value, ...by what token shall it be manifest? By a society decently respectful of its own and all other life, capable of inhabiting the earth without defiling it...[\[i\]](#)”
- Aldo Leopold, "Some Fundamentals of Conservation in the Southwest"



# Earth from 4 billion miles



# New Universities for the Developing World:

**The World Trade University Initiative**

**Philip Rosson**

Dalhousie University, Canada

“Globalization for the Common Good” Conference

California Lutheran University

Thousand Oaks CA

June 6–10, 2010






## New Universities for the Developing World



# Outline

1. Context
2. Main activities
3. Current locations
4. Organization
5. Challenges





“I am pleased to commend the launching of the World Trade University ... I believe that it can play an important role ... in moving towards our shared goal of giving a human face to globalization.”

Kofi A. Annan  
Secretary General, United Nations

# 1. Context

- WTU History

- Launched on occasion of the Third UN Conference on Least Developed Nations, hosted by European Union in 2001

- WTU Mission

- Provide appropriate training to new generations of business leaders, managers, and public policy makers, so that they can effectively deal with and promote freer trade ... ensuring everyone benefits from trade
- Build trade cooperation and exchange platforms between countries, regions, and international organizations





## 2. Main activities

Organizing Summits as exchange platforms  
Developing degree and professional training programs  
Helping to establish new universities

# Summits

- Seven Summits organized since 2001:
  - APEC **Young Entrepreneurs & Leaders** Forum—Beijing & Shanghai, 2001
  - World Summit of **Young Entrepreneurs**—Brussels 2001; Sao Paulo, 2006
  - World Summit of **Indigenous Entrepreneurs**—Toronto, 2003
  - World **Tourism Marketing** Summit—Nanjing 2004; Beijing 2007
  - World **Tourism Investment** Summit—Busan 2008
  - World **Indigenous Economic** Summit—California 2011



# Programs

Being developed in relevant and under-served fields at various levels:

Undergraduate

Masters

Certificates and diplomas

Executive development courses



# Programs

- Business/Management with majors (undergraduate)
- Trade and industry focus (others)
- Innovative approaches
- Visiting and local instructors
- Regional student focus
- Selective funding assistance



## 3. Current locations

Africa

China-Pacific

South Asia

# Africa

With support of the  
Government of Tanzania,  
working towards  
establishment of:  
**World Tourism University–  
Africa,**  
Dar es Salaam, Tanzania





# China-Pacific

Through local partners, plans  
advancing to establish:

**World Tourism University–**

**China,**

Xi'An

**World Trade University–**

**China & the Pacific,**

Chong Qin





# South Asia

Through local partners, plans  
advancing to establish:  
**World Trade University–  
South Asia,**  
Dhaka, Bangladesh

# 4. Organization

- WTU Global Secretariat is driving developments
  - Located in Toronto
  - 2.3 people plus “helpers”
  - Funded by philanthropist and fees from organizing Summits
  - Support from many international organizations
  - Using varied partnership approaches by location





## 5. Challenges

Resourcing

Bringing multiple parties together

Local politics & competition





Thank you

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Bangladesh photos  
© M. Moniruzzaman

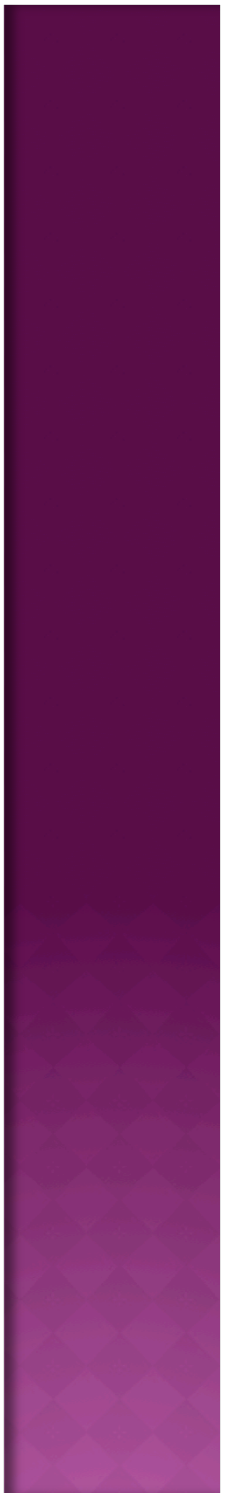


# ISLAMIC BANK, ETHICS AND FINANCIAL INVESTMENTS

Dr. Randa Ali Hamdy  
Assistant Professor of Management and  
Strategy  
Cairo University, Egypt

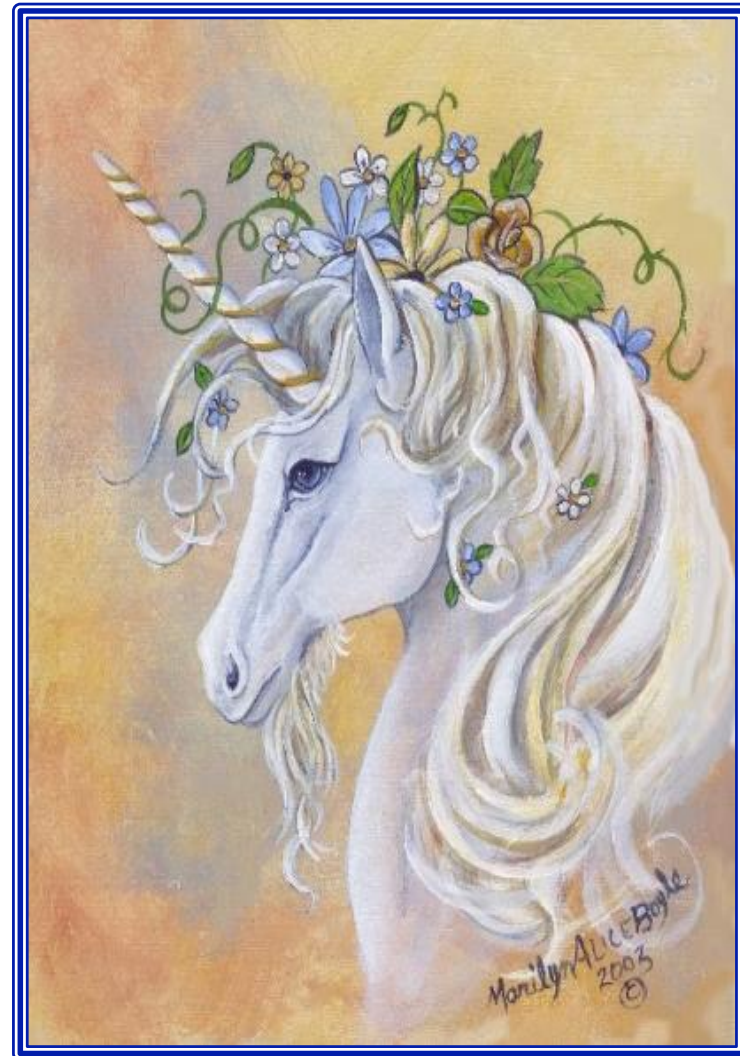
# ETHICS AND FINANCIAL INVESTMENTS

- ◉ Ethical investing is growing phenomenon; it deals with the questions of what is considered to be right and what is wrong.



# THE ROLE OF FAITH AND RELIGIOUS

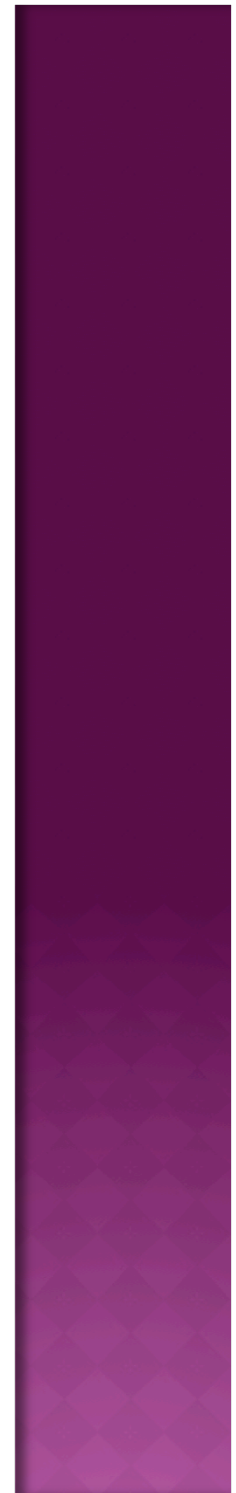
- There is an increased emphasis on the role of faith and religious beliefs on ethical business practices for some investors who not only seek profits through their investments but they also require **the achievement of a moral duty beside** the quest of wealth accumulation ethically and socially responsible investment.





# ETHICS AND SOCIALLY RESPONSIBLE INVESTMENT,

- ◉ There are an increasing number of investors who seek to align their investments with their principles through ethical and socially responsible investment.

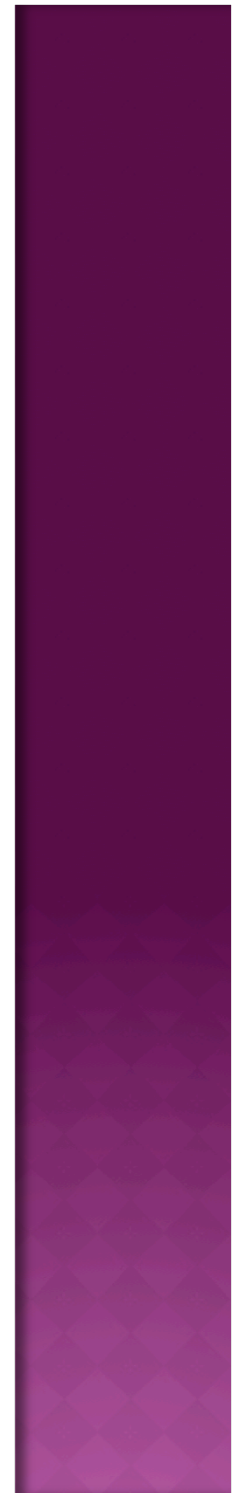
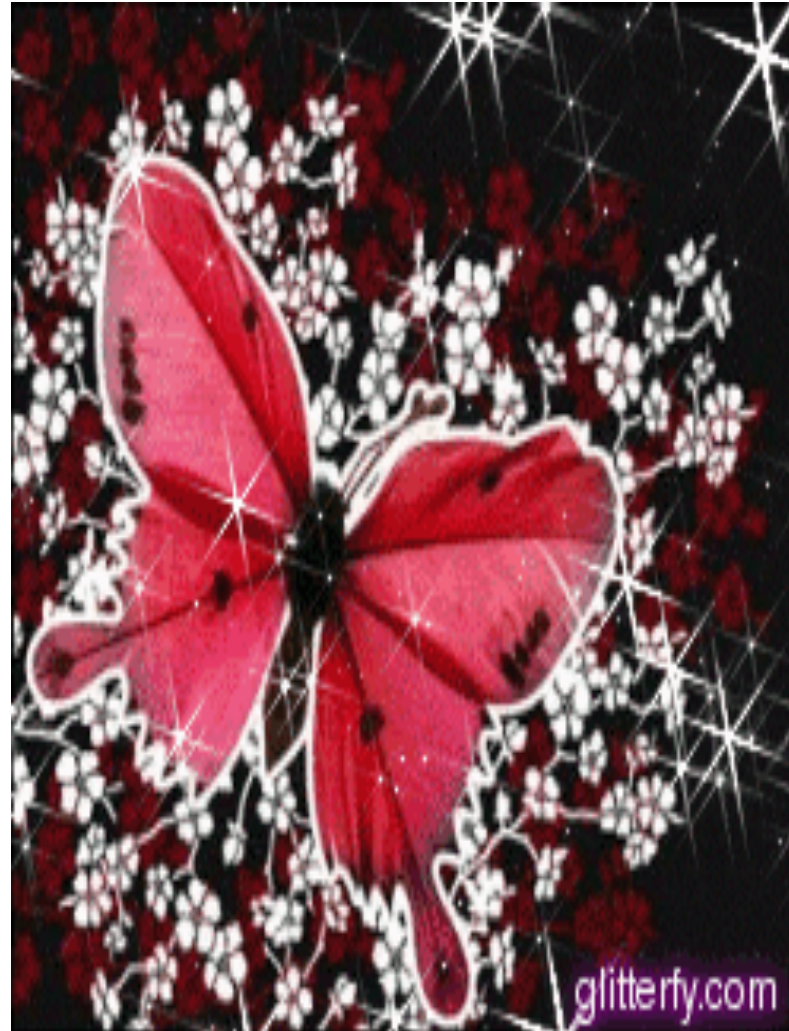


# ISLAMIC BANKING

- ◉ Islamic banking is one form of integrating religious principles in investment decisions.
- ◉ So The interest in Islamic investing and ethically based banking is also increasing.
- ◉ The basic tenet of Islamic banks is that the investor should invest his or her assets to reflect the Islamic principles that govern his or her daily life.

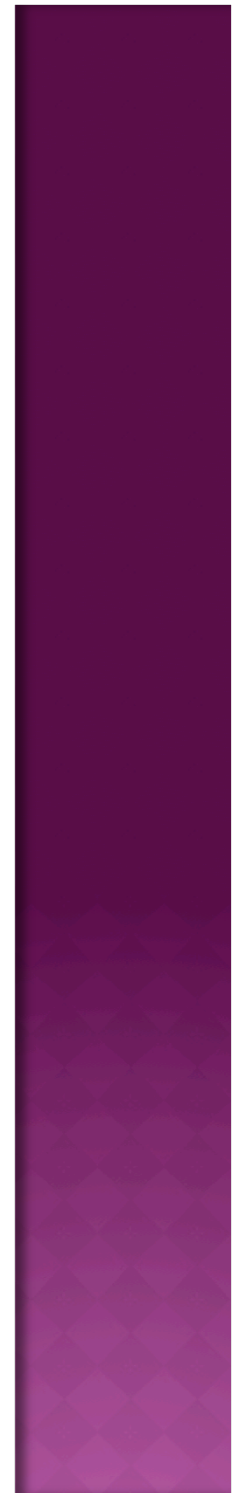
# OBJECTIVES OF THE ISLAMIC BANKS

- Among the most important objectives of the Islamic banks, is the establishment of justice and elimination of exploitation in business transaction.



# OBJECTIVES OF THE ISLAMIC BANKS

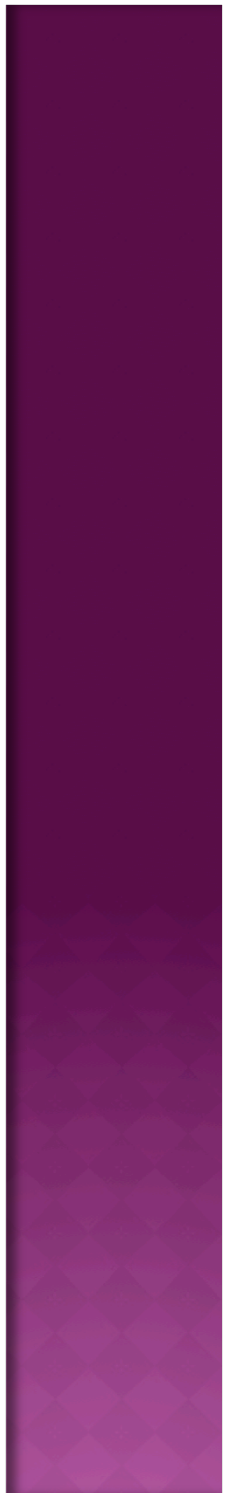
- This can be done by the prohibition of
- all sources of illegal “unjustified” enrichment and the prohibition of dealing in transactions that contain excessive risk or speculation.





# ETHICAL PRACTICES

- ◉ Ethical practices, in the Islamic banking framework, are derived from religious teaching.
- ◉ Ethics are a set of values and principles accepted by any person or a group.
- ◉ Religion is seen as playing an important role in determining these values and principles, in shaping personality and behavior of individuals



# ETHICAL INVESTORS

- ◉ Ethical investors are firstly concerned about the characteristics of the companies in which the funds are placed and then about the financial returns on their portfolios and the risks involved

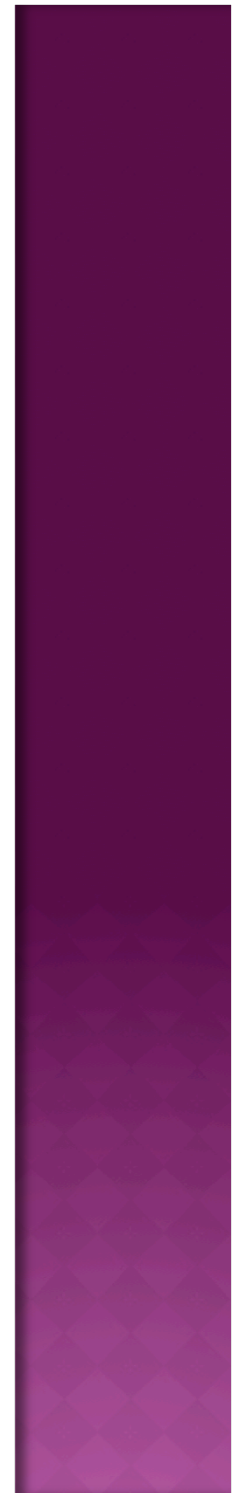


# THE MOTIVATIONS FOR ETHICAL AND SOCIALLY RESPONSIBLE INVESTMENT COULD HAVE TWO SOURCES.

- ◉ **Subjective source** are linked to personal ethics, to the application of superior moral principles with which there can be no compromise.
- ◉ **Objective sources**, they reflect apprehension about the social losses or gains arising from the firm's activities (for example pollution, smoking, work-related illnesses, etc.)

# ETHICAL INVESTMENT

- ⦿ can result from
- ⦿ negative screening
- ⦿ Positive screening
- ⦿ Combination



# “INVEST YOUR MONEY WHERE YOUR VALUES ARE”

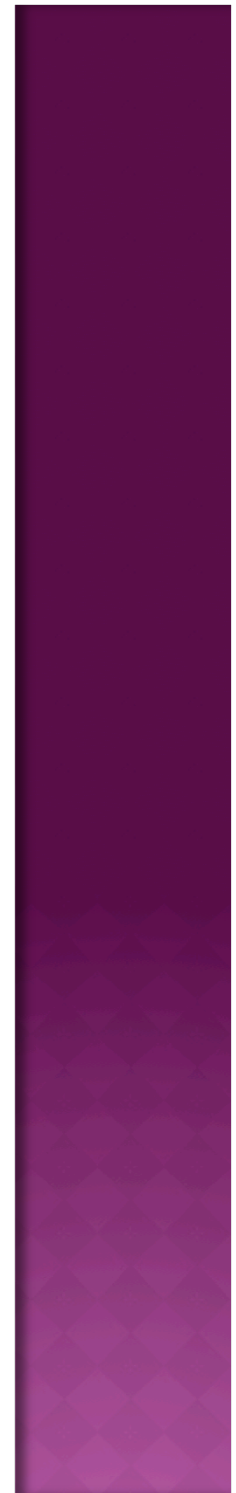
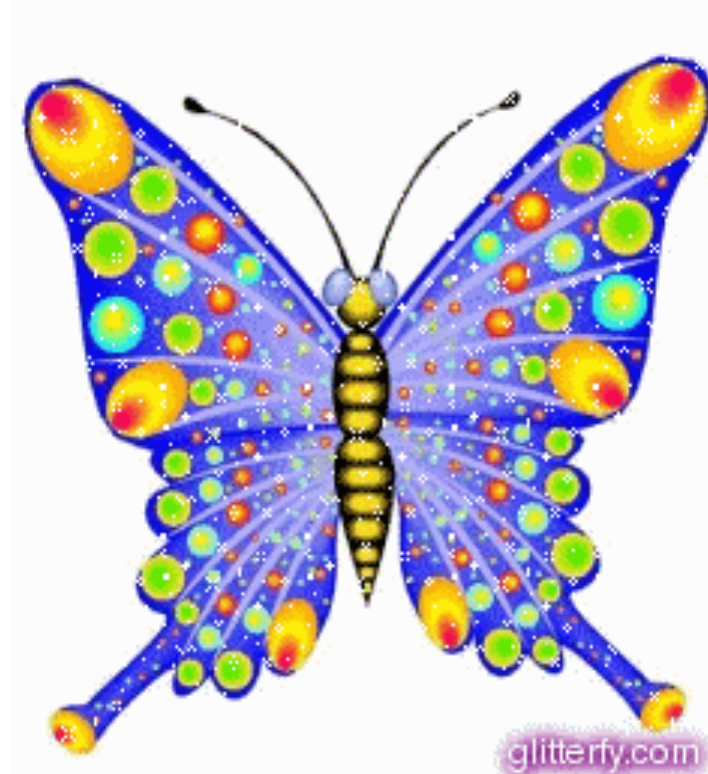
- ◉ Islamic teachings strongly stress the observance of ethical values and moral principles in human behavior which are repeatedly stressed throughout the Holy Qur'an and the numerous teachings of the Prophet (PBUH).
- ◉ Islam places the highest emphasis on ethical values in all aspects of human life. In Islam, ethics governs all aspects of life.





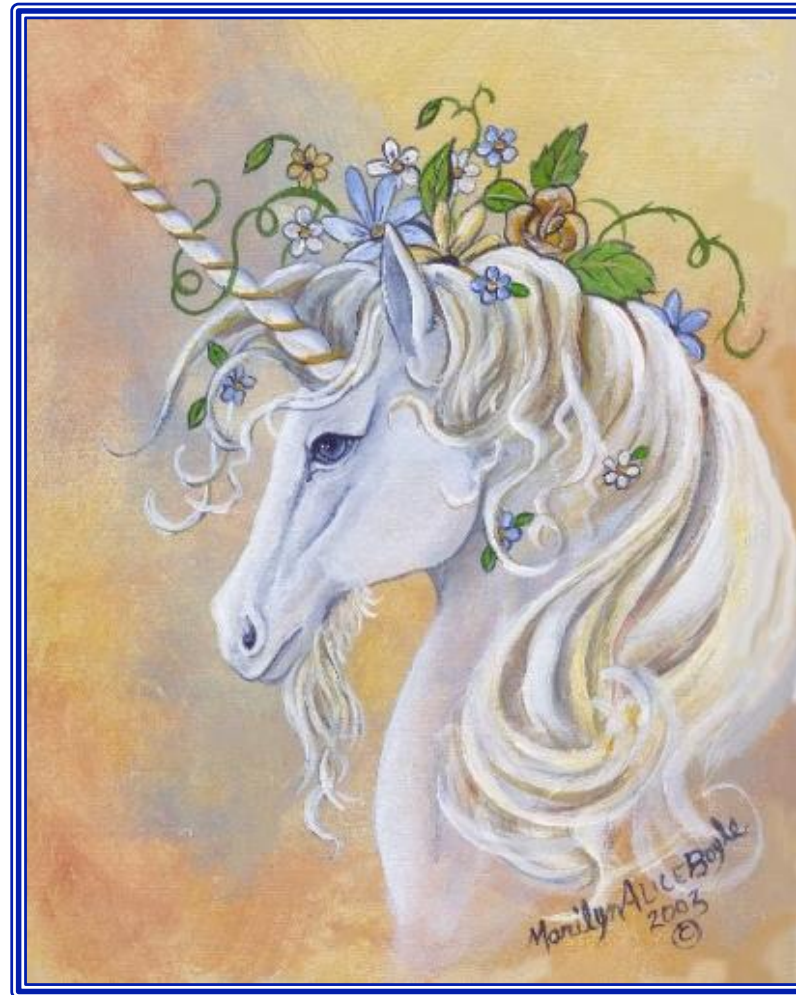
# BASIC ISLAMIC VALUES OF LIFE

- ◉ The most important of the basic Islamic values of life are
- ◉ The believe in the existence of God-the creator,
- ◉ Temporary life on earth,
- ◉ Accountability of all actions on the Day of Judgment, and
- ◉ Rewards according to the real motive of every human action.
- ◉ Among the principle pillars of an Islamic society are love and fear of God, honesty, and justice



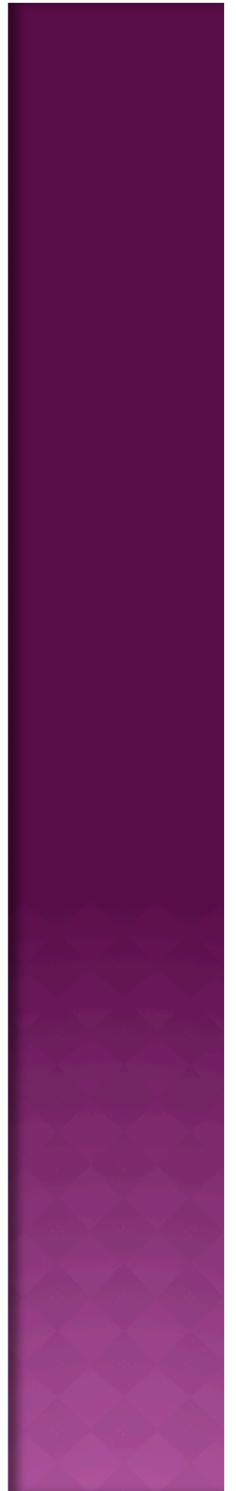
# THE ISLAMIC FINANCE

- ◉ The Islamic finance embraces the philosophy of risk sharing, ethical and religious goals, including a quest for justice, and the promotion of social and economic welfare which extends beyond profit maximization.



# INDIVIDUAL NOT ONLY LIVES FOR HIMSELF

- ◉ In an Islamic framework, an individual not only lives for himself, but the range of his activities and responsibilities extend beyond him to the welfare and interests of society at large.



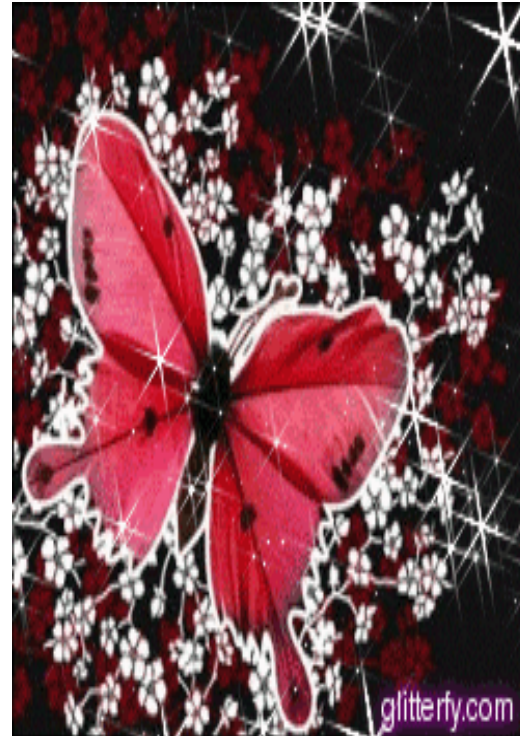


# ISLAMIC LAW

- ◉ According to Islamic law an individual has the right to get return for utilizing his/her capital in an economic venture,
- ◉ but the issue is how it can be acquired.
- ◉ It is legal for a business to achieve profits, but this goal should be pursued according to Shariah.
- ◉ Since Shariah defines the norms of human conduct, and how business has to deal with its external environment, businesses claiming to comply with Shariah should be clearer about their roles in society.
- ◉ Social justice and ownership are central to social relations.

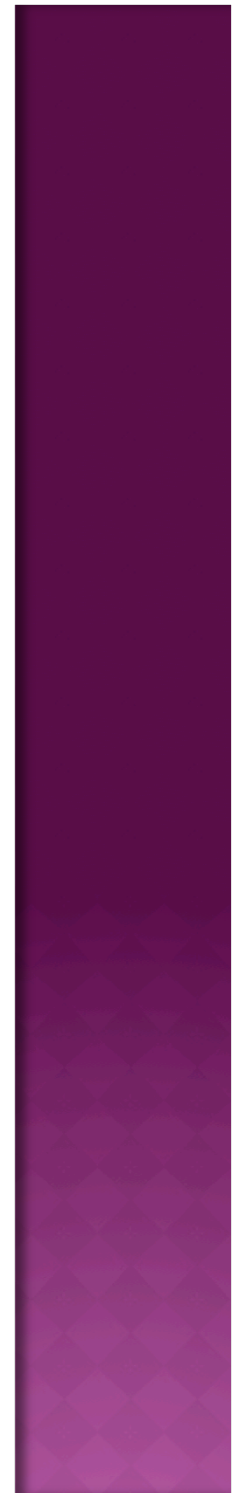
# ISLAMIC ETHICS

- ◉ Islamic ethics create a sense of responsibility and accountability in the mind of the believer who must be guided by conscious purposes.



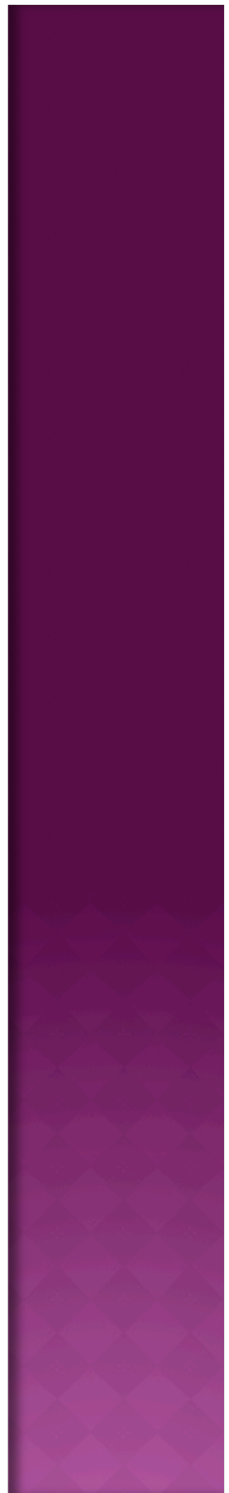
# CODES OF MORAL BEHAVIOR

- ◉ The fundamental codes of moral behavior involve truthfulness, trustworthiness, generosity and leniency, fair treatment of workers and avoidance of evil practices such as, interest (Riba), fraud, cheating, deceit, exploitations, etc.



# THE ISLAMIC BANKS

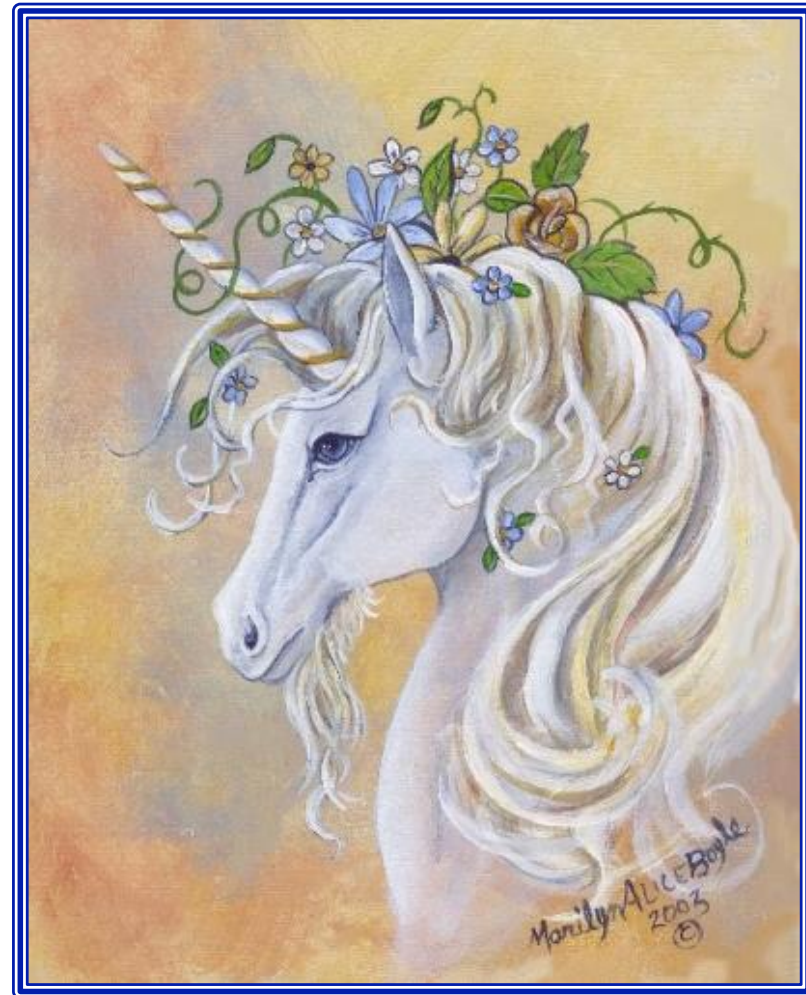
- The Islamic banks constitute a highly prominent sector in the Islamic finance. Already operating at a global level, the Islamic banking system is currently spreading fast throughout the world success is indicated by the rapid growth in number of banks, branches, accounts, and sums of money it handles.





# THE ISLAMIC BANKS

- ◉ The Islamic banks reject the receipt and payment of interest on any of its operations. This prohibition of dealing with the interest rate leads them to payoff to all its depositors a share in profits and losses.

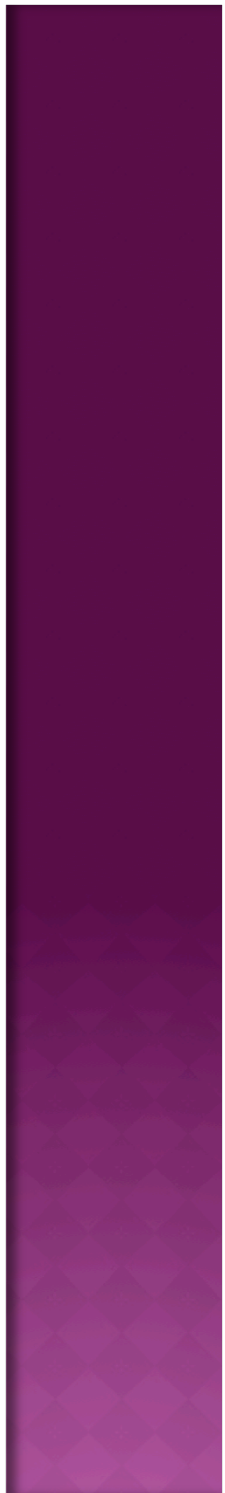


# WHAT DISTINGUISH AN ISLAMIC BANK FROM A CONVENTIONAL ONE

- ◉ Islamic bank keeps in view certain social objectives intended for the benefit of society.
- ◉ The Islamic banks aim to establish distributive justice free from all sorts of exploitation.
- ◉ From the Islamic point of view, business transactions can never be dissociated from the moral objectives of the society.
- ◉ Islamic banking aims the social justice through forbidding all forms of economic activities which are morally or socially
- ◉ injurious,
- ◉ ensuring ownership of wealth legitimately acquired,

# THE GOALS OF THE ISLAMIC

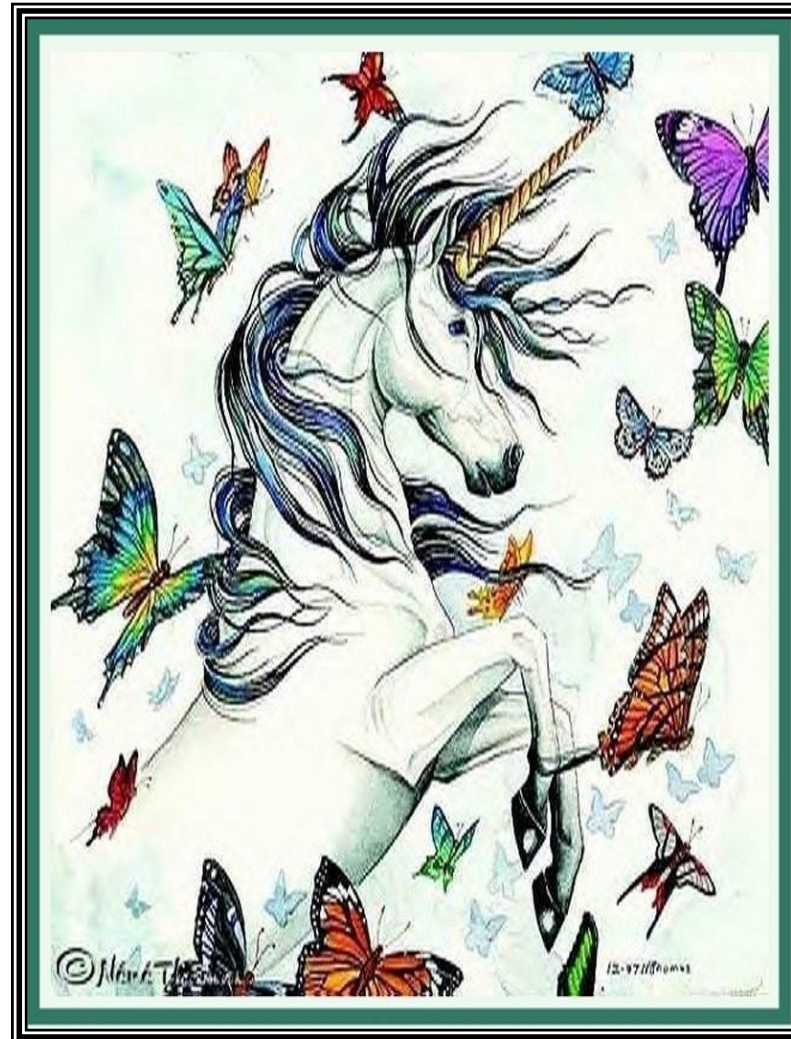
- ◉ The goals of the Islamic finance are not mainly materialistic but are based on the concepts of human well being and
- ◉ achieving a good life overall.
- ◉ It emphasize on community values, socio-economic justice and a balance between the
- ◉ material and spiritual needs of its followers.





# PRINCIPLES OF ISLAMIC BANKS

- ◉ The main principles of Islamic banks include:
- ◉ The prohibition of taking or receiving interest: Financial transaction should be free from interest (Riba) and
- ◉ directly or indirectly linked to a real economic transaction. Profit from indebtedness or the trading of debts is seen to be unethical. Profit from indebtedness or the trading of debts is seen to be unethical. Instead, the investor and investee should share in the risks and profits generated from a venture, an asset or a project.



# SOCIAL JUSTICE

- The prohibition of interest is based on arguments of **social justice, equality and property rights.** interest, according to Islam, violates the principle of social justice, in that it rewards people who neither make an effort nor participate in the risks of the projects financed.

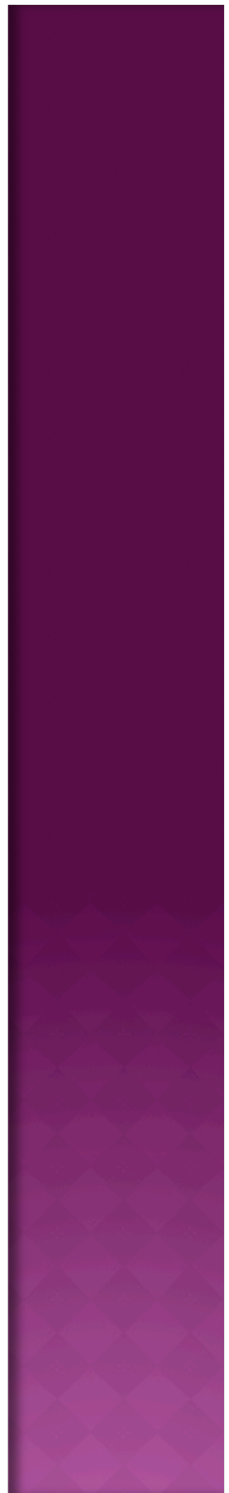


# RETURN SHOULD BE EQUIVALENT TO THE RISK AND EFFORT

- ◉ From an Islamic point of view, it is much fairer that the provider of funds shares the profits and the losses with
- ◉ the entrepreneur (borrower) than the receipt of a fixed return provided by the loan to the lender regardless of the
- ◉ outcome of the project.
- ◉ The idea of fairness in this situation has more than one dimension.
- ◉ The provider of capital has the right to a return, but this return should be equivalent to the risk and effort involved in the project for which the finances are supplied.

# ISLAMIC BUSINESS PRINCIPLES

- ◉ A financial transaction should not lead to the exploitation of any party of the transaction; parties to a financial contract should share in the risks and rewards derived from such financing or investment transaction.



# ISLAMIC BUSINESS PRINCIPLES

- Prohibition on transactions involving Miser (speculation or gambling); and a prohibition on gharar, hazardous or
- excessive ambiguity in transactions or uncertainty about the subject-matter and terms of contracts - this includes a
- prohibition on selling something that one does not own. The financial transactions involving elements of speculation are
- forbidden, such as purchasing goods and services at a low price and selling them for a higher price in the future. This is
- due to the fact that speculators generate their profits at the expense of the society at large. Thus, speculation, which
- necessary entails artificial risk in any market be it in money, gold, commodities and the like, is not permissible in an
- Islamic setting.





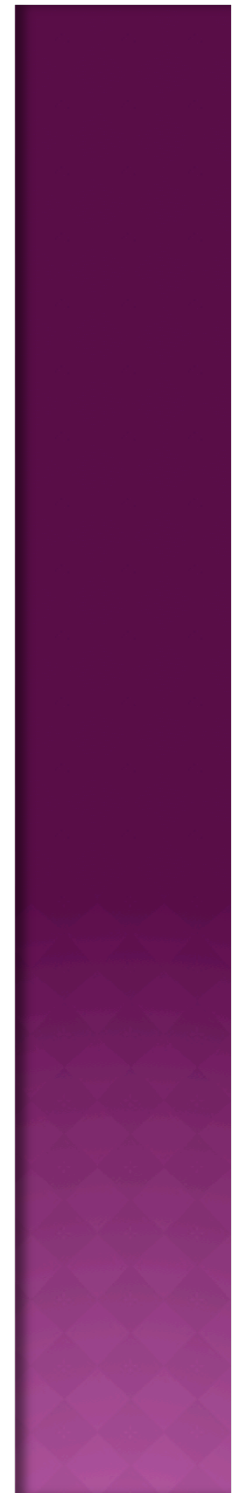
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- ◉ Social justice and ownership are central to social relations.



# ISLAMIC BANKING SYSTEM

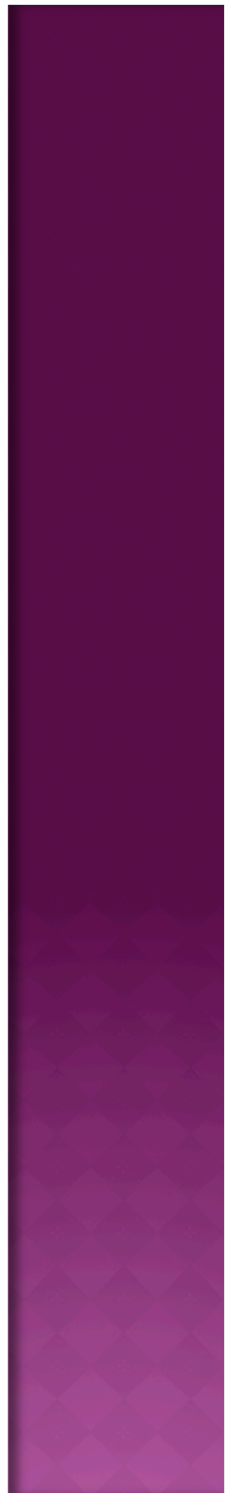
- ◉ Islamic banking system is currently spreading fast throughout the world success is indicated by the rapid growth in number of banks, branches, accounts, and sums of money it handles.
- ◉ Western glorious conventional financial institutions such as Citigroup, HSBC, JF Morgan, Barclays, Kleinwort Benson,
- ◉ Deutsche Bank, Lloyds, JP Morgan, Royal Bank of Scotland, Algemene Bank Nederland (ABN) AMRO, Goldman
- ◉ Sachs, American Express, ANZ, Grindlays, United Bank of Switzerland (UBS), Commerzbank, Société Général and
- ◉ BNP Paribas have started introducing interest-free products to their customers.





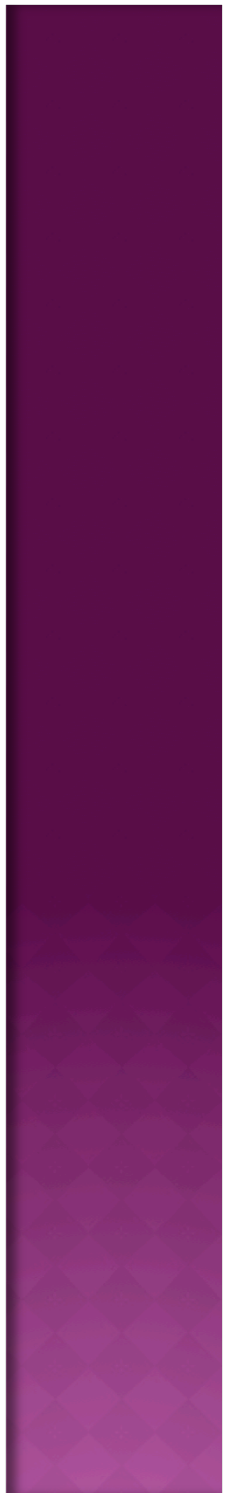
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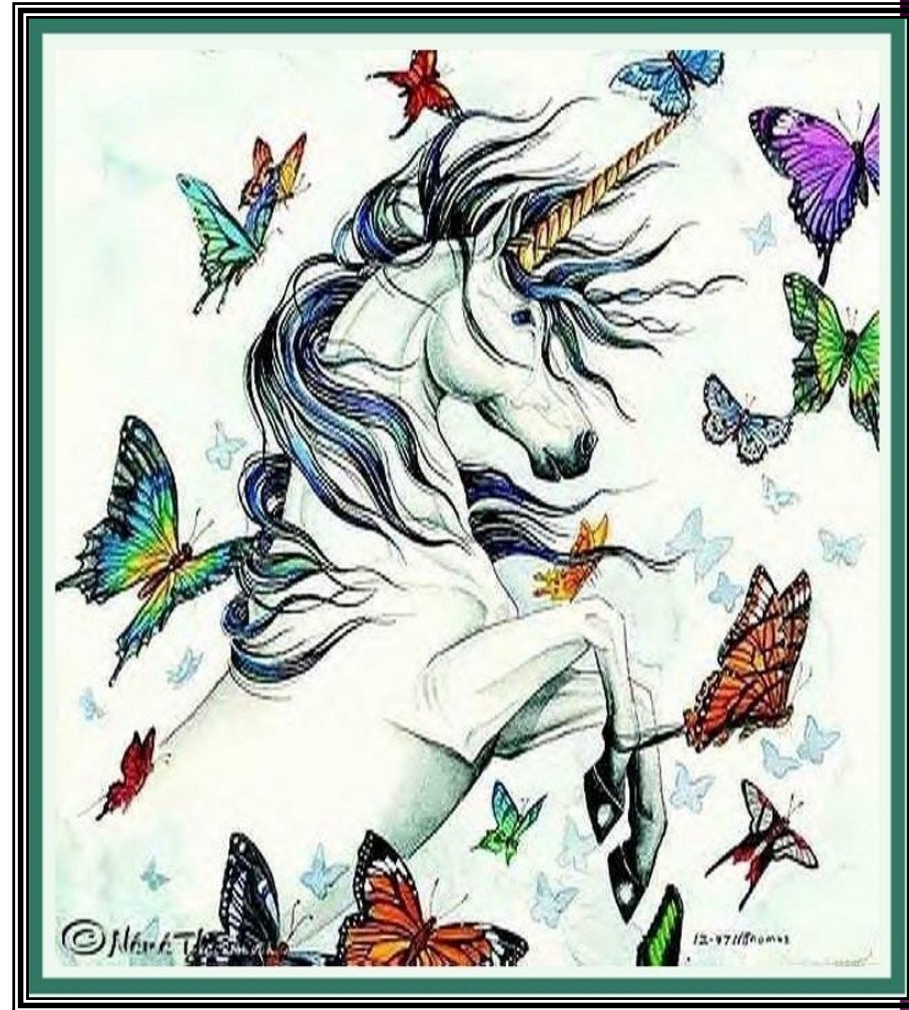
# ISLAMIC BUSINESS PRINCIPLES

- ◉ A financial transaction should not lead to the exploitation of any party of the transaction; parties to a financial contract should share in the risks and rewards derived from such financing or investment transaction.



# ISLAMIC BUSINESS PRINCIPLES

- ◉ The ban on unlawful assets: no financial transaction should be directed towards economic sectors considered unlawful such as investments in businesses dealing with tobacco, alcohol, gambling industries, drugs, harmful substances, pork as well as all enterprises for which financial leverage (indebtedness level) would be deemed excessive (including conventional financial activities) or anything else that the Shariah



# ISLAMIC BUSINESS PRINCIPLES

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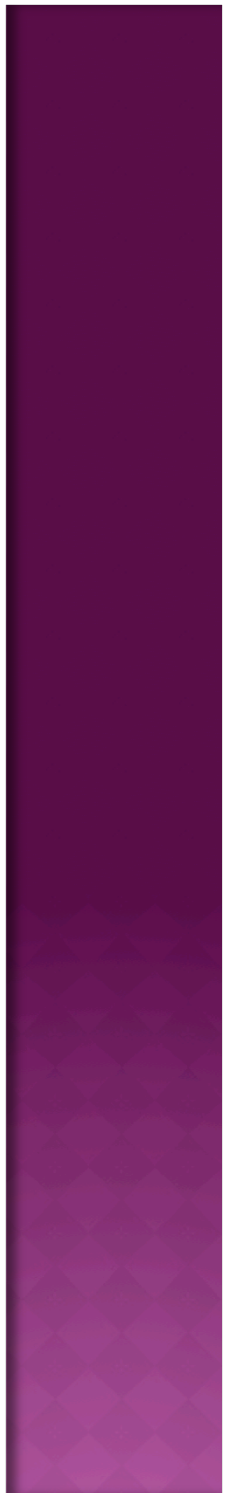
# ISLAMIC BUSINESS PRINCIPLES

- ◉ Islamic business principles include respect for the environment and human welfare, fair and transparent dealing, and fair and just employment.
- ◉ Any financial transaction should be based on a tangible, identifiable underlying asset.



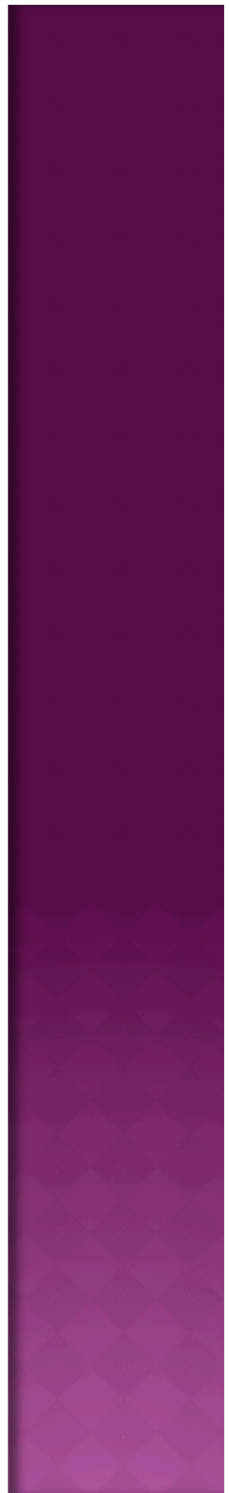
# SHARIAH BOARD

- ◉ One distinct feature of the modern Islamic banking movement is the role of the Shariah board, which forms an integral part of an Islamic bank.
- ◉ A Shariah board monitors the workings of the Islamic bank and every new transaction that is doubtful from a Shariah standpoint has to be cleared by it. These boards include some of the most respected contemporary scholars of Shariah and the opinions of these boards are expressed in the form of fatwas



# FUNCTIONS OF SHARIAH BOARDS

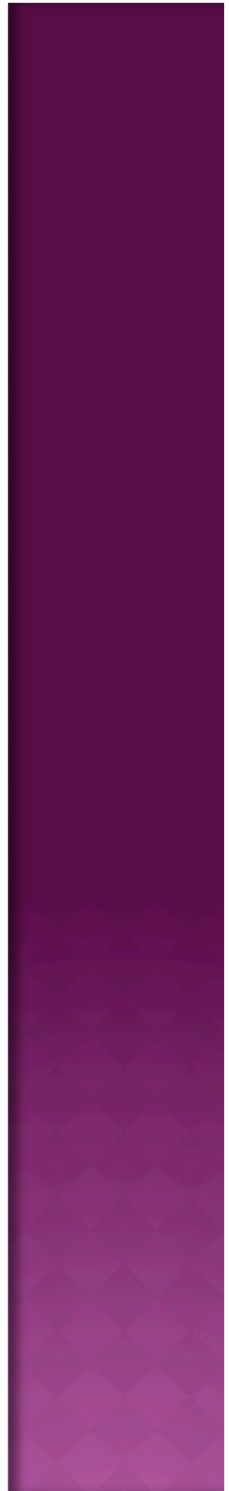
- ◉ The three key functions of Shariah boards are:
- ◉ .To provide advice to Islamic bank;
- ◉ .To supervise and audit transactional procedures of Islamic bank; and
- ◉ To supervise and actively participate in the creation of innovative Shariah compliant investment and financing products and services.





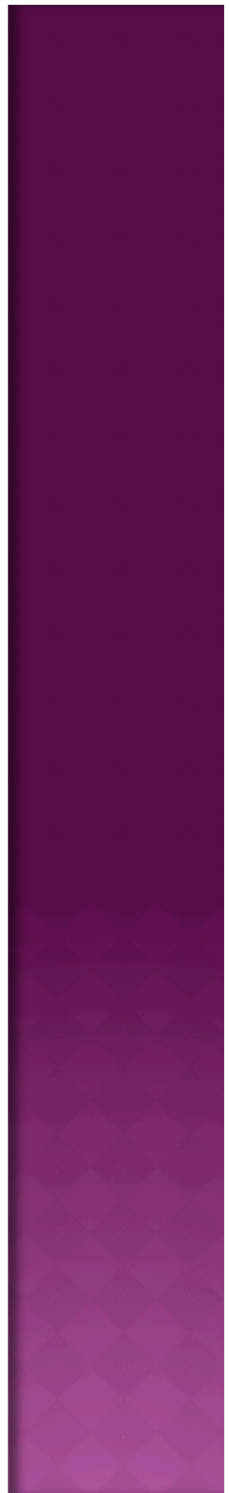
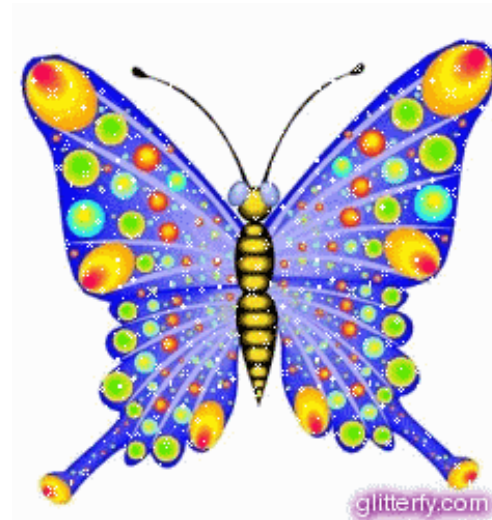
# GOALS OF ISLAMIC BANKING

- ◉ The Islamic banks have to build up its own corporate culture, the central purpose of which is to get a collective morality and spirituality which, when combined with the production of goods and services, contribute to the reaching of the major socio-economic goals by emphasizing on the ethical, social and moral elements of wealth creation, with a view to enhancing equality and fairness for the society as a whole.

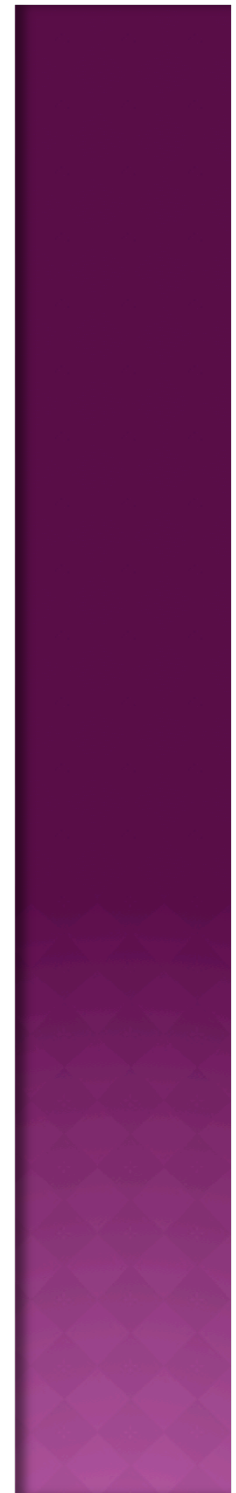


# THE SOCIAL ROLE AND SOCIAL EFFECTS OF ISLAMIC BANKING

- ◉ Among the social goals of the Islamic banks, the reduction of inequality between the rich and the poor, the establishment of justice and transparency in all transactions, and the allocation of society's resources to the needy and unfortunate.



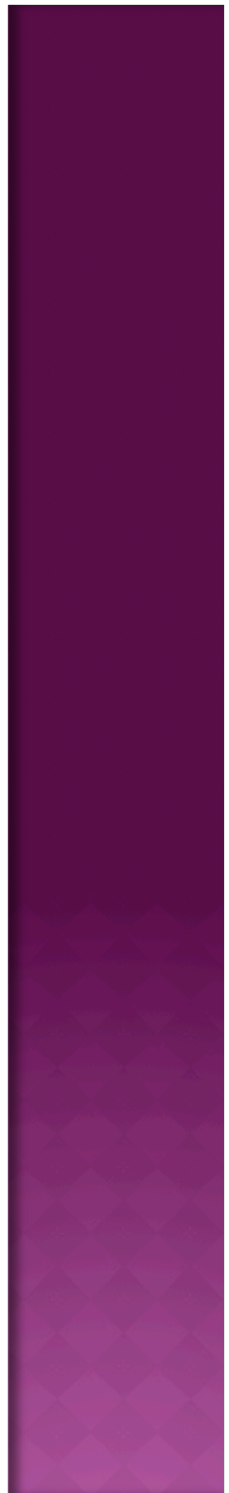
- ◎ The concern over ethical investment is also relevant to Islamic banks. As a business entity established within the respect of the Islamic Law (Shariah), which emphasize, among other, on the principle of social justice and wellbeing.



- The several prohibitions such as interest, gambling, excessive risks, etc aim to provide a level of protection of the interests and benefits of all parties involved in market transactions and to promote social harmony.



- ◉ Islamic banking strives for a just, fair and balanced society as envisioned by the Islamic law.



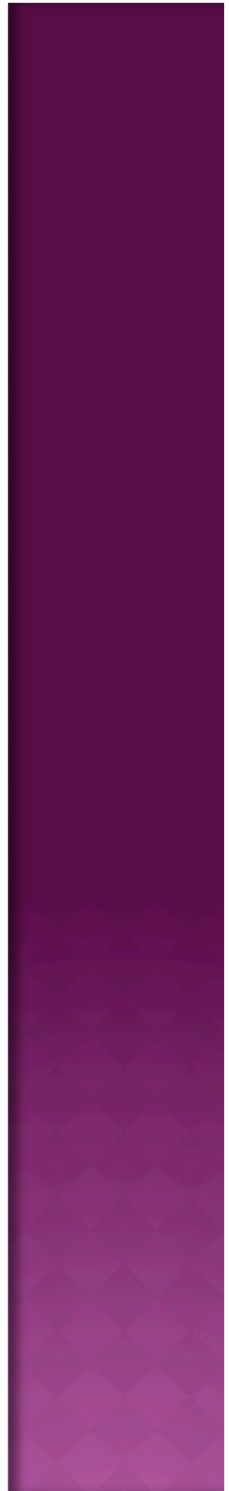
- ◉ Islamic banking perform in accordance with their ethics and social responsibility commitment as being more enduring
- ◉ since they are ultimately based on divine revelations.





# ROLE OF THE ISLAMIC BANKS IN ALLEVIATING POVERTY

- ◉ According to the Islamic principles of social responsibility and justice, Islamic bank must care for the less fortunate in society to maintain equilibrium and social justice.
- ◉ There are different methods of wealth distribution. One of these methods is called Zakat (tax). Zakat is the wealth tax paid annually on non-working capital, savings, and all types of wealth. It is one of the five basic pillars of Islam



# ROLE OF THE ISLAMIC BANKS IN ALLEVIATING POVERTY

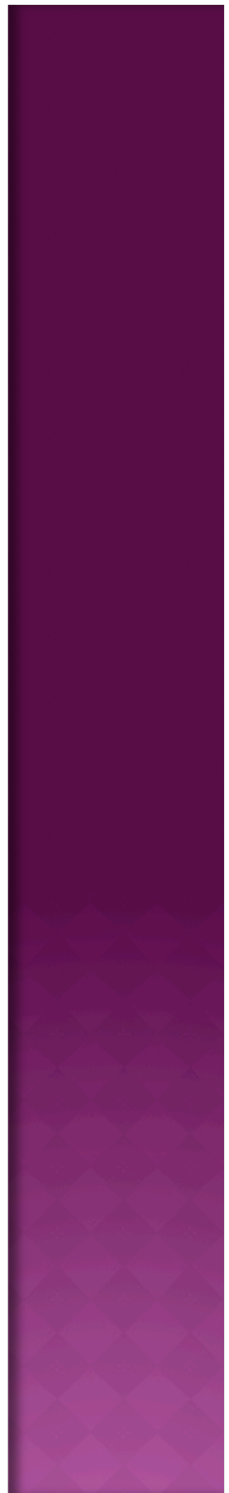
- ◉ Every Islamic bank thus has to establish a Zakat fund for collecting the tax from investors and depositors and
- ◉ distributing it to the poor. The purpose of the Zakat is to provide the less fortunate with minimum standard of good life.
- ◉ The mandatory payment of Islamic tax, Zakat: The term 'Zakat' is derived from the Arabic word meaning pure. This tax is one of the five basic tenets of Islam; it is seen as a method for the redistribution of income and wealth among a society to provide equality and a fair standard of living.

# ZAKAH AND SADAQAH

- ◉ Zakah and Sadaqah (charity) are two of the main sources of finance for poverty alleviation used by the Islamic banks.
- ◉ Sadaqah is a voluntary act of giving for the cause of God “Allah”.
- ◉ Zakat is the yearly obligation of wealthy Muslims to poor and it is the share of the poor in the property and wealth of the rich. It is considered an obligatory form of "charity".
- ◉ It is a fixed proportion collected from the surplus wealth and earnings of a Muslim after subtracting the basic living expenses.
- ◉ Zakah has a deep humanitarian and social-political value.

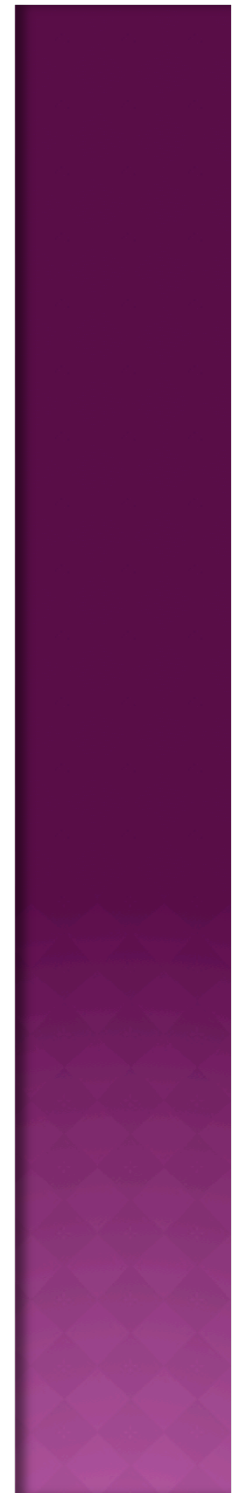
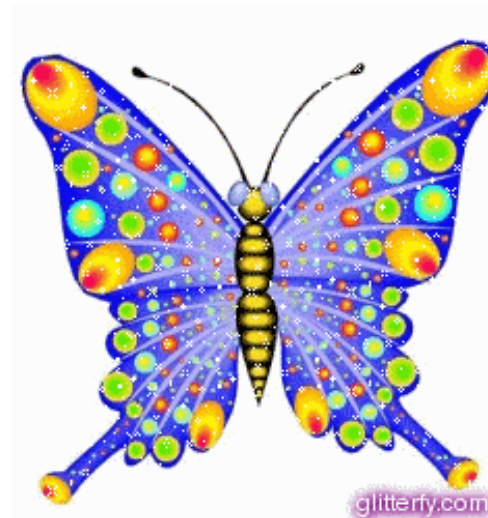
# QARD-AL-HASAN

- ◉ Also an equitable wealth distribution can be done through Qard-al-Hasan (benevolent loans) which is a zero return of loan that the Islamic teachings urge Muslim to make available to those who need them. , the borrower then is required to pay-back the principal amount of the loan on maturity without an increment or interest. When no maturity is stipulated, the loan is repaid when asked by the lender, again without any increment.

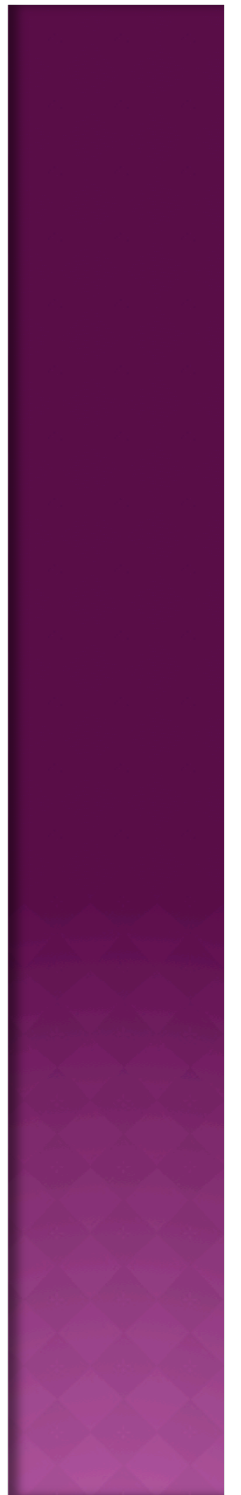


# PURPOSES OF QARD-AL-HASAN

- Islam insists on enhancing brotherhood among the Muslims. The main principle of brotherhood is to care about
- each-others and help other who need money or do not have enough. The main objectives of qard al-hasan are:
- **Helping the needy fellow people.**
- **The elimination** of social and economical discrimination from the society trough the establishment of better relationship among poor and the rich.
- **The mobilization** of wealth among all people in the society which may enhance a helpful society.
- **To facilitate** the poor to create new jobs market and business ventures by using their merits, skills and expertise and thus eradicates unemployment problem from the society.



THANK YOU





# New Universities for the Developing World:

**The World Trade University Initiative**

**Philip Rosson**

Dalhousie University, Canada

“Globalization for the Common Good” Conference

California Lutheran University

Thousand Oaks CA

June 6–10, 2010






## New Universities for the Developing World



# Outline

1. Context
2. Main activities
3. Current locations
4. Organization
5. Challenges





“I am pleased to commend the launching of the World Trade University ... I believe that it can play an important role ... in moving towards our shared goal of giving a human face to globalization.”

Kofi A. Annan  
Secretary General, United Nations

# 1. Context

- WTU History

- Launched on occasion of the Third UN Conference on Least Developed Nations, hosted by European Union in 2001

- WTU Mission

- Provide appropriate training to new generations of business leaders, managers, and public policy makers, so that they can effectively deal with and promote freer trade ... ensuring everyone benefits from trade
- Build trade cooperation and exchange platforms between countries, regions, and international organizations





## 2. Main activities

Organizing Summits as exchange platforms  
Developing degree and professional training programs  
Helping to establish new universities



# Summits

- Seven Summits organized since 2001:
  - ◎ APEC **Young Entrepreneurs & Leaders** Forum—Beijing & Shanghai, 2001
  - ◎ World Summit of **Young Entrepreneurs**—Brussels 2001; Sao Paulo, 2006
  - ◎ World Summit of **Indigenous Entrepreneurs**—Toronto, 2003
  - ◎ World **Tourism Marketing** Summit—Nanjing 2004; Beijing 2007
  - ◎ World **Tourism Investment** Summit—Busan 2008
  - ◎ World **Indigenous Economic** Summit—California 2011

# Programs

Being developed in relevant and  
under-served fields at various  
levels:

Undergraduate

Masters

Certificates and diplomas

Executive development courses



# Programs

- Business/Management with majors (undergraduate)
- Trade and industry focus (others)
- Innovative approaches
- Visiting and local instructors
- Regional student focus
- Selective funding assistance



## 3. Current locations

Africa

China-Pacific

South Asia

# Africa

With support of the  
Government of Tanzania,  
working towards  
establishment of:  
**World Tourism University–  
Africa,**  
Dar es Salaam, Tanzania





# China-Pacific

Through local partners, plans  
advancing to establish:

**World Tourism University–**

**China,**

Xi'An

**World Trade University–**

**China & the Pacific,**

Chong Qin







# South Asia

Through local partners, plans  
advancing to establish:  
**World Trade University–  
South Asia,**  
Dhaka, Bangladesh

# 4. Organization

- WTU Global Secretariat is driving developments
  - Located in Toronto
  - 2.3 people plus “helpers”
  - Funded by philanthropist and fees from organizing Summits
  - Support from many international organizations
  - Using varied partnership approaches by location





## 5. Challenges

Resourcing

Bringing multiple parties together

Local politics & competition



Thank you

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Bangladesh photos  
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