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The Koan of the Market

Julie A. Nelson

Introduction

In Zen Buddhism, koans are stories or questions that serve as invitations to investigate—to investigate the universe, to investigate our lives as they are, and to investigate the present moment. Practitioners using one famous Korean koan continually ask of everything, “What is this?” A bird—“What is this?” A breeze—“What is this?” Such constant questioning encourages us to not fall back on what we think we already know. It opens us to taking a fresh look. It opens us to the possibility of being surprised! I suggest we treat “the market” and “capitalism” as concepts to be investigated by means of the koan, “What is this?” Many writers on mindfulness and economics claim to already know the “nature” or “essence” of markets and capitalism. But do they?

My approach is rather different from that of many Buddhist scholars who write on social issues. I’ve been a student of Zen for a number of years, and am a senior dharma teacher in the Boundless Way Zen school. And I

J.A. Nelson (✉)

Department of Economics, University of Massachusetts, Boston, MA, USA

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V.M.B. Giorgino, Z. Walsh (eds.), *Co-Designing Economies in Transition*,
https://doi.org/10.1007/978-3-319-66592-4_7

am also an economist, by training and by profession. I'm a rather unusual one, having specialized in the areas of feminist and ecological economics, which are distinctly marginalized within the profession. What my exploration of economics has told me is that much of the writing done on Buddhism and economics is *insufficiently radical*. And it is so for precisely the same reasons that seem to mark it as "radical" for many. Let me explain, starting by summarizing a common story line.

The Usual Mindfulness-and-the-Economy Story

First, a Buddhist speaker or writer calls attention to the immense suffering going on in the world that is related to the economy. We point out—correctly—that, for example, rampant consumerism doesn't lead to happiness, and instead leads to over-exploitation of the natural world. We cite statistics about widening inequalities in income and wealth, and about the persistence of poverty. We relate stories of abuses committed by corporations in the name of profits and free markets. These facts are undeniable. We clearly need to point these out and work to relieve them. The question is how. What is the cause? What is the cure?

Then, many writers—including, for example, Helene Norberg-Hodge (2002), Ken Jones (2003), David Loy (2008), and Joel Magnuson (2008)—go on to make further assertions. They claim that the cause of the suffering we see is a capitalist, market system that is inherently based on greed and exploitation. The claim is made that, simply *of its nature*, "the market" is solely and inexorably characterized by competition, self-interest, global expansion, and domination. Our current economic system "institutionalizes greed," writes David Loy, for example. It is dominated by corporations that "tend to take on a life of their own as new types of collective ego," he claims, and whose CEOs find it impossible to pursue any goal other than profit (2008, pp. 88–89).

Lastly, a solution is proposed. Clearly, if that is the nature of the system that we are in now, then in order to stop the suffering, we need to make an enormous leap into some completely different system. This different system is usually defined in terms of characteristics that are diametrically

opposed to those said to characterize our present system. The new, mindful economy, it is said, must be based on values of cooperation and on small, local, egalitarian, non-profit, and non-monetized types of organizations (Magnuson, 2008; Norberg-Hodge, 2002). Because the envisioned change is large, this is often considered a radical proposition. But “radical” comes from the Latin word for “root,” and this solution, based on conventional understandings of economic life, does not come close to going to the root of the problem. For that, we have to dig deeper, and understand the root of those conventional beliefs.

Critique #1: There Is No “Essential” Market

The first part of the usual mindfulness-and-economics story aligns well with the canonical teachings of Buddhism. The bodhisattva Avalokiteshvara (also called Guanyin or Kanzeon) is the symbolic embodiment of the Buddhist practitioner who “hears the cries of the world.” Buddhist teachings call on us to release our focus on our idea of ourselves as separate entities, to pay attention to the suffering of others, to not make divisions of “us” and “them,” and to act with compassion.

But the next step—the further assertions about “the nature” of markets and capitalism—is bad economics. It is bad economics not because it's “too radical,” but because it fails to look beyond the common myth that there is a particular unchanging, essential, simple “nature” to our current economic system. Both critics of market systems and proponents of market systems now tend to buy into the idea that capitalist market economies are all about calculation and self-interest. This is what has been promulgated by economists and disseminated by the business media. The idea that firms are “driven” to “profit maximize,” however, while now bandied about as a truism, was actually *invented* by economists as *a theory*. Economists wanted our field to imitate physics, a “hard” science, in order to prevent it being classified with the “soft” fields of sociology and the humanities. The theory of profit maximization elegantly boils down the whole messy process of running a business into a simple matter of applying calculus to find the top point on a mathematical profit function.

Afflicted with physics-envy, economists confused math with scientific rigor—quite oddly, since the result is dogma rather than open-minded investigation. The eagerness to represent the world in simple, precise-looking models also motivated the invention of the image of rational, autonomous, self-interested “economic man,” as well as ideas about “drives” (note the mechanical analogy) for accumulation and growth.

The idea that capitalist economies are based on self-interest, competition, and so forth, then, did *not* come from studies of actual businesses or actual markets. In reality, businesses and markets are far more than simple math problems. Actual businesses are places of complex social interactions, of complex social relations. Actual markets are also like that. They have elements of both competition *and* cooperation. They have both pecuniary (or monetary) interests going on *and* all sorts of other interests, good and bad.

For example, the real problem that has led to many outrageous chief executive officer (CEO) salaries and a pattern of widening inequality is *not* “too much competition.” It is too much *cooperation*. What is actually happening is that CEOs are sitting on each other’s boards. They are very chummy. There is lots of solidarity and cooperation going on, but it is going on within a very small group in positions of power, where they are able to arrange things to give themselves even more economic power. They use the excuse that there is a “competition” for CEO “talent” and claim that the market “dictates” ridiculously large compensation packages. That is a bunch of nonsense being used to rationalize greed and hide the real power dynamics.

It is often claimed that CEOs *cannot* choose to prioritize environmental concerns, creativity, or service to the community over profits (Loy, 2008, p. 88). This is also false. It turns out that if one actually studies the law, and one actually studies markets, one will discover that the idea that there is a “law” or “mandate” that firms have to maximize profits is not true (see Bratton, 2011; Nelson 2006, 2011, 2016b). As mentioned earlier, it was made up out of whole cloth by economists. In practice, the laws, the courts, and markets generally allow corporate leaders substantial leeway to make choices, whether for good (such as reducing negative environmental impacts) or for ill (including enriching themselves at the expense of workers and shareholders).

Capitalism has no unchanging “nature” or “essence.” Economic systems are as impermanent as anything else. They are changeable. They are variable. I keep coming up against the idea that there are preexisting “essences” again and again in my work in social science. There is very interesting work in psychology that demonstrates how beliefs in essences arise as creations of the mind. Buddhism, of course, teaches us a great deal about the fallacy of mental creations, and how these mental creations stand in the way of skillful action.

Critique #2: There Is No Airplane to Florida

What about the solution? The usual story often ends with a dualistic contrast between a presumably evil, competitive, oppressive, global capitalism and a wonderful world of cooperative, egalitarian, and small-scale solidarity.

We have a saying in the sangha that I sit with, that “there is no airplane to Florida.” Here in New England it is very snowy and cold in the winter, and people dream of a Florida vacation. One is supposed to be warm and happy when one gets there! What “there is no airplane to Florida” means is that there is never going to be a time when we can say that we’ve found the right sangha, the right teacher—the right economy!—and can just relax and say, “Ah, now I’ve found it! This is it!” The good news and the bad news of meditation practice is that one is right here. One is where one is. And even attachment to a teacher, even attachment to a sangha—even attachment to a particular vision of a better world—are not places we can rest.

If we think that small, non-profit institutions will somehow automatically give us good results, we might want to think again. Families, for instance, are very small, non-profit, very local, and presumably based on values of love. They are also too often sites of neglect, domestic violence, and even murder. Scandals about power, money, and sexual abuse in Zen centers also illustrate that small and non-profit does not mean ideal.

Total egalitarianism and democracy are also not necessarily the sort of solutions that they are sometimes envisioned to be. Total egalitarianism ignores differences in abilities. In my work as a feminist economist, I’ve

done a lot of thinking about issues of caring labor, which has also caused me to think more about hierarchies of power. When I think about caring relationships between parents and children, and between nurses and patients, for example, it seems that some element of difference in power is unavoidable. Meanwhile, though total democracy may sound good, it can be bad news for people in a voting minority. Is it possible to have some levels of hierarchy or leadership—not extreme cases, but some levels of differentiation—in which respect and even care is still possible? I think it is, not only in intimate relations but also in relations of work and community (Nelson, 2016a).

In terms of social action, I think the conventional mindfulness-and-economics story also leads to a real temptation to get into adversarial, and even contemptuous, us-versus-them thinking. We have “us,” the contemplative people, the people who want a new economy, who want a caring economy. And there are “them,” the CEO of ExxonMobil, the heads of those organizations that have horrible actions going on. But to me, a very basic teaching of Zen is that “them” is “us.” If I do not understand my own greed, anger, and ignorance, I am just going to continue to inflict them on the world. Importantly, I need to understand that the CEO of ExxonMobil is dealing with the same factors of greed, anger, and ignorance that I am, and that in the realm of emptiness there is no separation between that person and me. Only in this way can I come up with ways of action that do not demonize and dehumanize people on an imagined “other side.” In no way is the refusal to engage in us-versus-them thinking a prescription for complacency. Rather, it is the root of the sort of non-violent action so impressively described and demonstrated by leaders such as Martin Luther King and Mahatma Gandhi.

So the standard sort of dualistic view—that we have to give up on the current economy and jump someplace else—is insufficiently radical. It still works within the categories set out by mainstream economics, and encourages us to focus too strongly on someplace other than where we are. So what *can* we hope for?

Conclusion

I'm a Zen practitioner, and Zen—at least in the form in which it is now being taught and practiced in contemporary Western societies—is just unrelentingly empirical. The fundamental teaching about maintaining a “don't know' mind” means that there is nothing to grasp onto in terms of metaphysical beliefs. While teachers and texts can give guidance, fundamentally one has to keep on finding out things for oneself. So in regard to economic life, as well, I encourage people to keep finding out things for themselves. When one hears about a theory, does it jive with what one sees in one's daily life? And when we look at how economies actually function, rather than relying on ideological teachings about how they function, we will find both that there is a lot of suffering here and now, and that there are also places for action, here and now. We do not need to jump to someplace else to be able to do good. We need to enact our compassionate response here and now, where we actually are.

Let me end with the closing paragraphs of an essay I wrote a few years back on “The Relational Economy”:

Sometimes I am accused of being Pollyannaish—which means naïve—about large corporations and about economies, because I do not firmly condemn “greedy global corporate capitalism” and advocate some kind of new cooperative, local, solidaristic economy. But I do not think this is the case. Rather, I am an equal-opportunity skeptic. I do not believe that any sort of institution—business, government, non-profit, local enterprise, community, family, or, alas, even a Buddhist sangha—has an essential “nature” that makes it *automatically* serve human (and ecological) ends, because people are who we are. Our poisons, our thirst, our suffering, cannot be made to magically disappear by some perfection of system, structure, or scale. Yet, in each moment, we have an opportunity to respond.

A key contribution of Buddhism, I believe, is in reminding us about non-attachment, and warning us against latching onto us-versus-them thinking. Applied to economic suffering, this does not mean inactivity, and

does not mean that attempts at transformation, including local community action, must be abandoned. But the teachings of Zen Buddhism and other contemplative practices, I suggest, should also encourage us to be alert to the temptations of self-righteousness and to be more open to wide and deep engagement *with* businesses, governments, and the larger, painful world. (Nelson, 2011)

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Julie A. Nelson is Professor of Economics at the University of Massachusetts, Boston, USA; a Senior Research Fellow at the Global Development and Environment Institute; and a senior dharma teacher in the Boundless Way Zen school. She is the author of *Economics for Humans* (2006) and many other books and articles examining the relationship of economics to feminism, ecology, and ethics. Among these are “A Buddhist and Feminist Analysis of Ethics and Business,” *Development* 47(3), 2004, and “The Relational Economy” in *Ethical Principles and Economic Transformation—A Buddhist Approach*, ed. Laszlo Zsolnai, Dordrecht: Springer, 2011.