quasi-predicate theory demonstrates how his ideas, today as ever, are be situated at the crossroads of a number of vital questions.

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Nishida and the Dynamic Nature of Knowledge

Why Economists Should Take Nishida Seriously

Silja GRAUPE

This paper seeks to uncover Nishida Kitarō’s insights into the dynamic nature of knowledge. Its aims, however, are not purely philosophical. On the contrary, it intends to show how such insights can be carried over fruitfully to the field of economics so as to creatively rethink the hidden boundaries and tacit limitations of standard economic assumptions. At first sight, such a project may seem unusual. I would be the first to admit that Nishida never showed any great interest in economics per se, nor in the everyday problems of our economic lives. But this does not mean that his philosophy has no import for this field of social science. Living in the aftermath of Japan’s turn to the West, when the nation opened itself to economic, technological, and political contacts with Europe and America, Nishida used philosophy as a tool to confront this new reality headlong. Rather than escape from the often painful process of modernization and retreating into a secure ivory tower, he wanted Japanese philosophy to investigate critically and creatively

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the roots of modernity as well as the conflicts it created. He set himself the demanding task of developing a Japanese philosophy that could serve as a true stronghold of free thinking in the midst of the flux of modernity, he thought that creative possibilities would emerge from the shock of the encounter between philosophy and the novelty of modernity that he could apply to contemporary life. I am convinced that in transporting his philosophy into economics, we are remaining loyal to his general project.

I am not alone in this conviction (cf. YAMADA 2005). Here I would single out in particular the renowned scholar of management, Nonaka Ikujirō, who frequently cites Nishida’s philosophy, especially Nishida’s concept of place (basho or ba), as part of his own relentless effort to develop a new theory of knowledge creation within organizations and the economic sphere as a whole (NONAKA AND TAKEUCHI 1995, VON KROGH et al. 2000). His aim is to develop a distinctively Japanese approach to management, capable of critically identifying and breaking through the confinements of Western theories and practices. Through creative conceptual borrowing, Nonaka has done much to introduce Nishida to a wider, non-Japanese audience, a fact that is generally unknown by philosophers East and West.

That said, much remains to be done, since Nonaka has never yet discussed Nishida’s philosophy in any great detail, preferring rather to leave his audience with cursory notes that leave ample room for a more synoptic understanding (GUELDENBERG and HELTING 2007). This creates a gap that has yet to be adequately filled. It is my aim in this paper to address that problem. In doing so, I hope to uncover some of Japanese philosophy’s hidden potential for making a unique and lasting contribution to economics, a field, I might add, that is currently playing a leading role in our globalized societies, both East and West.

But why worry about new approaches to knowledge in general and a Japanese approach in particular? The question merits at least brief attention. Few of us would deny that we are presently facing a severe economic crisis. Or, to be more precise, we are facing a series of independent economic crises. In addition to the current financial crisis, we are being confronted with skyrocketing prices on oil markets and, as a consequence, volatility in the markets for alternative energies. This, in turn, has amplified the fierce competition over cultivable land, competition that can result in the threat of starvation for hundreds of thousands, if not even millions, of people. Equally fierce competition in other sectors appears to force companies around the globe to streamline their production processes and, as one consequence, to lay off thousands of workers. It also causes nations to lower their social and environmental standards in an attempt to attract international investors. Coping with such crises demands tremendous changes both in our economies as well as in us as economic agents.

As many before me have noted, this situation demands, above all, a change in both what we know and how we know it. We find ourselves, as Lester Thurow once put it, in the midst of a third industrial revolution, in which a shift towards knowledge-based economics occurs with knowledge becoming the most crucial resource, superseding the traditional resources of land, capital, and labor. In their attempt to move toward a higher level of development, societies seek to transform themselves into knowledge societies. Managers are hard at work to turn their companies into efficient machines for processing data and information. Meantime, workers and employees are coming to consider knowledge as their most important asset, recognizing it as an increasingly determining factor in their worth as “human capital” or “human resources.”

Amidst all the buzz about the utility and value of knowledge, some have begun to strive for a more cautious note. Above all, they have reminded us that for all our accumulated knowledge, we are still not quite able to determine just what knowledge, this wondrous “stuff to be managed,” truly is. On the current debates over how to manage knowledge efficiently, our understanding of knowledge itself has become more and more fuzzy (SCHREYÖGG and GEIGER, 2003).

When Nonaka burst into this new landscape of what has come to be known as “knowledge-management” in the 1990s, he raised a voice at once critical and distinctively Japanese against what he considered one-sided Western concepts of knowledge. More specifically, in reviewing major economic and management thinkers of the West, he and his associates contend that the West tends to grasp knowledge only as a given thing or substance, thus missing out on its true nature as an ongoing process or creative activity.
None of the thinkers has articulated the dynamic notion that human beings can actively create knowledge to change the world, implicitly suggesting that our view of knowledge and theory of organizational knowledge creation provide a fundamentally new economic and management perspective that can overcome the limitations of existing theories bounded by the Cartesian split. (Nonaka and Takeuchi 1995, 32)

What we urgently need to develop today is the capacity to deal with uncertain environments not merely through passive adaptation but also through active interaction. Organizations, for example, that wish to cope dynamically with a changing environment need to create information and knowledge, not simply to process them efficiently. Furthermore, their members must no longer be passive, but rather must be active agents of innovation.

Nonaka contends that (Western) scientific approaches to knowledge do not allow for a skillful mastery of such tasks because of their overtly passive and static approaches. While the approach of scientific management might be partially successful in understanding how humans create new products, tools, and concepts, it completely fails when it comes to understanding how humans create the knowledge that makes such creations possible (Nonaka and Takeuchi 1995, 49–50). This is especially true when it comes to the creation of moral and ethical knowledge, that is, knowledge by which humans commonly create values and ideals (Von Krogh et al. 1995, 45–68).

The task that confronts us begins to come into clearer focus. In order to effect a fruitful application of Nishida’s insights into the nature of knowledge to the field of economics, we must be attentive to how he deals with the creative, dynamic nature of knowing. This entails exploring not just Nishida’s disclosure of the static and passive nature of existing (Western) concepts of knowledge, but also the decisive break he made with those concepts. In the first part of my paper, I will sketch out Nishida’s critical project and his theory of creative knowledge. In the second part, I will outline how Nishida’s insights can be applied to economics, central to which is the transformation of our common views of the role we humans play in the economy.

**Nishida’s Understanding of Knowledge**

Nishida sought to develop a new understanding of the nature of knowledge, principally through his logic of place (Nishida 1999). This logic presents itself as a complex system, which Nishida continually revised and expanded until his death. In what follows, I will use this logic to highlight Nishida’s insight into the creative and dynamic nature of knowledge.

Stated in rather simple terms, Nishida claims that we cannot know about knowledge in the way we know about anything else, for example physical objects. This is because it is neither a static, self-contained substance nor a thing, but rather an ever-changing dynamic process. Knowledge is not only a noun but also a verb, simultaneously an activity (the “knowing”) and something that comes to be understood by that activity (the “known”). In order to express the relationship between these two, Nishida conceives of the knowing activity as a field (basho 場所 or ba 場) in which the various objects of knowledge arise context-specifically and dynamically (Nonaka, Konno, and Toyama 2001, 18–19).

In thus making a spatial metaphor a focal point of his thought, Nishida borrows an important insight from the field theory in physics (Wargo 2005, 102–3). By means of that theory, objects come to be understood not as independent entities but as determinations of the field in which they exist; defined as “energy-concentrations,” they are understood as indispensable parts of the energy field. Their substantiality is transferred to the field in which they lie, so that what was previously conceived of in terms of independent entities now become modes of the field. Given this, physical objects acquire their meaning only insofar as they can be considered as parts of the energy field; their “being” is determined in a dynamic and context-specific manner by virtue of being located inside the energy field. They are not to be meaningfully defined outside this context. The same holds true for the relationships between them:

The concentrations of energy are not antecedently independent

entities that are then conceived as being related in some fashion. It is rather that the relations are established by the field in which the relationships hold. (WARGO 2005, 102)

The field thus provides the given context, which determines the various objects as well as their relationships. The field itself, however, cannot be determined by referring to the nature of objects in it. It is not the simple equivalent of the sum of its objects. Nor is it any specific concentration of energy or its absence. The field rather needs to be seen as that which provides the unity of various concentrations of energy. It is the pre-given or pre-established ground that cannot be conceptually grasped in terms of energy concentrations.

Nishida utilizes these insights from the field theory of physics to highlight two important aspects of the nature of knowledge. First, he makes the claim that what we “know” about an object depends on our way of knowing it. Just as energy concentrations are defined and established within the field of energy, anything known arises in a dynamic and context-specific manner within the wider field of our knowing activity, of which it is an indispensable part (NISHIDA 1999, 40). Second, we cannot know about this wider field in the same way we know the objects that arise within it. The field forms an unarticulated background, which, in the process of knowing, is necessarily excluded from being itself an object of knowledge. In terms of the operations of self-consciousness, there is something at work of which we are not conscious (i.e., consciousness as nothingness). It is not consciously recognized by the operations of our surface consciousness, yet is forever active beneath the surface. In this sense it can be said to be “nothing” (mu; see YUSA 2002, 203-4). What becomes visible here is an incompleteness inherent in our knowing, which any account of knowledge has to treat seriously (WARGO 2005, chap. 4).

This is not to say that we cannot know anything at all about the nature of our knowing activity. Nishida’s point is rather that we cannot know anything about it as long as we remain trapped on a field of suppositions shaped by what is already known, that is to say, on a field of consciousness focused on objects. To achieve another level of knowing we need to “loop” into another domain of discourse in which the process of knowing itself is not simply taken for granted as a given background, but becomes explicitly reflected upon itself. Put differently, Nishida seeks an epistemological point at which the understanding of knowledge includes the know-how of knowledge itself. This expansion of knowledge is initiated by the transition from one field of knowledge, γ, to another field of knowledge, χ, the latter of which turns the tacit background of γ into an object of inquiry and, as such, becomes explicitly known itself.

Rather than remain within the lesser domain of knowledge, γ, and tacitly excluding the question of the background of suppositions that justifies our knowledge claims, Nishida aims actively to “loop” to another domain of discourse from which those suppositions become clear, and can be questioned so as to see if they are justified. This “looping feature” is central to the logic of place (WARGO 2005, 106). As should become clear, it is designed to lead the knower to an ever deepening understanding of her own knowing activity as it moves “from the instance as verbally judged, to what such judgment necessarily implies, in increasing layers of inclusiveness” (CARTER 1997, 29).

This movement is initiated by questioning explicitly what makes a certain form of knowledge possible rather than simply assuming it to be based on some a priori or self-evident knowledge. For Nishida, explicit knowledge does not simply rest on a series of brute and ultimately unknowable facts but on a “bedrock” incorporating a usually unarticulated understanding. This understanding, in turn, is able to generate reasons and explanations when questioned or otherwise brought into dialogue. This insight helps us get involved actively in the know-how of our knowing and to transcend the boundaries of our limited perspective (NONAKA, KONNO, and TOHAMA 2001, 18). Knowledge thus comes
gradually to be understood as a continuous self-transcending process, a process of creation (14).

Like a series of concentric circles, this self-transcending process leads us to ever deeper and more inclusive fields of knowing. As Nishida argues, it spirals from those levels of understanding appropriate to the external world (objective knowing) to levels of knowing correlated to the workings of our individual minds (individual, subjective knowing), and then onward to levels of knowing ourselves as contextualized, engaged individuals (knowing as acting-intuition). Within this spiraling process, the deeper fields of knowledge do not replace or exclude the shallower ones but enrich their perspectives.

The Field of Objective Knowing

To see the overall structure of the logic of basho that allows us to develop our treatment of knowledge, let us consider first a simple empirical judgment such as “this table is brown.” Statements of the objective (positive) sciences are usually of this form. They seem to express a pure objectivity in which the observer is so thoroughly neutralized that she does not even enter into the judgment per se. In the absence of any subject or subjectivity, knowledge is attuned only to what is outside the knowing process. Knowledge of this kind is only concerned with what is, with beings of the external world only—hence Nishida’s term, the “basho of being,” to designate the locus in which it can arise. Transposing this to the economy, we would say that we are dealing here with a region consisting solely of given data and information.

While Nishida certainly takes such data and information into account and, all things being equal, holds it to be valid, he nevertheless sees that they simply do not represent all that we can, and in fact do, know. To him, objective knowledge is only partial and, as such, allows for improvement. This is the case because it cannot include knowledge about the modes of its own production. For example, a simple statement such as “this table is brown” presupposes something like “I know this table to be brown,” but this subjective aspect of the objective claim, while serving as a foundation for knowledge, cannot be explained by either referring to the nature of the table or to its brownish feature.

More generally speaking, within the field of objective reasoning, we cannot account for how, or even why, we come to know of certain objects. “Knowledge of the theory is not itself a physical object and hence not an object of the theory” (WARGO 2005, 111). The latter is essentially related to something thinking (noesis) but not to something thought (noema). It is has to do with how we make judgments but not with the content of judgment (NISHIDA, 1978, 71). What Nishida is up to here is to remind us of the distinction between the event of knowing p (i.e. an object) and the process of knowing that one knows p. While objective knowing can account for the first event, it can only implicitly presuppose the second. It inevitably fails to explain how we actively create what we know, rather than simply view it as given. In other words, it conflates knowing with simple observing. For this reason, objective knowing turns out to be overtly static because it does not give us information that allows us to account for the fact that our objective worldview can be changed through the operations of self-consciousness. It fosters a passive stance towards the outer world, which always appears as already given facts to which we can only adapt.

Trapped within the basho of being, we confront the world as if it were subject to an inexorable and inextricable necessity, incapable of any true change. In order to free ourselves from the entrapment, we must expand the range of our creativity by embarking upon the venture of explicitly knowing how we know p. For this, we need to “loop” into another field of knowing that includes within itself knowledge of our own thinking processes. Thus, we are to take into account not only judgments of external objects, but also the interior nature and the existence of the human subject.

The Field of Subjective Knowing

Nishida thus sees empirical knowledge as dependent on the know-how of knowledge itself. If we speak, for example, of physical objects as related in space and time, then these objects can be said to exist within a specific domain of discourse. But the nature of this domain cannot be explained
by referring to the nature of its objects, as the discourse imposes a specific organization on the way those objects are known that cannot be known by means of empirical judgments. Rather, one has to ask what these judgments necessarily imply, but cannot, without interfering with their function, explain. This insight leads Nishida to the wider field of individual subjective knowledge in which empirical objects come to be explicitly known as objects for us as knowing subjects.

This is to say that the “field of consciousness” is the topos. We come to know what is outside us only by knowing what is within us. That is, “to know” means for consciousness to embrace what is within. That which knows, the cognitive subjectivity, is a topos; it is beyond form, matter, and the operation of cognition, and it establishes the content and the operation of cognition. (NISHIDA 1978, 204)

At this point, subjective knowing comes into view as something that makes possible the productive and creative “background” that conditions the claims of all objective knowledge and, at the same time, erases and annihilates itself. The claims do not, at first blush, seem to add much to commonly held views on the subjectivity of knowledge.

But Nishida’s treatment of subjectivity turns out to be rather different. Idealist theories typically treat knowledge as if it ultimately belonged to and were controlled by the individual, as something that takes place only within the minds of specified individuals. While Nishida does not deny that such knowledge exists, he strongly opposes the view that this might explain the whole of our knowledge: it neglects to explain the dynamics of our subjectivity and, more specifically, how subjectivity emerges within the process of knowing itself. From a subjective point of view, it seems that individuals simply “possess” their knowing activity—that, in fact, they are the “givens” of the case. But it remains unclear, if we stop our explanation at this aspect of supreme subjectivity, how individuals can change, or even how their cognitive activity unfolds.

For example, if we make knowledge equivalent to “justified true belief,” we have to ask about the process of justification, which is not self-evident. What does it mean to justify? How does justification change from one context to another—as it must—and over time (NONAKA, KONNO, and TOYAMA 2001, 1–2)? More precisely, we generally take the justification that gives us our justified true beliefs as a pre-given, without offering any explanation for doing so. Nishida generally criticizes all approaches that seek to limit cognitive subjectivity to the formal judging subject alone as a “dogmatic confinement of epistemology” (YUSA 2002, 206). That is, such approaches identify subjectivity with a pure theoretical self, which is but empty and formal ‘being’ that has not yet made itself the content of its self-consciousness.... It does not yet, therefore, determine its own content” (NISHIDA 1978, 73).

Rather than proceed from such a formally empty self, which functions to restrict the scope of cognitive activities to the fashioning of true or false judgments about what enters its domain, Nishida sets out to investigate the nature of self-consciousness so as to further clarify how subjective knowing is creatively and productively established (YUSA 2002, 206). In doing so, he essentially challenges the idea that the individual “I” should be seen as the prime mover of knowledge creation. Evidently there is more to our knowledge than knowing about the mass of objects that make up the natural world. We also know something about how we know this knowledge. But as long as our “I” is treated as a pre-given entity, our own role in the process of knowing remains arbitrary and inexplicable. This is because the “I” remains a tacit presupposition without becoming an object of knowledge. Being a field of nothingness, it stays outside of what is to be known itself.

To restate the question in slightly different terms, many Western scientists and philosophers appear to be preoccupied with the quest of some basic form of truth as the source of all valid knowledge, something that cannot itself be said to be dependent on either human understanding or human experience. There has to be some a priori of indubitable certainty that grounds all knowledge securely while remaining itself utterly unaffected by the process of knowing. At least since Descartes, there has been a dominant trend in Western philosophy to achieve certainty by ordering our thoughts individually and correctly according to clear and distinct connections.

In establishing epistemology as a theory of knowledge, the philosopher implicitly assumes or asserts that there is in the intellectual effort of man something that remains unchanged, viz., the logical structure of the human mind. (VON MISES 2006, 14)
The true foundation of knowledge is thus believed to exist innately in the individual or, to be more precise, in the formal operations that underlie all true “acts of knowing.” At least such would seem to be the belief underlying modern conceptions of rationality, which presupposes that all knowledge must be executed according to a formal calculus. Here knowledge becomes closely associated with a computer model of the mind in which intelligence functions according to a priori, universally determined rules. The “I” thus turns into a pre-given foundation that remains itself ultimately unknowable.

In opposition to this view, Nishida emphasizes that the “I am” of Descartes is not simply the end product of scientific or philosophical inquiry, but rather must serve as another starting point for further investigations into the process of knowledge creation (WARGO 2005, 153). Subjective reasoning, he contends, is aligned with another deeper, more inclusive field of knowledge, in which the individual “I” is taken not as an implicit assumption but as an explicit object of reference. This field remains, from the standpoint of a Cartesian conception of knowledge, a place of nothingness—in other words, an empty placeholder that undergirds the entire system of knowledge. There is nothing, so to speak, in the field of knowledge in which we can inquire about the nature of knowledge itself. In order to attain a goal, for example, we have to break through a standpoint enshrined in the Cartesian tradition. Nishida, a Japanese philosopher standing outside that tradition, helps us to see the total effect of our Western presuppositions in a way that is often opaque to those of us who stand within them.

Knowing as Acting-Intuition

In exploring the greater field of knowledge that opens up once we break out of the limits imposed by the Cartesian cogito, Nishida refers to a form of knowledge that extends “outside” the individual “I” (HEISIG 2001, 73). He takes individual intellectual activity to be guided tacitly by goals, aspirations, and ideals that can be conceptualized as acts of consciousness in which the individual “I” is no longer the focus, but loses itself. In order to obtain a goal, for example, we determine how we are to be so as to act in accordance with it. The “I” here is situated in a field of knowledge located on a trans-individual plane. The latter is, in what Kantian terms, the same for each and every consciousness, i.e., for consciousness in general (ishiki no ippansha 意識の一般者). This field transcends individual consciousness by becoming its pre-given foundation and the objective and universal subject of knowledge (NISHIDA 1999, 75; CARTER 1997, 41).

This insight into the nature of knowledge is, of course, well known to Western scientists and philosophers. It simply restates the kind of theoretical position we find in rationalism: that we commonly know about ourselves and the world around us according to fixed and unchanging categories or concepts assumed as pre-given in all human knowledge. Knowledge is thus seen as primarily acquired by a priori processes. But Nishida’s logic of place does not stop here. It is not hard to see such an idea of knowledge as incomplete, since it lacks insight into that deeper field of knowledge in which we can inquire about the “know-how” of
consciousness in general. Due to the inviolable structure of the field of knowledge in which the “I” is situated, this cannot be achieved from the standpoint of the individual thinking self. That is, the construct of self-consciousness pertinent to this field must always remain a limiting concept, encompassing and determining knowledge while remaining itself ultimately unintelligible. It simply appears as an outside ideal to which our intellectual activity has to conform. Were self-consciousness on this field to try to make itself intelligible to itself, the effort would interfere with and negate the form of knowledge out of which the field is constructed. The individual does not yet see its content as its own; its focus of attention is only on the ideals of truth as eternal standards to be achieved (CARTER 1997, 41).

Here, a distinct feature of the relationship between one field of knowledge as enfolding and another as enfolded becomes apparent: because the former cannot be made known through the latter, it appears as a given law (Nishida quoted in WARGO 2005, 165–6). As such, it stifles creativity, demanding nothing else than blind obedience.

For Nishida, however, such obedience cannot be the end of the story, not even in case of consciousness in general. We become aware, at least from time to time, that our ideals are our own ideals, subject to our creative determination of them. This moment of revelation occurs, says Nishida, once we become aware of ourselves not only as thinking, rational selves, caught up in concept and theories, but also as acting selves.

True self-consciousness is not in the theoretical but in the practical self-consciousness. Only the acting self has its content truly, and only willing is a true knowing of itself. (NISHIDA 1978, 77)

To realize this point, we need to break through the field of consciousness in general to discover a deeper, more inclusive field of knowledge. In short, for Nishida this new field is one of active and spontaneous involvement in the everydayness of our lives, which is prior to, and hence unlimited by, any concept of either the world or us. More precisely, it is a field of acting-intuition (kōteki chokkan 行為的直観) that includes not only intuitive but also bodily activity and, as such, is both intellectual and sensuous, active and passive (CÉSARI 1998 and AXTELL 1991).

In all knowing, there is not only one’s active reflective grasp of things but a passive intuition in which one is grasped by things. The problem is, this ordinary, spontaneous knowing is kept out of reach because of a prior commitment to the idea that one must be either subjective or objective about things, but never both at the same time. Nishida wants a conversion to a new standpoint of awareness in which one sees through the falsehood of this dichotomy. Passive intuition must not overwhelm mental action with the promise of pure objective knowledge, and active intellec tion must not eclipse the actuality of the objective world with resignation to its own transcendental position. Rather, a new relationship must be cultivated in which self and world interact and inter-intuit each other. (HEISIG 2001, 55)

Here again, an important presupposition about the nature of knowledge is being turned on its head. In Nishida’s view, Western science and philosophy (save for a few dissident traditions) considers its rules and standards of common knowledge to be pre-given in relation not only to human understanding but also to human behavior: we first grasp the world in conceptual terms prior to our acting upon it. Knowledge itself thus appears to be something solidly structured and grounded in clear foundations; it is only intuition, that is, knowledge independent of experience.

For Nishida, however, we are able to “transcend the objective world of cognition and become free in ourselves... by internally subsuming the plane of consciousness in general and becoming infinitely creative” (1973, 108). Not even “consciousness in general” is pre-given but is shaped by our engagement in the world. In other words, a “world of behavior” underlies even the most universal and objective ways of our knowing. As Nishida explains:

What I term the horizon of behavior entirely transcends the plane of conceptual knowledge and is the horizon of pure act, which embraces this plane itself. It transcends consciousness in general; it is the horizon of the creative, free self that it includes. (NISHIDA 1973, 72)

4. This world of behavior is a historical world of social activity, where the many individuals interact. The mutual interdependence of social and individual knowledge according to Nishida’s logic of locus is analyzed in GRAUPE 2006.
In this way, Nishida challenges the primacy of the disciplined intellect reasoning about the world (Heisig 2001, 81).

Within the field of acting-intuition, we do not possess or control our knowledge. Neither is it possessed or controlled by a theoretical universal subject. Rather, we lose ourselves so as to become what we know in the pure act of knowing. "Knowing by becoming" is Nishida’s way of pointing to a field of knowledge in which we come to know of the ideals of common knowledge as our own ideals. In the pure act, they are not fixed, unchanging principles but creative principles that we become and work at one with (Nishida cited in Heisig 2001, 55–6).

But is there not still something incomplete in this knowledge in the sense that we are unable to know the field of acting-intuition itself? Yes and no. Yes, because this deepest field of knowledge cannot be grasped in any conceptual form. We cannot see it as an object of consciousness (Heisig 2001, 55–6). As long as we identify knowledge with conceptual knowledge only, it is unavoidably incomplete. No, because we are able to come to terms with the fact that there is an experiential dimension to knowledge. To know is to live, and to live is to know experientially. Knowledge does not exhaust itself in formal, systematic, or principled knowledge. There is also a tacit dimension to it, in which the incompleteness of knowledge is not conceptually resolved but becomes part of a dynamic awareness “beyond” all conceptual categories, rational language, and ordinary logic (Carter 1980, 127).

For Nishida, this disclosure of a fundamental feature of this field of knowledge does not compel us to a retreat into mysticism of one sort or another. It does not claim that knowledge does not exist or that we cannot know anything about it. It only says that we lack any final or absolute standpoint from which the true nature of knowledge will be accounted for in full. Knowledge always has a tacit dimension to it. The reason is that the knower himself is “in no way objectifiable, for to the extent that [he] is objectified [he] is no longer the knower" ("The System of Self-Consciousness of the Universal," translated in Wargo 2005, 188).

This insight issues a serious warning against the belief that we are capable of ever knowing our own knowledge entirely. Knowledge is not something we can easily make an object of and grasp; rather, it presents us with a forever changing process. While many accounts of knowledge attempt to halt that process at one point or other, stipulating some point beyond which it cannot advance, Nishida aims at an awareness of our capacity to break through any such limit. As human beings, we are free to break through any a priori, supposedly invariant, foundations of knowledge by looping into another field of knowledge in which we can make such foundations an explicit object of our creative knowing. Ultimately, this process is not such that, by some ineluctable logic, we must necessarily move “beyond” knowledge; nor are we presented with even the possibility of gaining an entirely external perspective on it. Rather, we must always remain inside knowledge. Our “knowledge of knowledge” has to pay tribute to the fact that we belong to it experientially, rather than it belonging to us. There is, in short, no God’s eye perspective from which to view everything that can possibly be known. Mastering our knowledge does not therefore mean possessing it or controlling it. It means creatively and spontaneously experiencing ourselves within the process of knowing.

This is not to say that we have to abandon any conceptual form of knowledge. Rather, as Nishida says, we can aim to clarify, from the point of view of consistent criticism, the origin of knowledge, to refer the different kinds of knowledge to their specific standpoints and to their specific values, and to clear up their relations and their order of rank. (Nishida 1978, 141)

Our gradual exploration of the deeper fields of knowing self-consciously includes all forms of conceptual knowledge while, at the same time, recognizing their limitations. We need to become, so to speak, trans-intellectual, not anti-intellectual (Nishida 1987, 169).

Summarizing Nishida’s insights into the nature of knowledge, we can say, first, that he differentiates between two kinds of knowledge: the knowledge of objects and the knowledge of the workings of self-consciousness (Yusa 2002, 206). Second, he considers the logical relationship between these two kinds of knowledge by showing that knowledge of objects necessarily depends on, and thus is grounded in, certain workings of self-consciousness, which must be presupposed as a tacit background but cannot be the focus of knowledge in as much as that focus would interfere with and negate the knowing specific to that

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*This is an extract from Silja Graupe's work on Nishida and the Dynamic Nature of Knowledge.*
field. Thus, in order to come to terms with this background, we must deepen our self-conscious awareness, a process that eventually reaches far "beyond" the confines of our individual egos. This process can never be fully objectified in its totality, however. Rather, it represents a multi-layered activity, whose deepest layer is not simply what is thought but an active engagement in the world. It is lived experience (Nishida would term it pure experience), an ongoing, dynamic flux of creation in which we find ourselves so fully engaged and immersed that it can never become an object of reflection. Seen from any of the standpoints of objectified knowledge, this deepest layer is simply absolute nothingness (zettai mun 絶対無); not in the sense that nothing is there, but in the sense that it is empty of all content that essentially can be fixed as this or that thing. Precisely because it has no ontological determination, it is in the position to determine itself in complete freedom from any extraneous factor (IZUTSU 1984).

Taking Nishida to Economics

As I have tried to demonstrate above, Nishida’s logic of place makes us aware of knowledge as a verb, not only a noun, as a coupling between an activity (“the knowing”) and something that comes to be understood by that activity (“the known”). In contrast to this, knowledge in economics usually denotes only the static accumulation of the output, that is, the known. This is historically rooted in the attempts to make economics a “real science” (cf. JEVONS 1925 and WALRAS 1954), attempts that have led to an infatuation with mathematics and a vogueish affection for reduction to physics. Cast in this mold, economic knowledge has become a matter of generating new data by extending the range of application of given operational procedures to new areas of our social life. As a result we have the production, by and large in strict mathematical terms, of more and more facts about the economy, whereas the underlying knowing activity goes entirely unquestioned. That is to say, the basic operational procedures, linking data by means of causal opera-

5. An excellent account of this development is given in MIROWSKI 1989.

Most economists mistakenly believe that the mechanical operations they deploy are wholly explained by modelling an outer reality whose mechanical structures work independently of how they are perceived or constructed. Knowledge, accordingly, is identified with a passive look upon an external environment only. The forces of economic institutions, above all those of the free market, appear as an external reality, valid apart from human understanding. This leads, in effect, to the exclusion of all distinctively human factors (VON KEMPISKI 1964), reducing people to simple “mechanical parts” or “atoms” of the economic machine (SAMUELSON 1972), monotonously programmed to pursue their self-interest above anything else and to interpret their self-interest in purely quantitative terms, as just one more commodity.

A few explanatory remarks are in order. Stuck in a purely objectified view, we come to perceive the economy, to use an expression of Nishida’s, as a physical world or material world only, where change is attributed to inexorable and ineluctable forces that organize society according to some ultimate and immutable principles (WALRAS 1954). Human creativity is viewed as essentially reactive, determined by the powers of the “invisible hand” of the marketplace. Even in the face of severe crisis, we appear to be condemned to watch passively as the market runs its course and to trust in its self-healing powers (SMITH 2000, 126). We are to believe that it will effectively guide us to the best possible state of economic affairs.

Our role in all this amounts to little more than refraining from getting in the way. Our knowledge is limited to the passive understanding of a bystander observing the causal mechanisms of the market. We can seek knowledge of its workings in order to predict and utilize it to our best advantage, but we can never act effectively to alter its self-adjusting tendency to an equilibrium between demand and supply. Put in Nishida’s words, we come to think of it as always controlled by the same immutable laws. The old-fashioned kind of materialists think that even if something arises it does so under

6. For a more detailed explanation, see GRAUPE 2007.
the control of immutable physical laws, and therefore there is no historical, creative world. But the historical world is a world in which the making of things is in turn made by that which it makes, and so the world is a continuing creative process. (NISHIDA 1998, 48)

Nishida is reminding us here that there must be more to our economic lives than can be made known by objective or positive economics. We may yet discover an entirely different source of our creative potential that has remained occluded from view precisely because of our assumptions about the laws of economics. To uncover this dimension of the economic habitus, we must question the givenness of these laws and inquire directly into the true ground on which they are conceived. The goal is not to question the existence of economic laws as such, but simply to uncover the precise conditions under which they are instantiated or, even more importantly, fail to be instantiated.

We are being called to awareness of our decisive role not only as observers, but also as active participants in the economic system. We are challenged to overcome the paradigm of positive science that presupposes the irrelevance of our subjectivity to the course the economy takes. But how might the operations of our self-consciousness change economic realities? In a word, our inquiry here involves taking up the "givenness" of the data that serve as the necessary precondition of the mechanistic account of the economic world. In order to explain the causes of and make predictions about economic events, we must, of course, presuppose some "given data" (MARSHALL 1925). Any principle of causality takes for granted some conservation principle, which is no more than a special case of the more sweeping postulate of the identity of things in time: within the flow of change there has to be something unchanging, something remaining identical with itself. Change is, so to speak, a priori confined to change by invariance.

Thus, the decisive question of whether constant data exists and, if so, under what circumstances, is never answered—or even properly asked. Strictly speaking, it does not even rise to awareness as a question at all. Even in the absence of any compelling evidence for such constant data to exist in the real world, we simply keep on believing tacitly in its subsistence (MIROWSKI, 1989).

Once we put the question, however, we become aware of the fact that there are no such things as given data in the historical world. ‘Given’ here means ‘formed’ (NISHIDA 1978, 184). As more and more economic research shows, Nishida is correct here. Mainstream economics went fundamentally wrong in emulating classical physics by ignoring the fact that there are no invariants "out there" in economic reality upon which to ground our models. Rather, they are given in the sense of being formed by subjective perceptions:

But, since a strict uniformity is nowhere to be observed at first hand in the phenomena with which the investigator is occupied, it has to be found by laborious interpretation of the phenomena and a diligent abstraction and allowance for disturbing circumstances, whatever may be the meaning of disturbing circumstances where causal continuity is denied. In this work of interpretation and expurgation the investigator proceeds on a conviction of the orderliness of natural sequence. (VERLEND 1969, 162, emphasis added)

From below and out of reach of the control of objective economic laws, we are at work as creative agents, subjectively seeking either to shape or to alter the very foundation upon which those laws themselves ultimately rest. As entrepreneurs, for example, we often change the fundamental data of the economic system by inventing new products and processes, altering by our choices the whole future course of events in ways impossible to predict (KNIGHT 2006). Our decisions offset any conservation principle and, as such, negate the possibility for an "orderly" economic system to arise in the first place. 7 Thus we are not simply condemned to obey and at best utilize economic laws, but are also free to rebel against their exclusive authority, as it were, from the foundation "below.”

In order to unleash such power, as Nishida's logic of place reminds us, we must cut across the vertical dimensions of our knowledge to creatively master our own knowing activities as they function “below” the world of objectified knowledge. We need to move beyond the basho of a static and often inhuman objective worldview to explore the basho of subjective

7. This is, in essence, what Joseph Schumpeter (1976, 81–6) refers to as the "process of creative destruction."
knowing by which the latter's fundamental data is produced and continually altered. This claim does little more than echo recent voices in the field of economics, especially those proposing subjective economic theories such as rational choice theory. These theories also see our macroeconomic worldviews as ultimately resting on some microeconomic foundations, that is on certain operations of self-consciousness. In this sense, they emphasize, much as Nishida does, the constitutive character of self-consciousness. At the same time, they do so in a very limited, truncated fashion, taking their points of reference not from the study of the infinitely variable behavior of subjects and communities in economic systems, but from models about norms that still postulate and impose these invariants in the economic system. The difference is that they do so by locating such an invariant not "out there" in the external world, but "inside" individual consciousness. Predictable, orderly behavior of economic agents, as methodological individualism makes clear, is to be assured by some inner trait, by some "mechanics of self-interest." Thus the individual, conceived as a "pleasure machine" adjusted to seek ever higher gradients of pleasure, is turned into the ultimate and impenetrable source of all knowledge and creativity (Edgeworth 1881). An inner law appears to penetrate us demonically, ineluctably shaping and determining our innermost, individual nature:

[Usually we] observe economic facts only from the outside, in exactly the same sense that the natural scientist observes natural appearances; the psychological method, on the other hand, observes those facts mostly from the inside of consciousness. It does so, because from this point of view it can observe more and better than from the outside. We can only observe nature from the outside, but ourselves we can also observe from the inside. Why should we refrain from doing so when we are well able to do it? The best method is always the one which does bring about the best knowledge; and that is the psychological method, because it chooses the best point of observation.... It finds that certain acts of consciousness are performed with a feeling of necessity—and why should we try, by means of a long process of induction, to state a law, while every one of us can hear the voice of the law speaking clearly within him—or herself? (von Wieser 1929, 17; emphasis added)

To paraphrase, we are being asked to acknowledge that "there is something below the barrier of consciousness, upon which it depends, that we do not govern and that is as much foreign to us as is the outer nature" (von Wieser 1929, 18). While, in essence, subjective economists thus see creativity as invariably framed by a computational mentality, dictated by the rules of rational choice as well as by inborn desires, accentuated by self-interest and an insatiable greed for more, Nishida's logic of place urges us to "dig" still deeper to uncover yet another source of creativity, capable of breaking through methodological individualism and the very powerful images of individual freedom so often associated with it. In other words, we need to become vertically creative again by refraining from taking our egos as an indisputable fact, throwing ourselves headlong, as it were, into the vast ocean of an unconscious knowing that envelopes our articulated, rational self-consciousness. Moving from the formed to the forming, from the created to the creating, we are to "loop" into a deeper ba-sho beyond or beneath the workings of our rational minds so as to alter the basic patterns of our individual knowing activity.

Following Nishida's lead, we seek to recognize the fact that it is not only that our creativity arises out of our individual self-consciousness but also that "our individual self-consciousness arises out of the creation" (Nishida 1978, 169). As I indicated above, for Nishida creative knowing does not end with simply manipulating the world from the narrow confines of the ego, the latter serving as a standpoint of primary, irrefutable truth. Rather, we are to become creative agents of the historical world, in which we allow ourselves to be "made by making." Once again, a brief comment may help to clarify the point.

In my view, Nishida's account of productive activity is crucial here. Objective economics usually views production as a causally predeter-
actively shape it. At the same time, we find ourselves entrapped in our own subjectivity, insofar as we think of it as existing prior to and independently of the production process. We take ourselves to be unaffected by the way we treat others and the environment, which, along with the activity of production itself, we rather strangely assume to be external to us. Engaging in true productive creativity, however, means transforming our subjectivity as well. It occurs, Nishida tells us, when

we make things and we are made by things. Therefore—so to speak—we are made by making. When we deepen this thought, then the world is one in which our making things entails our being made by things, and it is precisely in this respect that it is the active world from which we are born. Previous conceptions of the world have been of a world that has stood over against the self, but the real world is a transactional world that we simultaneously make and by which we are in turn made. (NISHIDA 1998, 39)

We see here the outlines of an interrelationship of subjectivity and objectivity, the dynamic of which cannot be thoroughly understood if the two poles are considered as originally separate and only coincidentally made to relate to one another. Productive knowing is integral to both sides right from the start; it resides not “outside” them but in their overlap. As Kasulis notes, this implies that the potential knower comes to the situation with an openness to the other—a readiness to be transformed. At the same time the potential object of knowledge is taken to be not completely fixed.... Knowledge is literally incorporated rather than received from outside or generated from the inside. (KASULIS 2002, 79)

To know, therefore, is ultimately to lose oneself in the process of creative production:

This philosophical notion of losing the self to find the self is not simply the shedding of preconceptions and biases to perceive present reality. It means individuals and companies must overcome their self-centered worldview and see themselves and others within and through their relationships. At ba, individuals, the organization, and the environment interpenetrate each other as the relationships between them keep changing. (NONAKA, TOYAMA, and HIRATA 2008, 119)

For Nishida this ba is none other than the historical world, enfolding in itself both the physical and the biological world. Once again, we should be careful here not to conceive this historical world simply as something invariant that forms a pre-given background to the process of creative knowing. We cannot simply think of it as a predetermined mechanism unconsciously working behind our backs. We must not “lose” ourselves in the sense of blindly surrendering ourselves to economic institutions and habits shaped in the past by some “evolutionary mechanism,” as many Western economists have expressed it. This is precisely the view to be overcome by recognizing that “in the historical world, there is nothing merely ‘given’” (NISHIDA 1978, 176). For Nishida, it is not enough to act according to tradition, since this would amount to “a mechanization of the Self, and the death of the species. We must be creative, from hour to hour” (NISHIDA 1978, 208).

Mere causal necessity does not deny our soul; it must be a kind of necessity that penetrates into the depth of our personal self, as “historical past.” It must be a necessity that moves us from the depth of our soul. That which confronts us in intuition as historical past from the standpoint of acting intuition, denies our Self, from the depth of our life. This is what is truly given to us. That which is given to our personal self in acting-intuition is neither material, nor does it merely deny us; it must be something that penetrates us demonically. It is something that spurs us with abstract logic, and deceives us under the mask of truth. In opposition to this absolute past, pressing our personal self in its depth, we ourselves take the standpoint of the absolute future. We are acting-reflecting, and thoroughly forming. We are thoroughly creative, as forming factors of the creative world which forms itself.” (NISHIDA 1978, 223)

While there is much I have left unexplained concerning Nishida’s theory of knowledge, we have reached a point from which we can begin to

8. See, for example, the work of the Nobel Laureate in Economics, Friedrich A. Hayek.
sec, at least provisionally, how his theory brings a practical wisdom to the creative sources of our economic lives. In an important sense, these creative sources are none other than our ordinary experiences, our everyday engagement in economic institutions and organizations. These serve as the ground of all economic conceptualizations, while themselves forever eluding the grasp of rigorous scientific explanation.

As we presently face a multitude of economic crises, it would seem to be precisely at this juncture that we need to open ourselves to the discovery of a new starting point from which to inquire into the root causes of the logic that has brought us to this point, and then to pursue the breakthrough needed to untangle us from our present predicament. In fact, we do not simply face economic crises as if they were confronting us from without. They do not merely deny us or kill us from the outside. They threaten to enslave and kill us from deep within our souls. In order to combat that threat it will not be enough to seek for better mechanisms of managing and controlling economic events seemingly external to us. Rather, we need to vitalize the common fund of experiences shared by all those who practice economy. This is to say, we need to transform the way we live in common instead of simply taking the status quo as an ineluctable heritage thrust upon us by the past. Such creativity, I believe, will not only allow us to better know ourselves and the world around us but may also serve as a starting point for a whole new way of doing economics.

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YUSA Michiko
The fourteen essays gathered together in this, the third volume of *Frontiers of Japanese Philosophy*, represent one more step in ongoing efforts to bring the concerns of twentieth-century Japanese philosophy into closer contact with philosophical traditions around the world. As its title indicates, the aims of the work are twofold: to reflect critically on the work of leading figures in the modern academic philosophy of Japan and to straddle the borderlands where they touch on the work of their counterparts in the West.

A first group of essays deals with the modern Japanese philosophers Kuki Shūzō, Nishida Kitarō, Nishitani Keiji, and Takizawa Katsumi. These are followed by three essays on comparisons with classical Western thought and three with contemporary philosophy. The final three contributions offer reflections on the role of Japanese philosophy today.

Laurentiu Andrei
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*Origins and Possibilities*

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Editors' Introduction

The fourteen essays gathered together in this, the third volume of *Frontiers of Japanese Philosophy*, represent one more step in ongoing efforts to bring the concerns of twentieth-century Japanese philosophy into closer contact with philosophical traditions around the world. As its title indicates, the aims are twofold: to reflect critically on the work of leading figures in the modern academic philosophy of Japan and to straddle the borderlands where they touch on the work of their counterparts in the West.

The immediate occasion for the book was a workshop on “The Origins and Possibilities of Japanese Philosophy” held at the Nanzan Institute for Religion and Culture in June 2008, the sixth in a series of international consultations on the forthcoming *Sourcebook of Japanese Philosophy*. Scholars from five countries gathered to discuss their current research and to offer suggestions for the project. In these meetings, as throughout the preparations for the *Sourcebook*, we have been struck again and again by the growing interest among scholars around the world in the rich mine of resources that the intellectual history of Japan has to offer to philosophical inquiry. It is our hope that this little volume will aid further in that direction.

In recognition of the lively discussions on Japanese philosophy that have been gathering momentum in the French-speaking world these past many years, much of which never reaches the attention of anglophone scholars, we have solicited six essays by representative scholars for inclusion in the volume.

The essays have been arranged into four groups. A first group deals with modern Japanese philosophers. Keta Masako takes up the idea of “imaging” in a late piece by Nishitani Keiji (1900–1990). Focusing on