

Mindful Ecology and Economy: Integrating Buddhism and Institutionalism into the Community Corporation for Sustainability

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Building a truly sustainable culture in a country like the United States can only be achieved as a result of significant changes in both consciousness and institutions. To this end, this article proposes a model for such change based on a synthesis of Buddhist social philosophy and institutionalist economics. More specifically, this article draws upon elements within contemporary Buddhist social philosophy represented by the work of Thich Nhat Hanh, Ken Jones, Sulak Sivaraksa, David Loy and others; and the institutionalist approach to economics of John Dewey, Thorstein Veblen, John Commons, Clarence Ayres, and others. This model represents a convergence of Buddhism and Institutionalism in three specific areas: (1) a holistic framework of analysis, (2) a process whereby the seeds of environmental and social pathology can be identified, and (3) practical ways of working toward change and reform based on mindfulness.

With this convergence, the strengths of each tradition are complemented by the other, and both traditions provide light for changing consciousness and institutions. The strength of the Buddhist tradition lies in its unparalleled power of introspection where insights into the human condition, including pathology, can be found. The strength of the institutionalist approach is in its outward social and cultural view where discoveries of social and cultural patterns can be found. The intention here is to integrate these elements for a deeper, more complex picture of human economic and social behavior, as well as to illuminate the pathways toward achieving true sustainability.

The proposal here asserts that such a Buddhist/institutionalist convergence can serve as a framework for developing new principles of corporate governance. This framework can help people to look inward, gain insight, and break out of habitual ways of viewing economic activity, as well as to look outward in order to break out of habitual ways of organizing economic activity. As people break free of these habits, particularly destructive habits, healthier, non-destructive, and sustainable principles for guiding economic behavior can be established. The principles can be integrated into the structure of corporate governance for sustainable, alternative, community-based enterprises—community corporations. In a broader sense, therefore, community corporations that are governed by these principles can naturally evolve into localized social systems of production that provide for the needs of people in local communities and for the stewardship of local environments.

Holistic Framework of Analysis

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 and work toward sustainability, 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

A holistic framework is a key part of the institutionalist approach to economics. As a Western tradition, holism in institutionalist thought traces back to the work of the South African scholar, Jan Christian Smuts. (Gruchy 1947: viii) His approach grew out of the trends in biological research established by Charles Darwin as well as in physics research established by Antoine Henri Becquerel and Albert Einstein. The term ‘holistic’ is rooted in the classical Greek word *holos*, which means ‘whole.’ For social and scientific analysis, holism takes the physical, social and environmental universes as evolving, dynamic wholes or syntheses. Not only are these dynamic wholes greater than the sum of their parts, but the parts themselves behave in specific ways as a result of their interrelation. Illustrating this synthesis, 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)

In this view, true understanding of the nature of things cannot be realized by observing them in isolation. For example, examining a hydrogen atom in isolation cannot lead us to understand the properties of water. A hydrogen atom is itself a kind of whole just as an oxygen atom is also a kind of whole, but the emergent properties of water stems from their mutual interaction that form yet a higher-level whole.

One aspect of these emergent properties of water is that they provide the perfect habitat for fish. There is much we can learn about a fish by examining its brain, which is in and of itself a whole—an organ. The fish’s skin is another organic whole, as is its skeletal structure, and so on. To gain a clear understanding of the nature of a fish, however, all of these organic wholes must be integrated into a higher-level whole—the complete organism. There is yet a higher whole with its own set of emergent properties that becomes manifest when the organism merges and interacts with its habitat. An even higher level whole and level of complexity emerges when the organism interacts with the other organisms with which it shares its habitat.

Similarly, in the institutionalist tradition, individual people are themselves wholes, but their behavior cannot be understood without situating them into their social institutions and cultures. People are deeply integrated into their institutional and cultural milieu, and their behavior cannot be understood outside of this milieu any more than a fish’s action of swimming can be understood without water.

One of the most important contributors to institutionalist thought is American philosopher, John Dewey. For Dewey, individual action is intrinsic in the sense that humans have certain innate, existential drives, but at the same time their social behavior

is molded by collectivities to which people belong (Dewey 1930: 118-119). In 1930 John Dewey began a critique of standard neoclassical economic theory. Neoclassical economics asserts that human behavior is essentially passive, but is spurred into action as response to some kind of external stimuli. Dewey set out to explore human behavior as something that emerges from a deeper, existential level where the existential “self” is not a passive responder to external stimuli taken in by neuro-sensory input, but rather has an innate drive to be active. Dewey writes,

“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. 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.”(Ibid: 119)

Though Dewey makes a case for human social behavior that springs from this deeply rooted drive to act in the world, the specific actions people take are entirely contingent on the social and cultural context. That is, for Dewey, specific behavior is entirely a product of social conditioning. In other words, humans are merely programmed to act in the world, but particularly how they act, for Dewey, is socially determined. In his view, integrating the individual with a surrounding social context is central for understanding human behavior.

Arguably the most important contributor to institutionalist economics is Thorstein Veblen. Like Dewey, Veblen also sees human action in a proactive way and challenges the neoclassical assertion that people are passive responders to external stimuli. Veblen looks deeper into the volitional aspects of human behavior as something that stems from certain tendencies and is directed toward certain goals. Such tendencies, or propensities, are habitual aspects of society’s cultural fabric. Veblen explains,

“According to this conception it is the characteristic of man to do something, not simply to suffer pleasures and pains through the impact of suitable forces. He is not simply a bundle of desires that are to be saturated by being placed on the path of the forces of the environment, but rather a coherent structure of propensities and habits which seeks realization and expression in unfolding activity. According to this view, human activity, and economic activity among the rest, is not apprehended as something incidental to the process of saturating given desires.”(Veblen 1922: 88-120)

In other words, Veblen sees human activity as willful and directed from within, but is also continuously molded by an ongoing process of social habituation and reinforcement. Over time, that activity becomes established among a social group, or a collectivity, and reifies into a set of predictable patterns.

Another important institutionalist economist, John Commons, refers to these social collectivities as “working rules.” (Commons 1934: 23-26) Commons shares with Veblen this vision that at the core of the human self is a volitional will to act and these actions are directed by working rules. As these working rules become established, they begin to social institutions. In an economic sense, these institutions guide the basic

processes of production, distribution, and consumption. Similarly, institutionalist Russell Dixon sees these social institutions as social conventions, customs, or folkways, which are inextricably tied to a broader scheme of culture (Dixon 1938: 3). Institutional economist and legal scholar, Walton Hamilton, provides an elegant summary of the economic dimension within social institutions and human culture,

“Institution is a verbal symbol which for want of a better describes a cluster of social usages. It connotes a way of thought or action of some prevalence and permanence which is imbedded in the habits of a group or the customs of a people. In ordinary speech it is another world or procedure, convention, or arrangement; in the language of books it is the singular of which the mores or the folkways are the plural institutions that fix the confines of and impose form upon the activities of human beings. The world of [economic activity], to which imperfectly we accommodate our lives, is a tangled unbroken web of institutions.”
(W. Hamilton 1932: 84)

For institutionalists, therefore, the nature of the individual self has a volitional will to be an active agent in the world. The specific nature of the action is contextual and contingent on conditioned patterns of habitual behavior established by social institutions, which themselves are tied together in a broader scheme of human culture. Human culture is seen here as a constellation of all the material technics (tools, machinery, technology, etc.) and social practices (language, science, religion, etc.) that are necessarily linked to human activity. (Brinkman, et al. 2006: 1016) With these material technics and established social practices, people act in the world and with each other. Work rules, customs, conventions, and folkways become habituated over time as a result of this activity, and eventually form institutions that, as Hamilton argues, “confine and impose form upon” those activities. These institutions cohere with one another to form a web of interconnectedness. Like all other formations—molecules, organs, and organisms—such a web of institutions holds emergent properties and takes the form of a higher-level whole as a system. In an economic sense, therefore, these higher-level systems are social systems of production (J. Rogers Hollingsworth and Robert Boyer 1997: 2).

Social systems of production are the unbroken webs of within which economic institutions logically cohere. Each institution—household, government agency, market system, corporation, financial and labor organizations—is collectively integrated into a higher-level configuration. This configuration determines industrial relations, collective bargaining processes, corporate governance, market structures, legal and juridical concepts of fairness, government policies, consumption behavior, as well as social and cultural norms. A social system of production works toward a higher-level purpose that both transcends, and requires conformity from, its comprising institutions. Social systems of production are also embedded within an even more complex whole of culture, and human cultures reside in the household of their natural habitats. In the holistic view of the institutionalists, humans, institutions, social systems of production, cultures, and nature are all woven together into a complex succession of wholes like a series of Russian dolls (Figure One). At each level, there emerges a higher-level of order and a higher-level purpose that transcends those of their constituent parts. This view is summarized by Russell Dixon,

“Economic activity has little meaning apart from the larger social context in which it takes place. To study the ways by which man satisfies his wants without considering the sources of these wants, the origin of the means employed, and the influence of his beliefs and aspirations, is to study something that does not in reality exist. Man is not a mechanism which can be adjusted to perform first on set of functions and then, with slight readjustment others. He is not engaged at one time in the gaining of a livelihood to the exclusion of his political, social, or religious activities. Instead, his efforts to make a living are directed and conditioned by his whole round of life—his attitudes toward the political organization of his state, toward the other members of his family or club, and toward the church in which he worships. All these in turn are conditioned by his economic activities. Economics is, therefore, not a phase of life but a point of view—a way of studying human activity. 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.” (Dixon 1941: 5)

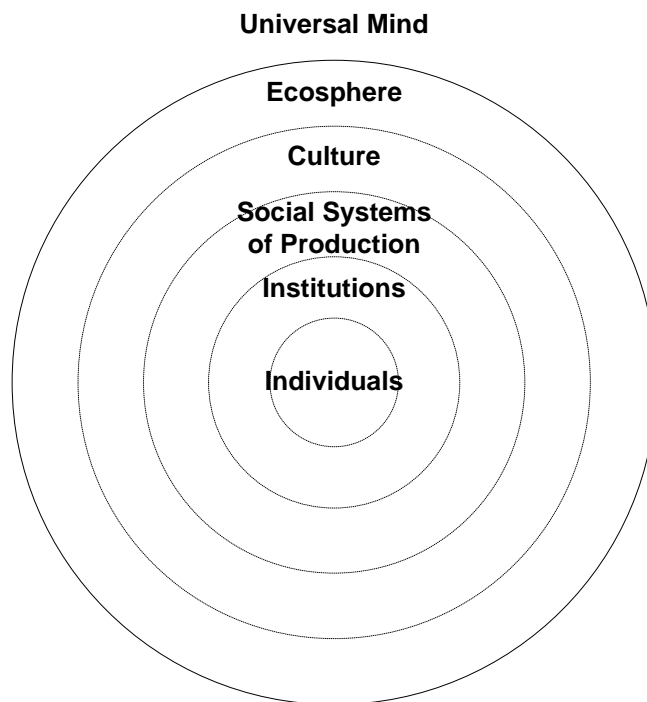


Figure One: Holistic Systems

Not all institutions are necessarily compatible. Some will effectively cohere into the broader whole of culture and some do not. The process whereby certain institutions are selected for survival and coherence into this unbroken web is, for most institutionalists, Darwinian. It is important to note here that Darwin’s influence is from his original work on biological evolution, not the “Social Darwinism” associated with Herbert Spencer and William Sumner.

Before specific technics and practices can solidify into institutions and cohere into social systems of production, they must be selected for survival. Selectivity depends on their mutual compatibility and a process of invention and diffusion. At any given time, a new technic or practice can come into being. Each technic or practice must cohere with every other other technic or practice in a constantly changing pattern of combinations and recombinations. If it serves the transcendent purpose of the social system of production, it will survive, and it will be dispersed among the social group as fixture in overall system. For the institutionalists, the process is open-ended and non-teleological. That is, there does not exist a pre-determined blueprint that will determine the survival or extinction of specific technics and practices. Economic systems, according to institutionalists, are therefore in an open-ended process of continuous and cumulative state of evolution and change. For John Commons, such perpetual change is “the uncertain world of institutional economics.”(*op. cit.*: 58)

As there is no teleological aim to this evolution, a question remains as to what defines the one-directedness toward which cultures evolve. It is here that institutionalists hold a Darwinian conception of progress. Both material technics and social practices can be seen technological; that is, material or non-material forms of technology as defined by institutionalist Clarence Ayres as any “improvement in the means of production.” (Ayres 1944: 231) In the Darwinian sense, these technics and practices that result in advancing the means of production knowledge are more likely to take root and survive, and those that are encumbrances to this advancement will either thwart progress or be eroded away by it. If technology and progress are thwarted, then the society is destined to remain backward, if they are allowed to grow then society will evolve and advance. Institutionalist David Hamilton argues that, “Economic progress increases the power of the means to achieve given ends, but it says nothing about the ends.”(Hamilton 1970: 91) Yet if improvement in the means of production is the working definition of technology, technological advancement can be measured by higher levels of economic productivity. This then begs the question as to why productivity is held to be a measure of progress.

For well over two hundred years, economists of all varieties have anchored their conception of economic progress to productivity. At the center of their vision of productivity is capital accumulation, where capital is defined as “produced means of further production.” (*Ibid*) With more capital, greater productivity is realized, and more goods can be produced with a given amount of non-technological resources. With more goods, the standard of living of people rises. In this sense, economic and cultural progress is necessarily identified with capitalism and capital accumulation. This sentiment is exemplified by Austrian economist Joseph Schumpeter,

‘There is the growth of rational science and the long list of its applications. Airplanes, refrigerators, television, and that sort of thing are immediately recognizable as results of the profit economy. But although the modern hospital is not as a rule operated for profit, it is nonetheless the product of capitalism not only, to repeat, because the capitalist process supplies the means and the will, but much more fundamentally because capitalist rationality supplied the habits of mind that evolved the methods used in these hospitals. And the victories, no yet completely won but in the offing, over cancer, syphilis, and tuberculosis will be as

much capitalist achievement as motor cars or pipelines...’ “(Schumpeter 1947: 125-126)

Schumpeter is clearly a champion of capitalism as are most orthodox economists who are reflecting a sentiment widely held in cultures where capitalism is the dominant social system of production. David Hamilton summarizes the orthodox economic view,

“The rate of technical progress, therefore, is limited by the conditions which limit the rate of accumulation of capital... progress becomes identified with capitalism. The price system is a cultural phenomenon peculiar in its all-pervading nature to capitalism. It is in capitalism that ‘saving’ is reputed to be such an important phenomenon. Most classicists hold that progress and capitalism are not only compatible, but that capitalism acts as a catalytic agent in securing progress... The extreme importance attached to capitalism by the [orthodox economist] is related to his theory of economic progress. Since it is in capitalism that the extremes of income distribution exist sufficient to promote individual savings, and since savings are necessary to capital accumulation, only under capitalism is continued progress guaranteed.”(*op. cit.*: 94-95)

Though Hamilton takes a critical perspective here, what he leaves out of this passage is an explanation as to why this specific view of progress happens to be the dominant and orthodox view.

Cultures in which capitalism is the dominant social system of production are permeated with a normative sense of the rightness or correctness of capitalist profit making and accumulation. It is seen as the source of material progress and higher standards of living. Under this rubric, the logic of capitalism becomes the mechanism for selecting which techniques or practices will survive and which will become extinct. As such, cultures and social systems of production evolve toward higher and higher levels of accumulation and growth. This normative formation gives direction to the development of specific institutions, including educational institutions and economics departments at universities, and directs the economic activities of people.

In sum, in the institutionalists’ holistic framework of analysis, individual behavior is patterned by a combination of an innate drive to act in the world and the institutions that direct those actions. These institutions are habituated usages of material and non-material techniques that recombine over time to solidify into social structures. These structures provide work rules, social norms and mores that guide human social behavior, and, in an economic sense, economic behavior. Through this process of coherence, institutions combine with one another to form more complex, higher-order structures or social systems of production. Social systems of production constitute a web of institutional interconnectedness, or a whole of culture, serving specific purposes that transcend the individual institutions that comprise them. The mechanism for selecting which institutions are to survive and which are to be selected for extinction is, for institutionalists, a biological Darwinian concept of evolution. Evolution, for institutionalists, is nonteleological and measured by material progress and technology, but with no pre-determined end to which technology is advancing beyond Dewey’s pragmatic optimism of human well-being. The argument presented here is to take this

holistic view a step further and assert that the logic of capitalism—the dominant social system of production—places highest emphasis on capital accumulation. This has come to be the supreme cultural measure of progress, and logic of growth and accumulation is unassailed in capitalist culture. As we will see, this higher-order imperative has pushed growth and accumulation beyond the needs of people and has become a pathological element in culture. This culture, yet another whole, is nonetheless situated within a natural environment or habitat. Thus, systemic and cultural pathology gives rise to ecological pathology.

A holistic framework of analysis also resonates with the conception of wholeness in the Buddhist tradition. Just as the Institutionalists look outward and emphasize a holistic view of systems and culture, Buddhists look inward with the same emphasis. In Buddhist tradition, all aspects are seen as connected to all other aspects, and all phenomena are connected to all other phenomena. Buddhist scholar Thich Nhat Hanh describes this holistic conception as interbeing,

“When we think of a speck of dust, a flower, or a human being, our thinking cannot break loose from the idea of unity, or one, of calculation. We see a line drawn between one and many, one and not one. But if we truly realize the interdependent nature of the dust, the flower, and the human being, we see that unity cannot exist without diversity. Unity and diversity interpenetrate each other freely. Unity is diversity, and diversity is unity. This is the principle of interbeing.”(Hanh 2005: 85)

The Eastern parable of Indra’s net is often referenced in Buddhist literature to exemplify holistic a worldview. Like Walton Hamilton’s metaphor of an unbroken web, this parable tells a story of a celestial net that extends infinitely in all directions. At each intersection where the strands of the net cross resides a sparkling jewel. Upon close inspection, however, each jewel is merely the light reflection of all the other jewels in the net. Energy of the universe is sustained in a condition mutuality or interconnectedness. That is, the whole is not only greater than the sum of the parts, but it is self-sustaining through mutual interbeing. Individual entities have no existence separately from all the others.

Buddhist sociologist, Ken Jones, expresses this sense of holistic unity as a *higher third* that transcends the specific *this* or *that* of things. Like Hanh, Jones’s holistic vision moves beyond black and white perceptions and into something polychromatic where there is unity in diversity (Jones: 15). Jones summarizes the usefulness of Indra’s net as a metaphor for non-pathological social systems of production,

“From the standpoint of an engaged Buddhism the net is valuable as a working ideal for society and its organizations, in which we are brothers and sisters in mutuality. The network of autonomous groups is now widely regarded as a more appropriate response to many task situations than the traditional model of hierarchical bureaucracy. Economist E.F. Schumacher proclaimed that “small is beautiful,” yet the problem remains of effectively managing and coordinating extensive networks in the larger interest without the coercion of a “free” market or a centralized state. The answer for such a commonwealth must surely lie in a

high level public-spiritedness—for which Indra’s net provides the ultimate metaphor.” (Jones: 17)

The Buddhist vision presented here is one of a transcendent vision in which people are no longer fragmented by delusional and arbitrary delineations. Rather, people sense the oneness of all things as a result of an awakening that occurs and gives rise to insight and wisdom. The jewels inside the net are essentially empty, but this emptiness represents the idea of liberation from a preoccupation with ego-aggrandizement which for the Buddhists is a deeply seated seed for suffering and social and environmental pathology.

Seeds of 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 profit maximizing and consumerist culture of capitalism, particularly in the United States. In the holistic view, economic and environmental crises are inseparable as they reside in the same household. 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 caused by global warming.

Driven by its internal imperative for continuous growth in production and consumption, the institutions of the U.S. economy are creating unprecedented levels of environmental destruction, and are rapidly depleting both renewable and non-renewable resources on a global scale. Biologist Mary E. Clark describes this process as analogous to running up a balance on a credit card that will have to be paid in the future, “We have been—and are—living on a one-time ‘bank account’ of fossil energy and mineral deposits both formed over eons of geologic time. To have become as dependent on them as we now are is singularly imprudent... We are borrowing from the future.”(Clark 1989: 107) This resonates with Buddha’s *Discourse on the Son’s Flesh*, suggesting that as people over consume their resources, future generations will be denied the ability feed themselves. Such over-consumption stands as analogous to a kind of cannibalism in which people are “eating” their children and grandchildren (Hanh 1998: 32).

Evidence of such over-consumption of resources abounds. Geologists forecast that by 2040 U.S. oil production will fall by 90 percent from its production peak that occurred in the early 1970s. They also forecast that world oil production will decline by at least 63 percent by 2040 (Magnuson 2007: 206). Global oil production is peaking now or will peak quite soon, and reserves will be seriously depleted within the lifetimes of our children and grandchildren. Though the entire world is playing a role in bringing world oil supplies to this threshold, clearly the United States is playing a leading role. Americans consumer about 25 percent of the world’s oil but constitute only 5 percent of the world’s population (*Ibid*: 207).

As oil reserves near depletion, the economy will turn to other fuel sources to power continuous growth. Natural gas and coal are the most likely sources as they are still relatively abundant and inexpensive. According to geological estimates, at the current rate of consumption the life expectancy of natural gas is somewhere between 160

and 310 years (*Ibid*: 208). However, if natural gas were put in place of oil to keep the economic machines running, then the rate of growth of fuel consumption would have to stay consistent at the current rate, which is about 3.5 percent per year. If a 3.5 percent annual increase in natural gas consumption is sustained, the amount consumed will double every 20 years and the lifespan would be cut to about 60 years. At best, natural gas is a temporary “bridge” energy resource as the U.S. transitions away from a fossil fuel-based economy. (McKibben 2004: 34) Coal is the most abundant of all fossil fuels, and its effluents are the most toxic. If coal use increases as a replacement fuel for oil, then inevitably so will acid rain and global warming.

As the U.S. economy continues to accelerate, it also overuses renewable resources such as topsoil and vegetation, fresh water and forests.

The economic imperative to grow, sustain higher profits and expand market share have also driven farmers into agricultural practices that are not sustainable. The imperative to grow overrides attempts to conserve the integrity or fertility of soil and industrial agriculture strives to use whatever combination of land, water and chemicals will yield maximum output on a short-term basis. Farmers generally do not have much control over the prices of the crops they produce for the market. Prices are set in global commodities markets and seem to be chronically low. Farmers must therefore get the maximum yield from their land during the growing seasons in order to maximize revenues and profits. Each season farmers face increasing pressure to borrow funds in order to purchase the latest version of patented seeds, chemicals, fuel and water to avoid losing their places in the market. To pay back their loans and make their interest payments, they must get the highest yield possible on a short-run basis. Yet the following season, the soil worsens requiring more water and chemicals and so on in a downward spiral of topsoil degradation. Many farmers have not survived this process financially, resulting in steadily rising bankruptcies, particularly among the smaller family farms that must pay higher interest rates on their credit, and who have the least purchasing power to pay for increasingly expensive chemicals and seeds. To increase their profitability, farmers are allowing for shorter and shorter fallow periods in which land rests and regenerates from cultivation.

When the extensive use of petrochemical fertilizers and pesticides began decades ago, it was heralded as a “green revolution” as it contributed to significant increases in productivity and output. Yet the destruction caused by this technology remains largely hidden. Topsoil is being hardened from the compaction caused by the heavy machinery. Hardening decreases the rate of water absorption, causes problems of water runoff and inadequate drainage, and increases the occurrence of erosion. In Nebraska, for example, wind erosion removes about 186 tons of soil per acre every year, a rate far above natural rates of soil erosion (Clark,: 109).

All of the major aquifers in the United States are being depleted. In the arid southwestern states, the groundwater levels, water tables, have dropped as much as 110 feet in 10 years (*Ibid*: 107) As water tables drop, previously productive wells go dry and farmers either must dig deeper wells and draw down water tables even further or drill new wells where the process of depletion starts anew. In Arizona’s Santa Cruz basin water tables are being depleted by a half million acre-feet (an acre-foot equals about 326,000 gallons) every year. California’s San Joaquin Valley, a rich agricultural region, depletes its groundwater supplies by 1.5 million acre-feet annually (*Ibid*). In addition,

falling water tables cause spring-fed rivers, lakes and wetlands on the surface to dry up. This, in turn, causes ground surfaces to sink, creating lifeless sand boxes.

The most dramatic instance of groundwater depletion is the Ogallala aquifer which spans several states from west of the Mississippi River to the Rocky Mountains, and from South Dakota to Texas. This huge 225,000 square mile aquifer was created millions of years ago. Snow run-off from the Rocky Mountains has not fed into the Ogallala in over 1,000 years, and since then the aquifer has been largely cut off from any significant replenishing source. Most of the water in the Ogallala is “fossil water” as it melted ice that dates back to the last ice age. Over several decades, over 170,000 wells scattered throughout the Ogallala region have been pumping out millions of gallons every year. The rate of pumping increased by 300 percent between 1950 and 1980 and this rapid increase is, in part due to the fact that the water is relatively accessible to the surface—about 300 feet on average. From the time that pumping from the Ogallala began in the 1930s to about 1950, the levels drawn out remained fairly constant. Between 1950 and 1985, the Ogallala water table dropped by about 160 feet. Although the rate of depletion has slowed down in recent years, the water table continues to fall. As aquifers like the Ogallala are stocked mainly with fossil water, once they are pumped dry, they will become extinct and populations that have depended on them will have either to make due with rainwater, suffer health problems, or migrate.

Over a hundred years of heavy logging and clear-cutting has nearly brought the stands of old growth forests in the United States to near extinction. Old growth forests are not merely stands of trees but rather are complex systems composed of living trees and plants, fungi, bacteria, decomposing matter and detritus, animals and a delicate balance of shade and sunlight. If any of one of these elements is significantly disrupted, the forests become irreversibly transformed. About 90 percent of old growth forests have been logged, transformed into tree farms and managed by the profit-driven wood products industry, and only a small fraction remain in preserves and parks (Norse 1990: 6).

The long-standing practice of depleting vital resources such as fossil fuels, topsoil, water and forests for profit will necessarily end. Either by conscious and mindful changes in our economic institutions, or by calamity, a change in our practices is inevitable. Of course, waiting for calamities to arrive before making meaningful changes will be too late.

It is uncertain how much longer the U.S. capitalist machine can remain on this path before experiencing dire environmental consequences. Evolutionary psychologist Jared Diamond predicts that we will continue mindlessly misusing our resources to a point where the foundation of our collective existence inevitably disintegrates. Society, according to Diamond, will undergo some form of cataclysmic event such as violent political upheaval, warfare or some other form of self-destruction. Diamond asserts that it seems easier for people to indulge in collective denial, or delusion, about such outcomes than face them (Diamond 2005: 1-25). Perhaps the most dire outcome is the phenomenon of global warming.

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 U.S. are naturally looking for culprit. We might start by blaming the auto industry for not making environmentally cleaner vehicles. But as soon as we do so, we can also see that the auto industry is systemically and linked to other aspects of the U.S. 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 U.S. 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 are over \$100 per barrel now, 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 U.S. 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 U.S. 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.

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? One way to begin looking for an answer to this question would be to look deeply inward into ourselves. Perhaps 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.

Though the Buddhist tradition is largely introspective, contemporary scholars are now also looking outward to society and institutions. They are seeing that although these defilements originate within ourselves, they have become habituated and institutionalized, and are deeply woven into the fabric of capitalist society and culture. Ken Jones sees capitalism as a system that rewards greedy and acquisitive behavior, and it legitimizes the harshness and violence associated with gross disparities in wealth and income distribution (Jones 2005: 69-71). Philosopher David Loy sees that the U.S. “economic system institutionalizes greed in at least two ways: corporations are never profitable enough and people never consume enough.” (Loy 2008: 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: 8) In the case of the United States, 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: 92-93). 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 2007: 86)

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 behavioral patterns. In this way, pathology and the crises through which it is manifest become systemic over time. Seeds of destructive behavior 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 institutionalization of pathology, they also echo the sentiments of the founders of the institutionalist school of economics who wrote a century ago. Institutional 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 behavioral patterns, or habits. Over time, habits of behavior become institutionalized. 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. Institutional economist Clarence Ayres identified non-productive, predatory economic behavior as motivated by delusions of grandeur or self-aggrandizement (Ayres 1944: 89-96). 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 institutionalization 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. Naturally, under a capitalist system which encourages all types of aggression and spawns much delusion, pathological habits of behavior 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 aim of the institutionalist/Buddhist convergence, therefore, is to provide a holistic analytical framework that allows us to both investigate the holistic nature of economic and ecological pathology. It also seeks to guide the evolution of Social Systems of Production away from a state of pathology toward a state that can coordinate a plurality of interests and environmental sustainability by being grounded in mindful introspection, compassion and wisdom. The same compassion and wisdom remains as an ethical basis for institutional. Healthful institutions can and, under such circumstance do, develop from a common set of values engendered through compassion, insight and wisdom.

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 behavior in each of us, there also the seeds for healthful behavior. Veblen noted that as much as people have the instincts to act predatory ways, they have the instincts to act 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-aggrandizement, 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 recognizing 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 has 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.

Before people in America can be convinced of a need to cease the behaviors that cause pathological systems conditions, they must see clearly its causes. This is difficult, and the difficulty lies with the institutionalization of these systems conditions, and with people's collective consciousness and attitudes about the world in which they live. It is very difficult for Americans to look deeply, with clear minds, and see that pathology in society and ecology is anchored to the logic of capitalism itself.

Although each individual has unique thought processes, those processes are based on what Alfred North Whitehead referred to as "a widespread instinctive conviction in the existence of an Order of Things" (Whitehead 1925: 4). In other words, this order is a shared model or paradigm that is socially constructed and reified into society's institutional fabric.

This conception of a paradigm corresponds to what Jurgen Habermas refers to as "an instrument with whose help we form objects or as a medium through which the light of the world enters the subject... the [paradigm] produces the world through which reality is mediated" (Habermas 1971: 10–12). Stephen Pepper concurs, "Man has a limited memory and a limited attention... [and] because of human limitations he does have to find convenient systems of organization for his data" (Pepper 1942: 71-72). Peter Berger and Thomas Luckman emphasize a similar notion as a "zone of lucidity against a background of darkness. As some zones of reality are illuminated, others are adumbrated (Berger and Luckman 1966: 42)." For Berger and Luckman, the ideality is socially constructed, that is, it is a set of ideas or categories of ideas that are socially created in such a way that a social group can organize and cohere their perceptions of reality such as to render it collectively intelligible.

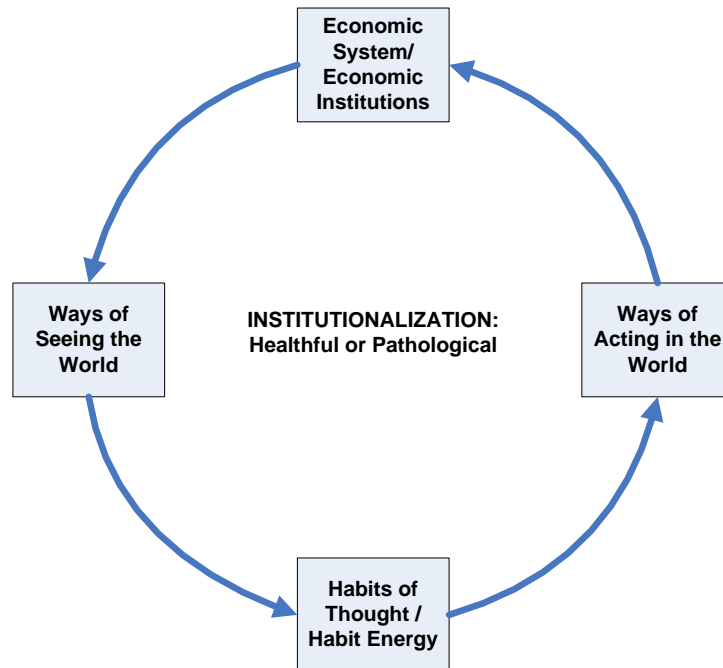


Figure Two: Institutionalization

Extending beyond Whitehead’s original formulation, it can be argued that paradigms are comprised of symbols, images, icons or even mathematical abstractions that are sublimated by a social group and are passed on to subsequent generations. Objects in nature, which include social relations as well as things, are made to seem natural as they are formulated within the imagery of a paradigm. Once these objects are naturalized they are woven into the institutional fabric of society. Institutions, however, are key elements in guiding human social behavior—including economic activity. At the same time, the paradigms themselves are the products of human activity as they are socially constructed. In this way, there is a circular dynamic between the material world of economic *activity* and the non-material world of ideas and thought, or *ideality* (Magnuson 1995: 18). The two worlds are locked into a state of continuous dynamic interplay (see Figure Two).

For most of humanity, everyday lives have been consumed in the social struggles to fashion a living out of the material world. Knowledge about this material world is derived from what is illuminated in, or relevant to, these struggles. As one daily sets out to work in the world, one eventually settles on following a certain set of established practices or procedures, without which one would have to uneconomically reinvent and redefine the manner with which one performs work tasks each day. These practices become habitualized or routinized and consequently provide a stable foundation upon which new procedures may be innovated. These new procedures also become habitualized. Included here are the practices of developing habitual thought formations, or what Thorstein Veblen refers to as “habits of thought” (Veblen 1919: 10).

Here we find a profound overlap between heterodox economic theory and Buddhist philosophy. For Veblen, habits of thought are the roots of social institutions (Veblen 1948: 297-305) yet, within the Buddhist tradition such habits or “habit energy”

can be the roots of suffering (Hanh 1998: 24 – 35). And, as Buddhist scholars have argued, such habits of thought are the seeds of institutionalized pathology.

Habituated ideas and thoughts about our surroundings, and ourselves, are formulated in the dynamic process of acting in, and thinking about, the world. Our thoughts inform our actions and our actions inform our thoughts, which in turn inform our actions. This ongoing, mutually reinforcing process becomes reified into institutional structures. These institutional structures evolve into systems which control economic activity. In this way, economic activity can be directed in a pathological way, and at the same time reinforce pathological ways of thinking. As we go about these daily activities, our actions become habitual and this becomes pathology of action—which reinforces the habit energy and pathology of mind. The seeds of pathology receive water from pathological institutions, which grow and provide even more water. That is, pathology of mind and pathology of action lock into a mutually reinforcing dynamic, and we and our planet gets sicker. The key to breaking out of this dynamic of pathology is mindfulness.

Mindful Institutional and Systemic Change

Active social participation is part of the Buddhist way. According to the teachings of the Buddha, people are not to escape from life, but to relate and engage as thoroughly as possible (Hanh 1998: 8). Such engagement is the practice of mindfulness. In a literal sense, mindfulness is a state of mind in which people become aware of their thoughts and actions and are fully occupied in the present moment. To be mindful is to be totally engaged in the here and now. With mindfulness, our minds are not cluttered with a running mental commentary or mental chatter about the millions of things that can capture our thoughts in a state. Mindfulness is a state that is free from this chatter and thereby enables us to openly and directly be engaged in the activities before us. With a daily practice of mindfulness, we can break out of the treadmill of pathology of action and mind. We become awakened to the true dynamic between action and ideality and develop a clear understanding of the meaning of our actions and our motives. Mindfulness is thoughtfulness without superfluous baggage, and thoughts are clear, open and directly focused on the tasks at hand. Cultivated over time with practice, mindfulness allows us to be present in our minds and directly engaged in our daily tasks without delusion or attachment. But these tasks are not random, they are directed toward bringing about human and ecological well-being and this will involve playing a role in institutional and systemic change. With appropriate mindfulness, people can begin the hard work of restructuring key economic institutions that direct economic activity on to a new course that leads systemic change and healthier livelihoods.

Mindfulness is part of the Four Noble Truths in the Buddhist tradition. At the core of the Buddha's original teachings are the Four Noble Truths of human suffering. The First Noble Truth is that suffering exists; the Second is to look deeply and find the causes of suffering; the Third is the cessation of behaviors that cause suffering; and the Fourth points to the pathways that lead to this cessation and toward well-being.

Fourth Noble Truth is a way out of suffering. This way requires a map, and as we work to redraw the institutional map of our economy, we will need guidance. The Noble Eightfold Path is such guidance and can lead us out of suffering. To quote Thich Nhat Hanh,

“If we live according to the Noble Eightfold Path, we cultivate well-being and our life will be filled with joy, ease, and wonder. But if our path is not noble, if there is craving, hatred, ignorance, and fear in the way we live our daily life... suffering will naturally be the outcome.”(Hanh 1998: 46)

The eight dimensions to this path are: Right View (Vision), Right Thinking, Right Speech, Right Action, Right Livelihood, Right Diligence, Right Mindfulness and Right Concentration. It would be beyond the scope of our work here to expand on all eight dimensions, so we will limit our focus to what is seen as “right” in this conception. What is considered “right” is simply that which is truly beneficial, healthy or wholesome. Rightness is not based on moral judgments or commandments, but rather it is through our awareness that we come to see what is beneficial to community, environment, and ourselves. As this is an institutional analysis, we see rightness as a set of principles that will serve as guides for institutional development for creating beneficial, healthy and wholesome lifestyles. Moreover, as we are concerned about evolving our economy away from the pathological systems conditions of environmental damage, inequality and instability, we identify these principles of “rightness” to include (1) social justice, equity and democracy, (2) ecological sustainability and (3) stability. These principles can guide economic activity toward wholesome outcomes and can also be specifically structured into the bylaws for governance of community-based corporations.

The Intrinsically Democratic, Equitable, and Just Character of a Mindful Economy

Thich Nhat Hanh’s offers training in mindfulness which involves cultivating an awareness of the suffering created by exploitation and social injustice. (Hanh 2007: 54) As we are directly and purposefully engaged in challenging this problem, we seek to build intrinsically democratic economic institutions. An intrinsically democratic economic institution is one in which it is governed directly by all the stakeholders in the community who are affected in some way by the activities of the business. A mindful economy is based on the fair and equitable value of each individual’s contribution, their right to work without harassment or racial or gender discrimination, and the right to a decent livelihood are all important to the overall livability of the community. People are full-fledged members of their communities and play an active, four-dimensional role in the economy: as employees, consumers, owners and citizens. As employees, people in a mindful economy earn incomes by working for community-based, non-capitalist businesses. As consumers their incomes are also spent in these same community-based businesses whose operations are guided by core values-based principles. What makes these businesses community-based is the fact they are owned by the people in the community. By becoming owners, people have the constitutionally guaranteed right to sovereignty over their businesses; that is, they govern the actions of the businesses democratically. To govern means to actively participate in the decision-making process as mindful economic citizens. Unlike capitalism where people are separated from ownership, in a mindful economy people are empowered with ownership as well as the rights and responsibilities that go with it.

The Base of a Mindful Economy: Respect for All Life and Natural Processes

In mindfulness training, Hanh also emphasizes a commitment to cultivating the well-being of animals, plants and other resources (Hanh, 2007: 54). In a mindful economy, the natural environment is seen as something to be valued and preserved in its own right, not only on the merits that it provides something useful to people. A systematic way of approaching proper stewardship of the planet and its resources is to follow the Brundtland Commission's "Socio-Ecological Principles for a Sustainable Society" (Magnuson 2007: 326-327) listed below:

1. Substances extracted from the lithosphere must not systematically accumulate in the ecosphere.
2. Society-produced substances must not systematically accumulate in the ecosphere.
3. The physical conditions for production and diversity within the ecosphere must not be systematically deteriorated.
4. The use of resources must be effective and just with respect to meeting human needs.

Stability of a Mindful Economy

Unlike the boom and bust instabilities of capitalism, a mindful economy rests on a secure foundation that is firmly embedded in the local community. It is independent from the Wall Street speculators and other predatory practices that cause the financial system to swing up and down with instability.

To build a mindful economy, these principles must be present in all economic institutions whether they are involved in manufacturing, agriculture, banking, retail or any other sector. The most direct and effective way to build such a system is to create community corporations that are chartered specifically to pursue these values. (Figure Three)

Principles of a Mindful Economy and the Community Corporation

The process of creating a corporation begins with a legal draft of the *articles of incorporation* or *certificate of incorporation* filed with state governments. This is the legal description of the corporation including the name, place, description and purpose of activities as board members and so on. From the point of its creation, the corporation exists as a distinct legal entity.

The certificate of incorporation establishes the entity itself and its purpose, but the operating rules of the business are set out in the corporate *bylaws*. Corporate bylaws provide legal and managerial guidelines directing the day-to-day business activities along the lines set out in the articles. Founders can propose specific provisions based on what they believe would make the business most effective in achieving its intended purposes. Each business can lay out specific principles of governance on an industry or community-specific basis to guide business practices. In other words, what is a just or sustainable practice in agriculture may differ from those in banking, which will differ from those in manufacturing, and so on. Once instituted, all stakeholders will be contractually obligated to follow the rules and guidelines set out in the bylaws. Exactly what a community wants the corporation to do is established in this process. In a mindful

economy, therefore, we contend that each business enterprise must have the principle of a mindful economy built into its articles and bylaws. Once these principles are built into the corporate charter, the corporation itself is duty-bound to work accordingly.

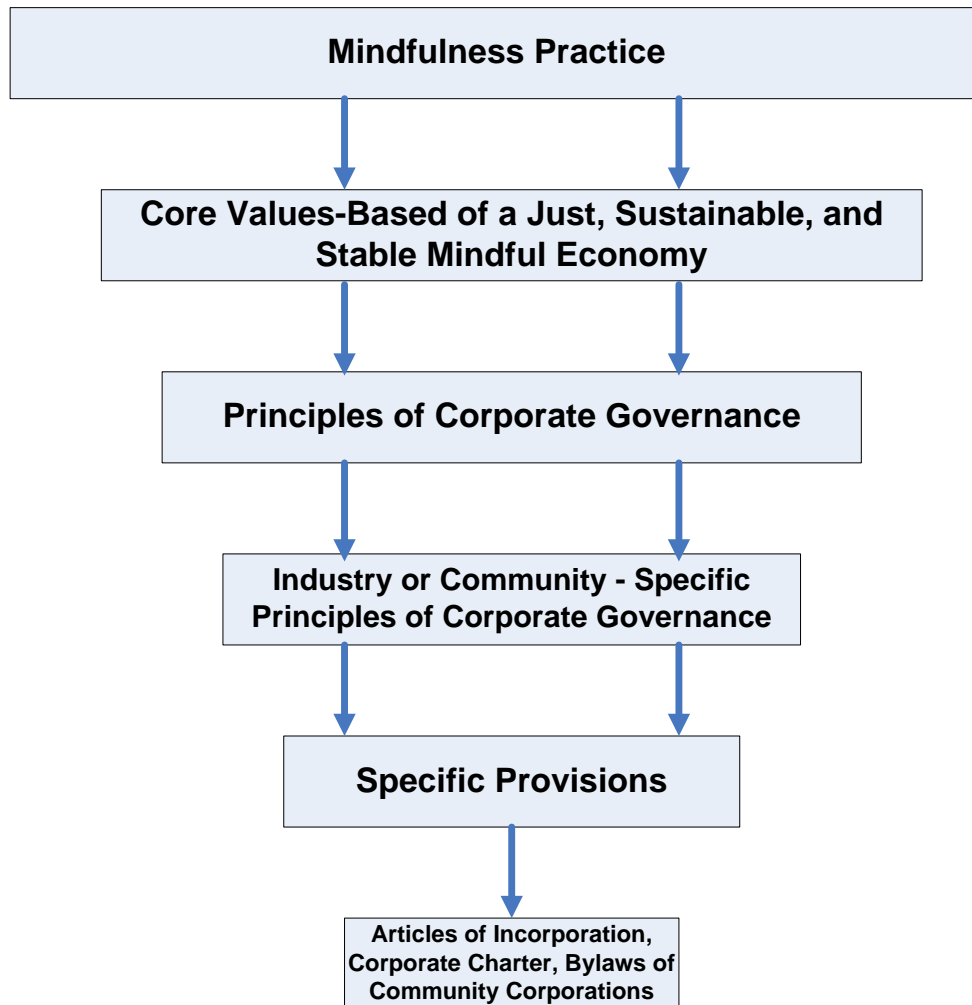


Figure Three: Mindful Economic Principles and the Community Corporation

One such possibility would be to create the community corporation as a co-operative. Once established as a co-operative, the articles and bylaws can specify that the company is also to be guided by the principles of governance of cooperatives established by ICA Commission on Co-operative Principles. Co-operatives can also be established as fundamentally non-capitalist as it is not characterized by the profit motive, the social separation of ownership and work or the growth imperative. The company is driven by the motive to serve the community, integrates ownership and work and does not pursue growth for growth's sake. A co-operative can also extend democratic ownership and control to all stakeholders in the community who are affected by its operations including, employees, consumers, suppliers and members in the immediate surrounding community.

The process of creating a community corporation and defining its purpose its legal documentation is key. This is arguably the single most important step in evolving an

economic system toward a mindful economy. It is here with the corporate charter that the DNA of the business institutions is defined, and it is from these institutions that specific actions are determined. From the actions, new habits are formed as well as new idealities.

With appropriate mindfulness, people's motivations are significantly different from those of capitalism. Capitalism is a system that is based on the cynical assumptions that people are naturally greedy and self-interested. In a capitalist system it is assumed that people aspire to own businesses because their only interest is to become wealthy. It is also assumed that people consume as means to indulge self-interest and to elevate their social status. There is certainly plenty of evidence of greed, self-interest and conspicuous consumption in America, but it is our contention that these human traits have been allowed to grow and have become institutionalized by the capitalist system's need to produce, sell and grow.

In a mindful economy, other human characteristics and traits can be fostered and developed under a different system. In a mindful economy, people are motivated by certain core values, not greed and self-indulgence. Consumption is not a means to elevated social status, but an integral part of a sustainable healthy life of light ecological footprints and minimal waste through consuming green and consuming less. Ownership is not a path to riches but is local or community-based, and is part of a truly democratic system.

In mindful economy community corporations fundamentally integrate ownership and work. These businesses are created to achieve specific purposes that are, again, guided by the core values-based principles of mindful economics. Unlike capitalism in which the purpose is to make profits for investors, businesses in a mindful economy openly and directly work to serve the needs of people by producing and distributing food, clothing, shelter, health care, education, transportation, etc.

From Anecdotes to a Mindful Economic System

In a mindful economy, households are still locked together with these businesses through a network of markets. Unlike capitalism, however, they are not locked together in a mutually antagonistic cash nexus fraught with conflict and opposition. In a mindful economy they are brought together by shared values and a fundamental integration of ownership, work and consumption.

In a mindful economy the monetary and banking system can be re-created to be democratically controlled by local community corporations—financial cooperatives—and citizens and function not as a gambling casino, but is true to its original purpose. Unlike the non-democratic and centrally controlled system of capitalism, the financial system of a mindful economy serves the true needs of the community by providing financial services for economic development, homes, public works projects, etc. and provides monetary stability. Since the mindful economy is not driven by the profit motive it is not subject to speculate greed that creates financial market instability.

A mindful economy is supported by local government that is firmly rooted in procedural and substantive democracy. Democratically accountable government does not imply accountability to special interests or powerful institutions or money. It implies that it is directly accountable to its citizens, and the citizens are also responsible for participating in the democratic governance of the community. And imagine an economy in which people living in homes, eating food and wearing clothes that were all produced

using sustainable practices. All these elements of a mindful economy exist in one form or another like the pieces of a puzzle. What is missing is bringing these pieces or anecdotes together into a full fledged system. The whole of the system is at least as great as the institutional parts.

The big picture of a mindful economy is a network of institutions that are compatible, and are compatible because people will have mindfully and purposefully made them so. A mindful economy, therefore, is an economic system comprised of a network of institutions created by people who share this core set of values-based principles.

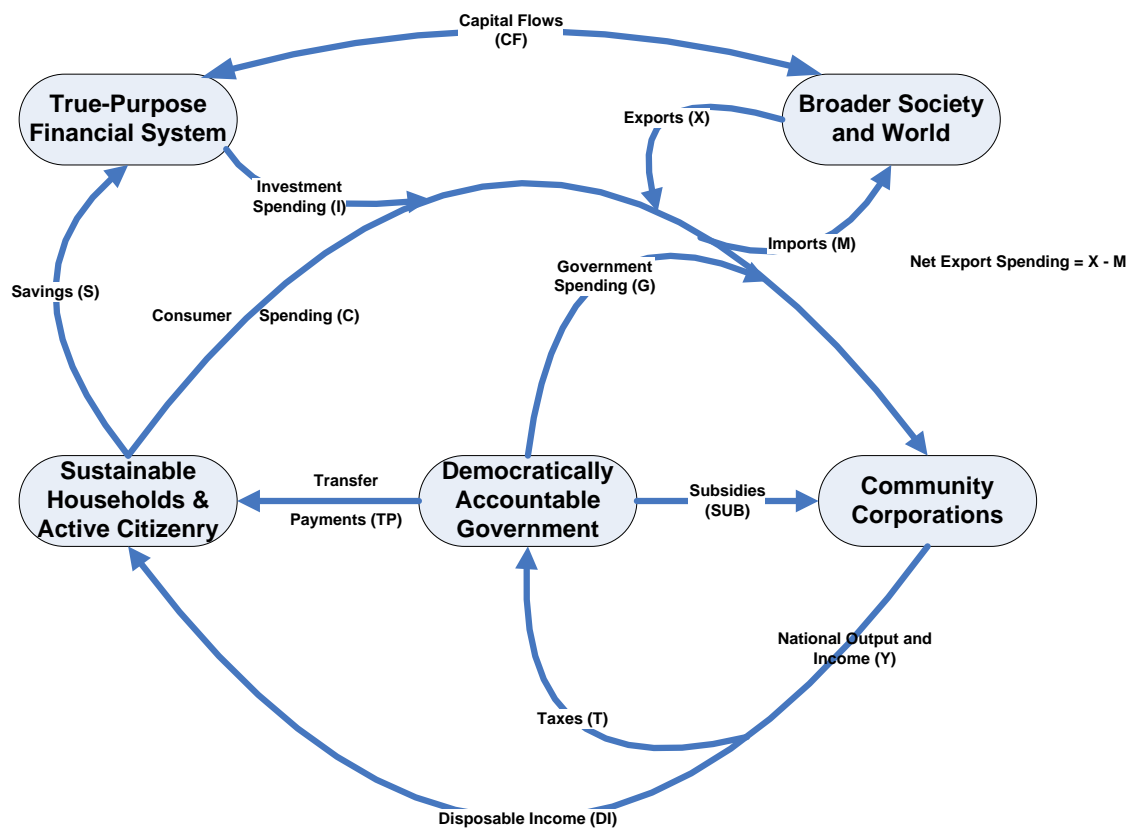


Figure Four: Mindful Economic System

The process of moving from dispersed anecdotes—a food co-op here, community corporation there, financial cooperative elsewhere—to a networked and unified system will be difficult and will take time. Institutional change is difficult and systemic change is even more difficult. But change is inevitable nonetheless. Recall Daniel Quinn, “If there are still people here in 200 years, they won’t be living the way we do. I can make that prediction with confidence, because if people go on living the way we do, there won’t be any people here in 200 years.” (Daniel Quinn, “The New Renaissance.” An address delivered at the University of Texas Health Science Center at Houston, March , 2002.) The question therefore should not be about whether or not we will change, but how to bring about the right kind of change. Bookshelves are loaded with books that take a

critical view of our economic system, but very few venture a suggestion as to how to change it. This is probably because as we make suggestions for change, the suggestions are always met with much resistance. Resistance often comes from what famous sociologist William F. Ogburn referred to as “cultural lag.”

William F. Ogburn was among the first sociologists to address cultural lag as a specific problem in social evolution. Taking a systems approach in which economic activity is embedded in a totality of culture, Ogburn noted that change and adaptation can occur at a different pace for different parts of society. For example, he noted that auto manufacturing technology has evolved at a rate faster than the development of transportation infrastructure necessary to accommodate the newer, larger and faster vehicles. During the stone age, Ogburn noted, non-material or institutional aspects of cultures were evolving much more quickly than stone technology. In the modern period, however, he sees science and technology as the prime movers of culture and social institutions have lagged behind (Ogburn 1964: 86-95). Currently we seem to be in a new phase in which the long-term consequences of economic growth are becoming manifest, but social institutions are slow to change in order to accommodate the transformations and adaptations necessary for our survival.

The totality of culture consists of both material (physical property and artifacts) and non-material (institutions) and both must evolve to adapt to our changing world environment. Social institutions need to change and evolve so as to allow new technology to develop and to foster its development. Technology is institutionally engendered and a passively blind faith in technology is tantamount to blind faith in existing social institutions. People must be proactive and actively pursue institutional change and this change will foster new technologies—necessity is, as the saying goes, the mother of invention.

Our concern is that we cannot afford to have cultural lag in the face of a multifaceted crisis of resource depletion, rising instabilities and crushing inequalities. We must be proactive and actively begin building new institutions despite fierce opposition. Those growing problems all require institutional change and adaptation away from capitalism.

Capitalism began as an anecdotal model and evolved, with institutional change and adaptation into a full-fledged economic system. We can learn from this historical precedent. In *Mindful Economics* we see that economies can once again evolve. We see it evolving, step by step, away from the growth-oriented, profit-driven capitalist system to a community-based, sustainable system. This must necessarily involve mindful institutional development and change. And unlike a Utopia, which means “nowhere” the alternatives are everywhere all around us.

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