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- ⁶ Peter Kingsley, *Reality* (Inverness, CA: The Golden Sufi Center, 2003), pp. 190-1.
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- ¹⁰ Marcel, *The Mystery of Being*, p. 192.
- ¹¹ Marcel, *The Mystery of Being*, p. 193.
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- ¹³ Marcel, *The Mystery of Being*, p. 195.
- ¹⁴ Kingsley, *Reality*, p. 187.
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- ¹⁸ Kingsley, *Reality*, p. 199.
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FACING THE GLOBAL CRISIS: THE ROLE OF PHILOSOPHY IN CHALLENGING ECONOMIC POWERS*

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INTRODUCTION

When attending the opening ceremony of the XXII World Congress of Philosophy at Seoul National University, I was struck by the welcoming words of Peter Kemp, President of the Congress:

To rethink philosophy today is to apply our philosophical capacities to the current situation of humanity. One often forgets that the economical, technological and military powers do not possess the monopoly of power in the world. Philosophical argumentation and reflection constitute a power through the word that is capable of challenging the other powers, exposing the lies and the illusions and proposing a better world as the habitation of humanity. In this sense true philosophy is cosmopolitan, it is a fight to create a world citizenship and make a new world order.¹

When Kemp spoke these words, the world stood at the brink of an economic crisis almost unprecedented in scope and scale. Financial turmoil was about to emerge from the United States and make itself felt in almost every corner of our planet, causing stock markets to crash and banks to go bankrupt so as to leave many without a job, a home, savings or a pension. But even before the crisis hit, many people surely anticipated the potential damage that such economic powers, of which Peter Kemp spoke, could inflict upon the world. I suggest that the root cause of such anxiety lies in an immense lack of understanding; we do not yet truly know the economic powers we currently face. This is especially so because the scientific, economic knowledge, into which many people formerly put their trust, comes to increasingly lose its explanatory power. A *New York Times* article recently stated that the recent crisis exposed severe flaws in how present day economics sees an ever more complicated world. It turns out that, as long as we remain bound to the latter's simplistic methodological framework, we are going to remain unable to deal with the inherent dynamics of today's interdependent global markets. Given this, Kemp was surely right in demanding philosophy to apply its capacities to the current economic situation. We need to nurture the latter's reflective power so that it can challenge economic powers by first and foremost revealing their true nature. Though it seems clear to me that philosophy cannot be said to be in the possession of any ready-made answers, I am confident that the world's philosophers can work together so as to advise humanity on finding the answers and solutions needed for

dealing with today's economic problems. Above all, philosophy is to use, by means of intense intercultural and interreligious dialogue, its whole transformative potential so as to oppose the present day's most common (i.e., mainly Western capitalist) modes of economic thought. For this, it has to combine the power of its various schools and traditions so that they together can render possible new insights into the mostly forgotten presuppositions and background assumptions of economics, as well as to break through the limitations those presuppositions and assumptions set to our human creative understanding.

The challenge here does not simply lie in abandoning mainstream economics as if we could easily do away with it. Rather, we are to critically engage it so as to overcome its most pervasive modes of thought from without and especially from deeply within. Philosophy is to explore the *thinking* of economics so as to better understand the pervasive, albeit often implicit, influence it has in shaping how we have come to see the world and ourselves, especially in the West. More specifically, philosophy is to assist humanity in (a) encountering the implicit, yet very powerful modes of limitation that economics creates with respect to our own self-understanding, and in (b) developing the mental skills needed to break through these modes of limitation. It is to unleash a power of innovation, not for controlling the world in yet better or more efficient ways, but for exploring new paths of *self-transformation*. During the World Congress of Philosophy in Seoul, much progress was made in taking up these challenges. Being an economist, I was astonished at how many presentations and round table discussions and conversations proved enormously helpful in clarifying my understanding of my own subject, even when they did not explicitly deal with economic issues. This paper is an attempt to indirectly pay tribute to the events of the World Congress by reflecting upon the dynamic and multi-faceted nature of economic powers in their light. More specifically, this paper seeks to gradually deepen the understanding of these powers by exploring their objectives and their subjective nature in order to better elucidate the experiential, creative and dynamic nature of these powers. In the conclusion, I point to some cognitive barriers of modern individualism currently preventing us from fully appropriating this latter dynamic nature. Thus, I turn attention to one further philosophical task Peter Kemp mentioned: the task of critically exposing those hidden lies and illusions about our human nature that stifle the kind of creativity necessary to propose a better model of the world – a vision of the world as a genuine human habitation.

MAINSTREAM ECONOMICS

During the World Congress, I noticed how many presentations, especially those dealing with the philosophy of economics directly, remained involuntarily bound to the objectivist metaphysics that has been the hallmark of Western mainstream economics for more than a century.² I am

speaking of an objectivist metaphysics, here, insofar as this mainstream mostly views the economy as an aggregation of absolute facts *only*, existing independently from all mental states (feelings, wishes, desires) etc. of humans.³ In its attempts to develop into a 'real science,' from the nineteenth century onward, economics mainly sought to conceptualize the world from the perspective of a purely objective, detached observer and attempted to fully emulate the methods of the natural sciences or, more precisely speaking, those of mechanics.⁴ Above all, it applied mathematical and statistical methods, which had shown such magnificent results in the natural sciences, to the social world in general and to the economy specifically. Because economists generally assume "that the phenomena of economic life are governed according to strict laws, like those of nature,"⁵ they are convinced that "we have to research the laws of social cooperation as physicists research the laws of mechanics."⁶ As a result, economists generally perceive the economy as mere outer reality, which works according to quasi-mechanical laws independent from any subjective perceptions. Once we buy into this conception, we come to view the economy as nothing but an aggregation of things and events firmly standing over and against us, consisting solely of entities such as markets, institutions, and goods, which are interrelated according to fixed principles and totally unconnected to our inner subjectivity. We think of the economy as the physical or material world only and, consequently, of economic powers as inexorable and ineluctable forces which no human ideals or aspirations can possibly alter. These powers seem to be thrust upon us by an anonymous source – the invisible hand of the market place, to use Adam Smith's famous expression – while our own human creativity is viewed as being essentially reactive. Borrowing a deistic metaphor from classical economics, it seems as if economic powers could essentially be attributed to a "Great Mechanic," who guides and controls economic events from the outside without being influenced by them in turn.⁷ Thus is the economy likened to a machine as in the following metaphor used by Adam Smith:

The wheels of the watch are all admirably adjusted to the end for which it was made, the pointing of the hour. All their various motions conspire in the nicest manner to produce this effect. If they were endowed with a desire and intention to produce it, they could not do it better. Yet we never ascribe any such desire or intention to them, but to the watch-maker, and we know that they are put into motion by a spring, which intends the effect it produces as little as they do.⁸

Such a conception of economic powers denies the existence of any distinctively human powers within the economy. It effectively reduces human beings to simple "molecules" or "atoms" of the economic system.⁹ Even in the face of a severe crisis, we appear to be condemned to passively watch the market run its course and to trust in its self-healing powers. There

remains little else to do than to simply believe it will effectively guide us to the best possible state of affairs.¹⁰

My point here is that belief in God as the sole creator of economic powers, a belief which the early liberal economists held, is still widespread today. Moreover, economic policy often holds implicitly the idea of the economy being ultimately governed by outside forces utterly beyond human control, that is to say, by pure and wholly anonymous mechanisms of the market.¹¹ It seems that many politicians, especially in the West, and particularly those who lean towards the liberal tradition, still believe that "mankind is not free to choose. . . Things economic and social move by their own momentum and the ensuing situations compel individuals and groups to behave in certain ways."¹² This does not mean that such momentum necessarily victimizes everyone. Rather, some people might be successful at letting it work in their favor. In the same way that humankind learned to utilize physical forces for its own advantages, it might also try to do so in the case of economic powers. However, from an objectivist perspective, we can never imagine ourselves as acting to truly change the character of such powers. It is true that we might attempt to command them, but only by obeying them.¹³

THE DOMINANCE OF OBJECTIVIST METAPHYSICS IN ECONOMICS

The problem I am primarily concerned with is not whether the broader public in general, or even the majority of economists in particular, openly subscribe to objectivist metaphysics. It is, rather, that we allow such metaphysics to tacitly frame our most common modes of economic thought. Flying 'below the radar' of our attention, it is extremely powerful, not only within economics departments and business schools all over the world, but also within political economy and, even more importantly, within the modes of our daily reasoning. Consider, for example, the fact that most mathematical and statistical data, upon which we tend to base our factual knowledge about the economy, are gathered by means of models and theories that still remain firmly rooted in the paradigm of a one-dimensional causally-ordered world, though we do not usually recognize this. Consequently, a large number of our management and policy tools still remain under the sway of the very same paradigm, insofar as they uncritically utilize such knowledge, mistakenly believing it to accurately reflect the whole of reality. In uncritically utilizing these tools for our daily purposes, we invariably distance ourselves from the consequences of our own economic activity. We deny being responsible for economic choices, and incorrectly think of these choices as already determined by mechanical market forces, as if by blind fate. We consider ourselves to simply be responding to brute economic facts, thereby not responsible for the often disastrous consequences such responses may have on our fellow human beings. Unfortunately, such behavior is abundant. A well known example is

when corporate managers point to 'material constraints' of global markets to justify the lay-off of thousands of workers, assuming that such 'constraints' are simply the results of the inevitable functioning of deterministic market forces. We may also think of governments which try to convince us to accept the necessity of lowering social and environmental standards for the purpose of national survival in global competitive markets. But even in our day to day lives, we feel more and more bound to conform to the so-called inevitable consequences of the 'objective' values of economic goods, money, shares and derivatives. And have we, at least from time to time, not put our trust credulously in the 'hard facts' presented by economic charts, figures and calculations offered to us by the media, politicians and bankers? Rarely, it seems, do we openly question the metaphysical basis upon which such facts are continually conceived and produced. It seems that many of us have silently shared the economist's dream of an economy made up of absolute facts and driven by powers beyond our reach. In many ways, it appears to be much easier to build our lives upon that dream, rather than trying to actively see through its illusionary foundation and work creatively to change that foundation. Thus, there is surely a need for philosophical dialogue in order to explore more deeply the metaphysical basis upon which present day objective economic arguments rest. The challenge here is not simply to find a better model or formula to predict and control things economic, as some scholars proposed during the World Congress. The real challenge is for philosophers and economists to work together in order to better understand the essence of the economic powers at play. The problem with a purely objectivist understanding of economic powers lies, among others, in urging us to obtain something like a 'God's Eye frame of references.' Such a frame does not only affect our view of the economy, but also our own modes of self-understanding. This frame aids in creating a highly contradictory self-understanding, for we see ourselves as outside spectators ultimately sitting in judgment over things economic as well as over other economic agents, and deem ourselves capable of predicting and governing their behavior. However, as outside spectators, we continually distance ourselves from affecting the way things actually work. This is partially explained by Nishitani Keiji, a modern Japanese philosopher, who argues that if one sees not only human beings, but all 'things' in terms of being mechanically manipulable and pliable, then there is necessarily an absence of any face-to-face resistance. That means the subject finds no material object outside of himself, no being in itself, no being that resists him, or to which he could attach himself. Moreover, this subject lacks any real relation to another, no sense of the other thou. Everything is in the third person, is an 'it' that may even cease being an it when it is reduced to force or energy. We are dealing with a frame of reference here, which grants the isolated I an extraordinary and absolute power with no power outside this I to offer resistance. In a world in which everything is reduced to force and energy, everything is fundamentally arranged so as to be freely managed; and everything can be

arbitrarily manipulated. In a certain sense, what we have here is the standpoint of a subject who has reached the peak of his development.¹⁴ Once we entirely exploit everything around based upon the premise of mere functionality, we are equally endangered to reduce our own self to nothing but a function as well. We ourselves begin to feel victimized by the anonymous forces of the market economy; forces over which we do not sit in judgment any longer, but which are inflicted upon us. Nishitani states:

In the same gesture [in which the subject achieves his peak - S.G.] subjectivity loses any meaning and the person is dehumanized. When there is no longer any thou offering resistance to the I, to the point where any thou simply vanishes – so, to, vanishes the position of the 'I.' The I is now just the force that governs the forces of the world. The sovereignty of humankind is nothing more than the force which leads the world of forces. It becomes a mechanical force guiding mechanical processes. If everything is transformed into an 'it' and things exist merely for control and manipulation, then subjectivity itself slips away from us, who have fallen into the state of being mere mechanics. Under the influence of technology, the self-consciousness of the subject runs the danger of collapsing by and by.¹⁵

It is obvious that these two forms of self-understanding, self-attachment and self-estrangement,¹⁶ are not merely incompatible, they are also incommensurable, and cause deep division within one's personality.¹⁷ Nevertheless, they are intimately entwined because they emanate as the two extremes of the very same objectivist worldview. In this situation, philosophy is to explore yet other modes of self-understanding by fundamentally altering this worldview itself. It is to make us aware of the fact that even though an objectivist metaphysics does in fact generate powerful modes of self-understanding, especially in Western peoples; it prevents other modes of self-understanding, that is to say, subjectivist modes, which can release subjective powers. These powers can affect the economy.

THE SUBJECTIVIST TURN

In many ways, it seems to me that the 'subjectivist turn', which was topical in many presentations and discussions during the World Congress, can help to overcome the theoretical bottleneck of the objectivist metaphysics of economics. The task is to carefully apply important insights of such a turn specifically to economics, rather than simply encountering it as a general development in philosophy. We must carefully consider why subjectivist economic powers, if recognized by economists at all, have so far been overwhelmingly framed in terms of mere egoistic self-interest – an interest epitomized, above all, by the fictitious figure of *homo oeconomicus*.¹⁸

As explained above, most economic experts until recently have firmly believed global markets to work according to some fixed, predetermined principles. In order to predict future developments and best utilize them, they sought to better understand those principles by means of ever more complicated models and statistical methods. But it never appeared to occur to them that the search for such principles could turn out to be illusory as such. However, this precisely seems to be the lesson that we ought to have learned from the recent financial turmoil. There are economic situations – possibly more than we are yet willing to admit – in which our search for any causal rules underlying change is simply of no avail, not because we will still lack the right means for understanding such rules, but because the economic development does not follow any causal or mechanical pattern at all. Why is this so? Both in scientific and everyday discourse, we often overlook that every mechanistic account of the economic world has to presuppose the givenness of some data. More generally speaking, any principle of causality necessarily presupposes some conservational 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 remain something unchanging, something that remains identical with itself, unaffected by the course of events itself. Change remains, so to speak, *a priori* confined to change by invariance. In the case of stock markets, for example, most economic models have simply assumed that share prices, in one miraculous way or the other, change against the stable background of some 'true value', say that of real corporations. Such assumptions, albeit only implicitly, remain firmly rooted in the larger framework of a substance theory of value.¹⁹ There is, however, no compelling reason to believe that such a framework is accurate. This is because there are no constant data that we could safely consider as remaining unaffected by economic interrelationships *a priori*. As the ancient philosophical saying goes, *everything* is in constant flux; "there are no such things as given data in the historical world. 'Given' here means formed."²⁰ Mainstream economics goes fundamentally wrong in trying to emulate classical physics, because it thereby ignores the fact that hardly any invariants simply exist 'out there' in the economy as they do in nature. Facts of the economy are, rather, constantly shaped and remodeled, including those whose uniformity economic models take for granted.

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* In this work of *interpretation and expurgation* the investigation proceeds on a *conviction* of the orderliness of natural sequence.²¹

As human beings, we are free to create the foundations upon which objective economic powers can reign or, more importantly, are equally free

to offset those conditions. Prior to any mechanical functioning of the economy, we are at work as creative agents, our subjective powers being capable of reshaping or even entirely altering the economy's objective appearance. Entrepreneurs, for example, often act so as to change the fundamental data of the economic system by inventing new products and processes. Thus, they transform the whole future course of economic events in ways impossible to predict in principle by means of any objective conceptualizations.²²

In a similar manner, even our most common subjective decisions often powerfully offset any conservation principle and, as such, negate the possibility of objective powers to reign over us in the first place. It is plainly wrong to believe that we are simply condemned to obey and, at best, utilize objective economic powers. To the contrary, as human beings, we are also able to rebel against their exclusive authority, as it were, from their foundations 'below.' Our creative potential can in fact substantially alter the course of the economy, not so much from the position of a distant observer but by shaping it in truly new and unforeseeable ways from within. Once we do so, the economy becomes characterized to some measure by indeterminacy, which is impossible to determine within an objectivist framework. This is to say that knowing the future in all its details becomes utterly impossible, because it is not bound to emerge from the present in any predictable way. Creative individual activity severs any rigid connection between the present and the future because of its capability of truly changing a future situation inferred from the present. 'True change' here means that change does not occur against the background of pre-given laws, but includes a variance of those laws themselves. It thus lacks any kind of mechanical accuracy as tacitly presupposed by economic objectivism.²³

THE POSSIBLE DANGERS OF SUBJECTIVISM

Unfortunately, today we are prone to conceive such true change in negative terms only. This is because it appears to be driven by subjective economic powers defined merely in terms of both insatiable greed and a ruthless reckoning for one's personal advantage. At least such a conception still serves as the point of reference for many economists of the subjective tradition who do not seriously investigate the infinitely varied activities of subjects, but simply take as the "first principle of economics that every agent is actuated only by self-interest."²⁴ Thus, economics remains stuck in the preconception of norms and laws imposing invariants upon the economic system. The difference here is that such invariants are not located in the external world, as is the case in objectivism, but within individual consciousness. "Invariants are not to be seriously found 'out there'; in a real sense they are 'in here'. ... Our very livelihoods, in the broadest possible sense, are predicated upon invariants whose existence cannot be proven but whose instrumentality renders our actions coherent."²⁵ In buying into this conception, we become susceptible to conceiving both ourselves and our

fellow human beings in terms of a mere 'mechanics of self-interest', wherein we see ourselves as 'pleasure machines', who mechanically work towards nothing but our own betterment.²⁶ Simply put, the danger of such a conception is that subjective economic powers are invariably considered to be determined by certain inner traits, above all by egoistic feelings and desires, that happen to befall us, but which we do not control in turn. Economic forces, in a rather strange fashion, thus appear to be at work deeply within us. They seem to hold sway over all acts of our consciousness, as if the voice of some lawgiver was speaking within ourselves. Put differently, we come to believe that there exists "something below the barrier of consciousness, upon which it depends, that we do not govern and that is in as much foreign to us as is the outer nature."²⁷

While egoism and solipsism are indeed realities that cannot be denied, my main point is that these are not inevitable, and thus should not be considered as indubitable first principles in economic theory. This is surely what has occurred, not only in methodological individualism but also in those powerful images of individual freedom that are common to the West, say, those associated with modern consumerism. Again, I am not denying that egoism plays a leading role in modern market economies; there is ample evidence to suggest that it does. Nor am I saying that methodological individualism does not describe an important trait of our individual nature as we live and work in modern economies; in fact, it does – but it mistakenly conflates it with the whole of our human nature. According to the operative assumptions in such a method, there is nothing people can do about behaving in solely egoistic ways. They might be free to choose between goods in the world according to their presumably inborn desires, but they remain utterly unfree when it comes to changing those desires themselves. They do not have "the choice, when it comes down to it, over the rules by which they make their choices."²⁸ Those rules are seen as being fixed *a priori* by our invariant and inborn nature. They are the basis upon which humans act, but which cannot be acted upon in turn.

I consider such a narrow perspective problematic for many reasons, the least of which is its theoretical irrelevance in the economic sphere. Indeed, in the political sphere it erodes confidence in people's power to change themselves so as to make the world a better place. And this holds true not only for advocates of free market capitalism but also for proponents of state intervention. This is because both groups usually agree, albeit tacitly, with the assumption that people cannot overcome their self-imposed limitations and narrow perspectives by means of their own creativity. While proponents of state intervention do not usually share the capitalist conviction that such an 'overcoming' is normatively undesirable, they nevertheless share the conviction that it is, in any case, impossible. They seek rather simply to keep the disastrous consequences of individualism in check by means of ever more complicated systems of incentives, stimuli and punishments. What they thereby attempt to do is to

alter some of the terms of the equations each man makes when he is calculating his most profitable course of action. But this need not affect the mainspring of the system, which is that men do calculate their most profitable course and do employ labor, skill and resources as that calculation dictated. ... The state may, so to speak, move the hurdles in advantage of some kinds of competitors, or may change the handicaps, without discouraging racing.²⁹

THE ROLE OF PHILOSOPHY

In the present situation, when politicians search for new and more efficient control of financial markets, I wonder whether philosophers should be questioning if such a search is illusory as such. Might we not eventually come to the conclusion that subjective economic powers can never be fully controlled by either market or legal forces because human beings will always find ways to manipulate the rules of the game for their own personal advantage? Can we, more generally put, ever be successful in wisely utilizing egoism to create order? In Germany, there is compelling evidence that this is not far from happening. This is because commercial egoism is threatening to determine what the law is supposed to mean in the first place. The interests of big business, for example, are today often seen as facts that are not to be controlled anymore by law, but rather form the law:

The law should grasp and normativize that which in commerce, technology and science corresponds to our human sense of right. But this is rarely the case. Looking at decisions regarding fraud in commerce, we have to concede that the state of the law's decisions corresponds only to the views of the commercial class. Literally. It is said that only that can be subjected to legal norms which does not endanger the 'functioning of business.' We could cite a pile of similar formulations. The law is hardly a gadfly. . . We must admit that technology and commerce actually determine the law, and not vice versa.³⁰

The saying of the ancient Chinese philosopher, Lao Tzu, seems to apply here: "The more rules and regulations, the more robbers and thieves."³¹ Moreover,

reliance upon the application of law, far from being a means of realizing human dignity, is fundamentally dehumanizing, impoverishing as it does, the possibilities of mutual accommodation, and compromising our particular responsibility to define what would be appropriate conduct.³²

This is not to suggest that we should forsake, all at once, our efforts to establish a better legal framework for global markets. But it seems to me

that philosophy is nevertheless able to critically investigate the fundamental limitations of such efforts, limitations of which especially we in the West might not have yet fully grown aware of.³³ At least, it should bring awareness to the fact that we need to perfect the law; a task that cannot be achieved simply by mechanical replication, restricting humans to the passive reaction to outside stimuli as if they were constructed like unconscious automatons. It is to unleash the powers that can bring about such perfection, eventually allowing us to more fruitfully deal with the distress of egoism, rather than simply to seek ever better and more refined control. What we need to discover here is, above all, a transformative potential, enabling us to creatively change our individualistic attitudes; this may not be achieved by moral appeals to the individual alone. During the World Congress I noticed how often philosophers spoke about the need to develop a more reflective consciousness, but without considering if, and if so, how, individuals might or could bring about such a change. More specifically, it seems that we all too often and easily overburden ourselves by demanding transformation to occur simply from within our own interiority. While many moral appeals of our present times do indeed avoid falling into the major trap of methodological individualism – namely, that of confining individuality to only certain traits of human nature – they might still remain crippled in its other important premise, namely, the fiction of an isolated person. This is to say that they still implicitly consider each person as the sole creator of his or her own personality – a personality that only subsequently enters into relationships – rather than a personality that is created by relationships. As result, the assumption – false in my judgment – is that the ability to generate change can and should first take place solely within our individual nature, prior to affecting any proper change in the world around us.

One insight gained from the World Congress was that both Western and non-Western philosophies offer still different understandings of our subjectivity; understandings that truly break through the confines of methodological individualism and a subjective freedom all too narrowly defined in egoistic or solipsistic terms. Whether we discuss 'new challenging directions in philosophy,' 'the deep rationality of religions', or 'the future tasks of philosophy in East Asia' – to name but a few titles of certain sub-conferences at the World Congress – we explored alternative modes of subjectivity that are surely of great relevance for economics, though we might not always have explicitly acknowledged this. I am speaking of alternative modes here insofar as they essentially go 'beyond' both the conception of a pre-ordered objective world order and the conception of a fixed individual nature so as to make us aware of the vast richness of our lived experience, of our living in community. Especially in the light of the world's religious traditions, as they were insightfully presented by many scholars during the World Congress, it became clear that simply 'fighting' individual subjectivity, as if to enchain it in an ever more tightened system of incentives, rules and punishments, is not the only road

open to humanity. The more promising path, rather, is to further deepen such subjectivity, so as to explore right below or beneath it, a yet hidden field of lived human encounter, opening up as the true locus of human's creative power. In what follows, I will try to shed some light on this by turning to Japanese and Chinese philosophy.

JAPANESE AND CHINESE PHILOSOPHY

In his seminal book on ethics (*rinrigaku*), the Japanese philosopher Watsuji Tetsuro fundamentally challenges the liberal assumption of the modern solipsistic ego having grown completely independent from social relationships. He also denies that the former can exist prior to the latter, involuntarily eliciting it through its individualistic activities.³⁴ For Watsuji, exactly the reverse is the case: society is not established by the accidental contact of previously isolated individuals. Rather, harmonious interaction serves as the tacit foundation of all individual action, including even the most egotistical and distrustful. He writes:

Incidentally. . . all human relations involve trust to some extent. It is not correct . . . that the Gesellschaft-oriented relationship is originally based on distrust. It is certain that it lacks the trust relationship peculiar to Gemeinschaft. But a trust relationship peculiar to Gesellschaft exists. Otherwise, no business relationship could arise. Therefore, we are allowed to insist that, in any human relationship whatsoever, *makoto* [intimacy, truthfulness - SG] takes place in accordance with them. . . . It is always at some place and on some occasion in the complex and inexhaustible interconnections of acts that truthfulness does not occur. . . . However countless these places and occasions may be, *they cannot arise except that truthfulness takes place at bottom.*³⁵

Until quite recently, many of us might have assumed that we could safely ground our individual economic activity upon hard economic facts, that is, upon the objective value of money. However, as I have argued above, today's crisis finally reveals that this belief is illusory. When trading in money, we neither simply put our faith in pieces of paper, nor even in authorities such as central banks. Rather, we put our faith in others, in a delicately woven net of interrelationships with people we do not even personally know. Prior to any specific economic transaction, mostly below the radar of our attention, there exists the two necessarily manifold cultures of truth and trust; these are ways of 'human encountering' that we take for granted prior to going about our daily business of earning or spending money, shopping for the necessities of life, and saving for our retirement or the future of our children. More generally said, ego's grasping, be it in the form of individual desires or of rational choice, tacitly presupposes nondualistic experiences of interconnectedness. When I go to a supermarket

in Germany and buy groceries from nearby fields, coffee from Kenya, a CD-player from Japan, and a shirt made in China, I inevitably find myself connected to myriads of people as well as to the natural surroundings of even the most remote corner of the world. Without necessarily being aware of it, my choices are influenced by their lives and existence, while my choices invariably influence them in turn. Even if I were to relentlessly strive for individual profit only, in doing so I would still tacitly presuppose that I can put my trust in others, as well as that others can put their trust in me. It is this power of trust that we are to count as being the most fundamental in our economic lives. If we intentionally, or unintentionally, kill that power, we would not only sacrifice the richness of communal life, but also the self-actualizing potential of the modern individual, including that which we in the West all too hastily conflate with inborn human nature. Metaphorically speaking we could say:

Just as a fist can only form out of the natural basis of an open hand, the grasping of ego can only assert itself out of non-ego, out of nongrasping awareness. Without this neutral nongrasping ground to arise from and return to, ego's activity could not occur.³⁶

To rephrase it: it is nothing but an illusion to think of ourselves as existing in isolation from others. The betweenness of person and person, as the Japanese psychiatrist Kimura Bin once put it, does not simply signify a relationship between two individuals, existing first in isolation and then subsequently in relationship to one another. The betweenness of person and person is, rather, the locus functioning as the source from out of which both others and I arise.³⁷ Right below the subjective powers of egoism there is hiding an even richer economic power: that of our original spontaneity to live within a nexus of experiential interrelationships. It is, as I have just termed it, the power of trust or, more generally speaking, that of a practical wisdom allowing us to spontaneously interact with the whole of things and our fellow human beings. Only out of the tacit relatedness to our fellow human beings can all the potential to enrich, change and intensify the self-actualizing potential of individuals arise. This holds true even in modern market societies.

The problem with modern individualism, in both its practical and theoretical variants, is not simply that it seeks to free people from their relatedness to others, but that it totally blinds people to discovering their very own communal sources, insisting upon the fact that no one can become aware of anything beyond the narrow confines of his or her individual subjectivity. Taking the 'I' as indubitable fact, an impermeable barrier to consciousness, it can at best make us aware of the fact that we are tacitly governed by certain primordial relationships. But it seems we can never explicitly account for such domination; its effects remain utterly unintentional. For example Friedrich von Hayek, a Nobel Laureate in economics widely known for his defence of classical liberalism and free

market capitalism, openly claims that modern individualism does in fact presuppose rigid rules of communal behaviour – rules which every market participant regardless of culture, tradition, or religion is to blindly accept. We learn, says Hayek, such rules “from each other ... by example and imitation (or ‘by analogy’), although neither those who set the examples nor those who learn from them may be consciously aware of the existence of the rules which they nevertheless strictly observe.”³⁸ Buying into this conception, we cannot possibly make entirely fruitful the original spontaneity of each human encounter so as to allow it to mutually transform our personalities. We cannot come to each new situation with openness to the other – a readiness to be transformed. Neither are we willing to work together with others so as to actively shape the rules according to which we all are to live. Rather, we expect both ourselves and others to forever remain imprisoned in a solipsistic mode of awareness, silently building our lives on a common fund of experience that we all accept as nothing but blind fate.³⁹ We allow our personality to be passively shaped by the power of customs, rules and regulations dictated to us by the modes of daily living in capitalist societies. We take the laws of action as being “independent of the human will, they are primarily ontological facts rigidly restricting man’s power to act. . . [A]ny doubt of their suitability is supererogatory and vain. They are what they are and take care of themselves.”⁴⁰ We accept, in a word, “the necessity... of the individual submitting itself to the anonymous and seemingly irrational forces of society.”⁴¹ Once more, economic powers are conceived here as something given to humanity; something which we are shaped and created by, but cannot shape or create in turn. And again, to repeat once more, in order to counter such overtly static and passive conceptions of economic powers, we must fortify the world’s rich philosophical insights. What is needed here is an entirely new understanding of ourselves as unique economic agents – a uniqueness that is different from the notion of an autonomous individuality that only attends the isolation of the soul from other souls and from the outer world of things and events. According to the Chinese tradition, for example, such uniqueness is to be framed in irreducibly social terms, expressed in terms of one’s ever changing roles for, and one’s finely-nuanced relationships to, community.⁴²

A presupposition of Daoist cosmology is that we are not passive participants in our experience. The energy of transformation lies within the world itself as an integral characteristic of the events that constitute it. There is no appeal to some external efficient cause: no Creator God or primordial determinative principle. In the absence of any preordained design associated with such an external cause, this energy of transformation is evidenced in the mutual accommodation and co-creativity that is expressed in the relations that obtain among things.⁴³

Here it becomes obvious that we should no longer presuppose the living world of human interrelatedness as something merely given.⁴³ The point here is to discontinue the tradition of blindly acting according to fixed customs and habits, since this only amplifies the danger of a “mechanization of the Self, and the death of the species. We must be creative, from hour to hour.”⁴⁴

Mere causal necessity does not deny our soul; it must be a kind of necessity, which penetrates into the depth of our personal Self, as “historical past.” It must be a necessity, which 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 spurns 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.”⁴⁵

CONCLUSION

Let me conclude by urging philosophers around the world, each in his or her own language, culture and tradition, to clearly expose, along similar lines, the lies and illusions that reduce the varied and rich powers of our common economic life to nothing but mere causal necessity. Let us, in Kemp’s own words, fight to create a world citizenship and a new world by resisting any economic ideology that explicitly and implicitly demands such a limitation. Philosophers should seek to be free to develop a wider awareness of the deepest economic forces so as to unleash the creative potentials of our practical wisdom. Let us actively encounter the dynamic economic powers that are truly ours: the powers arising out of our being immanent and embedded within a ceaseless and dynamic process of social, cultural and natural changes; a power that we can, and in fact do, continually mold and create while allowing ourselves to be molded and created by them in turn. By means of sustained dialogue between the world’s cultures and religions, philosophers are to further understand how such powers neither simply substitute for the objective and subjective economic powers nor simply resist them. In grounding them, rather, they unlock the potential to truly alter the conditions upon which they are received.

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NOTES

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¹ Peter Kemp, as quoted from the program of the XXII World Congress of Philosophy, Seoul, Korea, 2008.

² I use the term *mainstream economics* here in order to refer to economics as it is usually taught in prominent – and even in not so prominent – universities around the world. It is, in this sense, closely associated with neoclassical economics and other schools that conform to the mainstream language of mathematical models.

³ Among the proponents of capitalism, Ayn Rand has worked out such a metaphysics explicitly. Cp. Ayn Rand, *Capitalism: The Unknown Ideal* (New York: Signet, 1967). Here, however, I am rather concerned with its implicit forms. For a more detailed analysis, see my *The Basho of Economics: An Intercultural Analysis of the Process of Economics* (Heutenstamm: Ontos, 2005), especially pp. 36-81.

⁴ An excellent summary of this development can be found in Philip Mirowski, *More Heat than Light: Economics as Social Physics, Physics as Nature's Economics* (Cambridge: Cambridge University Press, 1989).

⁵ Carl Menger, *Grundsätze der Volkswirtschaftslehre* (Wien, 1871), p. viii

⁶ Ludwig von Mises, *Nationalökonomie: Theorie des Handelns und Wirtschaftens* (Genf, 1940), p. 2.

⁷ Within the liberal tradition, deistic explanations of economic powers play an important role. See, for example, the often quoted passage from C.F. Bastiat: "I would like to show the harmony of the divine laws ruling human society. . . I believe that he who created the material order of the cosmos has not denied his attention to the social world order. I believe that he combined the free force and set it in harmonic movement, like the lifeless molecules. . . . I believe that nothing is more necessary to the gradual and peaceful development of mankind than that we do not cross these tendencies and don't disturb their free motion." C.F. Bastiat, *Harmonies Economiques* (Paris, 1855), citation in German in John Maynard Keynes, *Das Ende des Laisser-faire* (München, 1926), p. 20.

⁸ Adam Smith, *The Theory of Moral Sentiments* (New York: Prometheus Books, 2000), p. 126.

⁹ Paul A. Samuelson, "Maximum Principles in Analytical Economics." In *The Collected Scientific Papers of Paul A. Samuelson*, ed. R.C. Merton, Vol. III (Cambridge, MA: M.I.T. Press, 1972), pp. 2-17.

¹⁰ See the following quotation from Adam Smith: "God himself is the

immediate administrator and director. If he ["man"-SG] is deeply impressed with the habitual and thorough conviction that this benevolent and all-wise Being can admit into the system of his government no partial evil which is not necessary for the universal good, he must consider all the misfortunes which may befall himself, his friends, his society, or his country, as necessary for the prosperity of the universe, and, therefore, as what he ought not only submit to with resignation, but as what he himself, if he had known all the connections and dependencies of things, ought sincerely and devoutly to have wished for." Adam Smith, *Theory of Moral Sentiments*, p. 346.

¹¹ The omnipresent use of mechanical metaphors in economics is brilliantly analyzed in K.-H. Brodbeck, *Die fragwürdigen Grundlagen der Ökonomie* (Darmstadt: Wissenschaftliche Buchgesellschaft Darmstadt, 2000).

¹² Joseph Schumpeter, *Capitalism, Socialism and Democracy* (New York: Harper Perennial, 1976), p. 129.

¹³ Leon Walras, *Elements of Pure Economics* (New York: Kelly, 1969), p. 69.

¹⁴ K. Nishitani, "Modernisierung und Tradition in Japan," in *Japan und der Westen*, ed/ K. Wehrhahn-Mees, Vol. 1 (Frankfurt/Main: Fischer, 1986), p. 194.

¹⁵ Nishitani, "Modernisierung und Tradition in Japan," pp. 194-95.

¹⁶ Masao Abe, "The Problem of Self-Centeredness as the Root-source of Human Suffering," *Japanese Religions*, vol. 15 (1989), p. 17.

¹⁷ Alasdair MacIntyre, "Individual and Social Morality in Japan and the United States: Rival Conceptions of the Self," *Philosophy East & West*, vol. 40 (1990), pp. 489-497.

¹⁸ Here, I am referring to subjective and behavioral economics in general and, more specifically, to the methodological individualism underlying them.

¹⁹ Philip Mirowski, *More Heat than Light* (Cambridge: Cambridge University Press, 1989), chapter 4.

²⁰ Kitarō Nishida, *Intelligibility and the Philosophy of Nothingness*, tr. Robert Schinzinger (Tokyo: Maruzen, 1958), p. 184.

²¹ Thorstein Veblen, *The Place of Science in Modern Civilization* (New York: Viking, 1969), p. 162. Emphasis added.

²² Frank H. Knight, *Risk, Uncertainty and Profit* (Mineola: Dover Publications 2006), pp. 13-21.

²³ Knight, *Risk, Uncertainty and Profit*, pp. 313-17.

²⁴ Francis Y. Edgeworth, *Mathematical Psychics. An Essay on the Application of Mathematics to the Moral Science* (London: Kegan Paul, 1881), p. 16.

²⁵ Mirowski, *More Heat than Light*, p. 138.

²⁶ Edgeworth, *Mathematical Psychics*, p. 15.

²⁷ Friedrich von Wieser, *Gesammelte Abhandlungen* (Tübingen: Mohr 1929), p. 18.

²⁸ M. Baumann, *Der Markt der Tugend: Recht und Moral in der liberalen Gesellschaft: Eine soziologische Untersuchung*. (Tübingen: Mohr, 1996), p. 325.

²⁹ C.B. MacPherson, *The Political Theory of Possessive Individualism* (Oxford: Clarendon Press, 1962), p. 58.

³⁰ A. Baruzzi, *Freiheit, Recht und Gemeinwohl, Grundfragen einer Rechtsphilosophie* (Darmstadt: Wissenschaftliche Buchgesellschaft, 1990), pp. 205-206.

³¹ Lao Tsu, *Tao Te Ching*, chapter 57.

³² David L. Hall and Roger T. Ames, *Thinking from the Han: Self, Truth, and Transcendence in Chinese and Western Culture* (New York: SUNY Press, 1998), p. 284.

³³ Graupe, *The Basho of Economics*, pp. 246-251.

³⁴ This, however, is precisely the credo of liberalism.

³⁵ Tetsuro Watsuji, *Watsuji Tetsuro's Rinrigaku, Ethics in Japan*, tr. S. Yamamoto and R.E. Carter (New York: SUNY Press, 1996), pp. 276 and 281. Emphasis added.

³⁶ Ken Wilber quoted in Joan Stambaugh, *The Formless Self* (New York: SUNY 1999), p. 93.

³⁷ Bin Kimura, *Zwischen Mensch und Mensch: Strukturen japanischer Subjektivität* (Darmstadt: Wissenschaftliche Buchgesellschaft, 2002).

³⁸ Friedrich A. Hayek, *Recht, Gesetzgebung und Freiheit: Regeln und Ordnung* (München: Verlag Moderne Industrie, 1980), pp. 35-36.

³⁹ Ludwig von Mises, *The Ultimate Foundation of Economic Science* (Indianapolis: Liberty Fund, 2006).

⁴⁰ Ludwig von Mises, *Human Action. A Treatise on Economics* (London: Hodge, 1949), pp. 755-46.

⁴¹ Friedrich A. Hayek, *Individualism and Economic Order* (Chicago: Chicago University Press, 1980), p. 24.

⁴² Hall and Ames, *Thinking from the Han*, p. 25.

⁴³ Nishida, *Intelligibility and the Philosophy of Nothingness*, p. 176.

⁴⁴ Nishida, *Intelligibility and the Philosophy of Nothingness*, p. 208.

⁴⁵ Nishida, *Intelligibility and the Philosophy of Nothingness*, p. 223.

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