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## Business within Limits: Deep Ecology and Buddhist Economics

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# Review of *Business within Limits: Deep Ecology and Buddhist Economics*

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*Business within Limits: Deep Ecology and Buddhist Economics.*  
Edited by Laszlo Zsolnai and Knut Johannessen Ims. Bern:  
Peter Lang Publishing, 2006, 324 pages, ISBN 3039107038,  
US \$62.95 (paperback).

*Business within Limits* is the first volume of *Frontiers of Business Ethics*, a series edited by Laszlo Zsolnai that aims to promote a new ethical model for transforming business into humanistic, sustainable, and peaceful forms. Twelve scholars from four continents contributed the eleven papers, which explore the contributions of Deep Ecology and “Buddhist economics” to the transformation of business into more ecological and humanistic forms.

In 1973, E.F. Schumacher published *Small is Beautiful*, calling for a more humanistic economic system modeled after Buddhist economic principles. Over the past few decades, a growing number of mainstream economists have looked to Buddhist economics for an alternative to neo-classical economic models. This increased interest is in part due to Schumacher’s explication of Buddhist economic principles, which were

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largely unknown to Western economists at the time, but may also be attributed to the high compatibility of Buddhist economic principles with the increasingly popular principles of sustainable development. Deep Ecology has also gained similar attention with the relatively recent rise of awareness of the effects that business has on the environment, and of the need for an economic model that accounts for these complex inter-dependent relationships. *Business within Limits* addresses these issues in a form that will likely appeal to organizational leaders and theorists interested in more sustainable forms of business and economics.

Chapter one, “Shallow Success and Deep Failure” by Knut Johannesen Ims and Laszlo Zsolnai, lays out the theme for the book by briefly presenting some of the problems that have arisen in our global society as a result of what is described as a dysfunctional economic system that celebrates short-term gains at virtually any cost. Ims and Zsolnai then summarize the contributions to business and economics made by Buddhist economics and Deep Ecology which are further elaborated in the chapters that follow.

In “Tackling Greed and Achieving Sustainable Development,” Richard Welford argues for the need of a more sustainable economic model with an interconnected and holistic approach that does not exclude the moral and spiritual realms but rejects materialism, greed, and consumerism. Truly sustainable development, he argues, is a radical concept and is not likely to be achieved by any technological fixes, management systems solutions, or organizational culture changes within the current Western economic framework. Welford finds in Buddhist economics a way to achieve the sustainable development needed. The Buddhist (Eightfold Path) teaching idea of “right livelihood” offers deep meaning to life and daily activities, something Welford finds missing in Western economics, and offers a more accurate understanding of happiness. This is in direct opposition to the neo-classical economic model, where people are un-

derstood as mere consumers who achieve happiness through consuming. The perspective offered here of Buddhist economics is at times a simplistic or idealized one, such as when the principle of non-harm is promoted with the claim that a distinguishing feature of Buddhism is that it has *never* engaged in a religious war. However, the Buddhist economic principles outlined are not inaccurate, and the argument hits the mark in proposing Buddhist economics as a possible solution to the deficiencies of traditional Western economics that Welford and the other contributors outline.

“Economics and Culture” by Stig Ingebrigtsen and Ove Jakobsen addresses the interaction between economics and culture, arguing that culture and sustainable development are threatened by “economism,” the economic invasion of culture and the domination of the mind by consumer conceptions. They argue that this is a threat not only to culture but also to economics in general. To counter this, they propose that stakeholder theory be interpreted more broadly to include real dialogue in a communicative arena between agents of the culture as well as agents of the economy.

In “Business Ethics and the Death of ‘Homo Oeconomicus’,” John Gowdy refutes the traditional Walrasian economic concept of human nature, which he describes as devoid of social context, mechanically rational, and driven by an insatiable appetite for material possessions. This concept is applied to both human beings and firms. Gowdy argues that this concept lies deep in Western cosmology and economic theories, tracing it to Christian theology in the doctrines of original sin and natural order. It was original sin, Gowdy argues, in which disobedience to God brought greed and selfishness to mankind. Economic man then becomes the original sinner who is redeemed by the competitive market. The idea of a natural order that Gowdy describes is that uncoordinated acts of isolated and self-interested actors will lead to harmonious equi-

brium. But, Gowdy points out, a theoretical revolution is underway that challenges this conception and opens the door to allow ethics and social context into the discussion. According to Gowdy, this revolution began in the 1980s with the rise of behavioral economics and game theory, which have demonstrated empirically that a model of human nature as selfish and asocial is a poor predictor of real human behavior and that mere material abundance does not ensure happiness.

“Reducing Society’s Metabolism” is a compelling analysis of the common ground between Buddhist economics and material flow analysis. Peter Daniels points out a few limitations and differences in the two frameworks but goes on to describe crucial similarities that make them highly compatible. According to Daniels, both Buddhist economic and ecological modernization principles like those behind material flows analysis stress lowering society’s metabolism by attaining given ends with the minimum of means. He also finds similarities in the human-society-nature relation with Buddhist economics and materials balance sustainability models.

Daniels propose Buddhist economics not only because of its high compatibility with the prescribed ecological modernization, but also because it contributes valuable aspects that competitive capitalism and technological determinism cannot, namely a philosophical and humanistic foundation for the technological and structural changes that are required for humanistic sustainable development. He concludes that that Buddhism is eminently qualified to help in the collective envisioning of an appropriate guiding image for humanistic and sustainable development, and that the greatest contribution of Buddhist economics may be the insight it offers into understanding the nature of happiness, particularly the well-being resulting from one’s intentions and activities.

Nel Hofstra and Alloy Soppe, in “Finance as if Nature Mattered,” argue that the primary function of money and financial capital, as units of

account and exchange, threatens to become subordinate to the goal of creation of wealth as a goal in itself. Using Deep Ecology and Buddhist elements, they articulate a general approach to changing financial institutions and laws to build a sustainable financial system. They argue in favor of policies that reduce the permanent character of financial assets and help keep the level of real economic growth from rising above the level of the real interest rate.

In “Respecting the Commons,” Zsolt Boda examines the problems associated with considering the natural environment as a public good or commons. As Boda explains, if a public good is one that is collectively consumed and that nobody can be excluded from consuming, then the global natural environment must be considered a public good. Problems arise, however, from the fact that there are few incentives to maintain the public good, and far more to overuse it and let others take care of it. The economic solution is to either appoint a central management to maintain the public good or to somehow privatize it so that the market will then be responsible for its maintenance. According to Boda, the clear trend among recent environmental policies and laws has been in favor of allowing the market to take responsibility, but this is a poor solution largely because it voids the ethical content of the commons. Instead, businesses must acknowledge their own duties toward maintaining and respecting the commons. Boda proposes that businesses refrain from appropriating the commons, that they take part in the governance and management of the commons, and also contribute financially to their maintenance.

Julie Nelson gives an insightful perspective on the relational nature of business firms in “The Relational Firm: A Buddhist and Feminist Analysis.” Nelson rejects the dualistic construct of vilified business firms as harsh and mechanical cogs in a globalized market on one hand and small altruistic community enterprises on the other. Nelson argues that this

simplified construct does not represent our own experience. Referring to Buddhist ideas of self and no-self, Nelson points out the need to let go of attachments to dualistic constructs and to evaluate organizations according to what they *do* instead of merely by such things as size or mission statement. In both Buddhism and Deep Ecology, Nelson points out, what is real are relations and processes instead of *things*, and the diversity and elaboration of these has value. She contrasts this with a Western scientific substantivist view that the physical world is composed of ethically neutral parts in a machine governed by laws. Large corporations might, in fact, be more active, connected and evolving—and full of employees who are performing in meaningful and responsible ways—than are many smaller community enterprises. Nelson describes relations that firms could enter into, and draws on feminist theory to point out how power can be used in unequal, but still caring, relationships. She concludes that understanding firms relationally allows for more wise and compassionate social action on economic problems.

In “Take it Personally,” Knut Johannessen Ims discusses the role of personal responsibility in management by contrasting the cases of three women who risked their professional and personal lives by acting as whistleblowers with the case of Adolf Eichmann, a Nazi who faced trial for war crimes. Ims relies on Aristotelian and existential philosophical concepts of the self, freedom, and responsibility to make the case that all of our choices are ultimately our own and cannot be avoided by deferring to the supposed needs of any particular role. Ims argues that considering ethical problems personally counteracts moral disengagement and improves the quality of life of the person and whatever role they may be filling. Personally engaged workers who use their whole selves to initiate actions and build relationships with stakeholders are much preferred to distant workers who simply follow rules.

In “Toward an Ecology of Spirit,” Michael Bell proposes a way of thinking about organizations as living organisms relying on aboriginal teachings. This approach focuses on discerning the Spirit of organizations by recognizing the complex relationships and inner systems that link everything together. He claims that this understanding causes a new way of being in organizations that allows us to discover our own inner Spirit. Bell describes advances in conceptual paradigms for organizations similar to aboriginal teachings that are based on fields other than economics and business, such as quantum physics, chemistry, and theology. Bell outlines the essential elements for applying these teachings to organizations. These include recognizing: the interconnectedness of all things; that as a part of the rest of the world and of our culture, organizations are living and have a life-spirit; that organizations have a built in sense of purpose and order; that the Spirit of organizations, workers, and the land must all be reconciled; and, that Spirit is discerned through reflection and dialogue.

In the final chapter of the book, “Ethical Business,” Laszlo Zsolnai argues that business activities have a considerable effect on ecosystems and the fate of present and future generations. For a business to be ethical it must conduct its business in a manner that is not only sustainable and does not harm the society or its members in the present, but that will not cause harm to future generations either.

*Business within Limits* demonstrates the significance of Buddhist economics and Deep Ecology to economics theory as well as the contribution that they can make to our contemporary economic models. The degree of compatibility outlined between Buddhist economics and contemporary economic theories and tools will likely inspire further research in this area. Although the perspective on Buddhist economics is not fully developed, *Business within Limits* is a good introduction to Buddhist economic principles for organizational leaders, providing a theoret-

ical background and methodology for implementing change. It is unfortunate that a more critical analysis of the differences or points of divergence between the Buddhist Economic and Deep Ecological perspectives or even more generally between the Buddhist perspective and environmentalist goals is not included. While *Business within Limits* will be of interest to scholars interested in the practical applications of Buddhist economic principles, it is more clearly geared towards organizational leaders and theorists who are working within the traditional Western economic framework and searching for alternatives. In this regard, *Business within Limits* is to be highly commended. It does, in fact, exactly what it aims to do by pointing out the problems of traditional Western economic systems and promoting more holistic and sustainable systems.