

The mechanism of impact of spirituality on economic growth in the Iranian Islamic model of progress

Javad Arbab

Researcher of the field and university research institute, Qom, Iran,
(Corresponding Author).
javadarbab@rihu.ac.ir

Mohammad Javad Tavakoli

Associate Professor of Imam Khomeini Educational and Research Institute, Qom, Iran.
tavakoli@iki.ac.ir

Abstract

Spirituality is one of the components that can have a positive effect on economic growth and reduce the negative effects of economic growth on progress. The mechanism of the positive effect of spirituality on economic growth in the Iranian Islamic model of progress can be explained by at least three ways of the effect of spirituality on efficiency, reducing transaction costs, and strengthening economic justice. The influence of spirituality on economic growth occurs from the way of improving efficiency, because the strengthening of spirituality causes the formation and expansion of jihadi culture in the business environment. The expansion of spirituality by promoting public trust reduces exchange costs and as a result increases economic interactions and improves economic growth. Enhancing spirituality by increasing the sense of responsibility towards the weaker sections of society and increasing charity in society helps to improve justice directly and increase economic growth through the influence of justice on economic growth, and finally, strengthening spirituality by reducing the possible negative effects of economic growth, including affluence. Arrogance, greed and avarice and not arresting the poor make economic growth serve to achieve progress (achieving a good life). The policy requirement of this analysis is that in the process of economic progress, investing to strengthen spirituality can lead to the simultaneous promotion of the goal of growth and economic justice. This makes it necessary to invest in the promotion of spirituality in the economy by using approaches such as strengthening Islamic business ethics training, reforming the pattern of commercial advertisements, and creating a culture of benevolence.

Keywords: Spirituality, Economic Growth, Iranian Islamic Model of Progress.