

# Mindful Economy and Ecology

Joel Magnuson



Dr Joel Magnuson is author of *Mindful Economics: How the US Economy Works, Why It Matters, and How It Could Be Different*, published by Seven Stories Press, New York, 2008. He is a professor of economics in Portland, USA.

**Joel Magnuson argues that the roots of pathology in American capitalism lie in greed and hatred, which has become systemically institutionalised. The only way out is to change our habits of mind through practices of mindfulness.**

THE words, 'economy' and 'ecology' both originate from the ancient Greek *oikos*, meaning 'household.' Human economic activity and the surrounding natural environment are housed together in the same habitat – our planet – and are locked into a complex web of interconnectedness. If we truly want to understand the nature of economic and ecological problems, it is important that we see them in this interconnected way. That is, we need to view them through a holistic framework of analysis. A holistic view places all physical, social, and environmental phenomena into a structure in which each part is integrated with every other part. In this view, each part itself is seen as a kind of whole, but by connecting it with other parts, higher-level wholes or epiphenomena emerge. Stig Ingebrigtsen and Ove Jakobsen summarize this view succinctly: 'Everywhere we look in evolution we find a succession of higher order wholes, each whole becomes part of a higher-level whole.' (Ingebrigtsen and Jakobsen, 2007: 68)

As we take a holistic view of our economic and ecological household, we see that the activity of an individual person cannot be understood outside of the social and economic institutions that guide his or her actions. These institutions – households, government agencies, corporations, financial and labour organisations – are collectively integrated into a higher-level economic system. Such a system, or social system of production, determines industrial relations, media production, corporate governance, market structures, concepts of fairness, social and environmental policies, as well as cultural norms. A social system of production also works toward a higher-level purpose that both transcends, and requires

conformity from, its comprising institutions. The economic system is also embedded within an even more complex whole of culture, and human cultures reside in the household of their natural habitats. So, in this holistic view, humans, institutions, economic systems, cultures, and nature are all woven together into a complex succession of wholes like a series of Russian dolls. At each level there emerges a higher-level of order and a higher-level purpose that transcends those of their constituent parts.

In the United States, the transcendent purpose of its social system of production is anchored to the logic of capitalism and the relentless pursuit of profits and growth. Historically, the US has been very successful at this, so successful in fact that the profit and growth imperatives have permeated virtually every aspect of American culture. Now, however, the US appears to be a victim of its own success and is fraught with pathology.

### Systemic pathology

The term 'pathology' is typically used to signify pathos, or suffering and sickness. Though suffering of all kinds exist as a universal aspect of the human experience, in this specific instance we are identifying systemic pathology – economic destructiveness, instability, environmental damage, and social inequities – associated with America's profit maximising and consumerist culture. Most observers are blinded by the power and wealth-producing might of the US economy, and such pathology has been largely hidden from view or considered irrelevant. Now, however, it has become undeniable as the US economy is reeling from an onslaught of historically momentous economic and environmental crises. In the holistic view, economic and environmental crises are inseparable. Each crisis is connected to every other crisis. Disturbances in the great web of interconnectedness will be felt everywhere simultaneously. Sometimes the effects are imperceptibly small, and at other times they come in the form of epochal sea changes. Or, perhaps, as rising sea levels.

Global warming is a long-term trend of rising ambient temperatures of the planet. In addition to elevated seawater levels and flooding coastal regions, the effects of this warming trend include severe and erratic weather patterns, drought, and declining crop yields. Global warming is a real-time event caused by heavier concentrations of carbon dioxide and other greenhouse gasses in the

earth's atmosphere, and promises to be among the most severe environmental crises in human history.

Given that global warming is real and its effects are beginning to show, people in the US are naturally looking for culprits. We might start by blaming the auto industry for not making environ-

*“In the holistic view, economic and environmental crises are inseparable. Each crisis is connected to every other crisis. Disturbances in the great web of interconnectedness will be felt everywhere simultaneously. Sometimes the effects are imperceptibly small, and at other times they come in the form of epochal sea changes. Or, perhaps, as rising sea levels.”*

mentally cleaner vehicles. But as soon as we do so, we can also see that the auto industry is systemically linked to other aspects of the US economy. Moreover, the auto industry does not spew significant amounts of carbon dioxide into the atmosphere; consumers do. American consumers have been obsessed with driving large, gas-guzzling, carbon-releasing sports utilities vehicles (SUVs). The SUV industry was, for decades, an enormously profitable segment of the US economy. Wall Street investors were

cheering corporate profits, governments were happy to collect tax revenues on those profits, mutual funds were happy to see growth in their equity, and people were pleased to live away from their workplaces and commute in large SUVs just as much as auto-industry workers were pleased to have stable livelihoods. Banks were happy to take the auto and oil industries' profits as deposits, and families were happy to borrow those deposits to mortgage homes, especially ones that they could not afford to buy.

Throughout that period of collective happiness, climatologists were warning people about the effects of atmospheric carbon dioxide and global warming. Yet, not wanting to hear the bad news, these warnings were largely dismissed as debatable theory and controversy.

Oil prices have risen to \$120 per barrel, and high oil prices stem from another crisis – the most severe worldwide shortage of oil in history. Global oil production has finally reached its peak. This means that from this point on, oil will become an ever-more scarce, and ever-more expensive, commodity. Along with record oil prices go record profits for those who own this valuable resource. ExxonMobil Corporation is now the largest oil company in the world and as it boasts of \$40 billion in profits in a single year, it is the most profitable company in American history.

But the auto industry, Wall Street, and American consumers were addicted to their profits and high level consumption habits, and were reluctant to change. Change has finally come, however, as fuel costs are at record highs. With falling consumer demand for large vehicles, the US auto industry is now hemorrhaging money in the tens of billions. In 2007, Ford reported the worst annual loss in its history of \$12.7 billion. General Motors, once the flagship corporation of the United States, lost a staggering \$38.7 billion in 2007, which stands as the biggest annual loss in the history of the auto industry. General Motors, Ford, and Chrysler are making plans to eliminate tens of thousands jobs and replace them with workers at half the pay scale.

As in the auto industry, the rest of the manufacturing sector of the US economy has been losing middle-income jobs steadily for decades. The loss of middle-income jobs means the deterioration of the socioeconomic middle class and problems related to social inequities are mounting. Along with income and wealth inequality comes rising crime rates, domestic violence, community breakdown, and eventually political crisis.

A hallmark characteristic of the American middle class is home ownership. But as middle incomes continue to collapse, people can no longer make their mortgage payments. This reality became clear with the onset of the subprime loan crisis and housing market crash of 2007. With very few exceptions, housing prices across the United States have been falling, and the result is the most severe housing market crisis in over two decades. As people are defaulting on their loan payments, foreclosures are up 60 percent from last year, and banks are saddled with trillions of dollars worth of loans that are not being paid back. As commercial and investment banks have been dependent on real estate and the mortgage industry, they are now experiencing what appears to be the worst banking crisis since the Great Depression of the 1930s.

### Roots of systemic pathology

Taking a holistic view, this pattern reveals that every crisis is linked to every other crisis in a broader and complex structure of systemic pathology. How does something like this come to pass? And more importantly, how can we meet and eliminate this suffering? Perhaps we can look backwards to one of the oldest philosophical traditions, Buddhism, which has at its roots an inquiry into the

nature of suffering. One of the most important insights gained from the 2,400-year-old Buddhist tradition is that much human suffering stems from deep spiritual defilements or 'poisons' of greed, aggression or hatred, and ignorance or delusion. This insight is not a judgment on our condition: it is in the very nature of the human condition. The spiritual task of the human is to learn to 'see through' these defilements, and to see that true happiness is gained through not grasping at , or pushing away experience, but rather by taking a middle road between these tendencies.

*“Pathological culture, then, conditions our way of thinking, which in turn further conditions our habitual ways of acting in society.”*

Whilst this insight is largely introspective in the Buddhist tradition and therefore applied at the level of the individual, contemporary scholars are beginning to apply the insights of this philosophy at the level of institutions. These scholars are suggesting that although these defilements originate within ourselves, they have become habituated and institutionalised, and are deeply woven into the fabric of capitalist society and culture. Sociologist Ken Jones, sees capitalism as a system that rewards greedy and acquisitive behaviour, and it legitimizes the harshness and violence associated with gross disparities in wealth and income distribution (Jones, 2005). Philosopher David Loy sees that the US 'economic system institutionalizes greed in at least two ways: corporations are never profitable enough and people never consume enough.' (Loy, 2008, p.89) Philosopher and social activist, Sulak Sivaraksa, argues that capitalism encourages greed and consumerism, and reinforces delusion with media advertising. He also points out that the message from the media is that happiness is something that can be gained from consuming endless quantities of stuff. (Sulak Sivaraksa, 1992) In the case of the US, that would involve buying larger and larger cars, and larger and larger homes. Echoing these sentiments, Loy writes that media companies never question the delusions spawned by their manipulative advertising, which are specifically designed to foster consumerist impulses to buy things (Loy, 2008). And the eminent teacher Thich Nhat Hanh sees corporate media as a source of mental and spiritual pollution that encourages greed, violence, and anxiety. He sees no distinction between the pollution of consciousness and the destruction of our natural environment. (Hanh, 2000)

In other words, such core defilements have become institutionalized and systemic aspects of the American political economy and culture. On both sides of the economy – production and consumption – the flames of greed, aggression and delusion are fanned by institutions. These institutions are both shaped by the activities of people, and give those activities their specific character and identity. Pathology is thus reinforced in a vicious circle in which greed, aggression, and delusion become habituated and institutionalized, and institutions, in turn, reinforce these same behavioural patterns. In this way, pathology and the crises through which it is manifest become systemic over time. Seeds of destructive behaviour reside as potentialities in us all, and these seeds are cultivated within a specific social context, which in turn engenders more destructive seeds. Reflecting on the systemic nature of pathology, Nietzsche writes, ‘Madness is something rare in individuals but in groups, parties, peoples, ages, it is the rule.’ (Jones, 2005:67)

As these scholars reflect on the institutionalisation of pathology, they also echo the sentiments of the founders of the Institutionalist school of economics which began a century ago. Institutionalist economist Thorstein Veblen referred to these seeds of pathology as ‘instincts.’ (Veblen, 1922: 38, 103-137, and 146-170) Here Veblen’s conception of human instincts is a set of potentialities or traits, and under certain social contexts, these traits can become outwardly manifest as behavioural patterns, or habits. Over time, habits of behaviour become institutionalised. Under the right context, greedy, predatory and aggressive behavior will weave into the cultural fabric and eventually be seen as normal.

In American society predatory behavior is actually sublimated as heroic feats. Institutionalist economist Clarence Ayres identified non-productive, predatory economic behavior as motivated by delusions of grandeur or self-aggrandisement (Ayres, 1944). Under such a spell, people can aggressively build monuments and castles, amass tremendous fortunes, build corporate empires such as ExxonMobil and General Motors, and wage wars of conquest. All of which is not only pathological, but through a process of institutionalisation and cultural diffusion, is celebrated in American society. As it is celebrated, average American consumers are caught in this web of delusion and seek out the accoutrements of affluent classes. Veblen identified this kind of delusional consumerism as ‘conspicuous consumption.’ The result is a

widespread acceptance of pathology, and a continuation of destructive tendencies, violence against each other and against nature.

Institutionalists Russell Dixon and John Commons, found that as these predatory and delusion habits solidify, they become social conventions, customs, folkways, or ‘work rules.’ (Dixon, 1938; Commons, 1934) As such, they become institutions. For Commons, institutions cohere into broader collectives, to which people naturally want to belong and have a sense of fitting in.

*‘If social and environmental pathology is rooted in the poisons of greed, hatred, and delusion in our consciousness, then institutional change has to begin with the mind.’*

Eventually the collective takes on a transcendent identity and purpose and becomes a kind of selection mechanism whereby certain institutions and habits are sublimated and survive, others are adumbrated and selected for extinction.

Naturally, under a capitalist system

which encourages all types of aggression and spawns much delusion, pathological habits of behaviour rise to dominance and get diffused into all other aspects of culture.

In this way, pathological habits evolve into institutions, institutions evolve into systems, and all these elements become diffused into pathological culture. Pathological culture, then, conditions our way of thinking, which in turn further conditions our habitual ways of acting in society. In this way, economic activity is directed in a pathological way, and at the same time reinforces pathological ways of thinking. That is, pathology of mind and pathology of action lock into a mutually reinforcing dynamic, and we and our planet get sicker. The key to breaking out of this treadmill of pathology is mindfulness.

### **Mindfulness in economy and ecology**

In both the Buddhist and Institutionalist traditions, there is hope. Just as there exist the seeds or instincts for pathological behaviour in each of us, there also exist the seeds for healthful behavior. Veblen noted that as much as people have the instincts to act in predatory ways, they have the instincts to act in non-predatory ways. That is, all people have the potentiality to be creative and to work toward the advancement and well-being of people. The non-predatory, creative instinct fosters inventiveness, technology, science and genuine workmanship, though these actions are not motivated by self-aggrandisement, rather by a

kind of parental tendency to want to create a better world. For this instinct to widely permeate American culture, however, it would be necessary to have a radical shift in consciousness. That is, it would require different ways of thinking about our world and acting in the world, which means institutional change.

If social and environmental pathology is rooted in the poisons of greed, hatred, and delusion in our consciousness, then institutional change has to begin with the mind. Mindfulness is a practice of cultivating the energy that will allow us to step outside the treadmill of thinking and acting in pathological ways. It is a practice of recognising these pathological tendencies in ourselves and not being controlled by them. Mindfulness is calm openness, and at the same time piercing the layers of delusion that have been accumulating, collectively, in our minds and institutions. Cultivated over time with practice, mindfulness allows us to be present in our minds and be directly engaged in our daily work tasks without delusion or attachment. This is a kind of wisdom.

With this wisdom, thoughtful, healthy and creative ways of being will gradually become dominant, and pathology will lose its grip and fade away. As people think and act in healthier ways, they will develop healthier work rules, habits, and institutions. With healthier institutions, better systems and cultures will naturally evolve and perhaps even achieve stable livelihoods in an ecologically sustainable way. A mindful economy will foster mindful ecology.

### References

Clarence Ayres (1944) *The Theory of Economic Progress*, New Issues Press: Kalamazoo, MI, USA.

John R. Commons (1934) *Institutional Economics*, Macmillan: New York, USA

Russell A. Dixon (1938) *Economics and Cultural Change*, McGraw-Hill: New York, USA.

Thich Nhat Hanh (2005) 'The Sun in My Heart,' *Dharma Rain: Sources of Buddhist Environmentalism*, Stephanie Kaza and Kenneth Kraft, editors, Shambhala Publications: Boston, USA.

Thich Nhat Hanh (1998) *The Heart of the Buddha's Teaching*, Broadway Books: New York, USA.

Stig Ingebrigtsen and Ove Jakobsen (2007) *Circulation Economics: Theory and Practice*, Peter Lang Publishers: Bern, Switzerland.

Ken Jones (2005) *The New Social Face of Buddhism: An Alternative Sociopolitical Perspective*, Wisdom Publication: Boston, USA.

David Loy (2008) *Money Sex War Karma: Notes for a Buddhist Revolution*, Wisdom Publication: Boston, USA.

Sulak Sivaraksa (1992) *Seeds of Peace: A Buddhist Vision for Renewing Society*, Parallax Press: Berkeley, USA.

Thorstein Veblen (1922), *The Instinct of Workmanship and the State of Industrial Arts*, BW Huebsch: New York, USA.