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Pragmatism, Institutionalism, and Buddhism: Toward a Synthesis for Socially Engaged Buddhist Economics

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Abstract

Socially engaged Buddhism addresses a wide range of contemporary social and environmental crises from a distinctively Buddhist perspective. Much of the emphasis on this approach is on changing individual habits of behaviour and less on changing social structures and even less on transforming economic systems that have come to be dominated by powerful corporate institutions. This paper contributes to the growing body of work on Buddhist economics with an emphasis on a critique of social atomism in standard economic, a holistic framework of analysis, and an emphasis on karma and economic change. The substance of this work draws from aspects of American pragmatism and institutional economics that have a particular affinity with Buddhist philosophy and practice. The ultimate aim is to contribute to a vision for Socially Engaged Buddhist Economics as its own school of economic thought.

Keywords: Socially engaged Buddhism, pragmatism, institutional economics, social change

1. Introduction

Socially engaged Buddhism is largely focused on applying Buddhist philosophy and practice to contemporary crises. As a nonviolent movement for positive change, it addresses a wide range of issues involving social injustice, human rights, inequality, peaceful conflict resolution, and environmental concerns. Central to the movement is the Buddhist commitment to liberation from human suffering by adhering to the format of the Four Noble Truths: *recognizing* that crises in these areas exist, *finding* their sources in human thought and behaviour, *changing* human thought and behaviour, and *dedicating* a program for staying on a path of healthy social interaction. In the area of economics, work in this movement has largely addressed individual conduct such as applying Buddhist ethics to consumer choice-making¹ or developing Buddhist-inspired business models,² or commending the virtues of charitable giving and the accumulation of merits.³ Focusing on such conduct is consistent with Buddhist philosophy and practice, though the attention is largely on building skillful means or livelihoods for individuals. One of the main arguments in this paper is that it is not enough to concentrate on individual thought and behaviour for genuine positive social change. The movement must also broaden its scope beyond individualism and address specific crises that are sourced from socially constructed human behaviour patterns embedded in social structures and institutions. This is particularly evident in the economic

¹ Kaza, *Consumerism*.

² King, *Buddhism*.

³ Goleman, *Destructive Emotions*.

sphere regarding how people think and act in within the structures that dominate economic systems.

In this regard, there exists a substantial body of work within the engaged Buddhist movement that does focus on crises that are generated from social structures and institutions. This work addresses the current environmental, health, and political crises facing humanity and emphasizes the need for social transformations as well individual practice for liberation.⁴ There is much less, however, on specific economic aspects. This paper, therefore, aims to extend this body of work into a holistic and transformative framework for viewing economics specifically. Economies are evolving systems comprised of specific institutions—financial, corporate, market, media, state—that are integrated into vast ecologies of institutions, which dominate the global economy. These institutions exert a powerful force that defines the form and substance of most producer and consumer behaviour, and often does so in ways that causes damage socially and environmentally. As such, what would constitute *socially engaged Buddhist economics* extends beyond economic individualism into a holistic framework that is grounded in modern social philosophy and supported by sound economic theory.

As a step toward building socially engaged Buddhist economics, this paper seeks to augment the Buddhist perspective for social change by reprising aspects of the work of early twentieth-century intellectuals such as William James, Charles S. Peirce, John Dewey, Thorstein Veblen, Alfred North Whitehead, George H. Mead, and others. Together they crafted social and economic philosophies grounded in holism, transformative processes, and humanism. They are the founders of the American schools of pragmatism and institutional economics, and in important ways their work shares an affinity with socially engaged Buddhism. The three aspects

⁴ See Hershock, *Public Sphere*; Jones, *New Social Face*; Kapleau, “Responsibility;” Loy, *Sex, War, Karma*; Queen, “A New Buddhism;” Sivaraksa, *Wisdom of Sustainability*.

of such affinity discussed here are: (1) the shared critique of social atomism particularly as it is fashioned in standard economics, (2) a holistic framework of analysis, and (3) the shared vision of karma and social change. By highlighting these areas of kinship between pragmatism, institutionalism, and Buddhism it is hoped that this paper can give some support to an evolving vision for socially engaged Buddhist economic theory and practice.

2. Beyond Social Atomism and Neoclassical Economics

Pragmatism and institutional economics both began to take shape around the turn of the twentieth century in the United States. At that time, a paradigm shift was underway as scientists and philosophers in Europe and North America were rejecting the Newtonian mechanistic-atomistic paradigm that had dominated scientific inquiry for centuries.⁵ In this paradigm, everything in the physical universe is a discrete unit that is governed mechanically by the Newtonian laws of motion; all things in the inorganic and organic realms are seen as inert, passive, and devoid of purpose. They are constructed from masses of irreducible particles—like so many billiard balls—swirling and twirling in empty three-dimensional space. As they are ontologically passive, any change or movement occurs only when these discrete units are launched into motion by external stimuli. When applied to human consciousness and social behaviour, this paradigm also treats individuals as analogs to particles in empty space. Humans are conceptualized as self-contained units that are fundamentally passive, without volition, and are socially engaged only when spurred into action in response to stimuli arising from their immediate surroundings.

⁵ Pepper, *World Hypotheses*.

As the nineteenth century came to an end, this mechanistic-atomistic model of human existence began to fade. By this time, new scientific developments such as in the areas of radioactivity, wave theory, electromagnetics, quantum physics, and biological evolution threw the entire mechanistic-atomistic paradigm into crisis. Scientists in virtually every field except economics were unearthing a different view of reality as these new developments could not be understood within conceptual framework of the old model. Discrete mechanism was becoming obsolete in a classic Kuhnian paradigm shift⁶ while a more holistic, process-oriented paradigm was taking its place.

Among the most important early contributors to this paradigm shift in the philosophy of science was Alfred North Whitehead. As he developed his *process philosophy* in the early twentieth century, Whitehead characterized the mechanistic-atomistic paradigm as out of step with modern science and argued that, “There persists . . . [a] fixed scientific cosmology which presupposes the ultimate fact of an irreducible brute matter, or material, spread through space in a flux of configurations. In itself such a material is senseless, valueless, purposeless. It just does what it does do, following a fixed routine imposed by external relations which do not spring from the nature of its being.”⁷ Whitehead asserted further that processes and interactions between things are as ontologically important to understanding reality as the things themselves. He concluded that the mechanistic paradigm is founded on an “assumption that I call ‘scientific materialism.’ Also, it is an assumption which I shall challenge as being entirely unsuited to the scientific situation at which we have now arrived.”⁸ American pragmatists joined Whitehead in taking up this challenge.

⁶ Kuhn, *Scientific Revolutions*.

⁷ Whitehead, *Science*, 22.

⁸ Whitehead, *Science*, 17.

Charles S. Peirce, often considered to be the grandfather of philosophical pragmatism, rejected atomism in general. As a physicist, Peirce questioned the veracity of inert particles in empty space as a representation of physical ontology. He presaged some of the core developments in quantum mechanics that were just beginning to surface in his time. Peirce notes that, “When it comes to atoms, the presumption in favor of a simple law seems very slender. There is room for serious doubt whether the fundamental laws of [Newtonian] mechanics hold good for single atoms.”⁹ Like other forward-thinking scientists, Peirce suspected that fundamental particles are capable of motion in more than three dimensions and he considered that a more accurate conception of physical reality is a multidimensional field in which cause-and-effect interactions between objects, or between objects and environments, are as ontologically significant as the objects themselves. Once the impact the behaviour of an object has on its milieu is fully understood and integrated, “Then your conception of those effects is the whole of your conception of the object.”¹⁰ Peirce held that the existence of a thing and the impact or bearing the thing has on its surroundings are inseparable phenomena. As such, the integration of an object and the practical effect the object has on its milieu became central to Peirce’s vision of pragmatism.

Peirce extended this vision to a holistic and volitional conception of human consciousness. Human consciousness is not passive and inert as seen in the mechanistic and atomistic view. Rather, it is actively pursuing a variety of interests of its own volition, not least of which is scientific understanding and curiosity. For Peirce, this is a fundamental condition for human inquiry and the evolution of consciousness. Thinking as willful action in the world, the person doing the thinking, and the milieu within which the person’s action of thinking is taking place, all merge into an

⁹ Peirce, *Selected Writings*, 147.

¹⁰ Peirce, *Selected Writings*, 192.

evolving singularity. Such a transcendent conception of human ontology is impossible in the atomistic paradigm.

Peirce concluded that an open mind unclouded by what he called *fixed beliefs* has the potential for multidimensional expansion and is key for the evolution of human consciousness and progress. Fixed beliefs for Peirce are the body of ideas that have become habituated within a specific culture and are passed down from one generation to the next as unassailable truths, immune to critical examination. Like Whitehead, he concluded that the fixed belief of the mechanistic-atomistic vision of reality, which includes human consciousness, is an unsuitable representation of reality.

William James, another pioneer in philosophical pragmatism, acknowledged that there was a certain persuasiveness to the mechanistic paradigm of atomism, though he eventually rejected it as a distortion.¹¹ James was particularly concerned with the atomistic conception that conscious action in the world is passive, self-contained, and acting only as a response to signals flashing in external reality. Rather, conscious action is willful, active, interested, efficacious, subject to change, and can function for the wellbeing of the *whole man* if allowed to expand to its full potential.¹² Like Peirce, he envisioned human thought and behaviour as interactionist, “the peculiarity of our experiences, that they not only are, but are known, which their ‘conscious’ quality is invoked to explain is better explained by their relations—the relations themselves bring experiences to one another.”¹³ James saw the ontology of human consciousness and existence as fundamentally relational and experiential rather than as physical units moving in empty space.

¹¹ James, *Principles of Psychology*, vol.1, 129.

¹² James, *Will to Believe*, 92.

¹³ James, “Consciousness,” 486.

John Dewey, arguably the most important figure in American pragmatism, was also critical of mechanistic atomism as a distorted representation of humanity. He was particularly critical of how social atomism is used in economic theory to justify asocial egoistic behaviour. Atomism and individualism are dimensions of the same mechanistic ontology. Accordingly, social atomism is the extension of this paradigm to characterize human social behaviour in the same fashion: self-contained and asocial. For Dewey and other pragmatists, however, a core aspect of human life is to be interactive and socially engaged, not contained in the cage of an atomistic, egoistic self. The contours of engagement are shaped by social context, which includes habits of thought and behaviour that are passed down through time. The individual is not a passive unit bumped into motion by external forces. Rather, it is fundamentally active and socially interactive so that social context is as much a part of our being as our physical selves.

For pragmatists, human thought and consciousness transcend the individual, atomistic self. They are potentially boundless if unfettered by fixations and can lead to higher levels of development and evolutionary progress of the species. This development and progress are at the very heart of the humanism found in American pragmatism.

2.1

The view of human behaviour as essentially egoistic and self-seeking is considered natural and axiomatic in standard Western economics. These axioms captured in the mechanistic-atomistic framework are presented in the form of hard science with sophisticated mathematical formalisms. In the Buddhist view, however, self-seeking is a kind of craving (*taṇhā*) that extends from self-attachment that is a source of suffering. In the framework of the four noble truths, human suffering intensifies from grasping and clinging to mental constructs of the self that are illusions that cloud an otherwise open and clear mind.

In the view of Western economics, however, a much different view is presented. Social atomism functions as representation of economic individualism, in which each individual is absorbed with desire and ambition for wealth accumulation. Such desire is activated with market signals that spur people into action and the action brings productivity and material wealth. Self-attachment and craving in human economic behaviour is presumed to be an immutable part of human nature and therefore is rationalized in orthodox economics as both natural and as the wellspring of material progress. This view of human economic behaviour is the subject of much criticism among pragmatists, institutional economists, and some socially engaged Buddhists.

As the paradigm shift away from atomism gained full steam in the twentieth century, scientists and scholars in virtually every field were beginning to change the way they see the world. Inquiry became more interdisciplinary, systems-oriented, and evolutionary. The one notable exception to this, however, was in economics. Mainstream economics, or neoclassical economics, was—and still is—wholly captured in the mechanistic-atomistic paradigm. Neoclassical economists treat individual producers and consumers as mathematical analogs to moving parts in empty space. Human sociality is purged from the condition of being. Social and institutional context is either completely ignored in this purview or is taken for granted as something entirely exogenous to economic behaviour. One of the modern pioneers of ecological economics, Nicholas Georgescu-Roegen, describes the mechanistic portrayal of human behaviour in neoclassical economics as a paradigm that “strips man’s behavior of every cultural propensity, which is tantamount to saying that in his economic life man acts mechanically. . . . The whole truth is that economics, in the way this discipline is now generally professed, is mechanistic in the same strong sense in which we generally believe only classical mechanics to be.”¹⁴ All members who are active in the economy are presented

¹⁴ Georgescu-Roegen, *Entropy Law*, 1.

as ontologically cultureless objects that robotically make choices in a social vacuum where they are spurred into action by enticements or punishments presented by the idealized principles of supply and demand of the free market. These market forces, too, are presumed to operate in a social vacuum.

With sociality purged from human core ontology, the effect is to problematize an expectation of a self-contained unit to behave in any way except according egoistic impulses. What remains is an extreme form of individualism in human behaviour in which there is only a core ego seeking pleasure or avoiding pain for itself. Thus, analytically reduced to self-contained units of desire, humans are treated as blindly and single-mindedly compelled to keep running on a treadmill chasing after more utility—the hedonistic satisfaction gained from forever mounting consumption and forever mounting financial gain—regardless of social, environmental, or spiritual repercussions.

In this way, neoclassical economics provides safe passage for the assumption that material self-interest is axiomatic and the only impulse by which people can be motivated to do useful work. As such, even greed is sublimated as ultimately beneficial for society when given free expression in the marketplace. The Depression-era economist, John Maynard Keynes, rationalizes greed as necessary: “we must pretend to ourselves and to everyone that fair is foul and foul is fair; for foul is useful and fair is not. Avarice and usury and precaution must be our gods for a little longer still. For only they can lead us out of the tunnel of economic necessity into daylight.”¹⁵ Idealized to such status, the belief in the benefits of greed and self-interest has settled deeply into Western culture and mindset, where capitalistic institutions predominate.

Reflecting on this, contemporary economic historian, Dirk Philipsen, places the idealization of greed in a cultural context, “If greed

¹⁵ Keynes, “The Economic Possibilities of Our Grandchildren,” 364.

is culturally dominant, and . . . it leads people to what our culture considers success, we are likely to emulate it as a model for ourselves.”¹⁶ As greed is idealized and becomes culturally dominant, it largely escapes critical examination. Rather, it is sublimated as a beneficial force in society as it keeps all economic agents in a state of constant striving for more. The corporation is at the center of a vast network of powerful commercial, financial, government, media, and monetary institutions—a corporate hegemony. Within that hegemony, the largest Fortune 500 corporations and leviathan bank-holding companies are the dominant institutions by virtue of concentration of wealth and revenue. From the holistic view, therefore, the corporation is viewed not as a business model, but as an institution. Moreover, it is not just an institution existing in isolation, but is part of a system of institutions that play a dominant role in contemporary culture.

With its emphasis on aggregating financial capital, buying and selling, taking profits wherever they can be found, the corporation rose to prominence with a singularity of purpose: to ceaselessly maximize and compound shareholder returns. Financial wealth accumulation became an economic priority, and along with this came an addiction to economic growth and consumerism. Zen teacher and scholar, David Loy, has often pointed out that greed is not just a human emotion; it is an institutionalized force within the capitalist world, “our economic system institutionalizes greed in at least two ways: corporations are never profitable enough and people never consume enough.”¹⁷

Standard economics functions as justification for these capitalistic institutions that are chartered on principles of acquisition and accumulation. For Alfred North Whitehead, an asocial conception of human exist-

¹⁶ Philipsen, *The Little Big Number*, 47.

¹⁷ Loy, *Money, Sex, War*.

ence, as it is perpetuated in economics, is accountable for moral and ethical disgrace in the modern age.¹⁸ This treatment of human economic behaviour was also the principal focus of the pragmatist and institutional economist's critique of neoclassical economics.

Dewey challenged the neoclassical assumption that it is human nature to be economically inactive unless spurred on by financial gain, "The idea of a thing intrinsically wholly inert in the sense of absolutely passive is expelled from physics and has taken refuge in the psychology of current economics."¹⁹ Dewey also rejected the assumption that greed in economic behaviour is human nature, "Those who attempt to defend the necessity of existing economic institutions [of capitalism] as manifestations of human nature convert this suggestion of a concrete inquiry into a generalized truth and hence into a definitive falsity."²⁰ Instead, greed and endless striving for financial and material gain is a socially constructed phenomenon and is passed on from one generation to the next.

Thorstein Veblen, one of the founders of institutional economics, was a contemporary of Dewey and sympathetic to philosophical pragmatism. He was also a critic of social atomism and repeatedly attacked the standard formulations in economic theory that it is in the core nature of human beings to behave egoistically in economic life. Veblen writes, "The hedonistic conception of man is that of a lightning calculator of pleasures and pains, who oscillates like a homogeneous globule of desire of happiness under the impulse of stimuli that shift him about."²¹ He argued instead that it is the characteristic of human beings to be active in their social milieu, not to simply shuffle between pleasure and pain stimuli. For Veblen and other institutionalists, humans behave in the world economically not as an isolated bundle of desires that can only be satisfied when

¹⁸ Whitehead, *Science*.

¹⁹ Dewey, *Human Nature*, 119.

²⁰ Dewey, *Human Nature*, 118.

²¹ Veblen, "Evolutionary Science," 389-90.

placed in the path of the rewards and punishments, but rather are ontologically cultural beings with a coherent structure of socially acquired propensities and habits, which seek proactive realization in the world. He also shared with Peirce and James the vision that habits of consciousness, which for Veblen are socially constructed, are just as much of human ontology as the physical being.

Pragmatists and institutionalists assailed social atomism and neo-classical economics as a poor representation of human sociality. Rather its function is best suited to provide conceptual support for amoral, egoistic self-gratification deemed necessary in capitalist society by mainstream economists. In contemporary Buddhist discourse, mainstream economics is viewed as a distortion, delimiting, and the source of suffering that derives from *taṇhā* and self-attachment.

2.2

Identifying the dangers of human egocentrism and greed has a long history in Buddhist thought. Among his earliest sermons, the Buddha spoke about how greed, hatred [or aggression], and delusion lie just beneath the surface of a whole spectrum of human suffering. The Buddha said, “All is burning . . . burning with the fire of greed, with the fire of hate [aggression], with the fire of delusion.”²² In the Buddhist view, self-attachment and greed are among the most fundamental afflictions in the human psyche that give rise to *dukkha*, a painful, unsatisfactory, even pathological state of existence. The Buddhist view challenges the notion that greed is a necessary evil as Keynes argued and views it instead as arising from self-attachment which is the taproot source of human suffering.

As mainstream economics tries to normalize egocentric self-attachment in human behaviour, Buddhist economists see it as an affliction and thus as a primary driver of suffering. Attempts to normalize it is a distortion of our true nature of being. Venerable Phra Prayudh Payutto

²² Jones, *Face of Buddhism*, 38.

charges that, “economics has become a narrow and rarefied discipline; an isolated, almost stunted, body of knowledge, having little to do with other disciplines or human activities.”²³ Buddhist economist, Apichai Puntasen, asserts that “Mainstream economics has virtually nothing to say about living authentic lives and true happiness aside from its self-proclaimed axioms of self-indulgence.”²⁴ These and other Buddhist economists warn that Western economic systems and ideologies, which have taken over much of the East, have culminated in a state of existence characterized by a dangerous combination of wealth and power wielded by those with defiled minds and stunted spiritual development. In an open dialog session with Buddhadasa Bhikkhu and the Dalai Lama, Ajahn Santikaro emphasizes that, “As long as our economic system is based on selfishness . . . it will fail. Buddhist economics, therefore, must overcome selfishness in both the worldly and spiritual spheres.”²⁵

Considering this, Payutto extends his analysis into a system of ethics, which discerns between two categories of economic motivations. One category is *taṇhā*, or small-minded motivations that are limited to individual ego-gratification and craving. The other category is *chanda*, or big-minded motivations stemming from an aspiration to contribute to societal wellbeing. *Taṇhā* is derived from the compulsions of the egocentric consumers, entrepreneurs, and financial market speculators who remain in a kind of dark prison of insatiability and self-indulgence. Experience is highly individualistic and limited to immediate thrill or self-gratification such as the rush of hitting it big on Wall Street or the excitement of buying a new car and seeing little meaning in anything else. *Taṇhā* economics flows from a river of craving that the Buddha saw as boundless, “even if one could magically transform one single mountain into two mountains of solid gold it would still not provide complete and lasting satisfaction to

²³ Payutto, *Buddhist Economics*, 5.

²⁴ Puntasen, *Buddhist Economics*, 38.

²⁵ Buddhadasā, *A Single Bowl*, 119.

one person.”²⁶ For Payutto, there is little genuine good that comes from *taṇhā* economics and therefore accords such economic action little or no ethical value. *Chanda* economics, on the other hand leads to overall well-being not only for the individual producer or consumer, but also for society and our natural habitat. In this case, Payutto calls the activity “morally skillful” and holding ethical value.

Whereas greed is lauded in Western economics as the source of material prosperity, it is seen as pathological in the Buddhist view and therefore is devoid of ethical value. For Payutto, actions holding ethical value derive from “non-defilement” as having roots in non-greed, non-aggression, and non-delusion. He implores us all to make this effort, which in time, “leads to a more skillful life, and a much better and more fruitful relationship with the things around us.”²⁷

Buddhist ethics in this sense is not a set of commandments or pronouncements about what is good, bad, evil, or sinful. It is centered on a karmic understanding of how things could be better in terms of overall wellbeing if members of the community act to free themselves from greed, aggression, and delusion. Crafting a vision of change from *taṇhā* to *chanda* economics necessarily means reaching beyond social atomism and the egocentric axioms of neoclassical economics. The vision is holistic as it includes the entirety of human sociality in its analytical purview and is an approach that is central to both pragmatism and institutional economics.

3. Holism and Interconnectedness

For pragmatists, institutionalists, and Buddhists, individuals who participate in social and economic activities are not passive, static, or isolated

²⁶ Kaza and Kraft, *Dharma Rain*, 85.

²⁷ Payutto, *Buddhist Economics*, 18-19.

units. Rather, they are seen holistically as actively creating, and being created by the social firmament within which economic production and consumption take place. In contrast to social atomism and neoclassical economics, the shared holistic view presented here holds no distinctions between unity of the whole and diversity of the mass of individuals. Distinctions between unity and diversity are artificial fragmentations within a systemic where all things and processes are in an inseparable and constantly changing state of interbeing.²⁸

The holistic purview in Buddhism transcends artificial fragmentation in the physical and social world. Buddhist scholar and systems theorist, Joanna Macy, asserts that all aspects of our world, including consciousness, are connected to all other aspects; and all phenomena are co-arising with all other phenomena. The origination of all things depends on the origination of all other things. A cornerstone of Joanna Macy's work is her synthesizing of the holistic and dynamic aspects of general systems theory and Buddhist philosophy. Macy has found many parallels between Buddhist philosophy and general systems theory. Here she rephrases the Buddhist concept of interbeing (*paṭiccasamuppāda*) as a doctrine of mutual causality, "In this doctrine, reality appears as a dynamically interdependent process. All factors, mental and physical, subsist in a web of mutual causal interaction, with no element or essence held to be immutable or autonomous."²⁹ She argues that as one becomes awakened to a level of being that transcends the immediate self or ego, one also becomes awakened to the dependent nature of their immediate social surroundings, their habitat, their country, and their world. Individual existence is not isolated by imaginary delineations like being forced into the shape of a billiard ball. Macy asserts that each individual exists in a state of oneness with all things such that there are no *us* and *them*, or *this* and

²⁸ Thích, *Buddha's Teaching*, 42-43.

²⁹ Macy, *Mutual Causality*, 33.

that, distinctions.³⁰ This doctrine in Buddhism holds that everything is equal in both origination and dissipation. When this arises, that also arises; when this dissipates, that also dissipates. Nothing has a separate, permanent identity in itself. All is contingent and impermanent.³¹

Applied to social philosophy, dependent origination holds that every individual and every process in society equally arises and exists with all other things and processes in the social whole or firmament. The image of Indra's Net is often used in Buddhist literature to convey this holistic vision.³² The net is comprised of an infinite number of strands that extend in all directions without end. At each intersection, where the strands of the net cross, there is what appears to be a sparkling jewel. Upon close inspection, each jewel is merely the light reflection of all the other jewels in the net. The existence of each jewel is dependent on the existence of all other jewels such that none has its own discrete or independent reality; and each is empty or without form. Such emptiness symbolizes a condition of liberation from self-attachment. Each individual self exists through the medium of other selves.

Considering Indra's Net as a metaphorical representation of dependent origination in human society, engaged Buddhist, Ken Jones writes, "From the standpoint of engaged Buddhism the net is valuable as a working ideal for society and its organizations, in which we are brothers and sisters in mutuality." Such mutuality implies the interconnectedness of a network of diverse communities united into a commonwealth in which there is a "high level of public-spiritedness—for which Indra's net provides the ultimate metaphor."³³

³⁰ Macy, *Mutual Causality*.

³¹ Abe, "Mahayana Buddhism."

³² Cook, *Hua-yen Buddhism*.

³³ Jones, *Face of Buddhism*, 17.

Similarly, the holistic vision of a web of interconnectedness in the form of a commonwealth was the original conception of institutional economics. Institutionalist and legal scholar, Walton Hamilton, observes, “The world of [economic activity], to which imperfectly we accommodate our lives, is a tangled unbroken web of institutions.”³⁴ Elaborating on this theme, institutionalist, Allan Gruchy, emphasizes that the fundamental view of institutional economics is that it takes this web to be an “evolving, dynamic whole or synthesis, which is not only greater than the sum of its parts, but which also relates the parts such that their functioning is conditioned by their interrelation.”³⁵ Such interrelation is the diversity of individual action within the unity of a vast cluster of social habits, conventions, folkways, beliefs, and symbols, etc., that impose form on the daily activities of individuals as they go about making their living. Institutionalist, Russell Dixon, notes that “To understand modern economic activity, which has become the dominant and directive force in our industrialized world, one must appreciate its place in the social entity called culture.”³⁶ In their critique of social atomism, institutionalists argue that to study the ways by which people make their living without considering how these ways are inextricably bound to higher-order social systems is to have a stunted view of economics. Institutionalist, Allan Gruchy, concludes that, “The assumptions of the holistic economists relating to the nature of human behaviour are in conformity with their view of the economic system as an evolving cultural complex.”³⁷

3.1

A central challenge to holistic or systems thinking in pragmatism and institutionalism is with marking the parameters of the whole of society.

³⁴ Hamilton, “Institutions,” 84.

³⁵ Gruchy, *Modern Economic Thought*, 4.

³⁶ Dixon, *Economic Institutions*, 5.

³⁷ Gruchy, *Modern economic Thought*, 560-565.

Macy's system of "articulated integration" is helpful here.³⁸ For Macy, what is articulated within this integrated structure is a conscious awareness of the interconnections within the layers of formations. Holistic epistemology is the middle ground between nihilism of social atomism and the Hegelian end game of all-knowing in the universe. Understanding in this way requires awareness that the level of the formation we are trying to comprehend is interconnected with others, and such awareness is part of the co-arising of conscious awareness of reality with reality itself. Conscious awareness is a transformative and cumulative process, and a key step in the process is an attempt to be as inclusive as possible. Inclusiveness entails both specialization of understanding and articulating with other specializations to form an integrated, evolving, collective community of understanding.

The range of parameters established in this middle ground does not set boundaries for a closed system. Rather it remains open and is outwardly and continually evolving. Holistic epistemology is a shared process in which the baton can be passed from one discipline to the next, one level of complexity to the next, or one time period to the next. Communication then becomes vital so as to ensure that one level naturally feeds into the other without contradictions. These communicative formations cohere into higher level formations. For pragmatists and institutionalists this process is predicated on action in the world. Individual behaviour is patterned by a combination of a volitional drive to act and the interplay of that action with surrounding social context. Specifically, the focus is on material actions taken by people in their communities who are driven by an internal volition to transform their surroundings.

3.2

For Dewey individual action does not arise by force of impact by external stimuli as seen in neoclassical economics. Rather, it is an intrinsic aspect

³⁸ Macy, *Mutual Causality*.

of being human. Dewey writes, "In truth man acts anyway, he can't help acting. In every fundamental sense it is false that a man requires a motive to make him do something. To a healthy man inaction is the greatest of woes."³⁹ In his groundbreaking article, "The Reflex Arc Concept in Psychology" published in 1896, Dewey casts off the atomistic concept that human thought and action are held in a state of inertia until propelled into motion by an external force. He argued instead that mental and physical action are predicated on pure volition, yet also acknowledges that the volitional aspect of the human condition is meaningless unless placed in the context of the structured habits within a broader cultural complex. Veblen also saw human activity as willful and directed from an internal volition, yet continuously molded by an ongoing process of social habituation and reinforcement within human culture.⁴⁰ The whole of the cultural complex is the totality of customs, language, symbols, and institutions, which taken together comprise the social firmament. In this holistic view, the social firmament is in a state of codetermination with each individual and with an evolving consciousness.⁴¹

Dewey and Veblen both envisioned the social firmament as carrying socially constructed habits that constitute the setting for human action. These habits are the filtering and coloring media through which the external world reaches our perception and thought. From this view Dewey concluded, "Thus our purposes and commands regarding action (whether physical or moral) come to us through the refracting medium of bodily and moral habits."⁴² By contrast, social atomism holds that the habits of society are nothing more than the arithmetic collection of individual habits raked together into an amorphous cluster. Dewey, however, argues that there is an underlying structure shaped by the material conditions of

³⁹ Dewey, *Human Nature*, 118-119.

⁴⁰ Veblen, *Evolutionary Science*.

⁴¹ Dewey, "Reflex Arc."

⁴² Dewey, *Human Nature*, 32.

daily life in which people have common experiences and therefore develop commonly accepted social habits. He writes, “We often fancy that institutions, social custom, collective habit, have been formed by the consolidation of individual habits. In the main this supposition is false to fact . . . customs, or widespread uniformities of habit, exist because individuals face the same situation and react in like fashion.”⁴³

Facing the same situation and reacting in like fashion for Dewey was an ongoing project of problem-solving in the tasks of wresting a livelihood from the crust of the earth—the very core action within all economic systems. Dewey writes, “The problem of origin and development of the various groupings, or definite customs, in existence at any particular time in any particular place is not solved by reference to psychic causes, elements, or forces. It is to be solved by reference to facts of action, demand for food, for houses, for a mate, for someone to talk to.”⁴⁴

In the economic processes of production, distribution, and consumption, the habits of mind and habits of behaviour of people become “deeply grooved systems of interaction which we call social groups, big and small.”⁴⁵ The everyday lives of people are largely consumed in the struggles to gain a livelihood in their material surrounding. Knowledge about their material surrounding is derived from what is illuminated in, or relevant to, these struggles. Through the routines of work, individuals and communities settle on following a certain set of practical procedures, without which they would have to uneconomically reinvent and redefine the manner with which one performs work tasks each day. These procedures become habitualized and consequently provide a stable foundation upon which new procedures may be innovated in the face of new challenges, or by virtue of pure creativity. People work in the world together to make things, and in so doing self-create their own social groups. Dewey

⁴³ Dewey, *Human Nature*, 58.

⁴⁴ Dewey, *Human Nature*, 58.

⁴⁵ Dewey, *Human Nature*, 60.

writes, “common mind, common ways of feeling and believing and purposing, comes into existence, then forms these groups.”⁴⁶ Common ways of thinking acting reify into social groups which in time become the economic institutions that impose order and control over the economic process. In time these institutions interact with other institutions to create a network or ecosystem of institutions that Hamilton described as the unbroken web. The web evolves into a system that is intertwined within the whole of the social firmament. In this way, people create the social firmament that shapes and controls their lives. Biologist and pioneer in systems theory, Ludwig von Bertalanffy, concurs “[S]ystems theory sees the individual as primarily active, seeking not rest but that steady state maintained by the tension of interaction . . . Man is not a passive receiver of stimuli coming from an external world, but in a very concrete sense *creates* his universe.”⁴⁷

This tension of interaction between the individual (self) and the social firmament (other) in the process of self-creation is dialectic. Reflecting on this tension in a Hegelian sense, philosopher Hans Georg Gadamer notes that “To recognize one’s self in the alien, to become at home in it, is the basic movement of spirit, whose being consists only in returning to itself from what is other.”⁴⁸ The whole of an evolving culture (*bildung*) is the synthesis of the self with the firmament by inwardly making it a part of the self and by outwardly expressing the self to the firmament. By making the cultural world part of the self, pragmatist George H. Mead notes that the symbols and images of a social group are used to construct an identity of what he calls the “social self.”⁴⁹ As such individuals are tied to a social group and play a role in that group accordingly, “In this way we

⁴⁶ Dewey, *Human Nature*, 61.

⁴⁷ von Bertalanffy, *General Systems*, 192.

⁴⁸ Gadamer, *Truth and Method*, 14.

⁴⁹ Mead, *Philosophy*, 142.

play the roles of all our group; indeed, it is only insofar as we do this they become part of our social environment.”⁵⁰

Through their collective and habituated action in economic life, each individual social self, shapes the contours of the social environment or firmament. The firmament, in turn, shapes the actions of people with work rules, symbols, social norms, and social habits, which in time become the building blocks of social institutions. Social institutions cohere into the structures that provide the rules that guide economic life. The social firmament is part of the very fabric of our economic being and our economic being is part of the social fabric. In this way, the development of the individual, social development, and the evolution of the social firmament are all locked together in a state of dependent co-origination. From this perspective, the social self of the individual, the corporation as an institution, and the surrounding social firmament are all in a state of interbeing. The focus on making change has to be on all levels to be effective.

For both pragmatists and institutionalists, all human existence is in a state of interbeing with the surrounding social firmament such that behaviour cannot be understood outside of this milieu any more than a fish can be understood without water. The whole of the social firmament is continuously in a state of flux resulting from the interplay between its unity and the diversity of the mass of active individuals each playing a role of social self. All aspects are thus impermanent and transformative. The direction of the transformation, however, is non-teleological and uncertain. For pragmatists and institutionalists, the ultimate task is to consciously give some direction to the evolution of the social firmament in order to realize healthy progress in people’s lives—to be in service of humanity.

3.3

⁵⁰ Meade, *Selected Writings*, 146.

Returning to the Buddhist perspective, Peter Hershock emphasizes that it is not enough to simply be aware of interconnectedness to free ourselves from suffering and pathology. Rather, “it is crucial to ask whether existing emerging patterns of interdependence are wholesome and conducive to relating freely, or if they carry us, personally and communally, in a contrary direction.”⁵¹ Socially engaged Buddhism goes beyond gaining an understanding of interrelatedness and cultivates insight into the meaning and direction of change. Hershock emphasizes that “Affirming that all things arise interdependently is not to affirm that they do so in a necessarily liberating way . . . But can also mean deepening poverty, trouble, and suffering.”⁵²

Suffering is not only a condition that affects us individually, it is also systemic. In the socially engaged Buddhist view, the root causes of suffering transcend the individual and are connected to deeper existential defilements. There is much suffering that originates from the troubled conditions wrapped up in our individual sense of self, the ego, and from the same defiled conditions embodied in our social institutions and collective mindset. Thích Nhất Hạnh teaches us that troubling patterns of behaviour and feelings of agitation have social origins that have been habituated and carried forward in time, “We may think that our agitation is ours alone, but if we look carefully, we’ll see that it is our inheritance from our whole society and many generations of our ancestors.”⁵³ Making positive changes within ourselves as well as changing the conditions in our social firmament is the dialectic interplay from which inner and outer work of socially engaged Buddhist economics takes its form.

⁵¹ Hershock, *Global Interdependence*, 59.

⁵² Hershock, *Global Interdependence*, 59.

⁵³ Thích, *Buddha’s Teaching*, 75.

4. Economics, Socially Constructed Habits, and Karma

For pragmatists, this dialectic interplay between individual and social firmament, and between habits of thought and habits of action, is a constantly evolving process. Recall that Peirce and James emphasized that this process has unlimited potential for progressive development. William James noted that the mind in this evolving process is such, “...no state ‘of consciousness’ once gone can ever recur and be identical with what it was before.”⁵⁴ By contrast, the atomistic view sees changing consciousness as merely a rearranging of fixed responses to sensations. For pragmatists action and experience in the world reshapes the individual in every moment. The cognitive reaction to each experience is a reflection of the totality of all experiences and reshaping up to each moment and gives new shape to experiences to come. Through a process of karmic volition, James and other pragmatists see all human experience as deriving from a will to act which steadily transforms their world and their consciousness, and these transformations are cumulative.

Given that the social firmament is in a state of continuous and cumulative transformation, a question arises concerning the direction of this change. Both pragmatists and institutionalists argue that the direction is non-teleological. In terms of Darwinian evolution, change is subject to chance and circumstance and can drift in an infinite number of directions. At the same time, however, it is subject to volitional will. The volition to act in the world is universal to all people and the specific actions people take are shaped within the social firmament. All the while, however, they are leaving their marks of alterations within the social firma-

⁵⁴ James, *Principles of Psychology*, vol.1, 230.

ment such that it is subject to “permanent alteration by a cumulative series of actions.”⁵⁵ Through the dialectic process of mutual creation between individuals and firmament, volitional human action in the world constitutes the key to cumulative change and social evolution. As the process is indeterminant insofar as there is no pre-determined blueprint, there are both karmic and ethical implications regarding the overall direction of such change.

4.1

As humans have the volitional will to act in their community, this action will indubitably be a force—large or small—in the direction with which the firmament evolves. Through a process of karmic volition people’s actions in the material world lead toward evolutionary backsliding or toward creative progress—toward *saṃsāra* or nirvana. For Payutto, the ethical value of our actions is weighed by karmic repercussions of those actions and whether the action derive from *taṇhā* motivations or *chanda* motivations. For socially engaged Buddhist economics, there must be an awareness as to whether our habits of thought and action foster the evolution of cumulative change in ways that lead to general genuine wellbeing or suffering. On this, we turn again to Mead.

For Mead, pragmatist and colleague of Dewey at the University of Chicago, the interplay between people’s actions in daily life and the social firmament was a central focus. He stood out among the pragmatists as the most preoccupied with problem-solving in society, particularly in the context of the flurry of the scientific developments of his era. Mead’s approach to pragmatism, often referred to as “constructivism,”⁵⁶ was developed around what he called his “philosophy of act”⁵⁷ Mead emphasized

⁵⁵ Veblen, *Workmanship and the State*, 55-56.

⁵⁶ Mead, *Selected Writings*, xlvi.

⁵⁷ Mead, *Philosophy of the Present*, 65.

that ethical considerations are bound to the reality that evolution of human beings and the impact their actions have on their social and natural environments are coterminous. Resonating with Peirce's notion of *practical bearing*, the philosophy of act is more than merely considering some useful course of action, it is a statement of metaphysics in which a central aspect of human existence is the primacy of action, interaction, and impact. Mead writes, "It has become evident that an environment answers to the susceptibilities of the organism; that the organism determines thus its own environment; that the effect of every adaptation is a new environment which must change with that which responds to it."⁵⁸ The recognition of this process of mutual codetermination and impact engenders a sense of an ethical responsibility for Mead, "The full recognition, however, that form and environment must be phases that answer to each other, character for character, appears in ethical theory."⁵⁹ Form and environment are subject to cumulative change and moral awareness of the karmic impact of actions can determine the path of this change.

For Mead, in the coterminous field of space and time there does not exist a one-directional extension with one level shaping the other. Rather, the effects of all are simultaneous, whole, and multidirectional, "if we admit that the evolutionary process consists in a mutual determination of the individual and his environment—not the determination of the individual by his environment—moral necessity in conduct is found in the very evolutionary situation."⁶⁰ In this evolutionary sense, Mead emphasized that individual actions in their original form are the first overt phases in social acts and a social act is one in which one individual connects as a stimulus to a response from another individual. In a kind of dance of mutual adaptation, individuals signal to each other what their

⁵⁸ Mead, *Selected Writings*, 83.

⁵⁹ Mead, *Selected Writings*, 83.

⁶⁰ Mead, *Selected Writings*, 86-87.

conduct implies in terms of appropriate and valuable responses from each other.⁶¹

Similarly, Dewey argued that it is impossible for a person to be morally neutral in this regard. Conduct is always shared and always has ethical impact one way or another. The ethical exigency arises in the context of making modifications that will have a karmic impact on the condition of the social firmament in the future. Ultimately for both Dewey and Mead, the process of positive social change is not something that can be achieved by simply appealing to an individual to shape up and change their habits. It must extend into the realm of changing social conditions as well. Dewey argues, “We change character from worse to better only by changing conditions—among which, once more, are our own ways of dealing with the one we judge. We cannot change habit directly: that notion is magic. But we can change it indirectly by modifying conditions.”⁶² He was adamant that proclamations of social reform that promise putting an end to war, labor strife, or inequality for Dewey ring hollow unless accompanied with plans for changes in social structures,

no amount of preaching good will or the golden rule or cultivation of sentiments of love and equity will accomplish the results. There must be change in objective arrangements and institutions. We must work on the environment not merely on the hearts of men. To think otherwise is to suppose that flowers can be raised in the desert or motor cars in a jungle. Both things can happen without a miracle. But only first by changing the jungle and the desert.⁶³

Dewey went further to argue that changing objective social conditions which have practical bearing on the habits of people is not something that can happen in a leap of revolutionary transformation. Revolutions enter the stage full of sound and fury, but then ultimately settle back

⁶¹ Mead, *Selected Writings*.

⁶² Dewey, *Human Nature*, 21.

⁶³ Dewey, *Human Nature*, 21-22.

to the deeply grooved habits of society. A revolutionary movement can have some momentary impact on the existing institutions, but will inevitably be left behind because “the habits that are behind these institutions and that have, willy-nilly, been shaped by objective conditions the habits of thought and feeling are not so easily modified.”⁶⁴ The force of lag in human life is enormous and actual social change is never so great as is apparent change. Glowing predictions of the immediate coming of a social order tend to terminate repeatedly in disappointment. He concludes that, “Habits of thought outlive modifications in habits of overt action.”⁶⁵ Changing the jungle or desert, as it were, is gradual and piecemeal in a continuum of flux within which each “new generation must come upon the scene whose habits of mind have formed under new conditions.”⁶⁶

4.2

On this matter of karmic and volitional social change, Hershock argued that it is also important to emphasize the values and intentions that underly action. Liberation from suffering, which is the cardinal aim of Buddhism, would constitute reorienting our economic interdependencies away from destructive values, which lead to destructive intentions, which lead to destructive actions. Breaking such “ill-disposed patterns . . . and skillfully orienting it away from trouble and suffering” is necessarily a part of contemporary Buddhist practice.”⁶⁷ Karma, for Hershock, is a process of inheriting a set of social, political, and environmental conditions that have been formed from past values-intentions-actions. Real social change comes from identifying these conditions and consciously and creatively reforming our present moment firmament using skillful means cultivated through practices which engender different values-intentions-

⁶⁴ Dewey, *Human Nature*, 108.

⁶⁵ Dewey, *Human Nature*, 108.

⁶⁶ Dewey, *Human Nature*, 110.

⁶⁷ Hershock, *Global Interdependence*, 14.

actions. Hershock refers to this process of change as “dispositional revision.”⁶⁸

Resonating with pragmatists’ and institutionalists’ notions of holism, Hershock further identifies that “one of the root insights of Buddhist teachings on karma is that we have no choice but to work with the resources present in our own situation, as it has come to be.”⁶⁹ Buddhists have a keen insight into reconstructing our lives through “skillful means,” which as Hershock explains involves “sensitivity to and abilities for creatively appropriating the karma of our present situation in its historical context.”⁷⁰ Thus, changing circumstances involves reorienting our systems of interaction, which also “means being capable of initiating and sustaining both discerning and enriching patterns of engagement with our situation . . . In the broadest Buddhist sense, this is what is meant by appropriate development.”⁷¹

Peirce asserted that the central maxim of pragmatism as a philosophy of science is that it must “[c]onsider what effects that might conceivably have practical bearing you conceive the object of your conception to have.”⁷² For socially engaged Buddhist economics, the practical and ethical starting place for appropriate development is with meeting the foundational needs of the population with basic social provisioning.

Economic production, distribution, and consumption constitute the structural basis for meeting what Hershock identifies as the foundational needs of human security: reasonable environmental quality, healthcare, adequate food, clothing, shelter, etc.⁷³ Taking a holistic view, he sees that failing to meet these needs makes it virtually impossible to

⁶⁸ Hershock, *Global Interdependence*, 14-15.

⁶⁹ Hershock, *Global Interdependence*, 22.

⁷⁰ Hershock, *Global Interdependence*, 22.

⁷¹ Hershock, *Global Interdependence*, 59.

⁷² Peirce, *Selected Writings*, 192.

⁷³ Hershock, *Global Interdependence*, 60.

develop the higher-level capacities for human development such as advanced technology, literacy, civic participation, environmental stability, or social justice. Hershock emphasizes that “In strictly Buddhist terms, failing to secure these foundations needs means failing to secure the minimum conditions for a liberating practice aimed at the meaningful resolution of trouble or suffering—the orientation of our personal and communal patterns of interdependence away from samsara toward nirvana.”⁷⁴ Thus, the first-order task at hand for socially engaged Buddhist economics is to mobilize the resources in every society and community to secure what Gruchy refers to as social provisioning,⁷⁵ which is inseparable from the collective human life project.⁷⁵

Social provisioning will always be based on the prevailing habits of thought and behaviour—the institutions—at a given time within the confines of the social firmament. As people in their communities seek to have a society that provides for the wellbeing of the population, there must be a set of institutions, stable within the firmament, that set the rules for doing so and holds such provisioning as a priority. If people find themselves in an economic society which does not have such priorities, socially engaged Buddhists will be compelled to ask why this is not the case and what needs to be done to make it so. The implication is that there is a certain level of activism involved in the process of reorienting social structures as a lived social ethic. For Hershock, this would involve skillfully re-crafting a set of values-intentions-actions.⁷⁶

4.3

The cumulative evolution of social systems and their embedded priorities was a preoccupation of Veblen’s. In one of his last pieces of published work, Veblen took a long view into the future and was troubled by what

⁷⁴ Hershock, *Global Interdependence*, 60.

⁷⁵ Gruchy, *Modern Economic Thought*, xii.

⁷⁶ Hershock, *Global Interdependence*, 60.

he saw. He was, in effect, exploring the Buddhist First Noble Truth and recognizing that suffering exists and the Second Noble Truth that it is sourced within the institutional structure of economic society. In his vision for the *secular trend* as he called it, he examined past trends, present conditions in the firmament, and extrapolated to the future of economic society in America that seems certain to tear itself apart into an almost biblical state of antagonistic dichotomy among economic institutions.⁷⁷ What he saw for our future is a deep schism opening between healthy, well-adjusted systems of interaction (good karma) and those that are pathological and maladjusted (bad karma).

After observing much anthropological and sociological data, Veblen summarized that much of what constitutes human habitual economic behaviour can be categorized into two general dichotomous clusters. On the well-adjusted side, Veblen identified habitual ways of behaving that are grounded in science, problem solving, creativity, and are useful to the human life process. They guide our work in ways that are more useful to people, not because there are fortunes to be made, but because of the historically rich craft traditions in which humans are fascinated with the idea of doing things better. These stand on the side of progress, appropriately implemented technology, stability, and the provision for the general well-being of the population. These are the habits that compel people to act in constructive, beneficial and creative ways; the other cluster is the instinct that drives people to behave in predatory, destructive, and selfish ways. The creative habits allow for the advancement of the well-being of people through inventions, technology, science, workmanship, and possibly skillful means. Such habits facilitate the development of what he referred to “matter-of-fact” knowledge and “the employment of scientific knowledge for useful ends.”⁷⁸

⁷⁷ Veblen, *Absentee Ownership*, 398-445.

⁷⁸ Hamilton, “Institutions,” 53-54.

On the other side are maladjusted business institutions that exist to accumulate ostentatious fortunes, status, and conquests for a small class of the wealthy and powerful absentee owners. Rather than contribute to social provisioning, they smother the economy with greed, corruption and stagnation. The business world, as it has become increasingly corporatized, does not create things that are useful for human wellbeing, rather it owns and extracts things for sale. If wellbeing happens as a result, it is collateral and of secondary importance. For Veblen, the large publicly traded corporate enterprise emerged on this side of the rift and came to dominate the economic scene completely.

A century before they became household names, Thorstein Veblen warned of the formidable power of Wall Street and giant corporations. He looked to the future and saw that if our society allows corporate entities to become the size of Jupiter, all else will become its moons and satellites, with a gravitational bind among them that is so strong that, “the rest of the community, the industrial system and the underlying population are at the disposal of the Interests.”⁷⁹ For Veblen, the Interests represents the principal shareholders and the corporate class of professionals that work at the top of the hierarchy. He sees the members of this class positioning themselves to take control of the economy with a patent indifference to economic stability, industrial progress, or anything else that might contribute to social wellbeing beyond financial gain. In his view the corporation is a legal-financial institution that is structured around securities trades for capitalization and commodity trades for profits. It is an institution that is programmed such that its stakeholders are not required to accomplish anything, or even care what the business does, except generate returns for owners. Rather the “ways and means of business, to be managed in a temperate spirit of *usufruct* for the continued and cumulative benefit of the major Interests and their absentee owners.”⁸⁰

⁷⁹ Veblen, “Evolutionary Science,” 399.

⁸⁰ Veblen, “Evolutionary Science,” 399.

Veblen attested to an evolutionary drift toward corporate hegemony in which all other major institutions were becoming increasingly rendered under the boot of corporate power. He described the formation of an emergent system as, “One Big Union made up of partners, auxiliaries, subsidiaries, extensions and purveyors of traffic.”⁸¹ In other words, what Veblen was describing was an evolutionary trend toward corporate hegemony, which like so many other creations of capitalism, has developed a kind of mind of its own.

Veblen’s Secular Trend inspired institutionalist economist William Dugger, who decades later produced his comprehensive work on corporate power titled, *Corporate Hegemony* (1989). Dugger introduces his work, [The] capitalist corporate is an inherently narrow and short-sighted organization. It has not evolved to serve the public purpose. It has not evolved to monitor and coordinate economic activity for the benefit of society at large. The corporation has evolved to serve the interests of whoever controls it, at the expense of whoever does not. This is a simple but profound truth. The corporation, not the market, is the dominant economic institution in the industrialized West.⁸²

A century before Dugger, Veblen saw a future in which the corporate world would push all else aside and the entire economic system would cease to be concerned about providing for the needs of people and only about greed and financial gain—a pathological end game. The predatory instinct results in reactionary dominance and control that thwarts such advancement and leads to cultural stagnation and backwardness. Veblen saw this as a kind of animistic instinct, which is removed from actual creative or productive work and sublimates the activities of individuals who give the outward appearance of heroic feats of cunning, mystery, or conquest.

⁸¹ Veblen, “Evolutionary Science,” 399.

⁸² Dugger, *Corporate Hegemony*, xiii.

For Veblen and Dewey, existing circumstances come into being not by extension of human nature, but through a process of social habituation. Dewey concurred with Veblen that the structure of economic activity largely depends on the state of the firmament at some point in time on the evolutionary continuum. Dewey argued there is an array of forces, not just one human aspect of “human nature,” that gives rise to the kind of aggression seen in capitalistic systems. He argues that monopolization through market conquests and aggression in general can be generated by the same impulses that lead to war:

Pugnacity, rivalry, vainglory, love of booty, fear, suspicion, anger, desire for freedom from conventions and restrictions of peace, love of power and hatred of oppression, opportunity for novel displays, love of home and soil, attachment to one’s people and to the altar and the hearth, courage, loyalty, opportunity to make a name, money or career, affection, piety to ancestors and ancestral gods—all of these things and many more.”(Dewey, 1930, pp.112-113) He makes the point that “To suppose there is some one unchanging native force which generates aggression is as naïve as the usual assumption that our enemy is activated solely by the meaner of the tendencies named **and we only by the nobler . . . Social conditions rather than an old and unchangeable** Adam have generated wars; the irradicable impulses that are utilized in them are capable of being drafted into other channels.”⁸³

Veblen and other institutionalists shared with Dewey the emphasis on evolutionary rather than revolutionary progress, which is often linked to technological development, innovation, and creativity.⁸⁴ Veblen identified an underlying mechanism for change that points our cultural

⁸³ Dewey, *Human Nature*, 112-113.

⁸⁴ Veblen, *Instinct of Workmanship*, 231.

evolution in one direction or another—for better or worse. This mechanism is what he calls “invention and diffusion.”⁸⁵ As people act in the world, they invent and change things and project them into the social firmament. This could be a new form of technology, a new weapon, or a new skillful means. Eventually, if they take root these new projections become diffused through social interaction and eventually new habits are formed around them. All become part of the evolving firmament while the old habits fade in a continuous process of renewal and change.

In Veblen’s analysis there is conflict in the process of adaptation and determination of what gets diffuse and what fades. Each incremental change is either seen as karmically adaptive or maladaptive. If the invention and diffusion of something results in improvements, it is adaptive and leads toward progress. The adaptive or maladaptive character of the invention depends on the prevailing disposition at the time it was developed. If it blooms from a prevalent disposition to creatively advance the wellbeing of the population, it is adaptive. A new medicine, more efficient use of energy, or innovative policies for eliminating poverty all stem from a *chanda* motivation to create something that can be put into service of social provisioning. If, however, the invention was developed out of prevailing cultural disposition of craving or predation, then it leads to a kind of cultural de-evolution. For Veblen, inventions that foster predatory conquests, amassing fortunes in speculation for ego-aggrandizement are distinct from real creative or productive work. Their purpose is to sublimate the activities of individuals who are consumed with *taṇhā* motivation. In this situation, there is little or no progress in terms of wellbeing or social provisioning.

⁸⁵ Veblen, *Instinct of Workmanship*, 112-113.

5. Conclusion

The Four Noble Truths of Buddhism are about the veracity of suffering, the sources of suffering, changing direction, and having a solid plan on how to make such change. These truths apply to a corporate dominated society as much as they are guidelines for individual conduct. Changing in a healthy direction, individually or socially, necessarily involves some degree of letting go. Positive change cannot happen if members of society are absorbed with self-attachment or resisting the reorientation of institutions in the face of pathological conditions such as climate change, pandemics, and corporate greed run amok. Perhaps a crucial first step in letting go is to surrender to the notion of impermanence.

Impermanence is another central concept in Buddhist thought. It is often referred to as *anicca* in traditional Buddhist literature, meaning that everything formed in this universe is ceaselessly changing. Nothing endures forever. There is only process, flux, and time. The thirteenth-century Zen master, Dōgen, calls it “being-time” indicating that because everything is changing, everything is time. He pointed to a sixteen-foot golden figure, a seemingly very solid and unchanging object, and said “this is time.”⁸⁶ In the Buddhist view, everything—a golden statue, the sun, the mountains—is temporal and flowing along the one directional arrow of time.

Another concept related to impermanence is karma. Karma is an understanding of time that connects the past, present, and future. As the saying goes, “The present is a shadow of the past and the future a shadow of the present.” Karma is both a doctrine of cause and effect, and of action and reaction. Our actions motivated from ego-attachments create the reaction of more pathological conditions for the future. But it does not have

⁸⁶ Kapleau, “Responsibility and Social Action,” 308.

to be this way. By the same reasoning, healthy motivations can give rise to beneficial actions, which create wholesome conditions for the future. We are, individually and societally, the engineers of our own fate through a process of karmic volition; for better or worse. In light of that, pragmatists, institutionalists, and Buddhists share the notion that it is our moral imperative to be the agents of skillful social change.

This leaves us, in our current situation, at a karmic crossroads. The pragmatist-institutionalist view sees the nature of the individual self is to be an active, purposive agent and to extend into the world in some way. The specific patterns of the action are structured by set of habits that cohere into social institutions and become embedded in the whole of the social firmament. Depending the circumstances, certain types of habits and institutions come to dominate the economic scene while others lay dormant. This firmament is not fixed in time but subject to evolutionary change, though the force of lag is potent, particularly when powerful interests stand in the way of change. However slow or rapid, the direction of change constitutes a nonteleological drift and is possible to drift in an infinite number of directions. Thus, we are faced with a moral imperative to use intelligence, wisdom, invention and diffusion, and skillful means to affect such evolutionary change. Through a process of karmic volition people active in their communities can work to bring society closer to a stable condition of wellbeing. On this process contemporary engaged Buddhist social theory is profound.

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