



Chulalongkorn University



Buddhism, Economic Ethics and the Ideal World of Gift Economy

**Prof. Dr. Úrsula Oswald Spring
Regional Centre of Multidisciplinary Research,
CRIM-UNAM and University of Chulalongkorn
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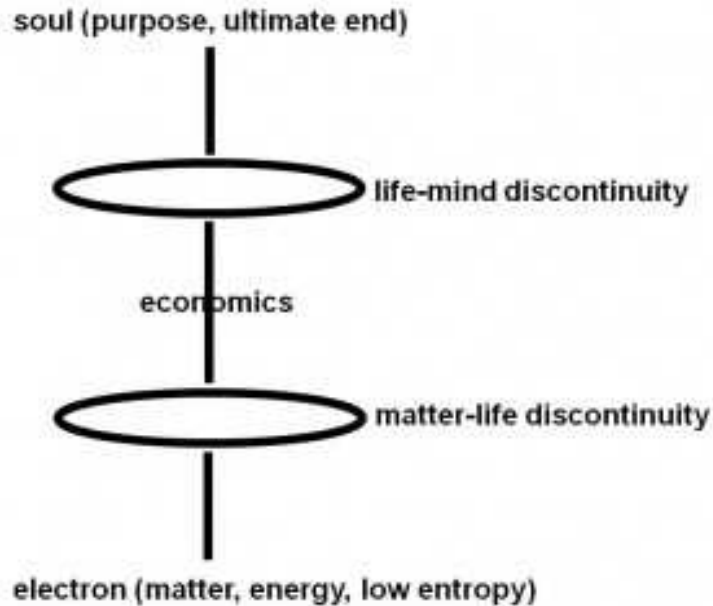
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1. Economy

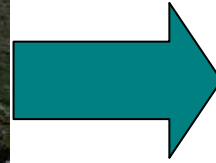
Dualistic understanding of economy



The vertical connecting line has two mysterious discontinuities that thwart monistic attempts to derive soul from electron, or electron from soul.

- The first discontinuity is between inanimate mechanism and life.
- The second discontinuity is between life and self-conscious mind (will, soul). Monists keep trying, and failing, to leap over both chasms. Dualists accept them as irreducible brute facts about the way the world is.

The increase in energy consumption is not just more of the same . . .

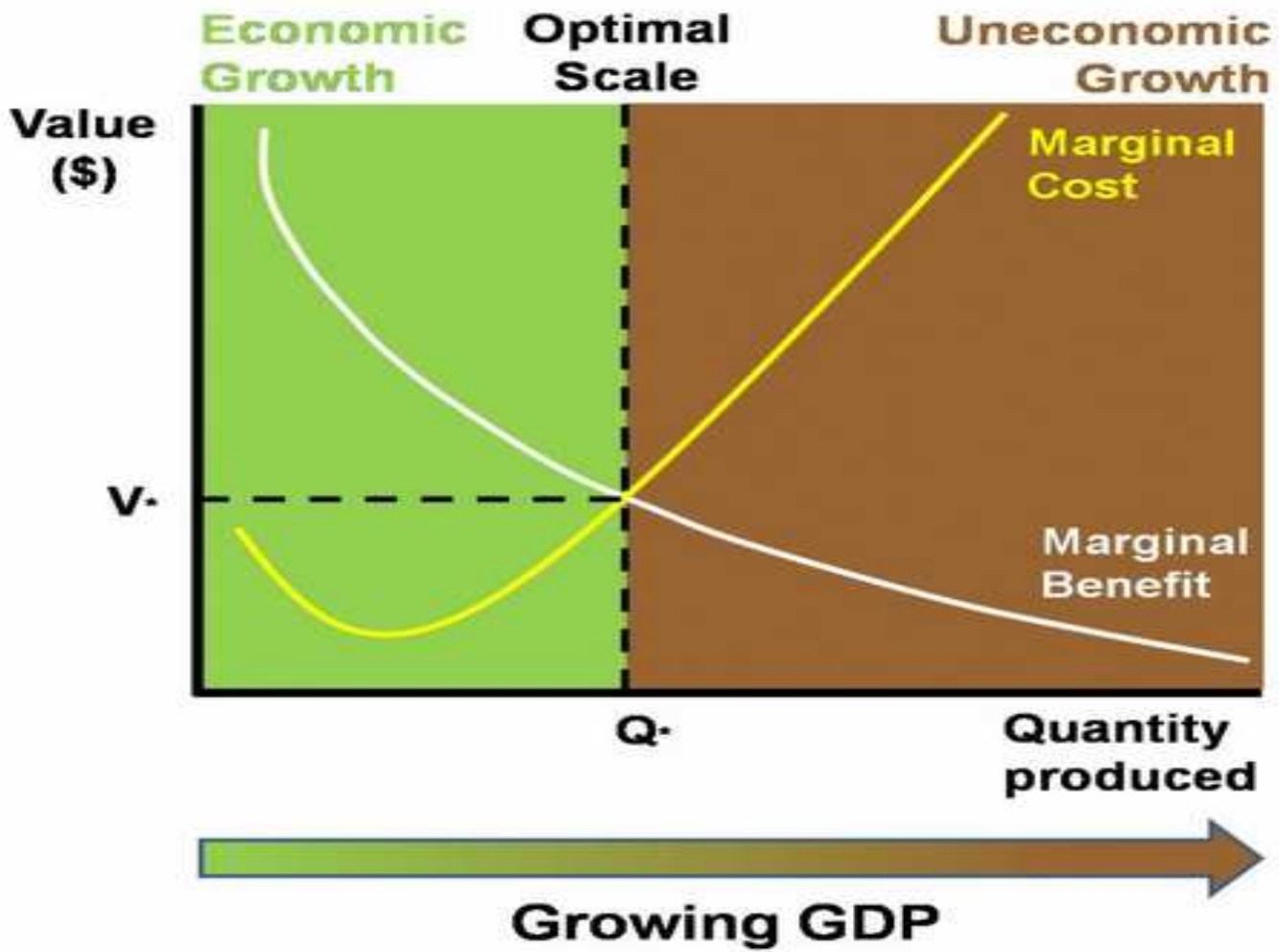


The household changes its metabolic pattern co-evolving with the rest of the economy – this implies a coordinated change in the pattern of goods and services **produced** \leftrightarrow **consumed**

in PW

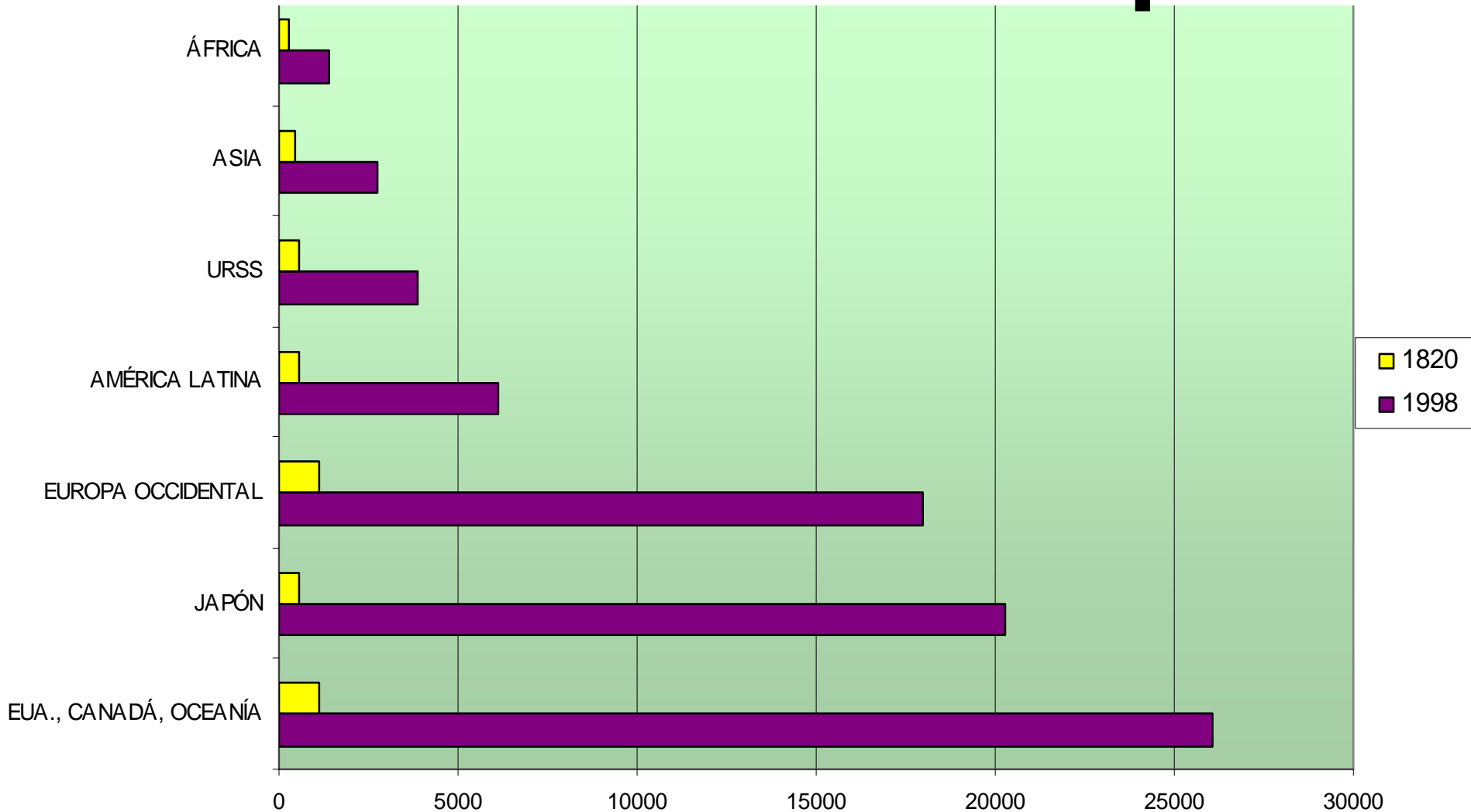
in HH

"Marginal cost refers to the cost of producing one more unit of a good or service. Marginal benefit is the benefit gained from one more unit. This graph shows the marginal costs and benefits of GDP growth. Costs tend to rise and benefits tend to decrease for each additional unit of growth. We should stop growing GDP, therefore, when marginal costs are exactly equal to marginal benefits. If costs are less than benefits, then GDP growth is economic (the green part of the graph). When costs rise above benefits, GDP growth is uneconomic (the brown part)." (Herman Daly, 2013)



Outcome: Economic growth

1820 to 1998: GDP/cap.



Source: OCDE with exception of Japan

Income in US dollars of 1990



Economy of war

Iraq: from the first Gulf War on 1.5 million innocent people died. Later one million more died due to destruction of infrastructure and services.

1 % of adult world population concentrate 40 % of the wealth of the world, while 50 % have less than 1 %. IMF is killing more people with SAP than any war on earth.

The real ethical question is how big is our personal reasonability that the existing structures are maintained and not substituted by others? What have we done to change them?

Financial system: speculation or global casino?

(Spiegel: 12.12.2011: 42-43; billions are millions of millions of US\$)

**World
Financial
markets**

**Derivates,
2011
708 billions**

**Nominalwert außerbörslich
gehandelter Derivate
2011:
708 Billionen \$**

**Property market
2011: 0.4 bio**

**Bondmarket
2010
24 billion**

24 Billionen \$

**Currency market,
2010
1,007 billions**

**Weltweiter Jahresumsatz 2010
1007 Billionen \$**

**Global economic
Output, 2011
70 billions US\$**

**Labourmarket
3,100 million people
55 Billionen \$**

**Bondmarket,
2010
63 billions**

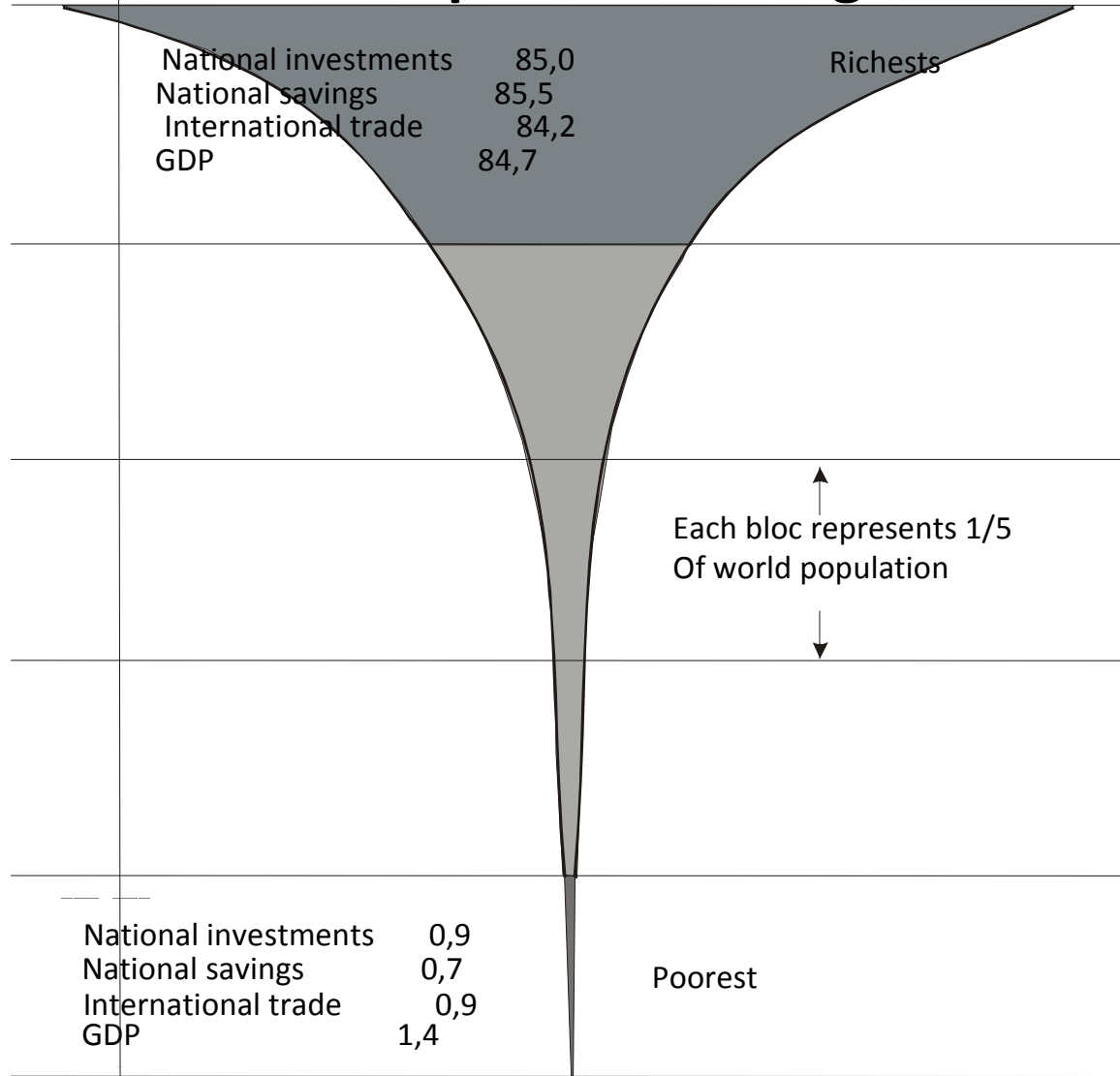
**Umsatz an den Weltbörsen 2010:
63 Billionen \$**

**Energymar-
ket, 2010
7 bio**

**Moneymarket
Impossible to estimate**

**geld. Wenn diese einander misstrauen, stockt
das Leihgeschäft. Zentralbanken müssen dann
die Finanzinstitute mit zusätzlichem Geld
versorgen.**

Outcome: unequal access to goods and crises



A group of Buddhist monks, likely in Southeast Asia, are walking in a line. They are wearing traditional orange robes with yellow sashes. The monks are walking barefoot on a paved surface. In the background, there is a white fence and a building with a decorative golden roof. The text "2. Ethics" is overlaid in the center of the image.

2. Ethics

- Sartre explained that the moral election is not to elect us as good people, but elect a better world.
- In the 21st century a systematic step by step transformation of the rules of the game that are now dominant with reformation of our fundamental norms, that is to say of our ethics.
- The understanding of “ethics” widens the lenses of our historical vision and thus enlarges the range of our constructive imagination. It helps us to locate our presently dominant rules of the game in the wide gamut of ethical frameworks that have oriented and in many cases still orient human life. Thus it helps us to imagine other possible worlds.
- Durkheim regards economics as a sub-discipline within sociology and central roles are played by norms and rules. Equally central is the role played by absence of norms (*anomie*).
- As Jürgen Habermas has shown in detail, Marx’s relations of production are always social relations, and therefore are normative relationships.
- What Bourdieu says with *habitus*, Margaret Mead says with *customs*, John Maynard Keynes with “institutions” and with “the psychology of the community” can also be said with the typical terminologies of ethics, such as “norm,” “rule,” (Hart, Winch), “imperative” (Kant, Hare), “institutional fact” (Searle) “moral authority,” and “ideal.” Ethics, in one of its dimensions, is neither more nor less than the norms that guide human action. According to a scholastic definition, ethics is the theory of human action; that is to say, that which explains it.

- **The ethical option also carries with it a second dimension. It adds the transcendental voice.**
- **The transcendental voice can be given an ecological interpretation, which does not necessarily exclude it being given also a theological interpretation. Whatever may be the norms legitimately prescribed by human authorities, there is a higher power that judges us. As the North American ecologist Amory Lovins writes, when the laws approved by the legislature conflict with the laws of physics, the laws of physics in the long run will prevail.**
- **A price, von Mises and von Hayek teach us, is a contract. A price is a voluntary agreement between a buyer and a seller. Today minimal salary are not “real prices.” They are a “distortion” in favour of the capital.**



3. Which economy can be ethical?

Patriarchy and violence

- The **patriarchal culture** of control and domination is the root cause of all social and ecological violence. It corrupted the original communion between man and woman and is now disrupting the harmony between humanity and the human habitat (ecofeminism). Just as slavery and racism are moral evils, gender discrimination is a moral impediment to solidarity and sustainability. Sexual differentiation does not entail any hierarchical order.
- **Integral human development** includes all dimensions of life of each person: physical, intellectual, psychological, ethical, and spiritual.
- **Spiritual development** of each human being is crucial for sustainable development. Spiritual growth is impossible for people living in misery and extreme poverty of many is mostly a consequence of the **spiritual underdevelopment of people living in abundance.**

Ethical business

- **Attract customers** to the firm's products, thereby boosting sales and profits make employees want to stay with the business, reduce labour turnover and therefore increase productivity attract more employees wanting to work for the business, reduce recruitment costs and enable the company to get the most talented employees attract investors and keep the company's share price high, thereby protecting the business from takeover.

(<http://businesscasestudies.co.uk/>)

- Business ethics are **moral principles** that guide the way a business behaves. The same principles that determine an individual's actions also apply to business. Acting in an ethical way involves distinguishing between "right" and "wrong" and then making the "right" choice. It is relatively easy to identify unethical business practices. For example, companies should not use **child labour**. They should not unlawfully use **copyrighted materials** and processes. They should **not engage in bribery**.

(<http://businesscasestudies.co.uk/anglo-american/>):





4. Gift giving or gift economy

Capitalism: exchange economy

Exchange is ego-oriented and gives value to the **ego**, while **gift giving is other-oriented** and gives value mainly to the other. Exchange places the exchangers in **adversarial** positions; each tries **to get more** than the other out of the transaction. The values of patriarchy are implicit in exchange, and drive capitalism. Each contender struggles to reach the **top of the hierarchy** to own more and to become important. The kind of ego that is based on the exchange logic is necessary for the market, while the **gift giving personality** is eliminated, or easily **victimized** and becomes the host of the exchange ego.

Patriarchy and capitalism

- Patriarchal capitalism justifies itself by the **exchange paradigm**: everything in terms of the exchange logic (marriage market, military exchanges, justice as payment for crimes, equations of a self reflecting consciousness). Promotes the market, where gift giving is absent.
- **Gifts of women's free labor in the home**, surplus labor of workers for surplus value (free gift given for the capitalist). **Free gifts** of nature and culture through the system to capitalists and corporations, seen as deserved by the investor who extracts, privatizes, exploits and pollutes are called **profit** and motivate the whole **system**.
- **Female (gift giving)** vs. **male'** economic behavior (**exchange**). This two economic structures rise to distinguishable ideological superstructures (**value systems & worldviews**). The practices of gift giving or of exchange have to do with celebration of the other, **compassion**, and the affirmation of life; on the other hand with **subjugation** of the other, egotism, competition and the affirmation of value-free objectivity.
- These two cultures **coexist** at various levels, and, can be found within the same person.

Mothering-Fathering

Mothering involves the unilateral **free distribution of goods and services** to young children and the creation of **human bonds** between givers and receivers. Society has **assigned** this role to **women**. Mothering is not seen as an economic category, the **market devaluates** mothering, making it dependent and **subservient**. **Commodities** as no-gifts and superior, disqualifies mothering/gift giving as a **non-category** in economy.

Shifting to the gift paradigm allows us to see that the direct **distribution of goods and services** present in mothering. It can be understood as an example of the practice of an **alternative economy**. As a **mode of distribution**, it is present in all societies because it is **required**, not by the biology of women, but by the **biology of children**. Children's biology does not allow them to independently satisfy **most of their own or others' needs**. It requires **unilateral gift giving** from their caregivers.



5. Conclusions

Gift economy vs. capitalism

- “[T]he gift economy, gives to the exchange economy ... giving it value [by means of exploitation, which is viewed as the capture of free gifts—e.g., surplus labour, remittances sent by migrants] and thereby **colluding with its own oppression.**” (Vaughan, 2003)
- In spite of their seeming ubiquity and omnipotence, the normative structures of the **logic of exchange** are “actually rather fragile and therefore [need] to be protected from the possible alternatives.”
- The damage on the gift economy and its most consistent practitioners is “one of the main reasons for the depth of the crisis of . . . contemporary civilization.” (Werlhof , 2003)
- When the dominant logic is in place, the (forced) gift economy is indeed **strained**, often to the breaking point; but when the dominant logic of exchange suddenly fails on a massive scale, the (free) gift economy **is renewed and flourishes** (see disasters).

Gift economy

- **Unilateral gift giving** is not the same as **unconditional love or gift giving**; unilateral gift establishes a human relation. Even a dialogue is not exchange but turn taking in giving unilateral gifts.
- **identification of needs and agency** for their satisfaction creates meaning, in language & life
- **A radically different world is possible**, urgently needed with intersection between feminism and linguistics, economics, semiotics, and sociology as a fundamental part of our humanity
- Gifts have been **invisibilized**
- To generalize **gift giving** to a whole **community, everyone** would be doing it: **no** special merit and recognition would be irrelevant. The way to make people 'modest' about gift giving is to change society so that **everyone is doing it**. Secondly, in **giving value** to others is useful **not to emphasize one's own gift**: women who recognize a need of the other ask for extra value attribution. Unfortunately, it strengthens the **parasite's hold upon** and denial of the host. On the other hand in a gift-based community, the attribution of value to the receiver would be **commonplace**; extra need for the attribution of value might be **less** with less room for ego.

- “The **gift interaction is transitive** and ... [creates] a relation of inclusion between the giver and the receiver.... Gift giving implies the value of the other while the exchange transaction ... is **reflexive** and implies the value only of oneself. Gift giving is qualitative rather than quantitative, other-oriented rather than ego-oriented, inclusive rather than exclusive.” (Vaughan, 2003)
- **matriarchal principle** as the organizing principle for the gift economy. “The principle of motherliness is the opposite [from those that underlie the logic of exchange], where altruism reigns and the well-being of all is at the centre.” (Goettner-Abendroth, 2003) A treatment of the different economic calculus (distinct from that attributed to *Homo economicus*) women routinely practice and the redefinition of wealth that guides women’s choices, a redefinition distinguish-ed by its collective and relational orientation (Christiansen-Ruffman, 2003).
- Giving is a **human attribute** (of *Homo donans*), not one unique to women. “Looking at **language** as transposed gift giving ... confirms the pan-human character of gift giving...” (Vaughan, 2003).



Gift giving and cosmovision

Gifts and cosmology

- Corinne Kumar (2003) writes: «What we need in the world today are **new universalisms** ... universalisms *that recognize the universal in the specific civilizational idioms in the world...* Universalisms that will respect the **plurality** of the different societies, of their philosophy, of their ideology, their traditions and cultures; one that will be **rooted in the particular**, in the *vernacular*, one which will find a resonance in the **different civilizations, birthing new cosmologies**».
- The gift giving is **invisibilized** but represent in the USA **38% of the GDP** and in poor societies **over 50%**, whenever the non-paid work is **not included** in the national economic statistics, nevertheless **exists**.



Thank you for your attention