

The Evolution of Institutional Capacity
for Social and Economic Development
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Baha'i social and economic development focuses on increasing the capacity of the friends to make decisions about the spiritual and material progress of their communities and then implement them. While such development activities provide services that lead to a visible improvement in some aspect of life, their ultimate success is measured by the degree to which they enhance the ability to address issues of development at increasingly higher levels of complexity and effectiveness. This applies not only to individuals and communities but also to institutions. As development efforts grow, organizational structures should evolve to meet new challenges and opportunities.

The role of Baha'i institutions in this process of social and economic development begins at its earliest stages. Local projects are initiated and administered directly by Local Spiritual Assemblies. A National Spiritual Assembly may appoint a national social and economic development committee, which, in the context of its work to stimulate grassroots efforts, also initiates a few projects. An education committee may start a tutorial school, or an institute process may expand by including training sessions in agriculture or health. In each of these cases, the institution or agency involved gains experience and provides guidance necessary to ensure the project's success. This is the first level of institutional support for social and economic development.

Over time projects become more complex. As development efforts evolve, local and national communities need to increase their institutional capacity to deal with them. In examining Baha'i social and economic development projects around the world, the Office of Social and Economic Development has identified two types of organizational arrangements which are noteworthy. Both enhance institutional capacity and either increase the maturity of existing agencies or encourage the establishment of new ones capable of guiding development processes.

The first organizational pattern has emerged from the evolution of Baha'i institutes for the development of human resources, on the one hand, and of Baha'i schools for the formal education of children, on the other. Initially, in an effort to meet the demands of expansion and consolidation, national communities conduct deepening classes or organize weekend "institutes" for new believers. From among these somewhat random activities there emerge some with a more systematic form as regular training sessions are scheduled and series of courses on specific topics are developed. Eventually, one or more of these may lead to the creation of a permanent institute that serves either the entire country or one of its regions in the development of human resources. At this level of operation, the programs of the institute include a number of courses that build on one another to help enrich the spiritual life of the participants and enable them to perform specific acts of service such as engaging in teaching activities, giving deepening courses, teaching children's classes, and activating Baha'i community life. Acts of service related to social and economic development, such as literacy, health and agriculture, may also be included. Training is not only provided at a central location, but teachers associated with the institute also travel to localities throughout the region or country and organize appropriate training activities.

In the early stage of its development, the permanent institute is often managed by a committee of the National Spiritual Assembly. However, as institute activities and programs become more complex, a National Spiritual Assembly may find it useful to give its institute an administrative

structure that enjoys more continuity and autonomy by creating a board of directors to be in charge of it. The National Assembly formulates the vision, articulates the needs, establishes general parameters of action, and then allows the board to have a degree of independence to plan and to see that the work of the institute is carried out. The National Assembly provides support; the institute keeps the Assembly regularly informed of its activities. In this way, the Assembly and its committees do not become overburdened with the planning and monitoring of the institute's programs.

This structure of the permanent institute increases capacity to engage in social and economic development projects of reasonable size and complexity. The heart of the institute's programs continues to be the development of human resources. Yet in order for human resource development not to be isolated from the practice of community development, the institute itself may be required to become involved in the management of actual projects. For the institute to have relevance to the Baha'i community, it must, in all cases, carry out its projects in collaboration with the responsible administrative institutions.

The same organizational arrangement has emerged in national communities when a school for the formal education of children is established. In order to move beyond rudimentary forms of schools, institutional capacity is needed to deal with the development of specific curricula, the acquisition and maintenance of adequate facilities, the management of qualified staff, and the administration of educational processes. Again, the National Assembly may appoint a board to oversee the affairs of the school with a reasonable degree of independence.

A second type of organizational arrangement emerging for the enhancement of institutional capacity relates to the creation of Baha'i-inspired agencies by groups of believers who share a common vision of service. Such an agency can be established as a non-governmental, non-profit organization for social and economic development. Regarding initiatives of this kind, a letter written on behalf of the Universal House of Justice states:

As a national community grows, the activities undertaken by its members also increase in number and diversity. Some of these activities will be initiated and administered by the Baha'i institutions. Others will fall in the realm of private initiative. When an initiative is in the form of a private business venture undertaken by an individual or a group, the institutions of the Faith have little reason to interfere with its daily affairs. In general, only if difficulties arise among the friends involved in such an enterprise, if their activities could damage the good name of the Faith, or if they misrepresent their relationship to the Faith, would a Local or National Spiritual Assembly intervene. Baha'i institutions should, of course, welcome any effort by such private ventures to apply the Teachings to their operations and to use their position in society to further the interests of the Faith. Spiritual Assemblies would do well to offer them guidance as requested or as circumstances require, and to help them develop their potential for the advancement of the Cause....

The private initiatives of believers need not, however, be limited to business ventures. The laws of most societies allow for the establishment of non-profit organizations which, while private, are subject to special regulations and enjoy certain privileges. Customarily a board of trustees is responsible for all the affairs of such an organization and must ensure that its income is spent for the purpose stipulated in its by-laws. This board also oversees the functioning of the projects of the organization and the work of those who are in charge of them. An increasing number of believers around the world are taking advantage of this possibility and creating organizations dedicated to the application of Baha'u'llah's Teachings to the analysis and resolution of important social and economic

issues. The House of Justice looks with keen interest on this growing phenomenon in the Baha'i world. It only cautions the friends that in establishing such organizations they should exercise care not to become a burden on the institutions or unduly divert the contributions of the believers from the essential and primary tasks of supporting the Funds of the Faith and the activities of the institutions. It also expects them to conduct their affairs according to Baha'i moral and ethical principles.

A question that often arises in relation to private organizations dedicated to social and economic development is whether they are "Baha'i" or not. Such a question cannot be answered by a simple "yes" or "no". Clearly, the fact that they have their own management structures puts them in a different category from projects and organizations administered by Baha'i institutions. In that sense they are not "Baha'i" enterprises. In another sense, to the extent that they are owned and directed by Baha'is and strive to apply the Teachings and serve the purposes of the Cause, they may indeed be regarded as "Baha'i". It is important to avoid the impression that participating in the projects of these organizations does not constitute legitimate service to the Cause. Otherwise sincere and devoted believers will be discouraged from engaging in activities that are "Baha'i" in nature.

In creating agencies dedicated to social and economic development administered independently as Baha'i-inspired organizations, the friends need to be concerned with the preparation of at least two types of document.

One document, the by-laws, establishes the legal status of the organization. While suited to the specific legal requirements of a country, by-laws generally contain a statement of basic principles, the purpose or aims of the organization, the general methods by which the organization will accomplish its purpose, and the means to perpetuate the governing body. Since by-laws are basically created to achieve legal recognition, they may or may not directly associate the organization with the Baha'i Faith and its Teachings, depending on existing circumstances.

In the case of organizations under the aegis of a National Spiritual Assembly, if it is found necessary for them to have a separate legal status, a similar document is needed. In these cases, it would be desirable for an agreement to be made between the National Assembly and the board stating that, while having the legal right to replace its own members according to its by-laws, the board will present its candidates to the Assembly for approval before doing so.

The second document with which the friends need to be concerned in both cases is a statement of purpose and philosophy, one that describes the principles and mission of the organization. Such a document needs to be written in the early stages of an organization's establishment. The statement of purpose and philosophy, which is specifically for sharing with the public or with other institutions, makes explicit references to the Baha'i principles on which the organization is founded. Examples of such documents are attached, representing the Badi' Foundation from Macau, Health for Humanity from the United States, and the Ruhi Institute from Colombia.